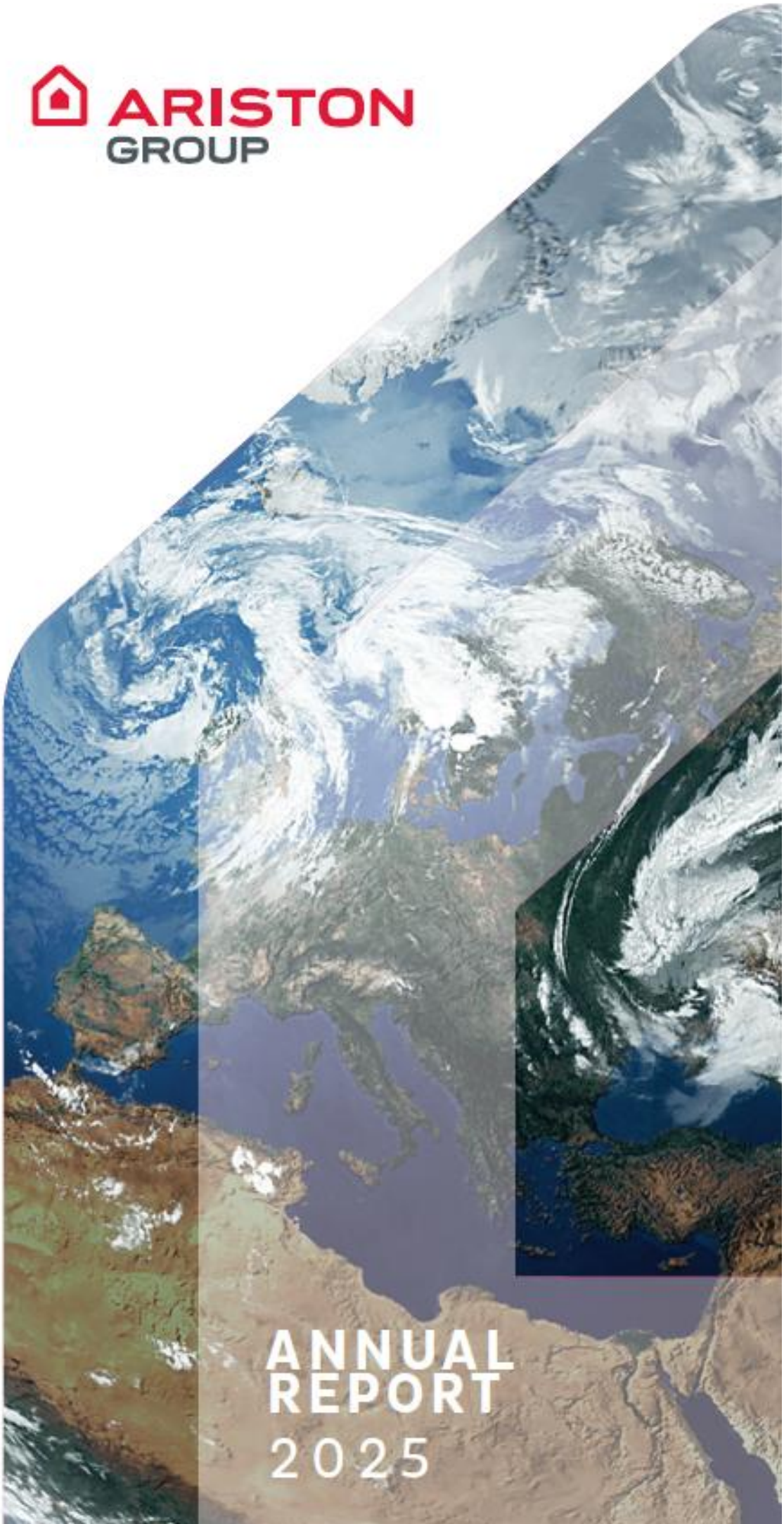
ARISTON GROUP



ANNUAL REPORT 2025

Index | Table of contents

1. About this report 3
2. Key Highlights 4
3. Corporate bodies 5
4. Director's Report 7
   - 4.1 Reference Background and Investor information 7
   - 4.2 Significant business events in the year 9
   - 4.3 Subsequent events 12
   - 4.4 Brand|Product performance 13
   - 4.5 New Products, Services, Research and Development 15
   - 4.6 Manufacturing & Supply Chain operations 19
   - 4.7 Human Resources 21
   - 4.8 Regulation 23
   - 4.9 Group Financial Review 24
     - 4.9.1 Net Revenue Performance 24
     - 4.9.2 Condensed income statement 26
     - 4.9.3 Condensed statement of financial position 28
     - 4.9.4 Net Operating Working Capital 30
     - 4.9.5 Reclassified statement of Cash flows 31
     - 4.9.6 Net financial indebtedness 32
     - 4.9.7 Capital Expenditures 33
     - 4.9.8 Company and Group net profit and net equity 34
   - 4.10 Full year 2025 conclusion and outlook 34
   - 4.11 Definition and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures 35
   - 4.12 Investor information 38
   - 4.13 Statements by the Board 39
5. Sustainability Statement 41
6. Other ESG Information 158
7. Governance 163
   - 7.1 Risk management 164
   - 7.2 Corporate Governance 174
   - 7.3 Remuneration report 193
8. Ariston Holding N.V. Consolidated Financial Statements at 31 December 2025 204
9. Ariston Holding N.V. Company-only Financial Statements at 31 December 2025 301
10. Other Information 327

Disclaimer

This document is only a 'pdf printed version' and is not the original annual financial report included in the 'ESEF compliant single report package' with the audited financial statements pursuant to article 361 of Book 2 of the Dutch Civil Code.
The latter, which includes the audited financial statements and the auditor's report thereto is included in the 'ESEF compliant single report package' which can be found on the Company's website https://www.aristongroup.com/en/investors/investor-relations/annual-interim-reports under 'Annual Report at 31 December 2025', 'ESEF compliant single report package'. In case of any discrepancies between this 'pdf printed version' and the 'ESEF compliant single report package', the single report package prevails.

This document was not made available to the public with a signed version, which is retained at the Group corporate office.

The Board report "*bestuursverslag*" consists of sections 2, 3, 4 and 5.

1. About this report

Note on presentation

The annual report at 31 December 2025 was prepared in accordance with the IFRS accounting standards as issued by the International Accounting Standards Board (IASB), as adopted by the European Union and with Section 2:362 (8) of the Dutch Civil Code ('DCC'), pursuant to Part 9 of Book 2. The IFRS designation also includes the International Accounting Standards ('IAS') as well as all the interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'), formerly the Standard Interpretations Committee ('SIC').

Adaptation plan pursuant to Articles 15 and 18 of the Market Regulations

In accordance with Articles 15 and 18 of Consob Regulation 20249 of 28 December 2017 and subsequent amendments concerning 'conditions for listing shares of companies that control companies established and governed by laws of non-EU countries', the parent company Ariston Holding N.V. (the 'Company' or 'Parent Company' or 'Ariston' and together with its subsidiaries 'Ariston Group' or the 'Group') has identified its significant subsidiaries as defined in Article 15 (2) of the above-mentioned Regulation, and verified that the conditions set out in paragraphs b) and c) of Article 15 have been met.

Information on the figures presented

All the figures in this annual report are expressed in millions of euro to one decimal place, whereas the original data is recorded and consolidated by the Group in euro. Similarly, all percentages relating to changes between two periods or to percentages of net revenue or other indicators are always calculated using the original data in euro. The use of amounts expressed in millions of euro may therefore result in apparent discrepancies in both absolute amounts and data expressed as a percentage.
The language of this annual report is English. Certain legislative references and technical terms have been cited in their original language in order to give them their correct technical meaning under applicable law.

European Single Electronic Format requirements

Pursuant to article 4 of the Transparency Directive, starting from 2021 reporting period, the financial statements schema in the annual financial report is prepared in XHTML format, in compliance with the European Single Electronic Format (ESEF) as a company listed on a European Union regulated market. In addition, issuers preparing IFRS consolidated financial statements shall mark those up using Inline XBRL. Ariston Group manages ESEF by leveraging a dedicated outsourced IT software that allows compliance with the regulation.

2. Key Highlights

(Mln €)	2025		2024		Total Change	
Net revenue	2,707.1	100.0%	2,632.7	100.0%	74.4	2.8%
EBITDA adjusted	311.2	11.5%	276.3	10.5%	34.9	12.6%
EBITDA	317.0	11.7%	203.0	7.7%	114.0	56.2%
EBIT adjusted	192.8	7.1%	160.2	6.1%	32.6	20.3%
EBIT	178.2	6.6%	63.3	2.4%	114.9	ns
PBT	133.8	4.9%	13.8	0.5%	120.0	ns
Group net profit adjusted	112.9	4.2%	89.0	3.4%	23.9	26.9%
Group net profit	132.4	4.9%	2.5	0.1%	129.9	ns

Profitability Ratios	2025	2024
Net capital employed (mln €)	2,057.1	2,004.2
Earnings per shares – Basic €)	0.36	0.01
Earnings per shares – Diluted €)	0.36	0.01
Headcount	10,830	10,612
Free cash flow	124.5	152.2
Net financial indebtedness adjusted (*)	542.0	579.1
Net equity	1,515.1	1,425.1

** Negative figures represent net cash*

[1] *refer to paragraph 4.11 for the reconciliation of the APM*

[2] *refer to paragraph 4.11 for further information*

3. Corporate bodies

Board of Directors

Paolo Merloni	Executive Chair
Maurizio Brusadelli	CEO
Antonia Di Bella	
Katja Gerber	
Roberto Guidetti	
Laurent Jacquemin	
Guido Krass	
Maria Francesca Merloni	
Ignazio Rocco di Torrepadula	
Marinella Soldi	
Enrico Vita	

External auditor

EY Accountants B.V.

Milestones on our Path to Long-Term Growth

Paolo Merloni
Ariston Group, Executive Chair

Dear Shareholder,

In recent years, the thermal comfort industry has undergone a profound transformation, propelled by multiple drivers. At varying stages of maturity across regions and countries, the energy transition is accelerating the adoption of renewable and highly efficient technologies. Digitalization and AI are reshaping operations and redefining customer needs and behaviors. Additionally, a historically fragmented sector is experiencing significant consolidation. In this environment, global presence and scale enhance resilience, ensuring access to the resources necessary to convert ongoing industry shifts into long-term value creation.

2025 marked Ariston Group's return to a growth trajectory, after navigating the unprecedented market weakness of 2024. We generated € 2,707 million in revenue, rising 3% organically on a like-for-like basis, with margin expansion and positive cash generation. We benefitted from our broad portfolio of technologies and our distinctive, well-balanced exposure to climate and water comfort. We are particularly satisfied with our performance in key markets such as Germany, where we further strengthened the penetration of our renewable technologies, outperforming market trends. We also achieved good results in several of our water heating markets.

Beyond delivering solid financial performance, in 2025 we accelerated investments for the long-term demonstrating strong commitment to the future through a series of strategic initiatives.

We focused on industrial innovation and technological leadership, reinforcing R&D and manufacturing capabilities. In Italy, we announced a €500 million multi-year plan (2022-2028), including the opening of our first electronics factory in Arcevia and the construction of an AI-enabled water heating plant in Albacina. In Germany, our first market, we prepared to inaugurate the WOLF CAMPUS, dedicated to training and R&D – a project following the establishment of a new high-end heat pump production line in Mainburg and a state-of-the-art logistics center in Siegenburg.

Our global presence evolved, as we enhanced production of strategic product categories in Europe and invested in high potential international markets. In Niš, Serbia, we officially opened a new cylinder site. In parallel, we ramped up our plant in Cairo, Egypt, serving Africa and the Middle East and acquired a water heating manufacturing site in Hyderabad, India, one of the fastest-growing markets. We continued as well to reinforce our operations in Saltillo, Mexico, supporting our North American region.

We paired footprint reinforcement with targeted partnerships and acquisitions – a lever that has significantly contributed to Ariston Group's development. The joint venture with Lennox that we entered in May will lead to the launch of a competitive portfolio of Lennox branded residential water heaters in the United States and Canada. We also completed bolt-on acquisitions in our Specialty Divisions and, at the end of the year, announced the agreement to acquire Riello Group from Carrier International. Riello is an iconic company with a century-long heritage built around trusted brands, engineering excellence and solid customer relationships. As we await the completion of the customary closing conditions, we are confident this transaction will be instrumental in further consolidating our role in Italy's climate comfort sector and our position as a global expert in combustion technologies.

Finally, 2025 provided a meaningful opportunity to honor our living heritage. On 17 September, when my father Francesco Merloni would have celebrated his 100th birthday, Ariston Group and the Aristide Merloni Foundation hosted a major event at our historic site in Albacina to reflect on his life and the impact he left behind. In the presence of the President of the Italian Republic and the Italian Prime Minister, with more than 2,500 guests in attendance, we renewed his forward-looking legacy announcing initiatives inspired by his example.

Building on this strong identity and guided by our vision of Sustainable Comfort for Everyone, we are leading the transformation of the thermal comfort industry while advancing Ariston Group's sustainability for the decades to come. In this regard, I want to extend my heartfelt thanks to our almost 11,000 people worldwide, whose dedication delivered this year's outstanding achievements. People are the ultimate foundation of success: empowered by our new Leadership Model and driven by our strategic roadmap, Destination 2030, we will continue working together to shape Ariston Group's future with confidence, as we approach the 100th anniversary.

Sincerely,
Paolo Merloni

4. Director's Report

4.1 Reference Background and Investor information

Macroeconomic scenario

In its latest estimates released in October 2025, the International Monetary Fund (IMF) forecasts subdued but stable global growth. World GDP is projected to slow from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026, below pre-pandemic averages, with persistent uncertainty from trade tensions and protectionism, geopolitical risks, and uneven recovery. Inflation is expected to fall globally, though with variation across countries: among others, sticky inflation in the US remains a concern and risks are tilted to the downside, requiring focus on fiscal discipline, inflation management, and long-term investment in productivity. Advanced Economies expect slower growth, also impacted by geopolitical tensions, especially in Europe, and policy uncertainty, while Emerging Markets show stronger growth, yet still facing vulnerabilities.
In this context, Italy's forecast is to move from 0.7% GDP growth in 2024 to 0.5% in 2025 and 0.8% in 2026, Germany is expected to shift from 0.5% to 0.2% and then up 0.9%, Switzerland will decline from 1.4% to 0.9% and up to 1.3%, while France is set to move from 1.1% to 0.7% to 0.9%. Beyond Europe, growth slowdown is also expected in the United States, shifting from 2.8% in 2024 to 2.0% in 2025 and 2.1% in 2026, and in China, shifting from 5.0% in 2024 to 4.8% in 2025 and 4.2% in 2026.

Growth projections (GDP), annual percentage changes

	Actual	Projections	
	2024	2025	2026
World Output	3.3%	3.2%	3.1%
Belgium	1.0%	1.1%	1.0%
China	5.0%	4.8%	4.2%
France	1.1%	0.7%	0.9%
Germany	-0.5%	0.2%	0.9%
India	6.5%	6.6%	6.2%
Indonesia	5.0%	4.9%	4.9%
Italy	0.7%	0.5%	0.8%
Mexico	1.4%	1.0%	1.5%
Poland	2.9%	3.2%	3.1%
Romania	0.8%	1.0%	1.4%
Saudi Arabia	2.0%	4.0%	4.0%
South Africa	0.5%	1.1%	1.2%
Spain	3.5%	2.9%	2.0%
Switzerland	1.4%	0.9%	1.3%
United Arab Emirates	4.0%	4.8%	5.0%
United Kingdom	1.1 %	1.3%	1.3%
United States	2.8%	2.0%	2.1%
Vietnam	7.1%	6.5%	5.6%

Source: IMF, World Economic Outlook, October 2025

Exchange rates

With few exceptions, in 2025, the Euro appreciated against almost all the main currencies relevant to the Ariston Group. The Swiss franc is a notable exception to this trend, which shows an annual average of -1.1%. The currencies showing the strongest depreciation were the US Dollar (4.6% on average per year), the Chinese Yuan (4.2%) and the Mexican Pesos (9.3%). In contrast, the British Pound showed weaker depreciation (1.1% annually).

Euro exchange rates against major currencies

	2025			2024			Δ		
	Avg. Q4	Annual Avg.	31.12.2025	Avg. Q4	Annual Avg.	31.12.2024	vs. Avg. Q4	vs. Annual Avg.	vs. 31.12
CHF	0.93	0.94	0.93	0.94	0.95	0.94	-1.1%	-1.1%	-1.1%
CNY	8.25	8.12	8.23	7.68	7.79	7.58	7.4%	4.2%	8.6%
GBP	0.88	0.86	0.87	0.83	0.85	0.83	6.0%	1.2%	4.8%
RON	5.09	5.04	5.10	4.98	4.97	4.97	2.2%	1.4%	2.6%
USD	1.16	1.13	1.18	1.07	1.08	1.04	8.4%	4.6%	13.5%
CAD	1.62	1.58	1.61	1.49	1.48	1.49	8.7%	6.8%	8.1%
VND	30,649	29,405	30,883	26,983	27,113	26,478	13.6%	8.5%	16.7%
INR	103.64	98.52	105.60	90.18	90.56	88.93	14.9%	8.8%	18.8%
MXN	21.31	21.67	21.12	21.44	19.83	21.55	-0.6%	9.3%	-2.0%

Source: ECB

Raw materials

In 2025, the raw materials most relevant to the Ariston Group exhibited different trends. Compared to 2024, the price of steel, copper and aluminium increased by 11%, 44% and 18%, respectively. The prices of polypropylene and polyurethane decreased by 12% compared to 2024, while the average price of steel also declined by 4%.

Average monthly market prices of main raw materials (per ton)

	2025			2024			Δ		
	31.12.2025	Avg. Q4	Annual Avg.	31.12.2024	Avg. Q4	Annual Avg.	vs. Last Day	vs. Avg. Q4	vs. Annual Avg.
Steel [€/ton]	628	608	602	565	557	629	11%	9%	-4%
Polypropylene [€/ton]	1,345	1,364	1,444	1,520	1,526	1,543	-12%	-11%	-6%
Copper [USD/ton]	12,503	11,127	9,946	8,706	9,182	9,144	44%	21%	9%
Polyurethane [€/ton]	1,969	2,007	2,171	2,241	2,263	2,363	-12%	-11%	-8%
Aluminium [USD/ton]	2,968	2,830	2,629	2,516	2,573	2,419	18%	10%	9%

Note: The price of hot rolled steel for the European market was considered for steel; the average daily "cash" prices were considered for copper and aluminium; the mix of isocyanate and polyol, based on the Group's policies was considered for polyurethane.
Source: Metal Bulletin, ICIS LOR, LME

4.2 Significant business events in the year

January

Following its launch across the organization, the Ariston Group officially unveiled its new **Leadership Model**. Defined by five core behaviors – Shape our Future, Deliver with Excellence, Think as our Customers, Act as one Team, Unlock the Best in Everyone – it fosters the group's culture to successfully navigate the evolution of the industry.

February

With the aim of providing tangible growth and specialization opportunities, the Ariston Group launched the second edition of its **Future Ready** training project, which is aimed at future technical and industrial professionals.

The Ariston Group participated in the annual Smart Home event hosted by the **Internet of Things Observatory** at Politecnico di Milano in Italy where it presented its AI-powered connectivity solutions.

The Ariston Group participated in **AHR Expo 2025** in Orlando, Florida, where it showcased the latest innovations from its global and regional brands. The strategic global brand Ariston presented its NUOS hybrid residential heat pump water heater and its new gas condensing water heater, while HTP revealed its cutting-edge water heating solutions. American Standard unveiled its new 80-gallon electric commercial water heater and NTI displayed its range of boilers and tanks, alongside Verta, a new air-to-water heat pump.

March

The Ariston Group participated in **ISH 2025**, in Frankfurt, Germany. The strategic global brand Wolf presented its latest products and introduced the Wolf Ecosystem, a holistic approach to HVAC solutions tailored to customers' needs. In addition, the ventilation brand Brink displayed its latest products and Thermowatt showcased its cutting-edge components.

The Ariston Group announced the acquisition of **DDR Heating**, a Michigan-based manufacturer specializing in tubular electric heaters for professional and industrial applications. This bolt-on acquisition is an important milestone for the group's Components Division as it provides an entry point into the North American market.

Ariston, as a strategic global brand, participated in the **ISH China & CIHE** exhibition in Beijing, China. The company showcased its Cozy series solutions and took the opportunity to publish a white paper on the development of China's wall-hung boiler industry.

The Ariston Group announced that Presidential Decree No. 176 of the Russian Federation, issued on March 26, returned the shares of its Russian subsidiary, Ariston Thermo Rus LLC., to the possession and full management of Ariston Holding N.V.. This followed the temporary transfer of the subsidiary to the management of Gazprom Bytovie Sistemy, as mandated by Presidential Decree No. 294, issued on April 26, 2024.

April

The Ariston Group's Board of Directors approved the **2024 Annual Report**, which included the Sustainability Statement. The Group has produced social reports since 1979 and has reported on non-financial performance since 2018. It has now adopted the new European Sustainability Reporting Standards: the Double Materiality Assessment validated most of the topics identified in 2022, aligning the content and approach with ERM. As some of the 2030 objectives were redefined, the decarbonization targets and levers were confirmed.

The Ariston Group participated in the first international **Heat Pump Technologies** fair in Milan, Italy. During this event, the Ariston brand, as a strategic global player, showcased its heat pump portfolio, including the new NIMBUS 5 air-to-water heat pump.

May

In North America, the Ariston Group announced a **joint venture with Lennox**, a leader in innovative climate solutions for the HVACR industry. The aim is to provide homeowners in the United States and Canada with a competitive portfolio of residential water heaters. The joint venture aims to strengthen market presence and drive innovation by combining Ariston Group's advanced global and regional expertise in water heating technology, R&D and manufacturing with Lennox trusted brands, distribution channels and large customer network.

The strategic global brand Elco hosted the 2025 edition of the **Elco Tech Days** in Hannover and Dresden, Germany. Visitors and HVAC professionals were able to explore smart energy solutions through interactive discussions and gain practical insights from technology and product experts.

The Dutch heating brand Atag presented its **ComfortCenters**, inviting homeowners to experience dedicated spaces where they can discover and explore the brand's renowned high-quality, energy-efficient solutions in action.

June

The Ariston Group plant in **Bắc Ninh**, Vietnam, was awarded the **World Class Manufacturing bronze medal** in recognition of its commitment to operational excellence and the dedication, resiliency and teamwork ability of its people.

The strategic global brand Elco launched **AEROTOP® SPK**, its latest air-to-water heat pump. Combining exceptional efficiency with ultra-quiet operation and a sleek and modern design, the AEROTOP® SPK is suitable for both new construction and renovation projects thanks to its use of the natural refrigerant R290.

The Ariston Group finalized the acquisition of an 80% majority stake in **Z.R.E. (**Zecchi Riscaldamenti Elettrici), which is recognized for its long-standing reputation in electric heating solutions. This acquisition further enhances the Group's comprehensive and technologically advanced range of components for the industrial and professional markets.

July

The Ariston Group opened its first **electronics factory in Arcevia**, Italy. This will strengthen its ability to design, industrialize and produce technologically advanced, high quality solutions, while increasing flexibility and improving responsiveness to market demand.

The Ariston Group opened its newly renovated **offices in Hanoi**, Vietnam. The new space is designed to support growth, community and employee engagement. The opening was marked by a celebration involving the team and their families and reaffirmed the company's commitment to investing in its people.

September

The Ariston Group hosted an **event in Egypt** to launch locally manufactured Ariston-branded water heaters at its Cairo facility. The initiative strengthened the Group's presence in the MENA region as part of its broader global industrial expansion strategy which includes investments in Europe, Asia, and North America.

The Ariston Group and Fondazione Aristide Merloni hosted the event called **Nel segno di Francesco Merloni** in Albacina, Italy, to celebrate the centenary of Francesco Merloni's birth. The ceremony was attended by the President of the Italian Republic, the Italian Prime Minister, local authorities and over 2,500 guests, including Ariston Group colleagues and partners. It celebrated the life, legacy and contribution of Francesco Merloni as an industrialist, politician and philanthropist. The event also honored his vision through projects that continue to embody his spirit and values.

During this event, the Ariston Group announced a **€500 million multi-year investment plan in Italy,** aimed at enhancing its R&D capabilities and strengthening industrial footprint. The plan involved upgrading R&D centers in Agrate Brianza, Albacina, Fabriano and Osimo, consolidating heat pump production in Albacina, launching a premium water heater line in Cerreto d'Esi and opening an electronics factory in Arcevia. As part of the plan, the Group began construction of a new **state-of-the-art water heater factory** in **Albacina,** equipped with an intelligent digital ecosystem developed in collaboration with Accenture and based on NVIDIA technology.

October

In a move that expands its global footprint, the Ariston Group announced the acquisition of a **new manufacturing facility near Hyderabad**, India. This will support the growth of Racold, a premium local brand, and help meet the increasing demand for hot water solutions in one of the world's fastest-growing markets.

November

The Ariston Group launched the third edition of its **Future-Ready** program with an event at its headquarters in Fabriano, reinforcing its commitment to supporting young talent through a cross-disciplinary training model which combines technical education, site visits, soft skills training and practical business case studies.

The strategic global brand Elco received the **German Design Award 2026** in the Excellent Product Design | Energy category for its AEROTOP® SPK16/20 heat pump. The award recognized the product's quiet operation, sustainable design and integration of functional efficiency with clear, timeless aesthetics.

The Ariston Group was recognized as one of the **Best Places to Work in Vietnam** for the third consecutive year. The annual Vietnam Best Places to Work® award, organized by ANPHABE and endorsed by VCCI-HCM, evaluates around 800 companies across 18 key industries. The Group strengthened its position in the electronics, hi-tech & utilities sector, rising to 33rd place nationwide – an increase of 10 positions compared to the previous year.

The Ariston Group announced the release of the documentary **Tenacity and Gentleness: The Vision of Francesco Merloni**, produced by Fondazione Aristide Merloni in collaboration with Sky Italia. Using archival footage and interviews with family members, colleagues and public figures, the documentary explores the life and legacy of Francesco Merloni, an entrepreneur and politician who combined a forward-thinking vision with humanity and a strong sense of duty.

The strategic global brand Ariston participated in the **Big 5 Global** event in Dubai, where it presented its NUOS FIT heat-pump technology alongside its new PRO1 Eco and Velis Tech Wi-Fi electric water heaters. The event provided an opportunity to showcase the brand's focus on innovation and comfort, as well as its contribution to the evolution of the industry.

December

Ariston Group officially inaugurated its **new site in Niš, Serbia**, thereby consolidating its leadership in innovative, high-quality and cost competitive water heating products. Spanning approximately 30,000 square meters, the new site is dedicated to the in-house production of indirect cylinders, an essential component of renewable heating and water heating solutions.

Ariston Group announced that it has signed an agreement with subsidiaries of Carrier Global Corporation to acquire 100% of the shares and voting rights in **Riello Group SpA and Riello America LLC**. This agreement strengthens Ariston Group's position in Italy's climate comfort sector by providing access to complementary sales channels, product lines and service networks. The transaction also enhances the group's position as a global expert in combustion technologies, expands its footprint and product portfolio in the commercial and industrial segments, while reinforcing its presence in North America.

4.3 Subsequent events

In January, on the yearly kick-off event, the Ariston Group celebrated 30 years in Poland, recognizing key milestones while toasting to work anniversaries and highlighting people's key achievements.

The Ariston Group celebrated 40 years of operations in China. To mark the occasion, local teams reflected on key achievements and kicked off 2026 with a series of initiatives, including brand campaigns, industry exhibitions, channel empowerment programs and CSR and consumer engagement activities.

At its production facility in Osimo, Italy, the Ariston Group expanded its on-site photovoltaic capacity by installing additional solar panels. The project aims to increase the site's use of renewable energy, reduce its environmental footprint and greenhouse gas emissions and align with the Road to 100 objectives.

Global brand WOLF inaugurated its new WOLF Campus at its site in Mainburg, Germany. Spanning three floors and covering a total surface of 4,500 square meters, the facility serves as a training and knowledge center for the HVAC sector, offering a blend of educational activities, practical training and professional networking opportunities. The second floor houses a technology transfer center for sustainable building technology, which was established by the Deggendorf Institute of Technology.

In February, the Ariston Group participated in the 2026 AHR Expo in Las Vegas, USA, where it showcased the latest climate and water comfort innovations from its brands Ariston, HTP, American Standard Water Heaters and NTI.

As in previous years, the Ariston Group was represented by speakers at the 2026 edition of the Internet of Things Observatory, organized by Politecnico di Milano in Milan, Italy. Its speakers discussed the latest developments in the smart home industry and shared updates on the Ariston Group's services.

The Ariston Group strengthened its collaboration with Politecnico di Milano by signing a new five-year framework agreement for scientific cooperation as well as the first implementation agreement in the field of sustainable space and water heating and cooling. This reinforced the joint commitment to innovation, applied research, future skills and talent.

4.4 Brand|Product performance

Market and business performance

2025 marked a period of stabilization for the European heating industry after the sharp contraction experienced in 2024. The overall heating market remained at one of its lowest levels in 10-15 years.
The trend was uneven across technologies. Heat pumps experienced significant growth in Germany, the United Kingdom and the Netherlands, driven by effective incentive schemes that accelerated the transition to renewable solutions. In contrast, demand for fossil-fuel systems was exceptionally weak, particularly in Germany. In North America, the hydronic heating segment recorded positive momentum, with demand peaking in the first half of the year due to tariff-driven market dynamics. Meanwhile, the global water heating market maintained a stable trajectory, with Asian markets continuing to post solid growth and demonstrating resilience to broader macroeconomic and geopolitical pressures.

Brand activities

In 2025, the Ariston Group continued to prioritize its brands as a key driver for value creation and sustainable growth. The company focused its efforts on three strategic areas: managing its brand portfolio, consolidating its core brands (Ariston, Wolf and Elco) and implementing brand refresh initiatives for Racold and Calorex.

Brand Portfolio Management
Building on its longstanding history of expanding its portfolio through acquisitions, the group refined its brand strategy by introducing a comprehensive brand architecture at group level. This framework clarified the role and positioning of each brand, enabling more effective prioritization of investments and ensuring that product and service offerings align with the needs of customers and consumers across global and local markets. The strategy also established harmonization pathways to strengthen competitiveness and reinforce a coherent, unified market presence.

Consolidation of Ariston, Wolf, and Elco
As part of the enhanced portfolio strategy, the group accelerated the development of its three strategic brands: Ariston, Wolf and Elco. Efforts centred on sharpening their distinct market positioning and maximizing their potential across product categories and operating models. A key milestone was the completion of the Wolf Campus in Mainburg, Germany in 2025, which is scheduled to open in January 2026. This new facility will play a significant role in supporting the evolution of the Wolf brand, offering advanced training environments for products, integrated solutions and digital services.

Refreshing Racold and Calorex
The group also advanced brand refresh initiatives for Racold and Calorex, reinforcing their respective leadership positions in India and Mexico. Racold introduced a new payoff, "Your Comfort, Your Way", to emphasize its commitment to meeting the diverse comfort needs of Indian households. Meanwhile, Calorex modernised its logo, payoff and visual identity to align more closely with the Ariston brand, while retaining its unique identity. Both refresh programs were supported by dedicated, multi-channel communication campaigns to maximize visibility and impact.

Climate Comfort

Renewable solutions
In Europe, demand for heating heat pumps returned to growth in 2025, after the sharp decrease in the previous year. Germany and the Netherlands saw strong rebounds following significant contractions in 2024, while the UK market continued its positive trajectory. This recovery was supported by stable and effective government subsidy programs. In contrast, the French market declined due to an unstable political environment that disrupted incentive schemes. In Italy, demand began to normalize after the exceptional surge of previous years, which was driven by the "Superbonus" initiative.

Gas solutions
In 2025, the European boiler market remained subdued, primarily due to exceptionally low demand in Germany, where volumes fell below the historical replacement rate. In the Americas, the market continued to develop positively, broadly in line with its long-term trajectory. However, seasonal patterns were influenced by tariff-related dynamics.
In China, the transition toward high-efficiency products continued, yet overall market conditions remained weak, even after the completion of the "coal-to-gas" program.

Domestic Ventilation

The heat recovery ventilation segment in Central Europe resumed growth in 2025, driven by renewed positive momentum in Germany and the Netherlands after the downturn in 2024.

Air handling

The European air handling market is expected to have expanded in 2025, driven by more favorable interest rates that encouraged new construction projects.

Water Comfort

Renewable solutions

In Europe, the heat pump water heater market stabilized in 2025, with modest growth in several countries and a decline in France due to an unstable political environment and inconsistent incentive programs. Outside Europe, demand for this product category remained strong across most regions.

Electric storage solutions

In 2025, demand for electric storage solutions grew notably in Asian markets, while remaining broadly stable in Europe, the United States, the Middle East and Africa.

Gas solutions

For the Ariston Group, North America—particularly the United States and Mexico—remains the main market for gas storage products. Demand in both countries remained stable in 2025.

Combustion technologies (Burners)

The combustion technologies market remained broadly stable. The residential oil segment was slightly negative overall, with significant variations across regions: the trend was positive in France, but strongly negative in Germany. Demand for low- and mid-power burners was favourable in several international markets, partly due to light process applications. Demand for high power and special project burners was weak due to economic uncertainty, particularly in Europe. Despite a more favourable trend in the industrial process area, China continued to record negative growth in the heating sector.

Components

Compared to 2024, the residential components market showed an overall recovery compared in 2025.
The professional market recorded modest growth across all application segments over the year.
The industrial market remained essentially stable in traditional segments, with increased demand for projects linked to renewable energy and decarbonization.

4.5 New Products, Services, Research and Development

The Ariston Group is a global leader in sustainable climate and water comfort solutions. It operates in the combustion technologies (burners) and components sectors. Its extensive and unique range of products and systems is complemented by a comprehensive suite of services. In 2025, the Group further consolidated its global leadership position with significant launches across the regions where it operates.

Climate Comfort

Heat Pump Systems and Solutions for the Residential Segment

The strategic global brand Wolf has launched its new large heat pumps for multi-family buildings. With 20 kW, low noise levels and a natural refrigerant (R290), they can be installed in a cascade configuration or combined with gas boilers to reach over 100 kW. A new online configurator is also available to support the installation process. Wolf has also introduced CAT-2-Convert heat interface units, which include a variant specifically developed for replacing wall hung gas boilers. By centralizing the heating system, they are optimized for use with central heat pumps and guarantee extremely fast installation, supporting the renewable renovation of multi-family homes. Additionally, Wolf has increased its focus on Home Energy Management systems and has certified all its Wolf CHA and FHA heating heat pumps as EEBUS-ready, following the completion of a pilot qualification at Living Lab Cologne.

The strategic global brand Elco has extended its AEROTOP® SPK range: the AEROTOP SPK 16 and 20 air-to-water heat pumps utilize the eco-friendly natural refrigerant R290 and are suitable for large residential and commercial buildings. They provide both heating and cooling with top-tier A+++ energy efficiency and operate very quietly. They also guarantee powerful and high-efficiency performance and won the prestigious German Design Award 2026 in the Excellent Product Design | Energy category.

Finally, in 2025, the Group launched its new heating heat pumps in North America. Designed for single-family homes and apartments with limited space, the NTI Verta series is a major milestone in the brand's expansion into sustainable solutions. Combining compact design with high performance and reliability, even in extreme climates it uses the low-GWP refrigerant R32 to ensure efficient heating and cooling with minimal environmental impact. Equipped with advanced features such as automatic heating and cooling switching and a 7-inch touchscreen interface, it delivers both comfort and ease of use. With its intelligent Hydrobox and Control Box options, simplified installation and proven durability, it reflects NTI's commitment to offering high-quality, energy-efficient solutions tailored to the needs of North American homes.

High-Efficiency Boilers for the Residential Segment

In China, the strategic global brand Ariston completed its Cozy series by launching the Alteas and Clas One models, following the 2024 launch of the Cares One model. The range provides instant heat thanks to the "Zero Cold Water" function and features an intelligent management system with three customizable comfort levels: 30 minutes, programming and self-learning.

Furthermore, the strategic global brand Elco introduced the compact and quiet THISION SK gas condensing boiler, which features highly efficient stainless steel heat exchangers and combustion control system. Designed to operate on hydrogen blends, it has a modulation ratio of up to 1:10can be fully converted to run on 100% hydrogen in the future with an optional retrofit kit. The boiler can be operated remotely via the REMOCON NET app.

Domestic Ventilation

The strategic global brand Wolf launched the FWL-100, a new semi-central heat recovery ventilation system designed specifically for apartments. With options for in-wall, on-wall or ceiling installation, the FWL-100ensures excellent indoor air quality while protecting the building against moisture. In parallel, Brink expanded its ventilation range with the Flair series and Renovent Sky units, which can be equipped with integrated enthalpy heat exchangers that can recover moisture from exhaust air, in addition to regulating temperature. The brand also added two new mainstream units to its product portfolio: the Ease 100 and 200. To simplify installation, the brand introduced its configurator, an innovative online tool for designing ventilation systems.

Water Heating

Renewable Products

At the beginning of the year, the Ariston Group completed the transition of its European range of split heat pump water heaters from R134A, a refrigerant with lower-GWP. This involved adapting the 150L, 200L, and 250L units and introducing a new 120L model with inverter technology. The Group also introduced new low-GWP product ranges in Europe to ensure compliance with upcoming environmental requirements to meet a GWP threshold below 150 by 2027. The Ariston brand launched two new generation R290 floor-standing heat pump water heaters: the NUOS FIT S2 - a compact range designed for ambient air installation that combines low noise levels with a COP of up to 3.8 at 20°C and optional outlet air ducting - and the NUOS PLUS S2 - a high-performance solution that offers a COP of up to 3.5 at 7°C, quiet operation and suitability for environments with low-ceilings thanks to its orientable air ducts, in addition to full system management. In parallel, the Wolf brand completely converted its portfolio of water heating heat pumps to the natural refrigerant R290 with the new FHS-280.

In India, the Group introduced a new range of split residential heat pump water heaters, offering improved performance and efficiency. In Australia, the Group launched an upgraded version of the Ariston PRIMOS heat pump water heater with a 280-liter capacity that delivers enhanced energy efficiency. The group also modified the 205-liter and the 280-liter models to fit with a standard 10 amps plug. This simplifies installation and reduces overall electrical wiring costs for customers. In the U.S., the Group introduced the Ariston brand of heat pump water heaters with a new multi-fit range. Designed in Italy and manufactured in Saltillo, Mexico, the range combines advanced renewable heat pump technology with top performance standards, meeting ENERGY STAR®, NEEA Tier 4 and California Title 24 JA13 requirements. The products feature top and side connections for flexible installation, as well as improved noise reduction, energy efficiency and Wi-Fi connectivity. They also have Demand Response (CTA-2045/OpenADR) functionalities and are compatible with the Ariston NET app. Thanks to a 500-liter model, the range also addresses the needs of large residential installations and small commercial applications. In Mexico, the solar portfolio was completely updated with the launch of the new Calorex FORTIS tube solar water heater models. These are available in 8-, 10-, 12-, 15- and 20-tube configuration. New Calorex and Optimus flat-plate collector systems were also launched.

Electric Products

In 2025, the strategic global brand Ariston launched the RUBIS range. Designed for Africa and the Middle East, the RUBIS range is manufactured in Cairo. With capacities ranging from 15L to 100L, the RUBIS range is a cost-effective product tailored to one of the highest-volume and fastest-growing regions. In the US and Canada, the Group continued to expand its portfolio by adding new light-commercial models and completing its wall-hung medium-capacity range. It also introduced its first small-capacity electronic model in Mexico. Lastly, in South Africa, the Group began selling a retrofit kit developed with a local partner that adds connectivity, electronic control and a leak sensor to products.

Indirect Cylinders

In the third quarter of 2025, the HTP brand launched the SuperStor EVO range in the US. The range is available in 10 models, ranging from 30 to 119 gallons. It available in both indirect and storage versions and reinforces the Group's leading position by offering a turnkey water-heating solution in combination with gas boilers.

Air Handling

The strategic global brand Wolf upgraded its Clima-Split system, which connects heating and cooling coils in the AHU to outdoor units. The upgrade allows the system to cover larger capacity ranges and be combined with compact AHUs on a common base frame. Wolf also launched its integrated reversible heat pump, which is designed for applications where space for separate heating and cooling generator is limited. The brand improved the KG Top and KG Flex product lines. Profile redesigns deliver annual savings and wiring improvements simplify assembly. Small changes, such a new siphon holder or three-part panels for electric heaters, make installation and maintenance easier. Finally, the brand rolled out its "Platinum" customer group - the Wolf Info Center – a central knowledge platform powered by AI, with all manuals, brochures relevant articles and process descriptions.

.

Services and Parts

Ariston Group adopts different service models depending on the specific needs of each country, as well as the history and characteristics of the local supply chain:

- Direct Service Model: After-sales services are provided directly by Ariston Group's teams in six countries – Switzerland, Germany, Austria, Belgium, Denmark, and the Netherlands.
- Indirect Service Model: After-sales services are delivered through an authorized network of service centres in all other countries where Ariston Group operates.

Throughout 2025, the Group continued to make significant investments in digitalization, processes and tools, with a strong focus on ensuring stakeholder satisfaction across the entire value chain. Main initiatives performed included:

- Expert Fix, a tool serving both as a fault tree navigator and a technical documentation research platform.
- OTA, enhancing remote assistance capabilities also through active interaction with the product.
- CRM, renewing the platform used to manage all direct and indirect service models globally and reviewing after-sales processes.
- Processes harmonization aligning service system landscape.

Direct Services

Ariston Group achieved the following results:

- Planning, improving IT infrastructure and tools.
- B2C touchpoint, enhancing interaction with customers.
- AI, launching a pilot to use Gen AI for supporting the field technicians.
- Training, with the launch of a new training series dedicated to heating heat pumps.

Indirect Services

Ariston Group achieved the following results:

- Expert Service, further investing in the front-end for authorized service centres.
- Reporting, with the data migration to new BI systems.
- Technical Committees, established in Italy, UK, Mexico to meet Service Partners from Ariston and Elco.
- Training, defining new Training Governance to offer customized training paths and harmonize the training offering across markets, designing a new Academy and preparing to inaugurate the Wolf Campus in Mainburg.
- Call Centres, with the introduction of a new call center to support U.S. customers.
- Video Assistance,supporting technicians on the field through and introducing in France a video call warranty validation for electric water heaters.
- Service Marketing, with the launch in Italy of a push notification campaign, the renewal of the the service section of the UK Ariston brand website, and the introduction in Italy, Poland, Romania and Spain of an e-commerce to sell Ariston Pro workwear.
- Tutoring, extended to all installed park connected with telediagnosis in France, Italy, Poland, Spain and Portugal.

Parts

In 2025, the Ariston Group achieved important milestones in both the integration of systems and the harmonization of processes, generating significant improvements in spare parts management at global level. Standardized processes and digital platforms ensured greater operational consistency and scalability across regions. By leveraging advanced data analytics, the Group accelerated the dissemination of best practices across both core markets and newly integrated geographies, strengthening overall efficiency and fostering a customer-centric mindset. 2025 also marked a strategic evolution organizationally. The spare parts operational activities were integrated into the broader Group's Operations function, unleashing additional synergies, process optimization, and tighter alignment with manufacturing and supply chain. At the same time, the commercial management of spare parts was repositioned within the Group's Service organization to enhance customer focus, improve responsiveness, and reinforce central governance. Together, these initiatives contributed to a more resilient, efficient, and customer-oriented spare parts ecosystem, supporting long-term growth ambitions and service excellence strategy.

Connected Home Services

Ariston Group continued to push the boundaries of innovation by embedding advanced AI capabilities across its B2C and B2B services. Through its consumer-facing app, professional remote assistance platform, and interoperability solutions, the Group developed next-generation Connectivity Services powered by cutting-edge analytics and Artificial Intelligence. These initiatives aim to deliver smarter, more sustainable, and highly personalized experiences for end-users and professionals alike:

- Ariston NET. A user-centric app designed to manage thermal comfort solutions with ease. Its intuitive interface enables effortless control, prompt assistance, and optimized energy consumption. The latest update introduced an AI-driven feature that compares household energy usage with similar profiles. Additionally, the energy saving and coaching capabilities were strengthened.
- Ariston NET Pro Remote Assistance. A web-based platform that leverages AI to transform professional service delivery, enabling remote monitoring and predictive diagnostics. In 2025, the Group introduced additional predictive capabilities, further improving fault anticipation and operational efficiency.
- Ariston NET Open. A continuously evolving suite of interoperability solutions designed to integrate connected products and services into smart home ecosystems and multi-brand facility management systems.

Demand Response and Home Energy Management

Ariston Group sustained renewable energy transition and electrification through Demand Response and Home Energy Management, supporting customers in actively managing their energy.

Demand Response is an advanced technology that helps balance electricity consumption and production by intelligently adjusting the operation of flexible energy resources without compromising user comfort, optimizing energy use and supporting grid stability. The Group introduced the first water heating product with demand response functionalities in 2023.Home Energy Management represents a cutting-edge technological domain focused on intelligently optimising household energy use — maximising self-consumption from renewable sources, leveraging smart electricity tariffs, and reducing peak power demand, all while maintaining user comfort. Following the expansion of the Home Energy Management portfolio with the introduction of ABYLEOS HOME+ in Belgium, the Group announced an upcoming solution developed specifically for the Italian market launching in 2026..

Components

The Components Division focuses on developing new products and technologies to remain at the forefront of emerging market trends:

- Thermowatt developed a new 1-inch heating element that is fully compliant with US market requirements and standards. This new product further strengthens Thermowatt's portfolio.
- Thermowatt designed and developed a complete range of air ventilation heating systems, including pre- and post-heater units.
- Thermowatt Professional developed an innovative, energy-efficient, slim mica heater for professional appliances. It is designed to optimize thermal performance, reliability and cost-efficiency, while meeting regulatory requirements and end-user expectations.

Combustion technologies (Burners)

The Combustion technologies (Burners) Division focuses on developing and upgrading customized products to capitalize on emerging opportunities. In particular:

- The Ecoflam brand developed a new range of register burners, the RPD C, to be more competitive in installations involving large water pipe boilers, such as those used for district heating. The brand also redesigned its gas and dual-fuel burner offering in the 7–10 MW range to increase competitiveness.
- The Elco brand extended its Ultra Low NOx FIR range (NOx emissions below 50 mg/Nm^3) to 16 MW for monobloc burners and expanded it to include dual-bloc burners. Additionally, the brand tested the compatibility of its combustion technologies with 100% hydrogen.
- As for Special Projects, the Combustion technologies (Burners) Division developed complex installations for the Waste-to-Energy sector, pressurized combustion chambers and post-combustion of gases from gas turbines.

4.6 Manufacturing & Supply Chain operations

The Ariston Group is a global leader in sustainable climate and water comfort. It has a direct presence in 40 countries and operates 32 plants and 31 centers of excellence for research and development across 18 countries. The Group effectively serves over 170 markets across five continents. In 2025, the Group undertook a series of initiatives to further strengthen its position in the international manufacturing landscape, in 2025.

Procurement

In the first half of 2025, the cost of the main raw materials remained stable in the EU. There were only slight and sporadic upward attempts at rising prices due to weak market demand across major industrial sectors, persistently high stock levels and excess production capacity. Exchange rate volatility, combined with the new US tariff policy, significantly affected the purchasing power of buyers in the Americas. Copper, the main non-ferrous metal, traded at around EUR 8,500 per ton (LME) in the first part of the year, before entering a sharp uptrend in the second half, driven by persistent structural constraints and supply chain disruptions. After the summer dip, carbon steel prices climbed in the EU due to the CBAM (Carbon Border Adjustment Mechanism) and reinforced safeguard measures, expected to take effect in early 2026. Against this backdrop, Ariston Group Procurement successfully secured strategic raw materials in advance at competitive prices. This contributed to the Group's economic results, while maintaining smooth and efficient operations. Meanwhile, the Group continued executing its long-term strategy, focusing on multi-sourcing and localization, strengthening the foundation of supplier quality and developing strategic relationships with key partners, making extraordinary efforts in Egypt and Serbia. Additionally, the Group continued its ESG program, engaging further waves of strategic suppliers in its sustainability roadmap to 2030 and expanding its digital sourcing platforms. The Group also explored the opportunities offered by AI to improve data management and team capabilities and efficiency. Finally, 2025 saw the beginning of important projects to reduce fixed costs in indirect procurement, such as business travel and company cars.

Manufacturing

Throughout 2025, the Ariston Group continued to improve the performance of its industrial sites, maintaining a clear focus on delivering excellent services to customers by increasing flexibility and cost competitiveness. The Group also advanced its long-term strategic agenda by accelerating the transition toward renewable-based production, while upholding the highest safety and quality standards.
The industrial footprint evolved significantly during the year. On the one hand, the Ariston Group consolidated operations by downsizing two production sites (East Freetown, US, and Kampen, the Netherlands). On the other hand, the Group expanded its global presence by opening its first electronic factory in Arcevia, Italy; acquiring a facility near Hyderabad, India; and inaugurating a new greenfield site in Niš, Serbia. The Group also reinforced its global footprint by launching a new line of high-end heat pumps in Mainburg, Germany; investing in its Saltillo, Mexico, site to support its joint venture with Lennox; and announcing a € 500 million multi-year business plan in Italy (2022–2028). This plan includes the construction of a new state-of-the-art water heating factory in Albacina which will be powered by AI.
Finally, in line with its unwavering commitment to operational excellence, continuous improvement and people engagement, the Group continued to extend the World Class Manufacturing (WCM) methodology to more plants. Notably, the Bach Nin site, in Vietnam, achieved the WCM Bronze Medal, joining the silver medal held by the Osimo site and the bronze medals awarded to Arcevia and Cerreto sites, in Italy.

Supply Chain and Logistics

In 2025, global geopolitical tensions continued to put pressure on international supply chains and logistics. Instability in the Red Sea region persisted, disrupting ship routes and forcing major carriers to maintain rerouting strategies. These measures impacted on the efficiency of global trade. Despite these challenges, the Ariston Group succeeded in mitigating the impact on lead times, safeguarding its global supply chain.

While addressing external challenges, the Ariston Group strengthened its commitment to optimizing inventory levels. The goal was to respond to the growing demand for renewable solutions while minimizing the risk of overstocking. The Group expanded the use of just-in-time (JIT) inventory management across additional product categories and continued to refine demand planning processes in key markets. Investments in digital supply Cchain and one team initiatives were strengthened to enhance end-to-end visibility and improve resilience against disruptions on domestic, regional and global scales through advanced technologies.
The first step in the digitalization process was completed with the implementation of demand and distribution replenishment planning modules, which improved visibility. Furthermore, the Group accelerated the World Class Logistics program by extending its implementation to additional strategic hubs worldwide, beyond European warehouses. This expansion aimed to boost operational efficiency and service quality. A major milestone in 2025 was the full integration of the primary distribution hub in the Italian market, following the discontinuation of 3PL operations. This transition marked a decisive step toward a new logistics model and set a clear roadmap for the evolution of primary logistics warehouses, driving continuous improvement in global logistics performance. Finally, the Group began embedding artificial intelligence into the core of its processes, by introducing an onboarding and literacy program for its entire workforce, while mapping priority AI applications in supply chain and logistics to enhance accuracy, efficiency and responsiveness.

Quality

In 2025, the Ariston Group incorporated its Quality Roadmap into its new corporate strategy, Destination 2030, ensuring that quality plays a central role in the company's long-term vision and competitiveness. This strategic integration set a clear trajectory toward excellence, aligning quality initiatives with broader business priorities. It also determined the reorganization of the Quality function giving greater prominence to quality control resources in manufacturing plants, which are closest to the product and ensuring the customer perspective, while strengthening the preventive approach in quality assurance. A key focus was responsiveness: new KPIs were introduced to measure the reaction speed to internal and external issues, driving a more agile and customer-centric organization. In parallel, claim management tools were enhanced to accelerate resolution and guarantee a robust process for learning from mistakes, fostering continuous improvement across the value chain. From a design perspective, a new approach to FMEA analysis was developed to prevent defects in new products during the development phase. Meanwhile, product validation protocols were reinforced by progressively increasing test automation. The Group also continued improving existing products to reduce market defects. Additionally, work on strengthening and standardizing core production processes, which began in previous years, has continued and expanded to include an increasing number of manufacturing processes. This includes the optimization of quality control processes within footprint projects, which cover new plants and production lines. These actions aim to increase customer satisfaction by reducing product defects and ensuring consistent quality at every stage of the value chain.

4.7 Human Resources

Workforce

At 31 December 2025, the Group's workforce totaled 10,830 employees, reflecting an increase of 218 people compared to December 2024. This increase was primarily driven by new acquisitions and the re-consolidation of Russian operations. Excluding the effects of acquisitions and the Russia re-consolidation, the workforce stood at 10,410 employees at 31 December 2025, reflecting a decrease of 202 people compared to 31 December 2024. This reduction, net of acquisitions, mainly reflects the execution of the previously defined mid-term strategic plan, which focuses on: (i) creating synergies through the integration of the Wolf-Brink business combination; (ii) streamlining the global organizational footprint through workforce optimization; and (iii) right-sizing the workforce in line with fluctuations in production volumes. Several initiatives have been implemented to right-size the organization, enhance efficiency and redefine the global operational footprint. These actions aim to build a leaner and more agile structure and align overheads with business requirements, safeguarding long-term competitiveness and resilience.

People Attraction, Engagement and Inclusion

At the Ariston Group, attracting and retaining top talent is a cornerstone of our business strategy. We are committed to building a diverse and inclusive workforce that creates opportunities for individual growth and collective success. Our comprehensive employer branding strategy, coupled with strategic partnerships with universities, technical schools and high schools around the world, ensures a steady flow of qualified candidates. This strategy also strengthens our reputation as an employer in Italy, Germany and other key countries, including France, Spain, the UK, Serbia, Croatia, Canada, Mexico and Vietnam.

We connect with students from diverse backgrounds, especially those studying engineering, economics and digital technologies, through initiatives like career days, company presentations and webinars, project works, talent acquisition insights and factory tours, fostering a strong pipeline for future talent.

We make greats effort to create an environment where employees feel valued and empowered. This contributes to higher employee retention and productivity, which ultimately supports our business growth. Various initiatives have been introduced at local level to raise awareness on diversity and inclusion, promote a culture of equal opportunities and encourage diverse perspectives.

HR Digital Roadmap

The Digital Roadmap is a key component of the HR Transformation initiative, which aims to digitalize critical HR processes, strengthen data quality and improve HR KPIs. This initiative spans the entire organization and aims to seamlessly integrate newly acquired companies and existing HR processes into a unified digital ecosystem.

In 2025, we successfully onboarded employees from our most recent acquisitions. This ensured complete and accurate data within SuccessFactors, delivering a consistent and aligned employee experience across the Group. We also continued to enhance the functionalities of existing modules and launched the Employee Profile in November. This feature enables employees to view and update their personal information and generate an Ariston Group CV, which will support the upcoming introduction of the Internal Career Site.

Furthermore, the implementation of Recruiting Analytics has provided HR teams with valuable insights, strengthening their decision-making abilities and enabling them to identify emerging trends promptly.

Employees' skills development and growth: Leadership Model, Global Mentoring Program and Generative AI (Copilot)

In line with our corporate objective of facilitating leadership development and creating a continuous learning environment that helps people grow professionally and improves cooperation, in 2025 we focused on integrating the New Leadership Model into daily work and processes.

The new Leadership Model is based on the five key behaviors of SHAPE OUR FUTURE, DELIVER WITH EXCELLENCE, THINK AS OUR CUSTOMERS, ACT AS ONE TEAM and UNLOCK THE BEST IN EVERYONE. It is a cornerstone of the Ariston Group's strategy to support growth and foster internal alignment around shared behaviors and ways of working. Developed in 2024 through focus groups feedback and senior management discussions, the model reflects the Company's values and vision.

These new behaviors are essential for nurturing our corporate culture, shaping our daily work experience and making our people feel engaged and valued.

Employee information and engagement remained key priorities throughout the year, with initiatives delivered virtually and in person. Building on last year's widespread introduction of the Leadership Model, this year we fully integrated the model into the annual Performance Assessment process. This integration gives employees and managers a structured way to reflect on leadership behaviors, align on expectations and connect individual development with the Company's strategic goals. In addition to the eight language e-learning modules, we launched a highly engaging communication campaign to raise awareness of the performance management process and emphasize the importance of employee participation. We have also made efforts to simplify the process and streamline the tool for a better user experience.Feedback on these initiatives has been very positive. Employees have expressed appreciation for the clear contents and the support that makes them feel more connected to the Company's vision and better prepared to contribute to its success.

Moreover, in 2025 the Ariston Group continued its Mentoring Program, based on the idea that sharing knowledge within the Company fosters personal and professional growth. The program serves as a catalyst for individual development, providing experienced mentors to guide mentees on their journey. It is also designed to help mentees navigate challenges and prepare for future opportunities. Mentorship helps with employee engagement in three ways: firstly, it provides opportunities for professional development by tapping into the knowledge of more senior employees; secondly, it gives employees a voice to speak with leadership and breaks down communication barriers. Finally, it builds supportive working relationships and promotes a growth-focused mindset.

Building on the success of the pilot edition, this year we rolled out the new global edition of the Mentoring Program. Participation was opened through a free-application process and, given the high number of requests received, the program was divided into two waves. A total of 32 mentees and 16 mentors were selected, representing 13 countries and more than 20 business areas, as well as a balanced gender mix. The cohort spans four generations and includes six GEC members as active mentors, further strengthening the program's strategic importance.The program's training structure is key to its success. Mentors undergo comprehensive training modules that provide them with core mentoring skills, conversational techniques and effective closing strategies. Regular group supervision is also included. Mentees, on the other hand, benefit from modules focused on structuring conversations and setting goals.

Due to the rapid evolution of Generative AI, we have decided to accelerate the development and growth of our employees' skills in this field through a specific program.- This program provides the basic knowledge necessary to embrace and leverage the potential of this new technology. The Copilot Experimentation Program is a pilot initiative designed to provide a selected group of employees with the skills and confidence to use Copilot effectively in their daily work, while exploring practical use cases to enhance personal productivity. This program combines structured training sessions across Microsoft 365 applications, hands-on experimentation and continuous support through dedicated resources, including a learning hub, recorded sessions and an active community for peer exchange and expert guidance. Participants, known as *Copilot Heroes*, engage in foundational and advanced learning cycles, receive daily prompt-based nudges to encourage practice and collaborate across departments to share insights and challenges. The program aims to test the potential of generative AI in the corporate workspace, build organizational knowledge, evaluate use cases and provide data to inform future strategic decisions regarding AI-enabled productivity tools.

4.8 Regulation

Amid heightened geopolitical tensions and adverse trade winds, policy and regulatory actions impacting the HVAC sector continued to feature high on the agenda of governments and regulators across the world.

