

2023 Company Report

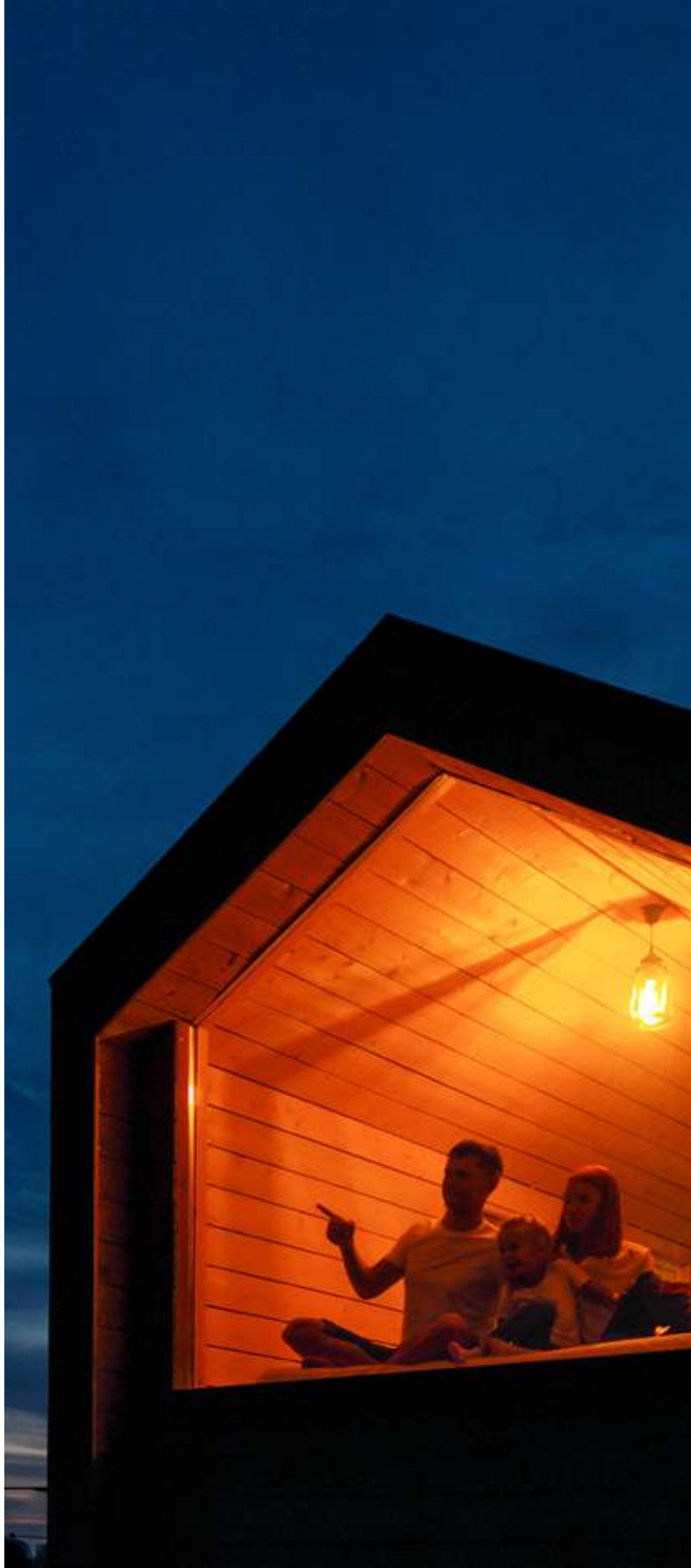
Our Group

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Sustainability Report

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Methodology



2023 Company Report

Our Group — Sustainability Report — Methodology

Find out more at www.aristongroup.com

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Driving our sustainable future

Paolo Merloni
Executive chairman



Dear Stakeholders,

2023 marked a turning point in the history of Ariston Group – a multinational group that today approaches its 95th anniversary as a leading player in the sustainable thermal comfort industry, with more than 10,000 people worldwide and revenues exceeding 3 billion euros.

The year commenced with the completion of the acquisition of Wolf-Brink, which has been the biggest M&A in our history and is now effectively evolving into a transformative partnership. We have been focusing on seamless integration, collaborating with new colleagues across various workstreams while harmonizing our heritages and diverse cultures, in line with Ariston Group's spirit. As we build on our shared system of values, we capitalize on differences to reshape our organizations into one and lay the groundwork of the future of our group. I take pride in noticing that synergies generated to date already gave positive contribution to margins, and that Germany has driven our financial performance this year, corroborating the strength of our vision.

In March we released our ESG manifesto “Road to 100”, defining clear-cut objectives in the fields of Solutions, Operations, People & Community, Customers and Governance, and shaping our sustainability roadmap to 2030. As the energy transition in the building sector is critical to reach Europe's decarbonization targets, we further invested in product innovation to accelerate this transformation

through our solutions and today with our unique, extensive portfolio of renewable and high-efficiency technologies we cover all our customers' needs for sustainable thermal comfort. Additionally, as a global manufacturer, we concentrated on progressively decarbonizing our operations, also by expanding the World Class Manufacturing methodology, focusing on production capacity and efficiency for strategic categories, and implementing the digital transformation across the entire value chain.

We then welcomed Maurizio Brusadelli as the new CEO of Ariston Group. He brought to the group his vision, as well as a wealth of experience and competencies acquired over the course of his robust career. Extending my deepest gratitude to Laurent Jacquemin for his 30+ years dedication, and as he assumed the role of a non-executive board member, I acknowledge how the solidity of our governance guaranteed a smooth succession. The strong cohesion of our Executive Team secured stability and maintained our strategic course. All our people – through their commitment, strategic focus, passion, entrepreneurship, and integrity – were the true protagonists of a special year of shared success.

Leveraging on our vision Sustainable Comfort for Everyone, we put significant steps in the driving of our future. From these standpoints, we look ahead remaining focused on our scale and profitability. Despite the challenges affecting some of our key markets, in

2023 we achieved an unprecedented net turnover of 3,092 billion euros, which represents a 30% year-over-year growth, factoring in the acquisitions of Wolf and Brink (+1% proforma). And we were able to protect margins, increasing our adjusted EBITDA by 38% year-over-year (+9% proforma) and delivering once again a double-digit adjusted EBIT. Our vision is for the long term: we will continue to pursue our profitable growth, elevating our organic ambitions while exploring inorganic opportunities consistent with our development strategy, to stay true to the commitment to our stakeholders.

I express my thanks to all individuals who have played a role in contributing to this collective journey.

Sincerely,

How to read this document

The Ariston Group’s Company Report sets out key commitments and results achieved for the January to December 2023 reporting period. More specifically, the Report aims to provide a comprehensive description of **qualitative** and **quantitative information** which outlines the Group’s effort in sustainability topics.

In order to facilitate the reading of this Report by the Group’s stakeholders, the document is structured around three macro-sections which are illustrated below.



Our Group 	Our Group	Presents the Group , focusing on its core business, historical milestones, key numbers and brands that make up the corporate portfolio.
	European Taxonomy	Describes and explores the Ariston Group’s contribution to the six European Taxonomy objectives, in terms of Taxonomy-eligible and aligned economic activities.
	The Group’s Sustainability Journey 	Describes the path towards the Road to 100 , the Group’s 2030 ESG Plan. 2023 marks one year since the Company’s strategic plan has been issued.
		Provides a snapshot of the main 2030 objectives and ambitions for each of the Group’s material topics, as defined in the <i>Road to 100</i> plan.
	<i>Road to 100 engagement areas</i>	<i>Material topics</i>
	1. Solutions What we produce and sell	• Sustainable energy solutions • Smart homes for sustainable living
	2. Operations How we produce and sell	• Resources productivity and circularity • Responsible supply chain
Methodology 	3. People & Communities The impact on communities we operate in	• Excellent employee experience & engagement • Education for the future
	4. Customers The impact on our business stakeholder	• Beyond customer proximity • Trustworthy quality excellence
	5. Governance Safeguard the way we do business	• Long-sighted sustainable governance
	Note on methodology	Explains the methodology used for the creation of the document, along with reporting scope and standard followed
	Technical appendix	Provides a thorough overview on all reported GRI standards and Disclosures, both from a quantitative and a qualitative perspective
	GRI content index	Enhances the usability of reported information and helps stakeholders navigate disclosures and see the information at a glance

Our group 2023



OUR VISION

Sustainable comfort
for everyone



Our purpose is to provide everyone,
in every corner of the world,
with high-quality thermal comfort solutions,
while protecting the environment.

OUR MISSION

To be the world's preferred partner in delivering energy efficient and renewable solutions for thermal comfort

To be able to understand the consumers' needs and to satisfy them worldwide, with leading brands and an extensive offer of products and services in the thermal comfort, burners and components sectors.

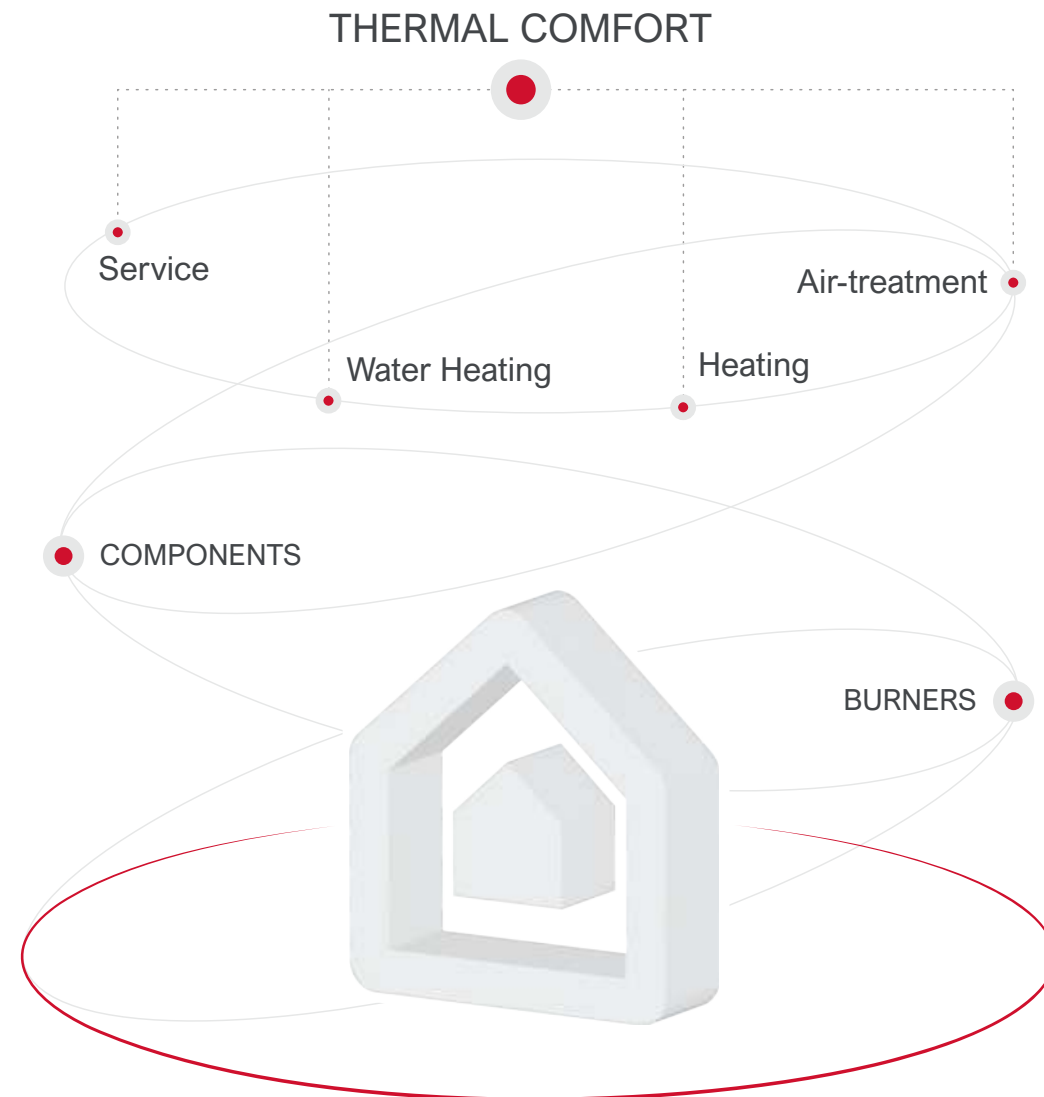
A global company with strong local roots



40 countries, 28 production sites,
29 centres of competences
and R&D in 5 continents.

WHO WE ARE AND WHAT WE DO

Ariston Group



A global leader in thermal comfort and energy efficiency

All over the world, Ariston Group is synonymous with comfort, energy efficiency and respect for the environment, thanks to its renewable and high efficiency products, its plants run in compliance with the most advanced production standards and its excellent pre- and after-sales customer support services.

The Group has a leadership position in the global thermal comfort market for residential and commercial spaces through its strategic global brands – Ariston, ELCO and Wolf – and its renowned regional and local brands. Components and burners, respectively marketed Thermowatt and Ecoflam, complete the offer.

THERMAL COMFORT

Strategic Global Brands

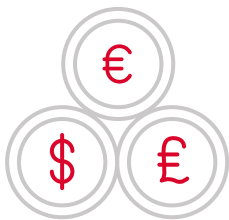
COMPONENTS

BURNERS

2023 HIGHLIGHTS

The Group by numbers

Global presence and local resources:
our numbers describe a solid and growing
Group rooted in its values and the local territory.



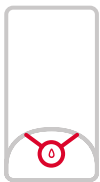
3,092

Million euro in sales



10.2%

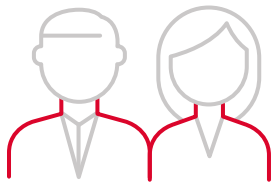
Adjusted EBIT



8.5

Million products per year

(and 33,000 million components)
sold in 168 countries in the world



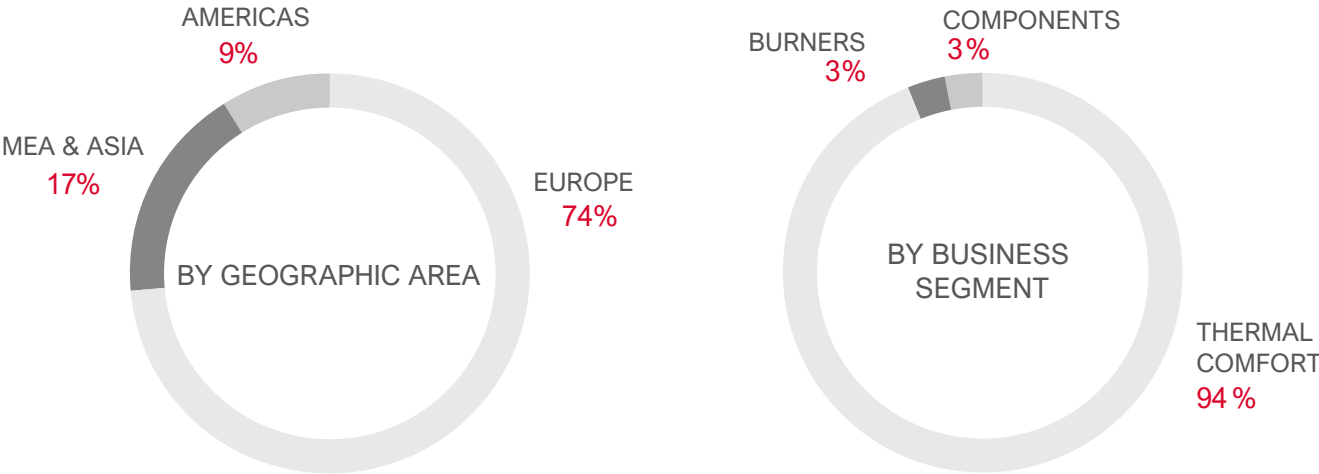
10,769

People

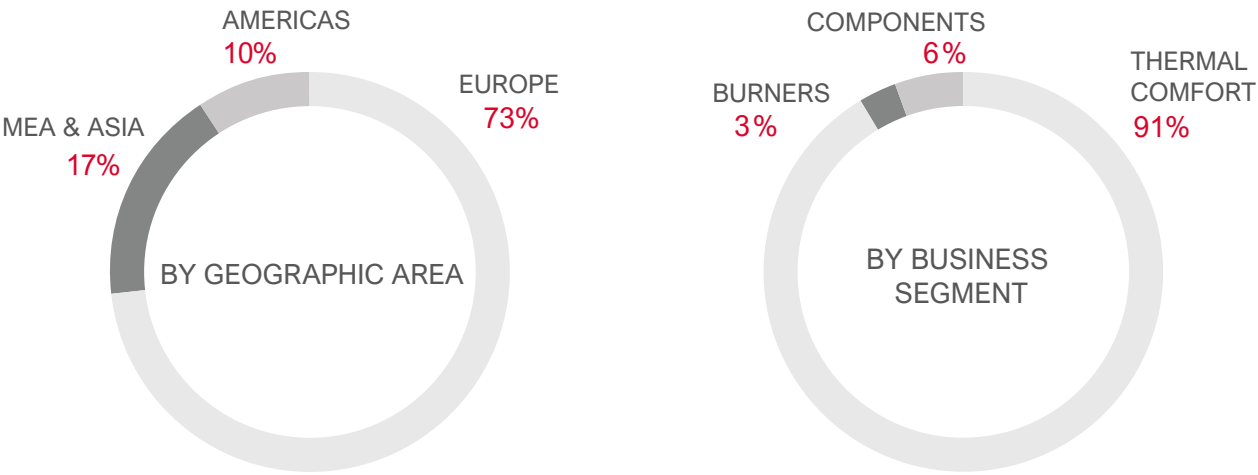
Local people hold 30%
of managerial positions*

* Data referred to Ariston Group legacy only

Sales



Employees



Global vision, local action

Ariston Group is the world’s partner in renewable and energy efficient thermal comfort, with a strong and long-established presence in Europe, and a growing exposure to North America and the emerging economies of Asia, Middle-East and Africa.

Production sites

Belgium	Namur
Canada	Saint John
China	Wuxi
Croatia	Samobor
France	Chartres
	Vieux-Thann
Germany	Mainburg
	Pirna
	Wolfhagen
Israel	Nof HaGalil
	Shaar-Haamakim
Italy	Albacina
	Arcevia
	Cerreto
	Follina
	Genga
	Osimo
	Resana
Macedonia	Bitola
Mexico	Saltillo
Netherlands	Kampen
	Lichtenvoorde
	Staphorst
Russia	Vsevolozhsk
Serbia	Svilajnac
South Africa	Centurion
U.S.A.	East Freetown
Vietnam	Bac Ninh

40
Countries
all over the world

28
Production sites
in 16 countries

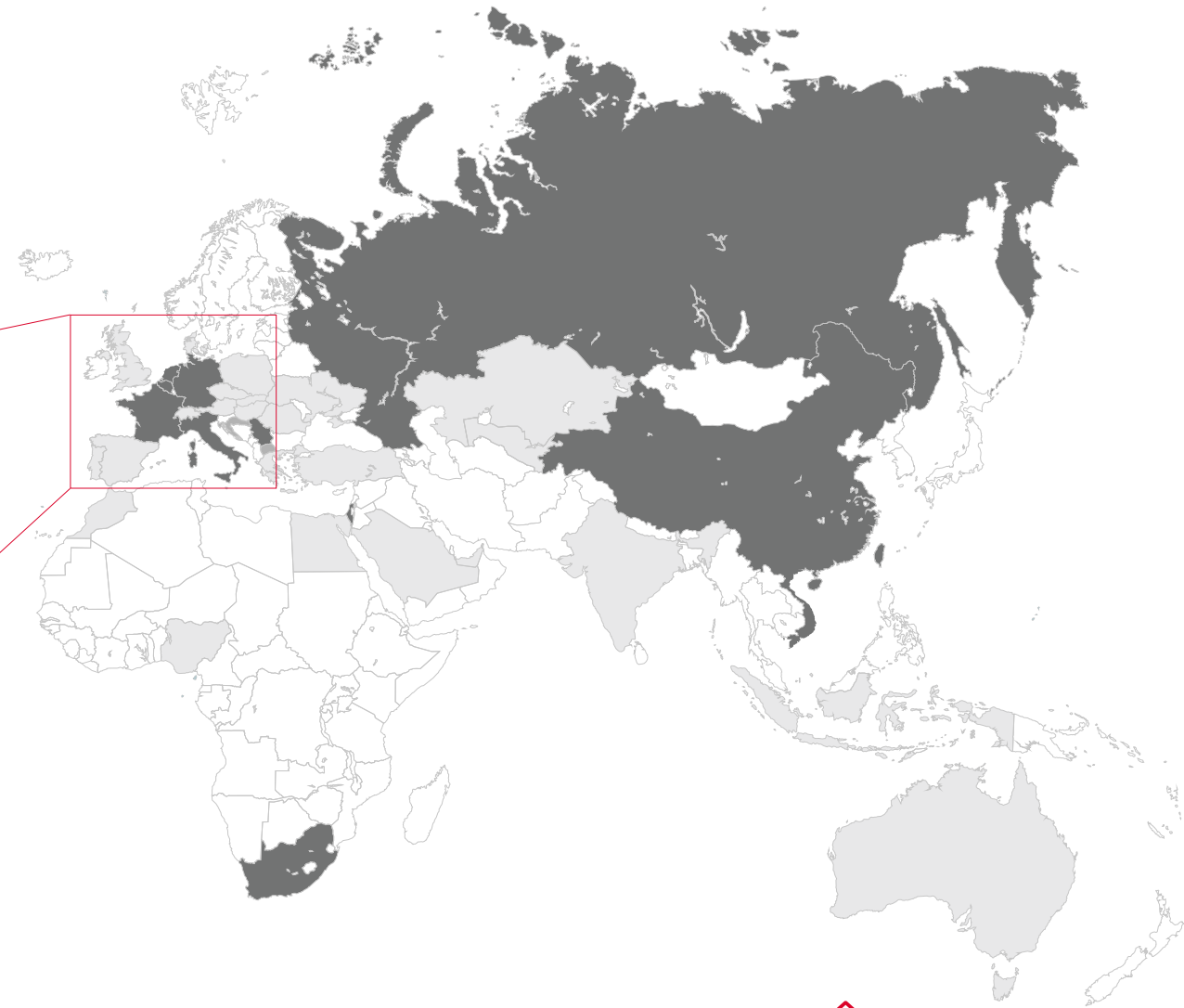
29
Centres of competences
and R&D in 15 countries

168
Distribution
countries

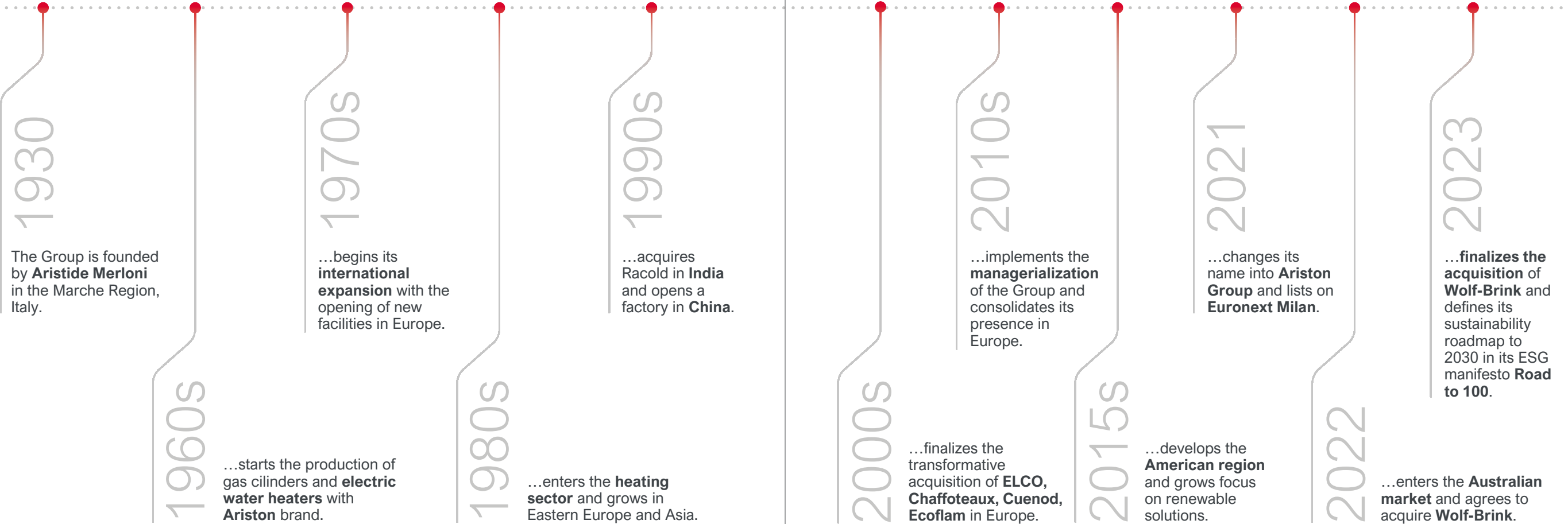
- Commercial operations
- Production site
- Production site + R&D
- Legal seat
- Headquarters

Countries we are operating in

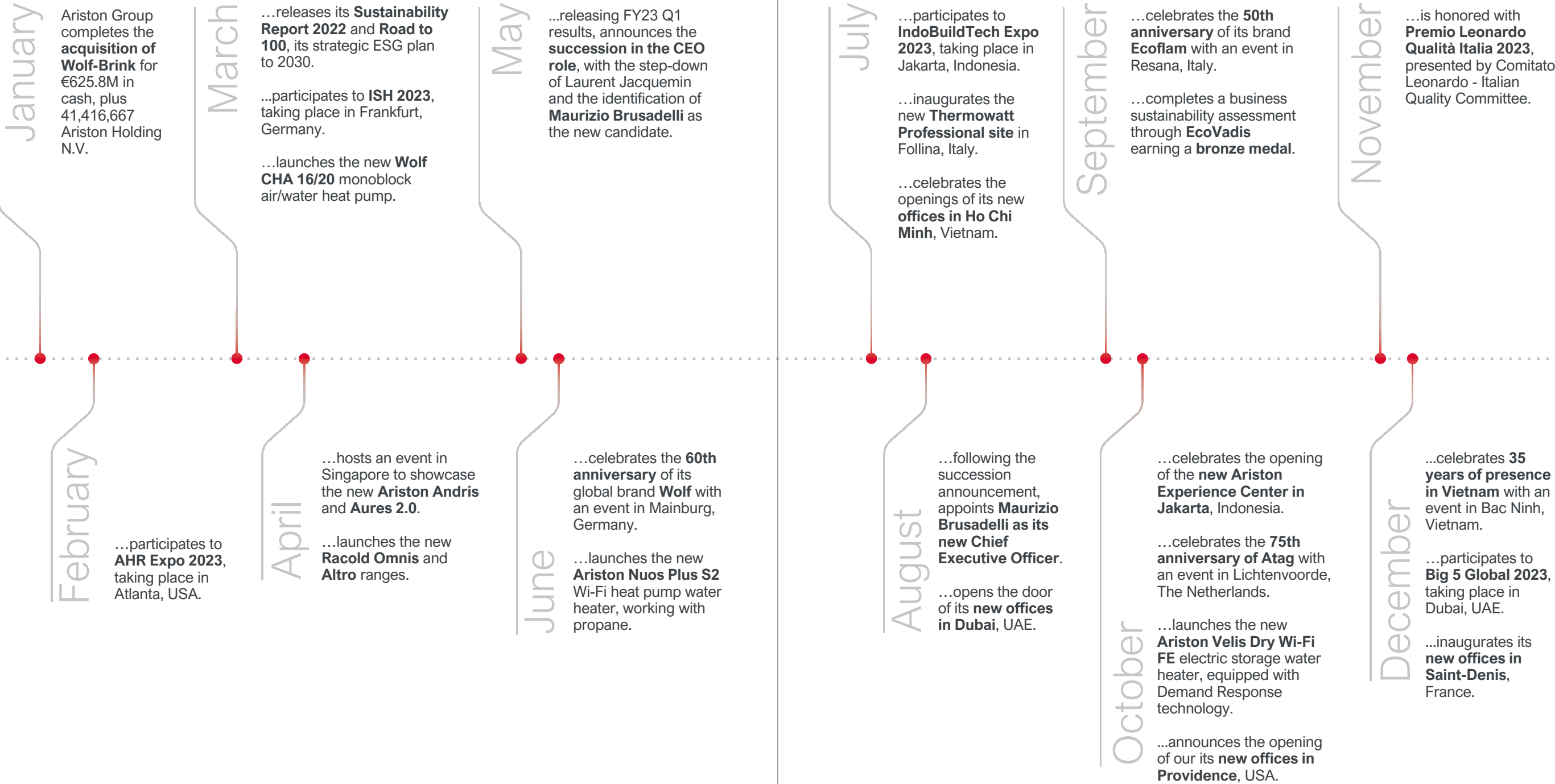
Australia	Indonesia	Saudi Arabia
Austria	Israel	Serbia
Belgium	Italy	Singapore
Canada	Kazakhstan	Slovakia
China	Macedonia	South Africa
Croatia	Mexico	Spain
Czech Republic	Morocco	Switzerland
Denmark	Netherlands	Ukraine
Egypt	Nigeria	UAE
France	Poland	United Kingdom
Germany	Portugal	U.S.A.
Greece	Romania	Uzbekistan
Hungary	Russia	Vietnam
India		



Our history



2023 highlights



Brands and products



Brands of excellence,
high performance
and high efficiency products



Global expert in heating and water heating, offering a wide range of renewable and energy efficient solutions to provide sustainable comfort to every home

As a **leading brand in heating and water-heating with over 90 years of history**, Ariston understands the challenges in creating, developing and operating practical and high-performance products and systems that guarantee exceptional levels of comfort and efficiency.

Ariston prides itself in being **the home of sustainable comfort**: a reference brand trusted worldwide by millions of families and industry professionals longing for advanced thermal comfort solutions that not only are easy to use and maintain but also use as little energy as possible.



Giving all homes access to **advanced sustainable comfort** solutions using less energy and effort, so we can all enjoy life at home and on our planet.

The combination of a worldwide reach with an in-depth knowledge of each local market



A global brand, leader in more than 40 countries in water heating and in more than 10 in the area of heating, Ariston offers an extensive range of products and solutions with different energy sources and for different applications, thoroughly **understanding the needs of local customers and professionals**. As a pioneer in the flat segment with the Velis range, Ariston has further evolved its offer by introducing the Lydos range, **the first class-A energy efficient hybrid technology in Europe**, and in 2023 has refreshed its heat pump water heater offer launching the new NUOS PLUS.

In the area of heating, Ariston offers a portfolio of solutions based on high efficiency and renewable technologies, such as the One+ range, the last generation of condensing boilers certified for mixtures of up to 20% hydrogen*, and the Nimbus range, the heating heat pumps that offer a solution for every need.

Effective and simple to manage solutions to improve the home comfort and to empower consumers to live more sustainably



At Ariston, over the years, we have confirmed and strengthened our commitment to create **high-efficient and renewable products** equipped with advanced features aimed at simplifying and improving everyday life. Through products embedded with easy to activate advanced functionalities such as the Auto function, Comfort function, Boost function and Eco Evo function, we provide to customers a **superior in-home comfort experience**.
Our products are simply smarter: they can be controlled remotely using the **Ariston NET app**, offering added convenience and allowing consumers to live more sustainably.

An outstanding combination of online-offline services and supporting tools to empower our partners



At Ariston, we work to be a **reliable partner for our professionals**. From training options to bespoke solutions designed to help them grow their businesses, we streamline their work and ultimately enhance their sense of belonging to a community they can trust. 99% of support centers are satisfied with Ariston NET Pro, the app we developed specifically for our partners. Starting from 2022, **Ariston introduced One Team**, an exclusive platform aimed at delivering essential day-to-day support to our professional network. In 2023, in our ongoing efforts to empower our business partners, **Ariston unveiled Expert**, the exclusive platform dedicated to service centers to facilitate installation and maintenance management.

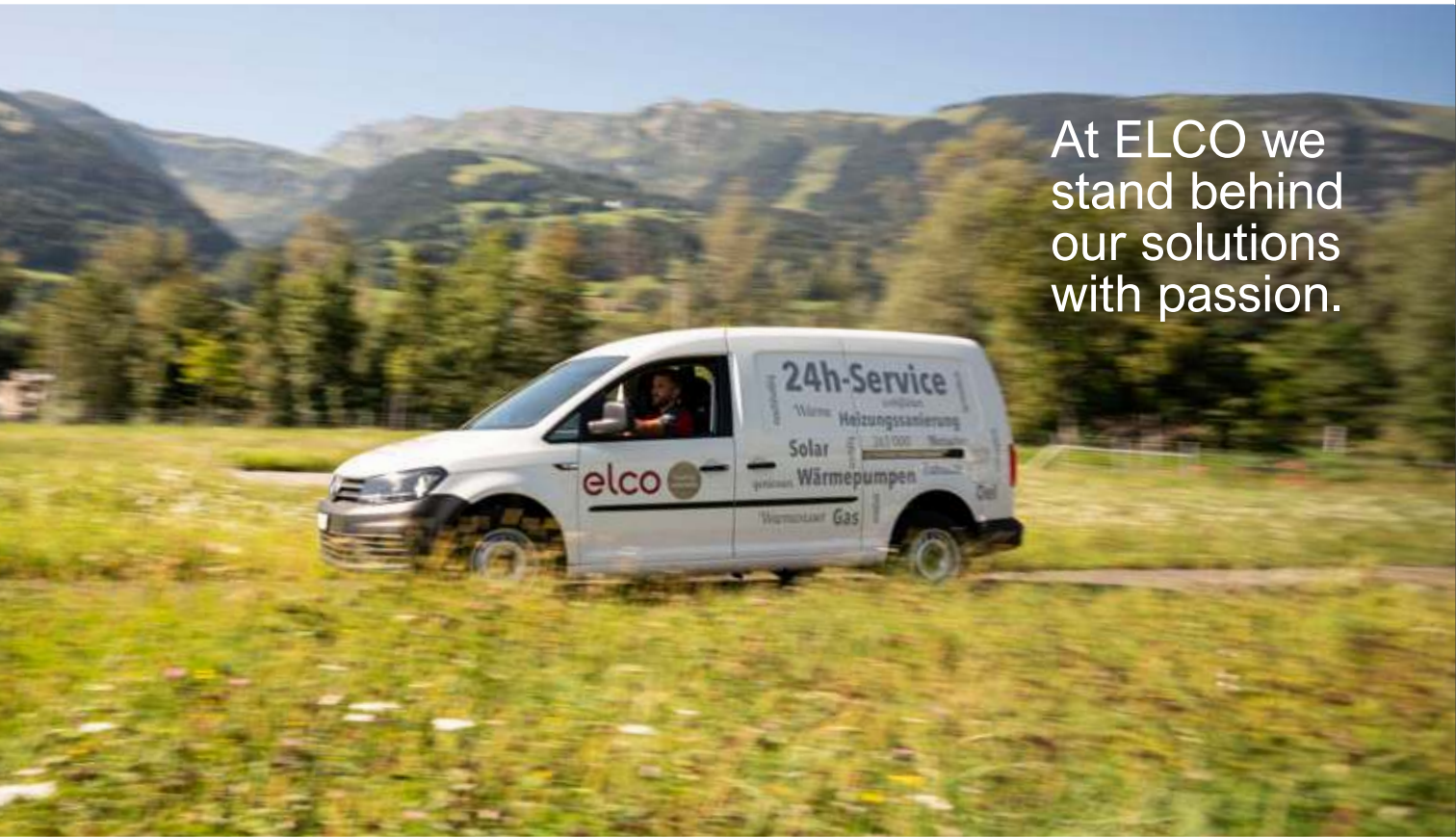
* The use of hydrogen blend in the grid is subject to the national government sourcing policy



The European heating solutions provider, offering excellent products, tailored systems and first-class service through the entire customer journey and solution lifecycle

ELCO is an **internationally renowned expert in heating technology**, offering a wide range of high quality, tailored and optimized heating solutions.
Since 1928, ELCO can boast unrivalled services for refurbishment, modernization and new building

projects across residential and commercial applications. Its First-Class Service team provides 365 days a year, 24 hours a day, 7 days a week technical support to ensure that customers' heating systems work reliably and efficiently for their entire life cycle.



At ELCO we stand behind our solutions with passion.

Exceptional products with strength, durability and heavy emphasis on environmental and health-related issues at the center of their design essence



Designing **silent products**, like the new AEROTOP SX, has always been a priority for ELCO, especially in terms of our air-to-water heat pumps, which move large amounts of air, while extracting heat from the environment (even at -20°C).

All ELCO condensing boilers utilise the **proprietary HEX3 stainless steel heat exchangers**, as the material provides exceptional resistance to the corrosive environment.

Featuring a multi-pipe construction, the heat exchanger returns the highest level of efficiency and significantly lower NOx emissions, with ELCO's products performing **60% below the EU NOx limit** on average.

Experienced engineers comprehensively assess a project's requirements to formulate a dedicated technical specification



For the last 15 years, our dedicated System Lab and Application Engineering teams have **used state-of-the-art tools** to help customers benefit from the **highest quality standards and best practices**. ELCO provides all kind of solutions for residential, commercial and industrial applications, for new projects or renovation, mono-energy or multiple energy sources, simple or complex.

ELCO products are backed by a first-class service team who are fully trained in the latest technologies



With over 800 service technicians in the DACH* region, ELCO provides 24/7 on-site servicing, 365 days a year. Our aim is to **respond to all calls within 4 hours**.

As an organization, we pride ourselves on our ability to prioritise customer service, efficiency and reliability. We also offer remote diagnostics and support services, allowing customers to troubleshoot issues and receive advice from a qualified technician over the phone or via a dedicated online portal.

* DACH region: Germany, Austria and Switzerland



Wolf is passionate about creating quality of life. We always keep our focus on the people we serve to provide solutions always in tune with their needs: we satisfy their fundamental desire for comfort and well-being, while acting sustainably.

For Wolf, the universal need for ideal room temperatures, sufficient hot water and healthy indoor climate are the focus of all our activities.

Wolf is a leading manufacturer of heating, ventilation and air handling systems since 1963.

The product portfolio now includes heat pumps, gas and oil condensing systems, hybrid solutions, storage systems, solar thermal systems, **domestic ventilation, air handling units and combined heat and power plants.** Wolf is internationally well positioned with nine subsidiaries and sales partners in more than 50 countries.



Heating and ventilation technology for a healthy indoor climate



An **optimally coordinated system of heating and ventilation technology** is the key to a perfect indoor climate. Wolf offers sustainable heat pumps, hybrid solutions and highly efficient ventilation systems.

With its successful CHA Monoblock product, Wolf has been focusing on the development of environmentally friendly heat pumps using the **natural refrigerant R290 for many years.** This is once again underlined by the excellent result achieved in 2023 in the Stiftung Warentest. By using a modern ventilation system, residents benefit from clean air in the long term without losing energy through open windows. In addition, the components of the Wolf UniAir distribution system meet particularly high hygiene requirements and have been certified by TÜV SÜD.

Air handling products for every project from small to large



In the field of air handling technology, Wolf impresses with a variety of solutions, flexibility and a comprehensive all-round service, ideal for estate investors, planners and plant engineers: **from standard compact units and modular systems to customized individual solutions with an air flow rate of up to 350,000 m³/h,** regardless of the use case and structural conditions. Wolf is a strong partner in all areas of HVAC and offers not only prefabricated units optimized for standard systems, but also modular and individual solutions for complex challenges.

Service and digital tools perfectly in tune with our customers



Wolf not only impresses with its first-class and innovative product range, but also with its **award-winning service and practical digital solutions.** Many tools are designed in close cooperation with the expert craftsmen as practical solutions that are precisely tailored to individual needs, e.g. the heat pump configurator. In addition, a nationwide network of service employees guarantees fast and uncomplicated support on site.



ATAG, a Dutch expert in heating, provides a broad selection of high-quality renewable and energy-efficient products and solutions designed for households.



For 75 years, award-winning products have been made in the Netherlands. ATAG today is creating, manufacturing, supporting and selling high-end proven energy-efficient, sustainable heating and hot water solutions characterized by performance, service and technology.

High-quality heating heat pump for maximum comfort and efficiency



ATAG satisfy diverse customer needs through an extensive selection of heat pumps and boilers. Renowned for pioneering condensing boilers, ATAG has innovated with a stainless steel heat exchanger, chosen for its resistance to corrosion and wear, ensuring optimal heat transfer. Building on this, the focus on high energy efficiency significantly shape ATAG's product offerings, especially on hybrids and heat pumps.

The 75th anniversary of ATAG in 2023 was centered around the future



ATAG celebrated 75 years of comfort. Installers play an important role in our day-to-day business and that's why ATAG introduced a new installers-model, the ATAG GreenDealer. The GreenDealer is dedicated to sustainable heating and hot water solutions such as (Hybrid) Heat Pumps and Heatpump Water Heaters.

In order to educate ATAG GreenDealers the ATAG ComfortHub plays an important role: a future-proof training and experience center to learn installers how to install and maintain ATAG products.



Brink creates pioneering solutions aimed at enhancing air quality. Our dedication is to ensure exceptional indoor air for all and our ventilation solutions are the key to making this a reality.



Since 1964, specializing in indoor air solutions, Brink Climate Systems has been an expert in residential air heating. The remarkable innovation of Brink became apparent in the early eighties with the development of the pioneering Heat Recovery Ventilation unit (HRV). This groundbreaking invention entered production and was effectively introduced to the market in 1982. In the years after and up until now, Brink kept innovating its solutions, broadening its product portfolio and expanding its scope internationally.

Excellent indoor air day in, day out



We breathe around 25,000 times daily and typically spend up to 80% of our time indoors. While indoor air quality significantly impacts our health, it often falls short of expectations. Despite the numerous benefits of a well-insulated house, without proper ventilation pollutants from activities like washing, cooking, showering and even breathing accumulate, creating an unhealthy indoor environment. Brink provides accessible filtered air to everyone through an array of innovative and sustainable ventilation systems.

Sustainable Heat Recovery Ventilation solutions for every home



The shift towards sustainable energy demands inventive approaches that benefit both the external environment and indoor spaces. As experts in sustainable ventilation incorporating heat recovery, we offer adaptable, quiet, energy-efficient solutions tailored for any type of home. Whether it's a new construction or a renovation, a tall skyscraper or a compact apartment, our systems cater to various housing structures.



Since its foundation in 1967, NTI has been providing a full range of innovative heating solutions and excellent technical support in North America.



NTI meets everyone's needs by developing the latest, most efficient heating solutions and providing the most caring support service in North America.

By listening to the contractors feedback, NTI drives innovation ensuring an exceptional combination of online and offline tools to simplify their work. With NTI you get quality, Made in North America products and unrivaled support.

Innovative heating solutions to meet everyone's need



As pioneers in the development of the most advanced and efficient hydronic heating products for both home owners and businesses, NTI continues to invest in innovation to provide efficient and sustainable heating solutions.

NTI products are smart, energy-conscious, connected, reliable and safe and offer unmatched heating performance.

First-class technical service support



NTI proactively listens to customers' feedback to drive innovation. That's why NTI products are versatile, flexible, easy to install and maintain. To support the contractors, NTI offers also training options to bespoke solutions designed to help professionals grow their businesses, streamline their work and ultimately enhance their sense of belonging to a community they can trust.



Un buen baño te cambia el día®

The water heating brand in Mexico offering high quality energy efficient products and services dedicated to all Mexican families



For more than 75 years Calorex has been one of the leading brand in Mexico, always providing comfort for any lifestyle, constantly reinforcing its leadership and developing efficient and environmentally friendly technologies.

Calorex offers consumers the guarantee of a trusted brand with the most complete portfolio, extensive durability and widest after-sales service network.

The best option in Mexico to cover hot water needs thanks to the widest portfolio of products



With the highest brand recognition in Mexico, Calorex is the only brand which has continuously manufactured its products locally and recently has won 2 Good Design awards in different categories. In 2022, Calorex renewed its gas water heating portfolio, aiming for higher energy efficiency and comfort. Additionally, Calorex provides commercial and industrial solutions to supply hot water to any project, covering a wide array of needs and requirements to provide the best solution to any need.

Unique solutions and technologies to simplify the lives of Mexican families



The exclusive Mi Calorex App allows users to program their product or system from their smartphone with intelligent and intuitive functions that give total control, so that whoever owns a Calorex product can easily enjoy maximum comfort and the highest energy savings. Moreover, Calorex offers over 90 authorized service centers across the country, ensuring specialized guidance, maintenance and repairs.



Reborn Everyday With Hot Water

The Indian water heating brand that provides safe, advanced & energy efficient solutions for comfortable living



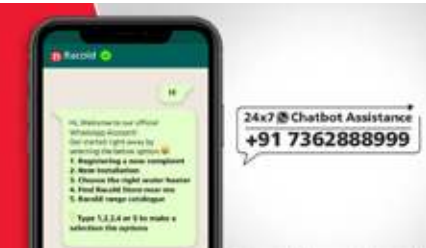
As one of the most trusted* brand in India, Racold has been one of the largest providers of water heating solutions for over 60 years in India. With a distinct focus on water heating, Racold offers an extensive range of high quality and energy efficient products together with a 360° omni channel service, dedicated to ensure the comfort and security of every Indian family. Racold has set a new benchmark in the industry for energy efficiency standards and has the distinction of being the only brand in the water heating category to win the Bee Award for the 10th time.