Spurred by a notable reversal of policy priorities in some key countries (e.g. Germany; Poland; etc.), the von der Leyen II Commission has started to amend some of the key components of the European Union's Green (Industrial) Deal adopted under the von der Leyen I Commission in the previous term, by tabling a series of so-called "Omnibus Packages" meant to tame regulatory red tape by simplifying and reducing administrative burdens on businesses in the field of sustainability, environmental and chemical legislation. Within this framework, it agreed amendments to the Carbon Border Adjustment Mechanism, introducing a *de minimis* threshold that excludes smaller importers and streamlines verification reporting, with positive impacts on the business of global players. On the contrary, the needed changes to the regulatory framework in the field of drinking water (Directive (EU) 2020/2184), including materials used in water heaters and tanks, have not been implemented by the European institutions yet, leaving a patchwork of national schemes to comply with by 2027 on the way to a full EU-wide harmonization from 2033. Furthermore, the EU amended the European Climate Law, introducing a new intermediate target on the way to carbon neutrality by 2050, stipulating that net emissions will have to fall by 90% by 2040 (relative to 1990), with a maximum of 5% of high-quality carbon credits derived from international activities being used; crucially, the amendment also postponed the entry into force of the EU Emissions Trading System for buildings and road transport (so-called ETS 2) to 2028, creating a short-term, temporary relief on the cost of fossil fuel use in buildings, with the ultimate aim to counter the cost of living crisis experienced in several member states.

Several governments across Europe have introduced or amended their incentives schemes in 2025. This includes France, with the introduction of the so-called booster to the C2E (*Certificats d'économie d'énergie*) incentive scheme for households, with a view to making it available only for products manufactured within the European Economic Area; and Italy, which eventually unveiled a third version of its long-standing Conto Termico scheme, which allows households, business and public administrations to finance the purchase and installation of heat pumps across all product families, including hybrid heat pumps and heat pump water heaters (HPWH), with the incentive reaching as high as 50% of the overall installation cost for hydronic heat pumps in colder climates. With regard to HPWH, a key business for Ariston Group, the new scheme allows for higher incentives compared to the previous incentive, and the possibility to incentivize both A+ and A labelled appliances. In general, a trend toward providing public support to the hybridization of existing (fossil fuel-based) heating systems is taking place in Europe, both at national (i.e. Germany, Italy) and local (e.g. municipality of Amsterdam) levels.

Regulatory developments continue to advance worldwide, with several countries placing greater emphasis on product energy efficiency by introducing or updating product standards and/or modifying incentive programs. In this context, the Ariston Group consolidated its position as a thought-leader in the regulatory arena by obtaining the chairmanship of the working group which deals with rules for establishing the performance of electric water heaters within the IEC, the International Electrotechnical Commission.

In Australia, the Federal government launched a consultation on the necessary amendments to the energy efficiency standards for HPWH; meanwhile, the Victorian government introduced a top-up incentive for Australian-made HPWH and started restricting the possibility to install gas water heaters as from 2027. In the United States, despite the known regulatory headwinds, the new US Administration has not reversed the previously agreed energy efficiency mandates for gas and electricity water heaters, due to take effect by October 2026 and May 2029, respectively; a wide range of incentives remains available for HVAC appliances, including HPWH, across several programs at federal and state level. Mexico also advanced discussions on a first-of-a-kind standard for electric storage water heaters, still to be finalized, while India began working on an efficiency standard for HPWH.

4.9 Group Financial Review

4.9.1 Net Revenue Performance

	2025		2024	
Thermal Comfort	2,522.8	93.2%	2,464.4	93.6%
Burners	90.1	3.3%	89.3	3.4%
Components	94.2	3.5%	79.1	3.0%
Total Net Revenue	2,707.1	100.0%	2,632.7	100.0%

Revenue by business line

Thermal Comfort.
This business line serves the Group's three main business categories, Hot Water, Heating and Air Treatment and is the Group's largest division. In 2025, it recorded revenue of € 2,522.8 million, accounting for 93.2% of total revenue, compared to € 2,464.4 million in 2024 (93.6%), up € 58.4 million or 2.4% (of which 2.9% is due to organic and foreign exchange impact).
On 26 March 2025, the Ariston Group regained full ownership and operational control of Ariston Thermo Rus LLC. Starting from April 2025, the latter company has been included in the Group's consolidation scope. In 2024, Ariston Thermo Rus LLC generated € 28.1 million in revenue (from 1 January to 26 April). Revenue generated in 2025 amounted to € 57.2 million (from 1 April to 31 December).

Burners. This business line recorded net revenue of € 90.1 million for 2025, accounting for 3.3% of total net revenue, compared to € 89.3 million in 2024, or 3.4% of total revenue, with a € 0.9 million or 1.0% increase (of which 1.1% is due to organic and foreign exchange impact).

Components. This business line recorded net revenue of € 94.2 million for 2025, accounting for 3.5% of total net revenue, compared to € 79.1 million (3.0%) in 2024, up € 15.2 million or 19.2% (of which 9,5% is due to organic and foreign exchange impact).
On 4 March 2025, the Ariston Group announced the acquisition of DDR Heating, a U.S. based manufacturer specializing in tubular electric heaters for professional and industrial applications.
Furthermore, on 12 June 2025, it announced the acquisition of Z.R.E. S.r.l., an Italian based manufacturer specializing in band heaters for industrial applications.
The increase in organic revenue was driven by the resumption of the domestic business, thanks to a strong improvement in the water heating markets as well as the professional business, due to a good recover in the Ho.Re.Ca market.

Net revenue by geographical area

The net revenue by main country in 2025 is detailed below:

Country	2025	2024
Netherlands (country of domicile)	107.0	111.2
Germany	539.7	511.7
Italy	271.0	279.7
Switzerland	206.5	197.3
Other countries	1,582.9	1,532.8
Total	2,707.1	2,632.7

Europe. This is the Group's largest market, recording net revenue of € 1,940.8 million for 2025, or 71.7% of total revenue, compared to € 1,858.8 million, or 70.6%, in 2024, up € 82.0 million or 4.4% (of which 2.8% organic and foreign exchange impact). The increase was primarily driven by the revival of the renewable heating market in Germany and improved performance in the Iberian Peninsula and Romania.

On 26 March 2025, the Ariston Group regained full ownership and operational control of Ariston Thermo Rus LLC., Starting from April 2025, the latter company has been included in the Group's consolidation scope. In 2024, Ariston Thermo Rus LLC generated € 28.1 million in revenue (from 1 January to 26 April). Revenue generated in 2025 amounted to € 57.2 million (from 1 April to 31 December).

Asia, Pacific & MEA. This is the second largest market for the Group, recording net revenue of € 496.0 million for 2025, or 18.3% of total revenue, compared to € 504.3 million, or 19.2%, in 2024, down € 8.3 million or 1.6% (of which +3.3% organic and foreign exchange impact). The increase, net of the exchange rate effect, was driven by positive trends in the renewable water heating market in Australia and improved performance in the water heating markets in Vietnam, Israel and Morocco.

Americas. This is the Group's third largest market, recording net revenue of € 270.3 million for 2025, or 10.0% of total net revenue, compared to € 269.6 million, or 10.2%, in 2024, up € 0.8 million, or 0.3% (of which +4.1% organic and foreign exchange impact). The increase, net of the exchange rate effect, was due to the good performance of the water heating and heating businesses in North America.

4.9.2 Condensed income statement

The table below shows the income statement (1) for 2025, with prior year comparative figures, and a breakdown of the total change by organic and perimeter growth, exchange rate effects and hyperinflation.

(in € million)	2025		2024		Total change	%	of which organic and perimeter	%	of which re-consolidation of Ariston Thermo Rus LLC	%	of which exchange rates and hyperinflation	%
NET REVENUE	**2,707.1**	**100.0%**	**2,632.7**	**100.0%**	**74.4**	**2.8%**	**53.1**	**2.0%**	**57.2**	**2.2%**	**-35.9**	**-1.4%**
Other revenue and income	40.2	1.5%	47.5	1.8%	-7.3	-15.3%						
Revenue and Income	**2,747.4**	**101.5%**	**2,680.1**	**101.8%**	**67.3**	**2.5%**						
Operating income (expense)	-2,569.2	-94.9%	-2,616.8	-99.4%	47.6	-1.8%						
OPERATING PROFIT (EBIT)	**178.2**	**6.6%**	**63.3**	**2.4%**	**114.9**	**ns**	**110.9**	**175.2%**	**10.1**	**16.0%**	**-6.1**	**-9.7%**
Adjustment to operating income (expense)	14.6	0.5%	96.9	3.7%	-82.4	-85.0%						
OPERATING PROFIT ADJUSTED (EBIT ADJUSTED)	**192.8**	**7.1%**	**160.2**	**6.1%**	**32.6**	**20.3%**	**28.5**	**17.8%**	**10.1**	**6.3%**	**-6.1**	**-3.8%**
Financial Income and Expense	-35.2	-1.3%	-45.0	-1.7%	9.8	-21.7%						
Profit (loss) on investments	-9.2	-0.3%	-4.6	-0.2%	-4.6	ns						
PROFIT BEFORE TAX	**133.8**	**4.9%**	**13.8**	**0.5%**	**120.0**	**ns**						
TAXES	-1.2	-0.0%	-11.4	-0.4%	10.2	ns						
NET PROFIT	**132.5**	**4.9%**	**2.3**	**0.1%**	**130.2**	**ns**						
Net profit attributable to non-controlling Interests	0.1	0.0%	-0.2	-0.0%	0.3	ns						
Group Net profit	**132.4**	**4.9%**	**2.5**	**0.1%**	**129.9**	**ns**						
Tax effect of Adjustment to operating income (expense)	-34.1	-1.3%	-17.3	-0.7%	-16.8	ns						
Tax adjustments	**-34.1**	**-1.3%**	**-17.3**	**-0.7%**	**-16.8**	**ns**						
NET PROFIT ADJUSTED	**113.0**	**4.2%**	**88.8**	**3.4%**	**24.2**	**27.3%**						
Net profit attributable to non-controlling Interests	0.1	0.0%	-0.2	-0.0%	0.3	ns						
Group Net profit adjusted	**112.9**	**4.2%**	**89.0**	**3.4%**	**23.9**	**26.9%**						
Total depreciation and amortization	138.9	5.1%	139.7	5.3%	-0.8	-0.6%						
EBITDA	**317.0**	**11.7%**	**203.0**	**7.7%**	**114.0**	**56.2%**	**110.1**	**54.2%**	**11.1**	**5.5%**	**-7.1**	**-3.5%**
EBITDA Adjusted	**311.2**	**11.5%**	**276.3**	**10.5%**	**34.9**	**12.6%**	**30.9**	**11.2%**	**11.1**	**4.0%**	**-7.1**	**-2.6%**

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures'

The Ariston Group ended 2025 with € 2,707.1 million in consolidated net revenue, up € 74.4 million and 2.8% from € 2,632.7 million in 2024. The increase was mainly driven by the stronger renewable heating market in Germany and the improved performance in the Iberian Peninsula and Romania. On 26 March 2025, the Ariston Group regained full ownership and operational control of Ariston Thermo Rus LLC. Starting from April 2025, the latter company has been included in the Group's consolidation scope. In 2024, Ariston Thermo Rus LLC generated € 28.1 million in revenue (from 1 January to 26 April). Revenue generated in 2025 amounted to € 57.2 million (from 1 April to 31 December).

EBITDA amounted to € 317.0 million compared to € 203.0 million in 2024. As a percentage of net revenue, EBITDA increased from 7.7% in 2024 to 11.7% in 2025.

EBITDA adjusted totaled € 311.2 million in 2025, up € 34.9 million compared to 2024. As a percentage of net revenue, it stood at 11.5%, compared to 10.5% in 2024.

The adjusted component amounted to € -5.9 million decreasing significantly compared to € 73.3 million in 2024. This decline is mainly driven by the events which involved Ariston Thermo Rus LLC in 2024 and 2025.

Following the loss of control over the Russian entity in 2024, the Group wrote off the carrying amount of the investment, totaling € 35.7 million. In 2025, after regaining control and re-including the entity into the consolidation scope, the Group recognized a bargain purchase gain of € 40.2 million. In addition, the adjusted component also reflects expenses related to multiyear and strategic restructuring programs.

Operating profit, or EBIT for the year amounted to € 178.2 million, 6.6% as a percentage of net revenue, compared to € 63.3 million or 2.4% of net revenue in 2024. EBIT increased due to several factors, including the recovery in sales volumes, primarily in the renewable heating segment in Europe and the reconsolidation of Ariston Thermo Rus LLC.

EBIT adjusted rose in absolute terms and as a percentage of net revenue, amounting to € 192.8 million and 7.1%, respectively, compared to € 160.2 million and 6.1% in 2024.
The adjusted components amounted to € 14.6 million (€ 96.9 million in 2024) and were by the amortization of intangible assets arising from the acquisition of the Chromagen Group in 2022 and the Wolf-Brink business combination in 2023 (€ 20.5 million in 2025; € 23.6 million in 2024).

Net financial expense amounted to € 35.2 million, down by € 9.8 million compared to the previous year. The key factors contributing to this change include € 6.3 million from interest on medium-long term financing and net exchange gains.

Therefore, the profit before tax amounted to € 133.8 million, or 4.9% as a percentage of net revenue, compared to € 13.8 million or 0.5% in 2024.

Group Net profit amounted ot € 132.4 million compared to € 2.5 million in 2024.

Group Net profit adjusted for the year amounted to € 112.9 million, or 4.2% as a percentage of net revenue, compared to € 89.0 million or 3.4% in 2024.

4.9.3 Condensed statement of financial position

The table below shows the financial position in a condensed and reclassified format, highlighting the structure of net capital employed and financing sources.

Financial Position *(in € mln)*	2025		2024		Total change	%	of which organic and perimeter	%	of which re-consolidation of Ariston Thermo Rus LLC	%	of which exchange rates and hyperinflation	%
Trade receivables	351.5	17.1%	338.9	16.9%	12.6	3.7%	7.5	2.2%	9.7	2.9%	-4.6	-1.4%
Inventories	511.0	24.8%	470.4	23.6%	40.6	8.6%	16.4	3.5%	33.1	7.0%	-8.9	-1.9%
Trade payables	-544.0	-26.4%	-474.0	-23.7%	-70.0	14.8%	-60.6	12.8%	-16.8	3.6%	7.4	-1.6%
Net operating working capital	**318.5**	**15.5%**	**335.4**	**16.7%**	**-16.8**	**-5.0%**	**-36.7**	**-10.9%**	**26.0**	**7.7%**	**-6.1**	**-1.8%**
% on Net revenue	*11.8%*		*12.7%*									
Net fixed assets	2,182.0	106.1%	2,149.8	107.3%	32.2	1.5%	36.5	1.7%	11.5	0.5%	-15.9	-0.7%
Other non-current assets and liabilities	-226.7	-11.0%	-250.7	-12.5%	24.0	-9.6%	20.8	-8.3%	1.1	-0.4%	2.1	-0.8%
Other current assets and liabilities	-216.7	-10.5%	-230.2	-11.5%	13.5	-5.9%	9.8	-4.3%	-0.7	0.3%	4.4	-1.9%
Net capital employed	**2,057.1**	**100.0%**	**2,004.2**	**100.0%**	**52.9**	**2.6%**	**30.6**	**1.5%**	**37.9**	**1.9%**	**-15.5**	**-0.8%**
Net financial indebtedness adjusted	542.0	26.3%	579.1	28.9%	-37.1	-6.4%	-43.6	-7.5%	-2.4	-0.4%	8.9	1.5%
Equity	1,515.1	73.7%	1,425.1	71.1%	90.0	6.3%	74.2	5.2%	40.2	2.8%	-24.4	-1.7%
of which attributable to non-controlling interests	*-1.0*	*-0.0%*	*-0.7*	*0.0%*	*-1.7*	*ns*	*-667.1*	*ns*	*0.0*	*0.0%*	*665.4*	*ns*
Total financing sources	**2,057.1**	**100.0%**	**2,004.2**	**100.0%**	**52.9**	**2.6%**	**30.6**	**1.5%**	**37.9**	**1.9%**	**-15.5**	**-0.8%**

[1] *see paragraph 4.11 for a reconciliation of APMs*

Financial Position Ratios	2025	2024
DSO (Days Sales Outstanding - going back)	45.4	45.2
DPO (Days Payables Outstanding - going back)	90.0	89.0

In 2025, the Ariston Group's **Net capital employed** amounted to € 2,057.1 million, up from € 2,004.2 million at December 2024.

Net operating working capital improved significantly both in absolute terms and as a percentage of net revenue compared to 31 December 2024. On a like-for-like basis, the improvement was mainly due to a strong performance of payables, reflecting a concerted effort to progressively align DPO with Group best practices across all geographical areas.
The limited increase in inventories was primarily driven by initiatives to improve customers service in selected business lines. The Group efficiently managed and optimized stock levels through a coordinated monthly approach involving market functions, logistics, manufacturing and procurement.

Net financial indebtedness adjusted amounted to € 542.0 million at 31 December 2025, improving by approximately € 37.1 million compared to 31 December 2024 and confirming the Group's progressive strengthening of its financial position.

Net non-current assets totaled € 2,182.0 million at 31 December 2025, up from € 2,149.8 million compared to 31 December 2024. Capital expenditure amounted to € 141.1 million. Furthermore, the closing rate caused a decline of € 15.9 million in net non-current assets.

Other non-current assets and liabilities totaled € -226.7 million, compared to € -250.7 million at 31 December 2024, showing a € 24.0 million change. This change is mainly attributable to a decrease in deferred tax liabilities and post-employment benefit obligations, partly offset by an increase in non-current provisions and other non-current investments.

Other current assets and liabilities totaled € -216.7 million, compared to € -230.2 million at 31 December 2024, showing a € 13.5 million change. This change was mainly driven by tax-related items and put & call option liabilities.

Equity amounted to € 1,515.1 million, compared to € 1,425.1 million at 31 December 2024. The overall increase of € 90.0 million was driven primarily by the € 132.5 million profit for the year, partially offset by a negative € 24.2 million exchange rate effect on the translation of equity and the € 29.5 million dividend pay-out.

Reconciliation between amounts included in the "Condensed statement of financial position" and the "Consolidated statement of financial position"

The items included in the "Condensed statement of financial position" listed below can facilitate comparison with groups operating in the same sector. These items are defined as the algebraic sum of specific financial statements items:

Net fixed assets, calculated as the algebraic sum of:

- goodwill;
- intangible assets with a finite life;
- trademarks;
- right-of-use assets;
- property, plant and equipment.

Other non-current assets and liabilities, calculated as the algebraic sum of:

- investments in associates and joint ventures;
- deferred tax assets;
- other non-current assets;
- non-current tax receivables;
- deferred tax liabilities;
- non-current provisions for risks and charges;
- net employee defined benefit liabilities;
- other non-current liabilities;
- non-current tax payables.

Other current assets and liabilities, calculated as the algebraic sum of:

- other current assets;
- current tax receivables;
- assets held for sale;
- current tax payable;
- current provisions for risks and charges;
- other current liabilities.

Net capital employed, calculated as the algebraic sum of the items listed above and in particular:

- net operating working capital;
- net fixed assets;
- other non-current assets and liabilities;
- other current assets and liabilities.

Net financial indebtedness adjusted, see paragraph 4.11 for a reconciliation of APMs.

4.9.4 Net Operating Working Capital

Net operating working capital *(€ million)*	As at 31 December 2025	As at 31 December 2024	Total change	of which organic and perimeter	of which re-consolidation of Ariston Thermo Rus LLC	of which exchange rates and hyperinflation
Trade receivables	351.5	338.9	12.6	7.5	9.7	-4.6
Inventories	511.0	470.4	40.6	16.4	33.1	-8.9
Trade payables	-544.0	-474.0	-70.0	-60.6	-16.8	7.4
Net operating working capital	**318.5**	**335.4**	**-16.8**	**-36.7**	**26.0**	**-6.1**
% of Net revenue	*11.8%*	*12.7%*				

[1] *see paragraph 4.11 for a reconciliation of APMs*

Net operating working capital totaled € 318.5 million, 11.8% as a percentage of net revenue, compared to € 335.4 million and 12.7% at 31 December 2024.
On a like-for-like basis, the improvement was due to a strong performance of payables, reflecting a concerted effort to progressively align DPO with Group best practices across all geographical areas.

Trade receivables totaled € 351.5 million and 13.0% as a percentage of net revenue, compared to € 338.9 million and 12.9% at 31 December 2024. DSO remained stable, with a slight variation from 45.2 to 45.4 days.

Inventories totaled € 511.0 million, accounting for 18.9% of net revenue. They showed a modest increase compared to the previous year-end balance. The Ariston Group optimized stock levels through improved coordination across logistics, procurement, manufacturing and market functions, supporting a more agile, responsive and cost-efficient supply chain.

Trade payables rose to € 544 million, or 20.1% as a percentage of net revenue, compared to € 474.0 million and 18.0% at 31 December 2024. DPO improved to 90.0 from 89.0 days at 31 December 2024. The Group continued to focus on optimizing procurement terms and supplier agreements.

Organic and perimeter growth totaled € -36.7 million, with the reconsolidation of Ariston Thermo Rus LLC amounting to € 26.0 million and exchange losses of € 6.1 million.

4.9.5 Reclassified statement of Cash flows

The table below shows a simplified and reclassified version of the cash flow statement in the consolidated financial statements.

The main reclassification consists in the representation of the change in Net Financial Indebtedness adjusted at the end of the period as the result of the total net cash flow generated (or absorbed). Therefore, the cash flows relate to changes in Operating, Investing, and Financing activities, both current and non-current.

CASH FLOWS *(€ million)*	2025	2024
Net Financial Indebtedness adjusted at the beginning of the period	-579.1	-575.0
EBITDA	317.0	203.0
Taxes paid	-33.8	-51.2
Provisions and other changes from operating activities	-27.6	55.6
Changes in net operating working capital	47.7	99.2
Cash flows from Operating activities	**303.3**	**306.5**
Capital expenditure	-141.1	-115.8
IFRS 16 leasing payment	-38.3	-36.3
Other changes	0.6	-2.3
Free Cash flow	**124.5**	**152.2**
Cash flows from Financial investments activities	**-31.5**	**-29.7**
Cash flows from Other activities	**-60.1**	**-104.2**
Total Net Cash flow	**33.0**	**18.3**
Non-cash items	**4.1**	**-22.3**
Net Financial Indebtedness adjusted at the end of the period (*)	**-542.0**	**-579.1**

** Positive figures indicate net cash.*

Net cash flow shows cash inflows of € 33.0 million, up by € 14.7 million compared to the previous year.

EBITDA increased compared to the previous year balance as discussed earlier.

Taxes paid decreased by €17.4 million as a result of a one-off effect in the previous year. The balance is in line with the year-on-year business trend.

Provisions and other changes from operating activities resulted in cash outflows of € 27.6 million. This was mainly driven by the negative impact of the bargain purchase related to the reconsolidation of Ariston Thermo Rus LLC. The deconsolidation of the same entity had an opposite effect in 2024.

Net operating working capital generated cash inflows of € 47.7 million and was the main contributor to overall cash generation. Reference should be made to paragraph '4.9.4 Net Operating Working Capital' for more details.

Although **free cash flow** decreased compared to last year, it remained at a solid level thanks to higher EBITDA and rigorous management of operating working capital.

Cash flows from financing activities mainly reflected the cash outflows related to the business combinations completed during the year, along with additional investments in associates.

Cash flows from other activities included mainly € -29.5 million in dividends and € -31.1 million in financial expense and exchange losses.

Non-cash items include non-cash components with no impact on the net cash flows, such as MTM, IFRS 16 variations and the exchange rate effect on net financial indebtedness.

4.9.6 Net financial indebtedness

The main differences between **Net Financial Indebtedness adjusted** and **Net Financial Indebtedness** refer to the inclusion of the financial liabilities of the Put and Call option under gross debt and the exclusion of positive Mark To Market derivatives and escrow accounts from Financial Assets under **Net Financial Indebtedness**.

	Net Financial Indebtedness	2025	2024
	(€ million)		
A	Cash	246.5	350.8
B	Cash equivalents including the current financial assets	0.0	0.0
C	Other current financial assets	3.3	6.4
D	**Liquidity (A+B+C)**	**249.9**	**357.1**
E	Current financial liabilities	-52.6	-46.9
F	Current portion of non-current financial liabilities	-33.8	-101.3
G	**Current Financial Indebtedness (E+F)**	**-86.4**	**-148.2**
H	**Net Current Financial Indebtedness (G-D)**	**163.4**	**208.9**
I	Non-current financial liabilities	-736.1	-800.1
J	Non-current financing (Debt instruments)	0.0	0.0
K	Non-current Trade and Other Payables	-1.1	-11.5
L	**Non-Current Financial Indebtedness (I+J+K)**	**-737.2**	**-811.7**
M	**Total Financial Indebtedness (H+L) (*)**	**-573.7**	**-602.7**

Reconciliation Net Financial Indebtedness *(€ million)*	2025	2024
Net Financial Indebtedness	**-573.7**	**-602.7**
Put and Call liability	23.2	11.7
Escrow	1.9	2.8
Positive MTM	6.6	9.1
Net Financial Indebtedness adjusted (*)	**-542.0**	**-579.1**

** Positive figures indicate net cash.*

Net Financial Indebtedness adjusted (including lease liabilities) amounts to € 542.0 million, compared to € 579.1 million at 31 December 2024.

At 31 December 2025, liquidity amounted to € 246.5 million, excluding back-up credit facilities. Ariston has unused committed revolving credit facilities and term loans totaling € 1.045 million.

In 2025, the Group carried out a series of transactions aimed at optimizing management of its sources of funds. The aim was to improve the overall efficiency and strategic alignment of its debt structure. These transactions included arranging specific credit facilities and subsequently repaying them in installments.

At 31 December 2025, long-term debt amounted to € 671 million, with an average maturity of 3.5 years. Of this amount, more than 55% is fixed or hedged.

At the reporting date, short-term debt due to banks amounted to € 3.8 million. Used and unused credit lines (both committed and uncommitted) totaled approximately € 2.2 billion, of which 35% already drawn.

4.9.7 Capital Expenditures

In 2025, the Ariston Group's capital expenditure totaled € 141.1 million, 5.2% as a percentage of net revenue, compared with € 115.8 million in 2024, with a year-on-year increase of 21.8% on a like-for-like basis.

Capital expenditure included:

- Investments in physical assets and new products.

  In 2025, the Group completed the construction of a new production plant in Serbia, while also renovating and enhancing safety across multiple sites, including Mainburg (Germany), Albacina (Italy) and Saltillo (Mexico), in order to improve operational efficiency.

  Furthermore, the Group invested in new products in the renewable heating range.

  The Group continued to invest in various laboratories dedicated to water heating renewable products, providing them with state-of-the-art testing equipment to improve quality control and heating system simulation (in Wuxi (China), New Bedford (USA) and Fabriano (Italy)).

  Other investments were dedicated to customer-oriented initiatives, such as providing direct service equipment to further strengthen customer engagement and technical support.

- R&D investments.

  In the field of renewable heating, capitalized R&D costs relate to future mainstream and high-end HHP projects that leverage the latest generation of refrigerant gas. Some of these investments were dedicated to the internal development of the new electronic components for upcoming products. Within the Burners Division, development activities focused on customer-specific projects for key accounts, as well as initiatives aimed at reducing CO_2 emissions continuously.

- Digital investments.

  In 2025, the Group continued to work on new advanced systems for HR, Logistics and Finance. In order to enhance customer experience, the adoption of Group systems in the "customer relation", "installer management" and "system configurator" areas was gradually extended to new countries. Furthermore, the Group invested in exploring potential artificial intelligence applications.

  Finally, the Group continued to invest in cyber security and disaster recovery.

Lastly, investments for the right to use third-party assets related to tangible assets at 31 December 2025. The yearly increase totaled € 32.5 million, compared to € 45.9 million at 31 December 2024 and was attributable to offices, buildings, plant and machinery and vehicles.

4.9.8 Company and Group net profit and net equity

For information about Ariston Holding N.V.'s and the Group's profit for the year and equity, prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union ('IFRS-EU'), reference should be made to the paragraph 'Equity' in the Company's financial statements at 31 December 2025.

4.10 Full year 2025 conclusion and outlook

2025 was a significant year for the Ariston Group.

After navigating the unprecedented market weakness of 2024, the group returned to a growth trajectory, with revenues rising thanks to strong performances in key markets such as Germany, where Ariston Group further strengthened the penetration of its renewable technologies.

Throughout the year, the Group advanced both organic and inorganic initiatives designed to support long-term, sustainable growth.

Its industrial and operational footprint evolved substantially, driven by targeted investments and a steadfast commitment to innovation. In Italy, Group continued this year to advance the execution of its multi-year initiative plan (with €500 million of investments planned in the country over 2022–2028) to further consolidate and reinforce its strategic R&D and manufacturing hub. Key milestones in 2025 included the start of construction works for the new AI-enabled water-heating factory in Albacina. In Germany—following the establishment in Mainburg of a new production line dedicated to high-end R290 heat pumps and the opening of a new logistics center in Siegenburg—the Group prepared to inaugurate the WOLF CAMPUS, a state-of-the-art training and education center developed in partnership with the Deggendorf Institute of Technology, which embodies Ariston Group's commitment to technology innovation, customer proximity, operational excellence, and sustainable grow, and whose opening took place in January 2026. In Niš, Serbia, it expanded its European manufacturing base with the inauguration of a new cylinder production facility.
Ariston Group's international footprint also strengthened: the Cairo plant in Egypt began delivering Ariston-branded products; a water-heating manufacturing site in Hyderabad, India, was acquired; and investments continued in the Saltillo plant in Mexico.

In the North America, Ariston Group signed an important joint venture with Lennox, a leader of innovative climate solutions in the HVACR industry. Ariston will supply a competitive product portfolio of residential water heaters leveraging on Ariston's technological know-how and production footprint; while Lennox will provide an additional distribution channel thanks to a network of over 300 locations in North America. Over the course of the year, the Group continued to pursue its strategy of growth through M&A transactions that—bolstering its Specialty Division—culminated in the agreement to acquire the Riello Group from Carrier International. This acquisition - whose closing is subject to regulatory approvals and is expected by the end of the first half of 2026 - marks a major step in Ariston Group's growth journey, strengthening its role in Italy's climate comfort sector and enhancing global expertise in Combustion Technologies.

As it shaped its future, the Group also celebrated its heritage. On 17 September, Ariston Group and the Aristide Merloni Foundation hosted the event "Nel Segno di Francesco Merloni" at the historic Albacina site. The occasion, attended by the President of the Italian Republic and the Prime Minister, paid tribute to Francesco Merloni's life and legacy and highlighted future initiatives inspired by his vision.

Building on the investments already launched, it will continue to pursue its Destination 2030 strategy – advancing innovation, expanding its global footprint, deepening customer partnerships, and developing strategic competencies across the organization.

4.11 Definition and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures

In addition to the standard financial reporting formats and indicators required by the IFRS Accounting Standards, this document contains certain financial performance measures that are not defined by these standards (non-GAAP measures).

The Group believes that these non-GAAP measures improve the ability to evaluate its financial performance and financial position, providing management and investors with relevant and useful information about performance. They also give Group comparative metrics that help management recognize operational patterns and decide how best to allocate resources and make other operational decisions. However, the financial measures used by the Group may not be comparable to those used by other companies, even though they are widely used in the industry in which the Group operates. Furthermore, these measures are not intended as substitute for financial performance or financial position measures prepared in accordance with the IFRS Accounting Standards.

Financial measures used to measure Group operating performance

The Alternative Performance Measures used by the Group are the following:

- EBIT (operating profit) adjusted: the operating profit/loss for the period/year, net of adjustments to operating income (expense)
- EBITDA: EBIT (operating profit) before depreciation and amortization of intangible assets, property, plant and equipment and leased assets.
- EBITDA adjusted: EBITDA as defined above, net of adjustments to operating income (expense), less the amortization of the purchase price allocation from mergers and acquisitions.
- Group net profit adjusted: the profit/loss for the period/year attributable to the Group before adjustments to operating income (expense), before the relevant taxation effect and before other positive/negative tax adjustments for the period/year.

  The adjustments impacting the above APMs relate to certain transactions or events identified by the Group as adjustment components for the operating performance, such as:

  - capital gains (losses) on the disposal of businesses/buildings;
  - impairment losses on intangible assets and property, plant and equipment;
  - strategic multi-year restructuring and reorganization program costs;
  - ancillary expenses associated with acquisitions/disposals of businesses/buildings or companies;
  - P&L impact of purchase price allocation from mergers and acquisitions (such as amortization);
  - tax adjustments: the tax effect of transactions or events identified by the Group as components adjusting the taxation for the period/year related to events covering a single period or year, such as:
    - tax effects of adjustments to operating income (expense), positive/negative tax effects associated with adjustments to operating income (expense);
    - reversal of non-recurring positive/(negative) tax effects.

For a detailed reconciliation of the items that had an impact on the alternative performance measures referred to above in the current and previous years, reference should be made to the appendix at the end of this section.

- Net operating working capital, calculated as the algebraic sum of:
  - trade receivables, which include supplier debit balances;
  - inventories;
  - trade payables, which includes customer credit balances.

For a detailed reconciliation of the net operating working capital, reference should be made to the appendix at the end of this section.

- Net financial indebtedness adjusted: calculated as the algebraic sum of:
  - Net financial indebtedness ;
  - Put and call option liability;
  - Escrow accounts;
  - Positive Mark to Market.

  For a full reconciliation with net financial indebtedness, reference should be made to paragraph 4.9.6.
- Days Sales Outstanding: trade receivables, net of advances absorbing gross revenue without VAT.

  For further information reference should be made to paragraph 4.9.3.
- Days Payable Outstanding: costs and capital expenditure (Capex) covering accounts payable.

  For further information reference should be made to paragraph 4.9.3.
- Free cash flow: cash flow that measures the Group's self-financing capacity on the basis of cash flows from operating activities, capital expenditure, IFRS 16 lease payments and other changes.

  For further information and a reconciliation reference should be made to paragraph 4.9.5.
- Organic change: calculated by excluding both the impact of currency fluctuations against the euro (expressed at monthly average exchange rates for the same period in the previous year) and the effects of business acquisitions and disposals.

  To mitigate the effects of hyperinflationary economies, countries adopting the hyperinflationary methodology laid down in the IFRS Accounting Standards only apply the component relating to volumes sold in relation to net revenue. The effects of hyperinflation, including price index variation and price increases, are treated as exchange effects.

  Specifically:

  - exchange effects are calculated by translating the figures for the current period at the exchange rates applicable in the comparative period of the previous year. The exchange rate includes the effects associated with hyperinflationary economies;
  - the results attributable to businesses acquired during the current year are excluded from organic change for 12 months from the date on which the transaction is closed;
  - the results attributable to businesses acquired during the previous year are included in full in the figures for the previous year from the closing date of the transaction and are only included in the current period's organic change 12 months after their conclusion;
  - the results from business disposals during the previous year are entirely excluded from the figures for that year and, therefore, from organic change;
  - the results from business disposals during the current year are excluded from the figures for the previous year from their date of disposal or termination.

  The percentage organic change is the ratio of the absolute value of the organic change, calculated as described above, to the absolute value of the relevant measure for the previous corresponding period.

  For further information reference should be made to paragraphs 4.9.2 and 4.9.3.

Appendix of Alternative Performance Measures

In 2025, operating profit (EBIT), EBITDA and Group Net profit were adjusted to take into account the items shown in the table below.

		2025	2024
A	**EBIT (Operating profit)**	**178.2**	**63.3**
B	Adjustment to operating income (expense) on EBIT	-14.6	-96.9
C	**EBIT (Operating profit) adjusted (A-B)**	**192.8**	**160.2**
D	Depreciation and amortization	138.9	139.8
E	**EBITDA (A+D)**	**317.0**	**203.1**
F	Adjustment to operating income (expense) on EBITDA	5.9	-73.3
G	**EBITDA adjusted (E-F)**	**311.2**	**276.4**
H	Financial income/(expenses)	-35.2	-45.0
I	Profit/(loss) on investments	-9.2	-4.6
J	Taxes	-1.2	-11.4
K	Net profit attributable to non-controlling Interests	0.1	-0.2
L	**Group Net profit (A+H+I+J-K)**	**132.4**	**2.5**
M	Adjustment to financial income/(expense)	0.0	-6.8
N	Tax adjustments	-34.1	-17.3
O	**Group Net profit adjusted (L-M+N-B)**	**112.9**	**89.0**

The adjustments are summarized in the table below:

For the Year ended 31 December 2025	EBITDA € million	EBIT € million	Group Net profit € million
GAAP measures (EBIT and Group Net profit) / APM (EBITDA)	317.0	178.2	132.5
Strategic multi-year restructuring and reorganization program costs	31.1	31.1	31.1
Ancillary expenses associated with acquisitions/disposals of business/building or companies	5.3	5.3	5.3
Regaining control over Ariston Thermo Rus LLC	-41.9	-41.9	-41.9
Flash flood costs net of insurance reimbursement	-0.4	-0.4	-0.4
P&L impact of purchase price allocation from Mergers & Acquisitions (such as amortization)	0.0	20.5	20.5
Tax adjustments (ie tax impact on the above adjs)	-	-	-34.1
Total adjustments	-5.9	14.6	-19.5
Alternative Performance Measure adjusted	311.2	192.8	112.9

For the Year ended 31 December 2024	EBITDA € million	EBIT € million	Group Net profit € million
GAAP measures (EBIT and Group Net profit) / APM (EBITDA)	203.0	63.3	2.5
Strategic multi-year restructuring and reorganization program costs	27.4	27.4	27.1
Ancillary expenses associated with acquisitions/disposals of business/building or companies	2.4	2.4	2.4
Deconsolidation impacts of Ariston Thermo Rus LLC	37.9	37.9	45.0
Flash flood costs net of insurance reimbursement	0.6	0.6	0.6
P&L impact of purchase price allocation from Mergers & Acquisitions (such as amortization)	5.0	28.6	28.6
Tax adjustments (ie tax impact on the above adjs)	-	-	-17.3
Total adjustments	73.3	96.9	86.4
Alternative Performance Measure adjusted	276.3	160.2	89.0

As part of EBIT Adjusted for the year ended 31 December 2025, the strategic multi-year restructuring primarily reflects one-off restructuring initiatives and long-term workforce optimization efforts. A significant portion of these actions are aimed at rightsizing the organization, enhancing efficiency and redefining the global operational footprint. These measures are designed to create a leaner, more agile structure that aligns overheads with business needs, while ensuring long-term competitiveness and resilience

The reconciliation of net operating working capital is summarized in the table below:

	2025	2024
Trade receivables as reported	347.8	333.9
Supplier debit balances *	3.7	5.0
Trade receivables in the Net operating working capital	**351.5**	**338.9**
Trade payables as reported	(504.9)	(444.2)
Customer credit balances **	(39.1)	(29.8)
Trade payables in the Net operating working capital	**(544.0)**	**(474.0)**
Inventories	**511.0**	**470.4**
Net operating working capital	**318.5**	**335.4**

**Supplier debit balances are included in 'Other current assets' within the Consolidated statement of financial position*
***Customer credit balances are included in 'Other current liabilities' within the Consolidated statement of financial position*

4.12 Investor information

The Ariston Group has been listed on the Italian stock exchange, Euronext Milan, since 26 November 2021 under the ticker symbol ARIS. Pursuant to applicable EU regulations, the Group's home member state is the Netherlands.
Therefore, regulated information is stored using the "1info SDIR" repository (www.1info.it) which is authorized by Italy's market authority CONSOB, and filed with the AFM (the Dutch Authority for the Financial Markets).

The Group engages with the financial community through one-on-one and group meetings with investors, which are facilitated by the Investor Relations team. On select occasions, the CEO and top management also participate, either virtually or in person.
By year end, the Group was covered by nine sell-side brokers.

Dividend proposal

The Board of Directors has voted to propose a dividend of € 0.10 per share to the 2025 general meeting, gross of withholding taxes, representing a pay-out ratio of 33%.
If approved by the general meeting, the dividend will be paid on 20 May 2026, with 19 May 2026 as the record date and 18 May 2026 as the ex-date.
The Board has resolved to convene the annual general meeting, which will be held on 5 May 2026.

4.13 Statements by the Board

Ariston's consolidated and company financial statements for 2025 have been prepared in accordance with the IFRS as adopted by the EU and with Part 9, Book 2 of the Dutch Civil Code.

In accordance with best practice 1.4.3 of the Dutch corporate governance code and based on the assessment performed, the Board confirms to the best of its knowledge that:

1. the Board report provides sufficient insights into any material weaknesses in the effectiveness of the internal risk management and control systems (reference is made to section 7.1 "Risk management");
2. the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies (reference is made to section 7.1 "Risk management");
3. the internal risk management and control systems are designed to provide limited assurance that sustainability reporting is free from material misstatements (reference is made to section 5.1 GOV-5 "Risk management and internal controls over sustainability reporting");
4. at 31 December 2025, the internal risk management and control systems provide sufficient comfort that the operational and compliance risks identified in section 7.1 "Risk management" of this report were effectively managed; 'sufficient comfort' means comfort considering the Company's risk appetite, the complexity of our enterprise, inherent limitations to these systems and other disclosures on these systems in the Board report.
5. based on the current state of affairs, it is justified that the financial statements are prepared on a going concern basis (reference is made to paragraph [3.i.] of the "Notes to the consolidated financial statements"); and
6. the Board report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this annual report (section 7.1.3 "Main risks and uncertainties to which the Group is exposed") (the "Risk Management Statement").

As required by section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, the Board declares that, to the best of its knowledge:

a. the financial statements provide a true and fair view of the assets, liabilities, financial positions and profit or loss for the year of the Company and its subsidiaries;
b. the Board report provides a fair view of the position at the balance sheet date and developments during the year under review of the Company and its subsidiaries, together with a description of the principal risks and uncertainties that the Company and the Group face.

Paolo Merloni
Executive Chair

Maurizio Brusadelli
Chief Executive Officer

Antonia Di Bella
Non-executive director

Katja Gerber
Non-executive director

Roberto Guidetti
Non-executive director

Laurent Jacquemin
Non-executive director

Guido Krass

Non-executive director

Maria Francesca Merloni
Non-executive director

Ignazio Rocco di Torrepadula
Non-executive director

Marinella Soldi
Lead non-executive director

Enrico Vita
Non-executive director

5. Sustainability Statement

Index | Table of contents

1. General information 43

ESRS 2 - General Disclosures 44

BP-1 General basis for the preparation of sustainability statement 44

BP-2 Disclosures in relation to specific circumstances 44

GOV-1 The role of the administrative, management and supervisory bodies 46

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies 48

GOV-3 Integration of sustainability-related performance in incentive schemes 49

GOV-4 Statement on due diligence 49

GOV-5 Risk management and internal controls over sustainability reporting 49

SBM-1 Strategy, business model and value chain 50

SBM-2 Interests and views of stakeholders 52

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model 53

IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities 56

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement 61

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation 63

2. Environmental information 64

Taxonomy Regulation – Disclosures pursuant to Article 8 of Regulation 2020/852 64

The Group's contribution to the environmental objectives 65

Calculation methodology 2025 70

KPI Templates 73

ESRS E1 – Climate Change 80

E1-1 Transition plan for climate change mitigation 80

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model 82

E1-2 Policies related to climate change mitigation and adaptation 83

E1-3 Actions and resources in relation to climate change policy 84

E1-4 Targets related to climate change mitigation and adaptation 90

E1-5 Energy consumption and mix 94

E1-6 Gross scope 1,2,3 and total emissions 95

ESRS E3 – Water and Marine Resources 97

E3-1 Policies related to water resources 97

E3-2 Actions related to water resources 97

E3-3 Target related to water resources 98

ESRS E5 – Resource use and circular economy 99

E5-1 Policies related to resource use and circular economy 99

E5-2 Actions and resources related to resource use and circular economy 101

E5-3 Targets related to resource use and circular economy 105

E5-4 Resource inflows 108

E5-5 Resource outflows 109

3. Social information 111

ESRS S1 – Own workforce 111
SBM-2 Interests and views of stakeholders 111
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model 111
S1-1 Policies related to own workforce 112
S1-2 Processes for engaging with own workforce and workers' representatives about impacts 114
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns 115
S1-4 Actions taken related to own workforce 115
S1-5 Targets in relation to own workforce 122
S1-6 Characteristics of the undertaking's employees 124
S1-9 Diversity metrics 125
S1-13 Training and skills development metrics 125
S1-14 Health and Safety metrics 126
S1-16 Remuneration metrics 126
S1-17 Incidents, complaints and severe human rights issues 127
ESRS S2 – Workers in the value chain 128
SBM-2 Interests and views of stakeholders 128
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model 128
S2-1 Policies related to value chain workers 129
S2-2 Process for engaging with value chain workers about impacts 130
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns 130
S2-4 Actions related to value chain workers to manage impacts, risks and opportunities 131
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities 132
ESRS S4 – Consumers and end-users 135
SBM-2 Interests and views of stakeholders 135
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model 135
S4-1 Policies related to consumers and end-users 136
S4-2 Processes for engaging with consumers and end-users about impacts 137
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns 139
S4-4 Actions on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions 140
S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities 144
4. Governance information 148
ESRS G1 – Business conduct 148
GOV-1 – The role of the administrative, management and supervisory bodies 148
G1-1 Business conduct policies and corporate culture 148
MDR-A Actions and resources in relation to material sustainability matters 153
MDR-T Tracking effectiveness of policies and actions through targets 155
G1-3 Prevention and detection of corruption and bribery 156
G1-4 Incidents of corruption or bribery 157

1. General information

The history of Ariston Group began in 1930, when Aristide Merloni founded in the Marche region, in central Italy, Industrie Merloni, a factory that produced weighing scales. Over the years, **the Company has grown considerably** through the organic opening of new markets and industrial sites across Eastern Europe, Asia, Africa and the Middle East, as well as through strong expansion that has made the Group **one of the largest consolidating players in the sector**. It has a **track record of multiple acquisitions** including Atag and Heat Tech Geysers (2014) **in Europe**; NTI (2016), HTP (2017) and Calorex (2019), which led to the consolidation of the business in the **North American region**; Chromagen (2022) focused on renewable water heating solutions with a leading position in **Israel** and a solid foothold in **Australia**; and the business combination with CENTROTEC Climate System (2023), in **Germany**, a pioneer in natural refrigerant heat pumps. 2025 saw the completion of a bolt-on acquisition in the components division, relating to DDR Heating, and the acquisition of 80% of the shares of Z.R.E. S.r.l. In December 2025 Ariston Group signed an agreement for the acquisition of **Riello Group**; completion of the transaction is subject to the customary closing conditions and is expected in the first half of 2026. Moreover, following Presidential Decree No. 176 of the Russian Federation, issued on 26 March, Ariston Thermo Rus LLC was reinstated into Ariston Holding N.V. with effect from April 2025.

Along its **internationalization process**, in November 2021, **the Company was listed on the Euronext Milan stock exchange**, closing the biggest IPO in over three years. Rebranded as Ariston Group since 2021, the Company is **one of the global leaders in the sustainable thermal comfort sector**. This leadership position has always been accompanied by a **far-sighted sustainability commitment**, already deeply rooted in the philosophy of its founder: *There is no value in the economic success of any industrial initiative, unless it is accompanied by a commitment to social progress.*

This vision represents the engine of Aristide's socially focused decision to structure the Company's production sites in the region with the following aims: **ensuring proximity between the workplace and workers' homes**, **enriching less fortunate communities through industrial development** and the densification of urban conglomerates and **enhancing human engagement** by limiting the number of employees per production facility. Such commitment led to the Company **receiving the "Social Responsibility" award in 1974**, sponsored by Vision magazine and the PA consulting firm, a prize intended for businesses that could anticipate and contribute to communities' needs, foster initiatives toward a progressive industrial ecosystem and improve relations with the surrounding environment. Another fundamental milestone in the Group's sustainable growth path dates back to 25 January 1979, when Merloni Finanziaria S.p.A. (the initial name of the Company) became the first Italian company to publish a Social Report. This publication marks a pivotal moment as, for the first time, non-financial assets were also taken into consideration when assessing the value of a company. Since then, Ariston Group has set the course for non-financial reporting after being the **first Italian company to publish a Social Report** in Italy, whilst being at the forefront of this fast-evolving area of sustainability in Europe. The document included the reports for 1975, 1976 and 1977 and was focused on both internal and external social aspects. Already ahead of its time, it addressed topics which today play an increasingly important role in terms of ESG reporting. In fact, in addition to the typical financial indicators, the Report included some **innovative social and environmental indicators** such as tax contribution, territorial improvement, regional development, employment dynamics, employee characteristics, training initiatives, safety and comfort (e.g. housing, canteen), environment (e.g. resource consumption), and applied research.

The Report was based on the Battelle Institute's standards structure, the goal of which was to **assess a company's social and sustainability performance** with respect to its employees, customers, local communities, shareholders and other economic partners. By following these standards, Merloni Finanziaria S.p.A. was already measuring the number of employee training hours and accounting for the total **number of hours spent by employees on apprenticeships**. It was also reporting on the **consumption of non-renewable raw materials**, establishing an indicator which measured the proportion of recycled materials in its total raw material consumption. The Battelle Geneva Research Center, the Institute which published Industrie Merloni's Sustainability Report, selected the Company precisely because of its original industrial philosophy, a commitment to corporate social responsibility that has accompanied Ariston Group in its growth over the years, becoming a core element of its corporate identity. Today, the Company's core values remain deeply embedded in the **cultural and industrial legacy of its founder**: the Group firmly believes in **sustainable development** and strives to **constantly improve itself through innovation, education, teamwork and integrity**. This ultimately led to the definition of Ariston Group's purpose: "Sustainable Comfort for Everyone". A purpose that translates into the commitment to provide everyone, across the globe, with high quality Heating, Ventilation and Air Conditioning (HVAC) and water heating solutions, while conserving the environment. The Group is focused on **ensuring the greatest comfort at the lowest energy cost, providing worldwide access to the most efficient technologies**. To strengthen and renew its commitment, **in 2018 the Group defined its strategy and goals that would lead the Company to incorporate sustainability into its core strategy by 2022**. As a result, it laid out specific targets which are closely monitored each year, including establishing a sustainability governance framework.

In 2021, the Group defined a **new ESG vision**, which was further developed in greater detail in 2022. The vision, which marks the path toward the Group's Centenary, is focused on three key topics: ***sustainable comfort, social progress and our planet's wellbeing***. It is also the starting point of the **ESG Strategic Plan to 2030**, known as the **Road to 100**, which

strengthens the Company's commitments, embedded in its DNA since its very foundation. A new phase has hence begun: the Group has embarked on a new journey and is thrilled to share these commitments with its stakeholders.

ESRS 2 - General Disclosures

BP-1 General basis for the preparation of sustainability statement

The Sustainability Statement refers to fiscal year 2025 (01.01.2025 - 31.12.2025) and was prepared on a consolidated basis, including the Parent Company Ariston Holding N.V. (hereinafter the 'Company' or 'Parent Company' or 'Ariston' and together with its subsidiaries 'Ariston Group' or the 'Group'), in line with the scope of the consolidated financial statement. For entities under operational control (but not included in the scope of consolidation), an assessment was conducted to evaluate their impact; the assessment concluded that they are not significant and, therefore, they are not reported. Since April 2025, Russia has been re-included in the scope of consolidation. In addition, for selected metrics, changes in the perimeter have been implemented to highlight the inclusion of the latest acquisitions. Where applicable, specific notes clarify the scope of consolidation and the related perimeter adjustments. *For an overview on the 2025 acquisitions, please refer to 8.3 Basis of accounting preparation, iii. Principles and basis of consolidation of the Annual Report.*

The present document covers impacts, risks and opportunities (IROs) along the Group's value chain. More specifically:

- Upstream, materiality was assessed at the sourcing level in light of the due diligence assessment the Company is currently carrying out;
- Downstream IROs were mapped by considering the operations of the Group's B2B professional partners, the use of products by end-users, and the products' end-of-life.

Details related to CapEx and OpEx associated with specific actions, as well as the current financial effects on identified risks and opportunities, have been omitted as they are considered not significant in economic terms. However, they remain significant in terms of their potential impact generation. Additionally, contextual information is less extensive for some disclosures to ensure protection of the Company's competitive edge.

Unless otherwise stated no metric provided in this Sustainability Statement has been validated by an external body other than the assurance provider.

Even though the Netherlands allow for the exemption from disclosure of impending developments or matters under negotiation, as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU, Ariston Group has not made use of this exemption.

BP-2 Disclosures in relation to specific circumstances

Time horizons

In accordance with ESRS 1, paragraph 6.4,the time horizons have been defined as follows:

- **Short term:** <1 year;
- **Medium term:** ≥ 1 year and ≤ 5 years;
- **Long term:** > 5 years.

These time horizons align with Ariston Group's ESG Strategy "Road to 100" with 2030 being a particularly significant date for the Company as it marks the centenary since its foundation in 1930.

Estimation and uncertainty around metrics

Some of the reported quantitative metrics and monetary values are subject to a degree of uncertainty, and therefore required the use of assumptions, approximations and judgements, summarized here below.

- **E1-5** For Scope 1 and 2 emissions, the energy consumption of non-production sites (such as offices) was estimated by multiplying each site's floor area by electricity and gas consumption ratios (kWh/sqm), which were computed from actual energy data from a sample of real facilities. The emission factors used for Scope 1 are DEFRA 2025; those used for Scope 2 are market-based AIB 2025 for European countries, Green-e 2025 for USA, and IEA 2025 for the rest.
- **E1-5** The share of nuclear energy is calculated based on the official electricity generation mix of each country. For European countries, nuclear percentages are derived from the European Residual Mix (AIB 2025), while for non-European countries data is sourced from Our World in Data (Ember, 2026), which relies on Eurostat and IEA

statistics. Unlike renewable sources, nuclear energy is not subject to certificate-based adjustments; therefore, its contribution is retained as reported in the national generation mix and directly applied to the Group's purchased electricity consumption, ensuring consistency with the conservative methodological approach adopted.

For some categories of Scope 3 GHG emissions where Ariston Group lacks primary data from upstream and downstream actors in the value chain, the Company has relied on indirect estimation methods. These include sector-average data, spend-based methods, and proxies. Specifically:

- E1-6 Upstream transportation and distribution emissions: calculated using a spend-based method with proxy data for transportation modes and distances by business divisions;
- E1-6 Employee commuting and business travel: emissions were calculated using activity-based methods, but indirect data for some countries, such as employee surveys and estimated commuting patterns, served as a proxy for precise travel distances;
- E1-6 Downstream transportation and distribution: emissions were estimated with a combination of spend-based and activity-based data from the DEFRA 2024 and GLEC Framework;
- E1-6 Use of sold product category: emissions arising from the use of sold products were estimated based on a combination of the following elements: i) amount of products sold during the year, based on the current year sales figures; ii) thermal need (kWh/y) of a specific product, based on ErP regulation and calculated based on Energy Consumption (kWh/y) * Product Efficiency % (ηs); iii) life expectancy of a product, based on internal estimations and benchmarking on the main competitors.

  The assessment used conservative assumptions regarding product lifetimes, with the Group typically considering the lower range of estimated life expectancy for its products. The average lifespan is in line with industry standards. The conservative lifespan for Thermal Comfort, such as Hot Water, Heating and Air Treatment including cooling systems, ranges from 8 to 15 years, while the lifespan of Air Handling Units (AHUs) ranges from 15 to 25 years due to lower thermal stress and stable operational cycles.

  The emission factors used in the calculation for energy consumption are the same as those for E1-5 (DEFRA 2025 and IEA 2025) supplemented with IPCC AR6;
- E1-6 Pre-business combination Scope 3 data (2021 baseline) from Wolf Brink, Nedair, ProKlima (CENTROTEC Climate Systems companies) and Chromagen are estimates;
- For the EU Taxonomy, a number of assumptions were used to guarantee effective KPI calculation;

  For Turnover calculation from 3.5 Manufacture of Energy Efficient Equipment for Buildings, since products sold outside Europe do not feature a common energy efficiency classification, evaluations were conducted by analyzing specific technical functionalities: the similarities in terms of product features and technologies allowed the Group to allocate the corresponding European energy efficiency class globally. Additionally, for Air Handling Units classified as non-domestic, the two highest classes were defined based on Eurovent classifications;

  For the activities related to 7.3 Installation, maintenance and repair of energy efficient equipment and 7.6 Installation, maintenance and repair of renewable energy technologies, specific criteria for Heating Heat Pumps (HHP), compliant with Directive (EU) 2018/2001, require an estimated average seasonal performance factor (SPF) > 1.15 * 1/η. Moreover, to calculate direct services aligned turnover (provided exclusively through own employees) the Group considers the stock of maintenance contracts. In relation to CapEx and OpEX, in order to identify the related alignment amount, the same percentage identified on Turnover was applied;

  For eligible CapEx relating to 8.2 Data-driven solutions for GHG emissions reductions, the Group made an estimate and identified the alignment trend of Capital Expenditures relating to Manufacturing and R&D activities and subsequently applied to total Group ICT investments;
- E5-4 Biological and recycled material: the share of certified sustainably sourced biological materials identified through supplier engagement was weighted against total biological materials purchased, reflecting the current level of data coverage. In parallel, the scope was expanded to include recycled biological materials (paper, carton boxes and pallets), while maintaining a consistent supplier-based, weighted-average methodology across steel, plastic and biological inputs;
- E5-5 Waste generated in operations: for the Russian subsidiary, the latest months are estimated based on the average waste values recorded during the rest of the year.

- In the calculation of the **Remuneration metrics** in **S1-16,** the Gross Hourly Pay Level and all the other components both in cash and in kind are used as a standardized indicator to measure wage disparities between men and women. To ensure global comparability, it is assumed that a standard working day consists of 8 hours across all countries. For some employees for whom detailed remuneration data were not available, estimates have been made to calculate the Gender Pay Gap and Remuneration Ratio, using gender-based average remuneration figures, calculated on the population with available data;
- **S1-13** In calculating average training hours per employee by gender, some employees' gender data were missing. For these cases, the Group's Learning team estimated the gender distribution by applying the overall gender breakdown of the employee population. Moreover, training hours for companies acquired in 2025 have been estimated taking into consideration the average hours of training per person in Ariston Group;

Where estimated, reported data is based on benchmarks, internal estimates, historical trends and relevant literature (e.g. BRG market reports) and the resulting level of accuracy is aligned with best market practices and benchmarks. The trends used are considered reliable, as they are based on both historical data and authoritative market studies, ensuring that the estimates reflect a high level of precision despite any potential data limitations.

To improve accuracy, the Company will continue to monitor benchmarks closely and further strengthen its data collection system. This will help reinforce the robustness of the use of the dedicated platform implemented in 2025, which supports reporting activities, content collection, and approval processes. For further information, see GOV-5 Risk management and internal controls over sustainability reporting.

Changes in preparation and information stemming from other legislation

For 2025, the Group has applied the following restatements.

For ESRS E1-4 target metric has been restated as result of a perimeter-related inaccuracy in our calculation last year. Last year, Global revenues were used instead of European revenues. For the current reporting year, the methodology has been applied exclusively to EU revenues[1].

Furthermore, the S1-14 88a metric has been restated due to an incorrect interpretation of the ESRS definition last year. This year we changed the calculation where a uniform approach has been adopted across all plants, with the reporting scope expanded to include all sites, in line with the implementation of a single, integrated HSE management system. FY2024 data previously referred solely to ISO-certified sites[2].

Finally Ariston Group has incorporated the EU Taxonomy Disclosure mandated by the European Sustainability Reporting Standards (ESRS), pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council. With regards to the Omnibus package, Ariston Group does not apply the amendments specified in the Omnibus Regulated Act.

Incorporation by reference

Please refer to the ESRS Content Index in paragraph *IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement* for a list of the Disclosure Requirements and specific datapoints incorporated by reference.

GOV-1 The role of the administrative, management and supervisory bodies

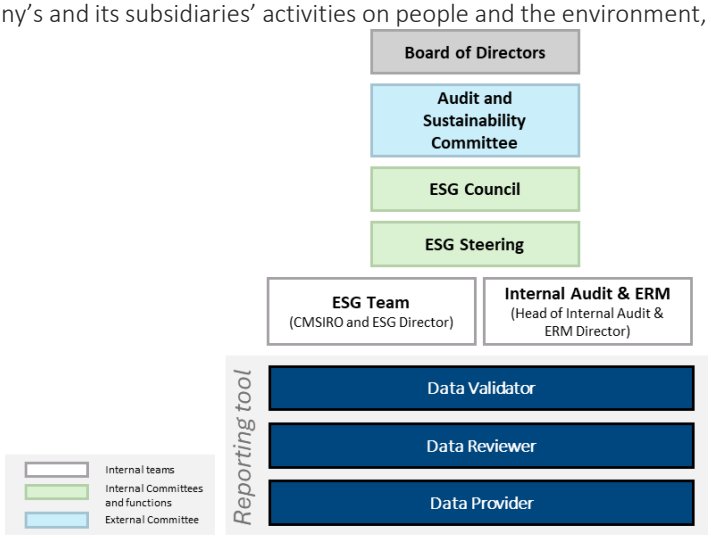
Composition and diversity

The information about the Composition and diversity of the members of the undertaking's Administrative, Management and Supervisory bodies, is reported in Section 7.2 Corporate Governance, paragraph Board, of the Annual Report.

[1] The percentages reported for 2024 have been restated. with values changing from Renewable: 35% and Fossil fuel: 65% to Renewable: 43% and Fossil fuel: 57%
[2] The percentages reported for 2024 have been restated, with the coverage percentage increasing from 35% to 100%.

Roles and responsibilities for sustainability impacts, risks and opportunities

The Company has a one-tier Board composed of Executive and Non-Executive Directors. **The Board holds ultimate responsibility for the Company's overall strategy and management, including sustainability matters, and ensures that environmental, social and governance (ESG) considerations are fully integrated into decision-making processes**. In performing its duties, the Board assesses the impact of the Company's and its subsidiaries' activities on people and the environment, carefully considering relevant stakeholder interests. It develops a vision for sustainable long-term value creation and formulates a strategy consistent with this vision, setting specific objectives to achieve it. When defining the strategy, particular attention is given to the ESG risks and opportunities faced by the Company, as well as to the broader sustainability impacts of its operations and those of its subsidiaries on people and the environment.



In line with the provisions of the Dutch Corporate Governance Code and international best practices on internal risk management and control systems, **the Group applies an Enterprise Risk Management (ERM) framework designed to assess, manage and monitor the risks that may affect its business and operations**. The ERM model integrates Environmental, Social and Governance (ESG) risks, which are among the most significant risks faced by the Group.

The Audit and Sustainability Committee, appointed by the Board, monitors and supervises the integrity and quality of the Company's sustainability reporting and the related reporting processes, as well as the effectiveness and reliability of internal control and data collection systems. The Committee assists and advises the Board in monitoring performance and identifying key risks and opportunities related to ESG matters. In this capacity, it oversees the Company's conduct, performance and reporting on ESG topics, informs the Board of relevant developments, and makes recommendations whenever action or improvement is needed, in addition to any other matters specifically delegated by the Board.

In addition to the Board and the Audit and Sustainability Committee, in 2021 the Group established an ESG Council, which includes the Executive Chairman, the Chief Executive Officer and key members of the Executive Committee. Acting as a cross-functional body, **the ESG Council facilitates discussion of ESG challenges, and the definition of the strategic actions required to address them effectively**. On the other hand, the **ESG Steering**, chaired by the ESG Director and composed of Executive Vice Presidents and key corporate functions, **oversees the sustainability reporting process by ensuring governance**, defining roles and responsibilities, and cascading information to the affected teams.

The responsibilities related to impacts, risks and opportunities (IROs) are detailed in the Audit and Sustainability Committee Rules.

ESG and IRO Reporting Structure

A clear reporting structure ensures that information on IRO management flows consistently across all governance levels. Overall, the responsibility for identifying, assessing, managing and overseeing IROs is delegated to the Directors of the various corporate functions, who report to the Executive Vice Presidents (EVPs). The EVPs, in turn, report to the CEO and the Executive Chairman, as members of the Board. The ESG Team reports regularly to the Audit and Sustainability Committee, which in turn reports to the Board.

The ESG Team plays a coordinating role in the process, providing a common methodology for IRO identification and assessment, facilitating functional discussions through interviews and analyses, consolidating outcomes, and preparing the final prioritization matrix. The ESG Team also ensures that the process remains aligned with the Group's Enterprise Risk Management (ERM) framework: all assessments conducted within the IRO framework are aligned with the ERM risk catalogue to ensure consistency across the Group. Starting from 2024, the ERM methodology has been enhanced to integrate ESG impacts alongside economic and reputational dimensions, thus strengthening the linkage between sustainability performance and enterprise risk management.

Dedicated Internal Controls and Procedures are applied to the management of IROs and are fully integrated into the Company's broader Internal Control and Risk management systems. Business risks are monitored at least monthly through Management meetings during which results, opportunities, and risks are analyzed for all business segments and geographical areas where the Group operates. The governance process involves a comprehensive mapping of existing tools, mechanisms and management protocols across functions to address sustainability impacts and risks. Each function is responsible for ensuring the adequacy of its controls and implementing mitigation actions as required.

Based on the outcomes of the IRO assessment, the Directors and the ESG Team jointly define the ESG targets, which are shared with the ESG Council and the validated with the Audit and Sustainability Committee (previously the ESG Committee). The ESG Team tracks progress through defined KPIs and provides periodic reports to the Audit and Sustainability Committee, which evaluates performance and identifies potential corrective actions. At year-end, the Audit and Sustainability Committee reviews the consistency between the results achieved and planned objectives and endorses the updated ESG Plan for the following year.

Skills and expertise to oversee sustainability matters

The Company believes that a diverse Board composition enhances the quality of management and supervision. Diversity in expertise, professional experience, competencies, personal qualities, gender identity, nationality and other characteristics result in different perspectives.

When nominating new non-executive directors for appointment, the Board considers the Board profile. Each non-executive director must have the specific expertise required to perform their duties within the framework of the Board profile. The Board profile sets out the desired expertise and background of the non-executive directors while the desired diverse composition is expressed by the Company's Diversity and Inclusion (D&I) policy. Pursuant to the Board profile the non-executive directors shall have experience and competence in, among other things, the field of sustainability and corporate social responsibility.

Ariston Group's Board of Directors encompasses a diverse range of competencies that support informed, strategic and forward-looking decision-making on sustainability matters. The presence of Executives with professional backgrounds in engineering, corporate governance, finance and industrial management ensures that sustainability principles are embedded within the Company’s strategic direction and operational execution.

Directors with expertise in mechanical engineering and extensive leadership experience in industrial and technological sectors provide a strong analytical and operational perspective, which is essential for assessing the environmental impacts of the Group’s products and processes. Those with a background in research and development contribute to the integration of sustainability into innovation and product design. In parallel, Directors with deep financial and investment experience play a critical role in evaluating the economic implications of sustainability strategies, ensuring that long-term ESG initiatives are consistent with business performance objectives and stakeholder expectations.

The composition of the Board reflects a balanced mix of technical, managerial and financial competencies that enable the effective integration of sustainability into the Company’s governance and strategic processes. This combination of skills allows the Board to assess sustainability not merely as a compliance requirement, but as a fundamental driver of long-term business value. Thanks to its diverse expertise the Board can incorporate sustainability considerations into risk management frameworks, capital allocation decisions, and strategic growth initiatives. This multidisciplinary approach ensures that Ariston Group remains resilient and forward-looking in addressing its material environmental, social and governance (ESG) impacts, risks and opportunities.

The Audit and Sustainability Committee, composed of Antonia Di Bella, Laurent Jacquemin, and Katja Gerber, brings together expertise in governance, compliance, and organizational development, enhancing the Board’s ability to manage ESG-related risks and opportunities and fostering a corporate culture aligned with sustainability principles across the organization. Members of the Audit and Sustainability Committee have strengthened their competencies in sustainability through specialized training programs, by attending events focused on these topics, and through their experience in corporations prioritizing the management of environmental impacts. Their heightened sensitivity to social aspects affecting stakeholders and their familiarity with non-financial risk management and international corporate governance standards - acquired through roles in other global corporations - enhance their ability to evaluate complex ESG issues and ensure that sustainability is embedded in the Company’s decision-making processes.

Following their appointment, Directors follow an induction program, whereby they receive training on the Company's business and culture. In addition, the Board conducts an annual review to identify any aspects about which the directors require education or training. To support the directors, training courses on a wide range of topics, including sustainability, can be organized.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Overall, Management and Supervisory bodies are informed about material impacts, risks and opportunities (IROs) in multiple meetings each year with the Audit and Sustainability Committee. With the approval of the Sustainability Statement, the Audit and Sustainability Committee and the Board validate the results and effectiveness of policies, actions, metrics and targets adopted to address IROs.

In line with its vision, management has embarked on a strategic journey toward 2030, which is focused on specific objectives aimed at ensuring the sustainable growth of Ariston Group over time. The plan was developed following an in-depth

assessment of impacts and risks, allowing the Company to identify the most relevant priorities for its business, stakeholders and the environment. The resulting strategy takes into account global environmental, social, and governance (ESG) challenges, enabling the Group to adapt to market dynamics and seize sustainability-related opportunities.

The list of material impacts, risks and opportunities (IROs) addressed by administrative, management and supervisory bodies is reported in the table in ESRS 2 SBM-3.

GOV-3 Integration of sustainability-related performance in incentive schemes

For information on the integration of sustainability-related performance incentive schemes, please refer to Section 7.3 Remuneration Report, paragraph Short-term incentives (STI) and Long-term incentives (LTI).

Ariston Group's sustainability-related performance metrics are included in the Remuneration Policy.

GOV-4 Statement on due diligence

Ariston Group has conducted a due diligence process to identify the points of view and the impacts, risks and opportunities (IROs) concerning both internal and external upstream stakeholders. The approach varies depending on the stakeholder category, ensuring tailored methodologies for engagement and analysis. Following a risk-based approach, the Group intends to gradually extend the due diligence process to the entire value chain.

The table below maps the core elements of the Due Diligence, with reference to the relevant sections for further details.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	*GOV -2, GOV-3, SBM-3*
b) Engaging with affected stakeholders in all key steps of the due diligence	*GOV-2, SBM-2, IRO-1, S1-2, S4-2*
c) Identifying and assessing adverse impacts	*IRO-1, SBM-3*
d) Taking actions to address those adverse impacts	*E1-3, E3-2, E5-2, S1-4, S2-4, S4-4, G1-3*
e) Tracking the effectiveness of these efforts and communicating	*E1-4/5/6, E3-3, E5-3/4/5, S1-5/6/9/13/14/16/17, S2-5, S4-5, G1 MDRT, G1-3/4*

GOV-5 Risk management and internal controls over sustainability reporting

The sustainability reporting process is subject to risk assessments and Internal controls. The entire data flow, encompassing both quantitative and qualitative data, has been mapped from its extraction to aggregation and final validation. To do this, the Company has outlined key steps and responsibilities based on each requested item of data, identifying specific owners and available tools.

Specifically, **the mapping of Internal Controls for Sustainability reporting was carried out in three main phases**. First, roles and responsibilities were defined to ensure accountability: Data Providers provide the content and the responses to the relevant ESRS disclosures within their area of responsibility, Data Reviewers oversee the contents and the data collected, and Data Validators validate the final data to ensure compliance and integrity. Next, processes for managing qualitative, quantitative, and monetary data, including those required by the EU Taxonomy, were identified and standardized to ensure consistent collection, processing, and validation. Finally, the tools used for data management were mapped, including software platforms, centralized repositories, and compliance-specific systems, ensuring data quality, traceability, and auditability throughout the reporting process.

The prioritization of risk areas was assessed with a particular focus on data requiring significant manual extraction and processing, as well as those involving a multiple-step elaboration process.

To mitigate identified risks, such as errors from manual data entry and aggregation or difficulties in tracking changes, the Group implemented an internal double-checking process to ensure consistency and accuracy, particularly for quantitative data. Initially, data is reviewed by the data owner at the local level before being aggregated at the Group level by a single point of contact. An additional layer of oversight is applied at the approval stage, where data is reviewed again for completeness and integrity. These checks are complemented by the use of shared pre-filled templates and a dedicated Reporting Platform, which facilitate automatic aggregation, and by the ESG Team, locking the data entry after the delivery deadline, preventing unauthorized changes unless specifically approved.

To improve the sustainability reporting process and reduce potential risks, data collection and aggregation have been automated through the implementation of a platform shared by all data owners. This has enabled clearer assignment of roles and responsibilities and more robust data control thanks to a consistency check system. Looking ahead, the plan is to strengthen the use of the platform through further training and collaboration with the provider to review, simplify, and tailor it to emerging requirements.

The Audit and Sustainability Committee oversee data management and controls sustainability reporting, receives periodic reports on the findings from the risk assessment and proposed mitigation actions. These updates are shared regularly

during Audit and Sustainability Committee meetings to ensure that also the Board of Directors is informed of the relevant findings and progress.

SBM-1 Strategy, business model and value chain

Strategy

The key elements of the Group's strategy are detailed in Section 4.5, New Products, Services, Research, and Development, of the Annual Report. For information on products and services banned in certain markets, please refer to Section 4.8, Regulation.

Climate action is a cornerstone of Ariston Group's strategy, driving its commitment to significantly reduce value-chain emissions through the global offer of high-efficiency and renewable-based technologies. Use of heat pumps is a key solution already decarbonizing many applications and expected to grow even further in the future. While electrification remains a major focus, the Group follows a multi-technology approach to accelerate the energy transition, leveraging innovative solutions such as hybrid systems, high-efficiency technologies, hydrogen-blending-ready products, natural refrigerant gases, Home Energy Management systems and Demand-Response capabilities which, together with Connectivity, all play a crucial role in the decarbonization roadmap.

An overview of the Company's Environmental, Social, and Governance (ESG) vision, along with its short-, medium- and long-term sustainability targets, is provided in the table below. The targets are categorized by material topics: Significant product and service groups; Customer segments; Geographical areas; Stakeholder relationships.

Macro targets are highlighted in bold, while the supporting initiatives, shown in lighter text beneath each macro target, outline the concrete actions contributing to the achievement of the objectives. A more detailed breakdown of these targets and initiatives will be provided in subsequent sections.

Overview of 2030 targets[3]

Target dimension		Target description	Target year	Products and services	Customers	Geographic areas	Stakeholders
E1	Emissions Reduction	**42% Scope-1 and Scope-2 absolute GHG emission reduction**	**2030**	X			
		>51,6% Scope 3- GHG emission reduction per million-Euro value added (on 3.11 category, use of sold product)	**2030**	X			
		90% Heating gas condensing technologies' revenues from hydrogen-ready[4] solutions in Europe	2025	X		X	
		>60% revenues in Europe generated by renewable technologies vs. < 40% from fossil fuel products*	2030	X		X	
		Launch of a representative Home Energy Management – ready product on electric storage water heaters, heat pump water heaters and heating heat pumps	2025	X			
		Confirm effort to shift heat pump water heaters to lower GWP refrigerants	2025	X			
		Green Energy procurement increase[5]	Rolling			X	
	Connectable Products	**>5 m. connectable products sold**	**2030**	X			
		>2 m. connectable products sold	2025	X			
E3	Supplier's Corrective Action Plan	**100% of suppliers identified as critical for water usage[6] are required to implement corrective actions***	**Rolling**	X			
E5	Sustainable Packaging	**Sustainable Packaging Definition**	**2030**	X	X		
	Waste management	**Zero waste to landfill by 2030**	**2030**	X			
		>85% products with a digitally advanced spare parts catalogue	2030	X			
	Remote interventions	**At least 40% of the intervention fixed remotely thanks to the use of Telediagnosis, tutoring service and Over The Air process***	**2030**	X			
S1	Employees experience engagement	**Position the organization as a winning organization with simplified and agile processes, widespread leadership, and a vibrant talent ecosystem**	**2030**				X
		>60% of managerial positions filled through internal career paths	2025				X
		At least 30% female employees and at least 30% male employees in the Ariston Group Management team	2030				X
S2	Supplier's ESG journey	**100% Strategic Suppliers[7] aligned with our ESG journey[8]***	**2030**				X
		100% of strategic suppliers have accepted our Code of Conduct by 2025*	Rolling				X
		>80% of strategic suppliers assessed with ESG performance*	2026				X

[3] Targets with (*) are entity-specific targets, see Resilience Analysis section.
[4] Certified to be 20% H2 ready. The EU operational region includes EU countries and the Balkans, Switzerland, the United Kingdom, Israel, Norway and Ukraine. Russia is excluded as it falls in a different operational region.
[5] Percentage of green energy over total energy purchased.
[6] Critical suppliers are strategic suppliers who either received improvement requests or have gaps in water management actions based on the results of ESG assessments.
[7] Strategic suppliers: number of suppliers considered significant for the Group's business, the continuity of the commercial relationship covering 80% of total Group spending in 2023 (baseline year), including Wolf and Brink, totaled 255. The list will be regularly updated to assess whether there have been changes in the perimeter of strategic suppliers.
[8] Suppliers are considered aligned with Ariston's ESG Journey if they have obtained an EcoVadis Scorecard with a score of 45 or above, or if they initially recorded a score below 45 but subsequently completed a new EcoVadis assessment demonstrating a measurable improvement in their overall score compared to the previous evaluation.
As the Company progresses toward its 2030 objectives, Ariston will continue systematic assessment of the ESG performance of its supply chain, using EcoVadis as a key reference tool to monitor progress and support continuous improvement.

		>75% of products and services purchased from local suppliers[9]	2030				X
S4	Excellent Service Delivery	Deliver excellent, tailored solutions and services to B2B and B2C customers by 2030	2030		X		
		Every 2 years Quantitative Ariston Brand Equity B2C assessment	Rolling		X		
		Voice of Our Professionals (B2B) every 2 years	Rolling		X		
		+30% organic clicks on main Group brand websites	2030		X		
	Quality Initiatives Plan	>85 quality score per year in the cumulative GQE index	2030				
		Follow the Quality Initiatives Plan to effectively implement improvement initiatives in alignment with the Quality Strategy	2027	X	X		X
G1	Governance Standards	Ongoing yearly commitment to meet high governance standards on sustainability	2030				
		At least 50% female directors and at least 50% male directors among the executive directors of the Board	2028				X
		At least 33% female directors and at least 33% male directors among the non-executive directors of the Board	2027				X
		100% of employees in risk field trained on Antitrust	Rolling				X

The Group's growth strategy focuses not only on reducing the environmental impact of its thermal comfort solutions but also on maintaining strong engagement with key stakeholders, including employees, customers and suppliers. Engagement with suppliers is especially critical as part of the ongoing due diligence process.

Overall, Ariston Group actively involved its key stakeholders in the process of setting targets as part of its Road to 100 Strategy. This collaborative approach began with consultations across different levels of the organizations, including management teams and operational leaders, to align on the Company's sustainability vision. Internal stakeholders contributed by providing input on feasible and impactful objectives, ensuring alignment with both internal capabilities and external expectations. Through workshops and discussions, the Group identified specific performance indicators for each target, leveraging the expertise of managers and teams directly responsible for their implementation. The process also incorporated feedback from external stakeholders, collected through internal functions, to ensure that the targets address the most important sustainability challenges while driving tangible results. This inclusive approach ensured that all targets were both ambitious and actionable, reflecting the shared commitment of Ariston Group and its stakeholders to sustainable progress. For more information, please see the dedicated document Road to 100.

Business model and value chain

While the Group's business model is described in Sections 4.5 (New Products, Services, Research and Development) and 4.6 (Manufacturing & Supply Chain Operations) of the Annual Report, the table below provides a comprehensive overview of the Company's value chain, including the key inputs, outputs, and main business actors involved at each stage.

Category	Phase	Description (stakeholder description and business relation with the Group)
Upstream	Sourcing	Production of raw materials, semi- and finished goods, energy and other natural resources. Main purchasing categories for Ariston Group include steel, aluminum, copper, polypropylene, polyurethane, paper.
	Inbound logistics	Transport of raw materials, semi-finished components and finished goods to the Arison Group's production sites and offices.
Own operations	Research & Development	Development of new products and systems (e.g. software solutions) with a view to improving energy efficiency and steering customer habits.
	Manufacturing	Manufacturing of products and systems carried out across the 28 production sites of the Group, globally.
Downstream	Outbound logistics	Transport of assembled and finished products to be sold to customers (e.g. retail)
	Wholesale	Intermediaries and distributors who install products at the end-consumer.
	Product use	Usage of products and solutions by the end consumer within the residential and commercial sector.
	After-sales	Technical support, maintenance, repairs, spare parts, user training, software upgrades, customer support services.
	End-of-life	Product disposal once the product reaches the end of its lifespan.

Ariston Group's primary inputs include raw materials, semi-finished goods, finished goods, energy, and other natural resources. The Company rigorously evaluates and selects suppliers that best align with its operational needs while emphasizing geographical proximity to production centers to enhance efficiency and sustainability.

The Group's outputs span the entire value chain, including wholesale distribution, product usage, after-sales services, and end-of-life management. Key highlights include:

- For End-users, the Company prioritizes energy efficiency in product usage, providing clear and comprehensive information to ensure optimal functionality and reduced energy consumption.
- For Professional Installers, Ariston Group emphasizes proximity and support, streamlining installation processes to save time and improve performance. Transparency and communication are central to this effort, equipping installers with the resources and clarity needed to perform efficiently.

[9] Local Suppliers are suppliers operating in the same country as the Group legal entity they supply.

Transparency extends across the entire product lifecycle, with a dedicated focus on the end-of-life phase. Efforts are concentrated on responsible disposal or recycling of products to mitigate environmental impact. By aligning product features with the needs of downstream stakeholders, Ariston Group reinforces its commitment to sustainability, delivering tangible benefits for customers, professional stakeholders, and the environment.

SBM-2 Interests and views of stakeholders

Ariston Group actively engages with stakeholders across its business activities and functions, leveraging dedicated channels to gather insights and integrate them into strategic planning. This collaborative approach ensures that diverse perspectives are considered and aligned with the Company's objectives.

In 2025, the core strategy outlined in the Road to 100 Plan remained largely unchanged. The Company remains committed to continuous improvement in Environmental, Social, and Governance (ESG) performance while adapting to the evolving expectations of external stakeholders.

Key stakeholders	How Ariston Group engages	How the outcome is taken into account
Affected stakeholders		
Suppliers	Sustainability Procurement Policy Due diligence program	Identification of suppliers' strengths and weaknesses in ESG performance helps the Company outline impacts, risks and opportunities in Double Materiality Assessment (DMA) (upstream); feedback about AG ESG requests, pace and targets supports the improvement of alignment actions
Analysts, Investors and Shareholders	Quarterly presentations and conference calls, one-to-one or group conference calls, road shows or participation in conferences	Feedback about the Company's sustainability path, expectations and requests: they help the Group adjust the level of transparency and set targets and level of effort on certain topics
Employees and non-employees	Meetings with unions and internal listening activities	Programs/tools development and/or adjustment, target setting to guarantee specific requests are addressed: training and professional growth, respect for cultural diversity, equal opportunities and meritocracy etc.
Customers (Installers, Distributors, Importers, Center of Technical Assistance, Customers)	Technical Committees, Technical issue escalation	Potential product issues discussion, perceptions on product quality assessment led to the identification of ways to improve product lines or create new ones
	Process, Call Center, Website and social network, Voice of Customers program, Brand Health	Identification of areas that require prompt intervention and offer comparative insights in relation to where other competing brands stand help the Company improve service effectiveness and introduce innovative, cutting-edge and efficient technology
Local communities	Meetings with local communities near production sites	Identification of areas of concern help guide the implementation of AG specific projects with a focus on promoting value creation for the local area, respect for the environment and respect for local culture
Environment (silent)	Decarbonization Plan Integrated system management (ISO 14001)	International environmental issues have led the Group to focus on its impacts, risks, and opportunities, and to identify an approach aimed at mitigating the former and optimizing the latter, by setting specific targets (GHG emissions reduction, circularity etc.)
Users of sustainability statements		
Banks and financial Institutions	Specific meetings	Feedback about the Company's sustainability path, expectations and requests: they help the Group adjust the level of transparency, set targets and level of effort on certain topics
Local, national and supranational institutions	Trade association meetings	Legislative compliance and dialogue with other organizations in the same sector and adjacent sectors is helping the Group calibrate the level of effort and prioritize the most urgent issues
Media	PR agency sharing inputs from media	Feedback about the Company's sustainability path, expectations and requests: they help the Group adjust the level of transparency and effort on certain topics
Trade Unions and Trade Association	Periodical meetings at site level	Programs/tools development and/or adjustment, target setting to guarantee specific requests are addressed: training and professional growth, respect of workers' rights and labor contracts, health and safety concerns

For more information on how the Company collects the interest and views of key stakeholders in relation to strategy and business model, see *ESRS 2, SBM-1*. The Administrative, Management and Supervisory bodies are regularly updated on the views and interests of affected stakeholders regarding the Company's sustainability-related impacts. This is achieved through alignment meetings held with Audit and Sustainability Committee.

During these meetings, stakeholder feedback - particularly insights gathered through the Double Materiality Assessment - is presented and discussed. This ensures that stakeholder perspectives are actively integrated into shaping Ariston Group's sustainability strategy and that their interests are reflected in the Company's approach to managing its impacts.

Engagement with Own workforce

The Company's workforce includes both employees and non-employees, such as self-employed individuals and temporary or permanent workers supplied by third-party employment agencies. Blue-collar employees and leased staff, including both temporary and permanent workers, operate primarily at production sites and are impacted by operations. White-collar employees mainly work across offices and include administrative, managerial as well as executive roles. Overall, risks are assessed within the framework of the ERM system, encompassing both blue-collar and white-collar contexts.

The HR team at Ariston Group plays a crucial role in integrating the interests, views and rights of its workforce into the Company's strategy and business model, ensuring that the voices and concerns of white- and blue-collar employees are continuously heard and valued. HR leaders gather feedback from both formal settings, such as performance reviews, and informal interactions, maintaining open lines of communication across the organization. Additionally, they gather valuable insights from Union meetings, conversations with employee representatives, and WCM (World Class Manufacturing) tools, such as structured (mainly physical) platforms where employees can submit ideas on different topics (i.e. process improvements, cost-saving measures, or safety enhancements). These interactions offer a comprehensive understanding of workforce priorities and concerns. Furthermore, the Company ensures strict adherence to the Human Rights Policy through repeated assessments. *For more information on the Human Rights Assessment, see S1-4.*

HR representatives also play an active role in critical strategic discussions, including the ERM, where they help address employee-related risks, and the Group Strategic Plan, where they assess resource requirements and people-related initiatives for achieving long-term goals. They contribute to the development of budget and business cases, ensuring alignment with the Company's overall strategic objectives while also considering the actual and potential impacts on the workforce and the challenges the Company might face in people management.

Engagement with Workers in the value chain

Ariston Group gathers insights into labor conditions, including fair treatment, workplace safety, and access to fair pay among its suppliers' workforces thanks to the due diligence assessment through the EcoVadis platform. These insights are used to identify risks related to potential human rights breaches and opportunities for improving workers' wellbeing. Findings from EcoVadis assessments inform Ariston Group's decisions and strategy around supplier relationships.

Engagement with Consumers and end-users

All Company functions are involved in the Group's Strategic Plans and have access to information and data collected through channels used to stay in contact with their customers. These channels, detailed in the dedicated chapter, allow for the collection of first-hand feedback from external stakeholders who purchase and use the Company's products.

The functions tasked with integrating this information into the Group Strategic plan include Quality, Service Marketing, and Connected Services, with the goal of addressing the needs, demands, and concerns of customers and end-users.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The table below outlines Ariston Group's key impacts, risks and opportunities (IROs), specifying their concentration across the value chain and expected time horizons.

Effects of IROs on business model, value chain, strategy and decision-making

Material impacts, risks and opportunities inform both Ariston Group's strategic direction and the adaptation of its business model.

Environmental risks. Ariston Group is exposed to both transition and physical environmental risks. Transition risks arise from regulatory developments (e.g. EPBD-related requirements and the adoption of life-cycle assessment approaches), dependency on public incentive schemes, and shifts in customer preferences driven by rising temperatures, which may affect demand for energy-efficient heating solutions and influence the balance between heating and cooling technologies.

Physical risks include the increased frequency and intensity of extreme weather events and fires in warehouses and floods, potentially leading to higher operational costs, disruption in logistics and warehousing, and impacts on inventory management. In addition, geopolitical instability and dependency on raw material inflows may result in increased costs and logistical challenges, affecting resource availability and supply-chain resilience.

Social risks. Social risks are primarily associated with human rights and working conditions across the value chain, including potential non-compliance by upstream suppliers and third-party logistics providers, in the context of increasing regulatory requirements (e.g. Corporate Sustainability Due Diligence).

Customer-related social risks include data privacy and cybersecurity breaches, as well as limitations in effectively capturing and responding to customer feedback. These risks may negatively affect brand positioning, trust, customer satisfaction and the Company's ability to meet customer demands and could result in reputational damage and litigation.

Governance risks. Governance-related risks include potential corruption, bribery and fraud arising from the Group's global presence, as well as risks linked to cybersecurity governance, including data leakage and service or production interruptions, particularly in relation to sensitive R&D information.

Additional governance risks arise from the absence of fully harmonized internal frameworks and processes, such as a uniform Tax Control Framework across the Group and a structured approach to M&A integration. Inadequate organizational alignment following acquisitions may lead to underperformance, challenges in talent retention, and inconsistencies in policies, practices and controls, with potential reputational and compliance impacts, including violations of the Code of Ethics.

Opportunities. With respect to opportunities, the Group's strategy increasingly focuses on electrification, high-efficiency technologies, circularity-driven design and digital services that extend product lifespan. Decision-making incorporates scenario analysis, regulatory monitoring and cross-functional assessments to ensure the organization adapts promptly to market and policy developments. Plans include strengthening data governance, enhancing cybersecurity measures, expanding workforce development programs, and improving customer service networks to meet rising expectations.

Resilience Analysis

Ariston Group addresses its impacts, risks, and opportunities through a resilient strategy that guarantees operational and supply chain flexibility, invests in innovative and renewable technology solutions, and adapts infrastructure to manage physical risks. The integration of physical risk analysis into the Business Continuity Plan, with measures to protect plant buildings from extreme weather events, strengthens operational readiness. Stakeholder engagement ensures alignment with market demands, customer needs, and ESG goals, reinforcing the Group's adaptability and long-term sustainability.

All identified impacts, risks and opportunities (IROs) are covered by the European Sustainability Reporting Standards (ESRS) Disclosure Requirements, with no additional entity-specific disclosures required. However, specific indicators were used to track performance and target progress toward certain topics (please refer to Overview of Targets in section ESRS 2, SBM-1), as shown in the Road to 100 Plan. Ariston reviewed the DMA and related IROs in FY25 in the context of the annual update; the resulting IROs are reported below).

Effects of impacts on People and Environment

Material negative impacts primarily affect climate and environmental conditions through GHG emissions across the value chain, intensive water consumption in upstream processes, unsustainable raw material use and waste generation at both industrial and customer level. These impacts arise from the nature of the product portfolio, which generates GHG emissions across its lifecycle and depends on energy and raw material inputs. On the other hand, the sale of energy-efficient technologies and solutions contributes to a reduction in energy consumption, supporting climate-change mitigation efforts. In addition, the provision of real-time technical and remote assistance enables an extension of products' lifetime, reducing resource outflows associated with products and services and supporting circular-economy principles.

On the Social side, people may be affected through workplace safety incidents, gender-related disparities, inappropriate behaviors, or precarious working conditions linked to seasonal contracts. In the value chain, potential human rights violations by suppliers or third-party logistics providers may adversely impact on workers' health, safety, and fair treatment. Customers may experience inadequate product information, safety issues or misuse of personal data. Positive impacts include enhanced energy efficiency for end-users, reduced environmental footprint through circular practices, and improved customer experience thanks to feedback mechanisms and better maintenance and installation services. Employees benefit from structured upskilling programs that support professional development and long-term employability. Social impacts largely originate from the Group's manufacturing footprint, reliance on specialized workforce, and extensive global network of suppliers, service partners and installers.

Governance-related impacts relating to corruption and bribery are connected to the Group's operational complexity, international presence, innovation activities and the increasing digitalization of products. On the other hand, a solid corporate culture generates a positive impact on people through a framework that guides behaviors across the organization and helps prevent negative impacts, contributing to a safe, fair and responsible working environment. With regard to people, the undertaking positively affects customers and end-users by strengthening information-related impacts. Feedback-collection mechanisms enhance freedom of expression and contribute to improved customer satisfaction, while access to high-quality information and training supports better installation, repair and maintenance of products, improving product performance and user experience. Positive impacts are also generated for the Group's own workforce through training, upskilling and reskilling initiatives, which enhance employees' skills and support equal treatment and opportunities for all.

	ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
ENVIRONMENT	**E1 - Climate change** Mitigation Adaptation Energy	Mitigation	Negative impact	Actual	GHG emissions across the value chain, with Scope 3 accounting for the largest share	Entire value chain	Long term
		Energy	Positive impact	Actual	Decrease in energy consumption through the sale of efficient technologies and solutions	Downstream	Medium term
		Mitigation	Risks	-	Compliance risk related to the Company's inability to adopt an LCA related to EPBD framework	Company level	Long term
		Mitigation / Energy	Risks	-	Consumer demand shift toward alternative products, potentially favoring air conditioning systems over heat pumps due to temperature rise	Entire value chain	Long term
		Energy	Risks	-	Decrease in demand for energy-efficient products (e.g. HHP and hybrid systems) due to the lack of government-incentives	Company level and downstream	Medium term
		Adaptation	Risks	-	Operational cost related to increased frequency and intensity of extreme natural events and fires in warehouses	Company level	Long term
		Mitigation	Opportunities	-	Increased demand for heating heat pumps and highly efficient products	Company level	Medium term
	E3 Water Water consumption	Consumption	Negative impact	Actual	Upstream intensive water consumption	Upstream	Long term
	E5 Circular economy Inflows Outflows Waste	Inflows	Negative impact	Actual	Negative impacts on the environment due to the use of non-renewable raw materials at risk of depletion	Upstream	Long term
		Waste	Negative impact	Actual	Inefficient waste disposal at industrial and consumer level	Entire value chain	Long term
		Outflows	Positive impact	Actual	Extension of products' lifetime through real-time technical and remote assistance	Downstream	Short term
		Inflows	Risks	-	Increased costs and logistical challenges due to geopolitical instability	Upstream	Medium term
		Inflows / Waste	Risks	-	Inability to comply with sustainable packaging regulations and policies (e.g. extended responsibility scheme in UK)	Company level	Medium term
		Waste	Opportunities	-	Reduced cost of waste management thanks to the adoption of circular practices	Entire value chain	Medium term
SOCIAL	**S1 Own workforce** Working conditions (Secure employment, Health and Safety); Equal treatment and opportunities for all (Gender equality, Training and skills development, Measures against violence and harassment, Diversity)	Health and Safety	Negative impact	Potential	Occupational safety incidents in the workplace	Company level	Short term
		Gender equality and equal pay for work of equal value / Diversity	Negative impact	Potential	Workplace concerns related to gender disparities and diversity	Company level	Medium term
		Measures against violence and harassment in the workplace	Negative impact	Potential	Negative effects due to inappropriate workplace behaviors	Company level	Medium term
		Secure employment	Negative impact	Actual	Presence of seasonal contracts that affects workforce's working conditions	Company level	Medium term
		Training and skills development	Positive impact	Actual	Skills enhancement due to upskilling and reskilling programs	Company level	Medium term
	S2 Workers in the value chain Working conditions and other work-related rights (all sub-sub-topics)	Working conditions; Other work-related rights	Negative impact	Potential	Failure to respect human rights by upstream suppliers	Upstream	Long term
		Working conditions; Other work-related rights	Risks	-	Risks related to the use of 3PL (Third Party Logistics) featuring potential human rights non-compliance and CSDDD regulation (e.g. Corporate Sustainability Due Diligence Directive)	Upstream	Medium term
	S4 Consumers and end-users Information-related impacts for consumers and/or end-	Privacy	Negative impact	Potential	Potential data mismanagement or loss	Downstream	Medium term
		Access to (quality) information / Health and safety / Security of a person	Negative impact	Potential	Health and safety impacts in product use due to the lack of high-quality information, inadequate product safety and quality checks	Downstream	Medium term

	users (Privacy, freedom of expression, Access to information); Personal safety of consumers and/or end-users (Health and Safety, Security of a person); Social inclusion of consumers and end-users (Responsible marketing practices)	Freedom of expression	Positive impact	Actual	Improved customer satisfaction through feedback collection mechanisms	Downstream	Medium term
		Access to (quality) information	Positive impact	Potential	Improvement in installation, repair and maintenance of products thanks to training and information	Downstream	Medium term
		Privacy	Risks	-	Reputational damage and litigation costs in event of privacy violations and cybersecurity breaches (also arising out of connected products)	Downstream	Medium term
		Freedom of expression	Risks	-	Risks related to the Company's inability to meet customer demands	Downstream	Medium term
		Responsible marketing practices	Risks	-	Risks related to a lack of brand positioning and recognition on the market	Company - level	Short term
GOVERNANCE	**G1 Business conduct** Corporate culture; Corruption and bribery (Prevention and detection, Incidents)	Incidents; Prevention and detection including training	Negative impact	Potential	Potential negative impact of corruption practices linked to the Company's global operations	Company level	Medium term
		Corporate Culture	Positive impact	Actual	Solid corporate culture expressed in the Company's Code of Ethics and Policies	Company level	Short term
		Corporate Culture	Risks	-	Risks related to the absence of a fully operational and uniform Tax Control Framework (TCF) across the Group	Company level	Medium term
		Corporate Culture	Risks	-	Data leakage or service and production interruptions due to malicious actions (especially for R&D information)	Company level	Medium term
		Corporate Culture	Risks	-	Risks related to the lack of a proper M&A approach (e.g. talent retention, underperformance), organizational integration and alignment of policies, practices and targets across the Group	Company level	Medium term
		Corporate Culture	Risks	-	Reputational damage and investigations due to Code of Ethics violations	Company level	Medium term
		Corruption and bribery	Risks	-	Risks related to bribery, corruption cases and fraud	Company level	Short term

IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

In 2025 Ariston Group updated its Double Materiality Assessment (DMA) to identify the material impacts, risks and opportunities (IROs) on which to focus the Sustainability Statement. From a methodological standpoint, two dimensions were considered:

- **Impact materiality** (inside-out perspective), assessment of actual or potential, positive or negative impacts Ariston Group generates on people and/or the environment.
- **Financial materiality** (outside-in perspective), assessment of risks and/or opportunities that affect or may affect the Company's financial position.

The identification was conducted with the Group's overall scope in mind, considering aggregated rather than country- or site-specific data. While the perspective is global, a deep dive was carried out into activities in Europe due to the fact that annual sales within this market correspond to 71% with a growing exposure to the Americas (11%) and Asia, Middle East and Africa (18%). Similarly, the DMA focuses mainly on climate comfort and water heating solutions since these represent 93% of annual product sales compared to combustion technologies (burners) and components that account for a total of 7%.

IROs were evaluated within the Company's operations as well as across the value chain over the short, medium or long-term.

Upstream, at this stage, attention was paid to Ariston Group's suppliers in light of the due diligence assessment carried out through the EcoVadis platform. In line with the Sustainable Procurement Policy and the Suppliers Code of Conduct, the Company has integrated ESG evaluations in its Supplier Management Process – from supplier selection to onboarding, performance evaluation and improvement. The ultimate objective of this process is to enable the Group to understand suppliers' sustainability performance, identify and develop improvement plans.

Downstream materiality was assessed indirectly at the customer level and at the product's end-of-life stage thanks to the inputs provided by the Quality, Service and Marketing functions. Although there are no ad hoc processes in place to

gather sustainability concerns from B2B and B2C customers, listening activities are organized globally – with a specific focus in Europe – to discuss product quality, installation and other services. This ensures that products, processes and policies integrate both stakeholders' point of view and legal requirements, which indirectly implement sustainability concerns.

Finally, the assessment was conducted using the full list of sustainability matters included in the topical ESRS, which Ariston Group found to adequately reflect its material topics and specific circumstances. As a result, the Company did not identify additional entity-specific disclosures related to material IROs. Nevertheless, it is noted that the Double Materiality Assessment requires the application of professional judgement and the use of thresholds. Accordingly, the Sustainability Statement may not capture every impact, risk or opportunity - or any additional entity-specific disclosure - that some stakeholders might consider relevant for their own independent evaluations.

Overview of the DMA process

Phase	Purpose and outcome
Pre-assessment of sustainability matters	To assess non-applicable topics such as E3 Marine Resources, E4 Biodiversity, S3 Rights of Indigenous communities or G1 Animal Welfare, by providing specific rationales.
Input gathering	To map key takeaways from the Company's sustainability context, peers, strategy, Risk Catalogue (ERM), preliminary due diligence findings, policies, regulatory developments and one-to-one interviews with relevant functions.
Involvement of internal stakeholders	Gathering of external stakeholder feedback from internal functions and review of the IRO long list.
Alignment and integration with the ERM	To ensure coherence with the ERM interviews with the Internal Audit function were carried out to ensure the full alignment between the evaluations and methodologies used in the Risk Register and Financial Materiality.
Update of IRO long list	Update and review of IRO long list, where necessary, based on the inputs and evidence collected.
Involvement of internal stakeholders for valuation and threshold setting	To evaluate the significance and magnitude of IROs, quali-quantitative scores were assigned and thresholds set based on internal discussion and validation (e.g. determined by the Audit and Sustainability Committee and approved by the Board).
Selection of Disclosure Requirements and Datapoints	To guide the reporting process by mapping the material IROs to the mandatory Disclosure Requirements and identifying the main qualitative, quantitative and monetary datapoints to disclose for FY25.
Result sharing and validation	To inform the ESG Council and gain validation from the Audit and Sustainability Committee.

Impact materiality

The DMA considered both impacts arising directly from Ariston Group's own operations and those linked to its upstream and downstream business relationships. As part of the process, the Group systematically analyzed actual and potential impacts across the value chain, mapping where they originate and how the Company contributes to, is linked to, or may be involved in them. For more information, please see *ESRS 2, SBM-3*.

Ariston Group prioritized impacts in the DMA by applying the ESRS 1 criteria. For negative impacts, prioritization was based on their severity (scale, scope, irremediability) and, on their likelihood. For positive impacts, the process assessed their scale, scope, and likelihood to determine the significance of the beneficial outcomes the Group can generate across the value chain. By comparing impacts against these criteria, the Group identified as material those sustainability matters associated with the most severe or likely negative impacts, as well as those linked to meaningful and probable positive impacts. This approach ensured that reporting focuses on the areas where the Group has the highest level of responsibility, exposure, or potential to create value.

Financial materiality

With regard to risks and opportunities, Ariston Group considered interdependency with impacts particularly when the latter bring reputational damage or opportunities alongside intervention costs. The Group also assessed dependencies on weather patterns and raw materials for environmental topics and on human resources for social topics – mostly new hires with critical competencies, together with the protection of human rights along the supply chain.

To identify the score of each risk and opportunity, the following aspects werw taken into account:

- Likelihood of occurrence, defined in alignment with the associated ERM risks;
- Potential magnitude of the financial effects, which was estimated based on the economic and reputational impacts assigned in the Enterprise Risk Management (ERM) analysis.

The threshold has been set in alignment with the evaluations carried out by the Enterprise Risk Management (ERM) framework to ensure a consistent and integrated risk assessment approach. The most relevant change compared to FY24 was the review of risks and opportunities in order to guarantee a full alignment - in terms of both content and methodology - with the Company's ERM.

For further information on the decision-making process, internal control procedures, and the integration with the overall risk management and management process, please see ESRS 2 GOV-1.

No other input parameters were used. Ariston Group will review its DMA process on an annual basis as it collects useful information from the due diligence process and as the sustainability context in which the Company operates continues to evolve.

Process for identifying climate-related IROs

Ariston Group's process for identifying and assessing climate-related impacts, risks, and opportunities (IROs) is mainly focused on addressing greenhouse gas (GHG) emissions. The process started in 2021 when baseline calculation of emissions and establishment of science-based targets was carried out. The analysis revealed that the most significant climate-related impact arises from Scope 3 emissions, primarily linked to the use of sold products. Additionally, energy consumption at production facilities was recognized as a key factor, monitored through the Group-wide Environmental Management System, which is aligned with ISO 14001 standards.

Emissions are calculated annually to maintain an accurate and up-to-date understanding of climate-related impacts, risks, and opportunities, and the baseline is recalculated if significant changes in the scope of disclosure occur. Through this process, no significant changes have been identified in the GHG Protocol categories that most affect the Group's operations.

A benchmark analysis of industry peers provided comparative insights into IROs and targets. Further, the Double Materiality Assessment (DMA) included interviews that identified impacts, risks and opportunities, such as the positive climate impact of improved energy efficiency enabled by product connectivity features.

Physical climate risks analysis

Physical risks associated with climate change can arise from extreme events (e.g. floods, storms, fires) or progressive phenomena (e.g. sea level rise). These risks negatively impact economic activities, generating economic and financial costs as the frequency and severity of such events increase.

Physical risks are categorized into two types:

- Acute risks, severe and sudden disruptions, such as storms or floods.
- Chronic risks, gradual and long-lasting changes, such as rising temperatures or sea levels.

Both acute and chronic risks have implications for business operations, including impacts on infrastructure, supply chains, and employees.

To assess these risks, Ariston Group analyzed its most economically significant and exposed assets in 2024, updating the assessment in 2025 for the changes in the perimeter. The evaluation identified physical risks related to climate change and guided the Group in planning measures to strengthen the resilience of its plants, considering both current and future climate conditions and incorporating Intergovernmental Panel on Climate Change (IPCC).

Ariston Group's assessment of physical risks related to climate change focused on various factors influencing assets, such as their location, vulnerability, and the possibility of extreme climatic events, as well as the process owners' perceptions of greater significance. The risk prioritization for analysis was performed in relation to both the current climate situation and potential medium- and long-term climate changes.

The physical risk analysis was carried out for 3 climate scenarios, each with different expected impacts.

SCENARIO	EXAMPLE OF IMPACTS
1.5 °C (IPCC RCP2.6)	• Risks for health, livelihoods, food security, water supply, human security, and economic growth • 3-14% of assessed terrestrial species risk extinction • Coral reefs decline by a further 70-90% • Many low-altitude and small glaciers lose much of their mass or disappear
2.6 °C (IPCC RCP4.5)	• Changes in food availability and diet quality, with an increase in food-related diseases and undernourished people • High vulnerability and high warming • Decreased water availability for irrigation • Climate change risks to cities, settlements and key infrastructure increase dramatically • Forests, coral reefs, areas in Arctic regions face major mutations, with a significant impact on sea levels
3.4 °C (IPCC RCP6)	• Extensive negative impacts, some most likely irreversible, and additional threats to human and natural systems difficult to estimate. • 10-times increased risk of extinction of endemic species in biodiversity hotspots • Direct damage due to flooding increases exponentially • Approximately 10% of the global land surface faces extreme temperatures (affecting over 2.1 billion people) • Water scarcity (for about 4 billion people) • 50% increase in global area burned with more frequent fires

Risks are influenced by two interacting variables: exposure and vulnerability. Specifically:

- Exposure determines how susceptible an asset is to various hazards (low, medium, or high, depending on the geographical location);
- Vulnerability concerns the asset's ability to withstand impacts (low, medium, or high, depending on the resilience of the asset, which depends on the design, setting, management and/or adopted protection measures).

As a result of the assessment, five levels of risk were identified: non-existent or very low, low, medium, high, and very high.

Among chronic risks, energy shortages have been evaluated as potentially significant across all climate scenarios, posing challenges to operations, public safety, and cost management. Under the 3.4°C climate scenario, several acute and chronic risks are expected to intensify over time: i/ Acute risks: Extreme rainfall, flooding, lightning, drought and solar radiation; ii/ Chronic risks: Water stress, rising temperatures, and energy shortage. Some of these risks are categorized as "high" or "very high," indicating their potential to disrupt the Group's operations. These risks could impact physical assets, supply chains, and operational expenses, thereby posing significant challenges to the continuity and efficiency of business activities.

Climate related transition risks analysis

Transition risks and opportunities are associated with the shift to a greener, low-carbon economy, which requires companies to adapt to new realities, often involving policy and legal, technological, market, and reputational challenges and opportunities. The Transition risks analysis was performed by considering the whole Group and its business activities, with a specific focus on the EU.

To identify these transition risks and opportunities, Ariston Group relied on inputs from its Enterprise Risk Management (ERM) framework and from its internal Public & Regulatory Affairs function, which monitors upcoming regulations in the markets where the Group operates and the Corporate Strategy function which sets long-term strategic priorities, portfolio evolution and investment decisions, ensuring that transition-related considerations are embedded into the Group's strategic planning. Additional insights were drawn from the Consumer Insight function (Customer and Consumer Behavior reports), Marketing Intelligent team (market trend evolution), and benchmarking with industry peers.

The first step was to compile a long list of risks and opportunities across the categories identified by the Taskforce on Climate Related Financial Disclosure guidelines (TCFD), specifically: policy and legal, technology, market, and reputation. Three time horizons were considered: short-term i.e. the reporting period , and medium and long-term time, i.e. 2030 (>1 and <5 years) and 2060 (>5 years), respectively, in line with the expected lifetime of the assets. Each identified transition risk and opportunity was subsequently associated with a specific climate scenario and time horizon, using a relevance-based criterion. This approach ensured that each risk or opportunity was analyzed in the most likely scenario and time horizon.

The three climate scenarios considered in the transition risk analysis are:

SCENARIO	EXAMPLE OF IMPACTS
<2°C (IEA Low carbon)	• Governments will meet, in full and on time, all the climate-related commitments that they have announced, including longer term net zero emissions targets and pledges • Most significant transition Impacts from an orderly transition • Energy sources: mostly renewables & low-carbon fuels
2°C (IEA Disorderly transition)	• Inefficient climate action from limited collaboration due to regional rivalry (localized vs global policies), • Increasing competition • Emissions do not reach net zero • Most significant transition impacts from a disorderly transition • Energy sources: regional differences in fossil fuels and renewables
4°C (IEA High Carbon)	• Continued trajectory of slow and limited ambition climate policy • Emissions do not reach net zero • Most significant impacts from physical risks • Energy sources: mostly fossil fuels

Finally, each risk was associated with a score based on magnitude, which is the impact of the event on the business and probability, and on the likelihood, i.e. the probability of the event occurring in its respective time horizon.

In FY25, the transition to a lower-carbon economy generates specific risks for Ariston Group, primarily linked to evolving regulations, market behavior and policy frameworks. Regulatory complexity may increase compliance exposure, particularly in relation to the Group's ability to adopt Life Cycle Assessment (LCA) methodologies required under the evolving EPBD framework. In parallel, changing climate conditions and rising temperatures may alter customer preferences, potentially shifting demand toward alternative solutions such as air conditioning systems over traditional heat pumps in certain markets. Additionally, the progressive reduction or discontinuation of state incentives for high-efficiency technologies could lead to a temporary decrease in demand for heating heat pumps and hybrid systems. These dynamics collectively shape the Group's transition risk landscape, influencing commercial expectations, product development priorities and long-term planning.

Process for water-related IROs

Ariston Group assessed water-related IROs across its entire value chain, gathering inputs through supplier due diligence and interviews involving relevant corporate functions. The results of the assessment indicate that, with respect to water-related topics, material IROs are identified only in upstream operations.

In the Company's production processes, water is used sparingly, its use is limited and mainly linked to specific activities, such as testing and degreasing, carried out in only a limited number of plants. Therefore, no material IROs have been identified either downstream or in direct operations.

On the other hand, upstream analysis of the Group's supplier base - conducted using the EcoVadis IQ Tool and further confirmed by the EcoVadis Rating on a selected panel of suppliers - reveals a negative impact on water management, primarily due to high consumption levels. This is particularly evident in water-intensive industries, where many suppliers lack formal policies or dedicated measures, and in highly water-dependent sectors such as steel, aluminum, and copper production. As part of the due diligence process, consultations were carried out with the supplier base through both the EcoVadis platform and direct engagements between buyers and representatives of companies within the Group's supply network.

Process for circularity-related IROs

Recognizing that circularity plays a crucial role in ensuring the efficient and responsible use of resources, Ariston Group is progressively embedding circular principles into both its products and operational processes. Given the extensive and multifaceted nature of this topic, the Company has decided to prioritize specific areas of action. The first step involves strengthening data management systems to build a clear understanding of the current state of resource use. On this basis, the Group has started exploring opportunities for improvement in key domains such as material efficiency (including packaging), product design, and waste management.

To identify material IROs related to resource use and the circular economy, Ariston Group has launched a review of activities across its entire value chain. This process draws on internal consultations with teams that maintain communication channels with external stakeholders (e.g. customers and recyclers), as well as with suppliers through due diligence procedures and engagement led by the procurement function. The environmental impact of waste - particularly associated with end-of-life product treatment - has been examined through discussions with recyclers, who provide visibility, data, and insights on current disposal practices and potential improvements through targeted initiatives.

No consultations with local communities have been conducted, as the Group's impact on them is currently considered non-material. Moreover, the management of materials and resources within production processes is typically subject to strict regulation and oversight by relevant authorities; therefore, specific community engagement is not deemed essential.

Within its operations and upstream activities, IROs have also been identified through the Group's ISO-certified Environmental Management System. Building on this framework, the Group recognizes that its dependence on non-renewable raw materials - such as steel, aluminum, copper, polypropylene, and polyurethane - together with potential supply constraints and inefficient waste management at both industrial and customer levels, can generate adverse environmental impacts. The use of such materials contributes to the depletion of finite resources, while inadequate disposal practices increase landfill waste and hinder recycling efforts at both industrial and customer level. Consequently, the Group acknowledges the importance of addressing these challenges upstream by working closely with suppliers to reduce resource consumption and enhance waste management across the supply chain.

Conversely, among the positive impacts mapped in the DMA, the extension of product lifetime through real-time technical support and remote assistance represents a material contribution to circularity. By enabling timely interventions and optimizing maintenance processes, these solutions help prolong product durability, reduce the frequency of replacements, and ultimately lower the environmental footprint associated with resource extraction and waste generation.

Furthermore, the transition toward a circular economy presents both risks and opportunities. On the one hand, the Group may face increased costs and logistical complexities arising from geopolitical instability, as well as potential non-compliance with evolving sustainable packaging regulations and policies, such as extended producer responsibility schemes in the UK. On the other hand, embracing circular practices can lead to tangible benefits, including reduced cost of waste management due to the adoption of circular practices.

Process for governance-related IROs

The identification process incorporated insights from the Enterprise Risk Management (ERM) process, interviews with key corporate functions and evaluations from EcoVadis regarding upstream activities.

This evaluation has highlighted Ariston Group's robust corporate culture, which plays a positive role in promoting transparency, accountability and ethical conduct both internally and externally. This culture, articulated in the Company's Code of Ethics, fosters integrity and helps mitigate risks associated with unethical behavior.

While no such instances have been reported, the Company's extensive global presence across multiple countries may heighten the risk of incidents of corruption taking place. This risk is, however, mitigated through specific policies and dedicated training. Additionally, the Group recognizes the risk related to the absence of a fully operational and uniform Tax Control Framework (TCF), as well as the potential for data breaches or interruptions to services and production arising from malicious activities. Further risks include deficiencies in the M&A approach and in the organizational integration and alignment of policies, practices and objectives, as well as possible reputational damage and investigations resulting from Code of Ethics violations.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The information to be disclosed in relation to IROs was mapped by the ESG Team together with internal functions, and also took an overview of external stakeholders into account. Once compiled, the information was verified and integrated where necessary by the ESG Team itself and then proposed and validated with the Audit and Sustainability Committee.

For all material topics, all applicable data points will be reported, except for those subject to phase-in, voluntary reporting, or deemed not applicable. Here below is the list of the Disclosure Requirements complied with in preparing the Sustainability Statement, following the outcome of the DMA.