In 2023 Racold unveiled its cutting-edge Omnis and Altro ranges renovating its product offer



Omnis, the flagship storage water heater, can boast India's First Smart Control Technology, offering features like voice control, Wi-Fi, Smart Bath Logic, Auto Diagnosis and Eco-Function. Altro, the stylish instant water heater, delivers electrifying performance with a Smart Led Ring, faster heating and customizable modes for kitchens and bathrooms, embodying aesthetics, superiority and durability.

"Golden Hour Initiative" to enhance a vast service network with 1.000+ technicians and 500+ service centers across India



The "Golden Hour" concept, adapted from the medical field, emphasizes the critical first hour after a new installation or service request. Racold developed a key performance indicator centered on this time frame, aiming to contact customers within an hour of registration, guaranteeing service support and scheduling appointments. This systematic approach has notably minimized field escalations, enhanced customer satisfaction and expedited service delivery.

*as per Brand Trust Report 2016



A Swiss company specialized in high-quality and energy-efficient solutions for hot water generation and heat pumps.



Established in 1976, Domotec strives to stand out as a premier provider of hot water solutions, with unmatched expertise in crafting tailored options that precisely match the needs of the Swiss market.

Our range of products includes more than 4000 water heaters in over 300 designs



All products are developed in-house, such as the Syncro high-performance water heater, which at peak times can meet a hot water requirement of up to 50,000 liters per day.

As the market leader, we offer our valued professional customers specially tailored services and seminars



Domotec has specialized in custom-made installation solutions in two ways. Firstly, by providing solutions for customized storage tanks of all kinds. Secondly, when necessary, the professionals can dismantle oversized storage units into several easy-to-handle components and move them piece by piece to the location chosen for the installation of the appliance. Our training courses cover a wide range of topics aimed at providing the necessary know-how to ensure that plumbing and heating systems are optimally installed, used and maintained.



Founded in 1962 in Israel, Chromagen has invested many years in bringing innovation, quality and cost-saving hot water solutions to a diverse range of projects.

Since being established, Chromagen has continuously expanded and founded two subsidiaries in Australia and Spain as well as a solid network of distributors who help serve customers in over 40 countries worldwide. Today, Chromagen is recognized as specialist for hot water energy saving solutions and is positioned as one of the top 10 largest flat plate collector manufacturers in the world.

Working hand-in-hand with mother nature, Chromagen’s solar solutions ensure a healthier environment by using renewable and green technology that reduces the need for traditional energy.



Thermowatt satisfies every heating and control need of our clients, covering a variety of applications ranging from domestic to professional, industrial and customizing each solution based on customer requests.



Founded at the beginning of the 1950s in Italy, Thermowatt is a leading manufacturer of heating elements and thermostats. Committed to constant innovation, customer support and manufacturing excellence, Thermowatt offers heating and control solutions across a wide range of applications.



Backed by the support of a global leader in the industry, HTP has become a leader in North America in manufacturing state-of-the-art water heating products.

With 50 years of history and a well-established presence in the United States and Canada, HTP offers a range of products including high-efficiency commercial and residential space heating boilers and combis, condensing and tankless water heaters, thermal solar solutions, and a full range of industry-leading tank type energy efficient water heating products.

Since its founding by Raymond B. Davis in 1974, HTP has become a well-recognized brand with an unmatched reputation for the quality and reliability of its products. HTP’s mission is to create the most efficient and user-friendly products using premium materials and leveraging the expertise of Ariston Group’s world-class manufacturing technologies.

TMEC Wi-Fi launch: sustainable heating with smart Wi-Fi thermostat



TMEC Wi-Fi, Thermowatt's latest thermostat, enhances comfort and minimizes environmental impact by enabling remote activation of water heaters. In response to the growing demand for eco-friendly solutions in a market increasingly focused on energy efficiency, Thermowatt introduces TMEC Wi-Fi as a thermostat with advanced features, including remote temperature control, weekly programming and energy-saving modes. End-users will benefit from increased comfort, substantial energy savings, enhanced safety with timely failure notifications and user-friendly control through the intuitive mobile app.

Customer support from product concept to certification



Continuous innovation and a significant investment in three advanced R&D centers worldwide, underscore Thermowatt’s role as frontrunner of market trends and its ability to anticipate client needs, serving as a technological partner to over 500 customers in more than 100 countries. The commitment to co-design tailor-made solutions ensures best fit to performance, reliability and safety requests. Thermowatt supports customers throughout the entire product development process, from quick prototyping and comprehensive testing to product homologation and certification, establishing itself as a reliable and technological partner.



The most complete range of products in the burner sector to suit any heating or industrial application.



The brands of the Burner Division offer cutting-edge products by leveraging their unmatched experience which dates back to 1899, when Cuenod was established.

Since then, ELCO, Cuenod and Ecoflam have emerged as global leaders in the heating sector thanks to a path of technological advancement and innovation.

Today, the synergy among the Division's brands enables us to share knowledge and technological resources that give us the innovative push we need to keep improving our offer and develop new technologies such as burners with Ultra Low NOx emissions and products suitable to run on alternative fuels like biogas, biofuel, HVO and hydrogen.

2023 marks a new milestone in the long history of the Burner Division with the 50th anniversary of Ecoflam



The history of the Italian company began way back in 1973 in a small apartment in Castelfranco Veneto, thanks to a group of entrepreneurs who, with their willingness, competence and foresight, gave life to a highly successful adventure that would lead Ecoflam, 50 years later, to distribute its product in more than 100 Countries around the World.

The celebrations took place between the Resana Headquarters and the city of Venice with two events, thanks to which we had the pleasure and honor of sharing this important moment with a large crowd of friends and partners, including the founders of the company and our most valued customers.



2023 Sustainability Report



The European Taxonomy



On 18 June 2020, the European Parliament adopted EU Regulation 2020/852, or Taxonomy Regulation, which represents a European response to the current climate and environmental challenges. It contributes to the objectives of the European Green Deal by establishing a first classification system for sustainable economic activities thus aiming to increase transparency and consistency in the classification of such activities and limiting the risk of greenwashing and fragmentation in relevant markets.

The Regulation sets out the criteria for determining whether an economic activity can be considered environmentally sustainable and establishes six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems.

The Delegated Acts identify the economic activities that are eligible for an environmental objective and the criteria to assess whether an economic activity makes a substantial contribution and does not significantly harm any of other environmental objectives. Finally, the economic activities, to be considered as environmentally sustainable, need to be carried out in compliance with the Minimum Safeguards, namely OECD Guidelines, UN Guiding Principles on Business and Human Rights, International Bill of Human Rights. The Commission has adopted the following delegated acts:

- the Climate Delegated Act (2021/2139 EU, June 2021, 2023/2485 EU, June 2023) relating to the objectives of climate change mitigation and climate change adaptation (applicable since the first year of taxonomy reporting),
- the Environmental Delegated Act (2023/2486 EU, June 2023), relating to the other four environmental objectives, which came into force for Non-Financial Disclosures published after the 1st of January 2024.

In compliance with the regulatory obligations of the Disclosure Delegated Act (2021/2178 EU), for this third year of application, non-financial companies are required to check whether their economic activities could be considered eligible and aligned to the first two environmental objective (Climate Change Mitigation and Climate Change Adaptation) and eligible to the other four (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems). From the next reporting year, non-financial companies will be required to check whether their economic activities could be considered aligned to every of the six environmental objectives and the taxonomy disclosure will be complete.

THE GROUP’S CONTRIBUTION TO THE CLIMATE OBJECTIVES

Ariston Group is a leader in the global thermal comfort market for domestic, commercial and industrial spaces. After CENTROTEC Climate Systems GmbH acquisition, the Group has further extended its leadership in the market, indeed. The acquired Group is a pioneer in development of new-generation heat pumps with natural refrigerants (R290), it successfully operates in air-handling, offering high-efficiency systems for flow control and air conditioning in commercial applications; it features a prominent position in domestic heat-recovery ventilation – a requirement for nearly-Zero-Emission Buildings.

Ariston Group also offers specific services related to its solutions installation and maintenance

The economic activities of the Group can be broken down into three main sectors:

- **Burners**
- **Components**
- **Thermal comfort**, which can be classified into water heating products (i.e. heat pumps, solar, electric storage & electric instant water heaters, gas storage & gas instant water heaters, cylinders, etc.), space heating products (i.e. boilers, heat pumps, hybrid systems, air conditioning, thermostats, direct services & parts), domestic heat-recovery ventilation, air handling and combined heat and power¹.

Only the activities related to Thermal comfort, including air handling and domestic heat recovery ventilation products were classified as “Taxonomy-eligible” or “eligible”, whereas Burners and Components have been considered as “Taxonomy non-eligible”, based on the fact that no perfect fit was identified with Annexes I and II of the Climate Delegated Act nor with Annexes I, II, III and IV of the Environmental Delegated Act.

To identify potential “Taxonomy-Eligible” activities, the Group has evaluated:

- the list of activities outlined in the Climate Delegated Act for the first two environmental objectives (Climate Change Mitigation and Climate Change Adaptation). Based on the Group's interpretation of all information made available to date by the regulator, the analysis concluded by finding that economic activities that provide climate adaptation solutions carried out by Ariston Group are exactly the same as those activities that contribute substantially to the achievement of the climate change mitigation objective (therefore they are all reported under the CCM activities);
- the list of activities outlined in the Environmental Delegated Act for the last four objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems). The analysis led to the identification of certain activities related to circular economy, the description of which includes certain economic activities carried out by the Group.

The eligible activities resulted from the analysis are reported below:

The European Taxonomy				The path towards Road to 100	Main 2030 objectives	Solutions	Operations	People & Communities	Customers	Governance
Objective	Activity's number	Activity	Description of activity							
CCM	3.5	Manufacture of energy efficiency equipment for buildings	Manufacturing of: • Water heaters • Boilers • Heat pumps • Air conditioners • Solar thermal • Thermostats • Connectivity • Domestic heat-recovery ventilation • Air handling							
	7.3	Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of boilers, water heaters, domestic heat recovery ventilation and air handling							
	7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of thermostats and connectivity for measuring, regulation and controlling energy performance of buildings							
	7.6	Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of heat pumps and relevant “after-services” activities							
CE	1.2	Manufacture of electrical and electronic equipment	Manufacture of: • Water heaters • Boilers • Heat pumps • Air conditioners • Solar thermal • Thermostats • Connectivity • Domestic heat-recovery ventilation							
	5.1	Repair, refurbishment and remanufacturing	Individual renovation measures consisting in maintenance or repair, refurbishment or remanufacture of: • Water heaters • Boilers • Heat pumps • Solar thermal • Domestic heat-recovery ventilation • Air handling							
	5.2	Sale of spare parts	The economic activity consists of the sale of spare parts beyond legal obligations							

The Group has decided not to go further in the analysis for the activity 7.5 (“Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”), because data from the installation of thermostats cannot be disaggregated from the value of the rest of the products sold (already included in activity 7.3); furthermore, such values represent a residual part of the total aggregated amount for the activity.

The information related to the service are thus split among and generated from the following activities:

- **Activity 7.3** - Installation, maintenance and repair of energy efficiency equipment
- **Activity 7.6** - Installation, maintenance and repair of renewable energy technologies

Considering the Waste from Electrical and Electronic Equipment (WEEE) Directive as a reference for interpreting the definition of "electrical and electronic equipment" dictated by Activity 1.2, all products of the Group that fall under the category "Thermal Comfort" seem to be relevant to the definition and seem, therefore, to be included in the eligibility calculations. Notwithstanding this, Ariston Group carried out a preliminary analysis of the SCC required by Activity 1.2 and found out that the requirements show particular focus on specific features of other products falling in the same definition (i.e. white goods), which are not representative of the Group’s product categories; moreover, they are extremely stringent² and misaligned in terms of timing³ compared to those of the current law on the subject matter, to which the Group is compliant.

In terms of contribution to the climate mitigation objective, all eligible activities are classified as possible enablers for other activities to become low-carbon or to lead to greenhouse gas reductions according to Article 10(1), point (i), of Regulation (EU) 2020/852.

As per last year, to identify how and to what extent the activities of the Group are associated with economic activities qualified as “aligned” to Climate Change Mitigation, Ariston Group has analysed all the applicable technical screening criteria (TSC). Below are represented the steps of the analysis undertaken:

Substantial Contribution Criteria

- Household appliances, space heating, domestic hot water systems, cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and Delegated Acts adopted under that Regulation⁴. This first criterion applies to all Ariston Group’s products identified as Taxonomy-eligible and included in the activity 3.5, namely water heaters, boilers, heat pumps, air conditioners, air handling and domestic heat recovery ventilation systems and solar thermal. This criterion is actually extended to the other Taxonomy-eligible activities identified with the codes 7.3 and 7.6 that are related to the service of installation and maintenance of individual components and systems.

• Heat pumps compliant with the following criteria in accordance with Directive (EU) 2018/2001: Only heat pumps for which the estimated average seasonal performance factor (SPF) > 1,15 * 1/η shall be taken into account. This second criterion applies only to heating heat pumps and to the activity of installation and related operations (activity 7.6)

DNSH Criteria

The Group has verified the compliance of its eligible activities to the DNSH requirements related the objective CCM outlined in the Climate Delegated Act.

• **Adaptation to climate change:** Ariston Group has performed an Assessment of Natural Hazard Exposure to identify top-priority sites deserving of deeper investigations regarding their exposure to natural hazards. The Group is currently working to expand the scope of the analysis and to include other applicable risks, if any, while considering various climate scenarios in short, mid and long term (e.g., scenarios periodically published by the Intergovernmental Panel on Climate Change (IPCC)). The analysis is using the results of the Assessment of Natural Hazard Exposure as its initial reference.

• **Sustainable use and protection of water and marine resources:** Ariston Group is monitoring its environmental impacts through specific internal tools and processes, such as the HSE policy, that cover many different environmental aspects (e.g. energy consumption and air emissions, waste, noise, etc.) To ensure continuous improvement, the Group has designed its management system in accordance with ISO 14001 and to measure and assess environmental performance according to the WCM methodology. The Group’s policy includes water use and protection management plan. This policy is shared with all stakeholders, and suppliers are required to sign a declaration of commitment. Ariston Group consider water as a shared resource by reducing its consumption:



- by improving the production process,
- by reusing water, as an example in the tank sealing quality control station, and moreover cooling processes have closed circuit
- by reducing the use of tap water by withdrawal it from well (83% of the water withdrawal is directly pumped from ground water that is not drinkable).

The Group has developed a standard method for assessing water aspects, which is based on:

- The separation of industrial, civil, and rainwater management.
- Sensitivity concerning discharge into a receiving water body with ecological status (water quality)
- Compliance with legal requirements based on plant authorization categories
- Stakeholder involvement reflecting community concern
- Extension representing the area affected by the impact
- Reversibility of the impact itself.

According to this assessment, Ariston Group factories are considered as a low water-related impact company.

• **Transition to a circular economy:** Ariston Group makes use of cutting-edge technologies to offer energy-efficient products, reduce packaging and provide renewable solutions, considering a priority to innovate for minimizing environmental impacts. The Company is currently working on implementing a circular approach which is based on a strategy that prioritizes recycling over disposal and encourages the reuse of various materials in the manufacturing processes. The initiative begins with the procurement of recycled and recyclable raw materials. For instance, the company sources

recycled steel, more specifically it entails 29% recycled content which we aim to increase as we progress. Steel is the main primary input material for our products: it accounts for about 70% of the total weight of material used for manufacturing primary products. The commitment to sustainability extends to the production processes, which are designed to reduce and optimize consumption.

On this, for what concerns the waste management, a corporate goal for waste reduction and circularity is established annually. Waste reduction projects are prioritized based on the 5R methodology by:

- Refusing non necessary packaging and assessing environmental impact of any change through a pre-project risk assessment
- Reducing waste production by considering byproducts as secondary products; this approach is exemplified by magnesium oxide, which is not classified as waste but as a secondary product to be used as raw material. This involves also designing high-quality products to extend their lifespan and designing efficient packaging to reduce damaged products in the supply chain.
- Reusing packaging of components in collaboration with supplier, rework our own non conforming product to reuse tank and other metal components saving of the production, selling wooden pallets for repair and reuse.
- Recycling metal, plastics, cartons, electrical components, etc.
- Revalorize by prioritizing incineration with energy recovery to disposal processes and continuously conducting technological monitoring to discover new treatment methods for non-recyclable components like polyurethane foam, ensuring the energy efficiency of our boilers.

Moreover, Ariston Group is actively researching alternative solutions to decrease the impact of its packaging, that are officially formalized in the released Sustainable Packaging Definition where the Group highlights the commitment to increase the share of recyclable packaging and recycled plastic, remove

LETTER TO STAKEHOLDERS		HOW TO READ THE DOCUMENT		OUR GROUP	SUSTAINABILITY REPORT	NOTE ON METHODOLOGY	TECHNICAL APPENDIX	GRI CONTENT INDEX	NOTES	
The European Taxonomy		The path towards Road to 100		Main 2030 objectives		Solutions	Operations	People & Communities	Customers	Governance
smaller packaging and minimize the use of plastic or avoid it where possible. Besides, in France, Ariston Group has already dealt with regulations on materials traceability developing during 2022 a project to be compliant with the French law n° 2020- 105 of February 10, 2020, relating to the fight against waste and the promotion of a circular economy (Agec Law)⁵, a great boost to the ecological transition that came into force for the Company from 1 January 2023. The law requires the publication of information on the environmental qualities and characteristics of products (used recycled material, recyclability, presence of rare earth, precious metals and dangerous substances). The availability of the data is enabling the company to identify circular opportunities and raise awareness in terms of resource consumption, with a potential to be further implemented into different areas of the business. While the initial analysis concentrated on France, the project enabled the Group to broaden its comprehension of the materials of products sold and distributed in other markets. Further deep dives on material traceability extends to other substances as well (e.g. substances of very high concern) as the Group is compliant with the REACH, ROHS and POP directives. For further discussion on the topic, please refer to the chapter “The Group’s Environmental Commitment”.		• Protection and restoration of biodiversity and ecosystems: As regard with the objective and the main actions pursued aimed at preserving biodiversity and ecosystems, Ariston Group is ISO 14001 certified and, while in EU is compliant with EIA (Environmental Impact Assessment, Directive 2011/92/EU, outside EU the Group has developed a standard to assess environmental aspects and impacts, including impact on biodiversity. The assessment has been performed on the following risks impacting biodiversity: air emission (VOC, NOx, dust and non-listed substances), water discharge, releases to soil, noise, light and electromagnetic emissions. According to this assessment and the geographic location of its facilities out of any protected area according to IUCN Protected Area Management categories, Ariston Group is considered as not impacting biodiversity.		<i>Minimum Safeguards</i> Ariston Group is committed to respect the fundamental human rights of all its stakeholders across the value chain: in its operations, across the supply chain and in the communities where the Company operates in. Ariston Group’s commitment refers to the internationally recognized human rights defined in the International Bill of Human Rights, the ILO’s Declaration on the Fundamental Principles and Rights at Work and the Convention on the Rights of the Child. Ariston Group’s commitment to Human Rights has been consolidated in a due diligence process, conducted in 2022 - aligned with the UN Guiding Principles on Business and human rights - aimed at identifying and assessing potential risks and impacts related to human rights. This process allowed Ariston Group to identify its salient human rights the principles guiding the Group’s operations are fully aligned with those found in the OECD Guidelines for Multinational Enterprises. For further discussion on the topic, please refer to the chapter “HUMAN RIGHTS DUE DILIGENCE”.		KPI TEMPLATES The three KPIs (Turnover, Capex and Opex) from Delegated Act Art.8, are available in the Group Annual Report 2023 in the section KPIs Templates. The Group carried out analysis on the eligibility of all its economic activities for the 6 Objectives. However, because of the considerations made in the paragraph “The Group’s contribution to the environmental objectives” the templates provide an overview of the quantitative analysis performed with respect to the eligibility and alignment of the Group’s economic activities to the “Climate Change Mitigation” objective. The values provided reflect a conservative approach to the interpretation of the new Regulation and were elaborated also taking into consideration the available information (e.g. Q&A) and requirements set out by the regulator. Therefore, the Group does not exclude the possibility of revising the methodology applied so far based on any new Q&A or specific guidelines for the next reporting year.				
						CALCULATION METHODOLOGY 2023 For 2023, Ariston Group performed again the analysis to determine the percentage of eligibility and alignment of the climate related economic activities. The values provided for Turnover, CapEx and OpEx reflect a conservative approach to the interpretation of the new Regulation and were elaborated also taking into consideration the available information and requirements set out for the two objectives previously mentioned. With the introduction of the Environmental Delegated Act, Ariston Group used the updated templates in accordance with the Regulation. Regarding CE Group eligibility, more information are available in the Annual Report 2023. The graphs belows refer only to the alignment to the CCM.				
						<i>Products – alignment methodology</i> The results of the three KPIs related to products are generated from economic activity 3.5, which is the manufacture of energy efficiency equipment for buildings. The products related to this activity are water heaters, boilers, heating heat pumps, heat pump water heaters, air conditioners, solar thermal, domestic heat-recovery ventilation, air handling, thermostats and connectivity.				
						• KPI for Turnover: The numerator was determined starting from an analysis of the main product families to identify Taxonomy-aligned products according to the Technical Screening Criteria (TSC): renewable energy technologies have been fully included in the Turnover calculation, while for water heating and space heating solutions, only the two highest classes of energy efficiency have been taken into consideration. As per the denominator of the KPI, 2023 consolidated net revenue was used (for further information see Annual Report 2023)				

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 2023 COMPANY REPORT

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• **KPI for CapEX:** The numerator includes the total amount of Capex associated with Taxonomy-aligned products, such as research and development activities aimed at reducing costs and improving product quality, all the laboratories, all the assets inside the research labs and all the plants and properties that improved the manufacturing process of such products.

The denominator includes additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations.

• **KPI for OpEX:** The numerator includes the total amount of operating expenditures, such as non-capitalized R&D costs and maintenance and repair expenditures. **As in the methodology used for calculating Capex, each type of costs has been linked to the corresponding product family classified as Taxonomy-aligned.**

The denominator contains direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Services - alignment methodology

The Group decided not to compute the three KPIs for activity 7.5 (“Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”) because revenue data from the installation of thermostats cannot be disaggregated from the value of products sold (already included in activity 7.3); furthermore, such values represent a residual part of the total aggregated

amount for the activity. Accordingly, it is not possible to define a methodology to allocate CapEx and OpEx properly.

The results of the three KPIs related to the service are generated from the following activities:

- **Activity 7.3** - Installation, maintenance and repair of energy efficiency equipment
- **Activity 7.6** - Installation, maintenance and repair of renewable energy technologies

• **KPI for Turnover:** To calculate the turnover originated by the services carried out by Ariston Group, only the services conducted by the companies or brands that offer direct after-sales services have been taken into account. The numerator of the turnover is calculated from the service of installation, maintenance and repair on products previously identified as Taxonomy-aligned.

In the calculation of Turnover, also Spare Parts are included. As denominator of the KPI, 2023 consolidated net revenue was used.

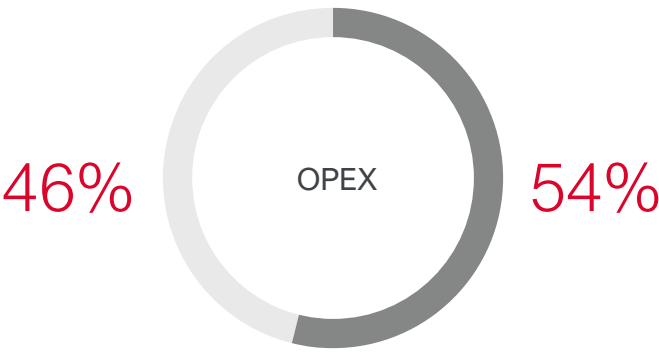
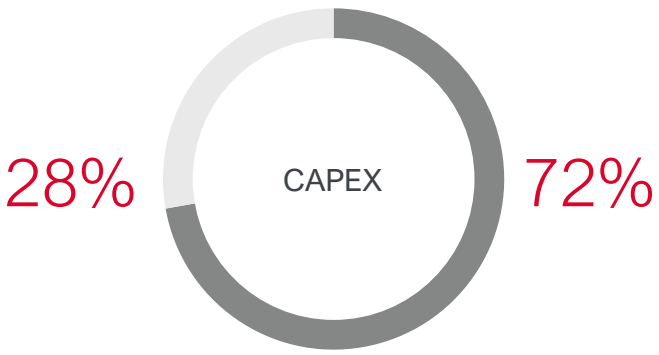
• **KPI for CapEX:** The numerator covers the total amount of CapEx related to the services of installation, maintenance and repair of products previously identified as Taxonomy-aligned. In this calculation, the CapEx from the installation of the Spare Parts has not been considered as it falls within the scope of the CapEx of the finished products.

The denominator contains additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any restatements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes.

The denominator also includes increases in tangible and intangible assets resulting from business combinations.

• **KPI for OpEX:** The numerator calculation of OpEx includes car rental, fuel, non-capitalized R&D costs related to the services of installation, maintenance and repair of each product category previously identified as Taxonomy-aligned. In this calculation, the OpEx from the installation of the Spare Parts has not been considered as it falls within the scope of the OpEx of the finished products.

The denominator contains direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.



- Climate Change Mitigation Taxonomy-aligned activities
- Climate Change Mitigation Taxonomy non eligible activities

The Group’s Sustainability Journey: key milestones achieved in 2023

THE NEW ACQUISITION'S INTEGRATION

While 2022 saw the acquisition of Chromagen, an Israeli company leader in the provision of renewable hot water solutions, in 2023 the Company brought to completion **the acquisition of 100% of the share capital of CENTROTEC Climate Systems GmbH from CENTROTEC SE**. The acquired Group operates through four renowned brands. **Wolf** is a pioneer in development of **new-generation heat pumps with natural refrigerants** (R290) characterised by high efficiency and low noise levels. Together with the brands **Pro-Klima** and **Ned Air**, it also successfully operates in the **air-handling sector**, offering high-efficiency systems for flow control and air conditioning in commercial applications. Lastly, **Brink** is a prominent European player in **domestic heat-recovery ventilation**, a requirement for Nearly Zero-Emission Building (NZEBs). The acquisition has contributed to increasing **the Ariston Group’s sustainable product portfolio** and is an important step towards further meeting its ESG targets.

This acquisition has, of course, brought along a complex process of integration of the various brands into the Company’s operations, including on sustainability-related aspects and relative disclosures.

The presence of different entities and the amount of data to be reported on therefore makes it difficult to finalise the process in a 12-month timeframe, which is the scope of this Report. In fact, 2023 saw a careful assessment of available data, as well as data collection practices, in order to guarantee a smooth and effective integration alongside the creation of **high-quality and reliable reporting at the corporate level**. More specifically, as the year unfolded, the Group’s functions have actively worked on fine-tuning these processes, to create uniformity and steer the Company towards the objectives defined in its strategic plan. While certain datasets and aspects were easier to collect and integrate, other indicators have proven more challenging to gather.

The emphasis on data quality and its strategic integration is not just a key step to achieve the 2030 objectives, but also a key element ensuring that Ariston Group’s sustainability journey is built on a **robust and reliable framework**, underscoring the Company’s dedication to transparent and comprehensive reporting.



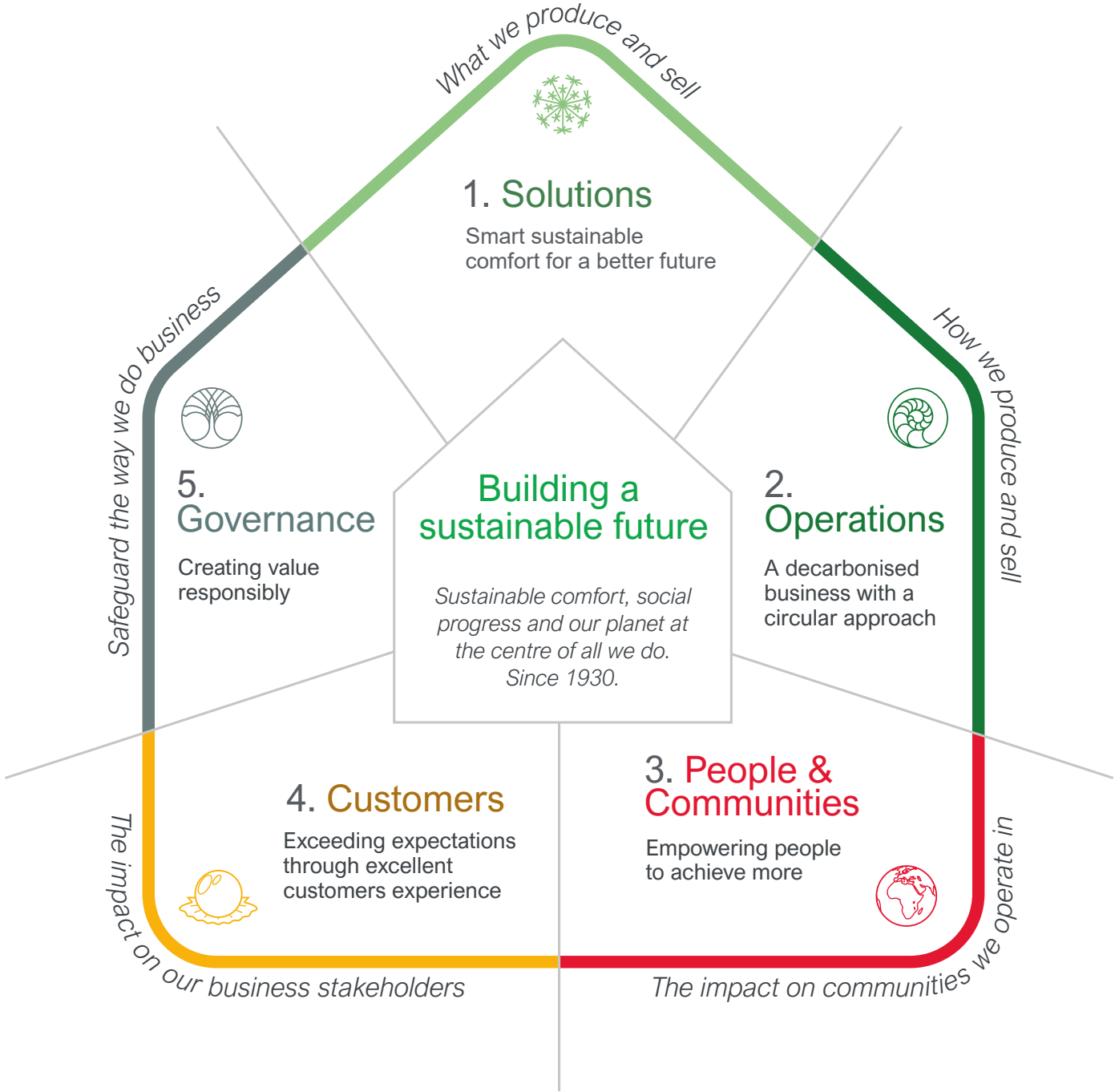
A YEAR AFTER THE PUBLICATION OF THE "ROAD TO 100" PLAN

METHODOLOGICAL APPROACH

As we celebrate the first anniversary of the “Road to 100” plan, **the document still represents the Group’s vision** and its efforts to lead the Company towards its 2030 sustainable targets through a clear roadmap. As a leading actor of sustainable development, Ariston Group is aware that sustainability translates into a **long-term vision and objectives**, which can be achieved only through a solid path of short, medium and long-term actions and initiatives.

This vision was developed based on an **engagement process operating on three different levels**.

- First, the Group’s **key stakeholders (both internal and external) were engaged to help renew the Company’s materiality analysis**, a process already underway since 2017. From the identification of a shortlist of potentially relevant topics, the **9 material topics** most relevant to the business and its stakeholders were defined, carefully assessed based on their potential **economic, environmental and social impacts**.
- Next, starting from these material topics, a **forward-looking and strategic ESG plan** was defined. The process comprised an in-depth market benchmarking and analysis of ESG pressures, challenges and opportunities related to each material topic.
- Once these were outlined, the Group’s top management, as part of the ESG Council, defined the **five engagement areas** on which to focus its business strategy. Finally, managers were engaged to help define – through **SWOT analyses and a path of progressive convergence** – clear objectives and supporting initiatives for each of the nine material topics.



The five engagement areas that define the key pillars on which Ariston Group has set its ESG strategical direction include **solutions, operations, customers, people & communities** and finally, **sustainable governance**. These areas are, in turn, divided into the **nine material topics**.

In parallel to these efforts, throughout 2023, Ariston has taken **proactive measures to pre-emptively address future compliance** – starting with FY2024 reporting – **with the Corporate Sustainability Reporting Directive (CSRD)**. This Directive mandates that companies falling under its scope carry out a **“double materiality” analysis**, as defined by the new European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG). This comprehensive analysis involves the definition of both the **generated impacts and the suffered financial risks experienced by the Company**, based on a set of themes outlined by the ESRS. This early commitment underscores the Group’s dedication to **ensuring compliance with emerging regulations** and adopting advanced non-financial reporting practices.

FIRST OUTPUTS

While the Group already noticed progress a year after the Road to 100 Plan was first issued, it expects much more to materialise over the next few years. Additionally, the Company is **constantly developing its business and its goals** in line with the rapidly evolving sustainability landscape. In fact, the updated Road to 100 2023 document now includes **new goals focused on circularity**, together with new objectives that replace those that have already been achieved.

In the context of the recent integrations, the main focus and effort is to **ensure that the targets defined in the strategic plan seamlessly apply to all entities** within the Ariston Group’s scope. While one year might not prove sufficient to provide a comprehensive picture, especially considering the scale of the recent integrations, **the Groups is already witnessing positive trends and improvements, especially in the Solutions pillar**.

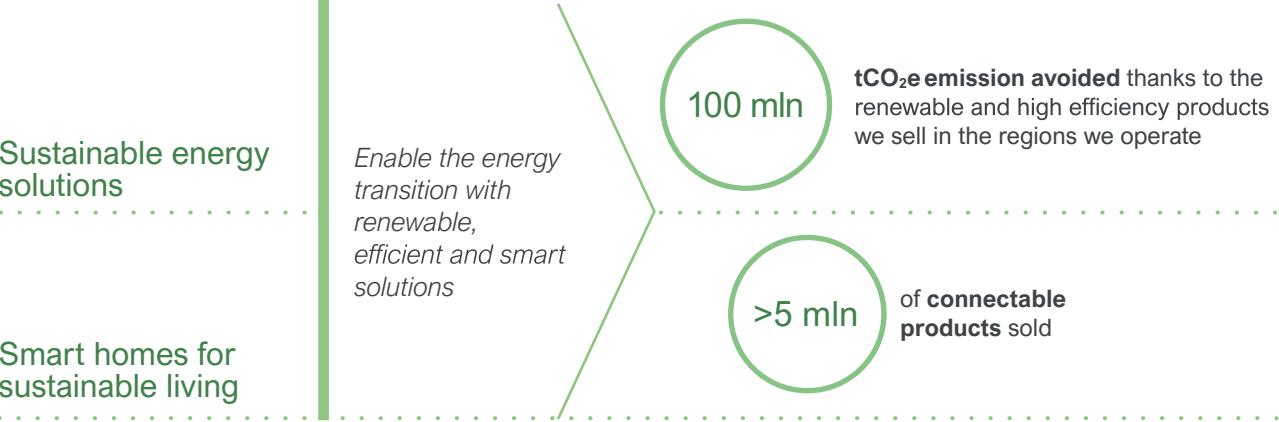
In the summary tables depicting the targets and supporting initiatives, the progress made in 2023 is outlined, both on the pre-acquisition perimeter, named “excl. Wolf-Brink” and the current one, named “incl. Wolf-Brink” where available. In the “Status” column, the deviation from the baseline is indicated.



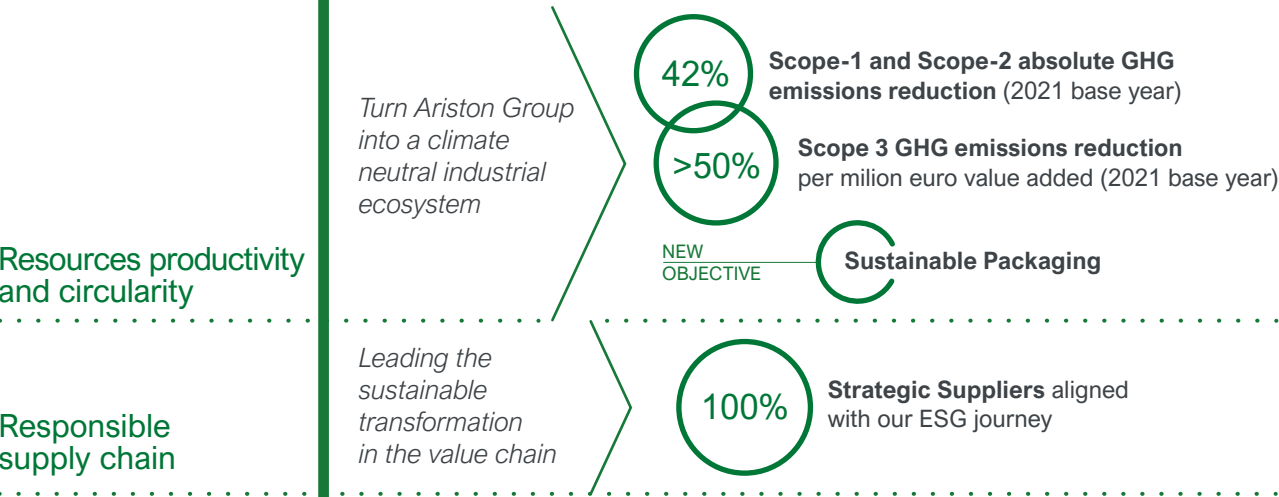
Road to 100

Main 2030 objectives

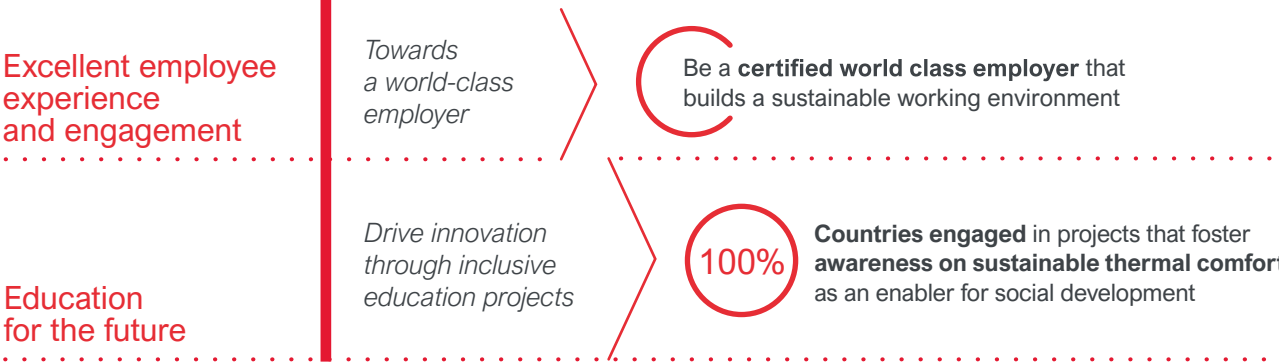
1.Solutions



2.Operations



3.People & Communities



4.Customers



5.Governance



1. Solutions



*Smart sustainable comfort
for a better future*



7 AFFORDABLE AND
CLEAN ENERGY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Key challenges



Contributing to the decarbonisation of the thermal comfort sector, in alignment with the global commitments and the European Union’s ambitions to achieve carbon neutrality alongside enhanced energy efficiency goals.



Continuously **exploring new technological frontiers thanks to research and development efforts**, seeking new pathways to enhance and integrate the use of renewable energy sources with low emitting properties.



Leveraging heat pump technologies and alternative fuel solutions, including natural gas refrigerants, hydrogen and biofuels as central strategies to navigate the energy transition.

Sustainable energy solutions

THE AMBITION
TO 2030

Our goal is to improve the efficiency of the installed park by designing and offering highly-energy efficient solutions, increasingly relying on renewable energy sources. To achieve this across all our product lines, we are investing in R&D, enhancing the production capacity of the most efficient technologies and developing the necessary skills needed to reduce our products’ CO₂ emissions. This effort will also contribute to the reduction of Scope 3 emissions, where the greatest impact is generated by the usage of products.

	Long-term target	Progress in 2023	Status
2030	100 million tons of CO₂e emissions avoided thanks to the renewable and high efficiency products we sell in the regions where we operate⁷	26,571,693.58 million tons of CO ₂ avoided (2020 base year)	26 mln (vs 2020)
	Mid-term supporting initiatives		
	100% heating gas condensing technologies’ revenues from hydrogen-ready (certified to be 20% H ₂ ready) solutions in Europe ⁸	69% (excl. Wolf-Brink) 75% (Incl. Wolf-Brink)	+40% (vs 2022)
	> 60% revenues in Europe generated by renewable technologies vs. < 40% from fossil fuel products ⁹	48% renewable technologies vs 52% fossil fuel products (excl. Wolf-Brink) 49% renewable technologies vs 51% fossil fuel products (incl. Wolf-Brink)	+2% renewable technologies -2% fossil fuel products (vs 2022)
2025	Launch of Demand Response-ready products in Europe and the USA	Completed	
	Launch of Home Energy Management-ready products and accessories in Europe and the USA	Completed	
	Launch of a representative Home Energy Management – ready product on electric storage water heaters, heat pump water heaters and heating heat pumps	New target	
	Launch of Demand Response-ready products in new markets other than France, Belgium and US	New target	
	Confirm effort to shift heat pump water heaters to lower GWP refrigerants	New target	

2023
MILESTONES

THE ROLE OF R&D IN THE SUSTAINABLE TRANSITION OF PRODUCTS

In the current landscape of continuous technological advancement, the **role of research and development (R&D)** is crucial, especially when considering its impact on product features and technologies of products. Ariston Group is enhancing the exploration of **environmentally friendly refrigerants** while implementing high-efficiency electric heating equipment to **replace fossil fuel technologies, expanding hybrid solutions** and investing in **hydrogen** as a key energy vector, therefore several product launches have been made in this regard.

HEATING HEAT PUMP TECHNOLOGIES AS KEY LEVERS IN THE ENERGY TRANSITION

In the pursuit of a sustainable future, the spotlight is increasingly turning to **innovative technologies that can drive change**. Among these, **heating heat pumps (HHP) emerge as pivotal levers** in the ongoing ecological transition. Far more than simple climate control devices, heat pumps represent a transformative force, offering a more efficient alternative to traditional heating and cooling systems.

WOLF’S NEW R290 NATURAL REFRIGERANT CHA-16/20 AIR-TO-WATER HEAT PUMP

Wolf counts to the main leading companies in developing **environmentally friendly heat pumps with R290**. The latest expansion to its extremely silent and efficient CHA-Monoblock product family has been the new 16kW heating capacity class (even at cold temperatures). As an optional cascade of up to five heat pumps, it is also possible to achieve high capacities with 80kW in heating mode. Widely embraced in Germany, this monobloc heat pump is mainly chosen for both new construction and retrofitting of existing single-family as well as multi-family homes. The new **Wolf CHA Monoblock** is equipped with **natural refrigerant R290**: with its **low Global Warming Potential (GWP)** of 3, it enhances the heat pump's overall efficiency while aligning

with environmental goals. This innovative choice, coupled with a large evaporator as well as a big single fan, ensures exceptional efficiency even at higher flow temperatures. Versatile by definition, the CHA-Monoblock is **compatible with conventional radiators**. On demand it is also available as compact heat pump center which offers fast, failure free and space saving installation. For easy handling and installation on site there is also a wide range of accessories available to support the installer at any time. Furthermore, thanks to the use of the inverter technology, the CHA-Monoblock heats and cools with a large modulation range and comes always well equipped with outdoor unit, indoor unit as well as an optional electric heater. By nature, the innovative CHA-Monoblock product family meets all the stringent requirements of the German federal funding for efficient building program (BEG)¹⁰ as well as BAFA.

ELCO AEREOTOP SX WINS THE RED DOT DESIGN AWARD

Recently launched, the AEROTOP SX earned the **Red Dot Design Award in 2023**. This recognition underscores the product as **one of the market’s most energy-efficient solution**, boasting an A+++ energy efficiency class and a high degree of flexibility, integrating in domestic spaces with minimal noise impact. However, what sets the AEROTOP SX apart is its **compatibility with photovoltaic (PV) systems**, offering a pathway to year-round zero-emission heating and cooling.

Building on this success, **ELCO has introduced an expanded version of the AEROTOP SX** in response to market demand. Building on this success, ELCO is introducing an expanded version of the AEROTOP SX in response to market demand. While the initial release offered a 7 and 10kWh capacities, the **13kWh variant** launched at the end of 2023 could cater to a broader spectrum of consumers, strategically addressing diverse market segments and aligning with ELCO’s commitment to provide **tailored solutions**. This expanded capacity facilitates the transition to renewable energy in older homes, **enabling the replacement of fossil fuel boilers**.

Moreover, this expansion reflects **ELCO’s dedication to advancing heating heat pump technology** through substantial investments in research and development resources. By broadening the range and improving the overall system performance, ELCO aims to **reduce both the environmental impact and costs associated with heating homes and buildings**, significantly contributing to the Group’s ongoing decarbonisation journey.