Content Index

ESRS 2 – General Disclosures	**Pages**
BP-1 General basis for preparation of sustainability statement	44
BP-2 Disclosures in relation to specific circumstances	44
GOV-1 The role of the administrative, management and supervisory bodies	46
Appendix B: para. 21d, e	63
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	48
GOV-3 Integration of sustainability-related performance in incentive schemes	49
GOV-4 Statement on due diligence *(Appendix B: para. 30)*	49
GOV-5 Risk management and internal controls over sustainability reporting	49
SBM-1 Strategy, business model and value chain	50
SBM-2 Interests and views of stakeholders	52
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	53
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	56
IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	61
E1 – Climate Change	
GOV-3 Integration of sustainability-related performance in incentive schemes	49
E1-1 Transition plan for climate change mitigation *(Appendix B: para. 14)*	80
Appendix B: para. 16 (g)	
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	82
IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	56
E1-2 Policies related to climate change mitigation and adaptation	83
E1-3 Actions and resources in relation to climate change policies	84
E1-4 Targets related to climate change mitigation and adaptation	90
Appendix B: para. 34	
E1-5 Energy consumption and mix	94
Appendix B: para. 37, 38, 43	
E1-6 Gross scope 1,2,3 and total GHG emissions *(Appendix B: para. 44)*	95
Appendix B: para. 53-55	
E3 – Water and marine resources	
IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	97
E3-1 Policies related to water and marine resources *(Appendix B: para. 9)*	97
E3-2 Actions and resources related to water and marine resources	97
E3-3 Target related to water and marine resources	98
E5 - Resource use and circular economy	
IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	99
E5-1 Policies related to resource use and circular economy	99
E5-2 Actions and resources related to resource use and circular economy	101
E5-3 Targets related to resource use and circular economy	105
E5-4 Resource inflows	108
E5-5 Resource outflows	109
Appendix B: para. 37d, 39	
S1 – Own Workforce	
SBM-2 Interests and views of stakeholders	111
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	111
Appendix B: para. 14f, 14g	
S1-1 Policies related to own workforce	112

Appendix B: para. 20-23	
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	114
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	115
Appendix B: para. 32c	
S1-4 Actions taken related to own workforce	115
S1-5 Targets in relation to own workforce	122
S1-6 Characteristics of the undertaking's employees	124
S1-9 Diversity metrics	125
S1-13 Training and skills development metrics	125
S1-14 Health and Safety metrics	126
Appendix B: para. 88b, c, e	
S1-16 Remuneration metrics	126
S1-17 Incidents, complaints and severe human rights impacts	127
Appendix B: para. 103a, 104ª	
S2 – Workers in the value chain	
SBM-2 Interests and views of stakeholders	128
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	128
Appendix B: para. 11b	
S2-1 Policies related to value chain workers	129
Appendix B: para. 17-19	
S2-2 Process for engaging with value chain workers about impacts	130
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	130
S2-4 Actions related to value chain workers to manage impacts, risks and opportunities	131
Appendix B: para. 36	
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	132
S4 – Consumers and end-users	
SBM-2 Interests and views of stakeholders	135
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	135
S4-1 Policies related to consumers and end-users	136
Appendix B: para. 16-17	
S4-2 Processes for engaging with consumers and end-users about impacts	137
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	139
S4-4 Actions on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions	140
Appendix B: para. 35	
S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	144
G1 – Business Conduct	
GOV-1 The role of the administrative, supervisory and management bodies	148
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	148
G1-1 Business conduct policies and corporate culture	148
Appendix B: para. 10c, d	
MDR-A Actions and resources in relation to material sustainability matters	153
MDR-T Tracking effectiveness of policies and actions through targets	155
G1-3 Prevention and detection of corruption and bribery	156
G1-4 Confirmed incidents of corruption or bribery	157
Appendix B: para. 24a, b	

Disclosures Requirements have been omitted for E2 Pollution, E4 Biodiversity and S3 Affected communities as these are not related to material IRO's.

- For E2 Pollution, Ariston Group carried out an analysis focused on the Company's core business (boilers, instantaneous water heaters, and gas storage water heaters) in order to assess the materiality of the topic. Combustion in these appliances generates direct CO_2 emissions, which are not classified as pollutants under the E2 definition, but are addressed under E1 Climate Change, already identified as a material topic. The magnitude of NOx (air pollutant) produced in combustion processes is negligible compared to CO_2 (approximately 5.4 kg of CO_2 versus 50 mg of NOx for 20 kW of thermal energy). Moreover, NOx emissions from these products remain well within the applicable EU regulatory limits (≤56 mg/kWh) and are often significantly lower, particularly for premium models, which typically range between 20 and 30 mg/kWh. In addition, NOx emissions can be effectively reduced through already available technologies and therefore do not pose any risk of stranded assets. The Group continuously monitors regulatory developments and actively contributes to the definition of future standards, ensuring timely adaptation and ongoing compliance;
- Regarding E4 Biodiversity, the Group's operations – primarily focused on manufacturing and technology development – do not significantly interact with or disrupt sensitive ecosystems or biodiversity-rich areas. The Company's facilities are typically located in industrial zones with limited exposure to biodiversity risks. The 2025 alignment with the Company ERM confirms the non-materiality of the topic;

- As for S3 Affected communities, the Group's activities – such as manufacturing and product distribution – do not have a significant direct impact on local communities, as they are conducted within controlled industrial and commercial environments. The Company's operations do not involve resource extraction or processes that heavily alter local communities. Nevertheless, while Ariston Group contributes to local economies through job creation and community involvement, the scale and nature of these impacts are not substantial enough to be considered material in terms of impacts, risks or opportunities.

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference/ EU Climate Law reference	Benchmark Regulation reference	Chapter	Paragraph title in the 2025 Sustainability Statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table # 1 of Annex 1	-	Commission Delegated Regulation (EU) 2020/1816 Annex II	1. General information	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	-	-	Delegated Regulation (EU) 2020/1816, Annex II	1. General information	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table # 3 of Annex 1	-	-	1. General information	GOV-4 Statement on due diligence
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	-	Regulation (EU) 2021/1119, Article 2(1)	-	2. Environmental information	E1-1 Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table. 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	2. Environmental information	E1-4 Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table # 1 and Indicator n. 5 Table #2 of Annex 1	-	-	2. Environmental information	E1-5 Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table # 1 of Annex 1	-	-	2. Environmental information	E1-5 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table # 1 of Annex 1	-	-	2. Environmental information	E1-5 Energy consumption and mix
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #n. 1 of Annex 1	Article 449a; Regulation (EU) No 575/ 2013; implementing Regulation (EU) 2022/ 2453 Template 1	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1)	2. Environmental information	E1-6 Gross Scopes 1,2,3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table # 1 of Annex 1	Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 3	Delegated Regulation (EU) 2020/1818, Article 8(1)	2. Environmental information	E1-6 Gross Scopes 1,2,3 and total GHG emissions
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table # 2 of Annex 1	-	-	2. Environmental information	E3-1 Policies related to water and marine resources
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1	-	-	2. Environmental information	E3-1 Policies related to water and marine resources
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table # 2 of Annex 1	-	-	2. Environmental information	E5-5 Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table # 1 of Annex 1	-	-	2. Environmental information	E5-5 Resource outflows
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #n. 3 and Indicator number 11 Table # 1 of Annex I	-	-	3. Social information	S1-1 Policies related to own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	-	-	Delegated Regulation (EU) 2020/1816, Annex II	3. Social information	S1-1 Policies related to own workforce
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table # 3 of Annex I	-	-	3. Social information	S1-1 Policies related to own workforce
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table # 3 of Annex I	-	-	3. Social information	S1-1 Policies related to own workforce
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table # 3 of Annex I	-	-	3. Social information	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table # 3 of Annex I	-	Delegated Regulation (EU) 2020/1816, Annex II	3. Social information	S1-14 Health and Safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table # 3 of Annex I	-	-	3. Social information	S1-14 Health and Safety metrics
ESRS S1-16 Gender pay gap paragraph 97 (a)	Indicator number 12 Table # 1 of Annex I	-	Delegated Regulation (EU) 2020/1816, Annex II	3. Social information	S1-16 Remuneration metrics
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table # 3 of Annex I	-	-	3. Social information	S1-17 Incidents, complaints and severe human rights impacts

Disclosure Requirement and related data-point	SFDR reference	Pillar 3 reference/ EU Climate Law reference	Benchmark Regulation reference	Chapter	Paragraph title in the 2025 Sustainability Statement
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table # 1 and Indicator n. 14 Table # 3 of Annex I	-	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	3. Social information	S1-17 Incidents, complaints and severe human rights impacts
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #n. 3 of Annex I	-	-	3. Social information	S2-1 Policies related to value chain workers
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table # 3 and Indicator 11 Table #1 of Annex 1	-	-	3. Social information	S2-1 Policies related to value chain workers
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and 4 Table #n. 3 of Annex 1	-	-	3. Social information	S2-1 Policies related to value chain workers
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table # 1 of Annex 1	-	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	3. Social information	S2-1 Policies related to value chain workers
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	-	-	Delegated Regulation (EU) 2020/1816, Annex II	3. Social information	S2-1 Policies related to value chain workers
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table # 3 of Annex 1	-	-	3. Social information	S2-4 Actions related to value chain workers to manage impacts, risks and opportunities
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table # 3 and Indicator number 11 Table # 1 of Annex 1	-	-	3. Social information	S4-1 Policies related to consumers and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table # 1 of Annex 1	-	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	3. Social information	S4-1 Policies related to consumers and end-users
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table # 3 of Annex 1	-	-	3. Social information	S4-4 Actions on material impacts on consumers and end- user
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table # 3 of Annex 1	-	-	4. Governance information	G1-1 Business conduct policies and corporate culture
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table # 3 of Annex 1	-	-	4. Governance information	G1-1 Business conduct policies and corporate culture
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table # 3 of Annex 1	-	Delegated Regulation (EU) 2020/1816, Annex II)	4. Governance information	G1-4 Incidents of corruption or bribery
ESRS G1-4 Standards of anticorruption and antibribery paragraph 24 (b)	Indicator number 16 Table # of Annex 1	-	-	4. Governance information	G1-4 Confirmed incidents of corruption or bribery

2. Environmental information

Taxonomy Regulation – Disclosures pursuant to Article 8 of Regulation 2020/852

On 18 June 2020, the European Parliament adopted Regulation (EU) 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 other environmental objectives. Finally, to be considered environmentally sustainable, economic activities 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 1 January 2024.

Ariston Group has incorporated the EU Taxonomy Disclosure mandated by the European Sustainability Reporting Standards (ESRS), pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council. With regards to the Omnibus package, Ariston Group does not apply the amendments specified in the Omnibus Regulated Act.

The Group's contribution to the environmental objectives

Ariston Group is one of the key players in the global thermal comfort market for domestic, commercial and industrial spaces. After CENTROTEC Climate Systems GmbH business combination in 2023, the Group has further extended its presence in the market. The acquired Group is a pioneer in the 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. In 2025, the Group completed additional acquisitions, which will all be included in the Taxonomy KPIs: DDR Heating in the United States - specialized in tubular electric heaters for professional and industrial applications; a majority stake in Z.R.E., an Italian manufacturer of industrial electric heating solutions. Finally, Presidential Decree No. 176 of the Russian Federation, issued on 26 March, reinstated Ariston Holding N.V. into the control and full management of the shares of its Russian subsidiary, Ariston Thermo Rus LLC.

These latest acquisitions do not materially affect the Group's eligibility profile for the year, as their product portfolios fall outside the perimeter of environmentally sustainable economic activities.

The Group revenue-generating economic activities can be broken down into:

Products:

- HVAC and water heating, 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.
- Combustion technologies (burners)
- Components

Services: specific services related to solutions installation, maintenance and repair of specific range of products listed above and later on described in this chapter.

The activities related to HVAC and water heating, including related services, are classified as "Taxonomy-eligible" or "eligible", whereas Combustion technologies (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 of Climate Change Mitigation ("CCM") and Climate Change Adaptation ("CCA"). Based on regulatory information, Ariston Group conducted an analysis to determine "eligibility" activities by examining the technical screening criteria proposed by the Commission. The assessment was carried out by analyzing, for each identified activity, the requirements of the Substantial Contribution and Do No Significant Harm (hereinafter "DNSH") principles to verify which activities were compliant with the CCM or CCA objectives.

  The Group's analysis confirms that its economic activities contribute substantially to climate change mitigation (CCM) but not climate change adaptation (CCA). Since Ariston Group's products are classified as adapted rather than enabling activities, they do not directly support climate resilience or risk management. As a result, given their lack of contribution to the CCA objective, but instead their role in mitigating climate change by stabilizing greenhouse gas emissions, all climate mitigation solutions are reported under 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 potential activities related to circular economy, the description of which includes certain economic activities carried out by the Group. While the Group's products within the HVAC and water heating category could broadly fall with the definition of "electrical and electronic equipment" dictated by Activity 1.2 (taking into consideration

the Waste from Electrical and Electronic Equipment (WEEE) Directive as a reference point), the requirements outlined in the EU Taxonomy were found to emphasize specific features – such as those associated with white goods – that do not represent the characteristics of the Group's product portfolio. Consequently, no contribution to the Circular economy objective was identified and the Group has chosen to maintain its primary focus on Climate Change Mitigation, which is also the area to which the Company's activities are most closely related. To eligible activities identified by from the analysis are reported below:

Objective	Activity's number	Activity	Description of the activity
CCM	3.5	Manufacture of energy efficiency equipment for buildings	Manufacture of: - Water heaters - Boilers - Heat pumps - Air conditioners - Solar thermal - Thermostats - Connectivity - Domestic heat-recovery ventilation - Air handling
	6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Renting and leasing of vehicles of the Group falling under the scope of category M1 and N1 of Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (2- and 3-wheel vehicles and quadricycles)
	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
	7.6	Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of heat pumps and solar thermal and relevant "after-services" activities
	8.2	Data-driven solutions for GHG emissions reductions	Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions.

Moreover, the Group had identified the activity 7.5 ("Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings"). However, 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) and such values represent a residual part of the total aggregated amount for the activity. Thus, the activity had not been included in the analysis. In terms of contribution to the climate change 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 analyzed all the applicable technical screening criteria (TSC). The steps of the analysis undertaken are described below:

Substantial Contribution Criteria

As part of the **analysis of Ariston Group's activities**, two main categories have been identified: **products** and **services** (as previously reported). Consequently, the related economic activities 3.5, 7.3, and 7.6 have been identified and organized to align services with their respective products, ensuring greater coherence and integration:

- **Space heating, domestic hot water 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 Regulation[10]. This first criterion applies to all Ariston Group products identified as Taxonomy eligible and included in activity 3.5, namely water heaters, boilers, heat pumps, air conditioners, air handling and domestic heat recovery ventilation systems and solar thermal. It also covers the other Taxonomy-eligible activities identified with codes 7.3 and 7.6, which are related to the service of installing and maintaining of individual solutions and systems.
- **Cooling and ventilation systems are rated in the highest two populated classes of energy efficiency** in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation. This applies to activity 3.5.

[10] The analysis of these 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 are publicly available on EPREL (EU Product Database for Energy Labelling) database.

- **Heat pumps** are 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 (3.5) and to the related activity of installation maintenance and repair (7.6).

Regarding activities **6.5 Transport by motorbikes, passenger cars and light commercial vehicles** and **8.2 Data-driven solutions for GHG emissions reductions**, which are not part of the Group's core business and constitute a minor share of operations managed by external third parties, the Group analyzed the Substantial Contribution Criteria and mapped what was possible based on the currently available information. However, additional data from suppliers is required, which the Group does not have at this time. As a result, the Group cannot confirm alignment with the Substantial Contribution Criteria for these two economic activities.

Do No Significant Harm (DNSH) Criteria

The Group has verified the compliance of its eligible activities with the Do No Significant Harm (DNSH) requirements related to the Climate Change Mitigation objective (CCM) outlined in the Climate Delegated Act. The identified activities include a general alignment with the DNSH Climate Change Adaptation. The DNSH criterion for Pollution prevention and control is applicable to both activities 7.3 and 3.5. The remaining aspects are considered N/A for service-related activities and apply exclusively to 3.5 for products

Adaptation to climate change: Ariston Group has performed an Assessment of Natural Hazard Exposure to identify top priority sites deserving deeper investigations into their exposure to natural hazards. To ensure a robust understanding of its climate vulnerabilities, in 2025 Ariston Group further expanded the scope of its climate risk analysis, incorporating Intergovernmental Panel on Climate Change (IPCC) scenarios and assessing both current and future climate conditions. The comprehensive assessment evaluated physical risks, including extreme weather events and chronic risks such as water stress and rising temperatures. Factors such as asset location, vulnerability, and perceived risks were analyzed to determine risk levels and their potential impact on operations, assets, and supply chains. The assessment is proportional to the scale and lifespan of activities, ensuring alignment with market changes and sustainability goals. The 2025 expansion of the analysis perimeter strengthens the Group's integrated view of both physical and transition climate risk, an approach that will undergo further refinement and expansion in the coming years, as part of its Double Materiality Assessment Analysis. For information on the additional content of the analysis, please refer to E1 IRO-1.

Considering the risks identified, Ariston Group has been implementing targeted adaptation measures to enhance resilience and secure business continuity. The **physical risks analysis focused on the most significant assets** from an economic perspective and their exposure to natural risks. The factors considered in the physical risk analysis included location, vulnerability, the possibility of extreme climatic events, and the perceptions of process owners regarding their significance. Considering the climate physical risks identified, Ariston Group has **implemented actions to enhance resilience**, such as **improving infrastructure in plants**, including cooling systems to handle heat stress**, flood defense systems**, and better **building insulation** to combat extreme weather. These measures are part of the **Group's Business Continuity Plan (BCP),** ensuring long-term operational stability.

In 2025, additional resilience actions were implemented across sites, for instance: at the Genga 2 facility, renovation works progressed within the Albacina industrial area, which manufactures heat pumps and will host a new high-efficiency production line for medium-sized water heaters. In Cerreto, mitigation efforts focused on upgrading and managing water discharge systems to reduce the likelihood of flooding events.

Reviews, risk assessments and emergency response protocols developed to mitigate risks from natural events, raw material shortages, and cyberattacks will continue to be updated periodically in the coming years.

For further information on the climate related risks analysis performed, please refer to the "IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities", the "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model", and the Actions paragraph sections of ESRS E1 chapter.

Sustainable use and protection of water and marine resources: the Group has in place clear internal procedures regulating and monitoring the **environmental impact assessment**. Indeed, according to these procedures: each plant has to assess the impact of its activity on water and put in place **control** and **mitigation plans** in case any relevant impact is identified. Although not all sites are ISO 14001 certified, a **single unified management system which applies to all sites without distinction** has been designed and implemented, following the principles of this certification. Also, **World Class Methodology** contributes to measuring and assessing environmental performance, while the **HSE Policy**, which is shared with all stakeholders on the Corporate website, includes a water use and protection management plan. This centralized approach ensures that even non-certified sites adhere to the **same rigorous standards** as those certified under ISO 14001 and has developed a harmonized approach 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.

According to this assessment, Ariston Group is considered a **low water-related impact Company**. Nevertheless, it aims at reducing its consumption:

- by **improving** the production process,
- by **reusing water**, as an example in the tank sealing the quality control station, and, moreover, cooling processes have closed circuits,
- by **reducing the use of tap water** by withdrawal from wells (around 76% of water withdrawal is directly pumped from ground water that is not drinkable).

Transition to a circular economy: Ariston Group makes use of cutting-edge technologies to offer **energy-efficient products**, reduce the **environmental impact of packaging** and provide **renewable solutions**, considering it a priority to innovate in order to minimize environmental impacts. The Company is 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**. With regard to product durability aspects, the ***New Product Development Procedure*** establishes a structured and consistent framework to ensure that all product solutions are designed with durability, reparability and efficiency into every stage of design and development. In 2025, the Procedure was revised to harmonize tools and methodologies across Ariston Group and all subsidiaries. This update consolidated best practices into a unified framework, introduced a recommended CO_2 assessment, and included training sessions to familiarize teams with the new approach. In parallel, a pilot project was launched to assess product end-of-life, aimed at evaluating product composition, increasing material traceability, and, above all, understanding the key elements related to product circularity. Five representative product models from four main product categories were analyzed, using third-party software, to identify three key KPIs: **recyclability, accessibility without destruction, and reassembly capability**. Conducted in collaboration with an independent partner and involving product dismantling at a recycler in Germany, this assessment, together with other ongoing initiatives, contributes to strengthening the Company's alignment with the European Framework on Sustainable Product Design. To **integrate circularity principles into product design** and address both customer expectations and environmental impact reduction goals, the Group is also committed to strengthening circular product design by expanding the use of **Life Cycle Assessments** (LCAs): the specialized international software solution for the building sector, adopted last year, was used in 2025 to carry out a pilot project on three products. This tool enabled the internalization of key skills and knowledge while accelerating assessment activities. In addition, the Group expanded its work on market-specific certifications, extending beyond PEP Ecopassport® for the French market to include NMD certification for the Dutch market. For additional information on the New Product Development Procedure and these assessments, please refer to ESRS E5 - Resource use and circular economy chapter.

At the same time, Ariston Group is also acting to increasingly introduce secondary and recycled resources. Upstream, the Company is increasingly sourcing recycled steel, currently standing at around 28%. Steel is one of the main primary input materials for the Group's thermal comfort solutions: it accounts for about 70% of the total weight of material used for manufacturing products and solutions. Moreover, as part of Wolf's commitment to sustainability, green steel is actively being incorporated particularly within the commercial Air Handling Unit (AHU) segment using the "book and claim" principle. For more information about this topic, please refer to the paragraph "E5-2 Actions and resources related to resource use and circular economy – Resource inflows: mapping and using renewable materials", ESRS E5 - Resource use and circular economy chapter.

As for packaging, the Group has officially formalized its commitment to the **Sustainable Packaging Definition**, which outlines efforts to increase the share of recyclable packaging and recycled plastic, eliminate smaller packaging, and minimize or avoid plastic usage wherever possible.

The commitment to sustainability extends also to the **production processes**, which are designed to reduce and optimize consumption. On this, with respect to **waste management**, a corporate goal for waste reduction and circularity is established annually. In 2025, Ariston Group revised its Waste Disposal Management Procedure to further strengthen the framework for responsible waste handling and regulatory compliance, introducing stricter internal controls and segregation of duties in line with the Deming Cycle (Plan | Do | Check | Act). See also ESRS E5 chapter for more information on the continuous Group's progress toward zero waste to landfill by 2030.

Operationally, waste reduction projects are prioritized based on the **5R methodology** by:

- **Refusing** non-necessary packaging and assessing the 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 suppliers, rework our own non-conforming product to reuse tanks and other metal components saving on production, selling wooden pallets for repair and reuse.
- **Recycling** metal, plastics, cartons, electrical components, etc.
- **Revalorize** by prioritizing incineration with energy recovery in disposal processes and continuously conducting technological monitoring to discover new treatment methods for non-recyclable components such as polyurethane foam, ensuring the energy efficiency of our boilers.

Assessments and **data availability** are considered essential by the Group to implement actions aimed at continuous improvement. For this reason, a process is underway to **implement software and tools that enable the collection, analysis,** and **in-depth examination of specific information** related to material usage. The availability of the data is enabling the Company to **identify circular opportunities** and raise **awareness in terms of resource consumption**, with the potential to be further implemented into different areas of the business. As a matter of fact, the Group is broadening its comprehension of the materials of products sold and distributed in its markets. Further deep dives on **material traceability** extend to 74 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 this topic, please refer to the ESRS E5 - Resource use and circular economy chapter.

Pollution prevention and control: As regards harmful substances used in the processes, Ariston Group **verifies the presence of the listed substances of the aforementioned Regulation** and it is compliant with the REACH, ROHS and POPs directives. Furthermore, it ensures that **workers perform their roles in a safe and healthy environment**. All work-related risks are mapped and carefully monitored. Through its **Sustainable Procurement Policy** and **Supplier Code of Conduct**, Ariston Group acknowledges the importance of readily available data and compliance documentation from its suppliers. These requirements are **formally accepted by suppliers** and represent a strategic target set by the Group—further details can be found in Chapter ESRS S2. Furthermore, to ensure completeness of the analysis, the Group has conducted an assessment with an independent chemical agency to check the **feasibility of sustainable alternatives on specific exemptions granted by the European Commission** which the Group has long relied on. The first findings indicate that, even when possible alternatives exist in a wider context, they **do not necessarily ensure the same technical performance** and **quality** as the currently used exempted substances. Additionally, these alternatives are often **not sustainable from an economic, social, or environmental perspective**. Last but not least, it has not been demonstrated that these alternatives are **effective in the Group's specific applications**. Even though further investigations and in-depth analysis may be conducted in the future to ensure continuous improvement in monitoring the Group's environmental impacts, the current outputs are aligned with the EU Commission's position on the continued use of these materials.

Protection and restoration of biodiversity and ecosystems: with regard to the objective and the main actions pursued aimed at preserving biodiversity and ecosystems, as previously mentioned, Ariston Group is ISO 14001 certified in a large number of plants. However, even in sites not certified under ISO 14001, the Group applies a single, unified environmental management system, ensuring consistent environmental practices across all locations. This system guarantees adherence to environmental policies and procedures worldwide. Moreover, to ensure continuous improvement, the Company has decided to design its management systems in accordance with the international standards ISO 14001:2015 and ISO 45001:2018 and to measure and assess, also according to the World Class Methodology (WCM) WCM methodology, its safety, health, and environmental performance. Significant environmental aspects identified at a plant level must guide the **definition of environmental targets**, considering applicable requirements and improvement opportunities. These targets should align with company policy, be measurable where possible, and be regularly monitored, communicated, and updated. They must also specify resources, responsible individuals, timelines, and monitoring methods.

While in the EU compliance with EIA (Environmental Impact Assessment, Directive 2011/92/EU) is needed, outside the EU the Group has developed a **standard to assess environmental aspects and impacts, including the impact on biodiversity**, which guarantees a consistent approach to environmental management worldwide. The assessment is 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 outside of any protected area according to IUCN Protected Area Management categories, Ariston Group is considered as **not impacting biodiversity**.

In conclusion, the review of the DNSH criteria for CCM activities 3.5, 7.3, and 7.6 - representing the Group's core business - confirms that **Ariston Group does not cause significant harm to the other environmental objectives**. However, for activities 6.5 and 8.2, which are not part of the Group's core business and represent a minority of operations provided by external third parties, the Group is currently unable to conduct the necessary due diligence on suppliers at the Group level to ensure their full compliance with DNSH requirements as well.

Minimum Safeguards

Ariston Group is committed to **respecting 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. The 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**. The Human Rights commitment has been consolidated in a **due diligence process**, firstly 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 enabled Ariston Group to identify its **salient human rights**, ensuring full alignment of its guiding principles with the **OECD Guidelines for Multinational Enterprises**.

In 2025, the Group performed a refresh of this analysis, the results of which have been integrated into the Group's Double Materiality Assessment (DMA). The Group further enhanced the identification and prioritization of risks across its operations, with a focus on five manufacturing sites selected through a desk-based country risk-analysis. The process integrated anonymous questionnaires for HR and Plant Directors with targeted interviews involving HR, HSE and management to evaluate the fitness for purpose of mitigation measures, in line with the Group's risk classification framework.

Overall, the results indicate that the level of risk for most human rights topics is low, while confirming the assessment as a starting point to support prioritization and the definition of a forward-looking roadmap for continuous improvement.

For further details, please refer to the ESRS S1 chapter – Own workforce. The goal is to ensure effectiveness and compliance while implementing specific measures as needed, and the involvement of Human Resources and Internal Audit functions is crucial in advancing the monitoring and management of this topic.

Ariston Group observes the "do no significant harm" principle as defined by Article 2(17) of the SFDR, by **addressing the gender pay gap** and **gender diversity in governance bodies**. For more information, please refer to ESRS 2 chapter – GOV1 The role of the administrative, management and supervisory bodies paragraph and ESRS S1 chapter - S1-16 Remuneration metrics paragraph.

Based on the evaluation conducted for the Minimum Safeguard requirements, the Group demonstrates that it complies with article 18 of the 2020/852 Regulation (EU). And in particular, it respects fundamental Human Rights, gender equality, anticorruption and fair business conduct.

Calculation methodology 2025

For 2025, Ariston Group performed the analysis to determine the **percentage of eligibility and alignment of the economic activities identified**. The values provided for Turnover, CapEx and OpEx reflect a conservative approach to the interpretation of the Regulation in force and were elaborated also taking into consideration the available information and requirements set out for the previously mentioned objective.

The Group adopted the new formats introduced by the updated templates outlined in Appendix V, which amended the Disclosure Delegated Act 2021/2178. Firstly, the first section (A1) shows the alignment to the CCM in continuity with previous years, which is explained later on in this paragraph.

Products analysis:

- For products sold in the EU, an assessment was carried out focusing on the **two most populated energy efficiency classes** (corresponding to the highest efficiency levels) **in the Group's product portfolio** which is considered a reasonable proxy for the current market. While the EPREL portal[11] represents an important reference, its use presents certain limitations for the purposes of EU Taxonomy-related analyses, as it is not specifically designed for such assessments. Moreover, the data uploaded by other market participants is not subject to systematic third-party verification, and the interpretation of some categories may vary. In this context, the analysis of the Group's product portfolio was applied as a guiding criterion, based on management judgement, to identify the highest and most populated energy efficiency classes.

- Since **items sold outside Europe** lack a common energy efficiency classification, a standardized approach was needed to **ensure consistency across all products**. To achieve this, evaluations and extrapolations were carried out by **analyzing specific technical functionalities.** The similarities in product features and technologies enabled the Group to **assign the corresponding European energy efficiency class globally**. Moreover, for non-residential Air Handling Units, the Group selected **products according to the Eurovent**[12] classification taking the highest two populated classes.
- First, an eligibility analysis was conducted, followed by an alignment analysis. **All products identified in the eligibility phase were also assessed during alignment**, as they both apply to products considered energy efficient. As a result, eligibility and alignment coincide.
- All investments in **plant production** align with activity 3.5, as they support the **continued production of the listed products**, classified as CapEx A.
- For **cylinders/tanks**, the methodology consists of assessing the **energy class of the cylinder**.
- For **instantaneous technologies**, the reporting of energy classes for non-EU markets consider technology type, product specifications, and a benchmark analysis.
- For **accessories**, the perimeter focuses on analysis of those that **contribute to energy efficiency** (such as thermal regulation) and **elements essential for the proper installation** of highly efficient products.

Service-related economic activities:

The scope is limited to what has been defined as **direct service**, meaning services provided directly by Group employees rather than through a network or third-party service centers. The Group takes into account the stock of **maintenance contracts for the products identified as aligned with the criteria of activity 3.5**: only those registered in the Company's systems were selected and included in reporting. Similarly to the approach described above for products, an eligibility analysis was conducted first for service-related activities, followed by an alignment analysis. The result was the same: all activities identified during the eligibility phase were confirmed as aligned, ensuring that eligibility coincides with alignment.

Additional economic activities:

Two other economic activities - 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and 8.2 Data driven solutions for GHG emissions reductions were identified as significant in 2024. Since these activities do not generate Turnover or OpEx, the Group considers CapEx only. As part of the refinement of the Group's methodology compared to the previous reporting year, and with specific reference to economic activity 8.2, the Group made an estimate and identified the alignment trend of Capital Expenditures related to Manufacturing and R&D activities, which was subsequently applied to total Group ICT investments. The updated methodology was implemented for the 2025 reporting year, and the 2024 comparative figures were recalculated accordingly to ensure consistency and comparability. These two economic activities are instrumental and **not related to the core business of the Group**.

All intercompany transactions have been excluded from the reporting process to eliminate the risk of double counting and ensure that only economic activities generating revenue outside the Group are considered for EU Taxonomy alignment. Double counting is avoided by **clearly defining the perimeter of each economic activity** and ensuring that no overlaps occur between reported values. Specifically, each activity is assessed within its defined boundary, ensuring that the same expenditure or revenue is not accounted for multiple times across different activities.

Products – alignment methodology

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 **all the Group solutions 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, space heating and air ventilation solutions, only the two highest classes of energy efficiency have been taken into consideration. These products have been identified as eligible under Taxonomy, and the subsequent analysis confirmed that they are also aligned. Therefore, eligibility matches with alignment. As the denominator of the KPI, 2025 consolidated net turnover was used (see 8.6.1 Income Statement Note 1.1 - Revenue and Income) The net turnover is defined as the amount derived from the sale of products and the provision of services after deducting sales rebates and value-added taxes directly linked to the turnover.

[12] Eurovent is the European Industry Association for Indoor Climate, Process Cooling, and Food Cold Chain Technologies. https://www.eurovent.eu/

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 laboratories, all **assets inside the research labs** and all **plants and properties that improved the manufacturing process** of such products.

The denominator includes additions to tangible and intangible assets during the year considered before depreciation, amortization and any restatements, including those resulting from revaluations and impairments, for the relevant year and excluding fair value changes (see sub-paragraph 4.9.7 Capital Expenditures). The denominator also covers additions to tangible and intangible assets resulting from **business combinations**. Please refer to the "Intangible assets" table and "Property, plant and equipment" table in paragraph 8.6.2 – Statement of financial position, Note 2.1 – Intangible Assets and Note 2.2 - Property, plant and equipment.

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 property, plant and equipment assets** 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 results of the three KPIs related to the service are generated by 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: 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, 2025 consolidated net revenue was used.

KPI for CapEX:

The numerator is composed as follows:

- CapEx related to the Group's products: classified as CapEx A, it is both eligible and aligned with the Taxonomy and is associated with activities 7.3 and 7.6. 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 Spare Parts has not been considered as it falls within the scope of the CapEx of finished products.
- CapEx related to **vehicles**: associated with activity 6.5 of Annex I of the Climate Delegated Act ("Transport by motorbikes, passenger cars, and light commercial vehicles"). This CapEx is considered eligible but not aligned, due to the lack of a monitored supplier assessment, which affects compliance with the DNSH criteria.
- CapEx related to **information and communication technology** (ICT): associated with activity 8.2 of Annex I of the Climate Delegated Act ("Data-driven solutions for GHG emissions reductions "). This CapEx is also considered eligible but not aligned, as it does not meet first and foremost the Substantial Contribution Criteria (SCC).

The denominator contains **additions to tangible and intangible assets during the year considered before depreciation, amortization and any restatements**, including those resulting from revaluations and impairments, for the relevant 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, and 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 Spare Parts has not been considered as it falls within the scope of the OpEx of 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 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.

Due to the impossibility to calculate the eligible and aligned portion for activities 3.5, 7.3, and 7.6 in a precise manner, the Group has determined the total amount of CapEx and OpEx by using the proportion of turnover considered aligned.

KPI Templates

This section contains the templates for the three KPIs (Turnover, Capex and Opex) from Commission Delegated Regulation (EU) 2021/2178. The Group carried out an 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 following templates provide an overview of the quantitative analyses performed with respect to the eligibility and alignment of the Group's economic activities to the “Climate Change Mitigation” objective.

Turnover

Financial year N	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate changeadaptation (6)	Water and marine resources(7)	Circular economy(8)	Pollution (9)	Biodiversity andecosystems (10)	Climate change mitigation (11)	Climate changeadaptation (12)	Water and marine resources(13)	Circular economy(14)	Pollution (15)	Biodiversity andecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacturing of energy efficiency equipment for buildings	CCM 3.5	1,602,861,998.01	59.21 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	57.23%	E	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	198,721,196.47	7.34 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7.01%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	64,758,653.61	2.39 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.10%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,866,341,848.09**	**68.94 %**	**69 %**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**66.33%**		
Of which enabling		**1,866,341,848.09**	**68.94 %**	**69 %**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**66.33%**	**E**	
Of which transitional		**0.00**	**0.00 %**							Y	Y	Y	Y	Y	Y	Y	**0.00%**		**T**
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.00**	**0.00 %**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								0.00%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**1,866,341,848.09**	**68.94 %**	**69 %**	**0%**	**0%**	**0%**	**0%**	**0%**								**66.33%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		840,800,151.91	31.06 %																
TOTAL		**2,707,142,000.00**	**100.00%**																

	Proportion of Turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	68.94%	0.00%[13]
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

[13] Eligibility matches alignment

Aligned turnover in 2025 shows a positive and progressive increase, driven by higher sales of high-efficiency and renewable products. This growth is primarily attributable to activities under 3.5 Manufacturing of energy efficiency equipment for buildings and is further reflected in increased turnover from installation, maintenance, and repair services compared to 2024.

Capex

Financial year N	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacturing of energy efficiency equipment for buildings	CCM 3.5	70,842,492.04	33.54 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	37.16%	E	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	306,528.84	0.15 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.22%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	355,289.92	0.17 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.29%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**71,504,310.79**	**33.86 %**	**34 %**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**37.86%**		
Of which enabling		**71,504,310.79**	**33.86 %**	**34 %**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**37.86%**	**E**	
Of which transitional		**0.00**	**0.00 %**							Y	Y	Y	Y	Y	Y	Y	**0.00%**		**T**
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2,612,660.24	1.24 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.13%		
Data-driven solutions for GHG emission reductions	CCM 8.2	1,040,544.78	0.49 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.55%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3,653,205.02**	**1.73 %**	**1.73%**	**0%**	**0%**	**0%**	**0%**	**0%**								1.68%		
CapEx of Taxonomy-eligible activities (A.1+A.2)		**75,157,515.81**	**35.59 %**	**35.59 %**	**0%**	**0%**	**0%**	**0%**	**0%**								**39.36%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non- eligible activities		136,042,484.19	64.41 %																
TOTAL		**211,200,000.00**	**100.00%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	33.86%	1.73%[14]
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

During 2025, the Group expanded its scope through several acquisitions, however, these activities are not eligible under the EU Taxonomy criteria and contributed exclusively to the denominator of the KPI. Consequently, the share of aligned CapEx decreased compared to the previous year.

[14] Eligibility matches alignment

Opex

Financial year N	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code(s) (2)	OpEx(3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate changeadaptation (6)	Water and marine resources(7)	Circular economy(8)	Pollution (9)	Biodiversity andecosystems (10)	Climate change mitigation (11)	Climate changeadaptation (12)	Water and marine resources(13)	Circular economy(14)	Pollution (15)	Biodiversity andœosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Manufacturing of energy efficiency equipment for buildings	CCM 3.5	52,431,477.74	21.29 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	24.72%	E	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	60,431,243.26	24.54 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	27.69%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	23,608,488.37	9.59 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9.31%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**136,471,209.37**	**55.41 %**	**55 %**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**61.72%**		
Of which enabling		**136,471,209.37**	**55.41 %**	**55 %**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**61.72%**	**E**	
Of which transitional		**0.00**	**0.00 %**							Y	Y	Y	Y	Y	Y	Y	**0.00%**		**T**
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.00**	**0.00 %**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								0.00%		
OpEx of Taxonomy- eligible activities (A.1+A.2)		**136,471,209.37**	**55.41 %**	**55 %**	**0%**	**0%**	**0%**	**0%**	**0%**								**61.72%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non- eligible activities		109,814,815.62	44.59 %																
TOTAL		**246,286,024.99**	**100.00%**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	55.41%	0.00%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

The increase in the OpEx denominator in 2025 compared to 2024 is partly attributable to higher costs related to non-eligible product families and activities, which raised the total operating expenditures considered. As a result,

the alignment percentage decreased, as the growth of the numerator did not keep pace with the increase in the denominator.

With reference to the disclosure pursuant to Article 8, paragraphs 6 and 7 of Delegated Regulation (EU) 2021/2178, which requires the use of the templates provided in Annex XII for the reporting of activities related to nuclear energy and fossil gas, no eligible and/or aligned activities have been identified in these areas, as follows:

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS E1 – Climate Change

E1-1 Transition plan for climate change mitigation

Acknowledging the need to address emissions both in its direct control (Scope 1 and 2) and across its entire value chain (Scope 3, representing the largest share of its footprint), and as an entity included in the EU Paris-aligned benchmarks, Ariston Group has set specific, measurable, science-based decarbonization targets.

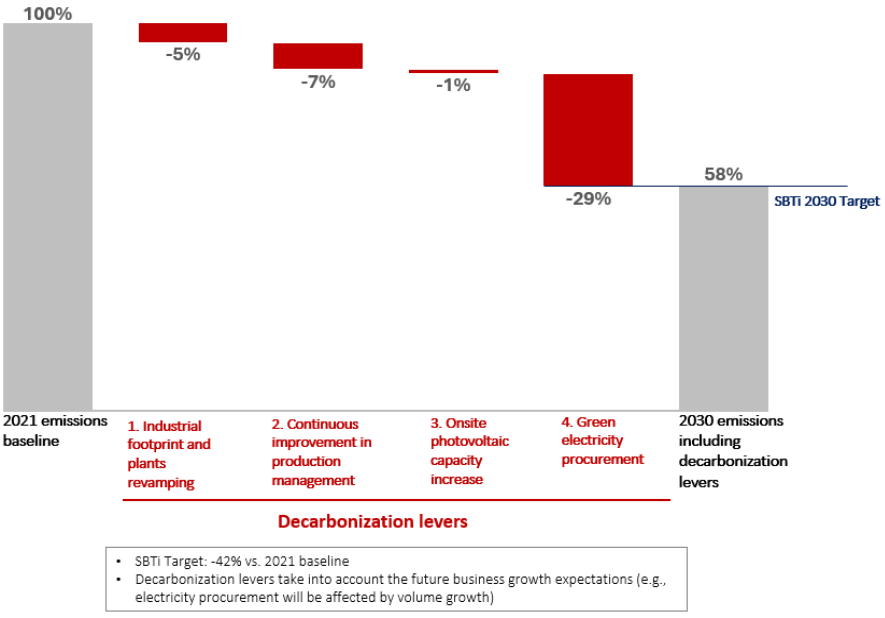
The Group has defined a Transition Plan to reduce Scope 1 and Scope 2 absolute emissions by 42% and Scope 3 GHG emissions from the use of sold products by 51.6% per million Euro of value added by 2030, considering 2021 as the base year. The Science Based Targets initiative (SBTi) has validated both targets, confirming that the Scope 1 and Scope 2 commitments are aligned with the 1.5°C trajectory scenario. The Transition Plan has been approved by the Audit and Sustainability Committee and the Board of Directors. *For further information about targets, please refer to E1-4 Targets related to climate change mitigation and adaptation.*

Scope 1 and 2 decarbonization levers

Scope 1 emissions encompass fuel consumption, refrigerant leaks and fugitive emissions stemming from the Group's production plants and non-production facilities. Scope 2 emissions entail electricity consumption in plants, laboratories, warehouses and offices. **To reduce direct emissions, 4 decarbonization levers, along with the respective key actions that are further described in *E1-3*, have been identified**.

	1. Industrial footprint and plants revamping: by allocating production to the most efficient as well as competitive sites and technological investments across production facilities in order to lower energy consumption.
	2. Continuous improvement in production management: by boosting energy efficiency in production processes through the installation of new machinery, the replacement of outdated equipment and the implementation of heat recovery systems.
	3. Onsite photovoltaic capacity increase: by installing additional PV roof panels for self-production and consumption of renewable energy.
	4. Green electricity procurement: by adopting renewable energy sources for electricity purchases across production sites, verified through Energy Attribute Certificates (EACs), and Power Purchase Agreements (PPA).

Below is an overview of the contribution of each decarbonization lever identified in order to reach the Scope 1 and 2 emissions reduction targets to 2030.



Scope 3 decarbonization levers

Scope 3 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.

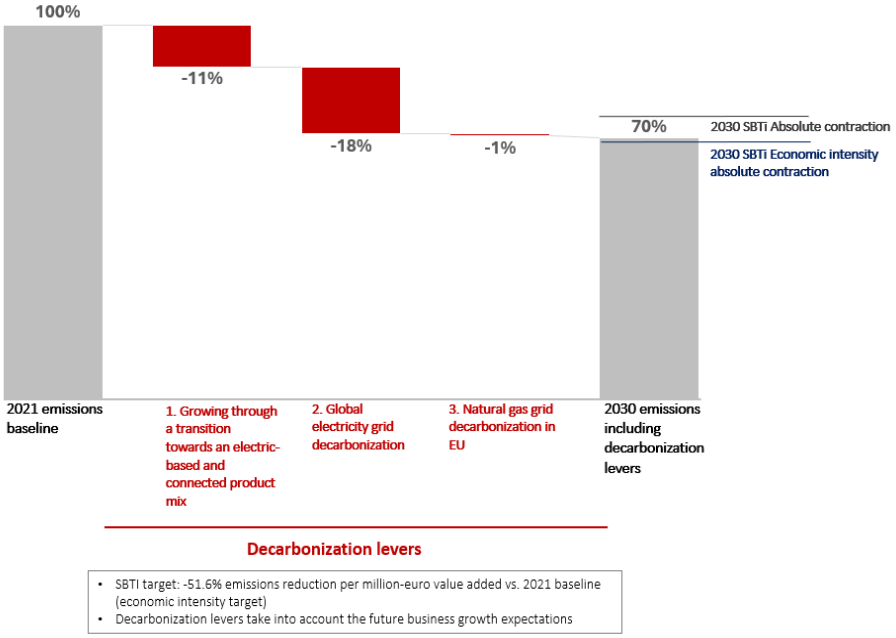
Ariston Group's products play a key role in advancing the energy transition not only in the EU and in line with the European Climate Law, but also outside the EU, where steps are being taken toward a low-carbon economy. For this reason,

the Group's corporate strategy has been centered on the development of increasingly efficient solutions that leverage renewable technologies, as Scope 3 accounts for 99% of the Group's emissions.

Three decarbonization levers have been identified to reduce Scope 3 emissions in the "Use of Sold Products" category. Two of these levers depend on future scenario evolution and predictions are closely linked to the Group's ability to develop a product mix that maximizes their improvement.

	1. Growing through a transition towards an electric-based and connected product mix: by increasing units sold, reducing overall GHG intensity with a higher share of electric products, and leveraging connectivity to enhance energy efficiency.
	2. Global electricity grid decarbonization: by benefitting from the scenario of an average global reduction in CO_2 intensity from electricity generation, if the Group continues to increase the share of electric products[15].
	3. Natural gas grid decarbonization in Europe: by considering the scenario in which biomethane is expected to be present in the European natural gas grid, impacting the boiler and gas burner product categories.

Below is an overview of the Group's progress toward the implementation of the Scope 3 absolute emissions reduction target to 2030, based on each lever.



The Company may face potential locked-in GHG emissions, particularly due to the fuel-consuming products in its current product mix. Since the launch of its decarbonization strategy in 2021, Ariston Group has acknowledged its pivotal role in the economy's decarbonization and has begun implementing measures to achieve a less GHG-intensive product mix to mitigate any potential transition risks associated with the locked-in GHG emissions from its sold products. To this end, the Group is actively enhancing the energy efficiency of its products through connectivity, transitioning to products compatible with biofuels and hydrogen and increasing the share of electric products in its portfolio.

FY2025 performance is fully aligned with the trajectory to achieve the 2030 target: projections indicate overachievement in absolute emissions and near achievement in intensity, with a residual 2.5% gap to be closed through additional initiatives in the coming years. **From a financial planning standpoint, this Plan is based upon careful projections and investment analyses leading up to 2030, which have taken into consideration production volumes, the projected industrial footprint as well as a greater share of electric products within its mix**. These latter have naturally also considered market evolution and scenario predictions geared toward the energy transition. Management has conducted an analysis of how climate change affects cash flow forecasts used in impairment assessments, estimating the financial implications of key climate-related actions. This includes evaluating the impact of the transitional risks, investing in the development of highly energy-efficient products, allocating capital to manufacturing improvements, enhancing supply chain sustainability as well as procurement practices and embedding measures to enhance resilience to flood and seismic events. Net revenues account for the potential impact of market and regulatory changes mapped in the DMA - according to the current regulation framework as of February 2026. Additionally, Capital Expenditures factored into cash flow projections include investments in physical assets and new product development aimed at delivering more efficient solutions, as well as investments focused on optimizing processes, and improving the energy efficiency of plants, such as machinery revamping,

[15] BNEF, New Energy Outlook 2024: Economic transition scenario, 2024.

Energy Attribute Certificates (EACs), and renewable energy Power Purchase Agreements (PPAs). Overall, the Transition Plan is fully embedded in and aligned with the Group's overall business strategy and financial planning also through an assessment of climate-related financial impacts.

For more information about Scope 1, 2 and 3 targets and progress, please also refer to E1-4 Targets related to climate change mitigation and adaptation section, and for more information on actions implemented during 2025, please refer to E1-3 Actions and resources in relation to climate change policies.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
E1 - Climate change	Mitigation	Negative impact	Actual	GHG emissions across the value chain, with Scope 3 accounting for the largest share	Entire value chain	Long term
	Energy	Positive impact	Actual	Decrease in energy consumption through the sale of efficient technologies and solutions	Downstream	Medium term
	Mitigation	Risks	-	Compliance risk related to the Company's inability to adopt an LCA related to EPBD framework	Company level	Long term
	Mitigation / Energy	Risks	-	Consumer demand shift toward alternative products, potentially favoring air conditioning systems over heat pumps due to temperature rise	Entire value chain	Long term
	Energy	Risks	-	Decrease in demand for energy-efficient products (e.g. HHP and hybrid systems) due to the lack of government-incentives	Company level and downstream	Medium term
	Adaptation	Risks	-	Operational cost related to increased frequency and intensity of extreme natural events and fires in warehouses	Company level	Long term
	Mitigation	Opportunities	-	Increased demand for heating heat pumps and highly efficient products	Company level	Medium term

The Group's commitment to a sustainable future places climate-related risks and opportunities at the core of its business model and strategic direction. The Company consistently incorporates climate resilience considerations into its operations, assessing both transition and physical dimensions of risk and opportunity. Through this integrated approach, Ariston Group ensures its business remains agile in responding to evolving market dynamics and the challenges of climate change, while continuing to grow through innovation and environmental responsibility. As part of the Double Materiality Assessment, the Group has mapped climate-related risks encompassing both physical and transition aspects. Additional details on the outcomes of this assessment are provided in the section below.

Resilience analysis

The resilience analysis, carried out in 2025, covered all Group assets, with particular attention to operations within the European Union, reflecting the region's rapidly evolving regulatory landscape. The only exclusions concern the scope of the physical risk assessment (see IRO-1 Climate-Related Physical Risks Analysis), which will undergo further refinement and expansion in the coming years. By assessing both physical risks - mainly associated with potential extreme weather events—and transition risks linked to regulatory developments and changing market conditions, Ariston Group has developed a comprehensive view of its key vulnerabilities and related opportunities. *For further details on physical and transition risks and opportunities, please refer to IRO-1 Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks, and Opportunities.*

Opportunities. The opportunity identified includes the trend toward electrification of heating solutions, including in particular heat pumps, also supported by an evolving regulatory framework and by public and social sentiment.

Physical Risks. From a physical standpoint, the analysis shows that the Company's primary physical risks are associated with higher operational costs resulting from more frequent and severe natural events, including fires in warehouses. These risks are compounded by escalating business-continuity expenses, with extreme weather increasing the likelihood of plant flooding, transport delays, and a negative impact on sales.

Transition Risks. Compliance risks may emerge from the potential inability to implement LCA methodologies in line with the EPBD framework, while a rise in temperatures could shift customer preferences toward alternative solutions, such as air-conditioning systems over traditional heat pumps, while demand for energy efficient products could decrease due to the lack of state-incentives.

To make the most of new opportunities while managing risks, Ariston Group follows a clear and practical strategy. It focuses on strengthening operations and the supply chain, investing in more resilient infrastructure, and using better risk-management tools. Heat pumps remain a key technology for the future, even if government incentives have recently slowed down. Alongside electrification, the Group continues to develop several solutions - such as hybrid systems, high-efficiency products, hydrogen-ready technologies, natural refrigerants, home energy management and demand-response tools - offering a diversified product portfolio to support the energy transition..

Ariston Group is also integrating climate-risk analysis into its Business Continuity Plan (BCP) to identify and prioritize the upgrades needed at production sites, ensuring better preparedness for extreme weather events. As part of this work, in 2025 the BCP team initiated a manual monitoring activity, maintained through an internal tracker. At least once a year, each function is asked to report whether the corrective actions identified during previous BCP maintenance sessions have been implemented, allowing systematic follow-up on progress. In addition, an extra review meeting is held in the last quarter of the year to share the executive summary of the BCP maintenance activities and to request an updated status of both corrective and preventive actions. While no formalized procedure currently exists, the process is guided by an internal BCP manual developed at the beginning of the program.

The Group's growth and risk mitigation strategy also relies on maintaining strong engagement with key stakeholders - employees, customers, and suppliers. Employees help ensure that the Company's capabilities remain aligned with evolving market needs; customers contribute valuable feedback to adapt product offerings; and suppliers are selected based on their reliability and alignment with the Group's ESG objectives.

For further details on the methodology used for identifying, assessing, and analyzing physical and transition risks — including scenario analysis - please refer to IRO-1.

E1-2 Policies related to climate change mitigation and adaptation

With regard to climate change mitigation, adaptation and energy efficiency, the Company has implemented Group-level policies and programs designed to reduce the adverse effects of greenhouse gas (GHG) emissions, most of which arise across its value chain.

Climate Change Adaptation

Business Continuity Program (BCP). To address the risks posed by climate change adaptation - particularly the potential rise in operational costs resulting from frequent and severe natural events and fires in warehouses, which could disrupt business continuity — and in accordance with the Dutch Corporate Governance Code, which assigns management the responsibility for maintaining operational continuity, Ariston Group strengthened its commitment by further enhancing its strategic and business risk management and control systems. **The Business Continuity Plan (BCP) acts as a central framework for the annual identification, assessment, monitoring and verification of risks that may impact the Group's ability to ensure uninterrupted operations**. *For further information on the monitoring of mitigation actions implementation and outcome, please see E1 SMB-3.*

As of 2025, the BCP covers 15 production plants, providing a unified framework for safeguarding the continuity of critical business activities across the organization. It addresses a broad range of potential risks, including extreme natural events, shortages of raw materials and cyberattacks, and serves as a central tool for the identification, assessment, monitoring and verification of risks that could compromise operational continuity. Modelled on the ISO 22301 Business Continuity Management standard, the BCP ensures a consistent and internationally recognized approach to risk prevention, preparedness and recovery.

Each year, all site-level plans are reviewed and updated through a structured maintenance program. This process consolidated the previously independent Operational Continuity Plans (OCPs) into a harmonized framework that promoted consistency while allowing each plant to adapt procedures to local operating conditions. Clear response, recovery and restoration protocols have been established to ensure the prompt resumption of business activities following any interruption.

Responsibility for implementing and maintaining the BCP lies with the Plant Manager and the Business Continuity Manager (BCM) at each site, while overall oversight is provided by the Group Risk Management and Internal Audit functions. In the event of a major incident, a Crisis Management Team (CMT) is activated to coordinate decisions and communications, ensuring a timely and effective response.

The BCP incorporates a holistic risk assessment process, including scenario-based physical risk analyses for plants identified as having the highest exposure and economic relevance. The results are presented in Annex S of the BCP Manual, which illustrates how climate-related risks could affect operations and outlines corresponding mitigation measures. These actions are periodically reviewed and prioritized for implementation.

Climate Change Mitigation

Safety, Health and Environmental Policy (Group HSE Policy). In order to address the negative impacts arising from GHG emissions across the entire value chain, the Group HSE Policy defines Ariston Group's commitment to mitigating climate change and achieving significant reductions by 2030.

The Group HSE Policy applies to all operations and activities across every country in which the Group operates. **It is underpinned by the ISO 14001-certified Environmental Management System (EMS) and the World Class Methodology (WCM)**, which together enable systematic monitoring and optimization of energy efficiency at the operational level. The

EMS follows a continuous cycle of planning, implementation, monitoring and review, providing harmonized tools and procedures across the organization to pursue the objectives set out in the HSE Policy and to ensure compliance with applicable legislation.

The Policy is approved by the Group's CEO, while the Executive Vice Presidents are responsible for defining roles and responsibilities and for ensuring alignment between the Policy and the Company's strategic direction. Moreover, the document is reviewed annually to reflect evolving external factors and stakeholder expectations. The review process involves consultation with managerial and non-managerial employees and their representatives on a wide range of HSE-related aspects, including the Policy itself, significant environmental and occupational health and safety impacts, legal compliance obligations, and the allocation of roles and resources required to achieve conformity. Discussions also cover objectives, improvement plans, non-conformities and updates to the system, including resource management and emergency preparedness.

Furthermore, Ariston Group upholds the highest standards in meeting the needs and expectations of all interested parties, ensuring the safety and wellbeing of employees, customers, contractors, suppliers, business partners and the communities in which it operates. Awareness of the Policy is actively promoted in accordance with the HSE Communication Management Procedure. The Policy is communicated to all stakeholders, and suppliers are required to sign a formal declaration of commitment.

The Group HSE Policy is accessible internally through the WeARe platform and publicly available in the "Download" section of the corporate website (www.aristongroup.com).

Sustainable Procurement Policy. Ariston Group's approach to sustainable procurement is governed by a dedicated policy that embeds environmental and social responsibility within sourcing and supply chain management. The Sustainable Procurement Policy reflects this commitment by focusing on the reduction of greenhouse gas (GHG) emissions across the value chain - particularly Scope 3 - while also mitigating potential increases in operational costs related to increased frequency and intensity of extreme natural events and fires in warehouses. It establishes minimum environmental, social and governance (ESG) requirements for all suppliers, supported by a set of preferred practices designed to foster continual improvement and stronger alignment with the Group's sustainability objectives.

Compliance is monitored through a comprehensive ESG evaluation framework that merges certification requirements with independent third-party assessments conducted via EcoVadis. The process includes mapping the supplier base with the EcoVadis IQ tool to identify exposure to ESG risks, performing targeted reviews of selected partners, and engaging directly with those requiring additional support. This structured approach allows the Group to identify, monitor and address ESG risks throughout the supply chain, promoting transparency, open dialogue and long-term collaboration.

In relation to climate performance, suppliers are evaluated on their energy consumption and GHG emissions. Depending on their operational scale, they are expected to measure and reduce energy use, record Scope 1 and Scope 2 emissions, and are encouraged to establish reduction targets and adopt certified energy management systems.

As for the scope, the Policy applies to all upstream suppliers, both strategic and non-strategic, regardless of size or capacity, and does not set out any exclusions. Oversight lies with the Chief Procurement Officer, who reports directly to the Chief Operating Officer, ensuring accountability at senior management level. Furthermore, suppliers are expected to adhere to recognized international standards, including ISO 14001 (Environmental Management), ISO 9001 (Quality Management) and ISO 45001 (Occupational Health and Safety).

Developed with consideration for supplier needs and stakeholder expectations, the Policy promotes collaboration and ongoing engagement across the value chain. It is shared with suppliers subject to ESG assessments and managed by the relevant procurement teams, with completion of the EcoVadis evaluation forming a mandatory step.

The Policy is consistent with the Supplier Code of Conduct, which every supplier must accept, and both documents are available in the "Download" section of the corporate website (www.aristongroup.com).

E1-3 Actions and resources in relation to climate change policy

As part of the Transition Plan – outlined in the Group HSE Policy – and the Business Continuity Plan, Ariston Group has implemented several initiatives to reduce its adverse impacts on climate change while mitigating risks from potential costs associated with extreme weather events. All initiatives are defined in line with the Policy's principles, which provide a framework for guiding activities over time.

New factory in Albacina and R&D. As part of its 2025 investment program, Ariston Group is establishing a new 30,000-square-metre plant in Albacina, incorporating advanced production technologies, setting new standards in performance, quality, and customer service. This initiative is part of the Group's Italian €500 million multi-year plan (2022–2028), designed to strengthen Research and Development in key technologies while consolidating a robust industrial base to sustain long-term growth.

Within R&D, Ariston Group has enhanced its centers in Agrate Brianza and Albacina, both dedicated to renewable solutions, and continues to drive innovation in hot water and traditional heating systems at its Fabriano and Osimo sites. On the manufacturing front, the Group has modernized its historic facilities and brought high value-added production back to Italy. Albacina now serves as a center of excellence for heat pumps previously produced in China; Cerreto d'Esi hosts a new advanced line for premium water heaters; Arcevia is home to the Group's first electronics plant, a key enabler of its most advanced solutions; and Osimo – recently awarded the World Class Manufacturing Silver Medal – now specializes in the production of residential and commercial boilers for the European market.

Climate change adaptation

In response to the physical risks posed by climate change, Ariston Group continues to implement targeted adaptation measures across its sites to enhance resilience and safeguard business continuity. In Cerreto, environmental risk mitigation efforts have focused on enhancing and managing water discharge systems to prevent potential flooding events. Overall, these adaptation measures contribute to achieving the business continuity objectives defined in the Group's Business Continuity Plan (BCP), ensuring the long-term operational stability of the Cerreto site. Furthermore, Mainburg launched a roof refurbishment and maintenance program in 2024 to enhance insulation and improve resilience to heavy rainfall, which has been extended into 2025 as a key ongoing initiative. In addition, a flood protection system was implemented to safeguard facilities against inundation and rising water levels.

Mitigating Scope 1 and 2 emissions

Overall, actions related to renewable energy generation and self-consumption, purchase of renewable energy certificates and implementation of energy efficiency measures allow for an overall reduction of 33% vs the 2021 baseline.

Energy efficiency and consumption reduction. During 2025, a broad range of projects were carried out across the Group's manufacturing sites to enhance operational efficiency, energy and resources consumptions.

- In Osimo (Italy), the site commissioned new photovoltaic installations and implemented testing and revamping activities to optimize energy use and production reliability;
- At Cerreto (Italy), environmental improvement measures were introduced, including photovoltaic system installations and upgrades to water and press management systems, contributing to lower environmental impact and enhanced process stability;
- In Namur (Belgium), extensive revamping activities were undertaken, covering painting lines, mixing systems, robotic equipment, and process optimization measures to strengthen operational performance and consumptions;
- At Chartres (France), key maintenance and modernization projects were completed, including upgrades to ovens, sandblasting equipment, and cooling systems, aimed at improving overall efficiency;
- In Mainburg (Germany), the focus was on energy efficiency and production improvement, investment in operational upgrades, and initiatives designed to increase line productivity;
- At the Wuxi site (China), revamping and maintenance projects were completed on painting lines, air compression systems, and wastewater treatment facilities to improve resource efficiency;
- In Saltillo (Mexico), significant equipment renewal and maintenance work took place, including the modernization of molds, painting systems, and welding lines, enhancing production performance;
- At Hanoi (Vietnam), new air conditioning systems were installed in the main offices to improve energy efficiency and environmental conditions, alongside enhancements to the polyurethane room and heat recovery systems;
- In Centurion (South Africa), improvements to sandblasting and welding systems were introduced to optimize operational performance.

These initiatives collectively reflect the Group's continued commitment to improving plant performance, advancing energy efficiency, reducing environmental impact, and maintaining the highest standards across all its manufacturing operations.

Project Monitoring and Cross-Site Benchmarking. Ariston Group has established a comprehensive monitoring system covering all factory projects, including energy-related initiatives. Projects are managed and prioritized through the use of E/F matrices, which permit a structured evaluation of effort and expected financial impact. All relevant project information is collected and stored in a central repository. In addition, in 2025, regular benchmarking calls were held across all manufacturing sites to share best practices and monitor progress on energy efficiency projects. Conducted at a global level, these calls provided a structured platform for discussing ongoing initiatives, identifying opportunities for improvement, and aligning actions across plants. The program extended beyond energy efficiency and formed part of a broader framework encompassing all key operational pillars, each coordinated by a dedicated leader. This collaborative and structured

approach fostered cross-site learning, enhanced performance consistency, and reinforced the Group's global commitment to sustainable and efficient operations.

Increase in renewable energy use. At the Cerreto site, photovoltaic panels were installed on the facility's roof, with the implementation completed in September 2024. The system generated approximately 730,000 kWh of energy between January and September 2025, demonstrating its effective contribution to the site's energy needs. Building on this progress, a new photovoltaic plant at the Osimo site was completed in October 2025, adding a theoretical installed capacity of 990 kW.

Mitigating upstream Scope 3 emissions.

To mitigate the upstream impacts of climate change, Ariston Group has implemented a Corrective Action Plan (CAP) for suppliers that do not meet the standards assessed through the EcoVadis platform. Within this plan, the Group places particular emphasis on climate change, recognizing that energy consumption and greenhouse gas (GHG) emissions are major contributors to environmental impact. *For further details on this topic, please refer to E3-2.*

Suppliers are encouraged to take tangible actions to reduce their carbon footprint by adopting measures that optimize energy use and limit emissions, supported by appropriate documentation. They are specifically required to provide evidence of initiatives designed to lower energy consumption and GHG emissions - such as the adoption of energy-efficient technologies, the use of renewable energy sources, and the implementation of carbon reduction practices. Nonetheless, gaps are often identified when suppliers declare such measures without submitting detailed supporting documentation or data demonstrating their effectiveness. In these instances, Ariston Group requests the submission of a corrective action plan to remedy these shortcomings.

Mitigating downstream Scope 3 emissions.

The Company continues to evolve its product portfolio toward greater electrification, integrating renewable technologies and low-GWP refrigerant gases. At the same time, the ongoing enhancement of connectivity services enables end-users to optimize product performance and reduce energy consumption. Together, these efforts keep the Company on course to meet its emission reduction targets linked to product use, while supporting a faster transition toward sustainable heating solutions.

Heat pump technologies and low impact natural refrigerant gases.

Recognizing the central role of heat pump technologies in advancing the energy transition and building decarbonization, the Group is committed to strengthening and expanding its heat pump offering. New solutions and technologies are being progressively introduced across markets, alongside the deployment of natural refrigerant gases with an even lower environmental impact.

Expanding the Use of Refrigerants with lower environmental impact. As part of its plan to launch a new line of heat pumps available in four sizes, with capacities ranging from 7 to 20 kW, in 2024 Elco launched the first two models: the SPK 07 (up to 7 kW) and the SPK 10 (up to 10 kW). Both models use R290, a natural refrigerant, and are designed for use in both new constructions and renovation projects.

With regard to the Ariston heat pump water heater & Chaffoteaux Heat Pump Water Heater Split Inverter, in 2025, the Group completed the transition of its entire EU range of split heat pump water heaters from R134A to R513A, which has a significantly lower GWP. This included the adaptation of 150L, 200L, and 250L units, and the launch of a new 120L version featuring inverter technology. The transition supports environmental objectives by aligning with the GWP thresholds of the F-GAS regulation, which set a maximum 150 GWP limit for split air to water heat pumps.

Ariston Nimbus 5: next-generation heating heat pump. During 2026, Ariston will launch Nimbus 5, the new generation of air-to-water monobloc heat pump designed to deliver exceptional comfort, energy efficiency, and sustainability in residential applications. Thanks to the adoption of the natural refrigerant R290, Nimbus 5 achieves a COP of up to 5.1, combining outstanding performance with a minimal environmental footprint. The compact and quiet outdoor unit — 40% smaller than the market average and winner of the 2025 iF Design Award — combines elegant aesthetics with advanced engineering, blending harmoniously into any outdoor space. Developed with professionals, for professionals, Nimbus 5 has been designed to simplify every stage of installation and maintenance. Supported by the Ariston NET Pro platform, professionals benefit from guided commissioning, remote configuration, and proactive system optimization.

Ariston Primos. In the first half of 2025, an upgraded version of the Primos heat pump water heater with a 280-litre capacity was introduced, offering improved energy efficiency. Both the 205-litre and 280-litre models are now supplied with a 10 Amp plug as standard, simplifying installation and helping to reduce overall electrical wiring costs for customers.

Ariston Nuos: North America heat pump water heater range expansion. In 2025, Ariston Group introduced the Ariston brand for heat pump water heaters on the North American market, strengthening its leadership in sustainable hot water solutions. The new multi-fit model, featuring top and side connections, offers flexible installation along with improved

noise and efficiency for a quieter, more energy-saving experience. It combines advanced renewable heat pump technology with top performance standards and meets ENERGY STAR®, NEEA Tier 4, and California Title 24 JA13 requirements. With Wi-Fi, Demand Response (CTA-2045/OpenADR), and Ariston NET app compatibility, this launch marks a significant milestone in the Group's growth in North America and its commitment to sustainable comfort.

Ariston Nuos S2: European heat pump water heating range upgraded to natural refrigerant: All heat pump water heater models in the EU range are required to comply with a Global Warming Potential (GWP) threshold below 150 by 2027. To meet this target, the Group will carry out an important transition, introducing new product ranges with low GWP, ensuring alignment with forthcoming environmental regulation and supporting its broader decarbonization objectives. In particular, in 2025 the Group launched its new generation of R290 floor-standing heat pump water heaters, which include Nuos FIT S2, a compact range for ambient air installation combining low noise, COP of up to 3.8 at 20°C, and optional outlet air canalization, and Nuos PLUS S2, a top-performance solution for external air, a COP of up to 3.5 at 7°C, quiet operation, low-ceiling suitability with orientable air ducts and full system management.

Wolf CHA -20/24: larger size heating heat pump with natural refrigerant. Launched in 2025 and now available on the market, the Wolf CHA-20/24 heat pumps deliver up to 24 kW (A7/W35) of capacity and can reach 120 kW in cascade configurations. Using the natural refrigerant R290, it achieves flow temperatures up to 70 °C, making it ideal for both new and existing buildings with radiators. Its compact monobloc design ensures easy installation without the need for a refrigerant license, while quiet operation and high efficiency (up to 205% at 35 °C) ensure comfort and sustainability. Combining performance, flexibility and low environmental impact, the CHA-20/24 supports the decarbonization of residential and commercial applications.

Wolf CAT-2: Heat Interface Unit. Back in 2024, Wolf introduced the second generation of its Heat Interface Unit (HIU) CAT-2, the first model fully developed and assembled in-house. Installed in the apartments of multi-family or larger residential buildings, the HIU supplies energy for both space heating and domestic hot water, connecting seamlessly to the central heating system of the building. Designed as a renewable-ready solution, the CAT-2 is optimized for integration with central heat pump systems such as the CHA series and hybrid configurations, offering a sustainable and efficient option for multi-family homes. It enables individual heating control for each apartment, improving energy management, and supporting the transition to low-carbon heating. Subsequently, an enhanced version specifically designed for boiler replacement was launched in 2025, further expanding the versatility of the CAT-2 and strengthening Wolf's role in advancing efficient, sustainable heating solutions.

Wolf domestic water heat pump. The FHS domestic hot water heat pump is a compact and efficient system suitable for both new and existing buildings. Awarded the EHPA quality label, it ensures a consistent and reliable supply of hot water throughout the year. By drawing heat from the surrounding air, the system reduces dependence on fossil fuels and lowers energy consumption. When combined with a photovoltaic system, it can utilize surplus solar energy for water heating, improving overall efficiency and energy independence. The FHS integrates a heat pump and a hot water storage cylinder within a single, space-saving unit. It can operate independently or in combination with other heating systems such as gas, oil, biomass or air/water heat pumps. A built-in pasteurization function and a 2 kW immersion heater provide hygienic and dependable operation. Manufactured in Germany, the FHS is designed for long-term performance, energy efficiency and compatibility with sustainable building solutions.

Wolf & Brink FWL 100/200: flexible ventilation solution for smaller applications. Launched in 2025, the FWL 100 represents a new generation of residential ventilation solutions, specifically designed for smaller apartments and dormitories. Offering an efficient and compact alternative to traditional push-pull systems, the unit is particularly well suited to multi-family residential buildings. Equipped with constant-flow fans providing up to 80 m³/h of air volume and consuming less than 30 W per fan, the FWL 100 ensures reliable performance with minimal energy use. It features integrated humidity control, including a humidity sensor in the exhaust air and a preheating register. Available in ceiling-mounted, flush-mounted, and surface-mounted versions, the FWL 100 marks an important milestone in the evolution of residential ventilation at Wolf.

Elco Aerotop SPK: portfolio renewal. In 2025, Elco renewed its Aerotop SPK Elco heat pump portfolio, with two dedicated versions developed to meet new market needs. The AEROTOP® SPK 7 & 10 version is designed for residential applications, offering capacities from 7 to 10 kW. Combining quiet operation (from 52 dB(A)) with high efficiency and a compact design, it provides heating, cooling and domestic hot water for both modernization projects and new builds. Using the natural refrigerant propane (R290), it achieves flow temperatures up to 70°C, ensuring reliable comfort and sustainable performance for households. The AEROTOP® SPK 16& 20 version targets larger residential and commercial projects, delivering capacities up to 20 kW per unit and scalable performance through cascade installations of multiple units. Built with premium materials and advanced safety features, it ensures durable, high-capacity operation with Smart Grid readiness, PV compatibility, and remote monitoring via the REMOCON NET platform. Together, the Aerotop SPK heat pumps reflect Elco's commitment to efficient, low-carbon solutions across both residential and professional segments.

NTI Verta: heating heat pump introduction in North America. Launched in 2025, the NTI Verta Series marks a major milestone in NTI's expansion into sustainable heating and cooling solutions for the North American market. Designed for

single-family homes and apartments with limited space, the Verta Air-to-Water Heat Pump combines compact design with high performance and reliability, even in extreme climates. Using the low-GWP refrigerant R32, the Verta Series ensures efficient heating and cooling with minimal environmental impact. Equipped with advanced features such as automatic heating and cooling switching, and a 7-inch touchscreen interface, the system delivers both comfort and ease of use. With its intelligent Hydrobox and Control Box options, simplified installation, and proven durability, the Verta Series reflects NTI's commitment to offering high-quality, energy-efficient solutions tailored to the needs of North American homes.

ATAG Interion: compact hybrid heat pump without outdoor unit. The ATAG Interion represents a new generation of compact hybrid heat pumps designed specifically for Dutch homes. Installed indoors — typically in the loft, replacing the existing boiler - it eliminates the need for an outdoor unit, major renovations, or meter box modifications. Operating with the natural refrigerant R290 and achieving a COP of 4.1 at 7°C, the Interion combines high efficiency with quiet performance. Its design makes it particularly suitable for terraced houses and small residential buildings, offering a practical and sustainable heating solution that supports the ongoing energy transition in the Netherlands. The ATAG Interion will be fully launched on the market in 2026.

Application of sustainable blowing agents for product insulation. At Ariston Group, cyclopentane is used as the blowing agent for the insulation foam in water heaters manufactured at the Wuxi (China), Genga (Italy) and Namur (Belgium) plants. With a strong acceleration in 2025, the Group expanded the use of cyclopentane across its production lines to further replace conventional hydrofluorocarbons (HFCs). Cyclopentane offers a significantly lower global warming potential and zero ozone depletion potential, while maintaining excellent thermal insulation performance. This advancement further reduces the environmental footprint of Ariston products and supports the Group's broader decarbonization goals.

Alternative fuels and hydrogen solutions

In parallel, the Group continues to advance initiatives in alternative fuels and hydrogen-based technologies, with a particular emphasis on hybrid systems and targeted investments to ensure the compatibility of fossil fuel boilers with hydrogen.

Hybrid boilers. The Group is reinforcing its portfolio of hybrid solutions by integrating renewable technologies into existing systems in cases where all-electric options are not suitable. Hybrid boilers combine conventional heating units with renewable technologies, such as heat pumps. This initiative takes into consideration the potential effects of the ErP Directive and is centered on improving current hybrid models to reduce costs and simplify installation. The goal is to accelerate the uptake of hybrid technologies, providing adaptable and sustainable alternatives to conventional energy sources.

ATAG hybrid wall-hung boiler platform. In 2025, ATAG developed and launched a new premium hybrid wall-hung boiler platform designed to support the shift toward cleaner energy and lower carbon emissions during use. The product's compact, modular design facilitates installation and enables replacement of methane-based systems with lower-impact alternatives. This action reflects the Group's efforts to align product innovation with sustainability trends in heating technology.

Hydrogen conversion kit. The Group is advancing the development of a hydrogen conversion kit that will allow its current range of high-efficiency wall-hung domestic boilers to operate entirely on hydrogen rather than natural gas. This innovative kit will be compatible with a large proportion of both existing and future product ranges, without affecting mass production processes or product designs, thereby enabling a smooth transition toward sustainable energy. This development represents a significant step in future-proofing heating solutions, lowering carbon emissions, and supporting a seamless transition for customers in line with Europe's decarbonization objectives.

Wolf oil boilers fit for renewable fuel blends. The updated Wolf Oil-Boilers COB-2 B30 are designed to accommodate renewable fuel blends, marking the first boilers capable of using up to 30% biofuel. Additionally, the Wolf Gas-Boilers CGB-2 (up to 55 kW) were approved for use with a hydrogen blend of 30% by volume. These developments represent a key action aimed at facilitating the transition to cleaner fuels and supporting the decarbonization of residential heating. Both products were introduced in the German market.

Other initiatives

World Class Logistics. The WCL framework is progressing across the sites already in scope - Namur and Vilters, both achieving scores above 35 — and has been reintroduced in Italy following the 2025 transition of several warehouses to the in-sourcing model. The two plants have further strengthened the Environment pillar, following a structured and measurable path toward sustainability and operational excellence. In Namur, environmental initiatives have focused on waste reduction and energy efficiency. The site optimized waste handling through the 5R approach, improving segregation, reusing packaging materials and introducing compactors to reduce volume and emissions. Preventive measures were implemented in the forklift charging area to avoid chemical leaks, and energy-saving projects included switching to electric forklifts, upgrading the heating system with automatic regulation, and installing variable-speed compressors and timers to reduce consumption. In parallel, in Vilters the focus was on waste management and safe handling of chemicals.

The site maintained full legal compliance and introduced the PISOE control plan. Actions included digitalizing transport documents to cut paper use, installing a waste compactor, reusing office materials, expanding recycling to all Swiss branches, and partnering with a supplier for energy recovery from non-recyclable waste. Additional improvements covered new chemical storage cabinets, spill kits, updated safety data sheets, and standard operating procedures to prevent environmental incidents. Furthermore, both sites have also reinforced their environmental monitoring systems and training programs, demonstrating a clear evolution from a reactive stance to a proactive and strategically integrated approach to sustainability.

New production processes. In 2025, Thermowatt supported several of its customers in advancing the decarbonization of industrial processes through the development of high-power electric heating solutions for liquids and air. Leveraging its technological expertise, Thermowatt is bringing to market efficient, modular, and low-maintenance systems designed to replace traditional fossil fuel-based equipment (internally labelled as "e-burners"). These solutions not only improve energy efficiency and air quality but also align with the broader transition toward sustainable and electrified industrial operations.

Demand Response and Home Energy Management

Ariston Group supports the energy transition by promoting renewable and high-efficiency technologies that enable customers to actively manage their energy consumption, including through Demand Response and Home Energy Management systems.

Demand Response (DR). Demand Response is an advanced technology that helps balance electricity consumption and production by intelligently adjusting the operation of flexible energy resources without compromising user comfort, by optimizing energy use and supporting grid stability. After the introduction of the first water heating product with demand response functionalities in 2023.

Home Energy Management (HEM). Home energy management represents an advanced technological domain focused on intelligently optimizing household energy use — maximizing self-consumption from renewable sources, leveraging smart electricity tariffs, and reducing peak power demand, all while maintaining user comfort.

Following the expansion of the Home Energy Management portfolio with the introduction of Abyleos HOME+ in Belgium in 2024 — a solution designed to adapt heating phases to make the best use of photovoltaic generation, operate efficiently with Time-of-Use tariffs, and manage household peak loads — Ariston Group has officially announced the upcoming Home Plug, planned for launch in the first quarter of 2026.

Home Plug is an intelligent plug developed specifically for the Italian market to enable smart interaction with the new Enel smart meter through the innovative Chain 2 communication protocol. By leveraging real-time metering data, Home Plug automatically directs self-generated photovoltaic energy to the Nuos Plus S2 heat pump water heater during peak solar production, enabling water heating with minimal or no energy costs. Designed for simple installation and seamless integration within residential electrical systems, Home Plug also helps prevent power overloads and blackouts, ensuring efficient, reliable, and sustainable energy management. The service will initially be available in Italy.

Connectivity

Ariston NET. Ariston Group continues to pursue its goal of simplifying everyday life through an expanding portfolio of connectivity solutions. Connectivity remains a cornerstone of the Group's strategy, enabling the use of data-driven functionalities that enhance user experience and promote more sustainable energy behaviors. Through the Ariston NET app, users can conveniently manage their thermal comfort via an intuitive interface, access prompt remote assistance, and reduce both energy consumption and costs. The app allows users to monitor their energy usage in real time and encourages more energy-efficient habits. Each month, users receive a personalized report by email detailing their energy consumption, CO_2 savings and the equivalent number of trees preserved. This insight helps optimize household energy use, supporting potential savings of up to 25%. In addition, users benefit from tailored recommendations aimed at further reducing their environmental footprint, as well as a social comparison feature that provides clear performance comparisons and motivates more efficient and sustainable behaviors.

Wolf EEbus compatibility in H2/2025: small domestic ventilation unit with heat recovery. In 2025, Wolf introduced its EEBus solution, marking a major step forward in intelligent system integration. EEBus is a standardized communication interface developed to connect and control household energy customers, enabling seamless coordination between technologies such as heat pumps, photovoltaic systems, and home energy management systems (HEMS).

By adopting EEBus technology, Wolf ensures that its products can communicate effortlessly with other smart home devices, maximizing performance and optimizing energy use throughout the home. Key features of the EEBus solution include:

- Interoperability: enables smooth communication between devices and systems from different manufacturers, allowing Wolf's products to integrate seamlessly into wider smart home and energy management networks.

- Energy optimization: ensures efficient operation by synchronizing energy consumption with renewable energy availability or external control signals, reducing energy costs and environmental impact.
- Security: implements advanced data protection and encryption protocols to safeguard communication, maintain data integrity, and prevent unauthorized access.

With the launch of the EEBus solution, Wolf empowers homeowners to experience smarter, safer, and more energy-efficient indoor climate systems - fully aligned with the principles of sustainable and connected living.

E1-4 Targets related to climate change mitigation and adaptation

Ariston Group has set targets designed to address the impacts and risks associated with climate change and energy, with a particular focus on reducing emissions and energy consumption through the sale of efficient solutions. At the same time, these targets position the Company to capture the opportunities arising from ongoing transitions, including the growing demand for heating heat pumps and highly efficient products. Collectively, **these objectives outline a pathway toward sustainability results that are both measurable and tangible. They form a key pillar of the Company's ESG strategy, *Road to 100*, which conveys a strong commitment to pursuing medium- and long-term objectives with diligence and accountability.**

In the area of Climate Change, Ariston Group has complemented GHG emissions reduction targets with a number of additional climate-focused aims. These include advancing the development of connectable products, enlarging the range of energy-efficient offerings, and ensuring the procurement of green energy to help drive the transition to a low-carbon economy.

Emissions reduction Targets

As mentioned in the E1-1 Transition Plan, in order to mitigate negative impacts arising from the generation of GHG emissions along the value chain, especially Scope 3, **Ariston Group has committed to a 42% global reduction in its Scope 1 and 2 GHG absolute emissions by 2030, while for Scope 3 emissions, the 2030 target is to achieve at least a 51.6% reduction in emissions per million Euro of value added (economic intensity target)**. Overall, the targets are closely related to the objectives set by the HSE Policy and the Sustainable Procurement Policy.

Target	Target Year	Baseline	Base year	2024	2025 Progress	Scope
42% Scope 1 and 2 absolute GHG emission reduction	2030	Scope 1 and 2 GHG emissions amounted to a total of 112,964 tCO_2e *(Revised)*[16]	2021	83,590 tCO_2e	**75,462 tCO_2e (-9.7% vs 2024)** **8% S1 emissions vs 2024** **-32% S2 emissions vs 2024**	Whole Group
51.6% Scope 3 GHG emission reduction per million-Euro value added[17]	2030	Scope 3 economic intensity value: 219 tCO_2e/k€ Absolute emissions in 3.11 Use of sold products, 71% coverage: 74,375 mln tCO_2e *(Revised)*[18]	2021	277 tCO_2e/k€	**177 tCO_2e/k€ (-36.1% vs 2024)**	Whole value chain

The emissions reduction targets were initially set by internal workshops involving the functions responsible for the various categories included in the GHG protocol, focusing on Scope 1, 2, and 3. These workshops aimed not only to define the baseline but also to determine the level of ambition the Company could aim for, in alignment with the Group's strategic vision.

Near-term targets aligned with SBTi criteria were assessed with the support of external consultants, through a series of activities and calculations to verify their feasibility. For instance, emissions projections were defined based on future sales and production activities, and a precise Scope 3 boundary was established to determine which product categories could be included in the 67% of "use of sold products" emissions, the minimum coverage threshold set by SBTi (ultimately resulting in a submitted coverage of 70%). After all the checks were completed, the SBTi-aligned targets were validated by both the ESG Council and the ESG Committee (currently the Audit & Sustainability Committee), and a submission was made to SBTi for official validation, which was successfully obtained in March 2024.

The pathways used by the SBTi aim to steer voluntary climate action and contribute to achievement of the 1.5°C objective of the Paris Agreement and the Sustainable Development Goals (SDGs); since July 2022, the SBTi has required near-term targets covering scope 1 and 2 emissions to be aligned with a 1.5°C trajectory and scope 3 targets to be aligned with well-below 2°C pathways (WB2D).

Ariston Group's near-term science-based targets have been set using the SBTi cross-sector decarbonization pathway. The SBTi cross-sector decarbonization pathway reflects the main GHG emissions from the energy supply, transport, industry,

[16] Russia has been included
[17] Economic intensity, meaning Emissions / EBITDA. Emissions from use of sold products covering at least 67% of total Scope 3 emissions.
[18] Russia has been included

and buildings sectors and requires the rate of emissions reductions needed in the near-term to reach net-zero CO_2 emissions at global level by 2050. For the purposes of setting GHG inventory organizational boundaries, the Group has adopted the Operational Control Approach. Under this approach, the Company accounts for all emissions from operations over which it or one of its subsidiaries has direct control and where it can influence the decisions that affect GHG emissions. This includes all owned or leased facilities and vehicles operated by the Group. This approach is consistent with the WRI/WBCSD GHG Protocol and general sustainability reporting protocols and guidance.

The Ariston Group GHG inventory includes 100% of Scope 1 and 2 GHG emissions and 100% of Scope 3 GHG emissions and covers the seven greenhouse gas families required by the GHG Protocol Corporate Standard: Carbon Dioxide (CO_2), Perfluorocarbons (PFCs), Methane (CH_4), Sulfur Hexafluoride (SF_6), Nitrous Oxide (N_2O), Nitrogen Trifluoride (NF_3) and Hydrofluorocarbons (HFCs). Global GHG emissions are expressed in tCO2e using the most recent Global Warming Potentials published by the Intergovernmental Panel on Climate Change (IPPC) in its Assessment Reports.

The target boundary for Scope 1 and 2 includes 100% of the market-based GHG emissions from the baseline. Within this boundary, Scope 1 (S1) accounts for 53% of the total, while Scope 2 (S2) represents 47% of AG's Scope 1 and 2 GHG emissions. For the Scope 3 target boundary, Ariston Group includes 71% of the GHG emissions from the baseline. To ensure the consistency of these targets with its GHG inventory boundaries, the Group has designed a base year recalculation policy, by which the base year and targeted values will be recalculated in the event of significant changes that lead to an aggregate impact of 5% or more on its baseline, including:

- Significant changes in company structure and activities (acquisitions, divestitures, mergers, insourcing or outsourcing, shifts in goods or service offerings).
- Methodological changes. These include updated emission factors, improved data access or updated calculation methods.
- Significant errors: should Ariston Group find significant errors or several cumulative errors in the base year calculation, this will also result in a recalculation.

Ariston Group has aligned with both GHG Protocol and SBTi by selecting 2021 as its base year for Scope 1, 2, and 3 science-based targets. This decision was made for the following reasons:

- It reflects Ariston Group's business-as-usual scenario.
- The emissions data for Scope 1, Scope 2, and Scope 3 in 2021 are accurate and verifiable.
- It marks the starting point of Ariston's decarbonization strategy.

In accordance with Ariston Group's base year recalculation policy, GHG Protocol and SBTi requirements, the Group base year has been recalculated in 2025 due to recent structural changes within the Company, which exceeded the 5% threshold outlined in the policy. Target coverage and reduction ambitions for Scope 1 and 2 and Scope 3 have remained unchanged, while 2030 target absolute values have been updated accordingly.

The base year recalculation has not significantly impacted Ariston Group's progress toward its targets, as the Company’s GHG emission profile has remained largely unchanged.

In 2021 Ariston Group's Scope 1 and 2 emissions amounted to 112,964 tCO2e (Scope 1: 59,554tCO2e; Scope 2 MB: 53,410 tCO2e). Scope 3 emissions amounted to 105,032,292 tCO2e. The base year target boundary accounts for 100% of Scope 1 and 2, and 71% of Scope 3 (74,375,400 tCO_2e; 219 tCO_2e/k€). As previously noted, these baseline values have been recalculated to consider the impact of the reconsolidation of Russia (while the most recent acquisitions such as ZRE and DDR have not been included as the impact on emissions is not significant).

In 2025, Ariston Group completed 79% of its 2030 Scope 1 and 2 (S1&2) target, having achieved a 33% reduction in absolute S1&2 emissions from its base year. This reduction was primarily driven the increased consumption of renewable energy at its production sites.

Thanks to Ariston Group's efforts to achieve a less GHG-intensive product mix since launching its decarbonization strategy in 2021, the Company has achieved a 24% reduction in the absolute Scope 3 GHG emissions covered by its Scope 3 science-based target. As a result, Ariston Group has already completed 37% of its Scope 3 decarbonization goal, having reduced its economic intensity indicator - expressed in tCO_2e per million Euro of value added - by 19%, from 219 tCO_2e/k€ in 2021 to 177 tCO_2e/k€ in 2025.

In 2025 the trend of absolute GHG emission reductions observed in previous years continues, demonstrating the Group’s efforts to reduce its environmental impact.

Ariston Group conducts a yearly review and assessment of its Scope 1 and 2 (S1&2) and Scope 3 targets, aligning with the frequency of its greenhouse gas (GHG) inventory calculations. Each year, a comprehensive analysis is performed to evaluate the impact of the mitigation measures implemented during the reporting year, identify significant changes, and

understand the reasons behind these changes. The analysis also assesses how well the Company is progressing toward achieving its targets. The findings are presented to the ESG Council for validation and are used to inform the Company's strategic direction. Additionally, Ariston Group continuously monitors the latest Science Based Targets initiative (SBTi) requirements to ensure the ongoing validity of its science-based targets.

In 2022 and 2023 the Group also progressively improved the calculation methodology of several categories from its baseline year. Targets and projections are monitored on a yearly basis to align with the Company's vision, which in turn considers future developments such as changes in sales volumes, shifts in customer preferences and demand, regulatory factors, and the adoption of new technologies. A yearly review and assessment are conducted on Scope 1, 2 and 3 targets, aligning with the frequency of its greenhouse gas (GHG) inventory calculations. Each year, a comprehensive analysis is performed to evaluate the impact of the mitigation measures implemented during the reporting year, identifying significant changes, and analyzing underlying drivers. The analysis also assesses how well the Company is progressing toward achieving its targets. The findings are presented to the ESG Council for discussion and to the Audit and Sustainability Committee for validation and are used to inform the Company's strategic direction. Additionally, the Group continuously monitors the latest Science Based Targets initiative (SBTi) requirements to ensure the ongoing validity of its science-based targets. For more information about expected decarbonization levers and their overall quantitative contributions to achieve the GHG emission reduction targets, see E1-1.

Supporting initiatives: efficient product offering

As the main contribution to GHG emissions arises from the use of its products, the Company prioritizes the expansion of its portfolio of renewable and energy-efficient solutions. Specific targets have been established to increase sales of products that rely on renewable and high-efficiency technologies, as well as alternative fuels. The Company is also prioritizing the introduction of Home Energy Management systems and lever solutions to support further progress. These objectives are closely aligned with the commitments set out in the HSE Policy and the Sustainable Procurement Policy, as they play a direct role in advancing Scope 3 decarbonization objectives.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope
90% Heating gas condensing technologies' revenues from hydrogen-ready solutions in Europe[19]	2025	29%	2022	90%	**95% (+5%)**	Whole Group
>60% revenues in Europe generated by renewable technologies vs. < 40% from fossil fuel products[20]	2030	46% from renewables vs. 54% from fossil fuels	2022	43% from renewables vs. 57% from fossil fuels *(Restated)*[21]	**51% from renewables (+8%) vs. 49% from fossil fuels (-8%)**	Whole Group
Launch of a representative Home Energy Management – ready product on electric storage water heaters, heat pump water heaters and heating heat pumps	2025	Launch of Powerflex in Italy (ESWH)	2023	Launch of Powerflex in Italy (ESWH)	**Announcement of Home Plug launch, planned for the first quarter of 2026 in Italy (HPWH)**	Whole Group
Confirm effort to shift heat pump water heaters to lower GWP refrigerants	2025	Nuos Plus R290: first propane platform designed for the EU market	2023	The Group is transitioning its entire EU range of split heat pump water heaters from R134A (GWP 1430) to R513A	- **The Group has completed the transition of its entire EU range of split heat pump water heaters from R134A (GWP 1430) to R513A** - **Launch of NTI Verta Series, employing the low-GWP refrigerant R32 in (North America)** - **The Group is transitioning all heat pump water heater models to comply with a Global Warming Potential (GWP) threshold of below 150 by 2027**	Whole Group

[19] Certified to be 20% H2 ready. The perimeter considers the Balkans, Switzerland, the United Kingdom, Israel, Norway and Ukraine. Russia is excluded.
[20] The perimeter considered refers to revenues generated in Europe by the 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 out of scope. Electric water heaters, combustion technologies (E2), 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.
[21] The calculation methodology has been revised compared to the previous reporting year following the identification of a perimeter inaccuracy, which was based on global revenues. In the current year, only EU revenues have been included in the scope and the 2024 value has been restated. Released figure in 2024: Renewable: 35%, Fossil fuel: 65%.

The first target, successfully achieved in 2024 and further improved in terms of progress in 2025, demonstrates the Company's ability to adapt gas condensing boilers into products capable of operating with a hydrogen blend. Only products that have been certified by a third-party entity for this functionality can be included in the calculation, and their turnover constitutes the numerator. Only products sold in the EU area (including the Balkans, Switzerland, the United Kingdom, Israel, Norway, and Ukraine) are considered, and their total turnover constitutes the denominator.

The second target evaluates the Group's ability to shift its product portfolio toward energy transition technologies by analysing the related revenue trend. Results show a positive trend, as compared to the previous year the share of revenues from renewable products increased by 8%, while revenues from fossil-based products decreased accordingly. The scope of the analysis remains consistent with the previous target in terms of geographies. As for technologies, renewable technologies include heating heat pumps, air-to-air heat pumps, heat pump water heaters and solar water heaters. Fossil products consist of boilers and gas water heaters, both storage and instantaneous. Electric water heaters, combustion technologies, accessories, and cylinders are excluded. The KPI is calculated as the share of revenues from renewable technologies out of the total revenues generated by renewable and fossil products within the defined scope.

The other interim targets, such as the launch of a representative home management solution, along with the ongoing and confirmed efforts to transition heat pump water heaters to lower-GDP refrigerants, have been successfully achieved, as demonstrated by the initiatives outlined above. In relation to Home Energy Management, the target is considered achieved, as both electric storage water heaters and heat pump water heaters now include this feature. Italy serves as the pilot market, followed by a gradual rollout to other markets where the technology is applicable.

The Company's targets were defined within the framework of the Group's strategic ambitions as set by the Strategy function. The process is supported by inputs from the Market Intelligence team, which provides insights on the expected evolution of market demand and related trends, as well as input from the Public & Regulatory Affairs function, which contributes analysis on relevant regulatory requirements and broader sustainable development considerations, including customer behavior patterns, particularly within the EU. The underlying premise is that the development and deployment of specific products and technologies play a key role in reducing emissions arising from the use of sold products.

The Group's primary focus is on Europe, where the regulatory environment is expected to evolve more rapidly in relation to the shift toward sustainable solutions, and where the majority of business activities take place, thereby maximizing overall impact. The application of revenue metrics or the launch of new products and projects in these markets aligns with these assumptions.

Progress against each target is tracked and assessed annually, based on sales reports and, for qualitative targets, the examination of all actions carried out during the reporting period and their respective coverage. The figures provided are not externally verified except by the auditors responsible for the Sustainability Statement.

Supporting initiatives: Green energy procurement

In line with its Scope 1 and 2 decarbonization targets, the Company has set a target to increase Energy Attribute Certificates procurement in key countries. This target is measured as the percentage of the Group's total energy consumption covered by Green Energy Certificates and Power Purchase Agreements (PPAs).Overall, the target supports the objectives outlined in the Sustainable Procurement Policy.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope
Green Energy procurement increase	Rolling	18% of total electricity purchased was green electricity *(Revised: 18% includes 100% EACs in China, Thermal Comfort only and 100% EACs in Mexico)*	2024	24% of total electricity purchased was green electricity 27% of electricity consumed was green electricity (including self production)	**46% of total electricity purchased was green electricity** **49% of electricity consumed was green electricity (including self production) (+22%)**	Group's production plants

The mapping of energy consumption across the Group's plants worldwide, together with an assessment of the **availability and market maturity of Energy Attribute Certificates** (EACs) in the relevant geographies, helps the Group identify the **most energy-intensive areas** within the Group's operational footprint. Rather than seeking to maximize the purchase of EACs on a country-by-country basis, the approach is intended to **progressively increase the overall volume of EACs across the Group's most energy-consuming countries**, where feasible and subject to market availability, with the objective of optimizing the balance between environmental benefit and cost efficiency at Group level.

With regard to progress toward the target, while progress was represented initially as the percentage of renewable energy procured in selected countries with high energy consumption, the Group has decided to track its journey toward increased green energy procurement as the percentage of green energy over total energy purchased. This approach ensures a more consistent and transparent representation of progress over time, independently of changes in the geographic scope or in the countries where green energy is procured. The share of electricity purchased from renewable sources over total electricity purchased at Group level rose by 22% between 2024 and 2025. Furthermore, the Group

tracks the share of green electricity consumed (including EACs, PPAs and self-production through photovoltaic systems) over total electricity consumption. Under this metric, performance improved from 27% in 2024 to 49% in 2025.

The different visualization of the 2024 progress was performed in order to ensure comparability of 2025 performance against the previous year. The significant improvement observed in both indicators is mainly attributable to the implementation of a dedicated green energy sourcing strategy through EACs and PPAs, as well as the deployment of photovoltaic plants at key Italian sites.

The **plants with higher energy consumption** are primarily identified through energy invoice analysis and emissions assessments. On this basis, an annual strategy is defined and periodically updated for the procurement of EACs and/or, where appropriate, the establishment of **green energy Power Purchase Agreements** (PPAs) that include the supply of **certified renewable energy**. Actual performance against the related targets is monitored and reviewed on an annual basis, taking into account external factors such as regulatory developments and market conditions. To date, progress is broadly in line with the assumptions underlying the initial planning.

Connectable Products Targets

In order to continue generating positive impacts through the sale of efficient technologies and solutions, the Group has set an absolute target for increasing its offer of connectable products. **Connected Home Services are in fact a key tool to reach a better understanding of Group customer needs and provide increasingly tailored solutions**. These services enable easy and remote monitoring of energy consumption while offering a range of inputs and tools to drive continuous improvements in the efficient use of the products, ultimately contributing to the reduction of energy consumption. The target is related to the goals outlined in the HSE Policy and the Sustainable Procurement Policy, as it directly contributes to the attainment of Scope 3 decarbonization objectives.

Target	Target year	Baseline	Base year	2024	2025 Interim target	Scope
>5 mln connectable products sold	2030	connectivity feature launch, few units sold	2015	1.7 mln	**2.2 mln (+0.5mln)**	Whole Group

The target was set by internal workshops with specific teams, all belonging to the Business Unit. It takes into consideration the Company's ambition, market demand projections (developed by the Market Intelligence team), and the Group's growth trends over recent years for these types of products. It also considers the wider context of sustainable development, incorporating key regulatory aspects and customer behavior trends, particularly within the EU region. The actual value is monitored and reviewed on an annual basis by analyzing sales reports. Each year, roadmaps are drawn up to improve and expand connectivity services, contributing to broader adoption of the service itself. At present, the interim target has been successfully achieved, with sales exceeding the 2025 target level by more than 200,000 units.

E1-5 Energy consumption and mix

	U.o.M.	2024	2025
***37.* Total energy consumption**	**MWh**	**297,429**	**329,756**
		2024	2025
***37a.* Energy consumption from fossil fuel sources**	**U.o.M.**	**265,047**	**275,382**
paragraph 38 If high impact sector (as defined in Commission Delegated Regulation (EU) 2022/1288) [22]			
a. Coal and coal products	MWh	-	-
b. Crude oil and petroleum products	MWh	53,640	50,369
c. Natural Gas	MWh	144,362	169,485
d. Other fossil sources	MWh	439	339
e. Purchased or acquired:			
Electricity from fossil fuels	MWh	66,606	54,495
Heat from fossil fuels	MWh	-	695
Steam from fossil fuels	MWh	-	-
Cooling from fossil fuels	MWh	-	-
% of fossil sources in total consumption	%	89%	84%
		2024	2025
***37b.* Energy consumption from nuclear sources**	**U.o.M.**	**9,074**	**8,540**
Nuclear	MWh	9,074	8,540
% of nuclear sources in total consumption	%	3%	3%
		2024	2025
***37c.* Energy consumption from renewable sources**	**U.o.M.**	**23,308**	**45,834**
a. Fuel consumption from renewable sources (*biomass, biofuels, biogas, …*)	MWh	226	188

[22] As defined by Commission Delegated Regulation (EU) 2022/1288, Ariston Group primarily operates in the manufacturing sector for heating and climate control equipment, which falls under Section C of the NACE classification. Specifically, it is classified under C.27.51 – "Manufacture of domestic appliances" and C.28.25 – "Manufacture of air treatment equipment".

b. Consumption of purchased or acquired:			
Electricity from renewable sources	MWh	20,784	42,534
Heat from renewable sources	MWh	-	-
Steam from renewable sources	MWh	-	-
Cooling from renewable sources	MWh	-	-
c. Self-generated non-fuel renewable energy	MWh	2,298	3,112
% of renewable sources in total consumption	%	8%	14%
		2024	2025
***39.* Production of non-renewable energy**	**U.o.M.**	**5,224**	**6,038**
Cogeneration (natural gas)	MWh	5,224	6,038
***39.* Production of renewable energy**	**U.o.M.**	**3,556**	**4,432**
Solar energy	MWh	3,556	4,432
		2024	2025
***40.* Energy intensity**	**U.o.M.**	**-**	
Total energy consumption associated with activities in high climate impact sectors	MWh	297,429	329,756
Net revenue from high climate impact sectors	MEur	2,633	2,707
Energy intensity	MWh/MEur	112.96	121.82

In 2025, total energy consumption increased mainly as a result of the reconsolidation of Russia. Nevertheless, the share of energy from renewable sources rose significantly, supported by the implementation of a robust green energy procurement strategy leveraging PPAs and EACs.

For production facilities, data is extracted from invoices documenting plant consumption. Self-generated non-fuel renewable energy is measured with meters. For non-production facilities, invoices from representative sites are used and extrapolated for the rest. Since nuclear energy consumption data is not provided by the energy provider, estimates are based on the country's energy mix, indicating its share in the supply. For further information about methodologies, please refer to E1-4 Targets relating to climate change mitigation and adaptation, Emissions reduction paragraph. For the reconciliation of net revenue from high climate impact sectors, see Annual Report, 2. Key Highlights – Net Revenue.

E1-6 Gross scope 1,2,3 and total emissions

	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
48a. Gross Scope 1 GHG emissions		**59,554**	**46,114**	**49,876**	**-16%**
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
Biogenic emissions of CO_2 from combustion	**tCO_2e**	801	833	423	-47%
Biogenic emissions of CO_2 from bio-degradation of biomass	**tCO_2e**	-	-	-	-
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
48b. Percentage of Scope 1 GHG emissions from regulated emission trading schemes	**%**	**0**	**0**	**0**	**0**
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
49a. Gross location-based Scope 2 GHG emissions		**44,584**	**37,555**	**37,925**	**-15%**
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
49b. Gross market-based Scope 2 GHG emissions		**53,410**	**37,476**	**25,586**	**-52%**
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
Biogenic emissions of CO_2 from combustion	tCO_2e	**-**	**-**	**-**	**-**
Bio-degradation of biomass	tCO_2e	**-**	**-**	**-**	**-**
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
51. Indirect GHG emissions (Scope 3)		**105,032,292**	**79,345,164**	**79,423,357**	**-24%**
Purchased goods and services	tCO_2e	680,547	373,971	480,667	-29%
Capital goods	tCO_2e	15,300	11,992	19,464	27%
Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	tCO_2e	23,791	16,586	17,352	-27%
Upstream transportation and distribution	tCO_2e	136,142	71,261	89,995	-34%
Waste generated in operations	tCO_2e	1,714	1,135	1,192	-30%
Business travel	tCO_2e	3,906	6,115	7,862	101%
Employee commuting	tCO_2e	8,130	9,375	9,048	11%
Upstream leased assets	tCO_2e	-	-	-	-
Downstream transportation	tCO_2e	22,457	18,540	19,338	-14%
Processing of sold products	tCO_2e	-	-	-	-
Use of sold products	tCO_2e	104,080,778	78,791,802	78,731,575	-24%
End-of-life treatment of sold products	tCO_2e	59,525	44,386	46,862	-21%
Downstream leased assets	tCO_2e	-	-	-	-
Franchises	tCO_2e	-	-	-	-
Investments	tCO_2e	-	-	-	-
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021

Biogenic emissions of CO_2 from combustion	tCO_2e	0	0	0	0
Bio-degradation of biomass	tCO_2e	0	0	0	0
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
52.a Total GHG emissions (location-based)	tCO_2e	**105,136,430**	**79,428,833**	**79,511,158**	**-24%**
52.b Total GHG emissions (market-based)	tCO_2e	**105,145,255**	**79,428,754**	**79,498,818**	**-24%**
	U.o.M.	Baseline 2021	2024	2025	Δ 2025 vs 2021
Total GHG emissions (location-based) ratio per net revenue	tCO_2e/M Eur	**52,912**	**30,178**	**29,372**	**-44%**
Total GHG emissions (market-based) ratio per net revenue	tCO_2e/M Eur	**52,917**	**30,178**	**29,368**	**-44%**
Net revenue	M Eur	**1,987**	**2,632**	**2,707**	**36%**

The following Scope 3 categories are considered not applicable or not material for Ariston Group:

- **Upstream leased assets:** related emissions are already included within Scope 1 and Scope 2;
- **Processing of sold products:** A quantitative assessment confirmed that emissions from the processing of sold intermediate products represent less than 0% of total Scope 3 emissions, meeting the *de minimis* criteria for exclusion, and are therefore not material for the purposes of disclosure;
- **Downstream leased assets, Franchises and Investments** are not applicable as the Group does not lease assets, operate franchises, or hold significant investments for Scope 3 reporting.

Base year	Baseline	2030 Target	2030 absolute value
2021	Scope 1 and 2 GHG emissions amounted to a total of 112,964 tCO_2e	42% Scope 1 and 2 absolute GHG emission reduction	65,519 tCO_2e
2021	Scope 3 economic intensity value: 219 tCO_2e/k€ Absolute emissions in 3.11 Use of sold products, 71% coverage: 74,375 mln tCO_2e	51.6% Scope 3 GHG emission reduction per million-Euro value added[23]	*For confidentiality reasons regarding financial KPIs (EBITDA), the value of absolute emissions will not be disclosed.*

The base year has been recalculated to account for the business combination (CENTROTEC Climate Systems) and acquisitions (Chromagen, and the, Egypt) while DDR and ZRE have been omitted as their impact on emissions is not significant. For further information about methodologies, please refer to E1-4 Targets related to climate change mitigation and adaptation, Emissions reduction paragraph. For the reconciliation of net revenue from high climate impact sectors, see Annual Report, 2. Key Highlights – Net Revenue.

[23] Economic intensity, meaning Emissions / EBITDA. Emissions from use of sold products covering at least 67% of total Scope 3 emissions.

ESRS E3 – Water and Marine Resources

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
E3 Water	Consumption	Negative impact	Actual	Upstream intensive water consumption	Upstream	Long term

Water usage is a critical global issue, closely linked to climate change, particularly in relation to drought and resource scarcity. For the Group, the efficient and sustainable use of water resources is a key priority, even though its most significant impacts are generated in other areas. Currently, the primary focus is on addressing the impacts created by upstream partners within the value chain.

E3-1 Policies related to water resources

Sustainable Procurement Policy. The Sustainable Procurement Policy sets out the **Group's commitment to reducing water consumption along the upstream value chain**. To date, no specific improvement requests regarding water management have been directed at suppliers operating in specific areas. The Policy establishes a two-tier system of expectations, differentiated by supplier size and potential environmental impact, categorized as follows:

- Water Minimum Requirements:
  - Suppliers are expected to improve the efficiency of water use in their operations;
  - Suppliers are expected to reduce water discharge and increase the proportion of treated water returned to the ecosystem.
- Preferred Practices
  - Suppliers should monitor where and how water is withdrawn, consumed, and discharged, as well as the related impacts;
  - Suppliers should maintain accessible data on their water withdraws, discharges and consumption.

In addition, the Suppliers' Code of Conduct requires suppliers to implement measures ensuring that any water or waste discharges with potential adverse effects on human health or the environment are properly managed, monitored, quantified, and treated prior to release. This requirement is guided by the Group's Health, Safety and Environment (HSE) Policy and aligned with ISO 14001. While the HSE Policy sets out the Group's environmental commitments, the ISO 14001 provides the structural framework for their implementation, integrating water management within an Environmental Management System (EMS). Its principles include identifying and assessing water-related impacts, optimizing water use, reducing waste and pollution, ensuring regulatory compliance, and driving continuous improvement through monitoring and target setting. In doing so, the standard supports the adoption of sustainable practices that reduce water footprints and safeguard water resources, to be in line with the Group's approach. *For further details on the Sustainable Procurement Policy and the HSE Group Policy, please refer to ESRS E1-2.*

New EcoVadis assessment Procedure. Effective from August 2025, the EcoVadis–Jaggaer Procedure establishes requirements for integrating the EcoVadis Scorecard into the supplier qualification and management process within the Procurement and supply chain management platform Jaggaer. The procedure aims to reinforce sustainability and accountability across the supply chain by **ensuring that all suppliers, with which the Group has a business value that exceed a defined threshold, must undergo a minimum level of ESG assessment, including the evaluation of water-related practices and performances**. *For further details on the Procedure, please refer to ESRS S2-1.*

E3-2 Actions related to water resources

EcoVadis Assessment. In 2025, the Group launched the second wave of the EcoVadis assessment campaign[24], further expanding its supplier engagement on sustainability topics. This second phase targeted both strategic suppliers who had declined to undertake the EcoVadis assessment in the previous year and additional non-strategic suppliers with whom the Group had less frequent business interactions, in order to extend sustainability coverage across a broader supplier base. For those suppliers considered strategic to the Group and included in the 2030 sustainability target, the coverage rate increased from 65% in 2024 to 75% in 2025. Following the completion of the assessments, the Group conducted a detailed analysis of the results.

To address the negative impacts on water management identified upstream, Ariston Group has introduced tailor-made Corrective Action Plan (CAPs) for suppliers that do not meet the standards defined through the EcoVadis platform. CAPs

[24] For more information, see S2 Workers in the value chain

were launched in 2024 with the first wave of assessments and related corrective measures, followed by a second wave in December 2025.

As an integrated feature of the EcoVadis platform, CAPs enable the formulation of targeted improvement plans and facilitate communication between buyers and suppliers. Through the platform, suppliers can share both planned and completed initiatives, visible to all requesting companies. The objective is to strengthen supplier performance in the areas of Environment, Labor & Human Rights, Ethics, and Sustainable Procurement, with the platform clearly identifying strengths and gaps in each dimension. The CAP request process begins with a review of EcoVadis assessment results, focusing on supplier-specific areas requiring improvement. Once areas for action are identified, a formal request is issued with a typical implementation timeframe of one year, supported where needed by tailored guidance. Suppliers receive a notification and can access the CAP directly on the EcoVadis platform, including an "Improvement Letter" with practical recommendations and supporting documentation. Progress is tracked through the platform: suppliers must formally accept the request, enabling systematic monitoring of implementation. Each improvement action is recorded in the CAP tab of the supplier's scorecard, while buyers can send reminders or add clarifications and reminders through a dedicated chat function. Progress can be monitored both at individual supplier level and across the broader base, with automated notifications helping ensure timely completion of actions.

Within the CAP framework, particular emphasis is placed on strengthening water management practices to reduce extensive upstream water consumption. Indeed, suppliers are required to implement measures such as reducing water use, treating and reusing wastewater, and adopting technologies that optimize water efficiency. All corrective actions are implemented in line with the Company's Policy, which serves as the overarching framework to guide and consolidate continuous improvements. In this context, the Company has also committed dedicated resources to strengthening water management practices across its strategic suppliers. As of today, no specific actions have been defined in relation to areas at water risk where suppliers operate.

E3-3 Target related to water resources

To address the high-water consumption levels upstream, in 2024 Ariston Group set a relative target to ensure that by 2025, **all suppliers identified as critical for water usage are required to implement corrective actions, as required by the EcoVadis assessment**. The target contributes to the achievement of the objectives set out by the Sustainable Procurement Policy.

Supplier Corrective Action Plan Targets

Target	Target year	Baseline	Base year	2025 Progress	Scope
100% of assessed suppliers identified as critical for water usage are required to implement corrective actions	Rolling	100%	2024	**100%**	Upstream suppliers

The target is considered achieved given that, after identifying suppliers with low performance on water management, the Group requested all critical suppliers to implement corrective actions in 2025, in alignment with the previous year. In the current year, the scope of this target includes only key suppliers from the second wave of assessment.

All suppliers participating in the EcoVadis assessment are analyzed to identify those with the greatest negative environmental impact in terms of water management. At the same time, the measures already in place to improve water management are evaluated to assess their level of maturity. Based on this analysis, the Group selects the suppliers that need to implement a more structured strategy to mitigate water usage impacts (corrective action plan) and uses the EcoVadis platform to request improvements in this regard. The KPI percentage is calculated as the proportion of suppliers from whom the Group has requested a corrective action plan, relative to the total number of suppliers identified as needing one. Measurement of the metric is not validated by an external body other than the auditors of the Sustainability Statement, but it is formally tracked on the EcoVadis platform.

To define the target, considerations were made regarding the identified impact and the findings from the first wave of due diligence conducted on a significant portion of the supply chain. Specific meetings and discussions were held with the main functions involved (Procurement and ESG teams) to analyze the results of the first step in the due diligence and set the goal accordingly. After identifying the specific impacts related to supplier performance on water management, the Group decided to request improvements from 100% of its assessed partners. During 2026, following the update of the EcoVadis assessment (which is requested periodically), the Group will be able to identify the effective progress implemented by its partners in response to this request.

ESRS E5 – Resource use and circular economy

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
E5 Circular economy	Inflows	Negative impact	Actual	Negative impacts on the environment due to the use of non-renewable raw materials at risk of depletion	Upstream	Long term
	Waste	Negative impact	Actual	Inefficient waste disposal at industrial and consumer level	Entire value chain	Long term
	Outflows	Positive impact	Actual	Extension of products' lifetime through real-time technical and remote assistance	Downstream	Short term
	Inflows	Risks	-	Increased costs and logistical challenges due to geopolitical instability	Upstream	Medium term
	Inflows / Waste	Risks	-	Inability to comply with sustainable packaging regulation and policies (e.g. extended responsibility scheme in UK)	Company level	Medium term
	Waste	Opportunities	-	Reduced cost of waste management thanks to the adoption of circular practices	Entire value chain	Medium term

E5-1 Policies related to resource use and circular economy

With respect to resource use and circularity, the Group has established a comprehensive set of policies and mechanisms aimed at addressing impacts, risks and opportunities throughout its value chain.

Sustainability Procurement Policy. In pursuit of its circular economy ambitions, the Policy is designed to mitigate negative environmental impacts across the supply chain, reducing dependence on non-renewable raw materials, improving waste management practices, and ensuring the ethical sourcing of conflict minerals.

As for the non-renewable resources, **suppliers are required to provide transparent data on material composition, integrate recycled content, and guarantee recyclability wherever feasible**. Packaging must be designed to minimize plastic usage and progressively increase the share of recycled plastic to at least 35% by 2030, with third-party certification verifying recycled content. In parallel, suppliers are encouraged to undertake Life Cycle Assessments (LCA) and to collaborate closely with Ariston Group in advancing initiatives that foster recycling, reuse, and remanufacturing.

Effective waste management is another cornerstone of the policy. Suppliers are expected to reduce landfill disposal and ensure that any potentially harmful discharges are appropriately treated before release into the environment. Preventive measures to avoid waste generation are strongly promoted, including the adoption of the 5R methodology (Refuse, Reduce, Reuse, Recycle, Revalorize).

When it comes to conflict minerals, suppliers must identify and trace the origin of materials, guaranteeing full compliance with responsible sourcing standards. They are also encouraged to engage their own supply chains in promoting ethical practices and to provide evidence of transparent and accountable operations.

Furthermore, Ariston Group promotes an open and collaborative approach with its suppliers to integrate circular principles into procurement and product development. This shared commitment drives innovation in recycling, repair, reuse, and remanufacturing, while supporting the search for alternative materials and design solutions that enhance the recyclability of products and packaging. Dedicated working groups between the Group's R&D teams and suppliers facilitate the exchange of expertise and insights, enabling continuous improvement and long-term value creation across the supply network.

For further details on the Sustainable Procurement Policy, please refer to ESRS E1-2.

New Product Development Procedure. The Product Development Procedure establishes a structured and consistent framework for the creation of all product solutions across the Group. Its primary objective is to extend product lifetime by embedding durability, reparability, and efficiency into every stage of design and development. By doing so, the Procedure supports the Group's sustainability goals, encouraging repair rather than replacement and reducing resource consumption throughout the product lifecycle.

The process is led by the Business Unit Executive Vice Presidents (EVPs), supported by the EVPs of the main functions involved - Quality, Operations, Sales, and Procurement. During the specification phase, particular attention is given to defining the requirements for key technical and informational content, including product data, training materials, and documentation for products, accessories, and spare parts. The use of standardized components and the consistent availability of replacement parts are essential to ensuring long-term product reliability and ease of maintenance.

In 2025, the Procedure underwent a major revision aimed at harmonizing tools and methodologies across Ariston Group and its subsidiaries - including Wolf – following the recent business combination. This update brought together the best practices developed within different entities, consolidating them into a single shared framework. The main purpose of this revision was to align processes, create operational synergies, and foster convergence across all product development activities. Within this first review, a CO_2 assessment was introduced as a recommended, though not mandatory, activity, and internal training sessions were delivered to familiarize teams with the new approach. The following steps will focus

on further strengthening this unified framework and ensuring that best practices evolve into increasingly structured and measurable processes.