ARISTON NIMBUS S NET R32: THE EVOLUTION OF THE HEATING HEAT PUMP PLATFORM

Launched last year, Ariston’s Nimbus S NET R32 heat pump system uses **R32 refrigerant¹¹**, a sustainable, economic and efficient choice. R32 is a high-performance gas with a **low Global Warming Potential** (675 vs. 2,088 of the previous model) and a **zero-ozone depleting potential**. The Nimbus platform has seen a strategic expansion in 2023, highlighting the Group’s adaptability and responsiveness to diverse market needs.

The first extension comprises a **technical development of the product** with the objective of extending the maximum allowable height difference installation between the outdoor unit (ODU) and the indoor unit (IDU), requested specifically for the **Spanish customer base**. Due to urban structures in metropolitan areas such as Madrid or Barcelona, characterised by tall buildings that do not allow the installation of outdoor units on building facades, the Spanish market demands installation with **height differences between the ODU and IDU**. This restriction pushed Ariston to develop a product capable of **successfully placing outdoor units on building rooftops**. The increase of allowed level difference between indoor unit and outdoor unit makes it possible to **safely operate with a high installation height difference**. Ariston successfully pushed the 10-meter limit to **30 meters**, showcasing its commitment to precision engineering and customisation.

The second extension of this project refers to the first heating heat pump Ariston launched to the English market, with the primary objective to ensure **compliance with stringent installation norms prevalent in UK**. This move is also underpinned by the anticipation of substantial growth in the UK heat pump market, expected to become the fourth largest in Europe. Ensuring compliance with UK requirements and practices is key for Ariston to establish a strong presence in the country and to take advantage of the opportunities offered by this rapidly growing market.

THE LAUNCH OF ELOGOS, A NEW THERMALLY ACTIVATED HEAT PUMP

In 2023, Ariston made significant strides in advancing renewable energy solutions with the launch of Elogos, a **new thermally activated heat pump**. Designed to meet the escalating demand for sustainable products, **Elogos** has the capability of **reducing consumption and emissions by 30% compared to a condensing boiler**, as it is able to maintain high energy efficiency and high seasonal performance in harsher climate conditions and in the most demanding existing buildings. Elogos not only achieves flow temperatures of 70°C even when ambient air temperature is as low as -22°C, but in these conditions it can deliver the **full nominal output power in absence of any integration** (electrical resistances or back-up boiler). This unique feature allows to address the **hard-to-abate buildings** (that represent 80% of European building stock) without affecting the electrical grids and allowing the **decarbonization of heating in advance to the decarbonization of the electrical grid**.



The ease of installation (facilitated by an outdoor flue-less configuration, absence of inertial buffer, water flow optimized for radiators and diminished noise concerns due to the lack of a compressor) and the use of a sealed circuit technology with natural refrigerant (R717 with GWP=0 and ODP=0 resulting in no need for an F-gas license) **facilitate the product deployment by installers and service technicians with gas boiler expertise**.

In addition, this innovative heating heat pump technology is compatible with various alternative fuel solutions such as natural gas, liquefied petroleum gas (LPG) and emerging green gases such as Bio-methane, Bio-LPG and Hydrogen blends up to 20% or 100%. This innovative technology serves as a cornerstone in navigating the complexities of the evolving energy landscape, enabling the Company to contribute in a tangible manner to the ongoing energy transition.

THERMOWATT'S PRODUCTION OF ELECTRICAL COMPONENTS FOR HEATING HEAT PUMPS

Thermowatt's commitment and alignment to the Group's decarbonisation strategy extends to its **production of electrical components for heating heat pumps**. 2023 saw the introduction of **heat pump back-up heaters**, offering a robust solution for optimising the efficiency of heat pump systems. This flow-through water heater is designed for seamless integration with heat pump set-ups, with tailored inlet/outlet connections and a layout **that meets customer specifications**. The unit can be supplied with sensors and thermostats for enhanced control, thermal insulation for efficiency and a power cable for convenient installation. By providing these components, Thermowatt actively supports its customers in their journey towards adopting cleaner and more sustainable heating solutions.

RESEARCH AND DEVELOPMENT EFFORTS IN THE HEATING HEAT PUMP TECHNOLOGIES

In terms of research and development efforts dedicated to **heating heat pumps**, Ariston Group has undertaken a comprehensive approach, fostering innovation and adaptation to market demands. Most notably, **investments in laboratories across three continents** – Europe, America and China – were made with a triple objective: **increase the testing capacity** (which nearly doubled), **incorporate new gases** and **adhere to the evolving regulatory framework**. Simultaneously, the investment aims to ensure **close proximity between the end market, testing facilities and production facilities**, emphasising the importance of adaptability and responsiveness.

For over 15 years, within its System Lab in Hechingen, Germany, ELCO has been managing a

dynamic simulation station which allows to test the systems for domestic applications. In 2023, a significant step forward was made with the **expansion of its simulation stations**, that enables ELCO to **test entire systems**, not only individual products. The dynamic simulations **replicate real-world environments**, including temperature variations and user behaviours.

The Ariston brand has also made significant updates in its equipment, particularly in the realm of laboratory testing. In fact, **it benefits from a cutting-edge testing facility**, comprising a suite of advanced tools meticulously designed to drive innovation and ensure high performance standards. At the forefront of Ariston's research and development efforts, these **state-of-the-art facilities** include specialised environments such as: the snow room, the thermo cycling room and other technologies (i.e. 3D laser scanners, tools to test system interactions etc).

INNOVATIVE WATER HEATING SOLUTIONS TO REDUCE THE ENVIRONMENTAL IMPACT

In 2023, Ariston reached a significant milestone in sustainable heating solutions, with the **launch of a pioneering range of heat pump water heaters (HPWH)** across the European and US markets.



NUOS PLUS R290: FIRST PROPANE PLATFORM DESIGNED FOR EU MARKET

In **Europe**, Ariston introduced the **NUOS Plus R290**, a new innovative range of **A+ wall-hung heat pump water heaters**, representing a new step ahead in environmental sustainability. The new range features **propane technology**, that is 100% natural gas with lowest Global Warming Potential Index. NUOS wall hung is one of the Group top selling products and offers to the market not only R290 but also a significant **reduction in noise level** (from 50dB to 45dB), **100% wi-fi connectivity**, **i-Memory function for self adaptation to the users' behaviours** and the **PV systems function**. The Nios range is a full-fledged heat pump offer dedicated to hot water production equipped with best-in-class technologies in terms of energy efficiency, heating time and connectivity.

HYBRID HEAT PUMP WATER HEATER: FIRST HEAT PUMP WATER HEATER RANGE DESIGNED FOR THE US MARKET

In 2023, the Group launched the **first heat pump water heater range in the US market**. The range is the result of a brand new project tailored to **meet US specific customer needs and regulatory requirements**.

This range includes four distinct capacities (40-50-65-80 Gal) and Demand Response (DR) embedded functionalities (including most sophisticated solutions to fulfil California Ja13 requirements). The range is aligned with the best players in the markets in terms of **performances, noise, comfort, safety** and features, both proprietary such-us **i-Memory** and some distinctive characteristics like active anode and the remote control by the Comfort-link App. To support the production and ensure proximity to distribution of the new product line, Ariston established a **new manufacturing facility in Mexico**, further underlining its commitment to providing high quality water heating solutions to the market.



THE INTEGRATION OF DEMAND RESPONSE-READY PRODUCTS

Renewable energy sources are inherently dependent on **intermittent and sometimes unpredictable conditions**, such as weather patterns. In this context, the increasing integration of renewables into electricity production introduces challenges in **matching production and consumption**. **Energy storage solutions** play a critical role in this scenario. Functioning as batteries, these solutions are capable of storing surplus energy during periods of surplus and releasing it during scarcity, **balancing the fluctuating availability of renewable energy** and ensuring a reliable energy supply for households.

In 2023, the Group made significant strides in the field of **Demand Response (DR)**, a grid service that dynamically **adjusts the energy consumption of multiple assets**, responding to peaks in the energy supply and demand. This technology finds application in **electric storage water heaters (ESWH)**, marking a pivotal development in the energy flexibility landscape, as **it transforms an electric storage into a thermal battery**. The Group is, in fact, able to remotely coordinate thermal comfort devices at the aggregate asset level, which contributes to **avoiding power peaks on the national grid** and to **shifting energy demand when the latter is abundant and cheaper**.

2023 saw the introduction of **a new range of DR-ready products** across the EU and US markets. On the **European market**, specifically in France, the Group unveiled its first electric storage water heater, the **Velis Dry Wi-Fi FE**, which is able to offer an electrical flexibility service. In the **United States**, the Group developed DR-ready products, catering to the specific regulatory requirements of Washington and Oregon. Furthermore, in the broader US market, Ariston also developed products for Heat Pump Water Heaters (HPWH), in alignment with the national **Energy Star certification** requirements.

Demand Response transforms an electric storage water heaters into a thermal battery, contributing to avoiding power peaks on the national grids.

ARISTON GROUP'S HOME ENERGY MANAGEMENT PORTFOLIO

The **Home Energy Management (HEM) system** stands at the forefront of the Group's commitment to **optimising energy consumption within homes**. Operating autonomously, the HEM system monitors, controls and optimises energy flows to **minimise customers' energy costs**, while also **aligning their preferences**. This technology is deployed in **electric storage water heaters (ESWH)** and enables the Group to remotely coordinate thermal comfort devices at the single asset level, **contributing** to reducing customers' electricity bills by **shifting loads when there is production from PV**.

2023 saw the launch of Ariston **PowerFlex Solar**, part of the Powerflex ESWH product line, which utilises T-Flex 2.0 patented technology to communicate with the smart meter, actively contributing to **network stabilisation during power peaks**. By automatically adjusting its power according to the total energy consumption of household appliances, the Powerflex Solar mitigates electricity overloads, prevents blackouts, maximises energy savings and optimises heating times. Specifically, it **incorporates the auto-consumption of electricity produced from solar energy**, while addressing both energy efficiency and grid stability.

LOW-EMITTING SOLUTIONS TO REDUCE THE ENVIRONMENTAL FOOTPRINT OF PRODUCTS



BURNERS' INDUSTRIAL APPLICATIONS OPERATING WITH F30 FUEL

As part of the new French energy policy aimed at reducing fossil fuel usage, in force from July 1, 2022, **new boilers installed in the French market are required to operate with the F30 biofuel**, comprising 70% light oils and 30% FAME (Fatty Acid Methyl Ester). Responding to this regulatory shift, the Group's Burner Division developed a **new series of F30 biofuels burners**, significantly reducing NOx emissions and surpassing regulatory standards.

Ariston Group is actively working on low-emission solutions that increasingly incorporate biogas and renewable fuels in its product offering. It is engaged in **ongoing testing with alternative fuels**, including trials in France to **elevate the renewable fuel component to higher percentages**. In Germany, the UK and the Scandinavian region, **biofuel derived from hydrotreated vegetable oils (HVO)** is already used for burners, representing one of the solutions that will allow to reduce CO₂ levels in the environment. Efforts to **spread awareness on this alternative solution** are also underway in Ireland, a critical market for the Group's burners integrated into boilers, also working in collaboration with industry associations such as EHI (European Heating Industry).

THE RECOVERY OF ENERGY FROM INDUSTRIAL WASTE GASES

The Group is embarking on a significant collaboration for an innovative project in Belgium. A joint venture secured a pivotal project for an energy recovering plant involving the **installation of three 24 MW Duobloc Low NOx Burners on a 72 MW water tube boiler**, designed to burn a syngas, the industrial waste gas resulting from the production plant. A notable feature of this project is the **custom design of the burners**, tailored to efficiently combust the syngas supplied at a low pressure of 80 mbar while adhering to the stringent NOx limit of 72 mg/Nm³.

The source of the syngas supplied to the burners (a mixture of carbon monoxide and hydrogen) originates as a by-product from the **production of carbon black**, a critical additive in lithium-ion batteries and fuel cells. Traditionally disposed of through thermal afterburning, this syngas will serve as the **primary energy source for the new plant**. The primary objective of this venture is to generate 29 MW of electricity to power a production site in Belgium, as well as to provide energy to several surrounding households.

HYDROGEN-COMPATIBLE DEMOBOILERS

Ariston is actively engaged in an initiative focused on developing a boiler capable of **running 100% on hydrogen**. This ambitious project represents a technological advancement although an imminent market launch is not foreseen as currently there are no cities with a 100% hydrogen network, making this project more about **pushing technological boundaries** than an immediate commercial release.

The key component of this innovative project is the "demoboiler," designed to undergo **rigorous certification processes** to allow their installation **in pilot projects** across communities, neighbourhoods or buildings. Achieving these certifications would contribute to exploring hydrogen-based solutions in real-world settings.

Moreover, Ariston is preparing for a significant leap into the future of renewable technologies by continuously fostering research efforts and partnerships with leading education institutions. The Group has established a collaboration with the **Polytechnic University of Milan (PoliMI)**. In December 2023, Ariston and PoliMI formalised a **funding proposal**, backed by the Italian Ministry of Ecological Transition (MITE), to explore and develop **hydrogen-based technologies**, working towards the elimination of gas pumps and boilers. The collaboration extends beyond immediate projects, with ongoing discussions about the prospect of establishing a **global renewable laboratory**. This shared initiative is envisioned as a jointly owned entity, a collaboration merging the expertise of both parties to drive forward advancements in the renewable energy domain.



ARISTON GROUP’S ROLE IN EUROPEAN AND INTERNATIONAL DISCUSSIONS

Ariston Group maintains an active and influential role in **shaping discussions** on energy efficiency and on the journey towards achieving net-zero emissions, both at the European and international levels. The Group participates in 3 European, 26 national and 3 non-European associations, ensuring comprehensive involvement in industry dialogues. Notably, Ariston Group actively contributes to and plays a key role in prominent associations active in the field of heat pumps and other high-efficiency technologies, such as the **European Heating Industry (EHI)** and the **European Heat Pump Association (EHPA)**. Furthermore, the Group is very active in **APPLIA Europe’s Home Comfort Division (HCD)** in the field of electric water heaters, including both resistance and heat pumps. In 2023, the Group took part in a **European public consultation** relating to the action plan to accelerate the rollout of heat pumps in the EU and spoke at one of the events organised by the European Commission.

Through these engagements, the Group actively shapes debates and directly interacts with European institutions, helping to tackle the sector’s complex issues and challenges, including in the context of the **Ecodesign and Energy Labelling Consultation Forum (EELCF)**, established to assist the EU Commission in relation to the implementation of existing Union legislation, programs and policies. Finally, the Group’s involvement extends to the subscription to the **EU Transparency Register**, further highlighting its commitment to transparency and collaboration on energy-related matters.

Ariston Group maintains close relationships with **EURELECTRIC**, the association of European utilities and through Thermovault ¹² with **SmartEn**, the association of aggregators and flexibility providers. These collaborations are aimed at addressing demand flexibility, fostering the development of connected devices communicating with the electricity grid that facilitate the uptake and integration of renewable energy sources.

Finally, in 2023 the Group contributed actively to a **report in collaboration with EHI**, namely the **“Hybrid heat pumps: a no-regret solution for the decarbonisation of buildings”**, which describes the technology of hybrid heat pumps and its benefits, the European policy support and includes recommendations from the industry to policymakers, to take advantage of the benefits offered by this solution. Moreover, the company was invited to take part in the **“Innovation to heat our buildings, cut gas consumption and improve EU competitiveness”** event, jointly organised by EHI and the Sustainable, long-term investments and competitive European industry Intergroup of the EU Parliament, where challenges and opportunities of the heat pumps sector were discussed with key EU lawmakers.

Smart homes for sustainable living

THE AMBITION TO 2030

“A more sustainable future begins in our homes”. We believe that sustainable living can be enabled through smart homes. Connected Home Services represent a key instrument in understanding our customers’ needs, offering increasingly tailored solutions and supporting users in monitoring their energy consumption, easily and remotely. We aim to engage our key stakeholders by continuously improving our Ariston Net app, Ariston Net PRO remote assistance platform and Ariston Net OPEN interoperability service.

Long-term target		Progress in 2023	Status
2030	Over 5 million connectable products sold	1,275,000 (starting from 2015)	
Mid-term supporting initiatives			
2025	> 2 mln of connectable products sold	1,275,000 (starting from 2015)	

2023
MILESTONES

THE HOME OF SUSTAINABLE COMFORT

Ariston Group's goal to simplify users' lives through a **portfolio of increasingly connected products** continues to be at the forefront of its business strategy. This is achieved through the continuous enhancement of the Group's smartphone applications, namely **Ariston Net**, designed for end-users, and **Ariston Net PRO**, tailored for professionals.

Connectivity and related functionalities, which leverage the power of data, enable **closer proximity to customers** by offering efficient and tailored solutions, providing users with the opportunity to save energy and costs while making **more sustainable choices**.

TOWARDS A UNIFIED ARISTON NET APP

Ariston NET is the smart app designed to manage customers' thermal comfort solutions, by providing a user-friendly interface for easy control, consumptions optimization and quick assistance. In 2023, the Group **consolidated the functionalities of two separate applications**, one dedicated to water heating and the other to heating products, **into a single app**.

*The Group aims to create a **digital ecosystem** and to make it possible to **anticipate emerging challenges and opportunities** in the smart home landscape.*

The integration into a single app has the goal of **simplifying the users' experience**, allowing them to efficiently access and leverage these services. This decision aligns with the Group's vision of continuing to create a digital ecosystem and makes it possible to **anticipate emerging challenges and opportunities in the smart home landscape**. This integration will also ensure that the app is ready to **incorporate future functionalities**, including Demand Response and Home Energy Management.



Once products are paired with smartphones, Ariston Net provides a range of user-friendly **features to control heating and water heating products**, tailored to meet diverse needs, including:

- **Save Energy and sustainable living.** It provides users the ability to monitor energy usage and empowers them to adapt energy friendly behaviours. Every month, users receive a **personalised report** detailing their energy consumption and CO₂ saved. This information makes it possible to optimise energy usage, resulting in potential **savings of up to 25%**. Additionally, users benefit from tailored tips and advice to help decrease their environmental impact.
- **Easy Control.** The app enables end-users to remotely control devices, by setting schedules, changing operation modes, adjusting heating and hot water temperature. Moreover, leveraging advanced Artificial Intelligence (AI) technologies to provide the best customer experience possible, the **Smart Scheduling** function observes user habits, by creating personalised weekly schedules that adapt to evolving needs. Incorporating **geo-fencing**, the system adjusts temperature based on users' location and the data-science powered **Optimum Start** feature was added to recognise a home's thermal characteristics to preheat it accordingly, while optimising energy consumption. Finally, users can easily adjust settings, switch modes and program preferences through intuitive voice commands.
- **Prompt assistance.** In case of system failures, homeowners promptly receive **real-time notifications** indicating the error number and the corresponding description, to facilitate **remote technical assistance**. Furthermore, the AI-enable **Active Care feature** anticipates pressure drops and alerts users, **preventing potential blockages** and **ensuring uninterrupted comfort**.

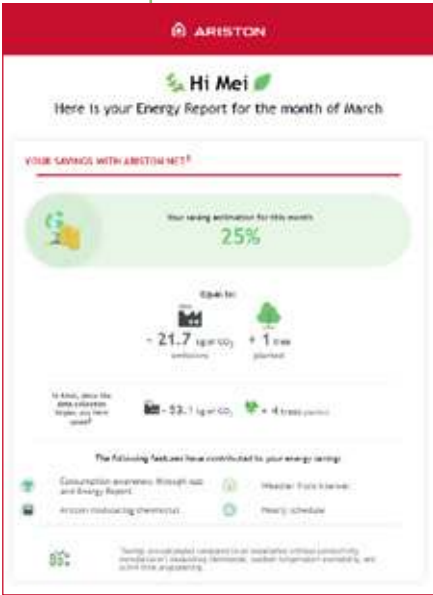
TAILORED ENERGY REPORTS AND THE WINTER ENERGY CAMPAIGN

Ariston Group is committed to expanding its customer base by fostering a sense of environmental responsibility. As part of this purpose, the Group introduced its monthly **Energy Report 2.0** initiative, which marks the evolution of the energy report launched in 2018. It now encompasses a broader scope: aside from including additional brands and markets, it quantifies **CO₂ savings and correlates them with the equivalent number of planted trees**.

Furthermore, it **leverages AI technologies** to analyse trends in monthly energy consumption, as well as individual behaviours and weather conditions impacting such trends. The transition from generic advice to **tailored and seasonally adaptive recommendations** is a key aspect of this initiative.

Moreover, in response to the growing demand for sustainability and energy savings, a **Winter Energy Campaign** was **launched during the fall-winter 2022-2023**. The goal of this communication campaign was to actively involve users in discussions about energy consumption, offering **proactive strategies for optimising their usage and ultimately saving energy**, especially in light of the recent energy crisis and inflation that have arisen due to the geopolitical context.

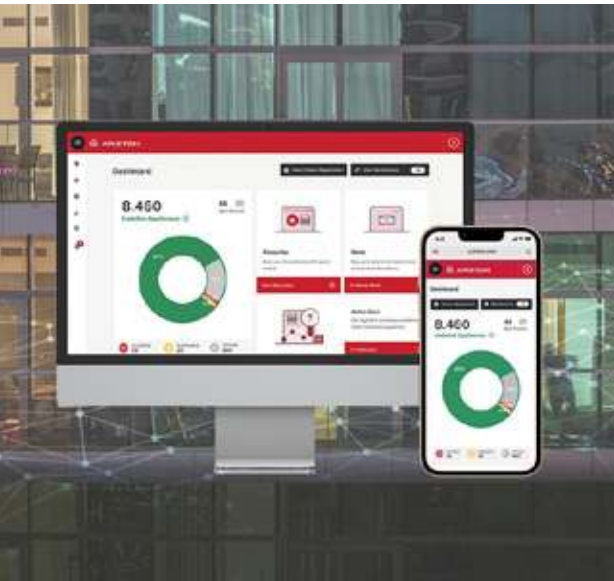
Throughout this period, the Group proactively engaged with its customers, forwarding bi-weekly push notifications containing practical tips on how to optimise energy consumption. The push notifications also serve as shortcuts to the immediate application of recommended eco settings. **These solutions aim to strike a balance between cost savings, sustainability and comfort**. Customer satisfaction remained consistent at **4.1 out of 5 in 2023**, showing stability compared to the 2022 rating.



ARISTON NET PRO

The Ariston NET PRO app empowers professionals to deliver top-tier service to customers, ensuring effective and timely support. The app goes beyond conventional solutions by fostering **operational efficiency** through the **remote monitoring** of installed systems. Leveraging AI technologies, the platform predicts potential faults, **allowing Service Centres to proactively optimise their workload**, thereby providing an added layer of reassurance to customers.

Key features include the ability to remotely monitor and adjust system settings, receive real-time notifications regarding potential issues, proactively identify necessary spare parts and streamline the scheduling of maintenance activities. Moreover, the platform **extends beyond mere error management**, as it can be leveraged by professionals to **become the end-user energy consultant**. In fact, it enables remote parameter optimisation and identifies critical installation to improve products efficiency, all this while avoiding onsite visits. By offering these advanced functionalities, the platform empowers professionals to continuously improve the service they provide and **enhance energy efficiency without compromising on comfort**, ultimately leading to high levels of customer satisfaction.



STRENGTHENING INTEROPERABILITY THROUGH ARISTON NET OPEN

Interoperability is the integration of connected products and services into domestic ecosystems with unified management interfaces or third-party assets or service management software platforms. This interaction, which is a key feature of smart homes, is made possible thanks to the **Ariston Net OPEN** service, which **leverages the API architecture (Application Programming Interface) and/or mainstream open protocols (such as OpenTherm or Zigbee)** to address the needs of anyone looking to build new use cases based on mutual integration and/or data exchange. Ariston Group collaborates with **partners** in various sectors, including **social housing, maintenance companies, utilities, facility management and insurance**.

Connectivity products function seamlessly with all major IoT platforms, ensuring **widespread compatibility**. In order to offer users competitive solutions that can communicate with third-party services, partnerships have been established with Amazon Alexa, Apple HomeKit and Google Assistant. In 2023, the voice control compatibility has been extended to **encompass water heating products**.



2. Operations



*A decarbonised business
with a circular approach*



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



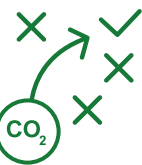
12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Key challenges



Implementing the defined decarbonisation strategy to reduce GHG emissions (Scope 1, 2 and 3), with a focus on **Scope 3 emissions downstream the value chain** which represent the highest proportion of the Group's emissions.



Tackling the challenges and opportunities posed by the **implementation of circular initiatives in products and processes**, including packaging, by leveraging new materials, technology and increasingly efficient data management.



Acknowledging, as a large player and leader in the thermal comfort solutions sector, **a potential role in guiding and supporting suppliers** throughout the due diligence process, by sharing expertise and promoting best practices.

Resources Productivity and Circularity



THE AMBITION TO 2030

In light of global decarbonisation goals, we are called to reduce CO₂ emissions, including not just those under our direct control (Scope 1 and 2), but also those across our value chain (Scope 3). We have established **specific, measurable, science-based targets** to guide our emission reduction strategy year after year. Moreover, we acknowledge the significance of increasingly adopting **circular approaches** in our processes and products, instrumental for curbing emissions and promoting a more productive use of resources.

	Long-term target	Progress in 2023	Status
	-42% Scope 1 and Scope 2 absolute GHG emissions (2021 base year)	-15% vs 2021	-15% (vs 2021)
	At least -50% Scope 3 GHG emissions per million-Euro value added (2021 base year)¹³	-29% vs 2021	-29% (vs 2021)
	Sustainable Packaging 1. Use of packaging only if unavoidable 2. Removal of smaller packaging likely to be littered 3. Adapted to size and volume of the product 4. 100% recyclable 5. Avoid plastic when possible with >35% recycled plastic 6. Contains no hazardous substances 7. Contains information on its material content	Alignment in progress for: - All packaging for French market - Selection of the Packaging for UK market	

2025

Mid-term supporting initiatives	Progress in 2023	Status
RESOURCE PRODUCTIVITY		
100% of production plants with energy efficiency improvement initiatives in place by 2023	100%	
Green Energy procurement increase in key countries	China and Mexico have achieved almost 100% of their electricity sourced from renewable energy, as verified through Energy Attribute Certificates (EACs).	
Zero waste to landfill by 2030	11%, due to extreme event in Genga plant (flood), which generated a significant amount of "disaster waste"	+9% 2022 baseline recalculated and amended to 2%
Ensure a more efficient use of water in our operations, by reducing water discharge and increasing treated water to be returned into the ecosystem	Monitoring program in place for all the Group's plant	
CIRCULARITY		
Carry out assessments of the packaging recyclability levels, as part of the Sustainable Packaging	New target	

CLIMATE CHANGE MITIGATION:
THE GROUP’S DECARBONISATION STRATEGY

2023
MILESTONES

Ariston Group acknowledges the urgent need to address climate change and reach a decarbonised economy by 2050. As a player operating in a sector that significantly impacts on GHG emissions, the Group has set an ambitious **carbon reduction program, which is currently in validation process by Science Based Target initiative (SBTi)**.

The journey follows a clear **methodological approach** and involves three key phases. The baseline was set for 2021 and calculated with reference to the Greenhouse Gas Protocol. This first step was **necessary to determine the Group’s**

carbon footprint through a calculation of its Scope 1, 2 and 3 emissions. Specifically, Scope 1 encompasses **fuel consumption, refrigerant leaks** and **fugitive emissions** stemming from the Group’s production plants and non-production facilities. Scope 2 entails **electricity consumption** in plants, laboratories, warehouses and offices. Scope 3, instead, accounts for **indirect upstream and downstream emissions** ranging from purchased goods and services, transport and distribution, waste, business travel, the use of sold products and product disposal. The baseline made it possible to define **specific and quantitative decarbonisation targets** based on current climate science, namely to reduce **Scope 1 and Scope 2** absolute emissions by **42%** and **Scope 3** emissions by at more than **50%** per million-Euro value added by 2030 (economic intensity target: emissions / EBITDA).

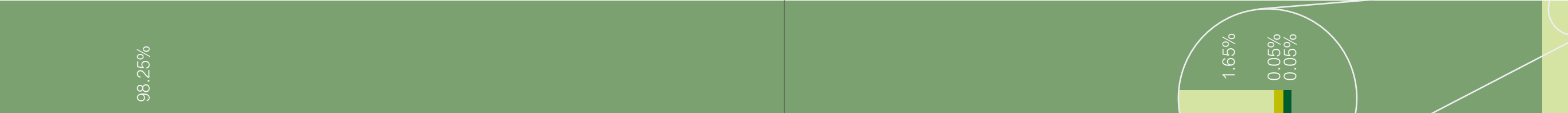
The second step involved the **mapping of decarbonisation levers and impacts**, among which **energy efficiency measures** (especially in production plants), increase in the **procurement of renewable energy** and development of **more efficient technologies and solutions to offer in the product portfolio**. Finally, a **co-creation process with internal stakeholders** was implemented in order to define the forward-looking decarbonisation strategy.

	2023 (tCO ₂ e)*	2022 (tCO ₂ e)	2021 (tCO ₂ e)	Status (2023 vs 2021)
Scope 1 emissions	41,656	46,447	47,513	-10%
Scope 2 emissions	36,022	44,011	43,726	-18%
Upstream and downstream Scope 3 emissions	676,002	1,456,914	1,611,747	-58%
Scope 3 emissions (use of sold products)	77,726,175	86,736,744	95,415,326	-10%

* In GRI 305-1 and GRI 305-2 tables, emissions Scope 1 & 2 are outlined, both on the pre-acquisition perimeter, named “excl. Wolf-Brink” and the current one, named “incl. Wolf-Brink”.

In terms of progress achieved so far, from 2021 overall **Scope 1 emissions have slightly decreased** in 2022 due to the fact that there was an increase of testing activities in laboratories; in 2023, a stronger impact is seen thanks to the implementation of energy efficiency measures in all plants. Moreover, Scope 1 emissions have decreased due to reduced usage of lower GWP blowing agents in selected factorwithin the Group. The decrease in **Scope 2** emissions is also linked to the adoption of renewable energy sources for electricity in plants located in China and Mexico, verified through Energy Attribute Certicates (EACs). Similarly, a decrease of 29% in indirect emissions (**Scope 3**) has been observed, partly thanks to the introduction of **the R32 refrigerant**, overall improving GHG intensity of heating heat pumps and consequently leading to a reduction of emissions resulting from their use by consumers. Additionally, the decrease in Scope 3 emissions is also influenced by shift towards a different product mix, featuring a higher proportion of products with lower greenhouse gas intensity.

Ariston Group has improved its calculation methodology in 2022 and 2023 of several Scope 3 categories from its baseline year. In 2024, the impact on the baseline of these changes in methodology as well as of recent acquisitions will be assessed, and if it is deemed significant (5% or larger of total base year emissions), the Group’s base year and target will be recalculated, according to the baseline recalculation policy.



2021

95,415,326 tCO₂e

Indirect Scope 3 emissions (use of sold products)

1,611,747 tCO₂e

Indirect upstream and downstream Scope 3 emissions

Purchased goods & services	1,314,717
End-of life treatment of sold products	56,883
Upstream transportation and distribution	127,508
Downstream transportation and distribution	24,468
Fuel and energy related activities	18,342
Capital goods	43,196
Business travel	12,076
Employee commuting	13,163
Waste generated in operations	1,393

47,513 tCO₂e

Direct Scope 1 emissions

43,726 tCO₂e

Indirect Scope 2 emissions



2022

86,736,744 tCO₂e

Indirect Scope 3 emissions (use of sold products)

1,456,914 tCO₂e

Indirect upstream and downstream Scope 3 emissions

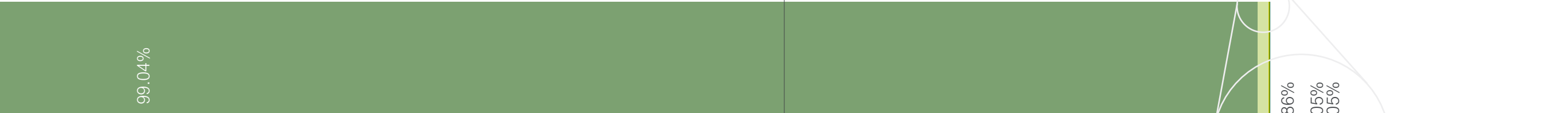
Purchased goods & services	1,276,735
End-of life treatment of sold products	68,137
Upstream transportation and distribution	51,450
Downstream transportation and distribution	12,160
Fuel and energy related activities	18,961
Capital goods	16,594
Business travel	6,555
Employee commuting	5,086
Waste generated in operations	1,237

46,477 tCO₂e

Direct Scope 1 emissions

44,011 tCO₂e

Indirect Scope 2 emissions



2023

77,726,175 tCO₂e

Indirect Scope 3 emissions (use of sold products)

676,002 tCO₂e

Indirect upstream and downstream Scope 3 emissions

Purchased goods and services	459,179
End of life treatment of sold products	66,107
Upstream transportation and distribution	97,060
Downstream transportation and distribution	8,968
Fuel-and-energy-related activities	16,038
Capital goods	14,924
Business travel	7,322
Employee commuting	5,463
Waste generated in operations	941

41,656 tCO₂e

Direct Scope 1 emissions

36,022 tCO₂e

Indirect Scope 2 emissions

THE GROUP'S KEY
DECARBONISATION LEVERS

In order to achieve its commitment of **reducing its Scope 1 and Scope 2 emissions by 42% before 2030, optimisation and efficient energy use throughout its operations** stand as a pivotal lever for the Group.

As a matter of fact, every Group's production facilities are developing and deploying **energy efficiency measures** in order to **reduce Scope 1 emissions**, through the adoption of various initiatives: the implementation of interventions on compressed air (replacement, revamping or improvement management), buildings (insulation), heat recovery and heat volume reduction, temperature management, installation of inverters, identification of air leaks (and the definition of a plan to resolve them), illumination (both replacement and management), as well as installation of meters and data collection system. Other levers include the **integration of new installations and machineries**, the **enhancement of renewable energy systems** for on-site energy generation, the implementation of **electricity shut-down power saving applications** and the gradual electrification of main processes and the corporate fleet.

In line with its goal of **reducing Scope 2 emissions**, the Company is looking to increase the percentage of renewables in its energy mix. Some Italian plants have already undergone asset renovation and have been fitted with **photovoltaic roof panels** to produce energy for self-consumption. Additional investments are envisaged in the upcoming years in this sense. In Germany, a **renovation project for office roofs** has started, including the Wolf facilities in Auhof and Holledauer. The focus of these renovations extends to improving the insulation of roof surfaces and contributing to enhanced energy conservation within office spaces. Simultaneously, the **refurbishment of factory roofs** is underway in Mainburg, with a subsequent installation of **photovoltaic systems**. Last but not least in 2023, factories in China and Mexico achieved a significant milestone by utilising 100% electricity sourced from renewable energy, a consumption verified through Energy Attribute Certificates (EACs).

In terms of **Scope 3 emissions**, evidence indicates that the largest proportion of the Group's emissions stem from the **downstream use of products**, with a minor component resulting from **purchased goods and services**. Key levers at the Group's disposal to address sold product emissions include leveraging on **renewable technology solutions**, as well as the reliance on **refrigerants with lower global warming potential** as a means to reduce environmental impact. Emissions stemming from purchased goods and services, instead, will be tackled through a **renewed supplier relationship management and engagement model** based on an ESG approach.

ENERGY EFFICIENCY ACROSS
PRODUCTION FACILITIES
AND PLANTS

INCREASING THE EFFICIENCY OF
EXISTING PRODUCTION SITES

Having identified key decarbonisation levers, the Group has started to implement a structured and ambitious strategy to continuously increase energy efficiency across its operational sites. These initiatives span various operational aspects, demonstrating a comprehensive commitment to sustainability and resource optimisation.



In line with the goal to start energy efficiency initiatives across all Group plants in 2023, the following activities have been completed or are in the final stages of implementation:

- Implementation of **advanced insolation techniques** in oven enamelling processes, oven flange tubes and painting ovens to minimise heat loss;

• Introduction of **modulator oven burners**, utilising cutting-edge technology to optimise combustion;

• Upgradation to **energy-efficient lighting systems** across the factory premises, parking and locker room areas, which also contribute to improve visibility;

• Introduction of **new compressors** with optimised features and integration of **new valves** in the compressor department to enhance operational efficiency;

• Vigilant identification and prompt rectification of **factory leaks** to prevent energy waste;
- Installation of **new energy-efficient heating systems in office spaces**, to ensure a comfortable working environment while minimising energy usage;

• Implementation of a **revised timing schedule** for the production of certain products to align with periods of lower energy demand;

• Integration of **measures to recover and enhance the performance of Polyurethane (PU)** insulation, promoting energy conservation;

• Implementation of **heat recovery systems** and measures to reduce gas consumption; elimination of unnecessary fixed consumption.

While the above-mentioned initiatives have already been implemented across many of Ariston's facilities, the aim is to **adopt and replicate** them consistently across all company locations, ensuring that **decarbonisation efforts are uniformly applied**.

RECOVERING HEAT AND ENERGY IN THE ENAMELLING PROCESS

The **enamelling process** in the Group's production plants envisages the application of a resistance glass layer to the product's metal surface to make it smoother and create a protective barrier against the corrosive action of water and humidity. In order to melt the glass and ensure proper adhesion to the metal surface, **high temperatures must be reached** within the process, which in turn releases fumes at temperatures of around 450-500 °C.

In 2023, the Group implemented a project in one of its Italian plants, whose primary objective is to **recover the energy available from chimneys through an air-to-air exchange system**, recycling the heated air to preheat boilers. Overall, the project has achieved a notable **15% reduction in the average energy consumption**, marking a significant step towards enhanced energy efficiency in the Company's production facilities.

EXTRAORDINARY MAINTENANCE TO AVOID UNNECESSARY LEAKS

The **compressed air network** is critical in any production facility, as it provides compressed air to operate automated tools. However, it might be subject to leakages. For this reason, the Group has invested in a **highly advanced tool for detecting air leakages to autonomously map the leakage points and fix them**. The **Fluke ii900 Industrial Acoustic Camera** is in fact equipped with an array of microphones to ensure a broad field of view; this camera enables the maintenance team to quickly and accurately pinpoint air, gas and vacuum leaks, even in noisy environments. Periodic self-managed detection campaigns are conducted across an increasing number of European production facilities to bring compressed air leakages under control. The primary objective – in line with the WCM approach – is to achieve a 50% **reduction of compressed air loss**.

Thanks to this tool, the Company is able to **preliminarily self detect leaks** and draft a detailed report with all the found leakage points enclosing captured images, organized in a pareto based on the gravity. Maintenance team can organize the fixing activities based on the received report and maintain under control the amount of losses due to air leaks.

ENERGY CONSUMPTION MONITORING

In order to manage and lower energy consumption, it is critical to **monitor these trends** in the first place. While the Chinese plant already monitors 100% of consumption, 3 production plants in Italy benefit from a **metering network** connected to a telemetering system, **which to date covers approximately 60% of resource consumption**.

By 2025 the goal is to increase the metering tools needed toward the achievement of 100% of energy consumption monitoring all plants. This initiative allows to set the foundation for **analysing trends** and **implementing corrective actions**. Moreover, this integration is key for obtaining the official recognition related to **energy-saving interventions** (such as "Certificati Bianchi" in Italy), also known as Energy Efficiency Certificates.

BRINGING PRODUCTION BASES CLOSER TO END MARKETS

Ariston Group is also actively striving to **bring its production bases closer to its end markets**, in order to minimise the risks associated with potential supply chain disruptions and reduce the carbon footprint resulting from its global operations. The plan ensures **proximity between production units, supplier bases and the end markets** towards which products are destined. Concrete examples include the Velis electric storage water heaters, **whose production was recently launched in Italy**. Similarly, 2023 saw a substantial increase in the share of **heat pumps manufactured in Italy**, with Albacina emerging as a key production site, complementing the production facility in Wuxi, China.

In addition to implementing efficient projects for production plants, this approach will cut down logistics costs and impacts by **shortening the supply chain** and **selecting local suppliers**, overall contributing towards a **reduction of the Group's Scope 3 emission**.

INCREASING PRODUCTION CAPACITY FOR MORE EFFICIENT PRODUCT LINES

As of today, only 10% of global heating in buildings relies on heat pumps. To meet national energy security and climate goals, it is predicted that **heat pumps sales would need to triple by 2030**, leading to a 30% reduction in global fossil fuel use in buildings¹⁴. Based on these assumptions, the Group is **increasing its production capacity**, particularly focusing on the expansion of heat pump production and on products which increasingly rely on renewable sources of energy.

Following this logic, significant investments have been made to **expand the production capacity** of the Italian production sites, in particular to develop more energy efficient product lines such as the propane-fuelled Hybrid Heat Pump lines, made possible thanks to the acquisition of Centrotec. Investments have also been directed towards efficient production lines for **heating heat pumps** in Italy and China. The key objective is to champion the production of technologies and solutions that positively impact the environment and enable to achieve emission reduction goals.



EXPANDING THE ADOPTION OF THE WORLD CLASS METHODOLOGY

Ariston Group implemented the **World Class Manufacturing (WCM) methodology** in 2011, a program to create a structured and replicable production system able to consistently reduce all type of wastes and losses. The methodology requires a constant **monitoring and prevention of waste and losses**, with the goal of improving the **quality, safety, cost** and **environmental performance** of the production process.

Overall, in 2023 the WCM program was **extended to cover all the Group's facilities**, introducing a **classification system based on the implementation level achieved** (beginner, intermediate and advanced). This classification enables optimised efforts and the introduction of tailored improvement plans based on the operational complexity of each plant.

Osimo, in particular, **has made significant strides forward**, successfully passing the audit in September 2023 for the achievement of the **silver status award**. The audit, conducted over a three day period by an external provider, certifies **on-site competencies in Lean Manufacturing**, the extent of **process improvement expansions** and the attainment of **high standards of operational performance**. This progress underscores the overall evolution of the WCM program within the Group, reflecting the advanced state and commitment on continuous improvement.

Moreover, in 2018 Ariston Group embraced the **World Class Logistics (WCL) methodology**, which constitutes **a shared approach** streamlining processes across the Group's warehouses at a global level. Fully operational in **two finished goods warehouses**, the WCL creates a replicable logistics system based on the goal of improving customer service levels, safety, costs and environmental performance, also thanks to a monitoring system and procedures for the prevention of waste and losses. 2023 saw the **kick-off of the program in two additional warehouses**, marking a proactive step towards extending the benefits of WCL to a broader number of facilities.

INAUGURATING THE NEW FOLLINA PLANT

In July 2023, Thermowatt's Professional division, which specialises in the design and manufacturing of electric heating elements and systems for professional and industrial applications, **inaugurated its new production plant in Follina**, in the Province of Treviso. The new facility covers **10,000 square metres** and has been designed according to the principles of the **World Class Manufacturing (WCM)** methodology, to

maximise efficiency and **prevent waste**. The opening of the new Thermowatt Professional plant represents an important step to increase its production capacity, while continuing to focus on the brand's distinctive values of technology, quality and customer service. This inauguration not only solidifies the Company's market positioning, but also yields **tangible benefits for the surrounding area**, fostering economic and social development within the local community.

THE GROUP'S COMMITMENT TO WASTE MANAGEMENT

In Europe, Ariston Group classifies each type of waste to identify specific European Waste Codes and customises treatment methods accordingly. The Group holds the **ISO 14001 certification** – renewed in 2023 – and its European production plants have adopted a standard for assessing the **environmental impact of waste**¹⁵. Throughout this comprehensive assessment, Ariston Group's european production plants are able to demonstrate **low waste-related impacts**, generating less than **5% hazardous waste** and achieving a **96% revalorisation** of total waste.

The sites of the latest acquisitions have also initiated a project aimed at achieving the ISO 14001 certification, with a deadline set for 2024. This effort aligns with the Group's ongoing commitment to certify an increasing number of production facilities.

Within the production process, **waste can be categorised into two primary groups**: first, **packaging waste from raw materials**, encompassing items such as cartons, plastic bags and wooden pallets; second, the **manufacturing scraps** generated by the production process, including metal cutting scraps, non-conforming work in progress or finished goods. According to the **5R methodology**, waste reduction projects are prioritised by:

- **Refusing** the use of any unnecessary materials;

• **Reducing** waste production by recovering waste as by-products, designing high-quality products with longer lives and efficient packaging;

• **Recycling** metal, plastics, cartons, electrical components, etc.;
- **Reusing** packaging in partnership with suppliers, reworking non-conforming products to reuse tanks and other metal components, selling wooden pallets for repair and reuse;

• **Revalorising** waste through energy recovery and assessing available technology to treat non-recyclable materials such as polyurethane foam which maintains energy efficiency of the Group's products.

Based on the Group’s strategy to meet ISO 14001 requirements, the Group set an annual corporate objective of **decreasing IRT** (waste volume/production pieces) by 2%, achieved through various local initiatives including:

- The **Albacina site** replaced **singe use wiping cloth with a reusable version**, decreasing the volume of clothing contaminated by hazardous substance to be disposed in 2023 **by 30%**.
- In 2023, the **Wuxi, Hanoi and Saint Petersburg sites** successfully **utilized reusable plastic containers** for both receiving products from suppliers and distributing them through intercompany sales, avoiding the use of over 30 tonnes of cardboard.
- The **Namur and Chartres sites** upgraded their painting process to decrease the use of paint powder by 30%, therefore also **reducing packaging and process waste by 30%**.