From an operational perspective, Plant Logistics plays a central role in managing the obsolescence of raw materials (RM) and preparing the RM Phase-out Report. An effective Phase In–Phase Out (PIPO) process ensures a smooth transition between new and discontinued products, minimizing the accumulation of finished goods through careful coordination of new code introductions and de-stocking activities. Customer needs are integrated throughout the process through insights gathered from Markets, Marketing Intelligence, and customer feedback, which are validated by field tests conducted in real operating conditions. These tests confirm that products meet the required technical specifications for performance, reliability, and quality.

All products and testing facilities comply with recognized international standards, including ISO, and are tested according to local requirements relating to functionality, installation, and safety. Testing is carried out both internally and in accredited third-party laboratories. Through this harmonized and continuously improved framework, Ariston Group ensures the development of high-quality, durable, and repairable products that promote sustainability and circularity across its entire value chain.

Group HSE Policy. The Group HSE Policy sets out the principles and approach for managing resource outflows within production processes, with the objective of mitigating negative impacts arising from inefficient waste disposal at the industrial level. Through the establishment of a certified HSE Management System, the Group aims to systematically improve performance and address key environmental challenges related to circularity, including the reliance on non-renewable raw materials and the generation of industrial waste. The Policy also integrates a waste management strategy grounded in the 5R methodology – Refuse, Reduce, Reuse, Recycle, Revalorize – thereby promoting the prevention of waste generation and the optimization of resource use. Performance is monitored through the continuous improvement processes embedded within the HSE Management System.

Its scope extends to all activities, products, and services over which the Group has control or can exert influence, taking into consideration a life-cycle perspective. This broad application ensures that production processes and related operations connected to resource management and waste handling are consistently addressed across the Group's global footprint.

Aligned with the international standard ISO 14001:2015, which provides a structured framework for the effective management of environmental impacts, the Group, through this Policy, also promotes the adoption of the World Class Methodology (WCM), which provides a structured and replicable production framework built on the principle of minimizing waste and ultimately avoiding waste to landfill.

For further details on the Group HSE Policy, please refer to ESRS E1-2.

Waste Disposal Management Procedure. In 2025, Ariston Group revised its Waste Disposal Management Procedure to further strengthen the corporate framework for responsible waste management and regulatory compliance. The update enhances control over every stage of the waste management process while defining the interventions and responsibilities of the Group and its plants to ensure compliance with waste disposal regulations and maintain partnerships with authorized recycling companies.

The revised document clarifies the identification and classification of waste through the application of the 5R waste hierarchy (Refuse, Reduce, Reuse, Recycle, Revalorize) – therefore addressing the prioritization of the avoidance or minimization of waste over waste treatment, strengthens controls over waste depots by explicitly prohibiting any on-site landfilling or incineration, and refines the weighing and reporting processes. Periodic reporting has also been reinforced, requiring plants to record monthly waste data in the HSE Performance Monitoring system by the 12th of each month. These data are then consolidated by Group HSE for sustainability and ESG reporting, with compliance verified through internal audits.

Further updates expand and deepen several procedural aspects, introducing stricter internal control mechanisms and segregation of duties, consistent with the Deming Cycle (Plan | Do | Check | Act). These measures promote continuous improvement, systematic monitoring, and employee training on waste reduction and sound management practices, reinforcing the Group's alignment with the ESG Program, the Road to 100 initiatives, and the corporate objective of achieving zero waste to landfill by 2030. In terms of scope, the procedure applies to all production sites, parts and services warehouses, finished goods warehouses, and laboratories. The Plant/Site Manager retains overall accountability for implementation at site level under the supervision of Top Management, while the HSE Site Coordinator oversees daily operations and reporting. Procurement and Plant Controlling ensure proper tendering, tariff application, and performance monitoring of waste-related activities.

From a compliance perspective, the Procedure aligns with key international and national regulations, including Directive 2008/98/EC on waste and its amendments, Directive (EU) 2018/851, Directive (EU) 2012/19 on Waste Electrical and Electronic Equipment (WEEE), Commission Regulation (EU) 1357/2014, and Regulation (EU) 2024/1157 on shipments of

waste, as well as the Basel Ban Amendment on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. These instruments establish a consistent framework for waste classification, management, and disposal across all Ariston Group sites, including those located outside the EU.

Furthermore, stakeholders' interests are addressed through a structured and transparent approach:

- Internal stakeholders: clearly defined roles for the Plant/Site Manager, HSE Site Coordinator, Procurement, and Plant Controller ensure effective management, accountability, and compliance.
- External stakeholders: suppliers and waste disposal partners are selected through qualification, certification, and tendering processes to ensure authorization validity, reliability, and cost-effectiveness.
- Regulatory authorities: adherence to national and EU environmental requirements guarantees transparency, accurate reporting, and audit readiness.

The Procedure is communicated internally and made available on the Company Intranet, supporting transparency, accountability, and continuous improvement in waste management across the Group.

E5-2 Actions and resources related to resource use and circular economy

This section highlights the initiatives implemented to encourage the sustainable use of resources, reinforce the Group's commitment to circular economy principles, and prevent environmental impacts associated with the consumption of non-renewable raw materials at risk of depletion. The actions described aim to enhance circularity, preserve product value by enhancing durability through service solutions and digital connectivity, and ultimately reduce waste. While not all activities are formally tied to specific Policy objectives, they are all designed in accordance with the Policy's overarching guidance, which provides a long-term framework for steering the Company's actions over time.

HSE Roadmap. The HSE Roadmap 2025 outlines Ariston Group's strategic approach to strengthening Health, Safety and Environment (HSE) performance, with a particular emphasis on environmental responsibility across all operations.

At the core of the roadmap are key environmental priorities aimed at reducing the Group's overall footprint. The Zero Landfill Program focuses on eliminating waste sent to landfill and promoting circularity within manufacturing sites, while water and waste management projects target greater resource efficiency and reduced environmental impact. New environmental standards and training programs are also included to harmonize practices and raise awareness throughout global operations.

In this context, the Group's HSE management system, certified in accordance with ISO 14001:2015, defines a unified global standard for environmental management across all operations. The certification, which covers 18 production sites, was successfully renewed in 2025 and is valid until June 2026. Through this framework, the Group systematically identifies and mitigates environmental impacts.

Resource inflow: mapping and using renewable materials

The variety and technical complexity of Ariston Group's products involve the use of a wide range of materials. The main inflows can be broadly classified into two categories: metals - such as steel, aluminum, copper, iron, and brass - and polymeric materials, including elastomers, polyfoam, expanded polypropylene/polypropylene (EPP/PP), and polyurethane. For metallic inputs, production waste - whether from mixed or pure sources - is recovered and recycled either through Group suppliers able to recover and reintegrate the materials into their own manufacturing processes or through external recyclers. In the latter case, metal scrap generated by Ariston Group is transferred to specialized recyclers, who are able not only to process and recover the material, but also to resell it to third parties for reuse. This commercial valorization of scrap is reflected in reduced waste-disposal fees, with discounts applied where recyclers successfully place the recovered metals back on the market. The same principle applies to metals that have already undergone processing or molding.

Given the differing significance and impact of these material inflows, the Group has chosen to focus its efforts on those with the greatest environmental relevance – identified as the materials account for the largest proportion of products' weight and to develop targeted projects to strengthen circularity within its operations.

Steel. To reduce reliance on virgin raw materials, the Group is progressively increasing the use of secondary and recycled steel. Upstream initiatives have already resulted in recycled steel representing around 28% of total usage. As a core material, steel accounts for approximately 70% of the total weight of materials used in the manufacture of Ariston Group's thermal comfort solutions.

In line with the Group's sustainability strategy, Wolf continued in 2025 to expand the use of Green Steel within its commercial Air Handling Unit (AHU) portfolio, further reducing the carbon footprint of its manufacturing activities. The "Green Steel" booking option ensures that galvanized steel components are produced using Low-Emission Steel in accordance

with the Book-and-Claim principle. The steel is certified under Responsible Steel and manufactured from at least 75% recycled scrap in electric arc furnaces powered entirely by renewable electricity.

Material supply originates from ArcelorMittal's Sestao plant in Spain, where XCarb® recycled and renewably produced steel is made using renewable energy. As the physical allocation of Green Steel cannot always be guaranteed, Wolf applies a Book-and-Claim balancing system, ensuring that the corresponding share of Green Steel booked by customers is offset within six months across overall AHU production.

Plastic. In order to increase the amount of recycled plastics used in production, the Group has launched an assessment to evaluate current supply conditions and identify potential opportunities for future improvement. Particular attention has been devoted to the management of plastic packaging, which is described in further detail in the following section.

Packaging. Screwfix, a UK retailer, has launched an initiative aimed at reducing environmental impact while preserving product performance and protection standards. This program enforces strict material and certification requirements to ensure transparency and accountability throughout the supply chain. Plastic components are permitted only when unavoidable and must consist of PP, PET, LDPE, or HDPE with a minimum of 30% recycled content, while bioplastics must be home-compostable and approved by the Screwfix Sustainability Team. The use of polystyrene (EPS) and PVC is strictly prohibited. All fiber-based packaging must carry FSC® or PEFC™ certification with a verified Chain of Custody, and any inks, varnishes, or adhesives must comply with sustainability standards and be free from substances restricted under REACH, RoHS, and POP regulations. Suppliers are required to provide verifiable evidence of compliance, including annual documentation of material sourcing and recycled content certification. As part of this initiative, the Group has introduced the Icom solution - a five-layer corrugated cardboard structure combined with a 30% recycled LDPE film - offering low investment requirements, compatibility with existing EPS systems, and minimal impact on logistics. The solution is supported by FSC® certification for paper components, although verification remains in progress.

In line with the comprehensive supplier assessment carried out in 2024 to verify the sourcing and composition of packaging materials, 2025 was a year of practical implementation and continuous improvement. Building on the insights gained from the previous year, the Group focused on strengthening packaging sustainability by expanding the use of low-impact materials and replacing traditional solutions with paper-based or biodegradable alternatives. Within this broader effort, particular progress was achieved in the components business, where initiatives included the introduction of post-industrial recycled plastic for pallet production and the full conversion of several packaging solutions to paper.

An example of this case within this framework was the development of Low Environmental Impact Packaging for Thermowatt, aimed at completely removing plastic components from packaging and replacing them with eco-sustainable materials.

The initiative, designed to reduce environmental impact and align with evolving market and regulatory expectations, was first implemented on the RTM Thermostat platform and is now being progressively extended across all product platforms. The new Thermowatt standard incorporates the use of paper adhesive tape, bioplastic (PLA), recycled-paper protective wrap, and wrapping film containing 30% recycled plastic. Through these actions, total plastic consumption for packaging will be reduced from 16.8 tons to 10.2 tons - a 40% decrease - and 3.1 tons (18%) of the remaining plastic will derive from post-industrial recycled materials. The project also contributed to lowering material and energy use throughout production and distribution, while ensuring alignment with new customer and market requirements, including those in India and in the United Kingdom.

Product circularity

Life Cycle Assessment. Beyond its commitment to more sustainable packaging, the Group continues to advance circular product design by further extending the implementation of Life Cycle Assessments (LCAs). This approach enables a broader evaluation of product solutions and ensures transparent communication of their environmental impact throughout the entire lifecycle, supported by the adoption of Environmental Product Declarations (EPDs). Since 2017, Ariston Group has been working toward obtaining the PEP ecopassport®, a Type III environmental declaration compliant with the ISO 14025 standard and based on LCA methodology. At the same time, during 2025, the Group has also been working to obtain market-specific product environmental certifications, such as the NMD certification for the Dutch market.

In 2025, the Group further strengthened its commitment by adopting One Click LCA, a specialized international software platform designed for the building sector. A pilot project was launched on three key products - an Air Handling Unit, a Heat Pump Water Heater, and a Heating Heat Pump. Specifically, for the HPWH and the HHP, Design Phase EPDs were developed to ensure that the products will be launched to the market already with certified environmental impact data. In parallel, as part of the Group's broader digitalization efforts, work is ongoing on the design of an internal Data Lake architecture which will embrace several topics among which LCA. Currently in the User Acceptance Testing (UAT) phase, this initiative will make the LCA process more scalable and data-driven, reinforcing the Group's ability to integrate circularity principles into product development and to meet both customer expectations and environmental impact reduction goals.

Focus on product end-of-life. In 2025 the Group conducted an assessment on product end-of-life, with the main objective of evaluating product composition, increasing material traceability, and, above all, understanding the key elements related to product circularity. **Five representative models belonging to four of the Group's main product categories were selected and analyzed as part of a pilot project**. The analysis was carried out in collaboration with an independent third-party company, and the dismantling of products took place at a recycler based in Germany, with the aim of reinforcing Ariston's circular design strategies and anticipate forthcoming EU products circular design requirements.

The products were analyzed, using third-party software, with the objective of identifying three main KPIs: recyclability, accessibility without destruction and reassembly capability.

The assessment further revealed areas of improvement within the R&D design phase, and potential lower-impact material alternatives were pinpointed for possible future implementation. This 2025 initiative represents a significant step in embedding circular economy principles into Ariston's product development process, providing a robust analytical basis for future design-to-repair and design-to-recycle initiatives, fully aligned with the evolving European regulatory framework on sustainable product design.

Heating heat pumps training: outdoor units. In continuity with the previous year, Ariston Group further expanded its specialized training program on refrigerant circuit braze-welding in 2025. Following successful implementation in Italy, **the program was rolled out in Romania in 2025 and is planned to be extended to Spain and France in 2026**, further broadening Ariston Group's technical training network across Europe.

The initiative is designed for technicians responsible for repairing or replacing individual components within refrigerant circuits - such as the four-way valve, expansion valve, or compressor - rather than replacing entire outdoor units (ODU). Training is conducted exclusively with authentic Ariston products, ensuring participants gain practical experience with real components and systems.

Each course combines a theoretical section with extensive hands-on training in braze-welding. Indeed, every participant is provided with a dedicated workstation, complete with an Ariston unit, specialized tools, and safety equipment compliant with local regulations. This structure enhances technicians' professional skills, ensures compliance with safety standards, and reinforces the Group's commitment to delivering high-quality service.

Natural refrigerants. Wolf has been implementing an innovative recycling system for the flammable refrigerants R290 (propane) and R32, developed to replace the former practice of burning refrigerants with a safe and sustainable recovery process. **Fully operational since early 2024, the system - realized in cooperation with TEGA, a specialist in technical gases - enables R290 and R32 to be processed and reused just like conventional refrigerants**, marking a major step toward circular refrigerant management. The initiative also focuses on strengthening technical expertise across the service network. Several service technicians have been certified in refrigeration, with 18 receiving advanced training in handling flammable refrigerants. A qualification matrix has been established to assess competencies in heat pump technology, alongside a standardized concept for tools and refrigerant supply for newly trained technicians. This ongoing program forms part of Wolf's broader sustainability pathway, which includes the progressive phase-out of heat pumps using refrigerants with a GWP above 1, supporting the Company's transition toward low-impact and future-oriented refrigerant solutions.

Service and training: a strong lever for product durability

Wolf's Retrofit Service. Wolf's Service Department offers a valuable opportunity to improve thermal comfort system performance and extend the lifespan of equipment through the replacement of outdated fans with modern, energy-efficient EC drive technology. This intervention plays an important role in supporting circular-economy principles by reducing the need for premature replacements. In addition, optimizing heating and cooling coils, regularly replacing filters, and adjusting control strategies are further steps that complement the modernization process and maximize overall product efficiency.

OTA Updating Service. Ariston Group is reinforcing its dedication to the circular economy through the rollout of its Over-the-Air (OTA) Updating Service, which is progressing according to plan and has been embedded in the development of the new Pacman 5 heat pump. This cutting-edge solution allows software upgrades and security enhancements to be delivered remotely to connectivity solutions, ensuring sustained performance excellence and improved user experience. By eliminating the need for physical service interventions, the OTA system helps to reduce CO_2 emissions and minimize the overall environmental impact. In 2025, Ariston Group expanded the scope of this service to include additional product categories, further enhancing efficiency and maximizing the benefits of OTA technology across its portfolio.

Tutoring service & warranty extension. In 2025, to further promote the extension of product lifetimes through real-time technical and remote support, Ariston Group enhanced its Tutoring Services — a proactive remote assistance system that leverages product connectivity to improve the efficiency, quality, and consistency of customer assistance. Through continuous product monitoring, remote diagnostics, and expert guidance for Service Centers, Tutoring ensures faster issue resolution, optimized service operations, and higher levels of customer satisfaction. During the year, tutoring activities

were implemented across Italy, France, Spain, Poland and Romania. Thanks to advanced remote analysis and troubleshooting, approximately 26% of on-site interventions were avoided, delivering tangible reductions in operational costs and CO_2 emissions associated with travel. Covering the entire service workflow - from product commissioning and error detection to remote solution definition and Service Centre intervention - the Tutoring process guarantees precise, timely and effective support. This integrated approach not only drives higher first-time fix rates, greater service efficiency, and enhanced end-user experience, but also contributes to overall workload and labor cost optimization.

AI-driven solution engine for repair intervention. Ariston Group is spearheading a transformative approach to maintenance and repair intervention through the launch of pilots for AI-driven predictive maintenance, harnessing advanced algorithms and data science to enhance service efficiency and customer satisfaction. By leveraging these technologies, the Group aims to identify potential issues before they arise and support the field service with the right information for repairs, enabling proactive notifications to customers and minimizing unexpected disruptions. The first pilot has been completed in Switzerland and Germany with the Elco brand. The pilot proved that AI could substantially simplify the process of finding the right information for a problem for the field service organization, by searching through all technical documents and intervention history. The functionality of the pilot has been scaled up to cover all types of products and to allow all service technicians to use AI.

Plants: waste management optimization

5R Approach. Within Ariston Group's production activities, waste generation can generally be classified into two principal categories. The first includes packaging waste originating from raw materials, such as cartons, plastic bags, and wooden pallets. The second comprises the manufacturing residues produced during operations, including metal offcuts, non-conforming semi-finished components, or finished goods that do not meet quality standards.

Ariston Group manages these materials in accordance with the 5R methodology, which establishes a structured hierarchy for waste prevention and resource efficiency, also contributing to reduced waste management costs through the adoption of circular practices. The approach begins with the refusal of unnecessary materials and continues by reducing waste through product design improvements and process optimization, achieved by:

- **Refuse**, avoiding the use of unnecessary materials.
- **Reduce**, limiting waste generation by recovering by-products, designing high-quality, long-lasting products, and implementing efficient packaging solutions.
- **Recycle**, processing metals, plastics, cartons, electrical components, and other materials to reintroduce them into the production loop.
- **Reuse**, collaborating with suppliers to return and reuse packaging, reworking non-conforming products, reusing tanks and other metal components, and selling wooden pallets for repair and reuse.
- **Revalorize**, recovering energy from non-recyclable waste and assessing technologies to treat specific materials such as polyurethane foam, which contributes to maintaining the energy efficiency of the Group's products.

Throughout 2025, Ariston Group's industrial sites carried out several strategic initiatives aimed at reducing waste generation, while optimizing disposal processes. The Group advanced its sustainable waste management efforts toward the goal of zero landfill, while expanding packaging reuse programs to include new suppliers in Albacina, Wuxi and Chartres. Machine reliability was strengthened in Namur, Cairo, Genga, and Svilajnac, resulting in a reduction of production scrap, while waste sorting systems were enhanced in Albacina, Cerreto, and Namur to improve operational efficiency.

In terms of water management, the Group made significant progress in promoting sustainable use. Water reuse systems were introduced in Genga for quality leak testing, firefighting, and cooling operations, while Wuxi implemented water recycling processes for washing machine production. Upgrades to the water distribution networks in Namur and Chartres further contributed to a notable reduction in water losses.

Furthermore, among the initiatives developed in remanufacturing and end-of-life management, the remanufacturing of Printed Circuit Boards (PCBs) stands out as a key focus, alongside the progressive inclusion of other strategic components within the reconditioning portfolio. These activities aim to extend product lifecycles, reduce waste, and contribute to circular-economy objectives by recovering, testing, and refurbishing components that would otherwise be discarded. The projects have proven both technically and economically viable, delivering benefits such as cost optimization, increased spare parts availability, and improved sustainability performance. Efforts should be now dedicated to expanding the initiative's product scope leveraging on design to reman initiatives (components merging and property software). Cross-functional collaboration among Marketing, ESG, R&D, and Supply Chain continues to be essential to foster remanufacturing activities and to enhance the value proposition of remanufactured components.

Collectively, these measures reflect Ariston Group's ongoing commitment to sustainability and its dedication to minimizing the environmental footprint of its industrial operations.

Packaging. In 2025, Ariston Group launched a specific initiative for Namur (Belgium) aimed at preventing wet or damaged packaging resulting from water leaks during transportation. As a corrective measure, products are now loaded onto trucks on pallets, securely wrapped and covered on top with plastic film to provide additional protection against moisture. This solution, verified through checks at the destination, has proven effective, with no wet or damaged elements observed upon delivery.

Monitoring circularity in suppliers' practices

Ariston Group has established a Corrective Action Plan (CAP) for suppliers that do not comply with the standards assessed through the EcoVadis platform. *For further details, please refer to section E3-2.*

Within this framework, the circular economy is a key strategic priority, reflecting Ariston Group's commitment to sustainable resource management and responsible waste practices across its supply chain. The CAP encourages suppliers to integrate circular principles aimed at minimizing waste, enhancing resource efficiency, and extending product lifecycles. Suppliers are required to provide verifiable evidence of initiatives related to waste management, handling of hazardous substances, and measures to reduce the environmental impact of products and packaging at end-of-life. Examples include implementing recycling schemes, utilizing sustainable materials, and designing products with reuse and recyclability in mind. Where documentation or evidence is insufficient, Ariston Group requires targeted corrective actions to address the identified gaps. These measures ensure alignment with the Group's circular-economy objectives, reinforcing the responsible use of materials and contributing to a more sustainable and resilient supply network.

E5-3 Targets related to resource use and circular economy

Ariston Group recognizes the significance of a circular approach as a key factor in reducing its environmental footprint. Consequently, the Group has set both short- and long-term targets related to its processes and products, aimed at supporting the transition toward a circular economy and promoting resource efficiency.

To address the identified impacts and risks - such as the use of non-renewable raw materials, compliance with sustainable packaging regulations, and rising material costs due to geopolitical instability - while also seizing opportunities like lower waste costs through circular practices, Ariston Group has defined specific objectives. These objectives focus on sustainable packaging, waste reduction, and extending product lifespan, for example, by improving first-time fix rates, increasing the availability and use of spare parts, and raising the rate of extended warranties.

For further details on stakeholder engagement, please refer to ESRS 2 SBM-1.

Overall, the targets address both resource inflows and outflows, encompassing waste, products, and materials. Additional details are provided below the individual targets.

Sustainable Packaging Targets

Driven by the continuously evolving regulatory landscape, growing customer expectations, and the ambition to reduce the environmental impact of its packaging, Ariston Group is actively pursuing alternative solutions that promote more sustainable procurement practices. This commitment is reflected in the launch of the Sustainable Packaging Definition.

Aligned with this framework, the Group has also set a 2030 Sustainable Packaging Target, which addresses the negative impacts associated with the use of non-renewable raw materials and potential supply challenges arising from geopolitical instability, while also capturing opportunities such as reduced waste-management costs through improved circular practices. The **Sustainable Packaging Definition** includes:

- Using packaging only where strictly necessary;
- Eliminating smaller packaging that is likely to become litter;
- Designing packaging suited to the size and volume of the product;
- Ensuring all packaging is 100% recyclable;
- Avoiding plastics where possible and including at least 35% recycled plastic when used;
- Excluding any hazardous substances;
- Providing clear information on the material content of the packaging.

Overall, this target supports an increase in the use of circular materials and a reduction in primary raw material consumption and waste generation. In line with the waste hierarchy, it addresses prevention, minimization, and recycling.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
Achieve the levels of the required Sustainable Packaging Definition	2030	Packaging mainly made of: - Cardboard - EPS - Other kinds of plastic	2023[25]	- Carton box: assessment on recycled content integration - EPS: assessment on replacement with cardboard in 11 plants - Recycled plastic: 0.4%	- **Avoiding plastic where possible (EPS- free packaging for UK Screwfix)** - **Thermowatt's low environmental packaging**	Whole Group

In defining its Sustainable Packaging target, the Group carried out a comprehensive review of its current packaging practices, in collaboration with an external consultancy specializing in circularity projects. This review mapped the primary materials used across the Company's packaging.

The process included a series of brainstorming sessions, benchmarking against key industry peers, analysis on specific customer expectations and policies, and an examination of relevant regulations and directives, primarily within the EU but also in non-EU markets (such as the Packaging and Packaging Waste Regulation). Concurrently, internal awareness sessions were conducted with R&D, Procurement, Product Managers, and Manufacturing teams to enhance understanding of packaging's environmental impact, explore material improvement opportunities, evaluate alternative materials available on the market, and review ongoing regulatory developments. The deferral of the EPS bans in France, intended to harmonize regulations across the EU under the Packaging and Packaging Waste Regulation (PPWR) framework and prevent premature national restrictions, has given the Company additional time to continue testing alternative solutions. During 2025, the Group developed a technical solution that enables the removal of EPS packaging for almost all sales in the UK. This solution will allow the Company to progressively evolve its packaging across all other EU markets toward a more sustainable configuration. In addition, the Group's Thermowatt division successfully launched, in all its markets, a new packaging solution featuring a significant reduction in plastic (-40% on total plastic consumption[26]) as well as the integration of post-industrial recycled plastic (18% on total plastic consumption[27]). Progress toward the 2030 target is on track for R&D and testing, while implementation is currently limited to pilot projects in selected markets. The challenging criteria set by the Group require an extended research period aimed at identifying the optimal configuration to be subsequently rolled out across all markets in which the Group operates. Together, these two projects mark a clear step forward toward the Sustainable Packaging Definition and alignment with the PPWR.

Progress against the Sustainable Packaging Definition is monitored on an annual basis. At present, initial results are qualitative, as further analyses and long-term testing, conducted jointly with the Group's partners, are ongoing.

Waste management Targets

In line with the overall objectives set out by the Waste Management Procedure, and to mitigate the negative impacts caused by inefficient waste disposal at industrial and customer levels, reduce the costs associated with enhancing circularity in both product design and disposal, and seize the opportunities presented by reduced industrial waste cost management, **Ariston Group has set the ambitious target to reach and maintain its Zero Waste to Landfill by 2030 (self-certification) across the manufacturing sites worldwide by 2030**, reinforcing its long-standing commitment to sustainable operations.

This commitment is aligned with the UL ECVP 2799 Zero Waste to Landfill standard, a globally recognized certification that evaluates waste management practices and diversion efforts. The standard defines three levels of Zero Waste to Landfill achievement based on diversion rates:

- Silver: Minimum 90% diversion from landfill;
- Gold: Minimum 95% diversion from landfill;
- Platinum: 100% diversion from landfill, meaning no waste is sent to landfills.

The diversion rate is calculated as the proportion of landfilled and incinerated waste (without energy recovery) relative to total waste generated.

To sustain and strengthen its environmental performance, the Group is committed to continuously optimizing waste reduction strategies, enhancing material reuse and recycling, and integrating newly acquired sites into the Zero Waste to Landfill framework. By upholding and exceeding UL ECVP 2799 Gold status, Ariston Group waste management practices remain transparent, effective, and aligned with global sustainability standards - driving long-term environmental responsibility across all operations.

Target	Target year	Baseline	Base year	2025 Progress	Scope
Zero waste to landfill by 2030	2030	95% diversion from landfill	2024	**96% diversion from landfill (+1%)**	Whole Group

[25] Base year has been restated
[26] For packaging, in Thermowatt division
[27] For packaging, in Thermowatt division

In 2025, the diversion rate improved over the 2024 baseline, demonstrating the effectiveness of the Group's waste management practices. Building on this progress, the Group is well positioned to maintain or further enhance this level in the coming years through strengthened waste management controls.

In the years ahead, the Company will evaluate application for third-party certification.

The target was defined through collaborative sessions where the HSE and ESG teams analyzed the current waste management practices, the objectives of various procedures governing HSE activities, the Company's broader ambitions, the best peer practices and the current regulations guiding companies toward more sustainable waste management (reduction, recovery etc.), such as the Waste Framework Directive, the Landfill Directive and the Circular Economy Action Plan. This process resulted in the formalization of a 2030 target that is fully aligned with the existing approach in this area, and seamlessly integrated into the daily activities of the teams involved. The target is monitored on an annual basis.

Supporting initiatives: spare parts availability

To mitigate the negative impacts of inefficient waste disposal, Ariston Group has set a **target that measures the availability of a comprehensive and digitally advanced spare parts catalog**. This approach supports an enhanced focus on repairability by guaranteeing that clear and detailed information on spare parts is always readily available.

Overall, the target emphasizes the repairability of products, the minimization of primary raw materials, and greater use of circular materials. It contributes to the achievement of the objectives set out by the New Product Development Procedure.

Target	Target year	Baseline	Base year	2025 Progress	Scope
>85% products with a digitally advanced spare parts catalog	2030	83%	2024	**86% (+3%)**	Whole Group

The target was successfully achieved in 2025, reflecting a +3% increase in products with a digitally advanced spare parts catalogue compared to 2024. In terms of the scope, the assessment covered products belonging to the following divisions: Combustion technologies (Burners), Heating, Water Heating (including Wolf), so extending the perimeter. However, if the same perimeter as the previous year (which excluded Wolf) were considered, progress would have reached 85%.

The progress calculation is based on the sum of Ariston products sold (in units) associated with a digitally advanced spare parts catalogue, divided by the total sum of Ariston products sold (in units). Measurement of the metric is not validated by an external body other than the auditors of the Sustainability Statement.

The target was defined during meetings between the teams responsible for Service, Spare Parts, and ESG, with the aim of solidifying the Company's commitment to providing clear, complete, easy to access, and functional information for the proper maintenance of the Group's products. The considerations were based on input from installers, market trend analysis, best practices from peer companies, and the regulatory framework on repairability, particularly at EU level (such as the Right to Repair Directive and provisions under the Eco-design Directive). These elements provided a comprehensive framework that set the foundation for defining the 2030 objective. The target will be monitored on a yearly basis over the coming years by analyzing the technical information stored, improved and updated in the Company system. Since this is the first year it is being reported, it is not possible to provide further information on progress and trends.

Remote interventions Targets

To continue leveraging the positive impacts generated by the extension of products' lifetime through real-time assistance, Ariston Group has set a **target to achieve at least 40% of the intervention fixed remotely thanks to the use of Telediagnosis, tutoring service and Over The Air process by 2030.**

Target	Target year	Baseline	Base year	2025 Progress	Scope
At least 40% of the intervention fixed remotely thanks to the use of Telediagnosis, tutoring service and Over The Air (OTA) process	2030	28%	2024	**26% (-2%)**	Whole Group

Compared to 2024, remote interventions decreased by approximately 2%, reflecting the effect of the perimeter enlargement, which includes countries that have just started implementation of these services. The service scope includes heating heat pumps and boilers with extended warranty and a Telediagnosis contract. The target applies to connected products with remote diagnostic features, allowing for monitoring and repairs from a distance, with a focus on Ariston products; it was set based on input gathered from installers and end consumers through various engagement activities (as previously mentioned), ensuring alignment with their expectations. Additionally, an analysis of market trends, best peer practices, and EU regulations on repairability - such as the Right to Repair Directive and the Eco-design Directive - helped shape the 2030 objective.

Monitoring will be conducted in the coming years by assessing the repair performance of the intervention management system. The target underscores the Group's commitment to improving product repairability, reducing reliance on primary raw materials, and minimizing waste, while also supporting the New Product Development Procedure.

E5-4 Resource inflows

Ariston Group's resource inflows include a variety of materials used in its operations. The primary materials include steel, covered steel, and stainless steel. The table below lists the other material categories.

	U.o.M.	2024	2025
31a. Overall total weight of products and technical and biological materials used	t	**244,893**	**281,434**
Steel	t	156,302	178,860
Covered Steel	t	21,147	23,875
Stainless Steel	t	7,199	7,640
Plastic	t	11,280	12,454
Aluminum	t	9,081	10,998
Carton	t	8,915	9,837
Pallet	t	7,121	8,101
Polyurethane	t	6,636	8,135
Brass	t	4,554	5,530
Copper	t	4,303	5,662
Enamel	t	3,095	3,720
Magnesium	t	2,497	2,905
EPS	t	719	876
Paint	t	687	792
Gas	t	567	751
Glass	t	529	1,022
Paper	t	264	275

	2024		2025	
31b. Biological materials sustainably sourced	t	%	t	%
Total biological material used sustainably sourced	542	0,22%	1,812	0.64%

	2024		2025	
	t	%	**t**	**%**
31c. Total weight of secondary materials	55,734	23%	68,688	24%
Secondary components	-	-	-	-
Reused	-	-	-	-
Recycled	-	-	-	-
Secondary intermediary products	-	-	-	-
Reused	-	-	-	-
Recycled	-	-	-	-
Secondary materials used to manufacture products and services (including packaging)	-	-	-	-
Reused	-	-	-	-
Recycled	55,734	23%	68,688	24%

To determine total sustainably sourced biological materials used, the Group engaged with main suppliers to determine which materials are sustainably sourced. Suppliers were asked to provide information on the certification schemes applicable to their materials, such as FSC, PEFC, or other recognized international standards. The analysis focused on the main suppliers contributing to the packaging of the Group's products, as packaging represents a significant portion of the biological materials used. The percentage of certified material identified through this engagement was weighted against the total amount of biological material purchased. This figure represents the current level of visibility the Group has on the share of materials that are effectively sustainably sourced. Further assessments will be conducted in the future to expand the scope and improve overall coverage. To determine the total weight reported under 31.c, the Group's analysis concentrated on the materials used to manufacture its products. Specifically, the reported weight refers primarily to recycled steel, as steel is the main input material in the Group's production processes.

During 2025, the scope of the analysis was expanded to include recycled biological materials (paper, carton boxes, and pallets), in line with the progressive extension of data collection year over year. Secondary components and secondary intermediary products data are not applicable. The methodology remained consistent: the Group engaged with key suppliers to identify the percentage of recycled content in steel, plastic and biological materials (paper, carton boxes and pallets). The reported data was then calculated by applying the weighted average recycled content to the total volume of each material purchased, respectively.

E5-5 Resource outflows

Ariston Group's approach, both in operations management and product design, embraces circular principles. With regard to production processes, the Group follows the 5R methodology (Refuse, Reduce, Reuse, Recycle, Revalorize) to minimize production waste, with the goal of achieving Zero Waste to Landfill by 2030. Circular practices at product level include initiatives like Wolf Retrofit Service remanufacturing, the reuse of packaging, and the integration of recycled materials such as steel. Additionally, digital tools, including OTA updates, AI-driven predictive maintenance, and remote diagnostics, enhance product durability while minimizing environmental impact. These solutions contribute to extending product lifespans and reducing overall resource consumption and waste generation. Ariston Group's heating and water heating systems, both domestic and commercial, have an average lifespan in line with industry standards, ranging from 10 to 15 years, while Air Handling Units (AHUs) can last up to 25 years due to lower thermal stress and more stable operational cycles.

Ariston Group products are also designed for high repairability. The Company ensures compliance with the Right to Repair Directive by maintaining spare part availability and offering technician training. However, as there is currently no internationally recognized repairability rating system aligned with ESRS criteria, no further information can be provided. Finally, according to data provided by a leading WEEE consortium in the EU, the Group's end-of-life products are primarily recycled into iron, aluminum, copper, and plastic. The recycling rate for the identified different types of waste ranges from 80% to 90%, energy recovery accounts for 5% to 15%, while disposal remains at around 5%. However, since there is no standardized global recycling process, these percentages should be considered as approximations. The same applies to packaging: while carton boxes are nearly 100% recyclable, there is no single scenario providing solid information regarding the recyclability of EPS and different kind of plastics.

In FY25, total waste generated increased by approximately +19% year-on-year, primarily due to the extension of the reporting perimeter following the inclusion of the Russian operations. Apart from the scope extension to St. Petersburg, some processes were modified, contributing to variations in waste levels. Over the same period, waste diverted from disposal increased by around +17%, driven mainly by higher volumes of recycled non-hazardous waste. As a result, while the absolute amount of recycled waste increased, the recycling rate remained broadly stable, decreasing slightly by approximately -1.3% compared to the previous year.

	U.o.M.	2024	2025
37a. Total waste generated[28]	t	**23,879**	**28,353**
b. Diverted from disposal	t	**20,654**	**24,164**
of which hazardous	t	**335**	**391**
(i) Prepared for reuse	t	1	154
(ii) Recycled	t	334	237
(iii) Other recovery operations	t	0	0
of which non-hazardous	t	**20,319**	**23,773**
(i) Prepared for reuse	t	184	649
(ii) Recycled	t	20,135	23,124
(iii) Other recovery operations	t	0	0
c. Directed to disposal	t	**3,225**	**4,189**
of which hazardous	t	**882**	**618**
(i) Incineration	t	505	186
(ii) Landfill	t	377	432
(iii) Other disposal operations	t	0	0
of which non-hazardous	t	**2,342**	**3,571**
(i) Incineration	t	1,619	2,974
(ii) Landfill	t	723	597
(iii) Other disposal operations	t	0	0
37d. Total waste non recycled	t	**3,410**	**4,992**
		14%	18%

	U.o.M	2024	2025
39. Total amount of hazardous waste and radioactive waste generated	t	**1,217**	**1,009**
Hazardous waste	t	**1,217**	**1,009**
Radioactive waste	t	**0**	**0**

Based on the Company's analysis of the waste registers from European plants, Ariston Group has identified a range of waste streams that are directly relevant to its sector and activities. Each plant exhibits waste streams that are largely dictated by its specific production processes and local operating conditions. Commonly observed streams include:

- Process Residues and By-products: generated during production, these residues reflect the diverse operational methods across the plants.

[28] 2025 data do not include DDR and ZRE, which are not significant

- Packaging and Material Handling Waste: stemming from both raw material reception and product dispatch, this waste stream highlights the significant role of logistics in our operations.
- End-of-Life and Decommissioned Materials: as part of our continuous process optimization, older or obsolete materials are regularly identified for recovery or recycling.

The following observations can be made:

- Metals: a consistent presence of both ferrous and non-ferrous metals has been detected, which underscores opportunities for recycling and resource recovery.
- Plastics and Polymers: various types of plastics, originating from both production processes and packaging, are prevalent across the registers.
- Biomass Components: in some instances, organic materials form part of the waste stream, which may be repurposed through energy recovery or composting.

Waste data collection follows the Waste Framework Directive at a global level, as the EU EWC codes form the basis for waste categorization in plants outside Europe as well.

3. Social information

ESRS S1 – Own workforce

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
S1 Own workforce **Working conditions** (Secure employment, Health and Safety); Equal treatment and opportunities for all (Gender equality, Training and skills development, Measures against violence and harassment, Diversity)	Health and Safety	Negative impact	Potential	Occupational safety incidents in the workplace	Company level	Short term
	Gender equality and equal pay for work of equal value / Diversity	Negative impact	Potential	Workplace concerns relating to gender disparities and diversity	Company level	Medium term
	Measures against violence and harassment in the workplace	Negative impact	Potential	Negative effects due to inappropriate workplace behaviors.	Company level	Medium term
	Secure employment	Negative impact	Actual	Presence of seasonal contracts that affects workforce's working conditions	Company level	Medium term
	Training and skills development	Positive impact	Actual	Skills enhancement due to upskilling and reskilling programs	Company level	Medium term

The values that shape Ariston Group's culture and support its sustainable development include the belief that *People come first*: growth and success rest on the ability to attract, develop, and retain a highly skilled, talented and diverse workforce.

SBM-2 Interests and views of stakeholders

See ESRS 2, SMB-2 Interest and views of stakeholders.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Group's workforce includes both employees and non-employees, such as self-employed individuals and temporary or permanent workers supplied by third-party employment agencies. Blue-collar employees and leased staff, including both temporary and permanent workers, operate primarily at production sites and are impacted by operations. White-collar employees mainly work in offices and include administrative, managerial and executive roles.

The Group engages continuously with its workforce to identify, evaluate, and integrate people-related impacts, risks, and opportunities into the wider business strategy. Through this ongoing process, Human Resources actively contribute to shaping strategic priorities, ensuring that resources are deployed effectively to meet corporate goals while promoting an agile organization supported by strong leadership, efficient processes, and a solid culture of talent support and growth.

As a global manufacturing leader in the climate comfort industry and operating 30 production sites worldwide, Ariston Group acknowledges that certain adverse effects may arise. These primarily relate to occupational safety incidents, the absence of adequate measures to prevent inappropriate workplace behaviors, gender-related disparities, and the use of seasonal contracts that may influence employment conditions[29].

Alongside these challenges, the Group also generates positive impacts through comprehensive upskilling and reskilling programs. These initiatives enhance employee capabilities across all levels of the organization, ensuring that both blue- and white-collar workers are equipped to meet market and regulatory evolving demands.

Negative impacts are context-dependent rather than systemic. For example, the use of temporary contracts among blue-collar workers varies according to local production requirements and market demand. Such arrangements are essential to maintaining flexibility and are managed in full compliance with national labor legislation. Workplace safety and diversity issues are addressed through a unified Group-wide framework, though specific cultural attitudes may differ locally. Similarly, the Group has several policies, codes, and reporting channels in place, and cases of inappropriate workplace behaviors reported through the Whistleblowing channel are limited to a small number of sites. For these sites, targeted local initiatives aimed at preventing such behaviors have been launched, such as internal surveys, Chart of wrongdoing and good doing, periodical newsletter and localized training. However, in the coming years, the Group will work to adopt a broader and more structured approach. *For more information on the Human Rights Assessment, see S1-4.*

With respect to positive impacts, the benefits derived from upskilling and reskilling activities are widespread and extend to both blue- and white-collar employees. For example, in light of the product portfolio transition, the Group continues

[29] No specific employee group has been identified as disproportionately exposed to these impacts, although female employees remain the most vulnerable to gender disparity.

to implement programs that enhance flexibility and provide employees with the competencies required to take advantage of new market opportunities.

Following the 2025 update of the DMA, no material risks or opportunities have been identified in relation to topic S1. As a result of this reassessment, the sub-sub-topic *Work-life balance* has been classified as not material, whereas in FY2024 it had been considered material exclusively from a financial perspective.

S1-1 Policies related to own workforce

The Group applies a set of policies that ensure a safe, fair and inclusive workplace, foster career development, and strengthen employee skills, while preventing inappropriate workplace behaviors and insecure employment. The following policies act as instruments to address the identified IROs. All related actions are defined in line with the Policy's principles, which provide an ongoing framework for guiding the Company's initiatives over time.

Code of Ethics. Ariston Group's Code of Ethics expresses the Company's fundamental values and establishes the ethical standards and responsibilities expected of all stakeholders, both within the organization and throughout its supply chain. Serving as an overall point of reference, it guides the prevention of discrimination in recruitment and career advancement processes, while also underpinning the Group's commitment to ensuring health and safety in the workplace.

The document has been updated in 2025 and its release is expected in 2026. As a matter of fact, by reinforcing a culture rooted in respect, fairness, and collaboration, the Code firmly rejects any form of discrimination or harassment based on gender, ethnicity, religion, political beliefs, or any personal or social circumstance. It upholds the principle of equal opportunity for all employees, ensuring that professional development is determined exclusively by merit and role suitability, supported by transparent and verifiable procedures.

In addition, the Code defines clear principles for the protection of employee health and safety, promoting working environments that are secure, dignified, and fully compliant with applicable standards. It advocates proactive risk prevention by eliminating hazards at their source, adapting work conditions to human needs, and prioritizing collective safety measures.

Through these commitments, Ariston Group seeks to safeguard the physical, moral, and psychological well-being of its people, cultivating a workplace founded on mutual respect, integrity, and personal dignity.

For further details, please refer to ESRS G1 "Code of Ethics" section.

Human Rights Policy. Ariston Group upholds the protection and promotion of Human Rights as a fundamental part of its corporate values and business conduct. The Group ensures that respect for Human Rights is embedded across all subsidiaries and business operations, forming an integral component of how it interacts with employees, partners, suppliers, and the communities in which it operates. This commitment extends throughout the entire value chain - across global operations, supply networks, and local territories - and is central to the Group's sustainable growth approach.

The commitment is formalized through a Due Diligence process, designed to identify and assess potential Human Rights risks and impacts. This process has enabled Ariston Group to determine the specific rights that may be affected by its activities or business relationships, including:

- The right to just and favorable working conditions;
- The right to an adequate standard of living;
- The right to equal opportunities;
- The right to health and safety;
- The right to freedom from bribery and corruption;
- The right to privacy;
- The right to freedom of thought, opinion, and expression;
- The right to freedom of association and collective bargaining.

The Policy also explicitly prohibits human trafficking, forced or compulsory labor, and child labor. In the event of a suspected violation, employees may contact their line manager, Human Resources or the Internal Audit Manager, or alternatively report the issue through the Whistleblowing Reporting System. This mechanism allows both internal and external stakeholders to raise concerns or report any case of alleged misconduct, malpractice, or breach of Ariston Group's Code of Ethics and Human Rights Policy, ensuring that appropriate remedies are applied where needed.

Ariston Group's Human Rights commitment and Due Diligence is aligned with internationally recognized standards, including the International Bill of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental

Principles and Rights at Work, and the Convention on the Rights of the Child. Its approach is further guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The principles established in this Policy are reinforced by the Group's Code of Ethics, and the Policy is made available internally through the weARe platform and publicly in the "Download" section of the corporate website (www.aristongroup.com).

Any breach of this Policy by Ariston Group employees may lead to disciplinary action, up to and including termination of employment. If a violation is identified within the supply chain, the Group is committed to using its leverage to mitigate adverse impacts, engaging with the supplier to implement a remediation plan. Should these measures prove insufficient, the business relationship will be terminated.

This Policy was approved by the ESG Committee (currently the Audit and Sustainability Committee) on 20 February 2023. Responsibility for its implementation and communication, both internally and externally, lies with the Directors, while the ESG Team monitors and evaluates the effectiveness of the actions undertaken to address Human Rights risks and impacts.

Diversity and Inclusion Policy (D&I Policy). The Diversity & Inclusion (D&I) Policy promotes a culture of respect, fairness, and inclusion throughout the organization, ensuring that everyone is treated equally and without discrimination. It recognizes the value of diversity in skills, experience, education, background, nationality, gender and other personal characteristics, which collectively enhance the Board's and the organization's capacity to address challenges from multiple perspectives and make well-balanced, informed decisions.

The Policy applies to the entire Group, although specific targets relate to Executive and Non-Executive Directors as well as members of the Management Team. The overall responsibility for the implementation of and compliance with this Policy lies with the Board. To ensure its effective application, all nominations for Board appointments must be accompanied by a statement confirming adherence to the principles of the D&I Policy or, where necessary, providing a reasoned justification for any deviations. Furthermore, the Board undertakes regular reviews of its size and composition to uphold appropriate diversity and provides an annual account of the appointment process within the Corporate Governance Statement of the Annual Report.

Within ten months of the financial year-end, the Company submits a report to the Dutch Social and Economic Council (Sociaal Economische Raad), outlining the gender composition of the Executive and Non-Executive Directors and the Management Team, the diversity objectives established, the measures taken to achieve them and, where applicable, the reasons for any unmet targets.

The D&I Policy is available to external stakeholders through the Governance section of the corporate website (www.aristongroup.com) and to employees via the Company intranet. *Additional information can also be found in the Diversity Policy included in the Annual Report.*

Discrimination. The Company addresses the elimination of discrimination - including harassment - and the promotion of equal opportunities, diversity, and inclusion through a number of key policies. These comprise the Human Rights Policy (see above), the Code of Ethics (see the preceding section and G1), the Whistleblowing Privacy Policy (see G1), and the Diversity and Inclusion Policy (see above and the Annual Report).

Although these policies apply comprehensively to all employees, they do not include commitments directed at particular categories of individuals who may be at higher risk of vulnerability. Safeguards are nevertheless ensured through the Whistleblowing System and the selection process, which together aim to prevent, reduce, and address any instances of discrimination once identified.

Workplace accident prevention and management. Confirming the Company's responsibility to protect its employees, the Health, Safety and Environment (HSE) Policy sets out the framework for ensuring safe and healthy working conditions and preventing work-related injuries and ill health. The Policy is founded on the principle that all injuries, safety incidents, occupational illnesses, and environmental occurrences can be prevented by reducing hazards, reducing occupational health and safety risks, and adhering to all relevant legal requirements. Applicable to every activity across the Company's Global operations, it is based on the ISO 45001-certified Occupational Health and Safety (OH&S) Management System, revised in 2025. At the moment, 21 plants are certified. In addition, the Group applies a dedicated Training Management Procedure to guarantee a full understanding of the significant environmental aspects and OH&S risks associated with work activities.

For further details on the HSE Policy, please refer to ESRS E1.

Training Management Procedure. To support employee skill enhancement, the Company has adopted a Training Management Procedure that reflects its ongoing commitment to learning and professional growth. Although it is not a standalone policy, the procedure provides a structured framework that encompasses all stages of the training process, from identifying needs to defining development plans. Moreover, it is also supported by feedback mechanisms that allow adjustments based on participants' responses, thereby enriching the learning experience and ensuring alignment with employees' development goals.

Applicable across the entire Group, the procedure outlines the tools used and the roles involved at each stage, ensuring a consistent approach. Implementation is overseen by the Chief People Officer, in collaboration with relevant stakeholders and in accordance with ISO 9001 requirements for quality management in training and with Legislative Decree 231/2001. Stakeholders' input is incorporated through the identification of training needs, drawing on the contributions of employees' managers and HR professionals, which enhances both the relevance and effectiveness of programs while fostering a culture of continuous improvement.

The procedure is accessible to all parties involved in planning and delivering training activities via the Company intranet, including local HR teams, directors and line managers, supporting its consistent application throughout the organization.

Although these policies apply comprehensively to all employees, they do not include commitments directed at particular categories of individuals who may be at higher risk of vulnerability. Safeguards are nevertheless ensured through the Whistleblowing System and the selection process, which together aim to prevent, reduce, and address any instances of discrimination once identified.

To further embed inclusiveness across the organization, specific KPIs and targets have been established within both recruitment and people development frameworks. These are designed to strengthen diversity representation and to actively prevent any form of gender-based discrimination.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Ariston Group places strong emphasis on active engagement with its workforce and workers' representatives, recognizing that open dialogue and collaboration are essential to long-term business growth. Moreover, a structured engagement framework ensures that employees play an active role in shaping the environment in which they work and in influencing what affects their well-being.

Workforce engagement is carried out both directly with employees and through recognized workers' representatives. For white-collar staff, communication and participation are facilitated via weARe, the Group's global intranet, which acts as a central platform for sharing information and reinforcing a unified corporate culture. This system enables effective two-way communication: top-down through company-wide announcements and updates, and bottom-up via Viva Engage, the internal social network where employees can share ideas and feedback. Regular news on cross-functional initiatives, meetings with communication teams, and open channels for feedback contribute to transparent, ongoing dialogue. Employee engagement is further embedded in the annual performance review process and through other initiatives that promote a culture of continuous feedback and shared accountability. The Group further strengthens engagement through targeted regional initiatives. In Indonesia and Vietnam, for example, the survey collected employee perspectives on workplace conditions, organizational effectiveness, well-being, development opportunities, and leadership. Moreover, regular quarterly based global Town Halls with Top Management are organized to foster alignment on strategies and achievements, while providing opportunities for questions and answers. For blue-collar workers, engagement often takes place in cooperation with Trade Unions or workers' representatives, depending on national labor regulations. Regardless of Union presence, all production employees are encouraged to participate actively through the World Class Manufacturing (WCM) program, which provides structured opportunities to share insights, propose improvements, and raise operational concerns directly within factories. Frequent meetings between production line managers and teams serve as additional forums for open discussion and collaborative problem-solving. The frequency of meetings with Trade Union representatives is defined by local legislation but may be increased when specific issues require more regular dialogue. Informal and continuous feedback exchanges are also encouraged across all sites.

An example of engagement of people on impacts is the Sustainability Calendar. In 2025, Wolf Germany launched a Calendar to systematize and promote a broad range of environmental and social initiatives throughout the year. The calendar provides a structured framework to strengthen employee awareness, foster engagement, and integrate sustainability into the Company's daily operations and culture. Activities encompass awareness campaigns, volunteering initiatives such as waste collection and tree planting, and participation in national events including German Diversity Day and International Women's Day. The program also includes community-oriented actions, such as blood donation drives, e-waste collection, and bee-keeping workshops, as well as internal engagement events like the Wolf Bike Day and Kinder-Mitbring-Tag, (Family Day) reinforcing a shared commitment to sustainability and social responsibility across the organization.

Responsibility for overseeing and ensuring the effectiveness of workforce engagement lies with the Chief People Officer, who holds operational accountability for ensuring that engagement outcomes inform the Group's broader people strategy and management approach.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Clear processes have been established to address potential negative impacts on its workforce and to foster a culture of trust where employees feel safe to express concerns. A dedicated communication and remediation framework ensures that issues are raised through appropriate channels, investigated thoroughly, and resolved through corrective actions when required.

Whistleblowing System. Through its Whistleblowing Policy and Procedure, Ariston Group provides employees with secure and confidential means to report unethical conduct or wrongdoing. The system includes strong safeguards against retaliation or discrimination and applies to a broad range of concerns, including breaches of the Code of Ethics, violations of workforce-related policies, cases of harassment, intimidation, aggression, discriminatory behavior, and potential human rights infringements. A global Whistleblowing campaign was launched in early 2024 to raise awareness, protect whistleblowers, and promote a culture of transparency and accountability, with five videos released in 2025 for white-collar employees on topics such as trust, transparency, awareness, integrity, and confidentiality. Moreover, in some locations, the videos were also shown on production plant screens in the local language. Employees can submit reports confidentially through multiple channels - via the dedicated online platform available on the corporate website and intranet, through specific e-mail addresses, or directly in person. Managers, along with representatives from Legal & Compliance, Internal Audit, and Human Resources, maintain an "open door" policy to receive such concerns.

Each report that contains sufficient and objective information triggers a formal investigation conducted under strict confidentiality. Oversight is ensured by the Whistleblowing Internal Committee, which reviews all investigations to confirm their accuracy and completeness. Findings are then shared with the relevant bodies to determine corrective or disciplinary measures. Significant cases are escalated to the Compliance Committee, the Audit & Sustainability Committee, and the Organismo di Vigilanza (the Supervisory Body, in accordance with Italian Legislative Decree 231/2001), in full compliance with confidentiality and whistleblower protection requirements.

The Whistleblowing Privacy Policy further strengthens these safeguards by protecting personal data and preventing any form of retaliation, including against workers' representatives.

The effectiveness of the system is monitored through regular tracking of reports submitted on the platform, along with data on geographic coverage and participation rates. An increase in reporting levels is viewed as an indicator of greater awareness, accessibility, and employee confidence in using the system securely.

For further details on the Whistleblowing System and related policy, please refer to ESRS G1-1.

Union Collaboration. Ariston Group upholds a consistent and well-defined relationship with Trade Unions, ensuring that employees have a formal avenue to voice their concerns and bring them to the attention of management and decision-makers. This cooperative approach enhances the Group's ability to manage potential negative impacts while enabling employees to express their collective perspective through recognized representation.

Trade Union relations are managed in accordance with national legislation and typically involve independent bodies that safeguard workers' rights and promote open communication, dialogue, and the resolution of workplace issues. In countries where legal provisions require it, employees are represented through Trade Unions that act on their behalf in dealings with the Company.

Employee concerns are first reported to union representatives, who then discuss them with management to determine their significance and urgency. Most matters are handled internally through appropriate corrective actions, whereas more complex situations may be referred to external authorities or arbitration panels. Once resolved, outcomes are shared with the parties involved, and, when necessary, follow-up monitoring is carried out to prevent similar issues from arising in the future.

In sites where Trade Union participation is available, dedicated notice boards are displayed to inform employees about the presence of unions and their right to join voluntarily.

For further details on the safeguards protecting employees from retaliation linked to union membership, please refer to the Human Rights Policy and the Code of Ethics, as detailed in section ESRS G1.

S1-4 Actions taken related to own workforce

Ariston Group places strong emphasis on preventing its operations and practices from causing or contributing to material negative impacts on its workforce.

A diffused attention to People: Ariston's approach

In Procurement, the Group upholds ethical and safety standards through two key instruments: the Code of Conduct for Suppliers, which mitigates the risk of unethical business practices, and the Sustainable Procurement Policy, which ensures that purchased materials do not endanger workers' health. Together, these frameworks promote fair labor conditions, safe workplaces, and environmental responsibility across the supply chain.

In the Sales area, the Code of Ethics defines the principles, rights, and duties governing the conduct of all Group companies in their business interactions. This helps protect employees from exposure to unethical practices. Employees identified as potentially at risk in performing their duties also receive specific training on antitrust and trade compliance, reinforcing awareness and accountability.

When it comes to data use, the Group has established dedicated data protection policies to ensure that employee information is managed responsibly and transparently. Complementary training activities are regularly delivered to raise awareness of cybersecurity threats, including phishing and hacking attempts, helping to safeguard company systems and prevent data breaches.

Under the Enterprise Risk Management (ERM) framework, a yearly risk assessment is conducted to identify key focus areas for the Group. This process includes an evaluation of risks related to its workforce, considering industry and regulatory developments, employee feedback, and significant events from the previous year. For each risk or impact identified, a corresponding mitigation plan is developed and implemented.

Against this backdrop, the Group continues to deploy specific initiatives and measures to address the impact it generates.

Most employees are hired under permanent contracts and seasonal workers are engaged as needed to manage variations in production demand. Although the use of such contracts - fully compliant with relevant labor legislation - may affect workers' economic stability, the Human Resources function oversees the implementation of ongoing mitigation measures designed to minimize potential adverse effects and uphold fair and consistent employment practices across all sites.

Human Rights Assessment

In 2025, Ariston Group updated its Human Rights assessment to strengthen the identification and prioritization of potential risks across its own operations. The assessment focused on five manufacturing plants, selected through a desk-based country human rights risk analysis, with priority given to locations presenting the highest potential risk.

At the selected sites, the methodology combined a completely anonymous questionnaire distribued to local HR and Plant Directors to assess gross human rights risks in terms of likelihood and severity, followed by in-depth interviews involving HR, HSE teams and relevant management to verify the existence and effectiveness of mitigation measures by evaluating the concreteness, relevance, number and effectiveness of existing corrective and preventive actions, including local employee surveys, internal communication tools such as newsletters, and other site-level initiatives. The assessment was conducted in line with the Group's established 2022 risk classification methodology, which distinguishes between risks to be accepted, monitored or mitigated.

Overall, the results indicate that the level of risk for most human rights topics is low, while confirming the assessment as a starting point to support prioritization and the definition of a forward-looking roadmap for continuous improvement.

Secure employment

Supplementary Agreements. Ariston Group has formalized a supplementary company agreement covering its Italian production sites in Genga, Cerreto d'Esi, Conce, Albacina, Osimo and Arcevia. The agreement integrates the provisions of Italian National Collective Labor Agreements (CCNL) and is intended to support the Group's organizational and production evolution, enhance operational competitiveness, and consolidate its industrial presence within the Ancona area. The Company renewed the agreement in December 2025 in order to introduce further welfare initiatives and strengthen overall working conditions. The agreement retains economic validity until 31 December 2027 and provides for annual joint reviews to assess implementation progress and alignment with the Group's strategic priorities and the relevant national contractual framework. Among its key measures, the agreement includes strengthened mechanisms for employee consultation and participation, productivity-related bonuses, tax optimization schemes, additional financial incentives, and improvements to workplace welfare and catering services. Through this framework, Ariston Group reinforces constructive industrial relations and promotes a collaborative, inclusive, and high-performance working environment.

Plant Synergies. By taking advantage of the close geographical concentration of its facilities in the Ancona province, Ariston Group has optimized the distribution of production activities across plants to better respond to demand fluctuations, ensuring that key skills are deployed efficiently where required. The proximity of these sites enables operational continuity for temporary employees and allows the Company to swiftly adapt to changing market dynamics. A comparable model may be implemented in the Netherlands, where the limited distance between production sites similarly supports a flexible and responsive manufacturing structure.

Health and Safety

To enhance occupational safety and minimize the negative impacts arising from work-related injuries, Ariston Group, through its Health, Safety and Environment (HSE) function, implements a comprehensive program focused on two strategic priorities: enhancing machinery safety across its global operations - with particular attention to equipment predating the Machinery Directive (2006/42/EC) - and addressing ergonomic risks to ensure safer and more sustainable working environments.

Embedded within a culture of continuous improvement, each plant maintains a safety inventory and prepares a dedicated project plan for the following year, ensuring that priorities reflect local operational requirements and risk profiles. Due to the nature of manufacturing activities, interaction with machinery continues to represent the most significant area of risk and therefore remains a central focus of both preventive measures and investment initiatives. Within this framework, the Group's HSE management system - certified to ISO 45001:2018 - provides the global standard for occupational health and safety. Covering 21 production sites, the certification was revised in 2025 and is valid until June 2027. This system enables the Group to systematically assess risks, strengthen preventive actions, and ensure compliance with international best practices. Notable progress has been achieved in machinery safety through targeted engineering upgrades, including the modernization of presses to strengthen laser protection, the installation of advanced safeguarding systems to reduce mechanical hazards, and the implementation of wheel locking mechanisms to prevent unintended vehicle movements during loading and unloading, thereby mitigating fall risks. In addition, test benches have been upgraded with enhanced sensors and protective covers to limit exposure to electrical hazards or gas emissions, while operational platforms have been renewed to ensure improved stability and safer working conditions.

These initiatives were further supported by broader infrastructure investments, such as roof refurbishments, floor renewals, and upgraded fume extraction systems, contributing to a healthier and safer work environment. Complementary measures, including fire prevention enhancements, CCTV installation, and strengthened protections in high-risk areas, reinforced full compliance with the Group's safety standards and regulatory requirements. and safer working conditions.

At the same time, ergonomic improvements were implemented to minimize physical strain and musculoskeletal risks. Measures included the use of anti-fatigue mats, height-adjustable workstations, and mechanical lifting aids for repetitive or heavy tasks. Equipment layouts and material handling systems were redesigned to enhance workflow efficiency and operator safety, with dedicated projects - such as ergonomic adaptations in coil processing and the installation of lifting platforms in assembly areas - directly addressing high-risk activities.

For further details, please refer to the relevant quantitative data included in this chapter. Details on the mitigation of workforce-related impacts associated with transition risks are available in S1 SBM-3.

AI camera project. In 2025, Ariston Group enhanced workplace safety at its Lichtenvoorde site through the adoption of an AI camera system with real-time person detection on all reach and forklift trucks. This technology automatically slows or stops vehicles when pedestrians enter defined safety zones, significantly reducing collision risks. Fully tag-free and adjustable via a secure mobile interface, the system improves operator awareness and sets a replicable, cost-effective model for other Group sites.

Safety golden rules project. To further strengthen its safety culture, Ariston Group introduced the Safety Golden Rules, a set of ten essential principles designed to prevent incidents and promote responsible behavior in the workplace. The rules provide clear, practical guidance on key safety practices such as the use of personal protective equipment (PPE), machinery authorization and training, Lock-Out Tag-Out procedures, and safe conduct during high-risk or non-routine activities. They also emphasize proactive behaviors — including stopping work in case of doubt, reporting unsafe conditions, and acting as role models for safety. In line with this approach, HSE training sessions on the Safety Golden Rules were delivered to strengthen awareness and ensure the consistent application of safety standards across the organization.

A new project on digitalization – platform development. As part of its continuous improvement strategy, Ariston Group launched a comprehensive HSE digitalization project centered on the new HSE platform and SharePoint, both designed to standardize and simplify health, safety and environment processes and communication across all sites. The HSE platform system integrates key activities - including medical surveillance, training, equipment inspections, incident management, data collection and action tracker - within a single digital environment. By replacing fragmented tools with one unified platform, the initiative improves data accuracy, compliance monitoring, and cross-site visibility, while significantly reducing administrative workload. Initially rolled out in Italy and the Genga pilot plant, the project is being progressively extended to all Group locations worldwide, reinforcing efficiency, transparency, and a stronger safety culture through digital innovation. The new HSE SharePoint area ensures the immediate information of all HSE community by providing room for Safety Alerts, Internal Audit reports, training packages and relevant initiatives material.

Sara Livretti Safety Award. The Safety Award in Memory of Sara Livretti has been confirmed as an annual initiative. This award honors the legacy of Sara Livretti, former Group HSE Director, who passed away after a battle with cancer. It serves as a tribute to her commitment to health, safety, and sustainability, reinforcing the Group's dedication to these core

values while awarding the production site that achieves the most outstanding results in workplace safety. The contest celebrates excellence in accident prevention, innovation, and H&S best practices, rewarding the most effective and replicable safety project developed by a plant. In 2025, the Hanoi plant received the award for its innovative safety project, which introduced a new layout with horizontal and vertical walkways, a fixed rack design to reduce the risk of rolling incidents, and the use of remote-control systems and safety floor warning lights to ensure safe distances during lifting operations.

Sedex audits. To ensure transparency toward external stakeholders regarding its management of people and workplace safety, Ariston Group continues to participate in Sedex audits and regular self-assessments. The Group has been a member of the Sedex network since 2020, a European platform dedicated to collecting and analyzing data on the implementation of ethical and responsible business practices across global supply chains. As part of its Sedex "Supplier" membership, the Group carries out annual updates of self-assessment questionnaires for participating sites, including Cerreto, Genga, Osimo, Namur, Chartres, Wuxi and Hanoi. These activities support the continuous monitoring of ethical performance and compliance across its operations. In addition, a Sedex Members Ethical Trade Audit (SMETA) was completed at the Hanoi plant, located in a country classified as high risk, to further verify adherence to international standards on labor and safety practices.

Thermal comfort for workforce. In exploring alternative technical fabrics to enhance employees' thermal comfort, Ariston Group refers to a comprehensive set of reference standards to guide the selection of operational workwear for warehouse staff. These include EN 1149-5 for electrostatic properties, EN ISO 11611 and EN ISO 11612 for protection against heat and flames, EN ISO 20471 for high visibility, EN 13034 for protection against liquid chemicals, and CEI EN 61482-2 for arc flash protection. Together, these standards ensure that the chosen garments not only provide safety and durability but also maintain adequate breathability and comfort, allowing employees to work efficiently in varied thermal conditions.

People skills development. The Group's success is driven by the skills and commitment of its people. To strengthen workforce skills, the Human Resources function coordinates and oversees continuous upskilling and reskilling programs across the organization, aimed at enhancing employee capabilities, fostering innovation, and sustaining long-term competitiveness. These initiatives, carried out on an ongoing basis, constitute a key positive impact on workforce development and overall organizational performance, and are cascaded and tailored by all local organizations.

Leadership Training Programs. In Wolf Germany sites, the Company's Leadership Training Programs are designed to enhance managerial effectiveness and cultivate a culture of continuous learning, collaboration, and professional growth. In 2024, a fourth module - "Leading Through Change and Successfully Leveraging Team Diversity" - was introduced to equip managers with the skills to navigate organizational transformation and harness the value of diverse teams in line with Corporate guidelines. In 2025, six sessions of this module were delivered, involving 52 participants, representing 81% of the Management Team.

Complementing this initiative, the New Leaders Program supports newly appointed executives in their first 8 weeks. Running over a 24-months period and currently involving 23 new executives, it combines a personalized development plan with participation in the Leadership Program modules and is perfectly aligned with the upskilling efforts of Ariston Group.

Training activities for permanent and temporary workers. To enhance professionals' skills and, in line with changing labor market requirements, Ariston Group provides upskilling and reskilling training opportunities for both permanent and temporary employees. *For further details on these initiatives, including programs designed for temporary workers, please refer to the WCM People Development and Global Pillar Call sections*.

Training activities aim to support professional growth and adaptability, while also contributing to the Company's operational needs.

The effectiveness of these programs is assessed through qualitative feedback collected by HR during informal meetings. Feedback is gathered using established channels such as meetings with HR, WCM tools, discussions with line managers, and, where applicable, trade unions. All employees have access to these channels, which are promoted on plant noticeboards. Their feedback is taken into account when planning future initiatives, and their input is considered when planning future initiatives, provided that it aligns with company priorities. In the coming period, the Group plans to leverage regional training funds to support new development initiatives. A comprehensive training plan for 2026 was prepared for all sites in the Marche region, with a focus on digitalization, technical and specialist training, and robotics.

New Leadership Model. Introduced in 2023, the Ariston Group New Leadership Model represents a key strategic initiative designed to sustain the Company's growth and strengthen alignment around shared behaviors and ways of working. Developed through a structured feedback process involving focus groups and senior management discussions, the model reflects the Group's values, vision, and long-term priorities.

The Leadership Model is centered on 5 core behaviors that define effective leadership and collaboration across the organization, thus promoting a unified culture and consistent managerial approach. These behaviors are actively disseminated through a dedicated communication campaign on weARe, supported by real-life stories that make them both relatable and actionable.

To ensure widespread adoption, the Group has implemented a training program, engaging HR Business Partners, local HR teams, and Executive Vice Presidents to deliver sessions to all employees. The model is progressively integrated into performance management, serving as a common reference for goal setting, feedback, and professional growth. In parallel, a dedicated e-learning module available on MyLearning supports continuous learning and the onboarding of new hires.

Learning Management Platform. The Learning Management System (LMS), known as MyLearning, serves as a central platform aimed at enhancing people's skills through targeted upskilling and reskilling programs. Designed to make learning faster, more effective, and accessible, MyLearning enables employees to take ownership of their development by offering on-demand access to a wide range of training resources - from technical courses to leadership and soft skills. Users can complete mandatory training, explore over 1,000 e-learning modules, and recommend relevant courses to colleagues, fostering a culture of shared growth and continuous learning.

For administrators, the platform streamlines course creation, participant assignment, content management, notifications, and progress tracking, while providing analytical insights for performance evaluation. A dedicated knowledge hub further enhances the experience by centralizing both internal and external materials, supporting blended and fully digital training, overcoming language barriers, and enabling collaboration through peer-to-peer learning and customized training paths.

Upskilling programs for white collars	Objectives
Copilot Experimentation program	Pilot project to equip a selected group of employees with the skills to leverage Generative AI (Copilot) in their daily work and test its use to enhance personal productivity.
Global Mentoring Program	The Global Mentoring Program fosters personal development by pairing experienced mentors with mentees to enhance skills, tackle challenges, and prepare for future opportunities. Through an open application process, 16 mentor–mentee pairs from diverse cultural and professional backgrounds participated over one semester, supported by coaching-led training sessions. The program's structured training was key to its success: mentors learned core mentoring and conversational skills, while mentees acquired tools for effective goal-setting and guided discussions.
Leadership Model & Performance Management	E-learning module, available on the company LMS in eight languages and promoted by a high-impact communication campaign. Targeted to employees and managers across the Group, the module provides context on the design of the Leadership Model, explores key questions to identify behaviors in action, boosts awareness of the Performance Management Process now integrating the new five behaviors, and highlights the importance of active employee participation.

Conversations with employees through WCM. The Group applies a structured, multi-level training system (Basic, Intermediate, and High Qualified) to strengthen technical and managerial skills across all plants. Key programs include targeted training for new hires, testers, and repairers, the LUTI (Learn–Use–Teach–Inspect) method to promote knowledge transfer, and the use of digital tools such as automated radar charts and polyvalence maps to monitor progress and identify skill gaps.

Temporary employees have full access to these initiatives and benefit from the same development opportunities as permanent staff. The effectiveness of training is assessed through qualitative feedback gathered by HR via informal meetings and established channels - including discussions with managers, WCM tools, and, where applicable, trade unions. All employees can access these communication channels, which are promoted on plant noticeboards. Their input is integrated into future development plans, ensuring alignment with the Company's strategic objectives and continuous improvement approach.

WCM People Development and Global Pillar Call. Ariston Group began its journey with the World Class Manufacturing (WCM) methodology in 2011, introducing a structured and replicable model aimed at enhancing production systems across its sites. Central to this approach is the "People Development" pillar, which focuses on strengthening and empowering the workforce throughout the organization's manufacturing network. The program establishes a detailed HR mapping process to guide the professional growth and advancement of key employees.

Key initiatives include a structured job rotation scheme to mitigate turnover and specific measures to improve workplace conditions. In parallel, the initiative encourages the integration of young graduates into corporate training programs, building a pipeline of future talent while infusing the Company with fresh ideas and perspectives.

One particularly distinctive element of this WCM pillar is the Global Pillar Call — a coordinated series of regular international meetings that connect all People Development Pillar Leaders from the Group's various plants. Taking place every two months, these one-hour sessions serve as a forum for sharing best practices, exchanging insights, and addressing common challenges to reinforce development initiatives.

The effectiveness of such actions is well supported by industry research. Studies consistently show that companies committed to continuous skill enhancement and peer-learning cultures experience stronger employee engagement, improved operational performance, and a more agile workforce capable of achieving organizational objectives. Ariston Group's ongoing commitment to continuous improvement across its plants is therefore both a strategic investment in operational excellence and a catalyst for cultivating a skilled, motivated, and empowered workforce.

Global Mentoring Program. The Global Mentoring Program 2025 represents a strategic component of Ariston Group's commitment to fostering an inclusive, collaborative, and growth-oriented corporate culture. Open to all employees via the weARe platform, the program supports the development of a dynamic talent ecosystem, empowering individuals to take ownership of their professional growth and career progression within the organization. Bringing together 32 mentees and 16 mentors from 13 countries, spanning four generations and more than 20 business areas, the initiative promotes cross-functional learning, personal development, and meaningful professional connections. Integrated into the Company's Leadership Model, it combines targeted training sessions, supervision, and regular feedback to strengthen employee engagement and embed a culture of continuous improvement.

Mentors, drawn from the Group's senior management and executive community, provide high-quality guidance and visibility across the organization. The program places particular emphasis on the development of key soft skills, including active listening, effective communication, critical thinking, and a growth mindset. Distinct training paths for mentors and mentees, complemented by dedicated tools, supervision, and ongoing feedback, ensure a consistent and effective mentoring experience. Delivered entirely remotely, the program features live virtual sessions and an interactive community on Viva Engage, offering a collaborative environment for discussion, reflection, and peer learning beyond formal mentoring.

Sourcing of competencies

In 2025, Ariston Group further strengthened its commitment to fostering a diverse and inclusive work environment, recognizing it as a key driver for attracting and retaining talent. By promoting a culture where every individual feels valued and empowered, the Company supported both personal development and collective success.

In Italy, the Group enhanced its collaborations with universities and technical institutions to attract qualified talent and develop critical competencies. Partnerships included participation in Career Days and topic-based seminars with leading universities such as the Politecnico di Milano (PoliMi), Università Politecnica delle Marche (UNIVPM), University of Rome Tor Vergata, University of Perugia, and University of Bologna. These collaborations were complemented by initiatives such as Career Talks, mentoring sessions, and technical seminars - including a session on Finite Element Mechanical Simulations with UnivPM and career mentoring in the energy sector with PoliMi.

The Group also collaborated with master's programs offered by the Rome Business School and Università Cattolica del Sacro Cuore, focused on HR and organizational development, and began discussions with the ESCP Business School to expand its partnerships from 2026.

High schools and Technical Institutes (ITS) continued to play an important role through initiatives such as Maestri del Lavoro at Fabriano High School and the Progetto Alternanza Scuola-Lavoro, which provided students with real-world exposure through company presentations, factory visits, and PCTO placements across Marche, Umbria, and Veneto.

Programs such as "Future-Ready with Ariston Group" further reinforced this collaboration, developing a sustainable pipeline of future professionals equipped with technical expertise and soft skills. Additionally, the Group took part as a partner in "Future Campus", an initiative promoted by Confindustria Ancona, offering students direct insights into the professional world and strengthening the connection between education and industry.

Across its global footprint, Ariston Group's affiliates established strategic partnerships with leading universities and educational institutions, aimed at cultivating key competencies and reinforcing the Group's global talent pipeline.

- In Germany, Elco Haustechnik GmbH & Co. Sanitär Heizung Klima KG continued to invest in future talent development through initiatives such as the Apprentice Camp, which provides hands-on workshops for aspiring professionals. At the same time, Wolf GmbH is preparing its participation in upcoming career fairs with universities and high schools, with plans already underway for 2026.
- In France, Ariston Group strengthened its collaboration with academic institutions through initiatives such as participation in the Job Fair at the Université d'Orléans and a company visit for students to gain first-hand insight into the Group's operations and sustainability practices.
- In the Netherlands, Brink Climate Systems continued to invest in talent engagement and development through initiatives such as Girls' Day, which introduced students to career opportunities in technology and engineering. In parallel, the Company carried out recruitment activities focused on young talents, highlighting career paths and training opportunities within the organization.

- In the UK, Ariston Group actively engaged in key industry and educational events such as the Higher Education Estates Forum and FutureBuild, strengthening its relationships with academic institutions and professionals in the building and energy sectors.
- Croatia saw Ariston Group hosting an event at the University of Zagreb, Faculty of Mechanical Engineering and Naval Architecture, where students learn about the engineering roles involved in ventilation machinery production.
- In Serbia, Ariston Group took part in student company visits, offering participants the opportunity to learn about the organization's operations and career prospects within the Group.
- In Canada, NTI Boilers, part of Ariston Group, hosted a student company visit, providing participants with direct exposure to manufacturing operations and safety practices while inspiring interest in industrial careers. In addition, the Company received the NEC Engagement Award in recognition of its commitment and support to the newcomer community in Saint John, New Brunswick, reflecting its strong engagement with local communities and inclusive employment practices.
- In the US, Ariston Lennox Water Heating strengthened its brand awareness and talent attraction efforts by promoting new job opportunities as part of its business expansion in Providence.
- In Mexico, Ariston Group welcomed students from the Universidad Tecnológica de Coahuila for a company visit focused on the metal-mechanical field.

While the examples provided cover only some of the Group's most significant activities and countries, they underscore Ariston Group's commitment to reinforcing its status as an employer of choice worldwide and to developing and attracting the key competencies that drive its growth and innovation.

Future – ready program. Organized and managed directly by Ariston Group, the "Future-Ready with Ariston Group" program supports the professional and technical development of students in the fourth and fifth years of technical and vocational institutes. Developed in collaboration with local schools, the initiative offers a structured learning pathway combining classroom sessions, company visits, and practical learning experiences. It also includes PCTO (school-to-work training) placements, enabling students to gain hands-on exposure to real working environments and deepen their understanding of areas such as production, engineering, and sustainability.

Now entering its third edition in October 2025, the program has expanded to involve five partner institutes, reflecting its growing reach and impact. By fostering collaboration between education and industry, Ariston Group helps young people develop the skills and mindset needed for a sustainable and competitive future, while reinforcing its commitment to local community engagement.

Collaboration with PoliMi. In 2025, Ariston Group renewed and strengthened its long-standing collaboration with the Politecnico di Milano, building on years of successful joint initiatives. This renewed agreement, set to span approximately five years, aims to attract high-potential graduates, foster closer links between academia and industry, and support cutting-edge R&D activities that drive innovation. By continuing to invest in this strategic alliance, Ariston Group seeks to enhance its visibility among young professionals and secure a sustainable pipeline of skilled talent aligned with the Company's future growth and technological advancement objectives.

Diversity & Inclusion

Through its Human Resources function, Ariston Group is implementing a set of initiatives addressing diversity, equity and inclusion within the workplace.

Diversity program. In 2025, Ariston Group implemented its Diversity, Equity and Inclusion (DEI) Awareness Program, designed to foster a culture of inclusion, fairness, and respect across all organizational levels. The initiative aimed to build a shared understanding of DEI principles, strengthen the Group's unified DEI narrative, and align local initiatives with global objectives within the Road to 100 Plan. Led by a dedicated Diversity Committee comprising senior leaders and representatives from multiple regions and business areas, the program encouraged open dialogue, training, and awareness-raising activities to address gender disparities and promote equal opportunities.

Under this framework, the Perspectives Program at Wolf GmbH Germany is an initiative designed to promote the professional development of women within the organization. Since 2024, the program has brought together various diversity and inclusion activities under a unified framework. In terms of progress, in 2025, a new networking evening was held under the theme "Effective Communication," bringing together 25 participants. In addition, a dedicated mentoring scheme for women was launched, with two participants currently taking part in its first cycle.

Furthermore, The WoW – Women of Wolf project group continues to play a key role in driving this agenda, introducing a series of initiatives such as WoW-Match (pairing colleagues for informal meetings such as walks or lunch), WoW-Staffelstab (introducing employees to different departments), and WoW-Afterwork (informal networking sessions). The

project group meets regularly and is actively developing further initiatives to strengthen collaboration, visibility, and career growth opportunities for women across the Company.

Looking ahead, the Group's DEI efforts will focus on two key priorities: enhancing communication through the development of a cohesive narrative that supports the DEI journey and raising awareness of unconscious bias through targeted learning and development initiatives and extensive data analysis to capture phenomena that may potentially negatively impact the Group's diversity.

S1-5 Targets in relation to own workforce

Ariston Group is committed to delivering a meaningful and comprehensive people experience that enhances every employee's sense of belonging and promotes engagement as One cohesive Team. Under the Road to 100, the Company has established ambitious long-term targets encompassing all employees.

To define the Road to 100 objectives, Ariston Group undertook extensive engagement with both internal and external stakeholders. *Further details can be found in SBM-1 Strategy, Business Model and Value Chain.*

The targets were determined through workshops involving key HR representatives from areas such as people development and learning, organization and change management, talent acquisition, employer branding, and internal communications. This ensured a complete view of the Company's strategic priorities, needs, and ambitions. During these sessions, participants reviewed trend analyses, peer best practices, and relevant workforce management regulations, with particular attention to EU-level directives, including the European Pillar of Social Rights.

The HR team is central to monitoring performance and identifying areas for improvement. They have access to the main platforms used for workforce data collection and management. Each year, results are reviewed by the HR team in collaboration with the ESG team, which allows for planning targeted actions to improve KPIs, ensuring ongoing progress and alignment with the Company's strategic objectives.

Employee experience and engagement Targets

To tackle gender disparities, enhance employee skills, attract and retain talent, and foster a diverse and inclusive workplace, Ariston Group has established an absolute qualitative target.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
Position the organization as a winning organization with simplified and agile processes, widespread leadership, and a vibrant talent ecosystem	2030	- Performance evaluation process based on a system characterized by an individualistic approach and a proliferation of personal objectives - Leadership Model featuring 9 behaviors	2023	Simplification of: - STI (Short Term Incentive): foster collaboration, digital tool enhancement - Leadership model featuring a streamlined 5-behaviors framework - Talent review: focus on succession planning for key positions and talent visibility.	**Ongoing efforts to strengthen leadership and the talent ecosystem, and to simplify processes. Key achievements include:** - **Diversity, Equity, and Inclusion (DEI) Awareness Program** - **Global Mentoring Program** - **Continued implementation of the New Leadership Model** - **Ongoing adoption of Leadership Training Programs**	Whole Group

The objective is to position the organization as a high-performing entity, with ongoing efforts to simplify processes and strengthen leadership capabilities and the talent ecosystem.

This target formalization is seen as more effective, as it focuses on the key elements of a sustainable work environment rather than on certification alone. Consequently, 2023, the year the original target was set, serves as the baseline.

In 2023, the simplification of performance management began with the implementation of a leaner model, designed to enhance efficiency and effectiveness. A key milestone in the process was the 2024 revision of the Leadership Model, which was streamlined from nine to five core behaviors. Through 2025, the effort focused on additional process simplification and the gradual strengthening of the Group's talent ecosystem, supported by the implementation of the new Leadership Model, targeted leadership training, and initiatives to foster a culture of continuous growth and inclusion, enabling more focused and impactful employee development discussions across the organization.

The target focuses on continuous efforts to simplify processes and strengthen leadership. This is reflected in the actions implemented over the years to drive process improvements across key HR areas, promote internal career development, and further strengthen the Leadership model. To date, progress is considered on track with the target.

The methodology used to define the target is described in the introductory paragraph. Furthermore, a range of internal cross-functional discussions focused on the Group's 2030 strategic plan were organized, which considered workforce management and broader organizational ambitions.

Progress is monitored annually, with the Company's ability to streamline processes, improve the leadership model, and strengthen its talent pool assessed through the implementation of specific projects. For example, specific activities have been outlined regarding performance management, talent review, and Short-Term Incentives (STI). The STI plan has been redesigned to strengthen the importance of collaboration in achieving Company results and to reward contributions to the overall outcomes by meeting regional, country, or function-specific targets, while also recognizing individual achievements through a multiplier effect linked to individual performance.

At the same time, the talent review process—formerly referred to as the "mapping process"—has evolved to adopt a more focused and impactful approach. Greater attention is now given to succession planning for key roles, ensuring that high-potential talent is identified and prepared for future leadership positions. The process has also become more collaborative and cross-functional, promoting a broader and more inclusive approach to talent identification. In addition, initiatives have been launched to increase visibility and exposure for talent throughout the organization, strengthening engagement and fostering a sense of belonging. This includes the establishment of more direct communication channels to ensure that employees feel recognized and valued.

Overall, the target supports the implementation of the values set out in Ariston Group's Code of Ethics, acting as a practical expression of its principles. By pursuing this objective, the Company reinforces its commitment to creating a work environment that values inclusivity, fairness, and respect for all employees.

Supporting initiatives: Internal career programs

To enhance workforce capabilities through upskilling and reskilling programs, Ariston Group has set the target of ensuring that over 60% of employees managing teams are promoted through internal career progression.

Overall, the target is closely linked to the Code of Ethics principles and the Training Management Procedure goals.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
Over 60% of managerial positions are filled through internal career progression	2025	59% of managerial positions are filled through internal career progression	2022	**73%**	**79% (+6%)**	Whole Group

The results confirm the achievement of the target, which had already been reached in 2024. The target is monitored annually through the analysis of data from internal systems tracking career development within the defined scope. The metric is calculated as the ratio of individuals appointed to managerial positions[30] through promotions or lateral moves during the year to the total number of managerial positions that became available during the fiscal year. For the methodology used to define the target, please refer to the introductory paragraph; the threshold has been set to achieve the right balance between leveraging internal competencies and the added value brought by integrating external resources. The pool considered includes individuals holding managerial positions across the Group, both in corporate teams and local teams. Measurement of the metric is not validated by an external body other than the auditors of the Sustainability Statement.

Supporting initiatives: Diversity and Inclusion

To mitigate reputational risks linked to gender disparities, address potential workplace challenges arising from these disparities, and strengthen talent retention and attraction by promoting a diverse and inclusive work environment and culture, Ariston Group has set the target of achieving a balanced representation in its management team, with at least 30% female employees and at least 30% male employees.

[30] The managerial positions analyzed refer to roles that have responsibility for at least one person.

The target is in line with the Group's Diversity and Inclusion Policy, built on the Dutch Corporate Governance Code and reflected in the Group's Code of Ethics. At the same time, it aligns with Ariston Group's broader endorsement of diversity as a key value, as the Group acknowledges that the integration of diverse backgrounds, skills, and cultures is a significant opportunity to enhance the Company's human capital.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
At least 30% female employees and at least 30% male employees in Ariston Group Management team	2030	24% female 76% male	2022	21% female 79% male	**21% female 79% male**	Whole Group

Overall, the indicator has remained substantially stable; in order to improve performance in the coming years, the Company has adopted a bottom-up approach by establishing a Diversity Committee, involving members of the Global Executive Committee (GEC) and representatives from different functions, levels, age groups and nationalities, to guide the Company along a pathway focused on gender balance. This approach complements corporate-level actions, such as embedding diversity into people behaviors and raising awareness on the topic, with broader initiatives to engage the organization and foster listening moments, including the launch of a focus group in 2026.

For the methodology used to define the target, please refer to the introductory paragraph. The target is monitored on a yearly basis, starting from the official employees HR platform and database. The definition of "Management team" was established in line with the Company's internal organization and refers to employees managing teams of people.

S1-6 Characteristics of the undertaking's employees

	2024		2025	
	Headcount		Headcount	
50a. Employees by country[31]	n.	%	n.	%
GERMANY	2,602	24.5%	2,393	22.1%
ITALY	1,967	18.5%	2,077	19.2%
OTHER	6,043	56.9%	6,360	58.7%
Total employees (HC)	**10,612**	**100%**	**10,830**	**100%**

The total number of employees in 2025 was 10,830, calculated on a headcount basis. The country-specific breakdown has been published previously, allowing for comparability between 2024 and 2025.

	2024				2025			
50b, 51, 52 Employee head count by gender [32]	Male	Female	Other	**Total**	Male	Female	Other	**Total**
Head count	8,360	2,252	0	**10,612**	8,578	2,252	0	**10,830**
Percentage	79%	21%	0%	**100%**	79%	21%	0%	**100%**

The above tables illustrate the workforce headcount by countries with more than 50 employees, representing at least 10% of total Ariston Group employees. The remaining countries are included in the "Other" category.

50c. Turnover	**2024**	**2025**
Number of leaves	1,699	2006
Turnover	**16,0%**	**18,5%**

The Employee Turnover Rate is calculated by dividing the total number of employees who left the company during 2025 by the number of employees at 31.12.2025.

	2024				2025			
50b, 51, 52 Employee head count by gender and contract type[33]	Male	Female	Other	**Total**	Male	Female	Other	**Total**
Number of permanent employees	7,871	2,076	0	**9,947**	8111	2095	0	**10,206**
Number of temporary employees	489	176	0	**665**	467	157	0	**624**
Number of non- guaranteed hours employees	0	0	0		0	0	0	

Leased staff and internships are not included in the headcount. To cross-reference the information reported above with the most representative number in the financial statements, please see Annual Report, 2. Key Highlights - Profitability Ratios – Headcount. Ariston Group does not employ non-guaranteed hours employees.

[31] 2025 data include DDR and ZRE
[32] 2025 data include DDR and ZRE
[33] 2025 data include DDR and ZRE

S1-9 Diversity metrics

		2024		2025	
66a. Gender distribution at top management	**U.o.M.**	n.	%	n.	%
Total Top Management		**121**	**100%**	**124**	**100%**
Male	Headcount	105	87%	107	86%
Female	Headcount	16	13%	17	14%

Top Managerial Positions are defined as roles classified within Bands A to D, in accordance with Ariston Group's Job Banding system, which is based on Mercer's job evaluation methodology. The CEO and Executive Chairman are excluded from the count. In 2025, the composition of top management experienced a slight shift compared with the previous year, with the proportion of men decreasing by 1% to 86% and the proportion of women increasing by 1% to 14% of the total.

		2024		2025	
66b. Distribution of employees by age group	**U.o.M.**	n.	%	n.	%
< 30 years	Headcount	1,390	13%	1,389	13%
30 - 50	Headcount	5,939	56%	6,107	56%
> 50	Headcount	3,283	31%	3,334	31%
Total employees		**10,612**	**100%**	**10,830**	**100%**

To provide insights into the age distribution of employees, data was extracted from the official HR platform. The trend remains consistent with 2024, with 13% of the workforce under 30, 56% between 30 and 50, and 31% over 50.

S1-13 Training and skills development metrics

		2024			2025		
83a. Employees that participated in regular performance and career development reviews	**U.o.M.**	Female	Male	**Tot**	Female	Male	**Tot**
Employees evaluated	Headcount	1,429	3,740	5,169	1,354	3,375	**4,729**
% Total employee evaluated		**63%**	**45%**	**49%**	**60%**	**39%**	**44%**

Employees who participated in performance and career reviews took part in one performance review during the year, in line with the Company's annual review plan. The number of reviews conducted is fully aligned with the target set by management, ensuring a structured and consistent evaluation process across the organization. To disclose the information on the percentage of employees who participated in regular performance and career development reviews broken down by gender, data for the numerator have been extracted from the official HR platform used for Performance and Career development; for the denominator the Group used the employee headcount figures provided in Disclosure Requirement S1-6. In 2025, the number of employees evaluated was 5% lower than in 2024. Overall, 60% of all female employees were evaluated, compared with 39% of all male employees.

		2024			2025		
83b. Average number of training hours per employee	**U.o.M.**	Female	Male	**Tot**	Female	Male	**Tot**
Hours of training provided	Hours	21,592	89,851	111,443	15,285	91,235	106,520
Total employees	Headcount	2,252	8,360	10,612	2,252	8,578	10,830
Total hours per employee		**9.6**	**10.7**	**10.5**	**6.8**	**10.6**	**9.8**

In 2025, average training hours per employee decreased from 10.5 in 2024 to 9.8. Looking at the breakdown by gender, men received more training on average than women, with mean values of 10.6 and 6.8 hours respectively. With regard to total hours per female employee, this year's decrease was consistent with an overall **balanced** multi-year trend. The variation is mainly driven by a different mix of training programs and content compared to previous years. Looking ahead, the Group will continue to **encourage and support higher female participation** in upskilling pathways, fostering a more balanced and inclusive access to development opportunities.

Training hours data were collected from the Group's official training platform, supplemented with documentation provided by local HR teams on additional activities, mainly conducted in person. For employees whose gender was reported as N/A in the training database, Ariston Group's HR team estimated their gender distribution by weighting it according to the gender breakdown of the total employee population. Data relating to the DDR and ZRE acquisitions were estimated by applying the Group's average training hours to the employees of the respective companies.

S1-14 Health and Safety metrics

		2024		2025	
88a. Health and safety management system	U.o.M.	Employees	Non employees	Employees	Non em-ployees
% of employees covered by health and safety management system	%	**100%**[34]	**0**	**99%**	**0**
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Headcount	**0**	**0**	**0**	**0**
Number of fatalities as result of work-related injuries and work- related ill health of other workers working on undertaking's sites	Headcount	0	0	0	0
Number of recordable work-related accidents for own workforce	Headcount	45	0	54	0
Rate of recordable work-related accidents for own workforce	Headcount	4,58	0	5.43	0

Compared to 2024, a new approach was applied to calculate the percentage of employees covered by health and safety management systems. Whereas in 2024 only employees from sites certified by third parties were considered, this year, in line with ESRS requirements, all sites falling within the scope of the HSE management system were included. The 2025 figure is slightly below 100% because it includes newly acquired sites, which are scheduled to be fully integrated into the HSE management system next year.

The incidents reported are aligned with the definition of work-related injuries as outlined in the Standard requirements. To compute the rate of work-related injuries, the Group followed the methodology of the Standard, by dividing the respective number of cases by the number of total hours worked by people in its own workforce and multiplying by 1,000,000. The workplace incident data presented in this report refers exclusively to production plants, as these sites are characterized by a higher risk profile. This approach aligns with our current data collection methodology and central reporting process. However, we are committed to progressively expanding our reporting in the coming years to include all incidents across the entire Group, including those occurring in low-risk facilities.

Overall, in 2025 the Group recorded no fatalities, covering both employees and contractors across all sites. Work-related lost-time injuries increased by nine cases, a change that also reflects the inclusion of the Russian plant. Moreover, newly acquired sites, which are not yet fully integrated into the HSE management system, were included in the calculation, contributing to the increase observed. Despite the increase, most plants sustained positive safety performance, including the maintenance of zero-injury records at several sites, supported by strengthened safety governance, clearer processes, and more consistent oversight. The rise in incidents was concentrated in a limited number of facilities, highlighting the need to further reinforce systematic safety practices and safety culture. Consequently, the improvement actions planned for 2026 will prioritize these sites, with the aim of extending the preventive approach and standards already established across the rest of the Group.

S1-16 Remuneration metrics

	2024			2025		
97a. Gender Pay Gap	Female	Male	Wage gap	Female	Male	Wage Gap
Employees average gross hourly pay	21	24	**14%**	22	25	**12%**
	2024			**2025**		
97.b Annual total remuneration ratio[35] (K in €)	Highest paid	Median*	Ratio	Highest paid	Median *	Ratio
Annual total compensation	4,700	43	**109**	4,700	44.2	**106.3**

* For all the organization's employees excluding the highest-paid individual

Achieving pay equity is a fundamental component of the Company's commitment to sustainability. The remuneration philosophy of the Group aims to avoid any discrimination while combining the principle of "equal pay for equal jobs" with a focus on meritocracy. To sustain this commitment, Ariston Group is investing in pay-analytics capabilities, which will provide a platform for objective insights and in-depth analysis. For 582 employees for whom detailed remuneration data were not available, estimates have been made to calculate the Gender Pay Gap and Remuneration Ratio, using gender-based average remuneration figures, calculated on the population with available data.

The current gender-based pay gap[36] is 12%. The improvement in this indicator is primarily driven by the increased attention the Company devoted to wage levels during 2025. As the pure average of total remuneration, the ratio does not take

[34] The percentages reported for 2024 have been restated, with the coverage percentage increasing from 35% to 100%.
[35] 2025 data include DDR and ZRE
[36] Benefits in kind are excluded from the calculation, as their effect is neutralized by the fact that they are assigned according to contractual level and thus do not contribute to pay disparities.

into consideration labor market differences, local salary levels, type of job and responsibilities, and the impact of the gender-balance in managerial positions.

S1-17 Incidents, complaints and severe human rights issues

103. Discrimination incidents[37]	2024	2025
a. The total number of incidents of discrimination, including harassment, reported in the reporting period	18	7
b. Complaints filed through channels for raising concerns (including grievance mechanisms)	7	1

103c. Fines, penalties, and compensation[38]	2024	2025
Fines	0 €	0 €
Penalties	0 €	0 €
Compensation	0 €	0 €
Total amount of fines, penalties, and compensation for damages	**0€**	**0€**

The data in table 103 refer to confirmed whistleblowing reports of harassment and discrimination, together with unconfirmed whistleblowing reports received through the whistleblowing platform/official email.

In 2025, the number of whistleblowing reports decreased significantly to 7, indicating a normalization of the reporting trend after the spike observed in 2024. The corrective and preventive actions implemented in response to the 2024 reports were effective, contributing to a more stable and confident organizational climate. Moreover, Ariston Group has maintained a high level of commitment to integrity and transparency, in part thanks to a renewed communication campaign carried out in 2025 to reinforce awareness of the whistleblowing tool and the safeguards provided for whistleblowers. This initiative helped ensure continued confidence in the process and encouraged responsible reporting behaviour. All reports were thoroughly investigated and led to the definition of corrective, disciplinary, and training action plans, in collaboration with local, regional and Group HR functions and line management. Transparency in the process and the absence of retaliation against whistleblowers have helped foster a climate of trust and accountability.

Additionally, none of the reports filed in 2025 resulted in sanctions or penalties issued by Authorities and no severe human rights incidents have been reported.

[37] 2025 data include DDR and ZRE
[38] 2025 data include DDR and ZRE

ESRS S2 – Workers in the value chain

The Group places great importance not only on its own workforce but also on the working conditions of workers along the value chain as the success of the Company's strategy depends on strong supplier relationships, which are distributed worldwide due to the global dimension of the business.

As part of its ESG efforts, the Group takes into consideration the environmental, social and ethical performance of the supply chain. To this end, strong focus is placed on engaging the supplier base on ESG-related aspects. Tools and plans are being developed to foster relationship management driven by sustainability. These include assessments, improvement initiatives, and monitoring plans designed to engage and support the supplier base throughout the ESG journey.

SBM-2 Interests and views of stakeholders

Please see ESRS 2, SMB-2 Interest and views of stakeholders.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
S2 Workers in the value chain	Working conditions; Other work-related rights	Negative impact	Potential	Failure to respect human rights by upstream suppliers	Upstream	Long term
Working conditions and other work-related rights (all sub-sub-topics)	Working conditions; Other work-related rights	Risks	-	Risks related to the use of 3PL (Third Party Logistics) featuring potential human rights non-compliance and CSDDD regulation (e.g. Corporate Sustainability Due Diligence Directive)	Upstream	Medium term

During the IRO assessment phase, the Company confirmed that impacts and risks are primarily associated with upstream suppliers. Specifically, they may include failure to respect human rights. However, the analysis carried out on a selected yet significant panel of suppliers shows that such negative impacts (and related risks) are not widespread or systemic, being instead confined to specific geographical areas or situations - such as countries with a higher concentration of suppliers scoring lower on labor and human rights (e.g. in China), which nonetheless represent a small portion of the overall supplier base. For instance, workers in certain regions or sectors may face harsher conditions due to local regulations, industry standards, or cultural practices. Moreover, in countries with weaker labor laws, risks related to workplace safety and fair wages are more pronounced.

Similarly, risks may arise from the use of third-party logistics (3PL) providers and partners who fail to comply with human rights standards and Corporate Sustainability Due Diligence (CSDD) requirements. Such cases could expose the Company to significant challenges and potentially threaten business continuity.

Operating globally with 30 production sites in 16 countries, Ariston Group recognizes the importance of monitoring potential risk areas for workers within its value chain, particularly in regions where labor practices may not fully align with international standards. Due to its dependence on steel, copper, aluminum, and electronic components, the Company recognized the potential exposure to labor rights violations in regions where these materials are extracted or processed, including China, Southeast Asia, and certain areas of South America and Africa.

These conditions are monitored through the EcoVadis IQ tool, which supports the Group in identifying potential misalignments with its Human Rights Policy. The tool highlights high-risk areas and cross-references them with supplier characteristics using the EcoVadis Rating system. It also monitors public documentation and news sources, providing additional contextual understanding and supporting the prioritization of challenges. Where weaknesses are identified, the Company appoints a dedicated individual to conduct onsite audits.

To identify, manage, and monitor these risks and impacts, Ariston Group has implemented due diligence and human rights assessments. The results of these initiatives enable the Group to: (i) determine whether new risks should be integrated into the Enterprise Risk Management (ERM) framework; (ii) develop a targeted approach to strengthening partnerships where ESG principles provide a common foundation, while promoting knowledge-sharing and collaboration; and (iii) require suppliers with identified gaps to improve and consolidate their ESG performance in order to ensure continuity in relationships. In addition, through its Human Rights Policy and Sustainable Procurement Policy, Ariston Group sets mandatory minimum standards for fair remuneration and working hours, while explicitly prohibiting both child and forced labor. These standards must be upheld by all suppliers with respect to their employees, ensuring dignified working conditions across the value chain.

S2-1 Policies related to value chain workers

The Group recognizes that ensuring respect for human rights requires specific governance mechanisms and continuous oversight, particularly when operating in regions characterized by complex social or political conditions. For this reason, Ariston Group has introduced a broad framework of Group-wide policies that establish minimum expectations across its value chain. These policies are designed to guarantee decent working conditions, uphold human rights protections, and create safe, fair, and inclusive environments.

Human Rights Policy. Ariston's Human Rights Policy applies to all members of corporate bodies, employees, temporary workers, consultants, collaborators of any kind, and individuals engaged within the supply chain.

Beyond affirming the Group's public commitment, it also serves as a reference framework for stakeholders, encouraging them to respect and promote human rights within their spheres of influence. In line with this commitment, suppliers are required to fully comply with human rights obligations in the conduct of their business. Compliance is a prerequisite for establishing and maintaining long-term partnerships as the Group does not enter into or continue business relationships with companies that fail to meet the requirements of this Policy or that breach its principles - including the use of forced, compulsory or child labor, or involvement in human trafficking. If the Group becomes aware of a violation of this Policy within its supply chain, it commits to mitigating adverse impacts. This may include engaging in dialogue with the supplier to agree on a remediation plan. Where such measures prove inadequate, the Group will discontinue the business relationship.

The Company's commitment aligns with internationally recognized standards, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Convention on the Rights of the Child. The Policy is also guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. During the reporting period, no cases of non-compliance with these rights involving workers in the upstream or downstream value chain were reported.

For further details on senior-level accountability and document availability, please refer to ESRS S1-1.

Sustainable Procurement Policy. To address the risk of human rights violations in its upstream supply chain - as well as the reputational risks associated with potential non-compliance with the CSDD regulation - Ariston Group has introduced a Sustainable Procurement Policy. This policy strengthens the practical implementation of the principles set out in the Group's Human Rights Policy, translating them into clear obligations for all suppliers.

The Policy requires suppliers to uphold fundamental standards in their operations, which include:

- the prohibition of child labor, forced labor, and all forms of discrimination;
- the guarantee of freedom of assembly, association, and collective bargaining; the provision of fair remuneration and respect for working hours;
- the maintenance of appropriate health and safety conditions in the workplace;
- the protection of the right to privacy and freedom of thought, opinion, and expression.

Suppliers are also required to establish grievance mechanisms that are accessible and safe, enabling workers to raise concerns and report misconduct freely. Full compliance with national, regional, and local laws - particularly those relating to health, safety, and disaster prevention - is mandatory. In addition, suppliers must ensure clear communication of workplace procedures and provide adequate equipment to maintain a healthy and safe working environment. *For further details on the Sustainable Procurement Policy, please refer to ESRS E1-2.*

Supplier Code of Conduct. The Supplier Code of Conduct sets clear expectations for suppliers, aiming to advance environmental stewardship, strengthen social responsibility, and uphold ethical business practices across all operations. By doing so, the Code plays a vital role in preventing potential adverse impacts, particularly those linked to human rights violations in upstream supply chains.

The Code has a global scope: it applies without exception to all suppliers and their supply chains, regardless of geography, industry, or stakeholder group. Implementation is a shared responsibility, requiring continuous collaboration between Ariston Group and its partners. Within the Group, overall accountability rests with the Chief Operations Officer, ensuring that the principles of the Code are effectively embedded in business processes and supplier relationships.

To guarantee alignment with best practice, the Code is anchored in internationally recognized standards, including the UN Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work (1989). It also incorporates recognized management system standards such as ISO 14001 and ISO 45001. The perspectives of key stakeholders were taken into account during development of the Code, ensuring that it reflects both global expectations and the local context.

The Code clearly prohibits child labor, forced labor, and discrimination, while actively promoting freedom of association, non-discrimination, and equal treatment. In doing so, it sets the foundation for a fair, inclusive, and resilient supply chain.

Finally, to ensure accessibility and transparency, the Supplier Code of Conduct is publicly available on the Group's corporate website, allowing all stakeholders and affected parties to consult it and to understand their roles in its implementation. EcoVadis Assessment Procedure. To reinforce the protection of human rights in its upstream supply chain, Ariston Group has introduced the EcoVadis – Jaggaer Procedure, effective since August 2025. This initiative integrates the EcoVadis Scorecard into the supplier qualification and management process carried out on the Jaggaer platform, ensuring that all strategic partners are subject to a minimum level of ESG due diligence.

The procedure applies to all suppliers with which Ariston Group has a business value that exceeds an internally defined threshold. In practice, in-scope suppliers are required either to share an existing EcoVadis Scorecard or to obtain one within four months. Meeting this requirement is mandatory for completing the registration of a new supplier or for the award of a contract within Jaggaer. Meanwhile, ESG risks are assessed via the EcoVadis IQ Risk platform. Where a Very High risk is identified, a CPO derogation is required, otherwise, the supplier may proceed.

The evaluation of the EcoVadis Scorecard follows a tiered approach:

- Score ≥ 45: the supplier meets sustainability criteria and may proceed.
- 25 ≤ Score < 45: the supplier meets the minimum threshold but must implement a Corrective Action Plan in EcoVadis.
- Score < 25: the supplier does not meet the minimum threshold; continuing requires a formal derogation from the Chief Procurement Officer (CPO).

If no Scorecard is available, the supplier must enroll with EcoVadis within four months. Meanwhile, ESG risks are assessed via the EcoVadis IQ Risk platform. Where a Very High risk is identified, a CPO derogation is required; otherwise, the supplier may proceed

By embedding ESG assessments directly into the procurement process, the Procedure strengthens the Group's capacity to identify potential misalignments with its Human Rights Policy, monitor risks of forced or child labor, and ensure that suppliers respect fair working conditions. In this way, the EcoVadis – Jaggaer Procedure becomes a practical tool for safeguarding human rights across Ariston's global supplier base and for enhancing accountability in the upstream value chain. The full Procedure is available on the Company Intranet.

S2-2 Process for engaging with value chain workers about impacts

The perspectives of value chain workers are considered through the EcoVadis assessments, which provide an indirect but reliable reflection of their viewpoints via recognized proxies.

Engagement takes place ahead of the roll-out of the EcoVadis survey, which is conducted periodically on a continuous basis. Buyers hold dedicated touchpoints with supplier representatives to share updates on the implementation of the EcoVadis program, including an overview of Ariston Group's objectives and the application of both the Sustainable Procurement Policy and the Code of Conduct's principles. These sessions also serve as a forum for collecting feedback from suppliers, for example, on the existence of already adopted practices.

Once the EcoVadis Scorecards are received, the Group undertakes a detailed analysis of supplier performance, identifying both strengths and areas for improvement. Human rights considerations are a central element of this review, and where gaps are identified, Corrective Action Plans (CAPs) are put in place, as described in section S2-4. Progress is tracked over time to measure the effectiveness of engagement and improvements in supplier practices.

Responsibility for ensuring that these processes are carried out effectively - and that outcomes are integrated into procurement decisions and risk management - lies with the Chief Procurement Officer. At present, the Group acknowledges that it has only partial visibility over workers in its supply chain and has not yet identified specific categories of vulnerable or marginalized groups. However, efforts are being made to enhance data collection and supplier disclosure. Over time, this may support alignment with Global Framework Agreements or other agreements with international trade union federations designed to safeguard workers' rights, which are not yet in place.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

When a supplier is found to be at risk or in breach of human rights obligations - whether due to a specific occurrence, a verified incident, or a self-reported violation of the Group's Code of Conduct - they are required to submit a formal report to Ariston Group. The supplier is expected to act immediately to end the violation. Where this is not possible, remedial measures are agreed with the Group, defined in proportion to the nature and severity of the breach, and implemented

without undue delay. To ensure that remedy processes are available and effective in cases of material negative impacts, Ariston Group reserves the right to inspect suppliers' business premises and records, either directly or through independent auditors. In addition, the Group has designated and trained a specific resource to conduct on-site audits whenever incidents highlight weaknesses in a supplier's capacity to manage human rights risks.

Value chain workers have multiple channels through which to raise concerns:

- Supplier-level reporting: supplier representatives are reminded of their ability to report concerns directly to Ariston Group during regular buyer–supplier meetings. This possibility is reinforced in communication activities linked to the EcoVadis program and to the implementation of the Supplier Code of Conduct.
- Whistleblowing platform: workers across the supply chain can also access the Group's whistleblowing channel, available through the Corporate Website. Reported issues are investigated and, where necessary, addressed with corrective actions to safeguard workers' rights and well-being. Further details on the functioning of this channel are provided in *S1-3, including how the Group monitors its effectiveness.*

At present, Ariston Group has not introduced specific measures to assess whether workers across the value chain are fully aware of these channels. However, both the Code of Conduct and the Whistleblowing Policy are publicly available on the Corporate Website.

For more information on how whistleblowers are protected against retaliation, *please refer to section G1-1, Whistleblowing System*.

S2-4 Actions related to value chain workers to manage impacts, risks and opportunities

To mitigate potential negative impacts and related risks on workers in the value chain, Ariston Group has launched a comprehensive, ongoing due diligence process to map environmental and human rights externalities across its supply chain. The initiative is led by Procurement in close collaboration with the ESG team and is designed as a long-term program of continuous improvement, fully aligned with the Group's policies.

Supply chain due diligence. In line with the Sustainable Procurement Policy and the Supplier Code of Conduct, ESG evaluation has been integrated into every stage of the Supplier Management Process - from supplier selection and onboarding to performance review and improvement planning. The objective is twofold: to assess suppliers' sustainability performance and to actively engage them in targeted improvement initiatives.

This due diligence framework is applied consistently across the supply chain and supported by a set of complementary tools:

Certification requests, used to verify supplier compliance with current or forthcoming regulations affecting Ariston Group; Vendor Portal assessments, mandatory for all suppliers and including ESG-specific questions. Where risks are detected, these are followed by third-party assessments; Third-party platform evaluations, conducted through a strategic partnership with EcoVadis, a leading non-financial rating provider. The EcoVadis process begins with EcoVadis IQ, which maps the entire supplier base and identifies exposure to risks by sector and geography using public data and defined criteria. This mapping helps prioritize suppliers for deeper evaluation. Identified risk areas are then re-assessed through the EcoVadis Rating, which measures awareness, management, and actions on key ESG issues. Buyers invite selected suppliers to complete the EcoVadis questionnaire, which generates an independent ESG performance scorecard. If a supplier scores below 45/100, Ariston Group collaborates with them to design time-bound Corrective Action Plans (CAPs) and provides support to close identified gaps. Persistent non-compliance or refusal to engage may lead the Group to reconsider, or ultimately terminate, the business relationship. In 2025, the Group launched the second wave of its EcoVadis assessment campaign targeting both suppliers who had previously declined participation and additional partners with whom the Group had less frequent business relationships. Among suppliers considered strategic to the Group and included in the 2030 sustainability target, the coverage rate rose to 75%, up from 66% in 2024. Following completion of the assessments, the Group performed an in-depth analysis of the results in order to request a Corrective Action Plan from suppliers who did not meet the standards set through the EcoVadis platform.

Protecting workers in the value chain is a top priority within this process, with a focus on eliminating child and forced labor, preventing human trafficking, and improving overall working conditions. Suppliers must implement robust measures to guarantee workers' rights and provide evidence of compliance, including documented policies, safe workplaces, anti-exploitation procedures, and fair conditions. Where information or documentation is insufficient, corrective actions are enforced to secure alignment with the Group's human rights and labor standards.

The effectiveness of these measures is monitored through supplier participation levels and improvements in ESG ratings over time.

German Due Diligence Framework. In line with the German Supply Chain Due Diligence Act (LkSG), the German entities have continued to strengthen the implementation of supply chain due diligence requirements aimed at preventing and mitigating human rights and environmental risks. As part of this process, the Group Code of Conduct was translated into German and made publicly available on the Group website, ensuring access for all suppliers and reinforcing alignment with both regulatory requirements and the Group's sustainability strategy. This initiative complements the existing risk management framework, which includes ongoing supplier risk analysis, the integration of human rights and environmental clauses into purchasing contracts, and the operation of a complaints mechanism aligned with the Group's whistleblowing system. The German entities continue to apply the Group-wide due diligence approach, supported by the Human Rights Policy and related guidance documents, to ensure consistent expectations, transparency and accountability across the supply chain.

Capacity building. To support capacity-building and foster engagement across the value chain, Ariston Group leverages the EcoVadis Academy, a platform designed to enhance sustainability knowledge and practices among partners. According to the most recent data, during the first year of the due diligence program, 14% of partners with access to the EcoVadis Academy started at least one course, while 18% successfully completed at least one. During 2025, these data showed an improvement with 16% of partners with access and at least one course started and 29% with at least one course successfully completed. This initiative demonstrates the organization's commitment to providing its value chain partners with the tools and knowledge necessary to advance sustainability performance and align with shared objectives.

No pressure or negative impacts on value chain workers were identified in relation to the Group's procurement, sales and data use practices. The Group will continue monitoring these areas to ensure no specific issues are raised. Moreover, no severe human rights issues and incidents in the upstream and downstream value chain have been recorded.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Overall, to prevent and address potential human rights violations in the upstream supply chain and to mitigate associated reputational risks, Ariston Group has established specific targets aimed at ensuring supplier compliance with its sustainability requirements, including ESG standards and the principles of Business Conduct. In parallel, to strengthen oversight of human rights management, the Group has also set a target to increase sourcing from local suppliers. In setting these targets, Ariston Group leverages supplier performance assessments conducted through the EcoVadis platform. Where gaps are identified, suppliers are required to develop and implement Corrective Action Plans (CAPs). The progress and effectiveness of these CAPs are reviewed annually by the Procurement and ESG teams, ensuring a structured and continuous improvement process that aligns supplier practices with the Group's sustainability objectives. The target-setting process has actively involved stakeholders. For further details, please refer to SBM-1 Strategy, business model and value chain.

The targets were set during workshops that involved key representatives from the Procurement team, the ESG team, and the EcoVadis team, which supports the Company on its path toward sustainable procurement. Thanks to the participation of EcoVadis and the preliminary work done during the workshops by the Group teams, it was possible to outline the Company's needs and ambitions, taking into account various inputs from benchmarks of peer companies, where policies, codes of conduct, etc., were analyzed, along with targets set in this direction. Key topics related to directives and regulations on supply chain management, with a particular focus on EU-level regulations, such as the EU Directive on Corporate Sustainability Due Diligence and the German Supply Chain Due Diligence Act (LkSG), were also discussed.

In terms of tracking performance and identifying improvements, the Procurement team plays a crucial role in monitoring progress on these targets. It has access to the main platforms for collecting and managing data, such as the EcoVadis platform for tracking ESG performance and supplier engagement, as well as the Supplier Portal, which categorizes key partner information globally. Each year, based on the results, the team, in collaboration with the ESG team and EcoVadis, reviews and plans targeted activities to improve KPIs, ensuring continuous improvement and alignment with strategic goals.

Overall, all targets related to workers in the upstream value chain are directly aligned with the objectives outlined in the Sustainable Procurement Policy, which aims to ensure and strengthen the adoption of responsible labor practices upstream in the supply chain.

Supplier's ESG journey Targets

Target	Target year	Baseline	Base year	2025 Progress	Scope of the target
100% Strategic Suppliers aligned with our Group ESG journey by 2030	2030	First year EcoVadis assessment completed on 65% of strategic suppliers	2024	**53% of strategic suppliers aligned (score 45)**	Upstream

The 2030 target envisions that 100% of Strategic Suppliers will be aligned with Ariston Group's ESG journey, demonstrating strong performance across all areas deemed material by the Company. To achieve this, it is essential to begin with a thorough assessment of their ESG performance. As of today, ESG assessments have been completed for 73% of strategic suppliers. Of these, 73% achieved a score above 45, the minimum threshold considered acceptable by the Group for ESG performance. Taking into account both assessed and non-assessed suppliers at the denominator, 53% of suppliers show a positive ESG score.