A RESPONSIBLE APPROACH TO WATER MANAGEMENT

The **ISO 14001 certification**, the **Group HSE Policy** and the **WCM methodology** are the same guidelines also followed by the Company when it comes to water management throughout its operations. Water is withdrawn from the municipality and from wells and is used for cooling surface treatment in steel manufacturing plants, for testing finished goods and for civil use. The water is subsequently released into sewers or directly into the environment, depending on its use and treatment necessities. All the production sites that release water into rivers are equipped with **internal chemical and physical filtration processes**, in accordance with the applicable environmental requirements.

To reduce water consumption, the Group focuses on **decreasing water use in production processes**, improving **reuse practices** and **reducing the use of tap water** through withdrawal from wells.



In fact, 83% of the water withdrawal of the Company’s ISO14001 certified plants is **directly pumped from ground water that is not drinkable**. Moreover, all of Ariston Group ’s production plants strictly abide by local regulations that **control the quality of discharged water through periodic monitoring**. Any deviations are recorded in the internal audit and the **HSE action tracker**. Additionally, in accordance with Ariston Group’s incident management policy, any legal non-conformity or water pollution must be treated as a major environmental issue and immediately notified to top management for impact mitigation.

The impacts of the **use of water** by the production plants of Albacina, Cerreto, Genga, Namur, Osimo, Conce, Saltillo, Arcevia, Resana and the Fabriano laboratory are monitored on industrial, civil and rain waters. This assessment highlighted that 82% of the water extracted from groundwater by the production sites mentioned above is not potable.

Assessment is also carried out on **water discharged** in order to verify its ecological status (water quality), its compliance to the legal requirements applicable to each plant, its conformity to stakeholders expectations (like the neighborhood, customers, owners, etc.) and the consequences of an incident such as its reversibility and the geographical area which would be affected.

The different sites of Ariston Group take every opportunity to reduce water consumption through various initiatives, including:

- the **Cerreto** site replaced its compressor cooling systems with air-cooling ones;
- the **Wuxi** plant reduced the water consumption of the tube forming production unit by 1000 L/day with recycling water;
- the **Saltillo** plant trained 100% of workers on responsible water usage, as well as identified 100% of leaks and increased the use of treated water in green areas by 10% since 2022.

The Group also focuses on **increasing the quality of the water discharged**. For example, in the **Hanoi** site the Chemical Oxygen Demand, the total nitrogen and the total phosphorus contaminants significantly decreased thanks to the upgrade of the water treatment station.

THE ADOPTION OF MORE CIRCULAR PROCESSES AND PRODUCTS

FOSTERING TRANSPARENCY AND TRACEABILITY: PRODUCT MATERIALS

As a continuation of the initiatives launched during 2022 to ensure compliance with the **AGEC law**, where the Group extensively mapped levels of recyclability, recycled materials, rare earth elements (e.g., scandium, lanthanum, cerium, neodymium), precious metals (gold, silver, platinum, palladium) and dangerous substances, a **comprehensive data management project has been initiated**. This broader effort aims to analyse the key data collection and management processes, establishing governance structures and enhancing integration with existing platforms.

The objective is to streamline the **handling of increasingly specific data**, making it more accessible and immediate. With a particular focus on **materials used in products and components**, the project also seeks to enhance the availability of crucial information to reinforce the Group's circular approach. In fact, the data collection carried out represents the first step for the deployment of **circularity practices**, as it allows to **identify circular opportunities** and to raise awareness in terms of resource consumption, with a potential to be further implemented into different areas of the business. This analysis also helps to improve the **transparency and traceability** of raw materials in the supply chain, as well as to strengthen the collaboration with suppliers around ESG topics.

A COMPREHENSIVE APPROACH ON THE MANAGEMENT OF PRODUCT-RELATED DATA

Ariston Group formulated a comprehensive Product Life-cycle Management (PLM) strategy to ensure the application and dissemination of **best practices throughout the entire life cycle of the product**. This strategic approach encompasses the management of a product – throughout its entire life cycle – from its

design and development to its service and disposal. The implementation aims to **enhance time-to-market, product cost-effectiveness and fluent data management**, which will in turn allow to **monitor environmental impacts and establish circularity targets**.

In 2023, the focus has been on extending the PLM platform by **releasing core system features** and making the system available to all R&D hubs across the Company. Looking ahead to 2024, the Company plans to **further expand the functionality of the PLM system** with a specific emphasis on new areas, including **product disposal management**. This strategic timeline reflects the gradual evolution and integration of PLM into Ariston Group 's operations, emphasising a commitment to sustainability, efficiency and innovation.

LIFE CYCLE ASSESSMENT (LCA) AND ENVIRONMENTAL PRODUCT DECLARATION

Ariston Group is committed to transparently communicating the environmental impact of its products throughout their lifecycle, thanks to the adoption of an Environmental Product Declaration (EPD). As early as 2017, Ariston Group began working towards the PEP ecopassport: the PEP (Product Environmental Profile), registered under the PEP ecopassport® Program, is a type III environmental declaration that meets the ISO 14025 Standard and is based on the LCA methodology.

After having certified 10 products, in 2023 the Company has invested in assessing the impact of **3 additional Life Cycle Assessment** on heating heat pumps, condensing boilers and hybrid solutions.

In 2024, the Group will undertake various initiatives to start integrating product eco-design considerations within its R&D framework.

To support this effort, the Company will introduce **advanced Life Cycle Assessment (LCA) software solutions**, complemented by comprehensive training for design engineers. Similar tools are already being seamlessly integrated into Wolf's Development Process, enabling engineers to conduct accurate and detailed carbon footprint calculations at various stages of product development.



REMANUFACTURING PRINTED CIRCUIT BOARDS (PCB)

Reconditioning offers a multitude of benefits that align with the principles of circularity and economic efficiency, by extending the useful life of components, reducing the environmental impact of the finished product and increasing the availability of spare parts. PCB stands for **Printed Circuit Board**, an insulating board on which electronic components such as resistors, capacitors and chips are soldered or mounted, providing an efficient and convenient way to **electrically connect the components of an electronic device**.

In line with its circularity efforts, throughout 2023 Ariston Group has defined all the processes required to **recover some types of PCBs from products under warranty and give them a second life**. Once worn-out parts are collected, the latter undergo a **testing phase** to detect potential issues and then **remanufactured** with the aim of creating a stream of reconditioned parts to be used as **warranty replacements** or to be **sold together with standard parts**.

Throughout the year, **agreements with external suppliers have been successfully signed** and a **pilot project** is currently underway on the Italian market. Looking forward, Ariston Group is exploring various options to **replicate** and **expand the scope** of this innovative project.

TOWARDS A SUSTAINABLE PACKAGING INITIATIVE

Driven by the constantly evolving regulatory landscape¹⁶, by increased customer demands and by the ambition to decrease the impact of its packaging, Ariston Group is actively researching **alternative solutions** that represent more sustainable procurement choices. This becomes evident from the release of the **Sustainable Packaging** definition.

In order to achieve this, the Company has launched a **project aimed at monitoring and tracking its packaging-related data to set a performance baseline**. This baseline involved an accurate analysis of the different packaging types (such as carton boxes, packaging fittings, labels, manuals, expanded polystyrene, etc.) deployed per product family across a number of production facilities.

As a result of this assessment, the Group is currently in the process of **defining various initiatives to improve the recyclability of packaging in general, increase the share of recyclable packaging and recycled plastic**, remove smaller packaging and **minimise the use of plastic or avoid it where possible**. The initial assessments of the recyclability levels of our packaging have been conducted and will continue throughout 2024, with the aim of **outlining a more responsible use of materials that facilitates waste reduction**, while ensuring compliance with recyclability principles defined by the European Commission. The most pressing issue that the Group is currently addressing is the **replacement of EPS with recyclable materials**, aligning with French regulations and sustainability goals shared with specific clients.

At the same time, other best practices have already been implemented within the Group. For example, Thermowatt is implementing a forward-looking initiative centred around the **development of plastic-free packaging across its European plants**. The project is focused on **eliminating polystyrene** from the packaging of thermostats and resistors and the introduction of sustainable solutions to progressively **replace bubble wrap and adhesive**

tapes with paper-based solutions. Other initiatives are currently under evaluation, such as potentially **adopting extensible film with a percentage of recycled material and PLA** (bioplastics) or paper bags to replace plastic ones. Following an initial phase of research and testing for the creation of the first prototypes, the Company is currently conducting **production trials and transport tests** to assess the effectiveness of these solutions, which will drastically reduce the use of plastic in packaging materials.

In a parallel effort, Wolf has initiated a shift in the **plastic bags** used for the maintenance sets of boilers. In fact, by reducing the thickness by one third of these components and incorporating 95% recycled material, the Company anticipates significant waste reduction. The Company has also **introduced a stretched film which is thinner and with 50% recycled content**, a strategic move which is projected to yield substantial CO₂e savings.

Moreover, Wolf is **addressing the environmental impact of its EPS packaging** by investigating alternative packaging technologies such as **moulded paper pulp**, as well as the recycled EPS for specific products. One example is the CHA-16 heat pump's packaging part, which is made entirely from recycled EPS.



Responsible supply chain

THE AMBITION TO 2030

As part of our ESG efforts, we must take into consideration the **environmental and social performance of our supply chain**. For this reason, we are committed to focusing on and **engaging our supplier base on ESG-related aspects**. We are developing tools and plans to foster a relationship management driven by sustainability. These include assessments, improvement and monitoring plans to engage and support the supplier base in our ESG journey.

	Long-term target	Progress in 2023	Status
2030	Align 100% of our strategic suppliers with our ESG journey	Ecovadis rating platform and IQ tools for risk assessment in place	
2025	Mid-term supporting initiatives		
	Set ESG vendor rating criteria and policy for strategic suppliers by 2023	Provider engaged ESG assessment in suppliers pre-qualification phase in place	
	>80% of products and services purchased from local suppliers	70.5% (excl. Wolf-Brink) The production of solutions featuring a lower localization % has increased; we are working to enhance this % in the near future	-1.5% vs 2022
	50% of strategic suppliers assessed on ESG performance	To be started in 2024	

2023
MILESTONES

THE INTEGRATION OF ESG CRITERIA IN THE PROCUREMENT PROCESS

SUPPLY CHAIN DUE DILIGENCE

The pressure for the integration of due diligence processes is increasingly growing, as reflected in the EU's **Proposal for a Corporate Sustainability Due Diligence Directive**, first published by the European Commission on February 23, 2022. This proposal, currently subject to a negotiation process which so far is expected to conclude in 2024, sets out a comprehensive due diligence framework for companies to **identify, address and prevent or mitigate adverse impacts on human rights and the environment** within their operations and value chains. More specifically, the due diligence entails a process of collecting independent information to gain an **understanding of the risks associated with third parties** and **enhancing transparency**.

In anticipation of this upcoming legislation, Ariston Group has reinforced its effort to enhance **sustainability in procurement practices** by partnering with EcoVadis, a leading provider of business sustainability ratings. Through this partnership, Ariston Group is able to **map risks and opportunities, assess sustainability practices, monitor and track actions**, as well as **understand its performance and that of its suppliers**.

In 2023, the Group started the development of a structured **ESG assessment of its strategic supplier base** for the identification of criteria that suppliers are required to align with. The project involves the evaluation of supplier ESG performance through a tailored rating score and the definition of a strategic approach which, in turn, leads to the definition of clear-cut **improvement and monitoring plans**. In order to engage and score suppliers, the Company is currently working to develop effective supplier management tools, training initiatives, questionnaires and improvement plans. Moreover, in addition to the rating activities, the Company is currently **mapping supply chain risks** to gain a comprehensive overview of its supplier base. The collaboration, again with EcoVadis, is aimed at formulating a **sustainable procurement strategy** through an assessment of sustainability procurement risks.

This evaluation considers three key dimensions:

• **Sustainability risks** encompassing **environmental impact, labour practices, human rights, ethics** and **sustainable purchasing risks** specific to the industry. The assessment is based on the sector and the countries in which the company operates. In fact, the industry risk is based on an analysis of relevance, intensity and observed risks.

• **Procurement risks** considering the supplier's significance to the Company in terms of spending and criticality and tracks related to financial, geographical, political dimension.

• **Risk scan process**: once identified, risks are then positively or negatively mitigated through an ESG evaluation based on publicly available documents pertaining to suppliers (e.g., ISO Certifications, Code of Conduct), which in turn are rated based on the category, type and validity over time (e.g., expiration date).

The **overall risk score** is therefore provided by weighting these three dimensions with the tailored ESG supplier rating scores. Currently, the Group planned to assess more than 200 suppliers, with the idea to expand to approximately a thousand in the near future, encompassing both direct and indirect suppliers.

In parallel, the foundations are being set to **assess new suppliers** against a range of ESG criteria during the **pre-qualification phase**. The latter involves fulfilment of applicable ISO certifications (i.e., ISO 45001, ISO 14001, ISO 9001, ISO 50001), indicating the accreditation for vendors and providing answers to over 70 mandatory questions that include several ESG aspects. This questionnaire is in the process of being implemented in the **Group's e-vendor portal**, a specialised platform that helps streamline the collection of supplier documentation for their evaluation.

In terms of social and environmental aspects, suppliers are assessed on the existence of policies regarding working conditions, labour relations and career management. Specific attention is paid to **child and forced labour, diversity, non-discrimination and sexual harassment**. The environmental aspect extends to requirements of policy and targets on **energy consumption** and **greenhouse gas emissions**, e-waste traceability, eco-design in product development, life cycle assessments, etc.

The ethical dimension also involves queries about the **presence of conflict minerals** (tin, tantalum, tungsten or gold) and the **existence of a policy or procedure specifically addressing these materials**, underscoring Ariston Group 's commitment to avoid deploying minerals linked to conflict zones.

In parallel to these commitments, Ariston Group also plans to implement a **Sustainable Procurement Policy (SPP)**, a strategic framework guiding the procurement of materials, supplies and services based on their environmental and human health impact.

SUSTAINABLE FEATURES FOR MATERIALS AND COMPONENTS

When it comes to raw materials and components, both sourced from within and outside Europe, Ariston Group requires its suppliers to adhere to several **safety and environmental performance requirements**. These are defined by taking into account applicable regulations, laws, directives, norms, voluntary standards and the Group's protocols and range from packaging to safe drinking prerequisites, along with hazardous substances and pollutants.

In particular, the **RoHS Directive** (Restriction of Hazardous Substances) applies to a wide range of electrical and electronic equipment, including household appliances, and covers several hazardous substances with the aims to **prevent the risks posed to human health and the environment by the management of electronic and electrical waste**.

The **POPs Regulation** (Persistent Organic Pollutants) also aims to reduce the environmental impact of certain persistent organic pollutants, which are **resistant to environmental degradation** and accumulate in the environment, causing a negative impact on human health and the environment.

The appliances made by the Group are also subjected to the **REACH Regulation** (Registration, Evaluation, Authorisation and Restriction of Chemicals), which covers virtually all chemical substances (hazardous and non-hazardous) manufactured, imported and used within the EU market and comprises the Registration, Evaluation, Authorisation and restriction of CHemicals. For all these requirements, the Group requires **its own suppliers to submit the related statement on a yearly basis at least**, in which they are asked to declare the compliance of their components and update in terms of material composition or due to regulatory changes. These statements are then checked by the Group's Certification Division to ensure the compliance of suppliers with applicable requirements. The overall process ensures a clear mapping of materials and their composition, providing the Group with an overview of the current status and updates.

Moreover, the Group has been starting a roadmap in order to adhere to the new European **Drinking Water Acts on the quality of water intended for human consumption that will be published in 2024**. The goal is to protect human health from the adverse effects of any contamination of water intended for human consumption. These acts apply the precautionary principle in **providing contaminant levels**. As a result, the Group is implementing a specific process certification to prove the conformity of various materials that come into contact with the water resource (e.g. metallic, organic and enamel materials).



SUPPLY CHAIN DIGITALISATION

Digitalisation increases visibility, transparency and responsiveness throughout the supply chain ecosystem, empowering swift and informed decision-making. In 2023, the launch of the implementation phase of Ariston Group 's **Digital Supply Chain (DSC) project** sparked a significant transformation, improving departmental alignment, accelerating problem-solving and conditioning evaluations. The strategic scope of this project included **improving the reliability and consistency of the supply chain**, enhancing the Company's reputation with customers by increasing the value of its products and services and taking advantage of business opportunities through better management of inventory levels and dedicated flows for key customers.

*In 2023, the implementation phase of Ariston Group 's **Digital Supply Chain (DSC)** project sparked a **significant transformation**, improving departmental alignment, accelerating problem-solving and conditioning evaluations.*

The project also aims to **increase the efficiency of supply chain management** through correlated processes such as demand planning, Sales & Operations (S&OP) and master planning, supported by new tools, as well as to provide decision-making support through simulation tools.

Strategically focused on enhancing processes, the organisational structure and platform capabilities, Ariston Group 's Digital Supply Chain project targets operational excellence through elements such as **Central Operation Planning, Master Planning Schedule (MPS), Market Demand Planning (DP) and Strategic Sales & Operations Planning (S&OP)**. And as a result of this project, in the midterm a significant improvement in the key supply chain performance indicators is expected, such as **forecast accuracy, service levels and inventory reduction**.

The Digital Supply Chain project and the One Team program also introduce a **new organisational model focused on local accountability**. At the central level, the Group Supply Chain & Logistics team adopts a streamlined structure, fostering **coordination** and **cooperation**. This strategic restructuring aims to enhance collaboration and to sustain growth across Group, regional and local levels. Country managers, in fact, oversee end-to-end supply chain activities, ensuring instant and effective decision-making. Moreover, through this new set-up, countries will benefit from best practice sharing and scale effect thanks to the Group guidance and more functional approach and affiliation, achieved through a **central accountability on common process and continuous improvement activities**.

Finally, as part of the extensive digitalization project of this area, in 2024 the Group plans to launch the **Digital Manufacturing program**. This initiative aims to optimize and digitize information and data flows within the plants for the overall improvement of safety, quality and productivity/efficiency performances.

3. People & Communities



*Empowering people
to achieve more*



3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS

Key challenges



Building a **One Team company culture** by integrating diversity and inclusion, promoting a smooth integration amidst the continuous expansion of the business to ensure a diverse, yet cohesive environment.



Facilitating the **upskilling and reskilling of workers** considering the rapidly evolving technological framework and the need of technical and engineering competencies that are critical to achieve the energy transition.



Cultivating a **relationship of trust with the local communities** in which the Company operates, worldwide, addressing their diverse needs and disseminating awareness on the importance of sustainable thermal comfort.

Excellent employee experience and engagement

THE AMBITION
TO 2030

For us at Ariston Group “People come first”. Our goal is to **develop a meaningful and comprehensive people experience**, in order to foster a sense of belonging to the Group and to increase the engagement of our people as one single team. We want our employees to feel valued and cared for. For this reason, we are working on a set of initiatives that will lead us to become **a certified world class employer**, an environment where employees can thrive.

	Long-term target	Progress in 2023	Status
2030	To be a certified a world class employer that builds a sustainable working environment	Ariston Vietnam in the tops of the 100 Best Places to Work Ariston India honored with the Best Employer Brand Award 2023 for Maharashtra State	
Mid-term supporting initiatives			
2025	> 60% of managerial positions filled through internal career paths	78% (excl. Wolf-Brink)	+19% vs 2022
	At least 30% female employees and at least 30% male employees in Ariston Group Management team by 2030	24% (excl. Wolf-Brink) 22% (incl. Wolf-Brink)	Stable vs 2022

2023
MILESTONES

As the Group is strongly committed to promoting equal opportunities and diversity, the central HR team has spent 2023 planning and defining **dedicated activities aimed at engaging and educating the workforce on these topics, disseminating awareness**. As a subsequent step, in 2024 more concrete and specific programs will be implemented.

ONE TEAM COMPANY

The global presence across 40 countries and its recent acquisitions have driven the Group to embrace a constant transformation, while **broadening the concept of diversity and inclusion**. Different cultures, nationalities, backgrounds and skills are constantly brought together to spark innovation and creativity, while enriching the business. It is on these bases that the Group pursues a **One Team Company approach**: an inclusive workplace that seeks to create a sense of belonging to a unified company and to respect its diversity.

In 2023, **the achievements of Ariston Group were made possible by its 10,769 employees**. As far as the workforce is concerned, 57% falls within the 30 to 50 age range, broken down into 79% male and 21% female employees. 93% of employees hold permanent contracts and 90% work full-time. Part-time contracts account for 10% and are tailored to meet the specific needs of employees. Ariston Group welcomed 1,966 new hires in 2023, with 26% being women and 11% under the age of 30.

INTEGRATING DIVERSITY & INCLUSION BY GIVING VOICE TO EMPLOYEES' STORIES AND TALENT

To give voice to its cultural diversity, Ariston Group leverages its internal communication tools to share employees' professional and personal stories, in the firm belief that each narrative contributes to enriching the Group's identity. During 2023, **more than 20 people from 15 different countries** shared their experiences with their worldwide colleagues. More specifically, these stories involved colleagues of **different ages, nationalities and backgrounds**, and put a spotlight on personal career paths, achievements and significant initiatives involving **female leaders**.

Similarly, and with an eye to **generational diversity**, the latest edition of the **My Ariston Group program** designed for new hires, saw 70 young talents from 13 different nationalities across the organisation showcasing in front of the Group's top management real business projects implementable in the company.



WOLF'S INITIATIVES TO CREATE A DIVERSE WORKPLACE

In 2023, Wolf concentrated its efforts to integrate gender diversity within the business culture. Its commitment can be summarised in two projects:

• **Diversity management**: in September 2023, Wolf signed the “Charta der Vielfalt”, a voluntary commitment to **promote the recognition, appreciation and integration of diversity into the Company's culture**. The “Charta der Vielfalt Association” is the biggest German corporate initiative and is under the patronage of German chancellor Olaf Scholz.

• **Increasing women's representation and advancement**: in July 2023, Wolf launched a network initiative to enhance the representation and progression of women within the organisation. The program commenced with a **kick-off event of all female leaders**, where they shared insights, identified opportunities and addressed challenges faced by women in leadership positions. In a second meeting, the female leaders had a **specific training session focused on communication skills** specifically designed on the topics identified in the first meeting. Furthermore, the network initiative of female leaders organized an evening event under the motto “Women take over responsibility” to which all Wolf women were invited. The program included **interviews of leaders** as well as **interactive theme tables** with different topics as for example how to manage career & family, how to act in social media etc.

THE EMPLOYMENT OF PEOPLE WITH DISABILITIES IN ATAG'S PLANTS

ATAG, based in Lichtenvorde, the Netherlands, celebrates its 75th anniversary in 2023, highlighting a journey of **innovation and societal responsibility**. Over the past 25 years, ATAG has collaborated – and still collaborates – with 'Fijnder Werk-Leerbedrijf Oost Achterhoek', known as the social workplace Hameland, actively **providing employment to over 30 individuals facing challenges in mainstream employment**, who are considered integral members of the workforce contributing to the production of high-quality boilers and heat pumps. By strategically **assigning tasks to people based on their abilities and disabilities**, ATAG enhances economic efficiency, fosters social integration and contributes to employee happiness and self-esteem. Personal success stories showcase the transformative impact of providing development opportunities. Despite administrative obstacles, ATAG's commitment to meaningful employment remains constant, contributing to a **broader conversation on inclusive practices** and their generated positive impact.

THE ONE TEAM PROGRAM BROUGHT TO COMPLETION

The concept of a One Team company also relies on clearly defined roles and responsibilities as enablers of cross-functional collaboration in a global business that is continuing to expand through strategic acquisitions. **The One Team Program was initiated in order to streamline procedures, clarify roles and enhance cooperation across functions.** Over the years, the Program has involved several functions including Product Development and Marketing, followed by the Human Resources and ICT departments. Some of these underwent a strategic restructuring to **refine decision-making processes and organisational structures.**

In 2023, the One Team Program closed the circle by focusing on the **Supply Chain & Logistics (SC&Log) workstream.** Following a cooperative approach, the new operating model has been built up with Central SC&Log team and local teams based on best practices and clear implications and benefits expected at local and Group level. The new model has been put in place in June, alongside a structured **change management program** including communication cascading and a group organization announcement. The final phase of the Program envisaged an **assessment of competency needs across local teams,** to enhance upskilling. To achieve this, key skills are mapped for each role (technical skills, digital skills and soft skills) in order to **design a specific training plan.**

BEST PLACE TO WORK AWARD
FOR ARISTON VIETNAM

Ariston Vietnam has achieved the 7th position in the sector for Medium Enterprises and an impressive **50th place in the overall Top 100 Best Places to Work** in Vietnam for medium enterprises in the Electronics/High-Tech/Auxiliary Equipment industry. These rankings are determined based on the attractiveness index of each company. This remarkable achievement is the result of the **survey done by the consulting firm Anphabe** (the largest online network of management professionals in Vietnam), which polled 63,878 experienced workers from 18 industry groups and 9,638 students from 113 universities; rankings are determined based on the **attractiveness index of each company.** This recognition is now at its tenth edition, sponsored by the Vietnam Chamber of Commerce and Industry (VCCI). Overall, the company's achievements are proof of the **commitment to providing an exceptional workplace environment** to its people.

ARISTON INDIA RECEIVES BEST
EMPLOYER BRAND AWARD 2023
IN MAHARASHTRA STATE

Ariston India has been honored with the **Best Employer Brand Award 2023** in the state of Maharashtra, marking a moment of pride for the organization. The award was presented during the 18th annual conference of the World HRD Congress, held in Mumbai.

This recognition is a reflection of Ariston India's commitment to **nurturing a work environment that fosters growth, development and positive work culture.** The Best Employer Brand Award 2023 for Maharashtra State is a collective achievement, highlighting Ariston India's dedication to excellence and its continuous efforts to **create an outstanding workplace** for its people. It reaffirms the Group's commitment to fostering a **positive and growth-oriented work culture,** where boundaries are pushed to achieve greatness.

EMPLOYEES' SKILLS DEVELOPMENT AND GROWTH

EXTENDING THE GLOBAL
LEADERSHIP PROGRAM (GLP)

The Global Leadership Program (GLP) is focused on improving employees' competencies according to the approach outlined in Ariston Group's Leadership Model: **"LEAD CHANGE, LEAD BUSINESS, LEAD PEOPLE"**. Launched in 2021, the initiative strives to activate, support and **strengthen leadership skills amongst employees from 25 different countries.** At its core, the scope is to enhance the **Leader as a Coach** role and foster a feedback culture, in order to provide a consistent managerial style throughout the Group and help people to grow professionally.

Initially, the fully digital GLP was tailored for Executives and Senior Managers. The program was then extended to the Mid-Management level and, in 2023, it involved **Individual Contributors and every new employee,** at any level, through 6 interactive modules composed by individual business coaching journeys, collaborative team learning sessions and online content. A total of **1,000 employees** across the business have already completed the journey or are underway in doing so. To date the program has been delivered in **8 languages.**

Aside from ensuring formal and informal feedback on a regular basis, performance management is another tool to develop cross-functions and enable growth from within the Company.



PERFORMANCE MANAGEMENT PROCESS

Optimizing performance is important for companies striving for excellence. **Ariston Group’s Performance Management Process** emphasizes transparent communication and employee involvement in goal setting and goals assessment. Focused on feedback and an **employee-centric approach**, it fosters accountability and recognition and it identifies professional development needs. Through a **co-responsible relationship**, it aims to provide clear direction and support, ensuring employees understand their tasks and meet organizational expectations for optimal performance.



In 2023 the Group **renewed its Performance Management Process** for white collar and executive permanent employees. The first novelty entails the **connection between Performance Management and Short-Term Incentives (STI)** according to which bonus payouts are now linked to both Group STI scorecards and Individual Performance scores, promoting a higher commitment to individual goals and behaviours. This new approach aims to **align variable remuneration with short-term Company performance results**, with STI Plan awards being directly linked and proportional to the **actual achievement of performance targets**, in order to foster a culture of collaboration and teamwork at all organizational levels. Transparent communication of the company's performance ambitions and the expected commitment from each individual is integral to this approach.

The structure of the new Performance Management Process (PMP) involves three main phases: **Goal Setting, Mid-Year Assessment and Overall Assessment**.

• During the **goal setting phase** managers and employees collaboratively define goals and targets for the year. Employees propose **three goals**, validated by the manager, with a recommended mix of one quantitative goal and two ad hoc goals.

• During the assessment phase, employees are engaged in **self-assessments**, providing critical awareness and aiding the manager's **understanding of the employee's perception** of results achieved. In this stage, the Individual Goals as well as the Behaviors are evaluated in scale from 1 to 5 and comments. In particular, during the **Behavioural Assessment**, employees' evaluation is based on the Group's core values: Lead Business, Lead Change and Lead People. This phase emphasizes observable behaviours aligned with Company principles.

• Moreover, to the **Overall Assessment** take part not only the Line Manager but also a co-assessor - manager who worked during the year in cross-functional projects with the assessed employee - who can contribute to enhance the evaluation process and make it more objective. The Group believes it's fair and a sign of responsibility to **differentiate the contribution given by each employee** and to this extent it has been decided to introduce the **Performance Alignment Sessions** as last step. In these sessions HR and managers **collaborate to reduce the subjectivity of the evaluation phase** and ensure consistency in evaluating individual contributions to the overall departmental results and they assure performances distribution consistency with business results.

Key changes in the process include also the enhancement of a **centralized platform** and of the reporting for monitoring progress and create a comprehensive, fair and consistent approach to performance management.

MENTORING PROGRAM

In 2023, Ariston Group unveiled the **Mentoring Program**, based on the concept that **sharing knowledge within the Company** helps people grow both personally and professionally. The Program therefore serves as a catalyst for individual development in a journey where **experienced mentors guide mentees**. It also envisages an approach to skills enhancement designed to **help mentees navigate challenges and prepare for future opportunities**. In terms of benefits, there are 3 ways in which mentorship helps with employee engagement: firstly, by providing **opportunities for professional development**, tapping into the knowledge of more senior employees; secondly, by giving employees **a voice to speak with leadership**, breaking down communication barriers; and finally, by **building supportive working relationships** and promoting a growth-focused mindset.

*The **Mentoring Program** is based on the concept that **sharing knowledge** within the company helps people grow both personally and professionally. The Program therefore serves as a catalyst for individual development in a journey where **experienced mentors guide mentees**.*

This initiative supports mentees throughout assignments by transferring essential organisational knowledge and exposing them to **diverse communication styles** and **problem-solving skills**. Currently in the pilot phase, the program engages **10 mentors and 10 mentees**, carefully selected across geographies and functions, with a view on gender balance.

The program's training structure is at the centre of its success. **Mentors undergo 4 comprehensive training modules**, equipping them with core mentoring skills, conversational techniques and effective closing strategies. **Mentees**, on the other hand, benefit from **modules focused on structuring conversations and setting goals**.



LEARNING AND DEVELOPMENT OPPORTUNITIES THROUGH THE MYLEARNING PLATFORM

Developing employee's skills is a steppingstone to foster innovation, enhance productivity and ensure sustainable growth. An important tool in supporting employees' developmental goals is Ariston's **Learning Management System (LMS), the MyLearning**

platform. This user-friendly online hub serves as a central repository, integrating all corporate learning materials that range from in-person to digital courses. All employees have access to the platform, allowing them to build their self-learning journey and participate in annual corporate training sessions delivered online. In 2023, an average of 9.9 training hours per employee was delivered (including Wolf-Brink; 9.7 hours excluding Wolf-Brink).

Upskilling programs for white collar employees	Objectives	Hours (per edition)
Global Leadership Program	To activate, support and strengthen practices associated with the competences of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE	3
My Ariston Group	To support the induction of new employees with 6-12 months of experience, transferring knowledge on business competencies and key Ariston Group processes	40
Presentation effectiveness	To refine and improve the style, structure, content and delivery of presentations, through the application of effective techniques, practice and live feedback	22
Leading people for growth	To support recently assigned managers in leading their teams and the achievement of the results through effective people management skills	20
Transition to General Management	To support the step up to general management with a toolkit of skills and knowledge in order to gain the confidence to manage the complexity of the transition from specialist to generalist.	80

FOSTERING QUALITY AWARENESS AND CULTURE

In order to continuously strive for excellence, it is important that employees are made aware of any quality related issues that may arise. For this reason, over the past year, the new **Quality Awareness and Culture** project was launched by the Quality Department, as one of the working streams of the **Quality Roadmap**.

In collaboration with the HR team, an **engagement program** was launched via the Group's Intranet to help disseminate awareness amongst employees on quality tools, principles and methodologies. Moreover, **dedicated e-learning sessions** on different subject matter (such as Six Sigma and ISO 9001) are made accessible to everyone through the Learning Management System.

FINANCE FOR PROFITABLE GROWTH IN THE MEAR REGION

In response to the evolving needs of the Ariston Group's Middle East, Africa and Russia (MEAR) region, the **Finance for Profitable Growth** initiative was implemented. This hybrid learning path, tailored for up to **18 Marketing and Sales Managers**, was designed to:

- **Strengthen financial knowledge:** to familiarise with Ariston Group's financial glossary, aligning with the organisation's practices.
- **Develop a financial mindset:** to acquire a financial mindset, gaining knowledge of the practical tools crucial for contributing to Ariston Group's profitable growth.
- **Enhance decision-making skills:** to expand the ability to make informed business decisions, considering factors such as sales prices, sales volumes, sales mix and collection times.

The initiative saw **15 hours of interactive virtual live sessions**, encompassing inductive basic refreshers, live exercises and simulations, fostering an immersive and engaging learning experience.

PROJECT MANAGEMENT DIGITAL EDITION

Ariston Group's **Project Management Program** offers a fully digital learning experience through the **MyLearning Hub**. Structured into 6 modules, the program spans a total of **44 hours**, providing an extensive look into project management principles and methodologies endorsed by the US-based **Project Management Institute**.

As of 2023, **more than 130 individuals took part in the initiative**, mainly Project Managers and Project Team members. Participants delved into topics such as key project management life cycles, process groups, cost and time management, quality planning, procurement management, communication, stakeholder engagement and risk management. To ensure accessibility to a global audience, the **program was developed in 7 languages**.



INTERNALISATION OF CRITICAL SKILLS AND COMPETENCIES

Addressing the challenge of sourcing critical competencies, particularly across the STEM fields (Science, Technology, Engineering and Mathematics), requires **proactive measures** such as the **creation of technical or digital programs** within the Company alongside partnerships with educational institutions. The Group is engaged in these initiatives, aiming to support young talent as they enter the workforce.

A COMBINED VISION TO UNIFY SUSTAINABLE THERMAL COMFORT AND DIGITAL INNOVATION

Ariston Group is one of the key players in the **first edition of the Hardware & Software Codesign Academy** – a program at Polytechnic University of Milan dedicated to the complex professional role of the hardware-software engineer. Designed for **24 future engineers**, the Academy serves as a platform whereby theoretical knowledge is merged with hands-on expertise. Workshops and networking events provide valuable opportunities for young engineers to learn from experts, collaborate and gain essential skills for their future careers.

Moreover, Ariston Group and the Polytechnic University of Milan are **addressing the demands of the digital age**, a commitment that strongly resonates with the broader goal of the **energy transition**. By fostering research in crucial areas such as heat pump and combustion technologies, this partnership ensures that the **solutions of tomorrow are sustainable and technologically advanced**. Moreover, the Group seizes the opportunity to identify and recruit young talents, ensuring a continuous inflow of skilled professionals into the industry.

DIGITAL CAREER PROGRAM

In the context of its digital transformational efforts over the past years, Ariston Group has ensured **the Digital Career Program, arrived at its 4th edition**. In 2023, the program involved **16 newly graduates** hired across different roles, who embarked on a **6-month training period**, during which they were

engaged in company-relevant projects and entrusted with specific objectives. The increasing number of participants and company functions underscores the commitment of the business to **enhance digitalisation across the whole Group**. The program is also part of the broader framework of supporting the training and introduction of new skills that are critical for the future of the Company.

THERMOWATT ACADEMY JOURNEY: TECHNICAL EXCELLENCE AND PROFESSIONAL DEVELOPMENT

Ariston Group’s premier component brand, **Thermowatt**, launched its Academy in 2020 to develop professional paths in the manufacturing world and to **transfer technical know-how from Thermowatt’s production sites to students** from Italian technical schools, particularly in the Marche region. The Academy has expanded over the years, becoming the systematic way of onboarding young professionals into the Company from both technical schools (ITS) and undergraduate/ pregraduate programs. The Academy will be expanded to also include the other Group’s brands.

In **2023**, Thermowatt geared up for its **4th edition**. Students participated in comprehensive **training** covering essential aspects such as safety protocols, quality standards, production processes, human resources management and maintenance procedures. Additionally, field training sessions were conducted, focusing on mentoring, production techniques, WCM and quality control. In total, participants received **32 hours of classroom training**, complemented by **100 hours of on-the-job training**.

FORESTING EDUCATION IN THE COMMUNITY THROUGH PARTNERSHIPS

The close collaboration with the ITS Fabriano Academy has led to the inauguration of a **new Automation Laboratory**, based on the 4.0 technology, to enable technicians to develop their skills in programming, operation and maintenance of machines and systems and to **respond to the increased demand for specialised technicians by local businesses**. Additionally, ITS Fabriano’s vast experience in graduating technicians for over 10 years, combined with the solid vision of the President of the Aristide Merloni Foundation, resulted in the development of **3 training courses focused on industry 4.0 technologies**. The latest addition has been the **Managerial Café**, the new training and discussion event for entrepreneurs, managers and professionals to network and **share best practices on how to reduce the STEM skills mismatch**, both locally and on a broader scale.

DIGITALISATION OF KEY HUMAN RESOURCES PROCESSES

As part of its continuous focus on digital transformation, the Group is looking to further **digitalise key human resource processes** in order to streamline its main internal operations, while guaranteeing an excellent people experience and management.

HR DIGITAL ROADMAP

One of the 4 pillars on which the HR Roadmap rests is the **Digital Roadmap**, which consists in the digitalisation of key HR processes, in order to **increase data quality and control**, creating an unique space for all the HRs across the group to speak a common language and build a global mindset through using globally aligned data, definitions and KPIs. Developing meaningful data analytics is essential for reporting purposes and to analyse trends, as well as generational shifts.

This initiative spans across the entire organisational landscape and aims to seamlessly integrate new acquisitions and pre-existing HR processes into a **unified digital framework**, with the ultimate goal of understanding, predicting and meeting the trends, needs and ambitions of all employees.

WEARE FIRST ANNIVERSARY

Last year Ariston Group unveiled its global Intranet, **weARe**, marking a significant milestone in its commitment of being a One Team. weARe serves as a **common hub** for sharing business information to employees worldwide and **fostering a shared corporate culture**.

On December 1, 2023, when the Group celebrated the 1st anniversary of weARe, a total of more than **5,700 users** worldwide had accessed the Group’s Intranet, achieving a **98% engagement rate**. The platform, not only serves as a hub for sharing Group news, but it provides access to useful company tools and to a social corner, fostering efficiency and collaboration among employees.

The **integration of the recent Wolf acquisition into the Ariston Group’s Intranet** is currently underway. In the meantime, the Group has implemented various strategies to facilitate effective information exchange, including **regular newsletter mailings** on cross-functional initiatives and meetings with the communication teams. These efforts ensure bilateral communication and simplify the dissemination of messages at the local level.

HEALTH AND SAFETY

The **Occupational Health and Safety Management System** is a structured approach aimed at managing workplace health and safety risks, ensuring compliance with regulations and **promoting employee well-being**.

HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM

Ariston Group has established an **Occupational Health and Safety Management System**, accredited by the British Standards Institution and **ISO 45001:2015 certified**. The latter integrates the Environmental and Quality Management systems adhering, respectively, to the ISO 14001:2015 and ISO 9001:2015 standards. The Integrated System is detailed in the **HSE Management Manual**, organised in a cyclical framework encompassing the planning, implementation, monitoring and review stages. This approach ensures **uniform procedures and guidelines across all organisational levels**.

In 2023, with over 7,623 (Excludind WB) and 11,160 (Including WB) thousand hours worked among employees, the Group recorded 30 injuries (Excluding WB) and 52 injuries (Including WB).

Education for the future

The **bond with local communities** constitutes one of our core values. Contributing to the social development of the communities we operate in is rooted in our “sustainable comfort for everyone” vision. While we provide energy efficient solutions where these are needed the most, fostering **awareness on sustainable comfort** lies at the centre of our conferences, partnerships and digital platforms.

THE AMBITION
TO 2030

Long-term target

2030

100% Countries engaged in projects that foster awareness on sustainable thermal comfort as an enabler for social development

Progress in 2023

Germany, Hungary, Italy, Spain, Israel, Morocco, Romania, Vietnam involved in different activities

Status



2023

MILESTONES

FOSTERING GROWTH,
INNOVATION AND EDUCATION

A continuous community orientation has always been part of the Group’s DNA, as stated in Aristide Merloni’s philosophy according to which “**there is no value in the economic success of any industrial initiative unless it is accompanied by a commitment to social progress**”. This long journey, which has been shaped in different ways across time and countries, has the common goal of placing people’s wellbeing at the centre of what we do for the communities we operate in.

THE ARISTIDE MERLONI FOUNDATION:
COMPREHENSIVE EDUCATION INITIATIVES

In line with previous years, in 2023 the Aristide Merloni Foundation continued to play an active role in promoting culture, education and economic development. On February 6, the book entitled “**Francesco Merloni: Il secolo dello sviluppo. Internazionalizzazione e coscienza territoriale**”¹⁷ was presented at Palazzo Altieri in Rome. The book focuses on Francesco Merloni’s industrial and political history and the presentation event saw speeches given by author Giorgio Mangani, journalist Ferruccio De Bortoli, President Emeritus of the Constitutional Court Giuliano Amato and RAI President Marinella Soldi. The tour resumed with events held in Milan at the Bocconi University, in Torino and in Ancona in September.

In February, the Foundation collaborated with **Best of the Apps** and the **Higher Education Institute Merloni Miliani** for a school-to-work alternation project. Over a 4-month period, students tackled critical aspects of **e-commerce** and presented solutions to improve its effectiveness. The award ceremony was held in June. The Foundation’s commitment to education was further demonstrated in the context of **Economia Marche**, an historical economic magazine edited by the Foundation. The annual **Marche Economy Lecture** was held in May, followed by the announcement of the awards for 6 winning theses.

In May, the focus shifted on energy efficiency with the event entitled “**Together for Energy Efficiency in Reconstruction**”, a collaborative effort between the Group and ANCE Marche, the representative body of building contractors in the region, with an **emphasis on sustainable rebuilding following the 2016 earthquake**.

Future Campus Fabriano is an innovation-oriented training course aimed at young people, which was held in collaboration with Confindustria Fabriano in order to **introduce young generations to the businesses present in the area**. In its 2nd edition, beginner classes were organised for new entrants and senior classes for those who attended the campus in the previous year.

Summer saw intellectual discussions at the 8th edition of the **Scientific Committee of the Aristide Merloni Foundation**, delving into the new EU’s industrial policy and the ambition for **technological and energy independence**. The conference was opened by Adolfo Urso, Minister for Enterprise and Made in Italy. Speakers included Maria Chiara Carrozza, President of the National Research Council of Italy, Giovanni Gorno Tempini, President of Cassa Depositi e Prestiti, Arancha Laya Gonzales, former World Trade Organisation Director General and Spanish Foreign Minister and former Prime Ministers Enrico Letta and Romano Prodi.

As a Founding Member of the **Hub Abruzzo Marche Umbria** (HAMU), in 2023 the main topics addressed were the **launch of the innovation ecosystem for Central Italy**, the contribution to the creation of a



Private Capital company and a study entitled “Energy for Central Italy”. The latter envisages, between 2023 and 2024, the **creation of energy communities** in the territories of Abruzzo, Marche and Umbria, on the one hand, and a strategic partnership with other countries belonging to the Adriatic-Ionian region, on the other.

In December a new educational initiative, undertaken in collaboration with the Merloni Foundation, was dedicated to energy efficiency and "green jobs." Ariston Group was actively engaged, investing in the project to support the education system with the aim of enriching students' training paths and guiding them toward a rapidly evolving market. 90 students from I.I.S Merloni Miliani in Fabriano and the I.I.S Enrico Mattei in Recanati were involved. Mario Salari, Head of Italy, presented a comprehensive, long-term training program focused on channeling efforts and resources into green jobs, increasingly vital for ensuring a sustainable future. The students had the opportunity to visit production sites in Fabriano and Osimo and to attend specialized lessons.

THE SOLIDARITY INITIATIVES OF ARISTON
GROUP ACROSS ITS GLOBAL OPERATIONS

In line with its “**Sustainable Comfort for Everyone**” corporate vision, the Group **provides energy efficient solutions to people in need** by collaborating with not-for-profit organisations and supporting community shelters across its operations worldwide. Moreover, in order to match social impacts with the environmental protection, the Group is committed to **foster an educational role across energy efficiency topics**.

EDUCATIONAL AND AWARENESS FOCUSED ACTIVITIES

• **Germany:**
• **ELCO's youth sponsorships: ELCO actively contributes to corporate progress** by hosting so-called "Tech Days", dedicated sessions aimed at bringing together architects, planners, legislators and scientists to showcase innovative projects that can contribute to reach the EU's net zero targets by 2050. Moreover, ELCO engages with local communities, focusing on **youth sponsorship and supporting sports and recreational activities for individuals and teams**. Indeed, this year alone and in collaboration with their Installer Partners, ELCO supported 56 youth clubs in Germany. This commitment underscores ELCO's dedication to nurturing local communities, empowering young individuals and fostering a positive impact on society.