Supporting initiatives: Suppliers' Code of Conduct and ESG Assessment

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
100% of strategic suppliers have accepted our Code of Conduct for Suppliers	*Rolling*	76% of strategic suppliers accepted our Code of Conduct for Suppliers	2024	76%	**96% (+20%)**	Upstream
NEW TARGET: >80 % of strategic suppliers assessed ESG performance	2026	65% of strategic suppliers assessed on ESG performance	2024	65%	**73% (+8%)**	Upstream

To make the 2030 target even more tangible, two interim milestones were established for 2025. The first milestone focuses on the acceptance of the Group's Code of Conduct by suppliers, representing another crucial step in ensuring shared objectives. It represents the percentage of strategic suppliers who have accepted the code of conduct, out of the total number of suppliers to whom the document has been submitted. The acceptance is trackable on the Group's official platform; therefore, it is not validated by an external body other than the auditors of the Sustainability Statement. In 2025, the indicator stood at 96%, representing a marked increase compared to the 2024 figure. The results show that the Group's Code of Conduct was accepted for the vast majority of supplier purchase orders, with the exception of suppliers that had already adopted their own Code of Conduct. After assessing the alignment between the Group's Code and these suppliers' codes, it was decided that a formal signature was not required. As a result, The Group consider the target reached even if formally 4% of supplier didn't signed the code of conduct due to having their code of conduct aligned with Ariston's Code of conduct. The result confirms that acceptance of the Code of Conduct was obtained for the vast majority of supplier purchase orders, orders, except with Brink constituting the only exception. Therefore, a comprehensive supplier coverage was not achieved.

The second milestone focused on expanding assessment coverage of key suppliers through the EcoVadis platform, which provides an initial framework to enhance visibility into supplier performance and support the systematic management of performance improvements. Progress toward this target was measured as the percentage of strategic suppliers that completed the EcoVadis questionnaire. As the 2025 target of *>50 % of strategic suppliers assessed ESG performance* was successfully achieved (with 73% of suppliers covered), a more ambitious objective has been set, aiming to assess more than 80% of strategic suppliers by 2026. This data is easily trackable and directly extractable from the reference platform; therefore, it is not validated by an external body other than the auditors of the Sustainability Statement. Improvement plans are shared with suppliers to address identified gaps and drive progress. Year by year, suppliers are required to implement targeted actions to align their commitments with the Group's sustainability objectives.

Taken together, these milestones highlight the critical role of collaboration and accountability in driving improvements in ESG performance, while reinforcing the Group's commitment to building a sustainable and responsible supply chain. Looking ahead, additional targets and KPIs will be defined to measure progress in suppliers' ESG performance, integrating the initial outcomes of monitoring activities with the Company's strategic expectations.

Supporting initiatives: Sourcing from local suppliers

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
>75% of products and services purchased from local suppliers	2030	72% of products and services purchased from local suppliers	2022	68%	**66% (-2%)**	Whole Group

In 2025, the percentage of materials sourced from local suppliers shows a slight decrease compared to the previous period. This trend reflects an evolving procurement approach aimed at responding to changing market demands while maintaining overall supply chain efficiency and continuity

The Group monitors the target on an annual basis, verifying the percentage of the procurement budget allocated to local suppliers. These are suppliers who provide goods and services in the same country as the Group's legal entity they are supplying. Compared to the 2022 baseline, there has been a change in scope due to the integration of the Group's acquisitions. The threshold was defined also taking into consideration the need to balance strong local connections and economic integration with partners, and diversify the supplier base, and reduce business continuity risks.

ESRS S4 – Consumers and end-users

Meeting its customers' needs will remain central to the Group's strategy in the years ahead. Alongside creating value by offering high-quality products and guaranteeing excellent service, the Group continuously strives to strengthen its connection with customers. This connection is built on dialogue, which drives the Group to actively listen to its end-users and professional intermediaries, enabling it to deliver even better tailored services.

SBM-2 Interests and views of stakeholders

Please see ESRS 2, SMB-2 Interest and views of stakeholders.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
S4 Consumers and end-users Information-related impacts for consumers and/or end-users (Privacy, freedom of expression, Access to information); Personal safety of consumers and/or end-users (Health and Safety, Security of a person); Social inclusion of consumers and end-users (Responsible marketing practices)	Privacy	Negative impact	Potential	Potential data mismanagement or loss	Downstream	Medium term
	Access to (quality) information / Health and safety / Security of a person	Negative impact	Potential	Health and safety impacts in product use due to the lack of high-quality information, inadequate product safety and quality checks	Downstream	Medium term
	Freedom of expression	Positive impact	Actual	Improved customer satisfaction through feedback collection mechanisms	Downstream	Medium term
	Access to (quality) information	Positive impact	Potential	Improvement in installation, repair and maintenance of products thanks to training and information	Downstream	Medium term
	Privacy	Risks	-	Reputational damage and litigation costs in case of privacy violations and cybersecurity breaches (also arising out of connected products)	Downstream	Medium term
	Freedom of expression	Risks	-	Risks related to the Company's inability to meet customer demands	Downstream	Medium term
	Responsible marketing practices	Risks	-	Risks related to the lack in brand positioning and recognition on the market	Company - level	Short term

Ariston Group's downstream value chain includes both B2B and B2C customers. This comprises a professional network of installers and service technicians, as well as customers and end-users who purchase the Group's products and services for their own use. Purchases may be made through retailers, businesses, or online platforms. Installers also act as customers, as they buy products for resale and are essential to installation, maintenance, and repair. For both groups, the availability of accurate and accessible product information is critical, as shortcomings in this area may create risks to health and data privacy.

In terms of negative impacts, risks to health and safety may arise if clear, high-quality information, effective product safety measures, and robust quality checks are not consistently ensured. In addition, the lack of clear policies and insufficient interoperability within the Company can lead to potential data mismanagement or loss. While these issues are not considered systemic, they may occur as isolated incidents, for example product defects or cybersecurity breaches.

On the other hand, material positive impacts include stronger customer satisfaction, supported by structured feedback collection mechanisms that help the Company better understand expectations and refine its offering. Access to high-quality information and targeted training for installers also improves the quality of installation, repair, and maintenance. By enhancing the skills and knowledge of professionals, Ariston Group supports product reliability and longevity, ensuring end-users experience optimal performance.

Ariston Group recognizes several material risks linked to its impacts and ESG actions concerning both professional customers (installers and retailers) and end-users. Privacy-related risks include potential data mismanagement or loss, which could result in litigation costs and reputational damage, particularly in the case of privacy violations or cybersecurity breaches involving connected products. Additional risks are linked to the Company's brand positioning and recognition, which could be affected by factors influencing how the Company is perceived in the market. Finally, the Group acknowledges the reputational risks related to its ability to meet customer demands, reflecting the importance of maintaining effective operations to respond appropriately to market needs.

These risks are relevant to all customer groups, including installers, retailers, and end-users, with no specific sub-group identified as being at greater risk of harm. Users of connected products may face higher exposure to potential data breaches, whereas children are generally less affected, as their interaction with the products is very limited and the Group's portfolio does not include solutions designed for or accessible to them.

The identification of impacts, risks, and opportunities is crucial in defining the Company's strategy. In fact, during the development of the Master Plan, actions and plans are outlined to continuously improve relationships with customers and end-users. These efforts aim to ensure ongoing engagement to meet their needs and provide support throughout the entire product lifecycle.

S4-1 Policies related to consumers and end-users

The Group has implemented an approach that includes a company-wide policy and a procedure aimed at ensuring a responsible and transparent approach toward customers and end-users. These measures mitigate health and safety impacts by ensuring high-quality information and adequate checks to prevent data mismanagement. At the same time, they enhance customer satisfaction through feedback mechanisms and training for installers, thus extending product longevity. The policies outlined below also serve as tools to mitigate identified IROs.

Quality Policy. To address the impacts associated with long-term customer satisfaction and to prevent risks related to the company's ability to meet customer demands and maintain strong brand recognition, the Group has established a Quality Policy, revised in 2025. The Policy sets out Ariston Group's commitment to delivering high-quality products, systems and services that meet expectations of comfort, efficiency and dependability, emphasizing the importance of listening to customers, ensuring product safety and reliability throughout the entire lifecycle, and promoting continuous improvement through innovation, process optimization and the refinement of internal procedures.

The Policy applies to product and system development, industrialization, the supply chain, services, customer care and quality management activities, and does not indicate any exclusions. Implementation is supported by quality ambitions, cross-functional collaboration, engagement of the supply base, data-driven quality management and a strong focus on customer satisfaction.

Accountability for the Policy lies with senior leadership, as indicated by its formal approval and signature. The policy references several third-party standards and methodologies, including ISO 9001 and WCx (World Class Manufacturing, Engineering and Logistics), which guide the development of the Quality Management System. Customer interests are systematically taken into account. Product specifications are defined through active listening to customers and structured voice of customers activities - engaging end users, after sales services, and installers - to drive continuous improvement and benchmarking.

The Quality Policy is made available to all Group employees, and it is communicated through a specific email and/or displayed on the bulletin board and is accessible to interested parties directly (if they have access to the Intranet) or indirectly (by sending a request to Group Quality). The document is formally issued as an internal company document, ensuring availability to all functions involved in its implementation and in the continuous improvement of quality performance, supported by defined Quality KPIs and their ongoing monitoring. The Policy is approved by the CEO.

Although the Quality Policy does not explicitly make reference to the United Nations (UN) Guiding Principles on Business and Human Rights, the Group's conduct and overall approach are fully consistent with this framework, ensuring alignment with internationally recognized human rights standards. This alignment is reflected in the Company's commitment to delivering products that are safe, reliable, and sustainable. Through robust due diligence processes, the Group systematically identifies, prevents, and mitigates potential adverse impacts on customers' health and safety, while continuously improving product quality. The Policy therefore reinforces a strong commitment to safeguarding the health, safety, and rights of customers and end-users, reflecting the Group's broader dedication to respecting fundamental human rights across all operations.

In 2025, no instances of non-compliance with the UN Guiding Principles involving customers or end-users were recorded. *For further details on engagement and measures to provide and/or enable remedies, please refer to the Corrective and preventive measures procedure (S4-3).*

Data Protection by Design & by Default (Group Procedure). To mitigate the negative impacts of data mismanagement or loss resulting from insufficient policies and limited intra-company interoperability, as well as the potential litigation costs arising from privacy breaches and cybersecurity incidents, including those affecting connected products— Ariston Group has established the Data Protection by Design & by Default Group Procedure. This framework is designed to ensure that personal information is protected through proactive, integrated safeguards applied at every stage of data processing.

As for the scope, the procedure applies to all European legal entities within the Ariston Group. It encompasses activities such as the development of new IT systems, services, products or processes involving personal data, the creation of organizational policies, processes or strategies with privacy implications, the launch of new data-sharing practices, and the use of personal data for new purposes.

In this respect, Ariston Group follows a Privacy by Design approach, embedding data protection principles into the development or substantial modification of any product, service or activity. This commitment is underpinned by the adoption of both technical and organizational measures across the entire project lifecycle. For each new or significantly revised

product, service, activity or project, the Project Lead — responsible for defining the offering — together with the Data Protection Leader and Data Processing Owner, is accountable for identifying and addressing all relevant privacy implications.

Furthermore, in line with the Privacy by Default principle, Ariston Group ensures that the processing of personal data is consistent with fundamental requirements, namely:

- Data minimization: only processing data strictly necessary for the specified purpose.
- Purpose limitation: processing data exclusively for defined and legitimate purposes, with any further use subject to explicit consent.

The procedure is fully aligned with the General Data Protection Regulation (GDPR), reflecting Ariston Group's commitment to internationally recognized data protection standards. As an internal operational document, it is not intended for publication.

S4-2 Processes for engaging with consumers and end-users about impacts

Recognizing transparent and effective communication is essential to understanding and addressing the impact of its products and services, Ariston Group engages on an ongoing basis with customers, end users, and professionals through its digital channels. Within the framework of the Group's overall Marketing strategy, Digital Marketing is governed through a centralized governance model aimed at ensuring strategic alignment, consistency, and accountability across brand and markets. This model defines the strategic approach, shared frameworks, guiding principles, and performance metrics used to steer digital initiatives, in alignment with the Group's sustainability and brand architecture.

The Group's digital marketing approach **aims to be informed by**, and **where applicable aligned with**, relevant regulatory requirements and internationally recognized standards, including EU data protection regulations such as the GDPR. This approach is intended to support **responsible business conduct**, **transparent communication**, and the **protection of customers and end-users** across digital channels. In addition, the governance model ensures oversight of the Group's digital presence, promoting compliance with internal policies, data protection regulations, and applicable privacy standards, while fostering consistency in messaging related to sustainability topics.

Digital Marketing in collaboration with regions holds primary responsibility for strategic guidance, framework definition, and performance monitoring, while execution is carried out by local teams in coordination with Brand, Communication, and ICT functions. This collaborative approach enables the Group to balance global coherence with local relevance in its engagement with customers and end users.

The Digital Marketing governance model is approved at Group level and is intended for internal use.

Channels for B2B engagement

Brand Equity Assessment. In order to fulfil Ariston Group's ambition of being the trusted partner of choice for industry professionals — including installers, service centers, and planners — carries on multiple initiatives to actively listen and engage. The Group carries out a comprehensive Brand Equity Assessment every two years as part of its Voice of Our Professionals initiative. The survey's key insights are consistently leveraged and embedded within Ariston's strategic decision-making processes. Building on this approach, Ariston Group organized a series of session with the countries in scope (e.g. in Italy, France, Spain, and Poland) to discuss the findings from the 2023 B2B Study with those from the latest Brand Health B2C Assessment. This alignment resulted in the development of targeted action plans, which have been implemented in 2025.

In the same year, the latest edition of the B2B study was undertaken through a dedicated survey conducted between March and June 2025. The research engaged a representative panel of installers and service centers across Italy, France, Germany, Spain, and the Netherlands, focusing on professionals responsible for installing gas boilers and heating heat pumps.

The survey questionnaire followed a structured flow comprising several key stages:

- Screening & Qualifying Questions: ensuring respondent eligibility and outlining professional profiles according to company size, job role, and years of experience. Collecting information on installation context, volumes, and details specific to the market.
- Brand Funnel: measuring awareness (top-of-mind, unaided, and aided), usage, and consideration across categories, to identify recognition, preference, and key drivers of brand choice (e.g. product characteristics, installation experience).

- Brand CX KPIs: assessing customer experience metrics, including the Net Promoter Score (NPS), which evaluates loyalty by comparing promoters and detractors. Analyzing the impact of direct interactions with the company, such as sales representatives, after-sales support, and web/app-based services.
- Brand Attributes: evaluating perceptions of product quality, range, price, digital tools, and support functions such as sales, technical, and training services.

Once the total insights are gathered, an analysis is conducted to identify if any of those are aimed at or directed toward vulnerable categories such as children or elderly people. These are then considered during product development.

The function and the most senior role within the Group that have operational responsibility for ensuring successful engagement with our partners are Marketing and the Chief Marketing Officer, respectively. The effectiveness of this engagement is measured through the ability of the Group to integrate main inputs into other processes, such as brand positioning and product development.

Technical Committees. Ariston Group promotes ongoing dialogue with industry professionals through annual Technical Committees held in key markets such as Italy and the United Kingdom. These Committees provide a structured forum for direct engagement, enabling professionals to share feedback on potential product issues, perceptions of quality, and opportunities for product enhancement or innovation. In 2025, more than 90 Service Partners participated in three Committees in Italy and the UK, with active involvement from six internal departments—Service, Quality, R&D, Connectivity, Product Management, and Plant Quality. Their contributions reflected strong engagement and high appreciation from Service Partners across all participating countries. Responsibility for ensuring that the insights gained are translated into strategic actions rests with the Service function and the Chief Quality and Parts & Services Officer. The effectiveness of the Committees is measured by the extent to which their outcomes are embedded into core processes such as product development and the implementation of quality standards. Due to the nature of their work, installers are generally not considered a vulnerable group.

Channels for B2C engagement.

Brand Health Assessment. Ariston Group undertakes a biannual Brand Health Assessment as part of its structured process for engaging directly with customers and end-users to monitor and understand its brands' impacts and health. This process looks at three core indicators:

- Meaningfulness, which reflects the emotional connection customers feel and the relevance they attribute to the brand, fostering loyalty and affinity.
- Salience, which measures how readily the brand comes to mind during purchasing decisions.
- Differentiation, which shows how clearly the brand stands apart from competitors.

The most recent assessment, conducted in 2024, involved over 7,000 customers across 11 markets, including Germany, Italy, Spain, France, Poland, Romania, Indonesia, Vietnam, Mexico, China and Australia. The results provided valuable insights into how the brand is perceived in different cultural and market contexts, allowing Ariston to adapt its strategies accordingly. No vulnerable groups were identified. By systematically capturing and acting on this feedback, the Group strengthens its global presence, ensuring it remains both top-of-mind and distinctive in highly competitive environments.

The findings are used to guide upcoming marketing plans across all markets, helping to identify both regional perception differences and priority areas for action—whether increasing awareness, encouraging consideration or driving adoption. In Australia, the insights have guided the refinement of the brand's positioning strategy, pinpointing areas where a stronger and more distinctive market presence can be achieved. Across other markets, the study underscored the enduring strength of generalist brands, leading to a more balanced approach between B2C and B2B initiatives, aligned with Ariston's core competitive advantages.

The Marketing function, under the leadership of the Chief Marketing Officer, holds operational responsibility for ensuring that customer engagement occurs and that resulting insights are integrated into Ariston's core strategies. The effectiveness of this engagement is measured by the Group's ability to incorporate findings into strategic processes, particularly in brand positioning and product development.

Customer Satisfaction Program. In 2025, Ariston Group implemented a comprehensive Customer Satisfaction Program designed to strengthen relationships across both B2B and B2C segments. The initiative combined relational and transactional surveys to provide an in-depth understanding of the customer experience and to foster stronger, long-term engagement.

The Program was conceived to enhance satisfaction and recommendation levels for products and services through the continuous and direct collection of customer feedback. It was structured around two core survey types:

- Relational surveys, conducted once a year, measured overall satisfaction with Ariston Group's products and services, tracking key indicators such as NPS, CSAT, CES and drivers for product and service improvement.
- Transactional surveys, carried out after specific interactions or transactions, provided timely insights into customer perceptions and areas for improvement.

The initiative was rolled out across multiple markets, beginning in Italy in 2024 as a pilot and subsequently extended to Spain, Switzerland and the Netherlands, with Germany following in the second half of 2025. This marked an important step in reinforcing Ariston Group's commitment to a customer-centric growth model across its global markets.

The function and the most senior role within the Group that have operational responsibility for Customer Satisfaction Programs are Marketing and the Chief Marketing Officer, respectively. The effectiveness of this engagement is measured through the ability of the Group to integrate main inputs into other processes, such as brand positioning and product development.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

To mitigate negative impacts associated with data mismanagement and health and safety in product use, Ariston Group has established structured processes supported by a clear framework for remediation. This framework provides specific channels through which customers can raise concerns, which are then investigated and addressed with corrective actions.

For B2B partners, the Group organizes regular sharing sessions throughout the year, promoted via targeted communications to ensure participation. These events also highlight the tools available to maintain fast and consistent communication with the Company, helping reduce potential negative impacts. For B2C customers, corporate channels are made available on both the Group and brand websites, such as online forms and dedicated email addresses, following a unified framework.

The way issues are managed depends on the service model: in Direct Service, Ariston communicates directly with end customers and provides updates via email or phone; in Indirect Service, Service Centers manage the relationship with the customer and resolve reported issues, also providing updates through their own channels. With the aim of strengthening customer experience, the Group periodically reviews this approach and develops improved communication tools. Cross-functional working groups, bringing together service and marketing teams, support this continuous improvement process.

Data Breach Management. Ariston Group has implemented a comprehensive Data Breach Management procedure, fully aligned with GDPR requirements, to ensure that any incident of data loss or mismanagement is managed consistently and effectively. The procedure is designed to assess the risks to individuals whose personal data may be affected and to determine whether a formal notification to the competent supervisory authority or direct communication with the data subjects is required. The process is structured around four key phases: detection of the breach, analysis of its scope and severity, activation of the appropriate response measures, and a final review to consolidate lessons learned and strengthen preventive safeguards.

Clear roles and responsibilities support the effectiveness of the procedure. Indeed, while the Data Protection Committee defines strategic direction and oversees notification obligations, the Data Protection Staff assess the seriousness of incidents and coordinate the overall response. Also, the Data Protection Leaders provide analytical and reporting support, while the Data Processing Owners are actively involved from the initial detection through to the resolution of each breach.

Incidents may be reported by internal staff or external parties, either via a dedicated email address or through the IT Helpdesk. Upon receipt, the Data Protection Staff promptly evaluate the situation and initiate the most appropriate actions. In cases of significant severity, both the supervisory authorities and the affected individuals are notified within 72 hours, with full disclosure of the nature of the breach, its potential consequences, and the corrective measures adopted. Each case concludes with a structured review, aimed at ensuring continuous improvement and the regular updating of preventive measures.

Corrective and preventive measures Procedure. To address health and safety impacts in product use caused by insufficient high-quality information and inadequate product safety or quality checks, Ariston Group applies a comprehensive Corrective and Preventive Measures Management procedure within its corporate quality assurance framework. This procedure provides structured guidance for managing product non-conformities, covering both internal quality issues and external customer claims. Indeed, its purpose is to identify non-conformities, analyze their root causes, plan and implement corrective and preventive actions, and verify their effectiveness to avoid recurrence.

In cases of serious safety concerns, the procedure activates crisis management protocols led by the Crisis Committee and Quality Assurance teams, supported by a dedicated quality ticket tool for tracking and monitoring. A "Lessons Learned"

element strengthens continuous improvement by capturing insights from both successful practices and areas requiring development.

Ariston Group's broader approach to addressing material negative impacts on customers or end-users is supported by two additional procedures—Product Potential Safety, Epidemic (with Property Damage) and Normative Risk Management, and Field Action Management—both linked to the Crisis Committee Management to ensure a structured and timely response.

The first procedure deals with "Potential Safety" risks, normative non-conformities, and epidemic issues that may cause property damage. It follows a "stage & gate" process consisting of:

- Crisis Committee Start Gate "0", where a Project Leader assembles a team to propose mitigation measures;
- Crisis Committee GO Gate "2", where the Company commits to a remediation plan and implements the necessary actions;
- Crisis Committee GO Gate "6", which formally closes the crisis scenario.

At each stage, defined deliverables are produced, and decisions are made under the RAPID decision-making model.

The second procedure, "Field Action Management", applies to product defects that affect the business but do not involve "Potential Safety" risks, normative non-conformities, or epidemic issues. It also uses the "stage & gate" methodology and includes provisions for allocating epidemic-related market costs to central functions. Additional objectives deal with enhancing market focus on Quality KPIs, enabling faster responses to critical quality issues, and raising awareness within relevant functions of their. Overall accountability lies with the Head of Quality, who is responsible for activation, execution, and coordination, with approval from the Group's CEO. Both procedures are also linked to "Product Liability Claims Management", which governs the handling of third-party claims in accordance with ISO 9001 quality and risk management standards.

Guaranteeing high-quality products.

Ariston Group is committed to upholding the highest standards of product quality through a structured management system designed to mitigate potential health and safety risks stemming from incomplete information, or insufficient quality controls and product safety.

Quality and Improvement Management Process. Ariston Group's quality management approach combines preventive and corrective measures to guarantee reliability, enhance customer satisfaction, and reinforce brand trust. At the foundation of this process are comprehensive risk assessments, which identify factors that could influence product performance or customer experience. Preventive actions are then introduced across products and processes, supported by rigorous control and validation plans. These plans are particularly critical during new product launches, ensuring that every product complies with or surpasses quality expectations before reaching the market. When non-conformities are detected, a systematic and responsive approach is applied. Each issue is thoroughly documented, immediate containment actions are introduced to minimize further impact, and detailed root cause analyses lead to corrective measures that prevent recurrence. Moreover, this cycle is reinforced through a "lessons learned" capitalization approach, which capture insights from every incident to refine processes, reduce risks, and lower costs associated with field defects.

Central to the improvement framework is the Key Activity Indicator (KAI), which targets the reduction of the CL12 metric, measuring the rate of defects reported by customers under warranty. Ongoing analysis of CL12 data supports the identification of root causes and underpins the design of targeted improvements in both products and processes. Throughout the year, actions are evaluated in terms of their market impact, with the overarching goal of delivering sustained reductions in defect rates.

S4-4 Actions on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions

To address the risks related to information-related impacts on customers and end-users, including potential data mismanagement or loss, inadequate protection of privacy, and the resulting reputational and litigation risks, as well as risks associated with misleading communication, weakened brand positioning and the inability to meet customer demands, Ariston Group has implemented a set of targeted actions. These initiatives also aim to enhance customer satisfaction by strengthening freedom of expression through structured feedback-collection mechanisms and by ensuring access to clear, accurate and high-quality information that supports the safe installation, use, repair and maintenance of products,

thereby safeguarding customers' health and safety[39] and reinforcing trust and loyalty. All actions are defined and implemented in line with the Company's policies, which provide a consistent framework for guiding customer-related practices over time.

Quality Strategy and Initiatives Plan

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 highest priority, providing best in class quality products and systems, fulfilling their expectations of comfort and efficiency, and excellent services". To pursue this mission as well as to address potential negative impacts and risks of unsafe product usage, 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.
- 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.
- 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 the attention it deserves and using internal resources. Together with HR, the Quality department launched the Quality Journey initiative, designed to harmonize and enhance the Company's quality culture and cascading it to all business levels.
- 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 connectivity solutions and consequently the access to a large amount of live data from the field is enabling the Group to leverage data science and AI techniques.

Professional client base (B2B)

Technical Committees. Ariston Group promotes ongoing dialogue with industry professionals through annual Technical Committees held in key markets such as Italy and the United Kingdom. These Committees provide a structured forum for direct engagement, enabling professionals to share feedback on potential product issues, perceptions of quality, and opportunities for product enhancement or innovation.

In 2025, more than 90 Service Partners participated in three Committees in Italy, UK and Mexico, with active involvement from six internal departments—Service, Quality, R&D, Connectivity, Product Management, and Plant Quality. Their contributions reflected strong engagement and high appreciation from Service Partners across all participating countries.

Responsibility for ensuring that the insights gained are translated into strategic actions rests with the Service function and the Chief Quality and Parts & Services Officer. The effectiveness of the Committees is measured by the extent to which their outcomes are embedded into core processes such as product development and the implementation of quality standards.

World Class Service. In 2025, the Group began implementing the World Class Service (WCS) framework. Achieving world-class customer service requires a deep understanding of customer needs, ongoing investment in training, the use of advanced technologies, active feedback collection, and a constant drive for improvement. The WCS framework is structured around three key pillars: Organization, Methods and Standards, and Performance, with the overarching objective of Engagement and Partnership. Within this framework, the Organization pillar delivers value to the customer, while the Performance pillar generates value within the service, ensuring a lasting balance between operational excellence and customer satisfaction. The WCS framework reflects the Group's core principles: customer centricity, value creation, and partnership. Its focus areas, from service capabilities and operations to spare parts, product support, and customer experience, will support ambitious goals such as zero wait times, the highest first-time resolution rate, and sustainable service performance. This customer-focused approach will strengthen the Group's service offering across Europe and directly support its quality and sustainability objectives. By ensuring consistent, high-quality service delivery, WCS has

[39] For information regarding Health and Safety actions, please see S4-3

established a shared benchmark for excellence across all markets. This commitment to continuous improvement was reaffirmed at the 2025 Service Meeting in Krakow, where 60 top-tier European service centers collaborated to focus on service innovation. This follows the 2024 meeting in Eastern and Western Europe, which laid the foundation for aligning the WCS model with the Group's long-term vision and industry best practices.

Heat Pump Academy. Launched in 2024, the Heat Pump Academy represents a key step in Elco's training strategy to boost expertise in heat pump technology and support better installation, repair, and maintenance of products. Based in Hechingen, the Academy combines advanced theoretical instruction with hands-on experience, supported by state-of-the-art facilities that include seven test benches for different system types - air/water, brine/water, and water/water heat pumps, as well as hybrid configurations - with a total output of 300 kW.

Building on this progress, in 2025 Elco decided to proceed with the planned expansion of its System Lab department dedicated to heat pumps. This initiative further reinforces the Company's commitment to delivering complete systems rather than individual products. With the new hardware-in-the-loop setup, we can now test systems more efficiently — including light commercial applications.

Technical Assistance Centers. To ensure effective complaint handling and reduce risks related to the Company's ability to meet customer demands, the Technical Assistance Centers serve as the main point of contact for technical professionals - including installers and technicians - to report any product- or service-related issues. This ongoing flow of feedback enables the Group to address real-world challenges quickly and effectively, supporting continuous product improvement while enhancing customer service. To strengthen this collaboration, Ariston provides dedicated digital tools such as the Ariston NetPRO and the Expert app. These platforms simplify product registration, allow professionals to track installations, and ensure rapid information exchange across the Service Centre network. By streamlining communication and resolution processes, they contribute to a better end-user experience and reinforce the brand's value. Every complaint is examined in detail under a structured process that includes containment measures and feeds into continuous improvement initiatives. An escalation and delegation framework directs cases to the appropriate stakeholders based on their urgency and severity, while effectiveness is monitored through a dedicated system that records each stage of the process and tracks the rate of successful resolutions.

AI to streamline technical interventions. Following the successful completion of a three-month pilot with three heating heat pump service teams, Ariston Group's Quality and Service function - responsible for implementation - integrated an AI-driven support tool into service operations. The tool centralizes access to technical documentation, intervention histories, and field insights, enabling technicians to resolve issues more efficiently and with greater consistency. Feedback from pilot users, reflected in an NPS of 7.7, confirmed its effectiveness and led to the decision to extend deployment across productive systems from 2025. Today, the tool supports daily service activities, enhancing operational efficiency, reducing intervention times, and strengthening customer satisfaction.

ARISTON NET Pro. The Ariston Group NET PRO web application enables professionals to deliver high-quality, timely support by enhancing operational efficiency through remote monitoring and proactive interventions. Powered by AI, it predicts potential faults, helping service centers optimize workloads and provide customers with greater assurance. Key functionalities include remote monitoring and adjustment, real-time alerts, early identification of spare parts, streamlined maintenance scheduling, AI-powered auto-checks to prioritize defective products, and automated report generation aligned with the "ATAG Comfort Connect+" scheme or service contracts promise. In 2025, new algorithms were introduced, strengthening automated monitoring and improving predictive accuracy and service performance, while also expanding the range of products that the algorithms can support and analyze. This upgrade has increased the platform's value by enabling more efficient support processes and reducing reliance on onsite interventions. Aligned with the Group's vision for sustainable living, NET PRO promotes energy efficiency while positioning professionals as trusted energy advisers. Through these functionalities, the platform will continue to evolve in line with stakeholder needs, while generating environmental benefits and ensuring lasting customer satisfaction.

Deployment of Oracle Field Service (OFS). Ariston Group implemented Oracle Field Service (OFS) to replace its previous planning and dispatching systems, consolidating multiple functions into a single platform accessible via smartphone, tablet, and laptop. The initiative is intended to increase efficiency in scheduling and dispatching, improve the management of service interventions, and simplify technicians' workflows, while also establishing a foundation for future service developments. The scope of the action covers downstream service operations, specifically the planning and execution of technical interventions. It includes scheduling, confirmation of interventions, material tracking, and the management of working and non-productive hours. The primary stakeholders are service technicians and service management teams responsible for intervention planning and coordination. In 2025, four service technicians using ASS ATAG Software were trained on the OFS solution, and from July 2025 they began using the system in daily operations.

Maintenance – field coverage and team collaboration. Elco and Wolf are optimizing maintenance operations by joining forces in shared territories. Through the Team Up Maintenance project, technicians from both companies work within the same geographic areas, reducing travel distances, improving service efficiency, and increasing intervention capacity. The new, highly automated process seeks to enable Elco to carry out over 1,000 annual maintenance visits for Wolf

contracts, with shared procedures for material handling, data exchange, and intercompany control. This collaboration strengthens teamwork, optimizes resource utilization, and ensures faster and more consistent service for customers. What has been done in 2025 had the aim of establishing the process. Starting in 2026, there will be continuous exchange according to business needs.

Training to Direct Services. In 2025, Elco Switzerland continued its rolling program to retrain fossil fuel service technicians for renewable technologies, mainly heat pumps. The initiative is now well established and widely accepted across the service network. Out of around 370 technicians nationwide, about 60 now work exclusively on heat pumps, while many others are gradually developing dual expertise.

Through this bivalent approach, technicians receive targeted training and on-the-job mentoring covering start-ups, maintenance, and repairs. In 2025, around 160 training days were dedicated to heat pump education of fossil technicians in the training center. On top, the main part of the training is provided directly in the field alongside experienced specialists. This program not only improves service efficiency but also offers new career opportunities for technicians, enabling them to develop new and more advanced skills.

Between July 2024 and June 2025, more than 5,500 heat pump interventions were carried out by these "bivalent" technicians, underlining the success of the transition.

End consumers

Seeking to strengthen customer satisfaction through feedback collection mechanisms, Ariston Group has implemented the following initiatives.

Customer Satisfaction Program. The Customer Satisfaction Program is an initiative designed to improve customer satisfaction through structured feedback collection mechanisms. Unlike standard market research, it is ongoing and tailored to specific customer interactions, allowing monitoring of satisfaction levels and the implementation of prompt actions to build closer, personalized relationships with customers. Three key metrics guide the program:

- Net Promoter Score (NPS): measures the likelihood that a customer would recommend the brand to a friend or colleague.
- Customer Satisfaction (CSAT): evaluates overall satisfaction with products and services.
- Customer Effort Score (CES): assesses the ease of interaction with the company only for B2B targets.

With regard to scope, the program is directed at installers, planners, service centers and end users. It was first launched in Italy in 2024 and subsequently extended to Spain, Switzerland, the Netherlands, and Germany in 2025. The process follows a standardized flow in which contacts are extracted from the CRM according to survey criteria, surveys are distributed via email, and responses are collected in real time. Results are presented on a dynamic dashboard that provides continuously updated data, filtering options, and a mechanism for closing the loop on interactions, with a particular focus on identifying "detractor" customers and resolving their concerns.

The most recent methodology enables engagement with multiple stakeholders simultaneously and ensures the program remains continuously active. It combines relational surveys, carried out once or twice per year, with transactional surveys, which capture feedback at specific points of interaction between the brand and customers. The dashboard provides immediate access to results, supports real-time analysis, and allows the feedback loop to be closed at an individual level, thereby helping to strengthen relationships.

In terms of responsibilities, the program is managed by the Brand & Customers Insights team (Marketing) in collaboration with the ICT Digital team, which oversees IT infrastructure.

Ariston NET. Ariston NET is a smart application that enables end-users to manage their thermal comfort solutions easily and remotely. It allows them to adjust heating and hot water temperatures, set schedules, change operating modes, and receive real-time notifications in case of system failures. Enhanced by AI-driven features such as smart scheduling, geofencing, and optimum start, the app provides a personalized level of comfort that adapts automatically to household habits and thermal characteristics while optimizing energy consumption. By focusing on downstream service activities and directly involving end users, it strengthens the Company's relationship with its customers and supports more sustainable energy use. Through its connectivity features, Ariston NET also increases awareness of energy consumption by generating reports and offering recommendations to optimize usage, ensuring heating and hot water systems operate efficiently and only when required. The app is already available on the market and will continue to be updated to reflect evolving stakeholder needs.

B2C support through dedicated Call Centers. Ariston Group's Call Centers act as the main point of contact for end customers, providing a responsive and accessible service for complaints, enquiries and product-related assistance. Their scope of activity ranges from end-user support, first-line after-sales, connectivity assistance to expert usage guidance, electric water heaters warranty validation and the dispatch of warranty interventions. Through this structured system of

interaction, the Group strengthens its commitment to service quality and customer satisfaction, ensuring that every customer has access to reliable and timely support.

In 2025, the European Call Centers managed more than 310,000 incoming calls, achieving a 96% response rate and an average waiting time of just 24 seconds. In terms of coverage, the service operates daily across Eastern and Western Europe, covering 11 markets and 11 languages.

Equipped to manage a broad spectrum of requests — from technical troubleshooting to warranty claims — the Call Centers are staffed by skilled agents who focus on resolving issues quickly and enhancing the overall brand experience. This model forms part of the Group's wider customer service strategy, which places accessibility and responsiveness at the heart of building loyalty and satisfaction.

QR Codes for Service Feedback and technical information. Wolf has implemented a streamlined Service Feedback system that uses QR codes provided after every service interaction, enabling customers, both B2C and B2B, to share their feedback quickly and conveniently. Responses are reviewed within the service organization and regularly reported to ensure continuous monitoring. When required, feedback triggers an escalation process, for example if a customer requests to be contacted or if comments indicate the need for direct follow-up action, such as in the case of a complaint. This approach ensures that customer input is acted upon promptly, helping to resolve issues efficiently and strengthen overall service quality.

QR codes are progressively being integrated into spare parts across the Company, although full implementation has yet to be achieved in all regions. Designed to meet professional requirements, these codes provide dynamic, multilingual information, including material numbers, SKU descriptions in 14 languages, complete substitution chains, as well as production lot numbers. Each code also links to a dedicated corporate webpage with recycling and disposal guidelines for packaging associated with spare parts - currently available for Italy and France. A further link connects users directly with the Professional Team, enabling visual verification of spare parts and ensuring greater accuracy and efficiency in service operations.

S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

To tackle and mitigate the identified IROs, such as possible data mismanagement or loss, health and safety effects in product use, and threats from the Company's failure to fulfil customer demands, while harnessing positive impacts such as enhanced customer satisfaction from feedback collection systems, better product installation, maintenance, and repair through training and information, Ariston Group has set measurable, outcome-focused, definitive, and time-bound targets across its B2B and B2C customer segments.

Stakeholder engagement has been crucial in establishing targets that reflect the needs and expectations of Ariston Group's diverse customer base. By incorporating input from internal teams, external professionals, and customers, this comprehensive approach not only improves the quality of products and services but also promotes a sustainable, customer-focused future for the Company.

For further details, please refer to SBM-1 Strategy, business model, and value chain.

The targets outlined below, primarily qualitative in nature, were defined through a series of meetings that included key functions such as marketing, service, and quality. These discussions commenced with an initial brainstorming session, informed by insights from previous customer listening, support, and engagement initiatives, as well as benchmarking efforts. Furthermore, external consulting firms with expertise in these areas provided thorough analyses of market trends and potential future opportunities within the sector, alongside an examination of the regulatory framework, particularly EU regulations, concerning service delivery and product quality and safety. Notably, this includes the EU's Right to Repair Directive and Regulation (EU) 2023/988 on general product safety, which ensures that products available in the EU market do not pose risks to customer health and safety. By integrating these components, a strategic approach, specific targets, and a detailed plan were developed to engage the entire Group across various fronts and channels. Targets are reviewed annually, and the input collected from the Company's diverse activities serves as the foundation for a continuous improvement process. These inputs are analyzed and systematically incorporated into operational processes to ensure ongoing enhancement, with the ultimate aim of maximizing customer and end-user satisfaction.

Excellent service delivery Targets

With the aim of enhancing installation, repair, and maintenance services through comprehensive training and information, while reinforcing customers' satisfaction through feedback collection mechanisms, the Company has embraced the target of delivering excellent, tailored solutions and services to both B2B and B2C customers by 2030. In this context, the Group is dedicated to placing customer needs at the forefront by providing high-quality products and services. The aim is to enhance customer relationships through open dialogue, actively listening to both end customers and professional intermediaries to offer more tailored services.

Target	Target year	Baseline	2024	2025 Progress	Scope of the target
Deliver excellent, tailored solutions and services to B2B and B2C customers by 2030	2030	2022: Comprehensive enhancement of B2B and B2C tools across all levels: listening, engagement and support	• Technical Committees (at international level) • World Class Service (set up) • Heat Pump Academy • Ariston NET Pro update • Customer Satisfaction Program • Ariston NET update	• B2B Brand Equity Assessment • Technical Committees (at international level) • World Class Service (implementation) • Heat Pump Academy • Ariston NET Pro update • Customer Satisfaction Program • Ariston NET update • AI adoption to streamline technical interventions • Oracle field service (OFS)	Whole Group

The progress is consistent with the original plan because it details a wide variety of activities that have been carried out for both business-to-business and business-to-customer.

In practical terms, achieving the objective involves expanding initiatives focused on customer listening, support, and engagement, as well as improving specific performance aspects already monitored through quantitative indicators, such as response rate, response speed, and issue resolution without on-site intervention. In the future, the possibility of increasing the level of concreteness will be evaluated by defining a single, comprehensive indicator. Nevertheless, last year a set of mid-term targets and indicators was established to illustrate the company's investments in enhancing service quality for both B2B and B2C customers.

Supporting actions: B2C Brand Equity and B2B Voice of our Professionals

To further enhance brand equity and customer loyalty, the Group intends to perform a B2C Brand Equity and B2B Voice of Our Professionals assessment every two years on a rotating basis.

In this regard, the B2C Brand Equity assessment analyses factors such as brand recognition and trust, together with the emotional connection that end-users have with Ariston to determine how the brand is perceived. Therefore, the Group may improve its communication tactics and product offerings to better meet market demands thanks to this assessment, which offers insightful information about customer preferences and expectations.

Conversely, the B2B Voice of Our Professionals assessment collects input directly from installers, business partners, and professionals who interact with Ariston products and services. The purpose of this evaluation is to learn about their brand experience, including the product reliability and the quality of support and training provided.

The Company's commitment to conducting listening and engagement activities every two years, depending on the relevant stakeholder (B2B and B2C customers), is shown in the progress that is in line with the original strategy.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
Every 2 years Quantitative Ariston Brand Equity B2C assessment	Rolling	The assessment was completed in 2022	2022	Completed in 2024	**The assessment is planned for 2026**	Whole Group
Voice of Our Professionals (B2B) every 2 years	Rolling	Voice of Our Professionals (B2B) program was kicked off in 2023	2023	Not assessed in 2024	**In 2025 the B2B Brand Health Assessment program completed**	Whole Group

To demonstrate the Group's commitment to providing its B2B and B2C customers with the appropriate tools for listening, support, and engagement, a key target has been defined related to the implementation and use of digital platforms. The target relates to the interaction of users with the Group's main brand websites (Calorex, Racold, Elco, Wolf and the Ariston top 7 countries are included).

Target	Target year	Baseline	Base year	2025 Progress	Scope of the target
+30% organic clicks on main Group brand websites	2030	Over 5.7 mln organic clicks	2024	**5.4 mln organic clicks (-5%)[40]**	+30% organic clicks on main Group brand websites

The 2025 value decreased compared to the previous year, suggesting that the integration of AI into the Google search engine has impacted the relevance of the metric. Consequently, the metric is no longer fully representative, as demonstrated by the increase in impressions from January to December 2025, with a particularly strong performance in the second half of the year. Accordingly, the target is expected to be reassessed in 2026.

Targets are monitored annually by the Digital Marketing team starting from the activities implemented during the fiscal year and extracting reports and dashboards from the digital platforms within the scope.

Quality Initiatives Plan Targets

In alignment with the targets set out in the Company's Quality Policy and the Quality Initiatives Plan, and to address health and safety risks in product use, enhance brand reputation through high-quality information, and mitigate the risk of reputational damage due to malfunctioning products or misleading ESG communication, Ariston Group has adopted a series of quality-focused objectives.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
>85 quality score per year in the cumulative GQE index[41]	2030	82	2022	95,4	**86,3 (-9,1)**	Whole Group

The Quality Excellence Index is a tool leveraged by Ariston Group to assess the capability of the organization to implement the Quality Initiatives Plan. This consists of a plan of annual initiatives, whose completion determines the attribution of a score that is accumulated year over year. The indicator calculates the portion of activities implemented during the reference fiscal year compared to those planned in the Quality Initiatives Plan for the same year. In 2025, the index reflected the implementation of a more comprehensive action plan compared to 2024. While the annual target was achieved, the level of overachievement was lower than in the previous year. The Company's performance assessment is based on the achievement of the annual target rather than year-on-year comparison.

The measurement of the metric is not validated by an external body other than the auditors of the Sustainability Statement.

Supporting initiatives: Quality Initiatives Plan improvement

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
Follow the Quality Initiatives Plan to effectively implement improvement initiatives in alignment with the Quality Strategy	2027	Quality Initiatives Plan definition, with a holistic approach at Group level	2022	Products and Systems: - Enhancement and harmonization of validation test protocols - Standardization of key manufacturing process controls - Development and strengthening of the Supplier Quality Management approach Services: - Roll out of the Expert mobile App on key markets - Planning of a new CRM system implementation Customer Care: - "Voice of Customer" program launched in Italy for measuring customer experience Mindset and Awareness:	**Products and Systems:** **- Review of the Quality Policy** **- Deployment of oracle field service (OFS)** **Services:** **- QR Codes implementation for Service Feedback and technical information** **- AI adoption to streamline technical interventions** **- Ariston NET Pro web application** **Customer Care:** **- "Voice of Customer" program for measuring customer experience** **- B2C support through dedicated Call Centers** **- Implementation of the "World Class Service" framework** **- Technical assistance centers** **Mindset and Awareness:**	Whole Group

[40] The decline is attributed to the introduction of AI in search engines, which are completely altering all criteria for positioning and brand visibility starting from the second half of 2025. From the 2026, we will outline any new criteria in line with the new dynamics of the web.

[41] The Quality Excellence Index is a tool leveraged by the Ariston Group to assess the capability of the organization to implement the Quality Initiatives Plan. The Quality Roadmap is a plan of annual initiatives whose completion determines the attribution of a score, which will be accumulated year over year.

				- Continuous improvement of quality culture with a focus on lessons learned capitalization - Development of quality training programs - Tackling dysfunctional behaviors Data-Driven Initiatives: - Consolidation of a new Quality data platform - Development of tools for analyzing the cost of poor quality	- **Development of training programs to direct services** **Data-Driven Initiatives:** - **Consolidation of a new Quality data platform** - **Development of tools for analyzing the cost of poor quality**	

The target will guide the Company through 2026, grounded in the principle of executing the Quality Initiatives Plan to effectively implement improvements aligned with the Quality Strategy. Progress remains track, demonstrating a steady translation of the Quality Mission into tangible initiatives, supported by ongoing improvement efforts that enable the Group to focus on the strategic priorities outlined in the Quality Strategy. In continuity with 2024, 2025 saw key initiatives across all Quality Strategy pillars, with Products and Systems focusing on enhanced policies and operational tools, Services advancing digital solutions and process improvements, Customer Care implementing programs to measure and elevate customer experience, and Mindset and Awareness promoting targeted training. Data-driven initiatives were also advanced with the consolidation of a quality data platform and tools to analyze the cost of poor quality.

4. Governance information

ESRS G1 – Business conduct

ESRS Topics	Sub and sub-sub topic	IROs	Impact	Description	Value chain	Time horizon
G1 Business conduct Corporate culture; Corruption and bribery (Prevention and detection, Incidents)	Incidents; Prevention and detection including training	Negative impact	Potential	Potential negative impact of corruption practices linked to the Company's global operations	Company level	Medium term
	Corporate Culture	Positive impact	Actual	Solid company culture expressed in its Code of Ethics and Policies	Company level	Short term
	Corporate Culture	Risks	-	Risks related to the absence of a fully operational and uniform Tax Control Framework (TCF) across the Group	Company level	Medium term
	Corporate Culture	Risks	-	Data leakage or service and production interruptions due to malicious actions (especially for R&D information)	Company level	Medium term
	Corporate Culture	Risks	-	Risks related to the lack of a proper M&A approach (es. talent retention, underperformance) and organizational integration and alignment of policies, practices and targets across the Group	Company level	Medium term
	Corporate Culture	Risks	-	Reputational damage and investigations due to Code of Ethics violations	Company level	Medium term
	Corruption and bribery	Risks	-	Risks related to bribery, corruption cases and fraud	Company level	Short term

To strengthen its environmental, social, and governance responsibilities, the Group follows the path of an increasingly structured and solid sustainable governance framework. While long-term attention will be directed toward consolidating an external stakeholder engagement strategy, in the short term, it is committed to continuing the development of policies, strategies, and tools related to diversity, remuneration, risk management, tax strategy, and business conduct.

GOV-1 – The role of the administrative, management and supervisory bodies

Together with the Board, the Audit & Sustainability Committee regularly monitors the effectiveness of the Company's risk management and control systems, which address risks linked to strategy, operations, and business conduct. Furthermore, the Group's principles on business conduct are also reflected in key company Policies and Procedures, including supplier management.

Non-executive Directors follow an induction program tailored to their role, which covers financial, social and legal matters, sustainability reporting, the Company's culture, and their main duties framework.

For further details on governance bodies and business conduct, please refer to ESRS2 GOV-1 and the "Code of Ethics" section below.

G1-1 Business conduct policies and corporate culture

The Group's business conduct policies and corporate culture are designed to address the risks and impacts outlined, such as potential corruption in a global context, cybersecurity threats, and reputational concerns. These policies also reinforce the Company's commitment to maintaining a strong ethical culture.

Corporate Culture. Ariston Group is committed to delivering sustainable thermal comfort worldwide, combining innovation, energy efficiency and renewable solutions to improve living conditions while protecting the environment. This mission is rooted in the vision of its founder, Aristide Merloni, who since 1930 placed quality, social responsibility and innovation at the core of the business. His philosophy fostered local development, promoted sustainable practices and positioned Ariston as a pioneer in the sector, a legacy that continues to inspire the Group today.

At the heart of Ariston's culture are five core values: integrity, ensuring fairness and respect; a people-centered approach, celebrating diversity and nurturing talent; excellence, achieved through innovation and continuous improvement; a customer-first mindset, guaranteeing quality and satisfaction; and a strong commitment to sustainability, advancing energy-efficient solutions for a better future. Over time, these values have become deeply embedded across the organization, shaping every dimension of corporate life—from policies and codes of conduct to the ESG 2030 plan and the leadership model.

The Group promotes its corporate culture both internally and externally through a variety of communication channels, including the Intranet, internal campaigns supported by printed materials displayed across all facilities, the corporate website, and LinkedIn.

Code of Ethics. The Code of Ethics adopted by Ariston Group reflects the organization's fundamental values and outlines the ethical responsibilities of all stakeholders. By promoting integrity throughout its global operations, it helps to prevent

corruption, reinforces a culture of fairness, thereby reducing legal risks and consolidating a corporate culture rooted in ethical principles. Developed with input from stakeholders, the Code has been revised in 2025 to address evolving priorities such as diversity, inclusion, and harassment. It forms an integral part of both current and future employment duties and obligations, as well as contracts with external partners.

The Group also requires its partners - including suppliers, consultants, agents, and dealers - to adopt the Code as a standard of good business practice. Accordingly, contracts throughout the Group's companies include specific provisions requiring recognition of and compliance with its principles. These provisions also underline the obligation to comply with local legislation. Furthermore, in order to compete fairly and on merit, collaborators are expected to follow commercial practices fully aligned with European and Italian antitrust laws and objectives. To this end, specific Antitrust policies, documents and vademecum are available to all employees and published on the Company's intranet.

Responsibility for drafting and updating the Code of Ethics rests with the HR and Legal Department, while its application is overseen by the Audit & Sustainability Committee through internal audit activities.

As for its scope, observance of the Code is mandatory for Directors, employees of the Company and its subsidiaries, as well as for third parties acting on their behalf, and in contractual relations with Group companies. Compliance and effectiveness are further assessed through the monitoring of reports submitted via the Whistleblowing platform. As for accessibility, the document is available internally through the Intranet and the Company website, while its principles are reinforced by communication campaign, training initiatives, and refresher programs delivered periodically, depending on available resources and any updates introduced.

For further details on the Code's content and scope, please refer to the "Code of Ethics" section of the Annual Report.

Functions most at risk in respect of corruption and bribery. In compliance with Legislative Decree 231/2001, the Company conducted a risk assessment to identify functions most exposed to corruption and bribery risks. The analysis highlighted that the highest-risk areas are linked to interactions with public entities — such as inspections, relations with public officials, customs compliance, and the management of grants or public funding. The functions most involved include Accounting & Administration, Tax, HSE, HR&O, Plant Directors, Supply Chain & Operations, and Legal & Corporate Affairs, all supported by dedicated training programs.

To mitigate these risks, the Company has introduced a set of internal controls, including:

- Formalized internal procedures;
- A list of public officials with designated internal contacts;
- Traceability of interactions through a dedicated register reported to the Organismo di Vigilanza;
- Authorization procedures for funding applications;
- Financial reporting of all public funds received.

Certain activities — such as donations and the free provision of services — may also pose corruption risks in both public and private sector contexts. Treasury, the Chairman, and the Board of Directors are the main functions involved. Mitigation measures include traceability of payments, structured approval workflows, and thresholds for donations.

The risk assessment also identified other sensitive areas that could facilitate or conceal improper practices, such as the misuse of financial reserves or the granting of non-monetary benefits. In particular:

- Financial flows (Treasury, CFO, Accounting & Administration, Shared Services Centre, Credits, Plant Directors): controls include flow monitoring, access limited to authorized persons, approval levels within management systems, and post-audit reviews by Internal Audit and the Organismo di Vigilanza.
- Recruitment and personnel management (HR&O, CEO, Chairman): mitigated by transparent recruitment processes, objective and documented evaluation criteria, and proper archiving of records.
- Sales and agent selection (Sales & Marketing, CEO, Legal & Corporate Affairs): controls include qualification of counterparties, while further checks are conducted on a case-by-case basis to verify the actual delivery of goods/services before approval.
- Procurement (Procurement, Shared Services Centre, Legal & Corporate Affairs, Operations): mitigation includes transparent and well-documented processes, competitive supplier selection based on thresholds, multi-level approvals, supplier qualification (ethical, commercial, financial reliability), inclusion in the supplier database, and periodic audits by Internal Audit and the Organismo di Vigilanza.

Organization and Management Model. In compliance with Legislative Decree 231/2001, which requires Italian companies to adopt measures aimed at preventing crimes and unethical practices, Ariston Holding N.V. has implemented its own Organization and Management Model, and the Italian subsidiaries' Companies have adopted their own Organization and

Management Model. The document sets out the fundamental procedures to be followed by all relevant recipients, designed to prevent the broad list of offences identified under Legislative Decree 231/2001. By incorporating all offences listed up to the date of approval, the Board confirmed the Company's full commitment to be compliant with the Decree, even after the Company's redomiciliation to the Netherlands.

The Organismo di Vigilanza is responsible for the ongoing implementation and revision of the Organization and Management Model within the Company's structure. To embed these principles within the organization, online training on the 231 Model is provided to certain employees based at Italian sites. The course is provided upon joining the Company to white collar employees and automatically reassigned two years later through the Group's learning platform.

Antitrust Policy. Given the Group's worldwide presence and level of exposure, measures have been put in place to reduce the potential risk of non-compliance with antitrust rules. As a matter of fact, the Antitrust Policy ensures that all business activities are conducted in full compliance with competition law at EU and national level. Employees are required to comply with rules, as defined in the Group's Code of Conduct and the Antitrust Vademecum, which are both an integral part of the Group's Code of Ethics.

The Group's organizational 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 program, including a dedicated manual and guidelines, and offers online training to all employees in order to raise awareness about applicable laws and the relevant principles. This training is assigned based on specific criteria: it is mandatory for employees belonging to certain job categories, such as sales force or marketing management, regardless of their banding, or for employees within specific bands irrespective of their job category. The program is limited to the EU perimeter and all new hires are required to complete the training within 60 days of joining the Company, ensuring a consistent understanding of antitrust principles across the organization.

In 2023, 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 and spreading an antitrust compliance culture within the Group; the Antitrust Vademecum and Antitrust Manual were updated accordingly and made available on the Group's website. The online training tool was also updated to ensure employees' understanding of the rules, legal provisions, and awareness of correct behavior in compliance with competition regulations and is available to all Group employees.

The complete set of antitrust documentation has been translated into the Group's key languages and published on the corporate website to ensure accessibility across all regions. Finally, the Group has indicated the Antitrust Manager as the person responsible for the correct implementation of the Program.

Trade Compliance Manual. The Group's Trade Compliance Manual establishes the rules, responsibilities, and procedures that ensure full adherence to EU, US, and UK export control regulations and international sanctions regimes, including anticorruption matters. It covers the procedures to be followed for good classification, due diligence and screening of counterparties, escalation procedures for transactions involving sensitive countries, subjects, or goods, use of contractual safeguard clauses, employee training, and regular internal and external audits.

The Manual applies to all Group entities involved in the export, import, or transfer of goods and technology, excluding only those based in sensitive countries that operate independently of the EU. Oversight is entrusted to the Export Control Committee (ECCOM) - comprising the Group CFO, General Counsel, and other senior leaders — with the Export Control Coordinator managing day-to-day implementation. Furthermore, it is aligned with international standards, including EU Regulations, the US EAR, and the sanctions lists of the UN, OFAC, and OFSI, and it also provides for the use of external experts in risk assessments and product classification.

The 2025 document's update introduces stricter measures, particularly concerning Russia and Belarus. These include the mandatory "No Russia/Belarus Clause" in contracts to prevent direct or indirect re-exports, an updated list of partner countries exempted from such restrictions, and a new process for Common High Priority Items, requiring enhanced due diligence, half-year reviews, and escalation procedures. Standard contractual clauses for sensitive goods and countries have also been reinforced, audit processes strengthened, and new risk indicators introduced for counterparties. As a result, the Manual has evolved from a broad compliance guide into a practical and robust operational tool, reflecting the latest regulatory developments and underlining Ariston's commitment to responsible international trade.

To ensure awareness and proper implementation, the Manual is made available to all staff through training programs, and guaranteed access to the most up-to-date version. Training coverage includes employees who are assessed as exposed to compliance risks, ensuring responsibilities at all levels of governance.

Anti-Corruption Code of Conduct. Drafted in 2025 to address the potential negative impacts and risks related to corruption practices within the Company's global operations, Ariston Group will formally adopt an Anti-Corruption Code of Conduct in early 2026. The Code reaffirms the Group's commitment to preventing and combating corruption, in line with the tenth principle of the United Nations Global Compact.

Accordingly, it sets out the principles aimed at identifying and preventing potential acts of corruption, clearly outlining the behaviors that may constitute corrupt practices and are therefore strictly prohibited. The Code applies to all Employees of the group companies, regardless of their work location, and forms an integral part of their employment contracts.

With regard to the relevant regulatory framework, the Code refers to the United Nations Convention against Corruption, the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the French Sapin II Law, as well as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the OECD Recommendation for Further Combating Bribery of Foreign Public Officials, including the related Good Practice Guidance on Internal Controls, Ethics, and Compliance.

Human Resources, the Compliance Office and Internal Audit are responsible for ensuring the proper functioning of the anti-corruption system, monitoring both its adequacy and effective implementation. The Code is communicated to all