• Wolf employees engage in the annual “**Ramadama**” **clean-up action** to remove rubbish on the company's premises and in the surrounding areas. On May 5, 2023, a number of employees volunteered to collect garbage in the southern Mainburg industrial area. In occasion of the e-waste day on October 14, 2023, employees **gathered small electrical devices in collection boxes for a period of one month** to ensure these were recycled professionally as well as sustainably. Furthermore, a first planting action was organized where 12.000 flower bulbs and root seedlings were planted by Wolf employees and apprentices to enhance biodiversity on the company’s premises. Finally, Wolf owns **three beehives** on the Abens and produces its own honey, which is well received as a customer gift. Several appointments are hence arranged each year for employees and their children to visit the beekeeper.

• **Hungary:** the **Nimbus Garden Veszprém Project** is a design installation located in a greenhouse where Mediterranean plants are grown using renewable energy, including solar roof tiles and an Ariston Nimbus Pocket M-Net R32 heat pump. The project is aimed at **increasing awareness on climate change and the importance of renewable energy**, as well as promoting environmentally friendly designs. The installation showcases many innovative features, including energy efficient heating and cooling systems.

• **Italy:** in 2023, the **AMPLification project** entered its 2nd edition, with the collaboration of Worldrise and the support of Ariston Group. This initiative places the spotlight on the importance of Italy's Marine Protected Areas and their biodiversity, with the primary objective of imparting knowledge about **environmental stewardship and energy conservation to the younger generation**. Two marine protected areas have been supported throughout the year: **Bergeggi Island in Liguria and Capo Milazzo in Sicily**. Through dedicated classes and engaging interactive activities, children **from 8 elementary schools** have been introduced to essential conservation practices.

• **Spain:** Ariston Spain is strengthening efforts toward training installers, with a specific **focus on organisations aiding at-risk youth and mainly with regard to sustainability issues**. In 2023, **900 people from 487 companies were trained by means of 120 courses**. These promote sustainable solutions including aerothermal energy through advertising campaigns and educational initiatives. Furthermore, Ariston Spain took part in the #CommunityInstaller campaign promoted by "Caloryfrio", a well-known digital platform in the heating and hot water sector in Spain. Here, the Group promoted awareness on the importance of installers as key agents for promoting tips to customers on the sustainable use of products, while guaranteeing a high-quality user experience.



SUPPORTING NON-PROFIT ORGANISATIONS AND BRINGING COMFORT TO PEOPLE IN NEED

• **Israel:** In 2023 Chromagen **donated 4 solar water heating systems** for a non-profit sailing organisation in Haifa, close to the Mediterranean Sea. The non-profit organisation supports **45 children with special needs**, allowing them to participate in different activities to help them gain self-confidence and learn life skills. Furthermore, Chromagen hosted a group of young teenagers from the “Aharai-Tech” movement, to develop a solar water heating forecast system. They visited the company’s production sites to help expand their acquaintance with the industry. Lastly, Chromagen **donated 2 300 L solar water thermosiphon systems** to the new Chabad centre in Bangkok, Thailand. The installation was conducted by an Israeli volunteer, who arrived in Thailand for this purpose.

• **Morocco:** Ariston Morocco chose the small village of Touama near Marrakech **to provide hot water facilities** in three key locations: Dar Taliba Touama, a **housing facility for young girls** attending high school; Dar Oumouma, a **maternity facility for pregnant women** from surrounding areas; a **postnatal recovery space**. Examples of heating solutions provided range from electric water heaters to solar water heaters. Additionally, in the aftermath of the 7.0 magnitude earthquake which struck the Marrakech region in September 2023, **Ariston joined the relief efforts visiting the affected areas and delivering informal donations of essential goods**, particularly as the earthquake's epicentre was in the remote Atlas Mountains, making it challenging to provide assistance to the affected areas.

• **Romania:** since 2018 Ariston Romania contributed to **national educational institutions by supplying efficient boilers**. In **collaboration with the Romanian Red Cross**, Ariston also sponsored local NGOs, such as Book Land, Charity of Good Gala and City of Good Deeds. Additionally, a school in the Apuseni mountains was equipped with efficient boilers, enabling over **3,000 children to have access to hot water**. Thanks to initiative, in June 2023, Ariston Romania was awarded with the 2nd place in the community support category by the Romanian CSR Awards.

• **Spain:** in 2023, Ariston Spain, together with the Fundació Hàbitat3 and Casa Jové not-for-profit organisations, actively promoted the **Casa Bloc social housing complex in Barcelona**, by **donating Lydos Hybrid electric water heaters over the years**. These systems made it possible to save 50% in energy consumption compared to conventional water heaters, resulting in almost 200€ savings per year per household.

• **Vietnam:** through its collaboration with local charity organisations, Ariston Vietnam facilitated the **donation and installation of more than 80 storage water heaters** in primary and secondary schools across the highland provinces of Northern Vietnam. Moreover, the Company’s colleagues organised an event to celebrate the Mid-Autumn Festival and foster awareness on the importance of thermal comfort for sustainable living, based on the belief that contributing to the social development of the communities and striving to always provide energy-efficient solutions to enhance people’s well-being is strongly rooted in the Company's values.

4. Customers



*Exceeding expectations through
excellent customer experience*



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



The Group's key challenges



Constantly **improving the perception of the Ariston Group's brands** in the eyes of B2B and B2C customers, by anticipating rapidly evolving needs through active listening, engagement and support tools.



Taking advantage of the latest digital innovations and cutting-edge technologies to deliver an ever more effective and tailored customer service.



Guaranteeing **high quality standards** in an increasingly **connected** and more competitive world, through the continuous digitalisation of services and the development of connectable products.

Beyond customer proximity

THE AMBITION
TO 2030

“Listen, stay tuned and care. Deliver solutions that exceed expectations”. In line with our core values, **meeting our customers' needs** will continue to be central in the years ahead. Alongside **creating value** by offering **top-notch quality products** and guaranteeing an **excellent service**, we continuously look to **increase the proximity to our customers**. Proximity, however, builds upon dialogue and this is precisely what drives us towards the active listening of our **end-customers** and **professional intermediaries**, allowing us to provide even better tailored services.

Long-term target	Progress in 2023	Status
2030 Deliver excellent, tailored solutions and services to B2B and B2C customers and increase the loyalty of professionals	Comprehensive enhancement of B2B and B2C tools across all levels: listening, engagement and support	
Mid-term supporting initiatives		
2025	Quantitative Ariston Brand Equity B2C assessment every 2 years	Completed in 2022
	Voice of Our Professionals B2B program launch in 2023	Completed
	Voice of Our Professionals (B2B) every 2 years	New target
	> 8 key countries with "One Team Professional" portal active	Active in 5 key countries +2 countries vs 2022
	+15% Ariston website organic clicks performance per year	+15% vs 2022 +15% vs 2022

2023
MILESTONES

LISTENING, ENGAGING AND PROVIDING THE NECESSARY TOOLS TO STAND BESIDES OUR CUSTOMERS

Ariston Group operates with both B2B and B2C clients: a network of professionals on the one hand and end customers on the other. The Group’s efforts are focused towards ensuring constantly open communication channels by providing a wide range of **tools to listen to, engage with and support our customer base**. To achieve the target to go beyond customer proximity, the Company recognises the central role played by **digital and connectivity**. The Expert Service App, the One Team Portal and the Technical Committees provide the necessary instruments for collecting feedback on products, but also for ensuring that professionals who ultimately deliver services to end-users are continuously supported. The same is true for end-users, who are constantly involved and assisted through our call centres and web portals and with the Ariston NET app they have the possibility to interact more easily with products even from remote.

OUR PROFESSIONAL CLIENT BASE

Listening tools

BRAND EQUITY ASSESSMENT GIVING VOICE TO OUR PROFESSIONALS

In order to fulfil the ambition of becoming the **partner of choice** for professionals such as Installers, Service Centres and planners, the Group’s priority is to provide the necessary tools to measure their feedback with a view to continuous improvement. The key tool to support this vision is the **Brand Equity Assessment, part of the "Voice of Professionals" program**, the in-depht understanding of how our professional partners see us that was kicked off in 2023 and that will be carried out every 2 years. The key objective is that of measuring **brand perception across professionals** in terms of strengths and weaknesses, while **assessing their customer experience with us**.

The study is based on a survey submitted to a representative panel of Installers and Service Centres working with Ariston Group brands and other industry brands in key countries, for a total of **over 3,000 professionals** surveyed **across multiple regions**.

Participants involved in the initiative bring diverse experiences and professional backgrounds, ensuring a comprehensive and inclusive study. The scope of the research is to investigate specific areas such as:

- **Brand funnels:** to evaluate brand preference and usage across various product types¹⁸, as well as to identify the key factors influencing brand selection (including product features);
- **Customer Satisfaction and Net Promoter Score:** to measure customer loyalty by calculating the difference among “promoters” and “detractors”¹⁹ and assess the customer’s experience journey;
- **Brand perception:** to determine the strengths and weaknesses of Ariston Group’s brands versus competitors, focusing on the relationship with sales representatives pre- and after-sales support and connectivity features among others.



TECHNICAL COMMITTEES AND VOICE OF THE CUSTOMERS: WORKING TOGETHER FOR CONTINUOUS IMPROVEMENT

The Group consistently offers listening and meeting opportunities through both **online** and **on-site Technical Committees**. These moments provide a valuable occasion for dialogue with the **service partners** and offer structured platforms for discussing and collecting **potential product issues**, assessing **perceptions on product quality** and identifying ways to **improve product lines** or create new ones. This year, the Technical Committees were expanded to include the United States and Mexico, in addition to the markets already involved in the project: France, Italy, Poland, Romania, Spain, the Netherlands, Switzerland, Austria and Germany.

The Group develops an annual plan to collect feedback and insights from B2B customers that provide installation and support services. This activity facilitates the connection of regional partners with corporate offices responsible for R&D, Product Marketing, Quality and Operations. In 2023, Ariston Group conducted a total of **9 technical support sessions, involving around 100 participants**, across various countries. The sessions involved 5 Corporate Departments (Service, Quality, R&D, Connectivity and Product Management), with the aim of meeting Service Centres from different countries in Europe, dealing with both Ariston and ELCO brands.

Engagement tools

THE ONE TEAM PORTAL AS THE “GO-TO” TOOL

To assist professionals and engage them through daily service tasks, the Group has established the **One Team Portal, a comprehensive digital portal** that works as a valuable reference point for them. Since its launch, the platform has continuously evolved to include new digital services, training programmes and up-to-date product information, with the ultimate goal of becoming an essential tool for our professional partners in diverse markets.

It features, for example, an **Event & Learning Hub**, dedicated to both online and offline learning events; a **Media Centre**, providing easy access to a rich catalogue of brand-related, technical and promotional videos; the **E-Catalogue**, an interactive digital catalogue offering product technical specifications; the **Solution Portfolio**, showcasing best practices of system installations in the field.

In 2023, new **training programs** were launched on the platform. Courses vary across markets with annual content updates based on new product launches. **The platform further expanded its presence** in Romania in January and in France in June. As of today, the platform engages approximately 12,200 professionals across 5 markets, with monthly engagement rates exceeding 70%. Looking ahead, the goal is to continue broadening the platform implementation and increasing its use.

To constantly verify the usefulness of the platform, **satisfaction surveys** are conducted on a yearly basis and in 2023 users expressed a **high level of satisfaction** with the platform’s user-friendliness and its relevance to their work.

A NEW CUTTING-EDGE APPLICATION FOR OUR PROFESSIONALS

The **Expert Service app** was specifically designed for **authorised service centre networks** to facilitate their daily work through digital services that enable ease and speed.

The app, which is accessible both from the web and on mobile devices, embeds in a smart way all of the tools that the Group is already delivering to our service partners. The Expert Service app is the **all-encompassing tool** through which **technicians** are able to globally **report their daily work activities** registering interventions, activating extended warranty contracts and collecting technical information. The app will soon be incorporating Quick Fix functionalities, adding an additional step to this **end-to-end paperless process**.

Finally, the Expert Service app replaces AThOS, the current corporate platform used by authorised service centre networks to **register after-sales interventions in the field**.

In 2023, the platform was launched for the Ariston brand in Italy and France, as well as for ELCO in Italy. The **goal is to extend the platform in all the major countries** to positively impact after-sales processes, including from a sustainability perspective: in 9 months, in just 3 markets, the Group was able to save more than 1 ton of paper thanks to this new and digitalised approach.

ANTICIPATING NEEDS ACROSS DIVERSE MARKETS: THE CRM

Started in 2019, the implementation of the **Customer Relationship Management (CRM)** tool was **extended to 16 countries**, with the aim of empowering the Group's sales professionals and fostering closer customer interactions. The CRM enables Ariston Group to map sales channels and customers across different markets, in order to identify specific opportunities or potential critical issues. This strategic tool was also built to support additional instruments designed to measure e-commerce performance and to analyse the price positioning of products in each market in a tailored way.

Over the last two years, the primary focus has been **to optimise the use of the tool**: centralised reports and Key Performance Indicators (KPIs) have been provided to evaluate its effectiveness and to establish a strong foundation for future enhancements. As a result, in 2023 the company implemented a **comprehensive dashboards system**



that offers quick insights into the specific characteristics of each market. The CRM is designed to facilitate decision-making at various organisational levels, standardise information and disseminate best practice across the company, starting from the **clearer and better structured comprehension of customers**.

SALES ACADEMY: A TAILORED TOOL TO OPTIMIZE GO TO MARKET PROCESSES AND TO CODIFY BEST PRACTICES

Launched in 2021, the **Sales Academy** aims to uphold sales standards for Ariston's customers by **optimizing go to market processes** across business models and **transferring skills to the sales teams**, providing them with the necessary tools for executing sales with the highest level of engagement and effectiveness in the continuously changing competitive environment they operate in. This project **spans over 15 countries** across America, Asia, Africa and Europe, with the aim of creating a **repository of best practices** through targeted training across regions. In addition to the codification of best practices, additional goals involve **assessing sales competencies**, providing **continuous learning programs**, as well as **professional training courses** and establishing an **online sales community**.

Starting from the pilot training launched in 2022 and delivered to around 40 individuals, in the spring of 2023 a **comprehensive training program** was launched for the **entire sales force in France**. Currently, the focus lies in assessing the benefits brought by this training, measuring them across various dimensions including feedback and learning assessments. One of the key objectives of the Academy is to **centralise and consolidate the training material**, in order to make it accessible on the Group's Intranet alongside additional materials that clarify and define sales processes. This project continues to set the foundations for a **Global Academy** to eventually introduce an international approach that trains the entire sales personnel across the company and **guarantees customer proximity and engagement**.

Support Tools

TRAININGS AND DIGITAL TOOLS SUPPORTING PROFESSIONALS IN AN EVER-CHANGING CONTEXT

In light of the growing complexity of products and technologies within the industry, Ariston Group offers **training opportunities targeted to the Service Centre teams** who provide assistance and repair services for the company's products. These courses are specifically designed for professionals to **enhance their understanding of product specifics**, ultimately enabling them to **offer the best assistance to the end customer**.

The activities comprise **technical training**, courses covering the **products and solutions installation, repair and configuration**, as well as the **provision of comprehensive technical documentation** and an **extensive repository of informational materials**. With regard to the Ariston brand in Europe, a total of 552 training sessions were provided, for a total of 4,026 hours and 4,769 participants.²⁰ More specifically, countries involved are Italy, France, Spain, Romania, Poland, Hungary, Czech Republic, the UK and the Balkans.

	Total
Training sessions	552
Training hours	4.026
Participants	4.769

In Lichtenvoorde, in the Netherlands, on the occasion of **ATAG Heating's** 75th anniversary, which fell on October 6, 2023, the **ComfortHub training centre** was opened with the ambition of supporting installers in the **transition towards heat pumps**, addressing the challenges such a transition poses for installers. Over the next few years, the centre will tackle these gaps by **training current and new installers** who need to **switch from gas condensing heating boilers to electric and hybrid heat pumps**.

As for countries **outside of Europe**, various training activities have been implemented, with a particular focus on geographical areas such as Mexico, China, the Middle East and Africa region, as well as the United States.

	Total
Training sessions	1.646
Training hours	11.201
Participants	20.339

With the goal to provide Service Centres with further knowledge and support, the Group has broadened **its offer by providing a comprehensive service package** – the **Service Bundle** – containing **troubleshooting resources** and easily **accessible technical documentation**. The bundle is activated during the initial setup of connected products and **leverages on connectivity to provide remote support with an extended warranty into a single solution**. Within this package, the **Tutoring Service** stands out, providing proactive and remote technical support services which enhance the efficiency of the assistance provided.

THERMOWATT PORTAL

Another example of supporting tool is the interactive **Quick Fix app**, which provides installers with solutions to tackle the most common and frequent **product issues**. Moreover, Quick Fix offers online access to **product documentation**, including user manuals, exploded views, spare part lists and technical notes. The app is also designed to be used in **locations with unstable or limited internet access**, since searches can also be conducted offline.

In 2023, the Quick Fix app was extended to multiple markets and **to the ATAG brand in Italy**. Overall, the year was concluded with the introduction of **10 new troubleshooting methods**. Looking ahead, a project is currently underway to integrate Quick Fix's capabilities into the new Expert Service platform.

The Thermowatt portal is a **website designed to support the growth efforts of the Professional division and of new product lines**, with the aim of increasing active users on the website (targeting around 60,000 per year), strengthening relationships with current clients and improving search engine ranking.

The portal is expected to lead to **increased visibility in new markets and product lines**, as well as gain a greater autonomy in managing website content. In addition, Thermowatt is making a dedicated **effort to improve the accessibility of the website**, ensuring its user-friendliness. The Group recognises the importance of making the digital platform accessible to everyone: active implementation of accessibility features and improvements are ongoing, to guarantee an inclusive online experience.



FOCUSING ON ELCO AND WOLF: DIRECT SERVICE

WOLF SERVICE DEPARTMENT

Wolf Service Department operates on a service process built upon several key pillars.

- The service journey begins with a dedicated **Call Centre for end customers**, facilitating consulting and service requests, including the scheduling of appointments with end customers and ensuring timely deployment and responses.
- The **Technical Consulting** area is tailored to provide technical support for specialist trades and wholesalers through Wolf’s internal service and training programs, with a focus on maintaining a 90% rate of accessibility while delivering high-quality advice.
- Efficient interventions management is ensured through **a centralized dispatching team**, where the company leverages its proprietary dispatching software for service assignments falling within or outside warranty periods.
- The **Field Service** team, comprising a team of 120 technicians, is dedicated to the execution of service orders. Rigorous training programs aim to swift and effective order completion, with a first-time-fix-rate of more than 85%
- In pursuit of continuous improvement, the **Wolf Service** pushes the development of modern processes and digital tools like a centralized knowledge base and a high class service management platform. As a target picture, Wolf is dedicated to enhancing and optimizing service delivery, ensuring that Wolf consistently meets and exceed the expectations of its clientele.

ELCO TECH DAYS

In addition to activities focusing on the professional development of installers, ELCO carries out **seminars that bring together industry players** (architects, planners, legislators and stakeholders) to **raise awareness on the energy transition and products deploying renewable energy sources**.

The initiative this year took place in Berlin, Munich and Frankfurt. The targeted audience includes approximately 100 Service Engineers per event, with guest speakers from the **Fraunhofer Institute for Solar Energy Systems ISE**, from the **legislative context** and **leading architects**, who have presented solutions already on the market that act as showcases for achieving the no emissions targets in the EU by 2050.

SCALING THE ELCO PORTAL

After its launch on the German market, in 2023 the ELCO website was **rolled out in Austria, Switzerland, Italy and the UK**. Moreover, the portal was enhanced through the adoption of **Adobe Experience Manager (AEM)** for managing its content and services. This upgrade will allow for:

- **Enhanced User Experience**
- **Efficient Content Management**
- **Personalisation**
- **Scalability and Time to Market**

ELCO INVESTMENT IN A NEW FIELD SERVICE SOLUTION AND IN TRAINING

ELCO service engineers have **transitioned to a state-of- the-art and fully integrated support system**. This transition not only enhances their work capabilities, but also sets the foundation for further optimisation. The replacement project encompassed an extensive **training program** designed to equip ELCO service technicians with the necessary skills to maximise the benefits of the new system.

In ELCO's key service markets such as Switzerland, Germany and Denmark, a significant number of service engineers are undergoing **specialised training to either acquire new skills or enhance their existing ones in the maintenance of renewable energy products**. In Switzerland and Germany alone, the Group has provided more than 10,000 hours of training overall. This training is particularly beneficial for service engineers who were previously experts in servicing fossil fuel-based heating generators, as it equips them with the **ability to service renewable energy products**, thereby not only expanding their expertise, but also enhancing their career advancement prospects.

ELCO REMOTE ASSISTANCE

In Denmark, where the Group operates with the Gastech-Energi brand, and Switzerland, **a remote technical support unit** has been established to assists clients facing heating system problems, reducing the need to dispatch service engineers to the customer's location. This approach significantly reduces travel-related emissions.

In 2023 ELCO has also been testing a distributed **remote monitoring approach**, through which service engineers can perform **a first check remotely**. These tests are in progress in Switzerland and Germany, further reducing unnecessary travel and providing our customers with a better and closer service. In parallel, ELCO is working on a **Planning Automation project** in the DACH area (Germany, Austria and Switzerland) and in Belgium, which will increase the **automation of the planning and dispatching processes**. This will allow for route optimisation, leading to a progressive transition to **digital communication models**.

OUR END CUSTOMERS

Listening tools

STRENGTHENING THE POWER OF ARISTON'S BRANDS THROUGH CONTINUOUS LISTENING AND DIALOGUE

Through proactive listening, the Group wishes to increase its proximity to the final product users. This is done through **biannual Ariston Brand Health assessments**, the latest of which was conducted in 2022 on a total sample of 600 end customers across Italy, Spain, France, Romania, Indonesia, Vietnam and China. The next one will be launched in 2024.

The “health” of a brand is measured in terms of how powerful the brand is perceived by customers in terms of **meaningfulness**, which determines the emotional affinity to the brand; **salience**, which tests how quickly a brand comes to mind in a purchase situation; **difference**, which looks at the brand’s differentiation with respect to other brands. These tools make it possible to have a snapshot into the areas that require prompt intervention and offer comparative insights in relation to where other competing brands stand.



Engagement and Support Tools

ARISTON NET: AN INTEGRATED APP FOR END USERS

Ariston NET is a smart app, specifically designed to engage customers in managing easily and remotely their thermal comfort solutions by controlling heating and hot water temperatures, setting a schedule, changing the operation mode and receiving real time notifications in case of system failures.

Moreover, with the AI-powered functions of smart scheduling, geofencing and optimum start the benefits of smart comfort are even greater. Users benefit of a comfort designed to combine their habits and home’s thermal characteristics while optimizing consumptions. In addition, the app allows the company to also stay at the users’ side in the product use phase. In fact, the app smart functions for heating solutions use artificial intelligence to understand users’ habits and optimize comfort by, for example, changing the operation mode, controlling the heating and hot water temperature, adjusting the indoor temperature based on the specific location and ensuring that the heating system is on only when needed.

EXCEPTIONAL SUPPORT THROUGH DEDICATED CALL CENTRE

Ariston’s value proposition is centred on **meeting and exceeding customers’ expectations**. This commitment is further reinforced through dedicated call centre, which ensure fast and personalised support. Among the **more than 300,000 incoming calls managed** in its European call centre in 2023, the **average response rate was 96%**, with a **16 second average wait rate**. Operators are mostly native speakers or have a minimum C1 level of language proficiency. Understanding the end-customers' expectations enable the Group to develop and enhance their processes. For instance, a special focus has been dedicated to common **training protocols** for call centre agents, technicians and warehouse staff that handle spare parts to boost their coordination and to consistently position the needs of customers at the centre of everything they do.

Trustworthy quality excellence

THE AMBITION TO 2030

Our customers are our utmost priority, offering **products and systems designed to fulfil their expectations** of comfort and efficiency with **best-in-class services**. In line with our internal ambition, our quality mission is driven by our vision of **gaining customers’ loyalty and enabling them to become our best promoters**.

Long-term target		Progress in 2023	Status
2030	> 85 Quality score per year in the cumulative Group Quality Excellence Index (GQE) ²¹	85%	
Mid-term supporting initiatives			
2025	Quality Mission to be declined into a Quality Strategy	• Products and systems: • New Product Introduction (NPI) • Validation test protocols enhancement	
	Establish and roll out a Quality Roadmap Program to operatively execute the necessary improvement initiatives according to the Quality Strategy	• Services: Expert Service platform implementation • Customer care: measuring the customer experience • Mindset and awareness: quality culture enhancement (training and engagement) • Drive by data: new data platform development	

2023
MILESTONES

GROUP QUALITY STRATEGY

Ariston Group has defined a **Quality Strategy**, aligning its vision and mission with the Group's core values. Whilst the Group's Quality Vision states that “We want our customers to be our best promoters”, the Quality Mission affirms that “We care about customers over time as our outmost priority, providing products and systems designed to fulfil their expectations of comfort and efficiency with best-in-class services”. To pursue this mission, the Company defined a forward-looking strategy on:

• **Products and systems:** in order to be close to markets and customers with a comprehensive portfolio that meets end-users' needs, the development of a specific approach to **define accurate solution specifications** from the very beginning is key, as well as the deployment of dedicated practices for new technologies. **Technical competencies** and **test protocols** are continuously being enhanced with a focus on their harmonization. An updated **New Product Introduction (NPI)** process was defined and deployed within the organization.

• **Services:** ensuring sustained service excellence requires **ongoing customer support with a focus on technical product knowledge and its entire lifecycle**. Collaboration between the back-end and front-end operations is imperative in order to enhance responsiveness and maintain a customer-centric approach. 2023 saw the beginning of the **Expert Service platform** introduction to create a common knowledge base platform for service centres and unify the escalation process from the field.

• **Customer care:** Ariston Group's ambition is rooted in its commitment to ensuring **long-term satisfaction throughout the entire customer journey**. This involves maintaining a high level of service quality and a well-rounded product mix, while also preserving the installed customer base. In 2023, work has been carried out on an initiative aimed at **measuring the customer experience**, particularly focusing on product defects and service quality.

• **Mindset and awareness:** quality has always been an integral part of the Group's culture, but maintaining a constant level of improvement requires **raising awareness on quality issues**, providing it the attention it deserves and using internal resources. Together with HR, the Quality department launched the **Quality Journey** initiative, designed to **harmonise and enhance the company's quality culture** and **cascading it to all business levels**. Starting in May 2023, a selection of **e-learning trainings** were introduced. These modules, handpicked by subject matter experts, were made accessible to all employees through the MyLearning Platform. The core objective of these e-learning modules was to impart fundamental knowledge related to tools, methodologies and quality principles such as Six Sigma, ISO 9000 and more. Moreover, **tailored technical training activities** will be made available for employees working in the Quality Department or in areas such as R&D, according to the skill gap mapped for each individual.

• **Drive by data:** a decision-making process based on solid data and IT system architecture is necessary to achieve a high-quality standard. The Group is working on developing a **new data platform** to ensure an improved, global and easy access to the full quality KPI set. Moreover, the growing number of connected products and consequently the access to a large amount of live data from the field is permitting a **leverage to data science** and **AI techniques**.

QUALITY IMPROVEMENT MANAGEMENT

The **Quality Management System** of Ariston Group was originated in 1993, implemented in accordance with ISO 9001 edition 1987, and initially certificated by CSQ-IMQ, in response to the need expressed by the Management Board to standardize business processes and to enable a process of continuous improvement. In subsequent years, the Quality Management System has been constantly kept updated as per the evolution of the **ISO 9001 standard**. Today Ariston Group has a global Corporate certificate issued by BSI and several site's certificates issued by local certification bodies.

The **Group Quality policy** is communicated by the Management Board and exhibits the following characteristics:

- alignment with the Group's context, organization, resources, goals and strategy;
- suitability for establishing Quality objectives;
- incorporation of statutory and regulatory requirements, along with customer expectations;
- integration of the commitment to the continuous improvement of the Quality Management System and business processes.

Concerning the products, the Group has an internal department which manages all product standards to ensure compliance with regulations, laws, directives, statutory and regulatory requirements and so on. The products of the Ariston Group not only meet the minimum CE marking requirement but also carry additional markings due to voluntary participation in safety testing programs. These programs include

- product verifications at each stage of production with 100% end-of-line checks;
- product samplings to verify and monitor safety, performance and chemical risks, leveraging in internal and external laboratories;
- compliance management for regulatory updates.

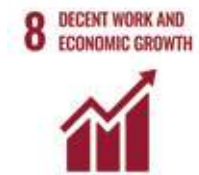
This applies to non-gas appliances as well, where the law does not mandate a third party CE certificate but rather an EU Declaration of Conformity based on their technical documentation.

Furthermore, HHPs with R32 fall under the mandatory CE certification according to the Pressure Equipment Directive (PED), undergoing annual audits in both relevant plants (Wuxi and Albacina). For these HHPs, the Ariston Group has also obtained voluntary marks (HP Keymark) through third-party verification, tests in accredited laboratories, factory audits and annual monitoring, covering both the product and the plant.

5. Governance



Creating value responsibly



Key challenges



Guaranteeing transparency and accountability through a **structured sustainability corporate governance framework** which relies on independent and diverse ESG boards, codes of business conduct and due diligence processes.



Employing an ESG Risk Management framework to measure and manage both actual and potential impacts experienced and/or caused by the Group, facilitating a comprehensive understanding of risks related to sustainability and governance factors.



Establishing an effective cybersecurity approach through the formulation of policies and procedures aimed at preventing threats, coupled with resiliency plans designed to safeguard business continuity, in response to regulatory requirements.

Long-sighted sustainable governance

THE AMBITION
TO 2030

To strengthen our environmental, social and governance responsibilities, we follow the line of an increasingly structured and **solid sustainable governance**. While long-term attention will be directed to consolidating an external stakeholder engagement strategy and broadening our sphere of public policy influence, in the short-term we are committed to **continuing to develop policies, strategies and tools related to diversity, remuneration, risk management, tax strategy and business conduct**.

Long-term target		Progress in 2023	Status
2030	Ongoing yearly commitments developed to meet high governance standards on sustainability	Extension of BCP to non-European countries	
		Trainings on GDPR, anti-trust, 231	
Mid-term supporting initiatives			
2025	At least 50% female directors and at least 50% male directors among the executive directors of the Board by the end of 2028;	New target	0% female directors and 100% male directors among the executive directors of the Board
	At least 33% female directors and at least 33% male directors among the non-executive directors of the Board by the end of 2025	30% female and 70% male	
	Risk and Crisis Management enhancement	Special focus on ESG and Tax risks in ERM	
	Codes of Business Conduct continuous improvement: Code of Ethics, corruption and bribery, human rights	Trainings on GDPR, anti-trust, 231	
	Tax Strategy strengthening	Tax Control Framework approved in 2022	

2023
MILESTONES

STRENGTHENING THE GROUP'S SUSTAINABLE GOVERNANCE MODEL

The Company is a Dutch public company with limited liability existing under the laws of the Netherlands. The Company has adopted, except as set out below, the best practice provisions of the Dutch corporate governance code, which contains principles and best practice provisions for listed companies that regulate relations between, *inter alia*, the Board and its committees and the relationship with the general meeting of the Company.

The Dutch corporate governance code was amended on 20 December 2022 and entered into force as for the financial year beginning on or after 1 January 2023. The Netherlands is the Company's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended).

The Company maintains a one-tier Board consisting of executive directors and non-executive directors. The executive directors are responsible for the day-to-day management of the Company. The non-executive directors supervise and advise the executive directors. The Board as a whole is responsible for the strategy and the management of the Company.

The articles of association provide that directors can be appointed for a maximum period of four years ending at the end of the annual general meeting which is held in the fourth year after the calendar year in which the director was appointed. Directors may be reappointed.

On 2 January 2023, the resignation of Andrea Silvestri and Paolo Tanoni and the appointment of Guido Krass and Antonia Di Bella as non-executive directors of the Board became effective. In addition, Laurent Jacquemin resigned as executive director and chief executive officer and was appointed as non-executive director of the Board at an extraordinary general meeting held on 27 July 2023. Maurizio Brusadelli was appointed as executive director by the general meeting on 27 July 2023 and as chief executive officer by the Board on 3 August 2023.

As at 31 December 2023, the Board comprised the following directors:

Name	Year of birth	Nationality	Gender	Position	Committees	First appointment	End of term
Paolo Merloni	1968	Italian	M	Executive director (Executive Chairman)	A*, D	10.06.2021	2024
Maurizio Brusadelli	1968	Italian	M	Executive director (Chief Executive Officer)		27.07.2023	2026
Antonia Di Bella	1965	Italian	F	Non-executive director (independent)	C	02.01.2023	2025
Roberto Guidetti	1963	Italian	M	Non-executive director (independent)	B*, D*	10.06.2021	2024
Laurent Jacquemin	1969	Belgian	M	Non-executive director		27.07.2023	2026
Guido Krass	1957	German	M	Non-executive director	A	02.01.2023	2025
Francesco Merloni	1925	Italian	M	Non-executive director		10.06.2021	2024
Maria Francesca Merloni	1963	Italian	F	Non-executive director		10.06.2021	2024
Lorenzo Pozza	1966	Italian	M	Non-executive director (independent)	C*	17.06.2021	2024
Ignazio Rocco di Torrepadula	1962	Italian	M	Non-executive director (independent)	B, C	10.06.2021	2024
Marinella Soldi	1966	Italian	F	Non-executive director (Lead Non-Executive Director) (independent)	B, D	10.06.2021	2024
Enrico Vita	1969	Italian	M	Non-executive director (independent)	A	10.06.2021	2024

* Committee Chair
** Andrea Silvestri and Paolo Tanoni resigned with effective date 2 January 2023.
A = Strategic Committee
B = Compensation and Talent Development Committee
C = Audit Committee
D = ESG Committee

The Board has four committees that discuss specific issues and prepare items on which the full Board takes decisions. The chair of each committee reports on the main points of discussion and the resulting recommendations are discussed at the subsequent Board meeting. The four committees are:

Main courses at Group level	Duties
Audit Committee	(i) the monitoring of the financial-accounting process and preparation of proposals to safeguard the integrity of said process; (ii) the monitoring of the efficiency of the internal management system, the internal audit system and the risk management system with respect to financial and sustainability reporting; (iii) the monitoring of the statutory audit of the annual accounts and consolidated accounts, and in particular the process of such audit (taking into account the review of the AFM in accordance with Section 26 of EU Regulation 537/2014); (iv) the review and monitoring of the independence of the external auditor, with a special focus on other services provided to the Company, in accordance with the Company's external auditor independence policy; and (v) the adoption of a procedure for the selection of the external auditor and the nomination for appointment of the external auditor with respect to the statutory audit of the annual accounts and consolidated accounts
Compensation and Talent Development Committee	(i) the preparation of the remuneration policy for the Board; (ii) the preparation of proposals for the remuneration of the directors; (iii) the preparation of the remuneration report on the execution of the remuneration policy during the respective year; (iv) the preparation of the selection criteria and appointment procedures for directors; (v) periodically assessing the functioning of the individual directors and reporting on this to the non-executive directors; (vi) drawing up a plan for the succession of directors; (vii) proposing appointments and reappointments of directors (viii) supporting the Board in identifying incentive mechanisms for management and making strategic decisions relating to the organization of the Ariston Group
Strategic Committee	supporting the Board as regards business strategic decisions (including external growth opportunities, whether integrative or transformative)
Environmental, Social and Governance (ESG) Committee	see following page

The audit committee and the compensation and talent development committee consist of non-executive directors. The strategic committee and the ESG committee each consist of three executive and non-executive directors and Andrea Guerra, who is not a director, is also a member of the strategic committee.



TOWARDS A SUSTAINABLE GOVERNANCE

As part of its ambition, Ariston Group **has defined a strong structure**, currently composed by **three functions** that are fully dedicated to sustainability.

The **ESG Committee** supports the Board on (i) providing guidance to steer the strategy of the Ariston Group in terms of its ESG vision and commitments; (ii) approving the Ariston Group's materiality matrix along with the ESG plan (targets, activities and KPIs) the Ariston Group commits to engage on to deliver against the material topics; (iii) monitoring the ESG plan execution, target achievement and progress of actions, including areas of work required by ESG rating agencies; (iv) approving the Ariston Group's ESG communication plan and reporting methods related to ESG issues, such as the "Declaration on non-financial issues"; (v) promoting the dissemination of a culture of sustainability in the Ariston Group; (vi) supervising the activities of listening, dialogue and involvement of stakeholders.

The **ESG Council** is a cross-functional roundtable between key representative Group Exacutive Committee members and the ESG Director to discuss ESG challenges and to develop the strategy needed to overcome them. The Council also includes the Executive Chairman and the CEO.

The **ESG Director** works with all the internal functions and external stakeholders to address the organization's ESG responsibility to identify risks and opportunities as well as minimise negative actual and potential business impacts while maximising positive ones. The ESG Director communicates the ESG Committee's aspirations as well as stakeholders' expectations to the ESG Council and reports main results to the ESG Committee. Main responsibilities also include developing and overseeing the overall execution, mission and effectiveness of the ESG strategy, defining and implementing ESG organizational policies, promoting an ESG culture across all levels of business and preparing all the external reporting required by national and international regulations.

According to article 1.1.5 of the Dutch Corporate Governance Code (DCGC), starting from January 1, 2023, the Audit Committee has assumed duties and responsibilities with regards to the monitoring of the efficiency of the internal management system, the internal audit system and the risk management system with respect to financial and sustainability reporting.

DIVERSITY POLICY

The Company recognizes the benefits of having a diverse Board and sees diversity at Board level as an important element in maintaining a competitive advantage.

Pursuant to the Dutch Act on gender diversity, which entered into force on 1 January 2022, the Company has to set appropriate and ambitious gender diversity target figures for the executive directors and non-executive directors within the Board and senior management and draw up a plan to achieve these targets. In this context, 'appropriate' means that the targets depend on the number of executive directors and non-executive directors within the Board and management, and on the existing ratio between men and women. The targets for the Board can differ from the targets for management. In this context 'ambitious' means that the targets should aim to make the male-female ratio more balanced than the existing composition. In addition, the Company has to report on this to the Dutch Social and Economic Council (*Sociaal Economische Raad*) on an annual basis, within ten months after the end of the financial year.

Pursuant to the new Dutch corporate governance code, which entered into force as for the financial year beginning on or after 1 January 2023, companies should also set specific, appropriate and ambitious targets for other diversity and inclusion aspects of relevance to the company than gender. On 7 November 2023 the Board resolved to adopt, upon proposal of the compensation and talent development committee, an updated policy diversity and inclusion (D&I) policy of the Board and management. Such policy, starting from the analysis of the current composition of the Board and management, defines the **guidelines** by which the Company will **maintain an adequate level of diversity** of the Board and management (for this purpose defined as employees managing teams of people), addresses the **concrete targets** relating to diversity within the Company and the **commitment to report annually** on the results achieved.

The Company strongly believes that a diverse company is a stronger company: this is the over-arching core key message as the Company prepares organizational engagement and enrolment based on two main streams:

- a pathway of cultural transformation to lay down the foundations for a profound change in a multi-year perspective: The cultural transformation pathway is designed to raise awareness and engagement of the management through a number of specific coaching and training initiatives dedicated to the management. This will be coupled with an internal communication campaign to capture unconscious bias and enhance awareness;
- a set of concrete action items to instill a sense of urgency in steering behavior: concrete action items will complement the pathway through the introduction of targets in the main HR processes: selection, performance management and succession planning.

The targets proposed by the compensation and talent development committee and approved by the Board on 7 November 2023 are the following:

- the executive directors of the Board should comprise at least 50% female directors and at least 50% male directors by the end of 2028;
- the non-executive directors of the Board should comprise at least 33% female directors and at least 33% male directors by the end of 2025;
- management should consist of at least 30% female employees and at least 30% male employees by the end of 2030;
- creating and fostering a working environment that respects and appreciates all ways of thinking, where everyone feels welcomed, respected and valued, and specially striving towards having a due and fair representation of different ages and nationalities within the non-executive directors and management, and in general within the Company.

The existing ratio 31 December 2023 was 0% female and 100% male for the executive directors, 30% female and 70% male for the non-executive directors and 22% female and 78% male for management (24% female and 76% male excluding the Wolf & Brink perimeter). The mandate of one executive director and seven non-executive directors is scheduled to expire at the annual general meeting to be held in 2024. The compensation and talent development committee will prepare the nomination of new directors whilst taking into account the diversity, experience, independence, knowledge and skills to allow the Board as a whole to be effective.

The Company indeed recognizes that differences in skills, experience, education, background, nationality, gender and other characteristics of people are important and enable both the Board and the Company as a whole to look at issues and to solve problems in different ways, to respond differently to challenges, and to take more robust decisions. Pursuant to the diversity policy, the Board is committed to ensuring diversity in skills, experience, education, background, nationality, gender and other characteristics of directors, when selecting new candidates for the Board. At the same time, the Board will seek to retain the right balance of requisite expertise, experience, diversity and affinity with the nature and culture of the business of the Company.

ENTERPRISE RISK MANAGEMENT (ERM)

In compliance with the provisions of the Dutch Corporate Governance Code and as per international best practices on internal risk management and control systems, the Groups deployed a **Risk Management** process aimed to assess, manage and monitor the risks that could affect business and its operations.

According with the Group's **ERM methodology**, the risk events that could affect the achievement of strategic objectives are assessed in terms of likelihood of their occurrence and their economic impact. The risks are evaluated in terms of both "inherent risk", representing the risk in absence of any intervention, and "residual risk", which considers the effectiveness of implemented mitigation actions. The management is responsible to identify the risks and to define and implement appropriate mitigation action plans aimed to reduce the likelihood/impact of the risks faced by the Group, according with its risk appetite.

The **Group Risk Appetite**, defined as the level of risk that the Group is willing to accept to achieve its objectives, is applied to business objectives, Code of Ethics, corporate values, policies and applicable laws and regulations. The risk management and internal control system is composed by different risk categories, each with its specific risk appetite:

- **Strategic:** Risk related to the Group's business strategy that could affect its long-term positioning and performance.
- **Operational:** Risk that may affect internal processes, people, systems and / or external resources, hindering that influence the e Group's ability to pursue its strategy.
- **Compliance:** Risk of non-compliance with laws, regulations, local standards, the Code of Ethics and internal policies and procedures.
- **Financial:** Risk relating to uncertainty of returns and potential financial losses due to financial performance.

The ERM model integrates **Environmental, Social and Governance (ESG) risks**, which are among the most relevant risks that the Group is facing. Adherence to evolving ESG regulations, increasing the level of requirements and market expectations, implies the engagement of a wide range of company functions in complex programs aimed to innovate products and develop new technologies, changing materials and packaging, reducing energy and resources consumption, as well as direct and indirect emissions. In addition, for some of those objectives, the involvement of third parties and suppliers is essential. For further details about the actions in place to face the ESG risks please refer to “Solutions” and “Operations” chapters.

During 2022, the Group adopted a new **ERM (Enterprise Risk Management)** process. In this first step, the focus has been on **five risks** considered high priorities for 2022. Further on, the risk mitigation methodology will be consistently extended to manage all other identified risks. The five risks the Group has focused on in 2022 are:

- **Ability to expand its range of products, delivering innovative solutions to meet customer needs and preferences, and compliant with regulatory requirements.** The Group’s future success will depend on its ability to consistently address changes in end-user demands and in compliance with the latest regulatory requirements. The Group exploits its in-depth knowledge of the markets to adapt its proposals to the latest technologies and needs by accelerating the heat-pump range and the development of all technological and product roadmaps.
- **The ongoing Russia-Ukraine conflict and related escalating geopolitical tensions** continue to generate further volatility and local market uncertainty.
- **Employee health and safety.** The Group strives to manage at best its employee health & safety, rigorously complying with applicable laws.
- **Dependence on/Scarcity of raw materials, components and heightened tensions on energy prices utilities.** The Group must manage and mitigate the supply chain pressures alongside the risks of disruption in the European gas imports and **inflationary** trends related to the availability, quality and cost of raw materials, utilities, component parts, and specific finished products.
- **Cyber-attacks.** The Group, like many other multinational companies depends on the efficient and uninterrupted operation of its information and communication technology and its ability to successfully manage increasing cybersecurity risks.

INTEGRATING ESG RISKS INTO THE ERM FRAMEWORK

The ERM model integrates Environmental, Social and Governance (ESG) risks, which are among the most relevant risks that the Group is facing. Adherence to evolving ESG regulations, increasing the level of requirements and market expectations, implies the engagement of a wide range of company functions in complex programs aimed to innovate products and develop new technologies, changing materials and packaging, reducing energy and resources consumption, as well as direct and indirect emissions. In addition, for some of those objectives, the involvement of third parties and suppliers is essential.



ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

In order to identify and manage risks and improvement areas concerning Environmental, Health and Safety issues, Ariston Group has implemented an Occupational Health and Safety Management System and an Environmental Management System. Both are certified by the British Standards Institution certification in accordance, respectively, with the international standards **ISO 14001:2015** and **ISO 45001:2018**. In 2023, ISO 14001:2018 covers 35.76% of the Group sites, while ISO 45001:2018 covers 31% of them. These percentages are calculated based on full-time equivalent (FTE) per site relative to the total number of employees. The two Management Systems, also integrated with the **ISO 9001:2015** certified Quality Management System, lay the basis of the company strategy for the continuous improvement of environmental policies and prevention policies for the systematic control of risks.

The System, described in the **HSE Management System Manual**, is structured according to a cyclical sequence of planning, implementation, monitoring and review phases and provides all levels of the organization with harmonized tools and guidelines to pursue the objectives expressed by the Group's HSE Policy and ensure legislative compliance. In particular, the system is based on the following processes:

- **Context Analysis**, to determine the external and internal factors relevant to the organization's aims and which influence its ability to achieve the HSE Management System goals, but also the needs and expectations of interested parties.
- **Change management** thanks to a process to preventively intercept and manage any change that could influence the systems and processes, to control potential impacts on the environment, health and safety of workers.
- **Legislative compliance monitoring** to ensure that all applicable legal and regulatory requirements are identified and continuously updated in accordance with any changes that may occur.
- **HSE annual Internal Audit** with the aim of verifying the effectiveness of the HSE Management System, guaranteeing the correct application within the Organisation of the procedures identified by the Management System and guiding the local structures in the identification of the corrective actions and improvements necessary to guarantee legislative compliance, the achievement of set objectives and continuous improvement.
- **Hazard** identification and **risk** assessment through a methodology for risk assessment aimed at timely and continuous identification of hazards and control of all risks to which workers, suppliers, visitors and any other person with access to workplaces may be exposed.
- **Assessment of environmental aspects** associated with production processes, products and services that the organization can control and those over which it can exert an influence.
- **Management Systems Review** by Top Management at regularly planned intervals to ensure its suitability, adequacy and effectiveness. The Management Review outputs are translated into the update and planning of improvement actions and the definition of goals.

The HSE Management System applies to all production and non-production facilities of the Group. Requirements are also included for suppliers, contractors and outsourcing services.

A Group-level procedure (**HSE.PR024Tt - HSE Risks Assessment**) was put in place in order to have a systematic approach to the early identification of all risks in workplaces, share consistent risk assessment criteria, provide risk mitigation strategies that are efficient in reducing risk to an acceptable level and methods to monitor the effectiveness of preventive and protective measures. Risk assessment is regularly performed for both routine activities and non-routine activities, that are not generally performed on regular basis or in habitual workplaces and could create risks of interference and consequent coordination needs, and the activities being performed for the first time. The overall process allows each site to:

- identify hazards and risk factors that have the potential to cause harm (hazard identification).
- analyze and evaluate the risk associated with that hazard (risk analysis and risk evaluation).
- determine appropriate ways to eliminate the hazard, or control the risk when the hazard cannot be eliminated (risk control).

A Group Procedure, **HSE.PR004Tt-00-Incident Management**, establishes the criteria for reporting and recording Environment, Health and Safety accidents, but also near misses and unsafe situations, in order to ensure and facilitate the effective and efficient management of incidents from the moment that one occurs, until it can be investigated, and corrective and preventive measures are developed and taken.

WHISTLEBLOWING SYSTEM

The EU Directive no. 2019/1937 requires all Member States to fully regulate whistleblowing procedures and to provide whistleblowers with effective channels to confidentially report unethical behaviours and wrongdoings, establishing a robust system of protection against retaliation.

In compliance with the new legislation, the Group has implemented a **new whistleblowing platform**, available for the entire Group, including all the subsidiaries, as well as for both internal employees and external third parties. The platform has been deployed using a third-party web-based solution, accessible at any time by potential whistleblowers and assuring the highest level of integrity and confidentiality.

The Group has adopted a **whistleblowing policy** that strengthens its commitment to whistleblowers, in particular clarifying that retaliatory actions are not tolerated and would be prosecuted. Furthermore, the **existing whistleblowing procedure** has been updated to align with the new legal requirements and the implementation of the new platform.

The **Internal Whistleblowing Committee**, composed by the Head of Internal Audit and Chief People Officer, is accountable for managing the whistleblowing process, defining the need to proceed with an investigation, evaluating with the management the identification of action plans and/or the application of sanctions or penalties. During or before starting the investigation the Whistleblowing Committee is in charge of interacting with the whistleblower and providing them with feedback about the case developments.

A **whistleblowing communication campaign**, for both white and blue-collar employees, has been launched at the beginning of 2024, on a global scale. The primary objectives include enhancing awareness and the Group's commitment to safeguard whistleblowers from retaliation or discrimination. The campaign aims to promote a culture of openness and accountability, encouraging employees to confidently report unethical behaviours and wrongdoings through the whistleblowing platform.

231 ORGANIZATIONAL MODEL

Ariston has adopted the **Organisation and Management Model** required of Italian companies under **Legislative Decree 231/2001** to prevent the commission of crimes and unethical conduct. Ariston Holding N.V.'s Organisation and Management Model was updated by the Board at the meeting held on 16 December 2022. This version incorporates the organisational, regulatory, and corporate structural changes that occurred since the previous version in a consistent and harmonised manner. The model thus illustrates the **general rules of conduct that all recipients must follow to prevent the commission of the updated list of crimes** provided by Legislative Decree 231/2001, including all the crime descriptions included up to the date of adoption, as the Board decided to keep the Company fully compliant with Legislative Decree 231/2001, in terms of both the aspects of the Organisational Model and the appointment of the Supervisory Board, also after the new domicile of the Company in the Netherlands. At Group level, online training on the 231 model was held for all employees of the Company. The Organismo di Vigilanza, appointed compliance to Italian decree 231/2001, monitored through 2023 that the Organizational and Management Model is effectively implemented and update and supervised its suitability to prevents crimes.

ANTITRUST REGULATION

The Group runs its business fully compliant with **competition rules and their foundational principles of merit, fairness, and loyalty**. The Group requires all employees worldwide to maintain conduct that is fully consistent with the provisions of national and international antitrust laws and regulations, in compliance with the Group's **Code of Conduct** and the **Antitrust Vademecum** which form an integral part of the Group's **Code of Ethics**. The Group's organisation model makes it possible to promptly verify compliance with the relevant EU regulations. Since 2018, the Group has performed a thorough assessment and refreshed its antitrust programme, including a dedicated manual and guidelines, and is offering online training to all employees concerned to raise awareness about applicable laws and the relevant principles. In 2022, the Group launched and performed an overall assessment of its antitrust compliance program, with

the aim of strengthening people's awareness and knowledge of antitrust rules, identifying the main points to focus on from an antitrust perspective and spreading an antitrust compliance culture within the Group. A set of updated documentation was made available on the Group website, an antitrust vademecum and antitrust manual. In 2023, a new and updated training online tool has been implemented, to ensure acknowledgement of rules and legal provisions and awareness of correct behaviour, compliant with competitive rules, available to all Group employees. At Group level, in 2023 (X) employees attended the on line training; all the antitrust documents have been translated into all the main languages of the Group and made available on the web site for worldwide consultation, Wolf Group included.

ANTI-MONEY LAUNDERING AND TRADE COMPLIANCE

In 2019, the Company adopted an organisational model that makes it possible to ensure the Group's compliance with **Anti-Money Laundering (AML)** and **International Trade Compliance** regulations at national, European, and international level. Noteworthy among them are the **Office of Foreign Assets Control (OFAC)** Regulations of the United States and the specific Regulations adopted by the European Union with respect to sanctions and restrictions against certain countries and entities as well as to dual use, including **Regulation 428/2009**.

The main tool adopted by the Company to this end is the Trade Compliance Manual, which lists the various measures in place to prevent conduct contrary to Trade Compliance regulations. These consist of specific conduct procedures that involve several checks and reviews throughout the performance of sensitive business operations. In 2023, the Trade Compliance Manual has been updated with a specific procedure to increase the level of control on divergent payer payments and on the screening of clients, employees and supplier, improving the protection from risks of breach of trade compliance worldwide rules. A specific training dedicated to the changes has been performed, for the benefit of all the Trade Compliance Manual users at Group level.

In 2023, the Group acquired a **software dedicated to run individual and collective checks** on employees, customers, and suppliers as well as **conducting specific investigations** where required. The new tool allowed an enlarged possibility to

inquire, allowing the screening of 60.000 counterparts and 100 second level checks of ultimate beneficial ownerships can be conducted by the Company itself; the implementation of the new tool is on going. All such measures are referenced in the Code of Ethics, of which they form an integral part. Twice a year, the Group, through a tool managed by an external supplier, conducts a general **review of 10,000 counterparties** (including suppliers, customers and employees), with respect to those located in the so-called sensitive countries, to identify any person or entity sanctioned under OFAC, UN and EU lists. The Group analyses the findings and, if necessary, asks an external advisor to perform additional due diligence, halting transactions where required. This process is repeated also before beginning a new business relationship in a sensitive region. In 2023, the Company asked to the external professional advisor 12 further deeper analysis on clients and supplier whose outputs from the tool were not satisfactory. As for this last item, subsequent to the approval of EU Regulation 2022/336 on 28 February 2022 following the invasion of Ukraine by Russia and consequent EU sanctions against Russia and subsequent updates of this rule during 2022 and 2023, the Company monitored the situation through all the following EU Regulations, up to the twelfth package of restrictive measures against Russia adopted with Regulation (EU) 2023/2878 and 2023/2873, and relative execution rules 2023/2875, dated 18 December 2023. The EU sanctions potentially affecting the Company are "subjective", if addressed to banned persons, or "objective" if addressed to banned products. As far as

objective restrictions, the Company engaged a law firm to screen its whole portfolio of products, with the following results: as regards the Burners division, most of the products manufactured are banned, and export towards Russia has been stopped. As far as Heating and Water Heating products, most products are banned (which were immediately stopped), with the exception of gas wall hung boilers; even components – mainly electronic components – are banned and immediately stopped. As a consequence, export of finished products has not been stopped where allowed, instead components have been selected and only banned components have been stopped. Even some imported products resulted banned, and as a consequence stopped. As for spare parts, some components resulted banned, and these have been stopped. Through 2023 all these analysis from the external consultant have been kept updated through new rules, FAQ and interpretations.

As for "subjective" restrictions, all clients, employees and suppliers have been screened compliant to the updated Trade Compliance Manual, and no banned persons were found. If the individuals are confirmed as banned, the Company stops dealing with them. The functional structure of the Company has been analysed as far as potential crime liability and the consultancy updated output is that the Company is currently managing the framework of relations with involved parties in compliance with the laws and regulations currently in force.



ANTI-BRIBERY

As clearly stated in its Code of Ethics, **the Group does not tolerate any acts of active or passive corruption involving any public or private entity or individual**. The Group's Companies undertake to comply with and enforce applicable anti-bribery legislation. Moreover, the Code explicitly forbids taking advantage or boasting of existing or alleged relationships with Public Administration officials to give or promise money or other utilities to oneself or others as the price for illicit mediation with the public official or to compensate them with respect to the performance of their functions or powers.

TAX GROUP STRATEGY

The Group is equipped with a Tax Strategy that outlines a common **approach to tax** and clear management roles and responsibilities with the main purpose of guaranteeing:



- **Tax compliance:** to ensure compliance with all applicable laws and regulations and pays its fair share of taxes in a timely and responsible manner **in all jurisdictions where it operates**.
- **Tax risk management:** to integrate effective risk management into the Group's governance system to protect the Company's value over time.
- **Tax transparency:** to work collaboratively with tax authorities and **foster trust, loyalty and fairness**.

Furthermore, the Group implemented a **Tax Control Framework (TCF)** to increase transparency and to contribute to the economy and social well-being of the Company. **Said framework equally enables to manage and mitigate tax risks, the monitoring of which is enabled by the Tax Risk and Controls Matrix of Ariston S.p.A.** First applied to Ariston S.p.A. and Italian companies, the TCF is then applied to other companies within the Group operating in other countries. 2023 saw the **identification of potential tax risks** with an impact on the Group and the introduction of appropriate controls to intercept their presence and mitigate their effects. The governance of the TCF is regulated in the **Tax Compliance Model (TCM)** which defines the roles and responsibilities in the management of the tax variable and the execution of monitoring activities of the processes prepared to mitigate tax risk, entrusted to the **Tax Risk Officer (TRO)**.

BUSINESS CONTINUITY PLAN (BCP)

In line with the Dutch Corporate Governance Code, that requires a company's management to be responsible for the operational continuity of its business, **Ariston Group has significantly expanded on this commitment to further enhance its strategic and business risk management and control systems.** Indeed, 2023 saw an **extension of the Business Continuity Plans (BCPs).**

The BCP serves as a pivotal tool for the annual identification, measurement, monitoring and verification of risks to the company's operational continuity. The BCP program provides an annual review and maintenance of the BCPs made in each plant. These risks range from **extreme natural events, raw material shortages and cyberattacks.** The BCP equips the Group for various disruptions and outlines precise procedures for responding, recovering and restoring activities post-interruption. Prior to said implementation, each plant managed its Operational Continuity Plan (OCP) independently, conducting risk assessments and establishing emergency plans for supply chain continuity. **Therefore, the BCP documentation provides additional alternative solutions,** serving as a comprehensive guide tailored to each plant's unique situation.

Following the successful implementation of five Italian pilot plants, in 2023 the program underwent a substantial expansion, **encompassing an additional ten plants across Asia, America and Africa.** Said extension is aimed at fostering continuous improvement and ensuring the ongoing relevance of risk assessments. The objective is to dynamically **adapt to potential business risks,** directing company resources efficiently and reactively, while **maintaining a preventive stance to eliminate or mitigate risks, where possible.**

In 2024, Ariston Group is planning to extend the BCP to the Wolf plant in Mainburg.



HUMAN RIGHTS DUE DILIGENCE

Ariston Group is aware that **respect for human rights** needs specific oversight and management tools, especially in regions with complex socio-political contexts, in which workers' rights and the relationships between business partners are not always disciplined by regulations equivalent to EU standards. The principles of legality, dignity and equality expressed in the **Code of Ethics and Corporate values,** as well as the choice of partners with proven reliability in managing local workers and suppliers, are the foundations on which the Group manages such issues. Each entity within the Group ensures the **integrity of its employees,** guaranteeing working conditions that comply with human rights and dignity. Prohibited practices include irregular and forced labor, employment of underage individuals, violence, harassment and false accusations.

In 2022, in view of evolving European disclosure requirements, which push companies to align long-term business operational and governance procedures with human rights and environmental considerations, the Group has initiated a **strategic approach to implement a human rights due diligence process,** starting from the mapping of impacts brought about by the business itself and the identification of the most critical areas and countries. Said analysis has been based on international standards such as the UDHR and ILO guidelines as well as proposed EU legislation (e.g. the Corporate Sustainability Due Diligence Directive). As **high and medium-risk countries were mapped out, questionnaires and interviews have been carried out alongside requests for evidence, where necessary. Based on these findings, the Group** has released a **Global Human Rights Policy** according to the United Nations Guiding Principles on Business and Human Rights (UNGPs). Although no specific critical issues were found during the assessment phase, the Group has chosen to formalize its dedication to upholding human rights. These rights are already partially addressed in the Code of Ethics. To enhance focus on particular areas and to reaffirm the Group's commitment, specific measures have been identified (such as providing trainings).

In 2023, with the commencement of the collaboration with **Ecovadis,** the Group also shifted its focus to **supply chain due diligence,** equipping itself with the necessary tools to enhance **transparency and control** over the ESG performance of its suppliers, particularly with regard to human rights. A specific tool aimed at identifying the level of risk in the supply chain has also been implemented, recognizing that such early-stage mapping requires a risk-based approach.



ARISTON GROUP’S COMMITMENT FOR ETHICAL SUPPLY CHAINS

In 2020, Ariston Group **became a part of the Sedex network**, a platform in Europe dedicated to gathering and analyzing data related to the implementation of ethical principles throughout supply chains. Sedex offers an online platform, as well as tools and services, to assist companies in conducting their operations responsibly and sustainably. The primary focus is on **safeguarding workers and ensuring ethical procurement practices**.

In 2021, the Group achieved Sedex's "Supplier" membership for ethical trade service providers, encompassing a total of **six production sites**: Genga, Cerreto, St. Petersburg, Wuxi, Namur and Chartres. This membership entails completing a comprehensive self-assessment and undergoing Sedex Members Ethical Trade Audit, particularly for facilities located in countries categorized as "high risk". Subsequently, these high-risk countries participate in **programs aimed at creating a safer working environment for their employees**. Detailed reports stemming from these assessments are readily accessible for customers. This approach has persisted since the beginning of the collaboration, with audits occurring periodically.



THE GROUP WINS THE ECOVADIS BRONZE MEDAL

In 2023 Ariston Group was awarded the **Bronze Medal from EcoVadis** for its ESG performance throughout 2022. Ranked on a scale from 0 to 100, the rating reflects the quality of the company’s sustainability management system measured across four main categories such as **environment, labour and human rights, ethics** as well as **sustainable procurement**. More specifically, the Group secured a **score of 58/100**, positioning at the higher end of the bronze medal band and in the **68th percentile** if compared to other companies’ scores. The rating, now visible to analysts and investors, not only reflects the **Group’s dedication to environmental, social, and ethical considerations** but also underscores its position as a **responsible corporate company**, positively contributing to global sustainability objectives and always focused on continuous improvement.

ESG DATA MANAGEMENT

In a dynamic ESG regulatory landscape, **effective data management plays a pivotal role in shaping an organization's sustainability transparency**. Against this background, Ariston Group is actively engaged in the area of **ESG data management and collection**. In 2023, an assessment aimed to delineate areas where data collection proves to be most challenging was conducted. This comprehensive evaluation identified the domains of circularity and traceability as focus areas for ESG data mapping and observation.

The Group’s strategy builds on foundational assessments to establish a structured approach for data management and aims to enhance governance and processes, while implementing ad-hoc tools. Ongoing efforts involve analyzing diverse sustainability datasets, mapping data flows and identify the correct data owners and tools **to enhance data quality and streamline data collection**. This approach will be followed for various ESG areas where a strong need for data collection has been identified, which to date remains highly specific and therefore cannot immediately be integrated into the existing platforms.



AN EVER-EVOLVING CYBERSECURITY APPROACH

The Group is working towards an ICT Security Model, based on a **predictive, preventive and proactive strategy**. This involves analyzing past and current events to gain insights and prevent unknown threats, as well as **empowering and training employees to minimize risks**. Over the last years, Ariston Group has focused on building a robust and resilient cyber defence mechanism, equipping its ICT Security Team with the tools and strategies necessary to safeguard against a wide range of threats. The team has identified and implemented **the most effective security controls**, while also **providing support for incident investigation and recovery**. Furthermore, the Group is dedicated to empowering its global workforce with the **knowledge and tools** they need to play an active role in preventing cyber threats through. Security awareness trainings and targeted training for top management have **become mandatory** in the current context.

Furthermore, the Group is currently in the process of **reassessing its ICT Governance**, with a specific focus on reviewing the areas related to cybersecurity controls and those linked to the assignment of roles and to the robustness of the ICT system. The final objective is to define an ICT Control Matrix and to establish periodic control processes. Additionally, the Group is currently undergoing a review of the **Managed Detection and Response (MDR)** service provided by a third-party company operating 24/7, which monitors all events on the **Security Data Lake²²**. This project, scheduled for the beginning of 2024, allows for the identification of possible malicious activities, emphasizing continuous improvement to enhance cybersecurity measures.

Note on methodology

HOW THIS DOCUMENT WAS CREATED

The fifth edition of Ariston Group’s Sustainability Report reaffirms its commitment to transparently provide to all stakeholders the Group’s results, initiatives, challenges and objectives reached and set in relation to environmental, social and economic aspects.

The information contained in this document refers to **fiscal year 2023** (from the 1st of January to the 31st of December). The information is to be read in conjunction with the ESG strategic targets the Group has set in view of 2030. Information regarding long-term targets and objectives is available in more detail in the Road to 100 Report.

The Sustainability Report has been prepared following the **GRI Standards 2021**, “with reference” option. While the GRI Content Index provides a picture of all indicators relied on for the purposes of reporting, full detail around quantitative data can be found in the Technical Appendix.

The document has been built around the **9 material topics** defined through the materiality analysis, which identifies a materiality threshold above which a topic is deemed sufficiently important to be reported on. Specifically, the Group has identified those topics that are useful to represent the economic, environmental and social impacts generated and incurred by the organisation and, therefore, able to influence the decisions of its stakeholders and corporate strategies. These impacts were then subject to a technical assessment, aimed at measuring their **significance**. Each was measured according to its scope, scale, irremediable character and likelihood of occurrence.

The collection of information and data reported in the Sustainability Report took place in collaboration with all of Ariston Group’s functions, each for the activities within its competence, activating an information flow coordinated and supervised by the Group ESG Director and subjected to the ESG Committee’s approval.

For further information, please contact the ESG team (esg@ariston.com) or visit [Ariston Group](#).

Technical appendix

ABOUT THIS APPENDIX

This Technical Appendix is produced to supplement the Ariston Group Sustainability Report 2023 as it provides details of the methodology and quantitative data. This Appendix has been prepared in accordance with the GRI Standards: with reference option.

This document contains:

- **GRI 2 General Disclosures 2021** which require to provide information about reporting practices; activities and workers; governance; strategy, policies, and practices; and stakeholder engagement. This information gives insight into the profile and scale of the organisation and provides a context for understanding its impacts. From GRI 2-1 to GRI 2-30
- **Economic Topic Specific Standards (200)** which address the flow of capital among different stakeholders, and the main economic impacts of an organisation throughout society. From GRI 201 to GRI 206
- **Environmental Topic Specific Standards (300)** which concern an organisation's impacts on living and non-living natural systems, including land, air, water and ecosystems. From GRI 302 to GRI 306
- **Social Topic Specific Standards (400)** which concern labor practices and decent work, human rights, society and product responsibility. From GRI 401 to GRI 418

The Sustainability Report is available to order or download from <http://www.aristongroup.com>
For any clarification please refer to the following e-mail address: esg@ariston.com

GRI content index

Statement of use	Ariston Group has reported the information cited in this GRI content index for the period 01/01/2023 - 31/12/2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Ariston Group For more information on Company ownership, please see the Annual Report (5.3 Corporate Governance - Board)
	2-2 Entities included in the organization's sustainability reporting	The reporting scope of the Company Report coincides with the Consolidated Report Financial Statements, and includes the economic, environmental and social matters relevant to Ariston Group at a global level.
	2-3 Reporting period, frequency and contact point	Data refers to fiscal year ending on 31.12.2023
	2-4 Restatements of information	The data referring to the years prior to 2023 have not changed compared to those published in the previous edition.
	2-5 External assurance	The Company Report 2023 has not been subject to external assurance.
	2-6 Activities, value chain and other business relationships	§ Our Group For more information on Products, please see QUALITY IMPROVEMENT MANAGEMENT, LIFE CYCLE ASSESSMENT (LCA) AND ENVIRONMENTAL PRODUCT DECLARATION .
	2-7 Employees	See sheet 2-7 For more information on Employee Wellbeing, please see the HR Policy .
	2-8 Workers who are not employees	See sheet 2-8 For more information on Employee Wellbeing, please see the HR Policy .
	2-9 Governance structure and composition	§ Strengthening the Group's Sustainability Governance Model; § Guaranteeing a Diversely Composed Board; § Towards a Sustainable Governance For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance - Board).
	2-10 Nomination and selection of the highest governance body	§ Strengthening the Group's Sustainability Governance Model For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance – Board)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	§ Strengthening the Group's Sustainability Governance Model For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance – Board).
	2-12 Role of the highest governance body in overseeing the management of impacts	§ Strengthening the Group's Sustainability Governance Model For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance - Board).
	2-13 Delegation of responsibility for managing impacts	§ Strengthening the Group's Sustainability Governance Model For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance – Board).
	2-14 Role of the highest governance body in sustainability reporting	§ Strengthening the Group's Sustainability Governance Model For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance - Board).
	2-15 Conflicts of interest	See Annual Report 2023 dedicated section. For more information on Business Ethics, corruption and bribery, please see the Code of Ethics .
	2-16 Communication of critical concerns	Critical concerns are communicated to the Board through the Internal Audit function and Audit Committee. None of the 18 cases reported of non-compliance with the Code of Ethics or misconduct were critical, the outcome of which did not have a significant economic impact. 6 cases were not confirmed. For more information on Business Ethics, corruption and bribery, please see the Code of Ethics .
	2-17 Collective knowledge of the highest governance body	§ Towards a sustainable governance
	2-18 Evaluation of the performance of the highest governance body	See Annual Report 2023 dedicated section. For more information on the Board of Directors, please see the Annual Report (5.3 Corporate Governance - Board)
	2-19 Remuneration policies	For more information on Remuneration, please see the Annual Report (5.4 Remuneration Report) and the Remuneration Policy

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	For more information on Remuneration, please see the Annual Report (5.4 Remuneration Report) and the Remuneration Policy
	2-21 Annual total compensation ratio	For more information on Remuneration, please see the Annual Report (5.4 Remuneration Report) and the Remuneration Policy
	2-22 Statement on sustainable development strategy	§ Letter to stakeholders
	2-23 Policy commitments	In the assessment and management of economic, environmental and social risks, Ariston Group adopts an approach based on the precautionary principle. Links to the Group's ESG commitments can be retrieved at: https://www.aristongroup.com/en/download-area . The Group's ESG policies are approved by the Board of Directors and disseminated through mailings, acknowledgement and acceptance, the company intranet, trainings and awareness raising. For more information on the Environmental Policy, please see HSE Policy and HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM
	2-24 Embedding policy commitments	Each of the policy commitments for responsible business conduct defines roles and responsibilities for its implementation and monitoring, and is approved by the Board of Directors, which is comprised of executive and non-executive Directors, and manages the Group and it is responsible for business. This governance model is part of Ariston's Sustainable governance model. As a matter of fact, as part of its ambition, Ariston Group has defined a strong structure, currently composed by three functions that are fully dedicated to sustainability: the ESG Committee, the ESG Council and the ESG Director. For more information please see § STRENGTHENING THE GROUP'S SUSTAINABLE GOVERNANCE MODEL and § TOWARDS A SUSTAINABLE GOVERNANCE.
	2-25 Processes to remediate negative impacts	§ Enterprise Risk Management; § Whistleblowing System; Code of ethics For more information on Business Ethics, corruption and bribery, please see the Code of Ethics . For more information on Risk Management, please see ENTERPRISE RISK MANAGEMENT (ERM), INTEGRATING ESG RISKS INTO THE ERM FRAMEWORK .
	2-26 Mechanisms for seeking advice and raising concerns	§ Whistleblowing System For more information on Business Ethics, corruption and bribery, please see the Code of Ethics .

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	In 2023 Ariston has not had any significant instances of non-compliance with laws and regulations and therefore did not incur in any fines.
	2-28 Membership associations	§ ARISTON GROUP'S ROLE IN EUROPEAN AND INTERNATIONAL DISCUSSIONS. Please see sheet 2-28. For more information on Economic contributions, please see the Annual report (6.1 Income Statement – Other Operating Expenses).
	2-29 Approach to stakeholder engagement	§ Methodological approach. See sheet 2-29
	2-30 Collective bargaining agreements	The percentage of total employees covered by national collective bargaining agreement amounts to 100%. In case collective bargaining agreements are not provided, the individual contract incorporates local regulations, guaranteeing the minimum wage.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Methodological approach
	3-2 List of material topics	§ How to read this document
	3-3 Management of material topics	§ Integrating ESG risks into the ERM framework; § Towards a sustainable governance For more information on Sustainability Governance, please see TOWARDS A SUSTAINABLE GOVERNANCE .
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See sheet 201-1 For more information on the Taxonomy, please see The European Taxonomy .
	201-2 Financial implications and other risks and opportunities due to climate change	See sheet 201-2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	See sheet 202-2
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	See sheet 204-1 For more information on the sourcing of materials, please see Responsible supply chain .
	205-2 Communication and training about anti-corruption policies and procedures	See sheet 205-2 For more information on Business Ethics, corruption and bribery, please see the Code of Ethics .
GRI 206: Anti-competitive Behavior 2016	205-3 Confirmed incidents of corruption and actions taken	See sheet 205-3
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	See sheet 206-1

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1 Approach to tax	§ TAX GROUP STRATEGY For more information on Tax, please see the Tax Strategy and the Annual Report (5.2.1 Governance)
	207-2 Tax governance, control, and risk management	See sheet 207-2 For more information on Tax, please see the Tax Strategy and the Annual Report (5.2.1 Governance)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	See sheet 301-1 For more information on the sourcing of materials, please see Responsible supply chain .
	301-2 Recycled input materials used	See sheet 301-2 For more information on the sourcing of materials, please see Responsible supply chain .
GRI 302: Energy 2016	302-1 Energy consumption within the organization	See sheet 302-1
	302-2 Energy consumption outside of the organization	See sheet 302-2
	302-3 Energy intensity	See sheet 302-3
	302-4 Reduction of energy consumption	See sheet 302-4
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	See sheet 303-1
	303-2 Management of water discharge-related impacts	See sheet 303-2
	303-3 Water withdrawal	See sheet 303-3
	303-4 Water discharge	See sheet 303-4
GRI 304: Biodiversity 2016	303-5 Water consumption	See sheet 303-5
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See sheet 304-1
	304-2 Significant impacts of activities, products and services on biodiversity	See sheet 304-2
	304-3 Habitats protected or restored	See sheet 304-3
GRI 305: Emissions 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	See sheet 304-4
	305-1 Direct (Scope 1) GHG emissions	See sheet 305-1
	305-2 Energy indirect (Scope 2) GHG emissions	See sheet 305-2
	305-3 Other indirect (Scope 3) GHG emissions	See sheet 305-3
GRI 306: Waste 2020	305-4 GHG emissions intensity	See sheet 305-4
	305-5 Reduction of GHG emissions	See sheet 305-5
	306-1 Waste generation and significant waste-related impacts	See sheet 306-1
	306-2 Management of significant waste-related impacts	See sheet 306-2
GRI 401: Employment 2016	306-3 Waste generated	See sheet 306-3
	306-4 Waste diverted from disposal	See sheet 306-4
	306-5 Waste directed to disposal	See sheet 306-5
	401-1 New employee hires and employee turnover	See sheet 401-1

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	See sheet 403-1 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-2 Hazard identification, risk assessment, and incident investigation	See sheet 403-2 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-3 Occupational health services	See sheet 403-3 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-4 Worker participation, consultation, and communication on occupational health and safety	See sheet 403-4 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-5 Worker training on occupational health and safety	See sheet 403-5 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See sheet 403-7 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-8 Workers covered by an occupational health and safety management system	See sheet 403-8 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy
	403-9 Work-related injuries	See sheet 403-9 For more information on the OHS, please see HEALTH AND SAFETY AS PART OF AN INTEGRATED MANAGEMENT SYSTEM, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT and the HSE Policy

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	See sheet 404-1
	404-2 Programs for upgrading employee skills and transition assistance programs	See sheet 404-2
	404-3 Percentage of employees receiving regular performance and career development reviews	See sheet 404-3
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See sheet 405-1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	See sheet 406-1
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	See sheet 414-1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	See sheet 416-1
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	See sheet 416-2
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	See sheet 417-1
	417-2 Incidents of non-compliance concerning product and service information and labeling	See sheet 417-2
	417-3 Incidents of non-compliance concerning marketing communications	See sheet 417-3
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See sheet 418-1 For more information on Cybersecurity, Data Protection and Privacy, please see AN EVER-EVOLVING CYBERSECURITY APPROACH and the Privacy Policy .

GRI 2-7 | EMPLOYEES

a. Employees by gender and region <i>Head count / Full Time Equivalent (FTE)</i>	2023 (incl. WB)					2023 (excl. WB)					2022					2021				
	Female	Male	Other*	N.D.	Total	Female	Male	Other*	N.D.	Total	Female	Male	Other*	N.D.	Total	Female	Male	Other*	N.D.	Total
Americas	205	809	0	0	1,014	205	809	0	0	1,014	179	802	0	0	981	213	1,085	0	0	1,298
Europe	1,627	6,252	0	0	7,879	1,098	3,989	0	0	5,087	1,060	3,907	0	0	4,967	1,035	3,889	0	0	4,924
MEA and Asia	442	1,434	0	0	1,876	442	1,434	0	0	1,876	514	1,416	0	97	2,027	415	1,221	0	0	1,636
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,274	8,495	0	0	10,769	1,745	6,232	0	0	7,977	1,753	6,125	0	97	7,975	1,663	6,195	0	0	7,858

*Gender as specified by the employees themselves

b. Employees by contract gender and region <i>Head count / Full Time Equivalent (FTE)</i>	2023 (incl. WB)										2023 (excl. WB)									
	Americas					Europe					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	202	806	0	0	1,008	1,192	5,346	0	0	6,538	336	1,166	0	0	1,502	336	1,166	0	0	1,502
Number of permanent/ part-time employees	2	3	0	0	5	354	620	0	0	974	15	3	0	0	18	15	3	0	0	18
Number of temporary/ full-time employees	0	0	0	0	0	61	248	0	0	309	89	252	0	0	341	89	252	0	0	341
Number of temporary/ part-time employees	1	0	0	0	1	20	38	0	0	58	0	1	0	0	1	0	1	0	0	1
Number of non-guaranteed employees	-	0	0	0	0	0	0	0	0	0	2	12	0	0	14	2	12	0	0	14
Regional total					1,014					7,879					1,876					1,876
Total															10,769					
b. Employees by contract gender and region <i>Head count / Full Time Equivalent (FTE)</i>	2023 (incl. WB)										2023 (excl. WB)									
	Americas					Europe					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	202	806	0	0	1,008	891	3,816	0	0	4,707	336	1,166	0	0	1,502	336	1,166	0	0	1,502
Number of permanent/ part-time employees	2	3	0	0	5	171	93	0	0	264	15	3	0	0	18	15	3	0	0	18
Number of temporary/ full-time employees	0	0	0	0	0	28	55	0	0	83	89	252	0	0	341	89	252	0	0	341
Number of temporary/ part-time employees	1	0	0	0	1	8	25	0	0	33	0	1	0	0	1	0	1	0	0	1
Number of non-guaranteed employees	-	0	0	0	0	0	0	0	0	0	2	12	0	0	14	2	12	0	0	14
Regional total					1,014					5,087					1,876					1,876
Total															7,977					

b. Employees by contract gender and region* <i>Head count / Full Time Equivalent (FTE)</i>	2022										2022									
	Americas					Europe					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	176	801	0	0	977	812	3,690	0	0	4,502	381	1,092	0	83	1,556	381	1,092	0	83	1,556
Number of permanent/ part-time employees	2	1	0	0	3	181	113	0	0	294	0	0	0	0	0	0	0	0	0	0
Number of temporary/ full-time employees	0	0	0	0	0	60	82	0	0	142	133	324	0	14	471	133	324	0	14	471
Number of temporary/ part-time employees	0	0	0	0	0	7	22	0	0	29	0	0	0	0	0	0	0	0	0	0
Number of non-guaranteed employees	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional total	179	802	0	0	981	1,060	3,907	0	0	4,967	514	1,416	0	97	2,027	514	1,416	0	97	2,027
Total															7,975					

b. Employees by contract gender and region* <i>Head count / Full Time Equivalent (FTE)</i>	2021														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	212	1,085	0	0	1,297	759	3,662	0	0	4,421	293	934	0	0	1,227
Number of permanent/ part-time employees	0	0	0	0	0	191	112	0	0	303	0	1	0	0	1
Number of temporary/ full-time employees	0	0	0	0	0	74	96	0	0	170	122	286	0	0	408
Number of temporary/ part-time employees	1	0	0	0	1	11	19	0	0	30	0	0	0	0	0
Number of non-guaranteed employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional total	213	1,085	0	0	1,298	1,035	3,889	0	0	4,924	415	1,221	0	0	1,636
Total	7,858														

c. Methodologies and assumptions used to compile the data
Numbers are reported in head count.

d. Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;
** The country categorizations referred to include the following countries: - Americas: USA, Mexico, Canada, Argentina, Guadeloupe, Peru, Chile, Jamaica, Brazil, Guyana, Venezuela, Martinique, Colombia, Uruguay, Dominican Rep., Dutch Antilles, Ecuador, Guatemala, Paraguay, St.Pier,Miquel., El Salvador, Belize, Bolivia, Barbados, Nicaragua, Costa Rica, Suriname, Aruba. - Europa: Italy, France, Switzerland, Germany, Spain, Romania, Russian Fed., Netherlands, Poland, United Kingdom, Belgium, Denmark, Hungary, Portugal, Austria, Czech Republic, Greece, Turkey, Croatia, Ukraine, Canary Islands, Serbia, Ireland, Bulgaria, Slovakia, Lithuania, Bosnia-Herz., Albania, Georgia, Belarus, Slovenia, Latvia, Cyprus, Kosovo, Macedonia, Montenegro, Estonia, Liechtenstein, Malta, Norway, San Marino, Moldavia, Finland, Andorra, Luxembourg, Monaco, Sweden - MEA and ASIA: China, Australia, Israel, Utd.Arab Emir., India, Saudi Arabia, South Africa, Indonesia, Vietnam, Egypt, Morocco, Kazakhstan, Nigeria, Uzbekistan, Tunisia, Libya, Singapore, Oman, South Korea, Bangladesh, Ghana, Kyrgyzstan, Malaysia, Tajikstan, Iraq, Algeria, Thailand, Qatar, Myanmar, Jordan, Armenia, Hong Kong, Philippines, Lebanon, Azerbaijan, Kuwait, Cambodia, Sri Lanka, Mozambique, Tanzania, New Zealand, Senegal, Turkmenistan, Afghanistan, Namibia, Congo, Cape Verde, Mauritius, Botswana, Bahrain, Kenya, Brunei Dar-es-S, Swaziland, Reunion, Lesotho, Guinea, Ivory Coast, Seychelles, Mali, Gambia, Zambia, Uganda, Cameroon, Frenc.Polynesia, Pakistan, New Caledonia, Japan, Yemen, Syria, Mauretania, Ethiopia, Equatorial Gui., Burundi, Nepal, Madagascar, Benin, Fiji, Taiwan, Sudan, Malawi, Angola, Djibouti, Maldives, Liberia, Sierra Leone, Gabon, Laos, Somalia.

GRI 2-8 | WORKERS WHO ARE NOT EMPLOYEES

a.Workers who are not employees <i>Head count / Full Time Equivalent (FTE)</i>	2023 (incl. WB)			2023 (excl. WB)			2022			2021		
	n.	Contractual relation	Job description	n.	Contractual relation	Job description	n.	Contractual relation	Job description	n.	Contractual relation	Job description
Direct worker	889	Lease staff contract active at 12.23, mainly in Europe and Asia	The type of work performed is that of direct employees	761	Lease staff contract active at 12.23, mainly in Europe and Asia	The type of work performed is that of direct employees	1,020	Lease staff contract active at 12.22, mainly in Europe and Asia	The type of work performed is that of direct employees	1,032	Lease staff contract active at 12.21, mainly in Europe and Asia	The type of work performed is that of direct employees
Freelance	7	freelance	staff									
Total	896			761			1,020			1,032		

b. Methodologies and assumptions used to compile the data
Numbers are reported in head count

GRI 2-28 | MEMBERSHIP ASSOCIATIONS

Perimeter	Country	Association	Perimeter
European Union	EU 27	APPLiA Europe	White goods association, covers electirc water heaters (resistance and heat pump)
European Union	EU 27	EHI	Heating industry, with multi-technology and multi-vector approach
European Union	EU 27	EHPA	Heat pump association coverig all heat pump technologies
European Union	Italy	APPLiA Italia	Mirror organisation of APPLiA Europe
European Union	Italy	Assotermica (Federazione ANIMA)	Mirror organisation of EHI
European Union	Italy	Kyoto Club	Organizzazione ambientalista attiva nelle pompe di calore
European Union	France	Uniclima	Mirror organisation of EHI
European Union	France	GIFAM - Groupement des marques d'appareils pour la maison	Mirror organisation of APPLiA Europe
European Union	France	AFPAC - Association Française pour les pompes à chaleur	Mirror organisation of EHPA
European Union	France	Coénove	Gas sector association
European Union	Germany	BDH - Bundesverband der deutschen Heizungsindustrie	Mirror organisation of EHI
European Union	Germany	BWP - Der Bundesverband Wärmepumpe	Mirror organisation of EHPA
European Union	Netherlands	NVI - De Nederlandse Verwarmingsindustrie	Mirror organisation of EHI
European Union	Netherlands	VWP - Vereniging Warmtepompen	Mirror organisation of EHPA
European Union	Spain	Fegeca - Fabricantes de Generadores y Emisores de Calor	Mirror organisation of EHI
European Union	Spain	Afec - Asociación de Fabricantes de Equipos de Climatización	Mirror organisation of EHPA
European Union	Spain	Sedigas	Gas sector association
European Union	Spain	Atecyr - Asociación Técnica Española de Climatización y Refrigeración	Association similar to AFEC, focussed on air conditioning
European Union	Portugal	AGEFE - Associação Empresarial dos Setores Elétrico, Eletrodoméstico, Eletrónico	Mirror organisation of APPLiA Europe
European Union	Portugal	AFIQ -Associação De Fabricantes E Importadores De Equipamentos De Queima	Mirror organisation of EHI
European Union	Austria	VÖK -Vereinigung Österreichischer Kessellieferanten	Mirror organisation of EHI
European Union	Austria	Wärmepumpe Austria	Mirror organisation of EHPA
European Union	Romania	APPLIA Romania	Mirror organisation of APPLiA Europe
European Union	Poland	SPIUG - Stowarzyszenie Producentów i Importerów Urządzeń Grzewczych	Mirror organisation of EHI

Perimeter	Country	Association	Perimeter
European Union	Poland	APPLiA Polska	Mirror organisation of APPLiA Europe
European Union	Czech Republic	APPLiA Czech Republic	Mirror organisation of APPLiA Europe
European Union	Slovakia	APPLiA Slovakia	Mirror organisation of APPLiA Europe
European Union	Hungary	MGVE	Association for gas product
European Union	Hungary	MAHÖSZ	Hungarian organization of Heat Pump Technology Development
Non-EU	Switzerland	Gebäudeklima Schweiz - ImmoClima Svizzera	Mirror organisation of EHI
Non-EU	Switzerland	Suissetec	Building equipment suppliers association
Non-EU	United Kingdom	HHIC - Heating and Hotwater Industry Council	Mirror organisation of EHI

2-29 | APPROACH TO STAKEHOLDER ENGAGEMENT

Stakeholders	Key topics and concerns raised	Approach to stakeholder management
Banks and financial institutions	Economic-financial long term sustainability	Press release, Reporting
	Global growth	Website, Reporting (Sustainability Report and Management Report)
	Global growth	Reporting
	ESG Ratings	Reporting, ad hoc responses
Customers (Installers, Distributors, Importers, Centre of Technical Assistance, Consumers)	Product development and improvement Innovation and introduction of cutting-edge technology	Technical Committees, Technical issue escalation process
	Service effectiveness	Call Center, Website and social network, Internal platform and data about after sales (Athos + Business Intelligence)
	Better comfort and decrease in consumption	Online engagement activities of B2B customers (training, online dedicated meetings), Marketing and Communication tools (brochures, online catalogues)
Local communities	Value creation for the local area	Website
	Respect for the environment	Website, Social network, Reporting
	Employment	Initiatives to support the community, CSR activities
	Respect for the local culture	Reporting
Local, national and supernational institutions	Legislative compliance	Meetings
	Value creation for the local area	Publications Website
	Clear and prompt communication	Website
Media	Transparency to provide information on business issues	Social network Press releases

Stakeholders	Key topics and concerns raised	Approach to stakeholder management
People	Training and professional growth	Intranet and other IT internal tools Global Leadership Program
	Respect for cultural diversity	Training meetings
	Equal opportunities and meritocracy	Trade Union involvement
	Listening and engagement within corporate processes	Team digital collaboration platform
		Performance evaluation Reporting
Shareholders	Value creation	Reporting
	Global growth	Reporting
	Social responsibility	Dedicated meetings
	Economic-financial sustainability	Reporting
Suppliers	Reliable partnerships	Meetings
	Support during the components design phase	Meetings
Trade Unions and Trade Association	Respect of health and safety standards	Meetings
	Respect of workers' rights	Website
	Respect of labour contracts	

GRI 201-1 | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Million euro	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Direct economic value generated*	3,160	2,338	2,432	2,024
Direct economic value distributed	2,827	2,139	2,249	1,824
Operational costs	1,969	1,513	1,657	1,327
Value distributed to employees	675	476	459	412
Value distributed to capital providers	42	38	25	8
Value distributed to Public Administration	88	60	60	25
Value distributed to shareholders	48	48	46	48
Value distributed to community	4	4	2	2
Held economic value	329	198	192	198

The measure of the direct economic value generated and distributed by the Group is reported in accordance with the GRI Reporting Standard. Actual figures have been reclassified as follows:

- direct economic value generated: net revenues, financial incomes and investment incomes/expenses
- direct economic value distributed: operational costs, wages and employees' benefits, payments to capital providers, payments to the public administration and investments to local community, value distributed to shareholders
- economic value

GRI 201-2: FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Risks and opportunities	Methods used to manage the risk or opportunity
Risk related to Climate Change	Ariston Group has conducted in collaboration with Axa a multi-peril preliminary analysis of natural hazards and exposures. The portfolio provided as an input for this analysis included 20 sites spread in 6 countries.
Transitional risks associated with climate change	Mapping the efficiency of our products through environmental product declarations; investment on R&D and production capacity increase for high efficient and renewable technologies, at the same time, addressing the evolution of packaging towards more sustainable features.

GRI 202-2 | PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

a. % of senior manager hired from a local community	2023 (incl. WB)			2023 (excl. WB)			2022			2021		
	Senior manager hired	Senior manager hired from a local community	% of senior manager hired from a local community	Senior manager hired	Senior manager hired from a local community	% of senior manager hired from a local community	Senior manager hired	Senior manager hired from a local community	% of senior manager hired from a local community	Senior manager hired	Senior manager hired from a local community	% of senior manager hired from a local community
Ariston Group	23	23	100%	15	15	100%	17	17	100%	17	17	100%
Total	23	23	100%	15	15	100%	17	17	100%	17	17	100%

b. Definition used for ‘senior management’
Due to the integration process ongoing, the definition of Senior Management takes on slightly different nuances across some of the entities within the new acquisition. The senior management of Ariston Group consists of the people who cover a role in an organisational position from A to E band (from EVP to Director role). For Wolf-Brink, Senior Management for small location (like Sales offices) also includes Managing Directors. For Wolf GmbH, the scope include people of Department lead ("Director/Bereichsleiter").
c. Organization’s geographical definition of ‘local’
With regards to local community, the definition relied on includes individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation.
d. Definition used for ‘significant locations of operation’
Significant locations of operation include all Group facilities (HQs and local organisations).

GRI 204-1 | PROPORTION OF SPENDING ON LOCAL SUPPLIERS

a. Percentage of the procurement budget	2023	2022
	Spent %	Spent %
Group Level	70.5%	72%

2023
b. The organization’s geographical definition of ‘local’
Ariston Group defines as “locals” those suppliers who provide goods and services in the same country of the Group legal entity they are supplying.

2023
c. The definition used for ‘significant locations of operation’
Group Level

Note: Data corresponding to 2021 is not available.
The production of solutions featuring a lower localization % has increased; we are working to enhance this % in the near future.

GRI 205-2 | COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

a. Comunication on anti-corruption policies and procedures to governance body members	2023			2022		
	Total member (n)	Informed members (n)	Informed employees (%)	Total member (n)	Informed members (n)	Informed employees (%)
Governance body members			100%			100%

b. Comunication on anti-corruption policies and procedures to employees	2023 (incl. WB)			2023 (excl. WB)			2022		
	Total employees (n)	Informed employees (n)	Informed employees (%)	Total employees (n)	Informed employees (n)	Informed employees (%)	Total employees (n)	Informed employees (n)	Informed employees (%)
White Collar	5,837	4,498	77%			100%			100%
Blue Collar	4,932	4,115	83%			100%			100%

Note: Globally, employees are notified with proactive communications aimed at disseminating the Code of Ethics and the Organizational Model in compliance with Legislative Decree 231/2001, both of which address anti-corruption.

c. Comunication on anti-corruption policies and procedures to partners	2023 (excl. WB)		
	Total business partner (n)	Informed business partner (n)	Informed business partner (%)
Business partner			100%
c. Comunication on anti-corruption policies and procedures to partners	2022		
	Total business partner (n)	Informed business partner (n)	Informed business partner (%)
Business partner			100%

Note: The Group's Code of Ethics is shared with all business partners.
WB data mapping still ongoing.

e.Training on anti-corruption policies and procedures to employees	2023 (incl. WB)			2023 (excl. WB)			2022		
	Total member (n)	Trained employees (n)	% Trained employees	Total member (n)	Trained employees (n)	% Trained employees	Total member (n)	Trained employees (n)	% Trained employees
White Collar	5,837	4,801	82%			100%			100%
Blue Collar			0%			0%			0%

Note: With regards to anti-corruption training, a specific module on this topic is included in the “Compliance 231” training which was provided in 2023 to white collars in the Italian operations. Note: Data corresponding to 2021 is not available.

GRI 205-3 | CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

a-b-c. Confirmed incidents of corruption (n)	2023
a. Total number of confirmed incidents of corruption	0
b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0
c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0

GRI 206-1 | LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES

a. Legal actions	2023	2022	2021
Legal actions pendings	0	0	1
Legal actions completed	0	1	0
Total legal actions	0	1	1

b. Main outcomes of completed legal actions
In 2022, the company Gastech Energy has been fined by the Anti Trust Authority for a total of 8DKK. The fine was due to a breach of antitrust law which occurred prior to Gastech becoming part of Ariston Group. As it occurred prior to the purchase by the Group, it was reimbursed by the Seller according to Share Purchase Agreement.

GRI 207-2 | TAX GOVERNANCE, CONTROL, AND RISK MANAGEMENT

a. Tax governance and control framework
By approving the Group Tax Strategy, the Board of the Company consequently takes on the responsibility to ensure that the purposes, principles and guidelines set out therein are known and that the underlying values are applied and widespread. The Board is supported and advised by the Audit Committee of the Company, which focuses among other things on monitoring the Company's tax policy. Periodic checks on the operation of and compliance with the Group Tax Strategy are performed by the Internal Audit department and the results are presented to the Audit Committee. The Group Tax department is responsible to periodically update the Group Tax Strategy. Taking inspiration from the best models of tax governance, Ariston Group is committed to put in place systems of internal control that ensure that the returns submitted to the revenue body are accurate and that transactions or positions giving rise to material tax uncertainty are managed. This is the path towards the Tax Control Framework (TCF) in line with international best practices, which the Group has started. Through the TCF, roles and responsibilities are clearly assigned in the tax management process, with due consideration of the principles of segregation of duties and decision-making escalation processes on tax uncertainties arising from the interpretation of tax regulations. The tax risk assessment is properly executed, ensuring the identification of risks and controls in place at an operational level.

b. Description of the mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax
Ariston Group has fully implemented and is committed to maintain the worldwide whistleblowing process that allows its own employees and Group's business Partners (Customers, Vendors and Third Parties) to report and voice their concerns related to any case of suspected misconduct, malpractice or breach including in tax matters. All cases shall be dealt on a strictly confidential basis, ensuring the protection and anonymity of the Whistleblower.

c. Description of the assurance process
The Group's Tax Strategy is part of the Annual Report, which is subject to Assurance.

GRI 301-1 | MATERIALS USED BY WEIGHT OR VOLUME

a. Materials used to produce and package the organization's primary products	2023	2022	2021
Total weight or volume of materials used	245,052,118	267,141,660	245,043,995

Note: 2022-2021 data has been updated after an internal review, the calculation methodology remain the same as last year.

Description of materials used
Raw materials included in the calculation are: Steel Covered Steel Inox Pallet Carton Plastic Magnesium Polyurethane Copper Enamel Brass Aluminum Gas EPS Paint Glass Paper

Purchase materials
Purchase from external suppliers

GRI 301-2 | RECYCLED INPUT MATERIALS USED

a. Percentage of recycled input materials used to manufacture the organization's primary products and services	2023	2022	2021
% of recycled input materials	29%	33%	31%

Note: 2022 data has been reviewed and updated with a missing data last year.

GRI 302-1 | ENERGY CONSUMPTION WITHIN THE ORGANIZATION

a. Total fuel consumption within the organization from non-renewable sources (GJ)	2023 (Incl. WB)	2023 (Excl. WB)	2022	2021
Natural gas	601,134	518,084	541,433	574,447
Diesel*	116,421	72,730	91,448	89,664
LPG	32,137	22,414	20,264	18,871
Fuel Oil	8,895	2,708	547	1,118
Petrol*	26,680	22,252	28,078	12,178
Other fuels	1,022	1,022	8,437	344
Total	786,290	639,209	690,207	696,622

* Includes fleet

b. Total fuel consumption within the organization from renewable sources (GJ)	2023 (Incl. WB)	2023 (excl. WB)	2022	2021
Biodiesel ME	637	637	1,957	2,409
Wood pellets	552	0	0	0
Biodiesel HVO	1,179	1,179	132	0

c. Total electricity/heating/cooling/steam consumption (GJ)	2023 (Incl. WB)	2023 (excl. WB)	2022	2021
Purchased non-renewable electricity consumption	336,675	279,926	344,819	338,592
Purchased renewable electricity consumption	68,470	68,470	3,759	3,911
Self-consumed renewable electricity consumption	5,049	3,820	4,101	3,592
Purchased non-renewable heating and cooling consumption	4,816	4,816	0	0

e. Total energy consumption within the organization, in joules or multiples	2023 (Incl. WB)	2023 (excl. WB)	2022	2021
Total energy consumption within the organization in joules	1,203,667	998,057	1,044,975	1,045,126

f. Standards, methodologies, assumptions, and/or calculation tools used
The energy consumption of production plants has been collected by site and type from invoices and/or measurements. Consumption of electricity and natural gas of non-production facilities has been estimated based on energy electricity and natural gas consumption ratios (kWh/sqrm) by non production site type (warehouse, lab or offices), taking as a reference the energy consumption ratios (invoices) of the most representative facilities. Fuel and petrol consumed in company fleet has been estimated based on fuel spending and average corporate fuel price cost

g. Source of the conversion factors used
DEFRA_conversion-factors-2023-full-set-advanced-users version 1.1 Gross calorific values

GRI 302-2 | ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

a. Energy consumption outside of the organization (GJ)	2023 (incl WB)	2023 (excl. WB)	2022	2021
	N/A*	1,157,644,912	1,319,066,023	1,444,767,507

Note: Energy consumption refers only to the use of sold products, which represents 98,34% of total upstream and downstream energy consumption outside of the organisation.
*Data 2023 (incl. WB) is under definition.

b. Standards, methodologies, assumptions, and/or calculation tools used.
Product lifetime energy consumption has been estimated based on number of units sold, yearly unitary energy consumption and expected lifetime. For products with no yearly energy consumption on their ErP label, thermal need and product efficiency have been used to calculate the missing value. For Air conditioning products, data has been taken from ErP label and energy consumption has been calculated by taking 15% of heating yearly consumption and 100% of cooling.

c. Source of the conversion factors used.
DEFRA_conversion-factors-2023-full-set-advanced-users version 1.1 Gross calorific values

GRI 302-3 | ENERGY INTENSITY

a. - b. Energy intensity (GJ/million EUR)	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Absolute energy consumption (GJ)	1,203,667	998,057	1,044,975	1,045,126
EBTDA (million EUR)	417	286	284	247
Energy intensity (consumption/denominator)	2,886	3,490	3,679	4,231

Note: In order to be in line with the Economic Intensity Target identified for Scope 3, it has been decided to include EBITDA as the denominator also for this KPI.

c. Types of energy included
All

d. Calculation
Total energy consumption within the organization

GRI 302-4 | REDUCTION OF ENERGY CONSUMPTION

a. Reductions in energy consumption	2023 (excl. WB)
Energy reduced (GJ)	54,277
b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all	
All	
c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	
Energy reduction has been calculated as the difference between 2023 real energy consumption and 2023 projected energy consumption within the organization (baseline). To calculate 2023 projected energy consumption (baseline used for reduction calculations), 2021 energy efficiency has been multiplied by 2023 EBITDA	
d. Standards, methodologies, assumptions, and/or calculation tools used.	
For fuel unit conversion, Gross calorific values from DEFRA_conversion-factors-2023-full-set-advanced-users version 1.1 have been used	

GRI 303-1 | INTERACTIONS WITH WATER AS A SHARE RESOURCE

a. Description of how the organization interacts with water
ARISTON LEGACY (excluding WB) It withdraws water solely from the municipality and wells. This water is consumed for social needs and surface treatment, specifically in steel manufacturing plants, cooling systems, and for testing finished products. After use, it is discharged into the city sewers or into the river. Some plants implement internal chemical and physical treatments on the water before discharge, in accordance with environmental permits for river disposal.
WOLF AND BRINK It withdraws water solely from the municipality for social needs, and after use, it is discharged into the city sewers. Additionally, it is used for surface treatment. Wastewater treatment is outsourced externally.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

b. Description of the approach used to identify water-related impacts
ARISTON LEGACY (excluding WB) The scope of assessment includes the plants of the group certified by BSI for ISO 14001. Data were collected from plant meters throughout the years 2021, 2022, and 2023. Ariston Legacy is ISO 14001 certified and has developed a standard for assessing environmental aspects and impacts. The water aspect is based on: - The separation of industrial, civil, and rainwater management. - Sensitivity concerning discharge into a receiving water body with ecological status (water quality) - Compliance with legal requirements based on plant authorization categories - Stakeholder involvement reflecting community concern - Extension representing the area affected by the impact - Reversibility of the impact itself. According to this assessment, Ariston Legacy factories are considered as a low water-related impact company
WOLF AND BRINK Despite Brink and Wolf are not integrated in Group ISO14001 certificate yet, both plants assessed feature a very low water impact.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

c. Description of how water-related impacts are addressed
ARISTON LEGACY (excluding WB) The group's HSE policy states that Ariston Legacy sites pay equal attention to operating responsibly, respecting the environment, and avoiding any unintentional offenses against it. To ensure continuous improvement, the Group has decided to design its management system in accordance with ISO 14001 and to measure and assess environmental performance according to the WCM methodology. This policy is shared with all stakeholders, and suppliers are required to sign a declaration of commitment. Ariston Group consider water as a shared resource by reducing its consumption: - by improving the production process, - by reusing water, as an example in the tank sealing quality control station; moreover cooling processes have closed circuit - by reducing the use of tap water by withdrawal it from well (83% of the water withdrawal is directly pumped from ground water that is not drinkable). WOLF AND BRINK Wolf and Brink, as part of Ariston Group, are committed to the Group HSE Policy.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

d. Explain the process for setting any water-related goals and targets that are part of the organization’s approach to managing water and effluents
ARISTON LEGACY (excluding WB) All the plants of the Group comply with local authorizations and permits. WOLF AND BRINK Wolf and Brink comply with local authorizations and permits.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 303-2 | MANAGEMENT OF WATER DISCHARGE RELATED IMPACTS

a. i. How standards for facilities operating in locations with no local discharge requirements were determined
ARISTON LEGACY (excluding WB) All of the Group's plants comply with local requirements to manage discharged water quality and periodical controls are organised to verify said compliance. Any deviation is reported in the HSE action tracker that is controlled during internal audits. Any legal non conformity or water pollution is considered a major environmental incident and immediately reported to top management according to the Group's incident management procedure. WOLF AND BRINK Wolf and Brink plants comply with local requirements to manage discharged water quality, as verified by the Enviromental Due Diligence. Only domestic water is discharged to public sewers. Industrial waste water treatment is contracted to an accredited company. Any legal non conformity or water pollution is considered a major environmental incident and immediately reported to top management according to the Group's incident management procedure.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

a. ii. Internally developed water quality standards or guidelines
ARISTON LEGACY (excluding WB) The Group did not develop specific water quality guidelines since all plants are all aligned with local criteria and permits WOLF AND BRINK Wolf and Brink did not develop specific water quality guidelines since all plants are all aligned with legal requirements

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

a. iii. Sector-specific standards
ARISTON LEGACY (excluding WB) No sector specific standard applies
WOLF AND BRINK No sector specific standard applies to Wolf and Brink

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

a. iv. Profile of the receiving waterbody
ARISTON LEGACY (excluding WB) All of the Group's plants discharge water to public sewer or rivers controlled by competent authorities
WOLF AND BRINK All of the Group's plants discharge water to public sewer controlled by competent authorities

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 303-3 | WATER WITHDRAWAL

a. Water withdrawal by source (ML)	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Total Water withdrawal	1,421	1,400	1,131	1,173
Surface water	0	0	0	0
Groundwater	1,146	1,146	872	953
Seawater	0	0	0	0
Produced water	0	0	0	0
Third-party water*	275	254	259	220

*Municipal water service providers and wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transportation, treatment, disposal, or use of water and wastewater discharges.

b. Water withdrawal in water-stressed areas by source (ML)*	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Total Water withdrawal	0	0	0	0
Surface water	36	36	33	33
Groundwater	0	0	0	0
Seawater	0	0	0	0
Produced water	0	0	0	0
Third-party water	0	0	0	0

*The Saltillo plant, operates within an area classified as "Extremely High Stress" by the World Resources Institute's Aqueduct Water Risk Atlas.

Notes: assessment of water stressed areas

Reliable tools available to the public for assessing water-stressed areas include the World Resources Institute's Aqueduct Water Risk Atlas and WWF's Water Risk Filter.

The water stress of a given area can be assessed using one of the following indicators and associated thresholds:

- the ratio of total annual water withdrawal to total available annual renewable water supply (baseline water stress) is high (40-80%) or extremely high (>80%);
- the ratio of water consumption to water availability (water depletion) is moderate (reduction in drought years where for at least 10% of the time the monthly reduction rate is >75%), high (seasonal reduction when on average for one month of the year the reduction rate is >75%), or very high (continuous reduction and an average reduction rate >75%).

c. Water withdrawal by category (ML)	2023 (incl. WB)		2023 (excl. WB)		2022		2021	
	freshwater*	other types of water**	freshwater*	other types of water**	freshwater*	other types of water**	freshwater*	other types of water**
Total Water withdrawal	1,421	0	1,400	0	1,131	0	1,173	0
Surface water	0	0	0	0	0	0	0	0
Groundwater	1,146	0	1,146	0	872	0	953	0
Seawater	0	0	0	0	0	0	0	0
Produced water	0	0	0	0	0	0	0	0
Third-party water*	275	0	254	0	259	0	220	0

*≤1,000 mg/l total dissolved solids

** >1,000 mg/l total dissolved solids

d. Supporting information
ARISTON LEGACY (excluding WB) Data are extracted from scorecard of main Production plants: - in Europe, in Albacina, Arcevia, Cerreto, Chartres, Follina, Genga, Lichtenvoorde, Namur, Osimo, Pirna, Resana, Saint-Petersburg, Svilajnac, and Vieux-Thann; - in Asia, in Hanoi and Wuxi (2 plants); - in America in New-Bedford, Saint-John and Saltillo; - in Africa in Centurion
WOLF AND BRINK 2023 (incl. WB) scope includes two additional plants in Europe: Mainburg (Wolf) and Staphorst (Brink)

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.
Data 2021-2022 has been updated due to a scope extension in the calculation. Last year due to missing data, some plants were not considered in the calculation.

GRI 303-4 | WATER DISCHARGE

	2023 (incl. WB)			2023 (excl. WB)			2022			2021		
a./b. Water discharge by destination (ML)	All areas	Water stress areas	Identification of water stress level	All areas	Water stress areas	Identification of water stress level	All areas	Water stress areas	Identification of water stress level	All areas	Water stress areas	Identification of water stress level
Water discharge in all areas	1,097	0	N/A	1,097	0	N/A	832	0	N/A	917	0	N/A
Surface water (Cerreto, Genga, Osimo)	1,097	0	N/A	1,097	0	N/A	832	0	N/A	917	0	N/A
Groundwater	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
Seawater	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
Third-party water*	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A

Note: data are extracted from scorecard of main Production plants:
- in Europe, in Albacina, Arcevia, Cerreto, Chartres, Follina, Genga, Lichtenvoorde, Namur, Osimo, Pirna, Resana, Saint-Petersburg, Svilajnac, and Vieux-Thann;
- in Asia, in Hanoi and Wuxi (2 plants);
- in America in New-Bedford, Saint-John and Saltillo;
- in Africa in Centurion

*An example of water discharge effected by third parties is when an organization sends water and water discharges to other organizations for their use. In such cases, the organization must separately report the volume of such water discharge

	2023 (incl. WB)		2023 (excl. WB)		2022		2021	
c. Water discharge by type (ML)	Freshwater	Other types of water	Freshwater	Other types of water	Freshwater	Other types of water	Freshwater	Other types of water
Water discharge	1,097	0	1,097	0	832	0	917	0

d. Potentially hazardous substances	Reference standard and definition	No. of non-compliant cases	Approach taken to set discharge limits for priority potentially hazardous substances
Total Hydrocarbons	UNI EN ISO 9377-2:2002	0	70% of the legal limit
Biochemical Oxygen Demand (BOD5)	APHA Standard Methods for the Examination of Water and Wastewater, ed 21st 2005, 5210 D	0	70% of the legal limit
Chemical Oxygen Demand (COD)	APHA Standard Methods for the Examination of Water and Wastewater, ed 21st 2005, 5220 C	0	70% of the legal limit
Total Phosphorus	APAT CNR IRSA 4110 A2 Man 29 2003	0	70% of the legal limit
Hexavalent Chromium	APAT CNR IRSA 3150 C Man 29 2003	0	70% of the legal limit
Total Chromium	APHA Standard Methods for the Examination of Water and Wastewater, ed 23rd 2017, 3125B	0	70% of the legal limit
Cadmium	APHA Standard Methods for the Examination of Water and Wastewater, ed 23rd 2017, 3125B	0	70% of the legal limit
Zinc	APHA Standard Methods for the Examination of Water and Wastewater, ed 23rd 2017, 3125B	0	70% of the legal limit

Notes: assessment of water stress areas
Reliable tools available to the public for assessing water-stressed areas include the World Resources Institute’s Aqueduct Water Risk Atlas and WWF’s Water Risk Filter.
The water stress of a given area can be assessed using one of the following indicators and associated thresholds:
- the ratio of total annual water withdrawal to total available annual renewable water supply (baseline water stress) is high (40-80%) or extremely high (>80%);
- the ratio of water consumption to water availability (water depletion) is moderate (reduction in drought years where for at least 10% of the time the monthly reduction rate is >75%), high (seasonal reduction when on average for one month of the year the reduction rate is >75%), or very high (continuous reduction and an average reduction rate >75%).

2021-2022 data have been updated due to a scope extension in the calculation. Last year due to missing data some plants were not considered in the calculation.

GRI 303-5 | WATER CONSUMPTION

Water consumption (ML)	2023 (incl. WB)	2023 (excl. WB)	2022	2021
a. Total water consumption in all areas	324	103	109	0
b. Water consumption in water stressed areas	36	36	33	33
c. Water storage (if found to have a significant impact)*				

Note: data are extracted from scorecard of main Production plants:

- in Europe, in Albacina, Arcevia, Cerreto, Chartres, Follina, Genga, Lichtenvoorde, Namur, Osimo, Pirna, Resana, Saint-Petersburg, Svilajnac, and Vieux-Thann;
- in Asia, in Hanoi and Wuxi (2 plants);
- in America in New-Bedford, Saint-John and Saltillo;
- in Africa in Centurion

GRI 304-1 | OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

a. Operational site							
For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	i. Geographic location	ii. Subsurface and underground owned land	iii. Position in relation to the protected area	iv. Type of operation	v. Size of operational site (km²)	vi. Biodiversity value	vii. Biodiversity value characterized by listing of protected status
None							

Other ignificant information
All of Ariston Group's plants comply with local law and environmental permits, with no reference to any protected area. According to the IUCN Protected Area Management categories, none of the Group's facilities are considered to be located in or adjacent to a protected area. A list of all facilities can be provided if needed.

GRI 304-2 | SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY

a. Description of significant direct and indirect impacts on biodiversity	
Impact	
None	Ariston Group is ISO14001 certified and developed a standard to assess environmental aspects and impacts, including impact on biodiversity. This assessment has been performed on the following risks impacting biodiversity: air emission (VOC, NOx, dust and non listed substances), water discharge, releases to soil, noise, light and electromagnetic emissions. According to this assessment and the geographic location of its facilities, which are situated outside any protected area, Ariston Group is considered to have no impact on biodiversity.

b. Impacts						
Description	Direct/Indirect	Positive/Negative	i. Species affected	ii. Extent of areas impacted	iii. Duration of impacts	iv. Reversibility or irreversibility of the impacts
None						

GRI 304-3 | HABITATS PROTECTED OR RESTORED

2023			
a. Habitat areas protected or restored			
Habitat name	Size	Geographical Location	Approved? By who?
Saint-Brieuc plant	200,170 m²	Ploufragan (France)	Remediation ongoing according to local law. It includes half year monitoring of the groundwater quality by an accredited laboratory. No significant deviation has been observed in the monitoring report shared with Authorities who did not require any additional action.

b. Description of existing partnership
No partnership with third parties to protect or restore habitat areas took place in the reported period. Said initiatives have been managed directly with the local authorities.

c. Status of each area based on its condition at the close of the reporting period.
Ariston Group is compliant with the remediation plan drawn by authorities.

d. Standards, methodologies, and assumptions used
The scope of habitats and protected areas considered for the sake of this indicator takes into consideration all of Ariston Group's plants.

GRI 304-4 | IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization	
Habitat	Number
i. Critically endangered	0
ii. Endangered	0
iii. Vulnerable	0
iv. Near threatened	0
v. Least concern	0
Total	0

GRI 305-1: DIRECT (SCOPE 1) GHG EMISSIONS

a. Gross other indirect (Scope 1) GHG emissions in metric tons of CO ₂ equivalent	2023 (incl. WB)	2023 (excl. WB)	2022	2021
	50,276	41,656	46,447	47,513
b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all				
All				
c. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent.				
2023 Incl WB: 580,62				
2023 excl WB: 393,31				
d. Base year for calculation				
2021				
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source				
DEFRA_conversion-factors-2023-full-set-advanced-users version 1.1				
GWP AR5 for fossil fuels, GWP AR4 for bioenergy and biogenic emissions (GHG breakdown was not provided by DEFRA)				
f. Consolidation approach for emissions; whether equity share, financial control, or operational control				
Operational control				
g. Standards, methodologies, assumptions, and/or calculation tools used.				
Greenhouse Gas Protocol Corporate Standard (GHG Protocol)				
Fuel consumption and refrigerant losses of production plants have been collected by site and type from invoices and/or measurements.				
Consumption of natural gas of non-production sites has been estimated based on natural gas consumption ratios (kWh/sqm) by non production site type (warehouse, lab or offices), taking as a reference the energy consumption ratios (invoices) of the representative facilities.				
Fuel and petrol consumed in company fleet have been estimated based on fuel spending and average corporate fuel price cost.				

GRI 305-2: ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

a. Gross other indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	2023 (incl. WB)	2023 (excl. WB)	2022	2021
	43,667	38,153	36,539	38,115
b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent.				
2023 including WB: 45,431				
2023 excluding WB: 36,022				
2022: 44,011				
2021: 43,726				
c. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.				
All				
d. Base year for calculation				
2021				
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source				
GWP AR5 100 years if breakdown by GHG was provided by EF database, GWP AR4 otherwise				
Market based:				
If renewable electricity (purchased and self-consumed), EF considered =0				
If purchased non-renewable electricity:				
- For European countries: European Residual Mix 2022 v1.0 -AR4				
- USA (by region): US Residual Mix (Green-e Energy Emissions Rates) - 2023 Green-e Residual Mix (2021 certified sales) -AR4				
- Rest of countries: IEA - CO2 Emissions from Fuel Combustion 2023-Year 2021 - AR5				
Location based:				
If self-consumed renewable electricity, EF considered=0				
If purchased electricity:				
- USA (by region): US EPA eGRID - eGRID 2023 (w/2021 Data) -AR5				
-Rest of countries: IEA - CO2 Emissions from Fuel Combustion 2023-Year 2021 - AR5				
f. Consolidation approach for emissions; whether equity share, financial control, or operational control				
Operational control				
g. Standards, methodologies, assumptions, and/or calculation tools used.				
Greenhouse Gas Protocol Corporate Standard (GHG Protocol)				
GHG Protocol Scope 2 Guidance				
Electricity and heat and steam consumption of production plants have been collected by site and type from invoices and/or measurements.				
Consumption of electricity of non-production sites has been estimated based on electricity consumption ratios (kWh/sqm) by non production site type (warehouse, lab or offices), taking as a reference the energy consumption ratios (invoices) of the representative facilities.				

GRI 305-3: OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent	2023 (Excl. WB)	2022	2021
Use of sold products	77,726,175	86,736,744	95,415,326
Indirect upstream and downstream	676,002	1,456,914	1,611,747
Purchased goods & services	459,179	1,276,735	1,314,717
End-of life treatment of sold products	66,107	68,137	56,883
Upstream transportation and distribution	97,060	51,450	127,508
Downstream transportation and distribution	8,968	12,160	24,468
Fuel and energy related activities	16,038	18,961	18,342
Capital goods	14,924	16,594	43,196
Business travel	7,322	6,555	12,076
Employee commuting	5,463	5,086	13,163
Waste generated in operations	941	1,237	1,393

b. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all
All

c. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent
0

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation
-

e. Base year for the calculation
2021

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	
GWP AR5 100 years if breakdown by GHG was provided by EF database, GWP AR4 otherwise	
Scope 3 Category	Databases
Purchased goods & services	US EPA EEIO 2023
Capital goods	US EPA EEIO 2023
Fuel and energy related activities	For electricity generation: DEFRA 2021 WTT Fuels and T&D losses: DEFRA 2023
Upstream transportation and distribution	Spend-based: US EPA EEIO 2023. Latest update April 2023. Activity-based: DEFRA 2023 and GLEC Framework
Waste generated in operations	US EPA EEIO 2023
Business travels	US EPA EEIO 2023
Employee commuting	DEFRA 2023
Downstream transportation and distribution	Spend-based: US EPA EEIO 2023 Activity-based: DEFRA 2023 and GLEC Framework
Use of sold products	Electricity consumption: IEA 2023 Fuel consumption: DEFRA 2023 Refrigerant losses during use: 2006 IPCC guidelines
End of life treatment of sold products	Material recovery facilities: ADEME Bilan Carbone Incineration and landfill: US EPA 2023 Refrigerant losses at EOL: 2006 IPCC guidelines

g. Standards, methodologies, assumptions, and/or calculation tools used.				
Greenhouse Gas Protocol Corporate Standard (GHG Protocol) GHG Protocol Scope 2 Guidance Corporate Value Chain (Scope 3) Standard Scope 3 Calculation Guidance				
Scope 3 Category	Materiality	Data source	Description	Data origin - Methodology
3.1 Purchased goods and services	Material	Procurement data	All upstream (cradle-to-gate) emissions of purchased goods and services	Expenses collected at corporate level based on globally standardized material groups– Spend-based
3.2 Capital goods	Material	Procurement data	All upstream (cradle-to-gate) emissions of purchased capital goods	Expenses collected at corporate level based on globally standardized material groups– Spend-based
3.3 Fuel- and energy-related activities	Material	Activity data	All upstream (cradle-to-gate) emissions of purchased fuels and energy (from raw material extraction up to the point of, but excluding, combustion, including T&D losses)	Energy consumption, as consolidated at Scope 1&2 RFI– Activity-based
3.4 Upstream transportation and distribution	Material	Procurement and activity data	WTW emissions of transportation and distribution providers, including inbound, inter-company and outbound logistics if paid by Ariston	Expenses collected by transportation mode and business division – Spend-based.
				Tons shipped and average distance travelled by transportation mode, collected by business division – Activity-based
3.5 Waste generated in operations	Material	Procurement data	Emissions of waste management suppliers that occur during disposal or treatment	Spend-based Expenses collected at corporate level based on globally standardized material groups Final treatment estimated based on production sites Recycled-content method applied
3.6 Business travel	Material	Procurement data	WTW emissions that occur during use of vehicles (e.g., from energy use) for transportation of employees for business purposes	Expenses collected at corporate level by transportation mode– Spend-Based
3.7 Employee commuting	Material	Headcount and employee commuting patterns	WTW emissions that occur during the use of vehicles for employee commuting	Year-End Headcount and employee commuting survey- Activity-based
3.8 Upstream leased assets	Not relevant	-		Emissions from upstream leased assets are included in Scope 1&2

Scope 3 Category	Materiality	Data source	Description	Data origin - Methodology
3.9 Downstream transportation and distribution	Material	Activity data	WTW emissions of outbound transportation and distribution providers, if not paid by Ariston	Expenses collected by transportation mode and business division – Spend-based.
				Tons shipped and average distance travelled by transportation mode, collected by business division – Activity-based
3.10 Processing of sold products	Excluded	Activity data		Excluded based on estimation – de minimis
3.11 Use of sold products	Material	Activity data	The emissions generated from energy consumption and refrigerant losses, due to the use of products sold by Ariston in the reporting year over their expected lifetime	Activity-based Product sales by product type, yearly average energy consumption, energy source, lifespan and refrigerant type and charge if applicable. Refrigerant losses during use calculated following 2006 IPCC guidelines
3.12 End of Life of sold products	Material	Activity Data	The scope 1 and 2 emissions of waste management companies that occur during disposal or treatment of Ariston sold products	Activity-based Product sales by product type, unitary weight, average material composition (including packaging) and if applicable refrigerant type and charge.
			Refrigerant losses at the end of life of Ariston sold products in the reporting year	EOL treatment scenario for materials based on Ariston products life cycle assessment, recycled-content method applied Refrigerant losses at disposal calculated following 2006 IPCC guidelines
3.13 Downstream leased assets	Not relevant	-		Ariston Group does not have Downstream leased assets
3.14 Franchises	Not relevant	-		Ariston Group does not have Franchises
3.15 Investments	Not relevant	-		Ariston Group does not make investments

GRI 305-4: GHG EMISSIONS INTENSITY

a. GHG emissions intensity ratio for the organization (tCO ₂ e/million euro)	2023 (Incl. WB)	2023 (excl. WB)	2022	2021
	N/A*	274405	310860	393192

*GHG emissions intensity ration 2023 (incl. WB) is under definition.

b. Organization-specific metric (the denominator) chosen to calculate the ratio	2023 (Incl. WB)	2023 (excl. WB)	2022	2021
EBTDA Million euro	417	286	284	247

In order to be in line with the Economic Intensity Target identified for Scope 3, it has been decided to include EBITDA as the denominator also for this KPI.

c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3)
All (Scope 1, Scope 2 MB and Scope 3)

d. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all
All

GRI 305-5: REDUCTION OF GHG EMISSIONS

a, c and d. Reduction of GHG	Reduction tCO ₂ e	2023 (excl. WB) tCO ₂ e	Base year - 2021 tCO ₂ e	Methodology applied
Scope 1	5,857	41,656	47,513	Inventory method. 2021 is the base year chosen to set SBT, currently under validation from SBTi. Reductions due to increase in energy efficiency and due to the usage of lower GWP blowing agents in production facilities. Here, the effect on GHG emissions of decreased levels of production is included
Scope 2 MB	7,704	36,022	43,726	Inventory method. 2021 is the base year chosen to set SBT, currently under validation from SBTi. Reductions due to increase in energy efficiency and due to the increase of renewable electricity consumption share. Here, the effect on GHG emissions of decreased levels of production is included
Scope 3	18,624,895	78,402,177	97,027,072	Inventory method. 2021 is the base year chosen to set SBT, currently under validation from SBTi. Reductions due to increased average efficiency of products sold together with a higher share of electric products sold. Also reduction in 3.3 due to the increase of renewable electricity consumption share. Here, the effect on GHG emissions of decreased levels of activity (including less number of products sold) is included

b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.
All

e. Standards, methodologies, assumptions, and/or calculation tools used.
See GRI 305-1, GRI 305-2, GRI 305-3

GRI 306-1 | WASTE GENERATION AND SIGNIFICANT WASTE-RELATED IMPACTS

a. Significant and potential impacts related to waste
ARISTON LEGACY (excluding WB) Ariston Group's waste management model is circular from the procurement of raw materials to the production of the finished good disposed by end users. Focusing on the production process, waste may be divided in two categories: - packaging of the raw materials like cartons, plastics bags, wooden pallets, etc. and - manufacturing scraps which are due to production processes like metal cutting scraps, non-conforming work in progress or the production finished products. With regards to the product, packaging can contain carton, polystyrene and plastics that are recyclable by local public waste collectors or recycling parks. The Group provides training and assistance to installers with the objective of implementing periodical maintenance and repair interventions on products to extend their lifespan as much as possible, before scrapping finished product through local public waste recycling parks. Ariston Legacy is ISO14001 certified and has developed a standard to assess environmental aspects and impacts; the standard relating to waste is based on: - its relative importance impact according to the volume trends; - the sensitivity of the environment according to the percentage of waste disposed; - the legal requirement according to plant authorisation category; - the involvement of stakeholders according to the attention of the community; - the scope of the area interested by the impact - the reversibility of the impact itself. According to this assessment, Ariston Legacy plants are considered a low waste-related impact company, with a generation lower than 8% of hazardous waste and a revalorisation of 92% of the total waste in 2023 worldwide. In Europe, waste is characterised to determine the accurate European Waste Code and its treatment, the top 3 waste categories were represented by 78% of metal, 6% of cardboard and 5% of wood.
WOLF AND BRINK In Wolf and Brink 99.9% of waste is revalorized, therefore their integration into Ariston Group slightly improve the Group's result worldwide in 2023, decreasing the generation of of hazardous waste to 6% and increasing the valorization of waste to 93%.

Note:
All Ariston (excluded WB): 91.55% recycling and 7.87% hazardous waste
All Ariston (included WB): 93.26% recycling and 6.25% hazardous waste
ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

Criteria for assessing and reporting on whether inputs, activities, and outputs result or could result in significant waste-related impacts

ARISTON LEGACY (excluding WB)

Different criteria have been taken into consideration to assess and report on whether inputs, activities, and outputs result or could result in significant waste-related impacts. Said criteria include:

- Quantity of inputs used to produce the organization’s products or services that will become waste after being used for production.
- Quantity of the output waste produced by the organization in its activities, or quantity of the outputs it provides to downstream entities that are destined to become waste once they reach the end of their life.
- Hazard characteristics of inputs and outputs.
- Properties of input materials or design characteristics of outputs that limit or prevent their recovery or limit their lifespan.
- Known potential threats associated with certain materials once they are removed. For example, the potential threat of marine pollution from the release of plastic packaging into water bodies.
- Types of activities that result in the generation of significant amounts of waste or the generation of hazardous waste.

WOLF AND BRINK

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- Known potential threats associated with certain materials once they are removed. For example, the potential threat of marine pollution from the release of plastic packaging into water bodies.
- Types of activities that result in the generation of significant amounts of waste or the generation of hazardous waste.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 306-2 | WASTE BY TYPE AND DISPOSAL METHOD

a. Actions, including circularity measures, taken to prevent waste generation in the organization’s own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.

ARISTON LEGACY (excluding WB)

A corporate goal for waste reduction and circularity is established annually, aligning with the Group’s strategy to comply with ISO 14001 requirements and including performance trends discussed during management reviews.

- Waste reduction projects are prioritized based on the 5R methodology by
- Refusing non necessary packaging and assessing environmental impact of any change through a pre-project risk assessment
 - Reducing waste production by considering byproducts as secondary products; this approach is exemplified by magnesium oxide, which is not classified as waste but as a secondary product to be used as raw material. This involves also designing high-quality products to extend their lifespan and designing efficient packaging to reduce damaged products in the supply chain.
 - Reusing packaging of components in collaboration with supplier, rework our own non conforming product to reuse tank and other metal components saving of the production, selling wooden pallets for repair and reuse.
 - Recycling metal, plastics, cartons, electrical components, etc.
 - Revalorize by prioritizing incineration with energy recovery to disposal processes and continuously conducting technological monitoring to discover new treatment methods for non-recyclable components like polyurethane foam, ensuring the energy efficiency of our boilers.

Plants are part of waste management consortium by countries, according to EU directive.

WOLF AND BRINK

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Plants are part of waste management consortium by countries, according to EU directive.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

b. Description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.
ARISTON LEGACY (excluding WB) Ariston Group has a procedure to manage indirect suppliers, like waste managers, including the following steps: - Prequalification process with questions on waste management, ISO certifications and state accreditation. - Selection of supplier for collection, transportation, recovery, and disposal of waste; supervision of such operations; prequalification of third parties to manage aftercare of sites disposal. - Contract signature including the list the EWC to be treated, the commitment to legal compliance of the full process according to EU directive and state accreditations, the ethical declaration on protecting health and safety, respecting human right and a commitment to our HSE policy requiring among other to operate in a responsible manner that respects the environment, avoiding commission of offences, also involuntary, against the environment. - Evaluation process. - Internal and third party audits of the respect of this procedure by sampling.
WOLF AND BRINK Ariston Group has a procedure to manage indirect suppliers, like waste managers, including the following steps: - Prequalification process with questions on waste management, ISO certifications and state accreditation. - Selection of supplier for collection, transportation, recovery, and disposal of waste; supervision of such operations; prequalification of third parties to manage aftercare of sites disposal. - Contract signature including the list f the EWC to be treated, the commitment to legal compliance of the full process according to EU directive and state accreditations, the ethical declaration on protecting health and safety, respecting human right and a commitment to our HSE policy requiring among other to operate in a responsible manner that respects the environment, avoiding commission of offences, also involuntary, against the environment. - Evaluation process. - Internal and third party audits of the respect of this procedure by sampling.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

c. The processes used to collect and monitor waste-related data.
ARISTON LEGACY (excluding WB) Ariston Group's waste management procedure mandates the registration of waste volume per EWC for each plant, even if it may not be a local legal requirement. This involves implementing a double weight control of the transported waste, both upon leaving the plant and during its management by third parties. Additionally, monitoring is conducted to report total waste volumes, recycling indices, and waste management costs. Data oversight is maintained by the HSE central team, internal audit team, and shared during management reviews. Furthermore, in compliance with local regulations, a waste register containing hazardous and non-hazardous wastes is shared with the competent authorities.
WOLF AND BRINK Ariston Group's waste management procedure mandates the registration of waste volume per EWC for each plant, even if it may not be a local legal requirement. This involves implementing a double weight control of the transported waste, both upon leaving the plant and during its management by third parties. Additionally, monitoring is conducted to report total waste volumes, recycling indices, and waste management costs. Data oversight is maintained by the HSE central team, internal audit team, and shared during management reviews. Furthermore, in compliance with local regulations, a waste register containing hazardous and non-hazardous wastes is shared with the competent authorities.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 306-3 | WASTE GENERATED

a. Waste generated	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Waste generated (t)	29,397	23,011	18,357	19,910
Of which non-hazardous	25,979	21,332	17,356	18,876
<i>Of which non-hazardous (%)</i>	88.4%	92.7%	94.5%	94.8%
Of which hazardous	3,418	1,679	1,001	1,034
<i>Of which hazardous (%)</i>	11.6%	7.3%	5.5%	5.2%

b. Context information
ARISTON LEGACY (excluding WB) Data are extracted from scorecard of main Production plants : - Europe: Albacina, Arcevia, Cerreto, Chartres, Follina, Genga, Lichtenvoorde, Namur, Osimo, Pirna, Resana, Saint-Petersburg, Svilajnac, and Vieux-Thann; - Asia: Hanoi and Wuxi (2 plants); - America: New-Bedford, Saint-John and Saltillo; - in Africa: Centurion
WOLF AND BRINK Integration of Wolf and Brink impact the percentage of hazardous wastes due to their production process.

Note: 2022 data has been updated after an internal review, the calculation methodology remain the same as last year.
ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 306-4 | WASTE DIVERTED FROM DISPOSAL

a./b./c./d. Weight of waste diverted from disposal (t)	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Total weight of waste diverted from disposal	26,166	20,322	17,184	18,661
1.a. Of which hazardous waste	165	90	703	852
1.1.a.Preparation for reuse	2	2	19	19
On site	0	0	0	0
At an external site	2	2	19	19
1.1.b. Recycle	163	88	684	833
On site	0	0	0	0
At an external site	163	88	684	833
1.1.c. Other operation of reuse	0	0	0	0
On site	0	0	0	0
At an external site	0	0	0	0
2.a. Of which non-hazardous waste	26,001	20,232	16,481	17,809
2.1.a Preparation for reuse	726	726	310	310
On site	0	0	0	0
At an external site	726	726	310	310
2.1.b. Recycle	25,274	19,506	16,171	17,499
On site	0	0	0	0
At an external site	25,274	19,506	16,171	17,499
2.1.c. Other operation of reuse	0	0	0	0
On site	0	0	0	0
At an external site	0	0	0	0

e. Context information
ARISTON LEGACY (excluding WB) Data are extracted from scorecard of main Production plants : - in Europe, in Albacina, Arcevia, Cerreto, Chartres, Follina, Genga, Lichtenvoorde, Namur, Osimo, Pirna, Resana, Saint-Petersburg, Svilajnac, and Vieux-Thann; - in Asia, in Hanoi and Wuxi (2 plants); - in America in New-Bedford, Saint-John and Saltillo; - in Africa in Centurion
WOLF AND BRINK Integration of Wolf and Brink impact the percentage of hazardous wastes and of waste to be disposed due to the size of the plants and the production process.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 306-5 | WASTE DIRECTED TO DISPOSAL

a./b./c./d. Weight of waste directed to disposal (t)	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Total weight of waste directed to disposal	3,231	2,690	1,173	1,249
1.a. Of which hazardous waste	1,874	1,590	298	402
1.1.a. Incineration (with energy recovery)	622	344	106	75
On site	0	0	0	0
Offsite	622	344	106	75
1.1.b. Incineration (without energy recovery)	200	200	88	223
On site	0	0	0	0
Offsite	200	200	88	223
1.1.c. Landfilling	1,052	1,046	104	104
On site	0	0	0	0
Offsite	1,052	1,046	104	104
1.1.d. Other disposal operations	0	0	0	0
On site	0	0	0	0
Offsite	0	0	0	0
2.a. Of which non-hazardous waste	1,357	1,100	875	847
2.1.a. Incineration (with energy recovery)	774	518	229	222
On site	0	0	0	0
Offsite	774	518	229	222
2.1.b. Incineration (without energy recovery)	94	94	428	407
On site	0	0	0	0
Offsite	94	94	428	407
2.1.c. Landfilling	489	488	218	218
On site	0	0	0	0
Offsite	489	488	218	218
2.1.d. Other disposal operations	0	0	0	0
On site	0	0	0	0
Offsite	0	0	0	0

e. Context information
ARISTON LEGACY (excluding WB) Data are extracted from scorecard of main Production plants : - in Europe, in Albacina, Arcevia, Cerreto, Chartres, Follina, Genga, Lichtenvoorde, Namur, Osimo, Pirna, Resana, Saint-Petersburg, Svilajnac, and Vieux-Thann; - in Asia, in Hanoi and Wuxi (2 plants); - in America in New-Bedford, Saint-John and Saltillo; - in Africa in Centurion
WOLF AND BRINK Integration of Wolf and Brink impact the percentage of hazardous wastes and of waste to be disposed due to the size of the plants and the production process.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 401-1: NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

b. Employee hires						2023 (incl. WB)									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	38	99	0	0	137	125	306	0	0	431	46	108	0	0	154
30 - 50 y	50	104	0	0	154	161	485	0	0	646	64	184	0	0	248
> 50 y	5	15	0	0	20	27	134	0	0	161	5	10	0	0	15
Total Hiring	93	218	0	0	311	313	925	0	0	1,238	115	302	0	0	417
Total employee number						10,769									
Hiring rate						18%									
b. Employee hires						2023 (excl. WB)									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	38	99	0	0	137	76	152	0	0	228	46	108	0	0	154
30 - 50 y	50	104	0	0	154	111	326	0	0	437	64	184	0	0	248
> 50 y	5	15	0	0	20	20	95	0	0	115	5	10	0	0	15
Total Hiring	93	218	0	0	311	207	573	0	0	780	115	302	0	0	417
Total employee number						10,769									
Hiring rate						14%									
b. Employee hires						2022									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	14	91	0	0	105	78	168	0	0	246	41	75	0	41	157
30 - 50 y	22	76	0	0	98	127	324	0	0	451	62	180	0	11	253
> 50 y	6	11	0	0	17	22	72	0	0	94	4	10	0	0	14
Total Hiring	42	178	0	0	220	227	564	0	0	791	107	265	0	52	424
Total employee number						8,026									
Hiring rate						18%									
b. Employee hires						2021									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	24	311	0	0	335	84	198	0	0	282	26	75	0	13	114
30 - 50 y	29	193	0	0	222	101	315	0	0	416	53	144	0	13	210
> 50 y	3	15	0	0	18	11	55	0	0	66	2	4	0	0	6
Total Hiring	56	519	0	0	575	196	568	0	0	764	81	223	0	26	330
Total employee number						7,663									
Hiring rate						22%									

b. Turnover						2023 (incl. WB)									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	31	131	0	0	162	77	178	0	0	255	49	86	0	0	135
30 - 50 y	33	132	0	0	165	95	331	0	0	426	74	169	0	0	243
> 50 y	6	30	0	0	36	45	205	0	0	250	7	32	0	0	39
Total	70	293	0	0	363	217	714	0	0	931	130	287	0	0	417
Total employee number															
Turnover rate															

b. Turnover						2023 (excl. WB)									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	31	131	0	0	162	43	81	0	0	124	49	86	0	0	135
30 - 50 y	33	132	0	0	165	78	246	0	0	324	74	169	0	0	243
> 50 y	6	30	0	0	36	37	134	0	0	171	7	32	0	0	39
Total	70	293	0	0	363	158	461	0	0	619	130	287	0	0	417
Total employee number															
Turnover rate															

b. Turnover						2022									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	23	196	0	0	219	52	92	0	0	144	30	54	0	33	117
30 - 50 y	44	196	0	0	240	95	274	0	0	369	47	150	0	17	214
> 50 y	5	52	0	0	57	41	172	0	0	213	12	31	0	0	43
Total	72	444	0	0	516	188	538	0	0	726	89	235	0	50	374
Total employee number															
Turnover rate															

b. Turnover						2021									
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	21	294	0	0	315	33	93	0	0	126	24	43	0	0	67
30 - 50 y	25	178	0	0	203	68	234	0	0	302	47	148	0	0	195
> 50 y	3	19	0	0	22	25	138	0	0	163	0	9	0	0	9
Total	49	491	0	0	540	126	465	0	0	591	71	200	0	0	271
Total employee number															
Turnover rate															

2023
Other supporting information
*Gender distribution not available for Chromagen - Australia (2022)
**The country categorizations referred to include the following countries: - Americas: USA, Mexico, Canada, Argentina, Guadeloupe, Peru, Chile, Jamaica, Brazil, Guyana, Venezuela, Martinique, Colombia, Uruguay, Dominican Rep., Dutch Antilles, Ecuador, Guatemala, Paraguay, St.Pier, Miquel., El Salvador, Belize, Bolivia, Barbados, Nicaragua, Costa Rica, Suriname, Aruba. - Europa: Italy, France, Switzerland, Germany, Spain, Romania, Russian Fed., Netherlands, Poland, United Kingdom, Belgium, Denmark, Hungary, Portugal, Austria, Czech Republic, Greece, Turkey, Croatia, Ukraine, Canary Islands, Serbia, Ireland, Bulgaria, Slovakia, Lithuania, Bosnia-Herz., Albania, Georgia, White Russia, Slovenia Latvia, Cyprus, Kosovo, Macedonia, Montenegro, Estonia, Liechtenstein, Malta, Norway, San Marino, Moldavia, Finland, Andorra, Luxembourg, Monaco, Sweden - MEA and ASIA: China, Australia, Israel, Utd.Arab Emir., India, Saudi Arabia, South Africa, Indonesia, Vietnam, Egypt, Morocco, Kazakhstan, Nigeria, Uzbekistan, Tunisia, Libya, Singapore, Oman, South Korea, Bangladesh, Ghana, Kyrgyzstan, Malaysia, Tajikstan, Iraq, Algeria, Thailand, Qatar, Myanmar, Jordan, Armenia, Hong Kong, Philippines, Lebanon, Azerbaijan, Kuwait, Cambodia, Sri Lanka, Mozambique, Tanzania, New Zealand, Senegal, Turkmenistan, Afghanistan, Namibia, Congo, Cape Verde, Mauritius, Botswana, Bahrain, Kenya, Brunei Dar-es-S, Swaziland, Reunion, Lesotho, Guinea, Ivory Coast, Seychelles, Mali, Gambia, Zambia, Uganda, Cameroon, Frenc.Polynesia, Pakistan, New Caledonia, Japan, Yemen, Syria, Mauretania, Ethiopia, Equatorial Gui., Burundi, Nepal, Madagascar, Benin, Fiji, Taiwan, Sudan, Malawi, Angola, Djibouti, Maldives, Liberia, Sierra Leone, Gabon, Laos, Somalia.

GRI 403-1 | OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

a. Health and safety management system
The Organisation has implemented a Group HSE Management System intended to provide an effective HSE management integrated with other management requirements and with WCM methodology to control all potential HSE risks. The HSE management System is certified according with ISO 14001 and ISO 45001 international standards.
b. Workers, activities and workplaces covered by the management system
Ariston Group's HSE Management System applies to all types and sizes of its production and non-production sites and includes requirements for Suppliers, Contractors and Outsourcing services.

GRI 403-2: HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

a. Processes for identifying and assessing occupational health and safety risks
A Group Procedure, HSE.PR024Tt - HSE Risks assessment, is in place to: - Provide a systematic approach for early identification of workplace risks; - provide consistent risk assessment criteria; - provide risk mitigation strategies that are efficient in reducing risk to an acceptable level; - provide methods to monitor the effectiveness of preventive and protective measures. The process is based on ISO 45001 Standard. If there are local legal requirements that differ from standard the stricter requirements shall be applied. The risk assessment is regularly performed for both routine activities and non-routine activities, which are not generally conducted on a regular basis or in typical workplaces, potentially creating risks of interference and requiring subsequent coordination needs, especially for activities being performed for the first time. The overall process allows each site to: - identify hazards and risk factors that have the potential to cause harm (hazard identification). - analyze and evaluate the risk associated with that hazard (risk analysis and risk evaluation). - determine appropriate ways to eliminate the hazard, or control the risk when the hazard cannot be eliminated (risk control). After consulting with Workers' Representative, the employer conducts the risks assessment and compiles the Risk Assessment Document, in cooperation with Site HSE Coordinator and Industrial Doctor. The Risk Assessment is reviewed every 3 years, or immediately reworked: - whenever there are any significant changes in workplace processes, design or organization of work; - whenever new machinery, substances or procedures are introduced; - following the development in technology related to prevention and protection; - whenever there is an injury or incident as a result of hazard exposure; - when the health surveillance demonstrates that it is necessary. As a consequence of any changes in the Risk Assessment, the preventive measures are also be updated.

b. Processes available for workers to report hazards and dangerous situations at work, and an explanation of how workers are protected from retaliation;
All employees are encouraged to daily check their working stations and their colleagues' behaviour as well as their own, to identify and report any existing unsafe condition and unsafe act, by utilising to two preventive tools: Unsafe Act Tag and Unsafe Condition Tag. These tools are used for reporting any anomaly encountered in the workplace. The tags are filled out in duplicates: the first copy is directly attached on the place where the anomaly is founded, the second one is registered, periodically analysed and stored by the HSE Coordinator and a priority approach is applied basing on the outcome of the analysis to establish a proper action plan.

c. A description of the policies and processes available to workers to remove themselves from work situations that are believed to cause work-related injury or illness, and an explanation of how they are protected from retaliation;
According to the Group HSE policy and ISO45001 standard that promote workers consultation, workers are involved in risk assessments. A process is place to notify any unsafe situation to the company, that follow a KPI on notification/employee. In addition, Ariston group gave coaching based program to influence positive changes in behaviors. The program, named STOP&THINK, is available to let employees stop whenever they feel they are exposed to situations that can cause work-related injury or illness, encouraging workers to pause and assess their environment for anything that doesn't seem safe. A pocket-sized check-list (STOP&THINK tag) is available to identify potential health and safety issues in the workplace. Even when on a tight timeline, if a hazard is identified, action is taken to correct it before work can continue. When necessary, the appropriate people are called in for assistance and management follow a KPI on lead time to close unsafe situations.

d. Description of the processes used in order to investigate possible occupational accidents
A Group Procedure, HSE.PR004Tt-00-Incident Management, establishes the criteria for reporting and recording Environment, Health and Safety accidents in order to ensure and facilitate effective and efficient incident management from occurrence through investigation to the development and implementation of corrective and preventive measures. A systematic process is used for the investigation of incidents as appropriate to their significance and be led by the site HSE coordinator. The process will include: • identification and documentation of contributing factors (human, technical, organisational) • underlying causes of the incident • identification of the controls that were intended to prevent it and analysis of any failures in the controls • identification of countermeasures to prevent the reoccurrence To facilitate the investigation process a “step by step approach” is suggested by using the 5W & 1H Analysis. This involves approaching a problem/incident by developing a problem statement developed using the following; What, When, Where, Which, Who & How.

GRI 403-3: OCCUPATIONAL HEALTH SERVICES

a. Description of the occupational health services
Employees are referred to a designated healthcare professional or facility that is determined to meet local legal requirements. This professional/facility has the capability to provide clinical services such as medical surveillance and fitness for duty evaluations, medical care for work related injury and illness, substance abuse testing, audiometry, spirometry, biological monitoring, health promotion, and managing healthcare records. Employee medical records (paper and electronic) are complete, considered confidential and are maintained in the exclusive custody and control of occupational healthcare professionals in accordance with local legal requirements and GPDR (General Data Protection Regulation)

GRI 403-4: WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

a. Description of processes for participation in occupational health and safety management systems
According with Group Procedure HSE.PR009Tt - Workers consultation and participation on HSE matters, all managerial and non-managerial workers and worker’s representatives are consulted on: a) the HSE Group Policy; b) the needs and expectations of interested parties; c) the significant environmental aspects, related actual or potential environmental impacts associated with their work and the OH&S consequences, actual or potential, of their work activities; d) their contribution to the effectiveness of the HSE management system, including the definition of objectives and plans to achieve them, and the benefits of enhanced environmental and personal performance; e) their demonstration of involvement in internal and external audit program, and in all applicable controls for outsourcing, procurement and contractors. f) the implications of not conforming with the HSE management system requirements, including fulfilling the Organization’s legal compliance obligations; g) their roles and responsibilities and importance in achieving conformity to the HSE Policy and procedures and to the requirements of the HSE management system, including emergency preparedness and response requirements. h) any changes that affect the HSE system; including any new resources in HSE organization.

b. Description formal joint management-worker health and safety committees
A formal meeting is organized, at least once a year, involving the Plant Manager or his delegate, the local HSE Coordinator, the occupational physician, the workers’ representative and the HR Manager. The committee discusses mainly the Risk Assessment Document; the injuries and work-related illnesses trends and the medical surveillance, the criteria for selecting personal protective equipment and for evaluating the effectiveness of preventive and protective measures, the training program for workers. The meeting is also the opportunity to discuss: a) Codes of behavior and best practices to prevent HSE risks; b) HSE opportunities for improvement Further formal meetings take place with a greater frequency and according to the local legislation or in case of any significant changes that can affect the environment and the health and safety of workers.

GRI 403-5 | WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

a. Description of training activities
The suitability of the personnel working on processes is evaluated in the recruitment process, according to the “Recruitment & Selection Process” or in the assignment to new tasks (for employees already in force), according to the “Training Management”. This is conducted by the responsible of the departments concerned, with the support of the HR department. According to the procedure “Training Management”, the Organization: a) has determined the necessary competence of persons doing work under its control that affects its HSE performance and its ability to fulfil its compliance obligations; b) has ensured that these persons are competent on the basis of appropriate education, training or experience, through job interviews, reviewing resumes, documented information of training or diplomas; c) has determined any training needs associated with its environmental aspects and OH&S risk and its HSE management system conform with ISO9001, ISO 45001 and ISO14001; d) where applicable, has taken actions to acquire the necessary competence, and evaluate the effectiveness of the actions taken, by completing the form “Participants List” and direct observation of his performance, it may include a written test. The Organization retains appropriate documented information as evidence of competence, such as diplomas, licenses, resumes, and from completion of training, and performance reviews. Training procedures takes into account differing levels of responsibility, ability, language skills and risk. All the training cost is managed by Ariston group and therefore free of charge and during paid working hours.

GRI 403-7 | PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS

a. Description of the organization’s approach to preventing or mitigating significant negative occupational health and safety impacts
According to ISO 45001 standard, Ariston Group has established, implemented and controlled the processes needed to meet HSE management system requirements, and to: - address its risks and opportunities; - achieve its objectives; - manage the OH&S risks, including the management of change;
The Group manages and maintains all these aspects by: - establishing operating criteria for the processes - implementing control of the processes, in accordance with the operating criteria.
In particular, the Organization has implemented and maintained: a) operational controls applicable to its activities in “Control register”; b) controls related to purchased goods, equipment and services, according to the “Pre_Project HSE Checklist”; c) controls related to contractors and other visitors to the workplace, according to the procedure “Contractors management” and “Access to workplaces”; d) documented procedures, to cover situations where their absence could lead to deviations from the HSE Policy and objectives; e) stipulated operating criteria where their absence could lead to deviations from the HSE Group Policy and objectives.
According to the procedure “Change Management” the Organization has defined how to control planned changes and how to review the consequences of unintended changes, taking actions to mitigate any adverse effects.
The Organization has ensured that an outsource process is controlled or influenced.
Consistent with a life cycle perspective, the Organization: a) has established controls, to ensure that its environmental requirements are addressed in the design and development process for the product or service, considering each stage of its life cycle, according to the “Product Development Manual”; b) has determined its environmental requirements for the procurement of products and services, according to the “Investment Request Manual”; c) has communicated its relevant environmental requirements to external providers, including contractors, according to the procedure “HSE Communication Management”; d) has considered the need to provide information about potential significant environmental impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of its products and services, according to the Working Instruction “Guideline for the environmental impacts assessment”.
The Organization maintains documented information to the extent necessary to have confidence that the process has been carried out as planned.
According to the "Change Management" procedure, when determining controls or contemplating changes to existing controls, the Organization has considered reducing risks in the following hierarchy: a) elimination; b) substitution; c) engineering controls; d) signage/warnings and/or administrative controls; e) personal protective equipment.
According to the Working Instruction “HSE Risks Assessment”, with the Risk Assessment Document the Organization has documented and kept up-to-date the results of identification of hazards, risk assessments and determined controls.

GRI 403-8 | WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

a. Health and safety management system	2023 (incl. WB)		2023 (excl. WB)		2022		2021	
	n	%	n	%	n	%	n	%
i. Employees covered by the system		100%	7,977	100%	7,975	100%	7,858	100%
ii. Non-employees covered by the system	896	100%	761	100%	1,020	100%	1,032	100%
ii. Employees covered by the internally audited system	5,199	48%	5,199	65%	7,975	100%	7,858	100%
ii. Non-employees covered by the internally audited system	761	85%	761	100%	1,020	100%	1,032	100%
iii. Employees covered by the third-party certified system	3,190	30%	3,190	40%	2,762	35%	2,717	35%
iii. Non-employees covered by the third-party certified system	719	80%	719	94%	808	79%	747	72%

Note: Wolf-Brink included plants in the calculation: Mainburg and Stephorst.
Data refers only to plants and the Group HQ.

b. Any workers excluded from the coverage of the management system
ARISTON LEGACY (excluding WB) The HSE management system is build on ISO 45001 and ISO 14001 standards and is deployed in all the companies of the Group according to the Group HSE policy signed by the CEO.
WOLF AND BRINK The implementation of Ariston Group HSE management system - build on ISO 45001 and ISO 14001 standards – in Wolf and Brink is ongoing to harmonize the approach across the Group after the acquisition. Anyway the new entities have already in place a solid HSE management system

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

c. Additional information on data compilation
ARISTON LEGACY (excluding WB) Data were extracted from the management review, employee have an Ariston Group working contract and non-employees is the temporary lease staff in support. Third-party body is BSI who ISO45001certify Aristong Group, at Group level. The last version of the certificate is published on www.aristongroup.com

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 403-9 | WORK-RELATED INJURIES

a. Employees work-related injurys (n)	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Recordable injuries	52	30	40	44
1. Injury rate	4.66	3.94	5.16	5.31
of which deaths	0	0	1	0
2. Death rate	0	0	0.13	0
of which with serious consequences	0	0	0	1
3. Severity index	0	0	0	0.121
Main types of injuries	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface
Hours worked (n)	11,160,065	7,623,391	7,751,475	8,278,463

b. Non-dependent occupational accidents	2023 (incl. WB)	2023 (excl. WB)	2022	2021
Recordable injuries	16	14	24	21
1. Injury rate	6,02	5,70	9,99	10,11
of which deaths	0	0	0	0
2. Death rate	0	0	0	0
of which with serious consequences	0	0	0	0
3. Severity index	0	0	0	0
Main types of injuries	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface
Hours worked (n)	2,659,477	2,457,723	2,402,012	2,076,887

c. Work hazards that pose a risk of injury with serious consequences
ARISTON LEGACY (excluding WB) According to ISO45001 standard, Ariston Group has established, implemented and maintained the Group Procedure “HSE Risks Assessment” for the ongoing hazard identification and risk assessment. The methodology for hazard identification and risk assessment: a) has been defined with respect to its scope, nature and timing to ensure it is proactive rather than reactive; b) has provided for the identification, prioritization and documentation of risks, and the application of controls, as appropriate. The Group Procedure for hazard identification and risk assessment takes into account: a) routine and non-routine activities; b) activities of all persons having access to the workplace (including contractors and visitors); c) human behavior, capabilities and other human factors; d) identified hazards originating outside the workplace capable of adversely affecting the health and safety of persons under the control of the Organization within the workplace; e) hazards created in the proximity of the workplace by work-related activities under the control of the Organization; f) infrastructure, equipment and materials at the workplace, whether provided by the Organization or others; g) changes or proposed changes in the organization, its activities, or materials; h) modifications to the OH&S management system, including temporary changes, and their impacts on operations, processes, and activities; i) any applicable legal obligations relating to risk assessment and implementation of necessary controls; j) the design of work areas, processes, installations, machinery/equipment, operating procedures and work organization, including their adaptation to human capabilities. All changes or proposed changes within the Organization, its activities, or materials must undergo the operational scrutiny of an HSE review, in accordance with the "Change Management" procedure. The Organization ensures that the results of these assessments, including the hierarchy of control (eliminate, substitute, add technical means, add organisationnal means, PPE) are considered when determining controls. WOLF AND BRINK Same as above.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

d. Actions taken or in progress intended to eliminate other workplace hazards and minimize risks using the hierarchy of controls
ARISTON LEGACY (excluding WB) According to ISO 45001 standard, the Ariston Group has established, implemented and maintained the procedure “Incident Management” to investigate and analyze incidents in order to: a) determine underlying OH&S deficiencies and other factors that might be causing or contributing to the occurrence of incidents; b) identify the need for corrective action; c) identify opportunities for continual improvement; d) communicate the results of such investigations. The investigations are performed in a timely manner under the governance of the HSE Director. The results of incident investigations are documented and maintained. In 2023, 88% of the 358 actions linked to incident report were completed, as well as 77% of the 4437 unsafe condition identified by workers. Prioritization is given based on the level of risk (high, medium or low) and action plan based on the root cause and the hierarchy of control. WOLF AND BRINK According to ISO 45001 standard, the Ariston Group has established, implemented and maintained the procedure “Incident Management” to investigate and analyze incidents in order to: a) determine underlying OH&S deficiencies and other factors that might be causing or contributing to the occurrence of incidents; b) identify the need for corrective action; c) identify opportunities for continual improvement; d) communicate the results of such investigations. The investigations are performed in a timely manner under the governance of the HSE Director. The results of incident investigations are documented and maintained. In 2023, 78% of the 23 actions linked to incident report were completed, as well as 88% of the 33 unsafe condition identified by workers. Prioritization is given based on the level of risk (high, medium or low) and action plan based on the root cause and the hierarchy of control.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

e. Calculation of severity, incidence and injury rates.
ARISTON LEGACY (excluding WB) The method used to calculate the rates in the disclosure is *1,000,000 WOLF AND BRINK The method used to calculate the rates in the disclosure is *1,000,000

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

f. Exclusions of certain workers from the disclosure
ARISTON LEGACY (excluding WB) Group record work-related injuries of employees, lease staff, contractors and visitors. Plants manages it in the HSE Action Tracker without any exclusion. WOLF AND BRINK WB record work-related injuries of employees, lease staff, contractors and visitors. Plants manages it in their action plans.

Note: ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

f. Additional description on the calculation of data and methodologies used
ARISTON LEGACY (excluding WB) Data extracted from the Ariston Group yearly management review. Are considered injuries with serious consequences, work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months
WOLF AND BRINK Data extracted from the Ariston Group yearly management review. Are considered injuries with serious consequences, work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

Note: Wolf-Brink included plants in the calculation: Mainburg and Stephorst only.
ARISTON LEGACY (excluding WB) refers to the Group pre-acquisition perimeter.

GRI 404-1 | AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

a. Average hours of training provided to employees	2023 (incl. WB)			2023 (excl. WB)			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
White collar	13.5	11.5	12.5	10.5	10.5	10.5	15.8	14.1	15.0
Blue collar	10.3	4.5	7.4	12.2	5.4	8.8	3.8	4.7	4.25
Total	11.9	8.0	9.9	11.4	8.0	9.7	9.8	9.4	9.6

Company Report 2022 data has been adjusted with the approximation to one decimal place of each number.
Data corresponding to 2021 is not available.

GRI 404-2 | PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

a./b. List of training programs			
#	2023 (incl. WB)		
	Type (Update/Assistance)	Content	Hours PER EDITION
1	Compliance	Anti-trust, VCA -safety certificate, Health & safety training, Health & safety management	63
2	Technical skills	Basic and specific knowledge of thermal installations in buildings in order to be able to carry out the activities of installation and maintenance of thermal installations in buildings. How to design electrical installations in air-conditioning systems. Individual professional development, Mandatory training for electrical mechanics. Licenses (VCA, F-Gas and STEK).	702
3	Communication and presentation	Successful telephone conversation, Wolf Campus, assertive communication techniques, Time Management	125
4	Languages	English, German	240
5	Working tool	Excel, Powerpoint, MS Teams, SAP, Outlook, Computer Skills, 3D printing, IT Tools and Platforms	187
6	Management Development Program	Level I: Leadership; Profiling; Mentoring; Project and process management; Strategy & Management; Communication & Rhetoric; Project management / Level II: Leadership; 360 Feedback; Project and process management; Strategy & Management; Change management; Project management. What is a project, what is project management ; Initialisation, definition, planning, control and completion of a project; The role of the project manager and the “human factor” in the project; Implementation of what has been learned in a practical case study.	651.5
7	Leadership	Module I WOLF Management Guidelines / Modul II Feedback (Do's & Dont's in communication; What does feedback mean; Emphatic listening; Questioning techniques; Professional & personal feedback; Feeback techniques; Practical transfer) / Modul III Delegation & Motivation (Motivation models (7 motives); Developing responsibility; Role awareness; Practical transfer). Also, Leadership Program / Leadership Basics / Labour Law / Project management / Coaching / Profiling / DISG, House of Change, Expectation Talks. Causes of conflict; Conflict personalities; Types of conflict; Conflict styles; Escalation and de-escalation; Conflict management; Conflict resolution methodology	212
8	International Practitioner DISC Certification	DISC & Motivators, Driving Forces, TriMetrix EQ Assessment	21.5
9	Onboarding and welcome day	Transfer of Company identity: Vision, values and mission Presentation of the whole local organization: Each department ensuring their own presentation Tool and Resource Review : Overview and training on the daily, main & key tools and platforms. Technical presentation of the products Review of the core technical skills : Assessment of the training needs to achieve the expectations + Training. Introduction to Company culture: overview of mission, vision and core values Meet and Greet: connect with colleagues and leadership Organizational structure and relations : introductiong of each department and their key responsibilities and relation to other departments Resource Overview: introduction to key company resources and support systems, internal platforms and tools *integration with the aim of transition assistance programs	41

10	Sales	Capacity building on dimensioning tool, sales technique and methods, technical and sales best practices.	294
11	PRO-KLIMA Academy	Business communication skills Change management Coaching as a leadership style Emotional intelligence How to manage employees of different generations Mentoring Mentoring and coaching Strategic thinking and planning Train2trainer *established 2021. with the aim for upgrading employee skills	12
12	Presentation effectiveness	To refine and improve the style, structure, content and delivery of presentations, through the application of effective techniques, practice and live feedback	22
13	Global Leadership Program	To activate, support and strengthen practices associated with the competencies of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE	3
14	Leading people for growth	To support recently assigned managers in leading their teams and the achievement of the results through effective people management skills	20
15	My Ariston Group	To support the induction of new employees with 6-12 months of experience, transferring knowledge on business competencies and key Ariston Group processes	40
16	Transition to General Management	To support the step up to general management with a toolkit of skills and knowledge in order to gain the confidence to manage the complexity of the transition from specialist to generalist.	80
TOTAL			1,876

a./b. List of training programs			
#	2023 (excl. WB)		
	Type (Update/Assistance)	Content	Hours PER EDITION
1	Presentation effectiveness	To refine and improve the style, structure, content and delivery of presentations, through the application of effective techniques, practice and live feedback	22
2	Global Leadership Program	To activate, support and strengthen practices associated with the competencies of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE	3
3	Leading people for growth	To support recently assigned managers in leading their teams and the achievement of the results through effective people management skills	20
4	My Ariston Group	To support the induction of new employees with 6-12 months of experience, transferring knowledge on business competencies and key Ariston Group processes	40
5	Transition to General Management	To support the step up to general management with a toolkit of skills and knowledge in order to gain the confidence to manage the complexity of the transition from specialist to generalist.	80
TOTAL			165

Note: For each type of programme, the hours are identified per participant.

a./b. List of training programs			
#	2022		
	Type (Update/Assistance)	Content	Hours PER EDITION
1	Leading Poeple For Growth	The course wants to give support to the newly assigned managers in order to: - learn how to LEVERAGE MOTIVATIONS of the employees to maximize his/her commitment to the assigned goal - recognize the MATURITY LEVEL of individuals, and learn to align with this level as a starting point for their growth path - use DELEGATION as a development tool and for optimizing own workload - learn how to give structured and evidence-based FEEDBACK.	20
2	Global Leadership Program	The Global Leadership Program is a learning and development initiative aimed at activating, supporting, and strengthening practices associated with the competences of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE. The feedback culture and the interpretation of the Leader's role as Coach are the thread that run across the different journeys, customized by type of population (in 2022: Middle managers-people Managers) from 25 countries, wishing to address them through behavioral changes that have an impact on our daily actions and on our results. Impact on more than 600 employees Key methodologies include tailored training sessions, individual business coaching journeys, team learning sessions, webinars and online content.	11
3	Finance Group Coaching Journey	A group coaching path dedicated to Finance Organization in order to make a reflection on oneself, firstly, trying then to aling myself with the team operating principles and purpose in order to work together effectively Leveraging on strengths and defining new rules for the team to better work together.	24
4	Presentation Effectiveness	The course aims at transfering a set of knowledge and competences to refine and improve style, structure, content and delivery of presentations through the application of effective techniques, practice and live feedbacks.	16
5	Consumer Insight	Training dedicated to the new professional roles of RPD (Region Product Directors) covered by employees already in the company and to Product Managers in order to support them in acquiring new knowledge and skills to work in synergies with markets. Consumer Insights training main contents are: - What is CI/objectives and its relevance within the company - How to set up a CI research and which types of research for which business needs - How to read the data	6
6	360° Program	360° feedback is a process where an individual (participant or focus) is rated on his/her competencies by people (the raters) who work with him/her. The process aims to: - Help the focus to understand how his/her behaviours are perceived by people around him/her - Gain a better understanding and awareness of his/her strengths and dev areas - Have a clear understanding on how to be the best version of yourself, in a persoective of continuous dev, through the achievement of the goals set within the Individual Development Plan (IDP)	8 people involved
7	Mentoring	Mentoring is a reciprocal and collaborative at-will relationship that most often occurs between a senior and junior employee for the purpose of the mentee's growth, learning, and career development. Often the mentor and mentee are internal to an organization, and there is an emphasis on organizational goals, culture, career goals, advice on professional development.	
8	Sales Academy (Pilot phase)	This project aims to provide a continuous learning experience to our sales force, to root Ariston Group way of selling and to deliver useful toolkits in order to facilitate and improve worldwide sales performances. Key methodologies include tailored training sessions, business cases discussions and online content. Impact on 37 employees.	24

9	Advanced Management Program	IESE's Advanced Management Program (AMP) is designed for top-tier executives who want to boost their ability to navigate complex markets and identify new sources of competitive advantage. In an energizing learning forum, they sharpen their grasp on the most critical global trends and discover leadership insights that magnify corporate performance	160
10	Strategic Learning & Development	The course has the goal of providing the new digital skills that the market requires with a strategic view, more and more connected to the business aiming to transform the training in Learning Organization	30
11	My Ariston Group	My Ariston Group is a learning program aiming to support the induction of new comers transferring business competences and leveraging on self-responsibility. Main objectives are the following: - To experience and feel the Corporate culture - To acquire knowledge about our sector and business, focusing on Ariston Group processes and practice - To acquire soft skills useful to promote team working and relational effectiveness - To develop self-awareness and encourage self-leadership development, focusing on professional growth "drivers" - To take awareness of and experience a decision making process within a group - To promote the development of behavior in line with corporate values having an active role in professional growth opportunities in the company	40 hours average + project work activities (per edition)
12	Leading The Effective Sales Force	This five-day Leading the Effective Sales Force programme is designed to help participants to optimise the performance of theirs sales force and learn how to cut costs while raising sales; how to generate maximum growth by analysing the sales calls, realigning territories, shifting product or market emphases, reallocating time among members of the sales force or adjusting its size; how to motivate salespeople and third-party distribution channels through compensation systems and organisational structures.	40
13	Brand Management	The course has aimed at identifying the foundational building blocks for brand purpose by understanding the target audience and crafting integrated marketing communications; to identify opportunities and threats that affect brand's market position and determine potential strategies to capitalize on opportunities to strengthen the brand's position; to reate a brand positioning strategy for the market, and identify various vehicles for marketing communications that would effectively reach the brand's target market; brand assessment and management strategies for the allocation of resources to ensure brand performance is optimized and brand objectives are met.	60
14	Sales Planning & Control	The Sales Planning & Control course wants to provide for a common language to the management control functions and Sales and the tools to enhance the company's ability to predict, govern and measure commercial performance. The objective of the course is to provide principles, methodologies, tools and practical examples to integrate commercial and economic performance, identifying the actions that make it possible to maximize the economic effect of the commercial choices.	36
15	Coaching	Coaching is a method of achieving set goals. The coach through dialogue helps the coachee to correctly set a goal, to find the best way to achieve the goal and reveal hidden inner potential in a person. The coach does not say how to achieve success, but asks questions through which the coachee himself finds the solution to his own tasks.	5
TOTAL			472

Note: For each type of programme, the hours are identified per participant.

a./b. List of training programs			
#	2021		
	Type (Update/Assistance)	Content	Hours PER EDITION
1	Leading Poeple For Growth	The course wants to give support to the newly assigned managers in order to: - learn how to LEVERAGE MOTIVATIONS of the employees to maximize his/her commitment to the assigned goal - recognize the MATURITY LEVEL of individuals, and learn to align with this level as a starting point for their growth path - use DELEGATION as a development tool and for optimizing own workload - learn how to give structured and evidence-based FEEDBACK.	20
2	Global Leadership Program	The Global Leadership Program is a learning and development initiative aimed at activating, supporting, and strengthening practices associated with the competences of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE. The feedback culture and the interpretation of the Leader's role as Coach are the thread that run across the different journeys, customized by type of population (in 2021: Executive and Senior Managers) wishing to address them through behavioral changes that have an impact on our daily actions and on our results. Impact on more than 300 employees. Key methodologies include tailored training sessions, individual business coaching journeys, team learning sessions, webinars and online content.	17 hours
3	Presentation Effectiveness	The course aims at transfering a set of knowledge and competences to refine and improve style, structure, content and delivery of presentations through the application of effective techniques, practice and live feedbacks.	16
4	Six Sigma	The Training program wnats to transfer a scientific method, trough Induction-Deduction process and data driven decisions, as well as to share an experimentation approach to be applied to business process	40
5	My Ariston Group	My Ariston Group is a learning program aiming to support the induction of new comers transferring business competences and leveraging on self-responsibility. Main objectives are the following: - To experience and feel the Corporate culture - To acquire knowledge about our sector and business, focusing on Ariston Group processes and practice - To acquire soft skills useful to promote team working and relational effectiveness - To develop self-awareness and encourage self-leadership development, focusing on professional growth "drivers" - To take awareness of and experience a decision making process within a group - To promote the development of behavior in line with corporate values having an active role in professional growth opportunities in the company	40 hours average + project work activities (per edition)
TOTAL			133

Note: For each type of programme, the hours are identified per participant.

GRI 404-3 | PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

a. Employee evaluation (%)	2023 (incl. WB)			2023 (excl. WB)			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
White collar evaluated	3,492	1,598	5,090	2,802	1,357	4,159						
Total White collar	4,106	1,731	5,837	2,802	1,357	4,159			4,059			
% White collar evaluated	85%	92%	87%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Blue collar evaluated	471	97	568	0	0	0						
Total Blue collar	4,254	678	4,932	3,295	523	3,818			3,916			
% Blue collar evaluated	11%	14%	12%	0%	0%	0%	100%	100%	100%	100%	100%	100%

*Some aquired minor entities have not in place yet a performance and carrer development review.

GRI 405-1 | DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES AND CAREER DEVELOPMENT REVIEWS

a. Governance bodies (%)	2023 (incl. WB)			2023 (excl. WB)			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 years			0			0	0%	0%	0	0%	0%	0
30 - 50			0%			0	0%	0%	0	0%	0%	0
> 50	83%	17%	100%	83%	17%	0%	82%	18%	100%	75%	25%	100%

*calculation includes both executive and non-executives board members.

b. Employees (%)	2023 (Incl. WB)			2023 (excl. WB)			2022			2021		
	Male	Female	Other	Male	Female	Other	Male	Female	Other	Male	Female	Other
White Collar	38%	16%	0%	35%	17%	0%	34%	16%	*	34%	15%	0%
Blue Collar	41%	5%	0%	43%	5%	0%	43%	6%	*	45%	6%	0%
Total	79%	21%	0%	78%	22%	0%	77%	22%	1%	79%	21%	0%

*information not available.

b. Employees (%)	2023 (Incl. WB)			2023 (excl. WB)			2022			2021		
	< 30 y	30 - 50	> 50 y	< 30 y	30 - 50	> 50 y	< 30 y	30 - 50	> 50 y	< 30 y	30 - 50	> 50 y
White Collar	8%	32%	14%	6%	33%	12%	6%	33%	12%	6%	32%	11%
Blue Collar	6%	25%	15%	6%	27%	16%	6%	28%	15%	8%	28%	15%
*Total	14%	57%	29%	12%	60%	28%	12%	61%	27%	14%	60%	26%

b. Indicate other diversity indicators, if relevant (such as minorities or vulnerable groups)
In 2023 employees were distributed as follows: Blue Collars: 4,932 White Collars: 5,837

GRI 406-1 | INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

a. Incidents and actions taken	2023
Total	2
b. Status of the incidents and actions taken	Remediation plans
1. Closed - finding confirmed and action plans implemented	Enhanced diversity and non-discrimination awareness
2. Closed - finding confirmed and action plans implemented	Employee was terminated due to harassment, misconduct, and discrimination
	Specific training and campaign have been provided on code of ethics, discrimination and harassment

GRI 414-1 | NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

a. Suppliers evaluation	2023
New suppliers	1,709
New suppliers that were screened using social criteria	11
New suppliers that were screened using social criteria (%)	1%

Note: implementation of vendor portal tool for screening on July 2023.

GRI 416-1 | ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

a. Assessment of health and safety impacts
Ariston Group complies with all international and local regulations concerning health and safety impacts of 100% of its products and services.

GRI 416-2 | INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICESAND SERVICE CATEGORIES

a.b. Cases of non-compliance (n)
There have been no incidents of non compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.

GRI 417-1 | REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELING

a. Procedures for product and service information and labeling			
The Group's procedures require the following types of information for the labelling of its 100% of its products and services: the sourcing of components, the content, particularly with regard to substances that might produce an environmental or social impact, how to use a product safely and how to dispose of it.			
b. Product or service categories covered by and assessed for compliance	2023	2022	2021
Percentage of significant product or service categories covered by and assessed for compliance with such procedures	100%	100%	100%

GRI 417-2 | INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING

a. Incidents of non-compliance (n)	2023
i. incidents of non-compliance with regulations resulting in a fine or penalty;	0
ii. incidents of non-compliance with regulations resulting in a warning;	0
iii. incidents of non-compliance with voluntary codes.	0
Total	0
b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	
While we may have had few non conformities concerning product and service information, these were managed and resolved during the reporting period.	

GRI 417-3 | INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS

a. Incidents of non-compliance (n)	2023
i. incidents of non-compliance with regulations resulting in a fine or penalty;	0
ii. incidents of non-compliance with regulations resulting in a warning;	0
iii. incidents of non-compliance with voluntary codes.	0
Total	0
b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	
There have been no incidents of non-compliance concerning marketing communications within the reporting period.	

Note: 2021 and 2022 data are not available.

GRI 418-1 | SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

a. Complaints received (n)	2023	2022	2021
Complaints received concerning breaches of customer privacy	0	4	1
of which received from external parties	2	2	0
of which received from regulatory agencies	1	1	0
b. Leaks, thefts, or losses of customer data (n)	2023	2022	2021
Total customer data leaks	0	3	0
Total customer data theft	2	1	0
Total customer data losses	0	0	0
c. Absence of privacy breach and data loss			
Note: All reported cases have been investigated, remediated, and countermeasure actions have been taken.			

Notes

- 1
- The product category related to combined heat and power hasn't been considered for the 2023 KPIs computation because, due to the described M&A operation, the group's systems and management software are currently in the alignment process.
- 2
- Although the requirements refer to European Norms, they do not grant the same exemptions. Indeed, they ban substances whose presence, to a very small extent, is currently allowed according to REACH Regulation and Rohs Directive.
- 3
- The requirements seem to anticipate European Norms by several years.
- 4
- The analysis of this substantial contribution criteria was based on the segmentation of the main product families and service sold, which have been broken down into different clusters based on type, specific features, and geographical area of sales. For future analysis, the Group is considering the opportunity to leverage specific information related to the energy efficiency classes of products when they will be publicly available on EPREL (EU Product Database for Energy Labelling) database.
- 5
- According to Law no. 2020-105 (the "Agec Law"), it is applicable, as of 1 January 2023, to producers with annual turnover of more than 50 million euros and at least 25,000 product units placed on the French market each year.
- 6
- Market substances listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament, Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council, Annexes I or II to Regulation (EC) No. 1005/2009 of the European Parliament and of the Council, Annex II to Directive 2011/65/EU of the European Parliament and of the Council, Annex XVII and Article 57 of Regulation (EC) 1907/2006.
- 7
- To estimate avoided emissions, the Group assumes that efficient product categories are going to gradually replace products with lower efficiency in the installed park, whose average efficiency has been internally assessed. Technological developments that lack visibility have not been considered. The emissions avoided have been calculated assuming an average expected lifetime of the products of 15 years and considering emissions across their entire lifecycle. The estimation of sales projections of the product categories in scope is based on the forecasts from the Group's Strategy Maswter Plan. Assumptions on average emission factors kgCO2/kWh are kept constant until 2030 and defined specifically for macro-region and energy type.
- 8
- Including the Balkans, Switzerland, the United Kingdom, Israel, Norway and Ukraine. Excluding Russia.
- 9
- The perimeter considered refers to revenues generated in Europe by Thermal Comfort division (Including the Balkans, Switzerland, the United Kingdom, Israel, Norway and Ukraine. Excluding Russia), for both domestic and commercial heating and for water heating products as specified in the Delegated Acts of the EU Taxonomy. Renewable technologies refer to heat pumps for space heating and cooling, and for water heating, solar water heaters. Fossil products include boilers and gas water heaters (both storage and instantaneous). A change in the model calculation has been implemented vs 2022 to include air-to-air heat pumps, previously considered as out of scope. Electric water heaters, burners, accessories and cylinders are excluded from the calculation. The KPI percentage is calculated as the weight of renewable technologies on the sum of renewable technologies and fossil products.
- 10
- The Federal Subsidy for Efficient Buildings (BEG) operated by the German development bank is a tool derived from the Climate Action Program 2030, with the aim to promote building renovation across the country. The BEG combines existing programs to promote energy efficiency and renewable energies in the building sector and supports, among other things, the use of new heating systems, the optimisation of existing heating systems, measures on the building envelope and the use of optimised system technology.

- 11
- A refrigerant is a substance used to transfer heat. R32 is a highly efficient and eco-friendly refrigerant that effectively transfers heat. Unlike commonly used refrigerants like R-22 and R-410A, it has a much lower global warming potential (GWP) and a significantly lower environmental impact.
- 12
- Thermovault is a Belgian energy startup which helps electricity consumers and utilities to save money while allowing for the integration of more renewables. The company has developed an all-in software and hardware solution for energy services that retrofits residential customers' existing electric water and space heaters into energy-saving and lucrative grid-responsive energy storage devices.
- 13
- Economic intensity, meaning Emissions / EBITDA. Emissions from use of sold products covering at least 67% of total Scope 3 emissions.
- 14
- IEA (2022): Technology and innovation pathways for zero-carbon-ready buildings by 2030.
- 15
- This evaluation considers various factors, including volume trends, environmental sensitivity based on the percentage of waste disposed, legal requirements aligned with plant authorisation categories, stakeholder involvement (with a keen consideration of community interests), the affected area's extension and the reversibility of impacts.
- 16
- This landscape is evolving, with the Proposal for a Packaging and Packaging Waste Regulation (PPWR) which outlines stringent requirements, encompassing the composition of packaging substances, minimum recycled content in plastic packaging, overall packaging and empty-space minimisation, labelling and composition transparency, as well as defining reuse targets for transport packaging. The Regulation is expected to come into force in 2024. At the national level, France will adopt an EPS packaging ban starting from January 1, 2025.
- 17
- Francesco Merloni: The Century of Development. Internationalization and territorial awareness.
- 18
- The survey concerned heat pumps and boilers.
- 19
- Promoters refer to customers providing a rating of 9 or 10, expressing a strong likelihood to recommend the product or service. Detractors, on the other hand, are customers giving a rating of 0 to 6, signaling a low likelihood of recommending the product or service.
- 20
- The Group is currently also collecting this data in other countries in which such training sessions are provided including China, Mexico and the US.
- 21
- The Quality Excellence Index is a tool leveraged by the Ariston Group to assess the capability of the organisation to implement the Quality Roadmap. The Quality Roadmap is a plan of annual initiatives whose completion determines the attribution of a score, which will be accumulated year over year.
- 22
- The Data Lake is a data storage and analysis platform that enables the collection, storage and analysis of large amounts of data from various sources, including security logs, network traffic data and more.

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Our Group — Sustainability Report — Methodology

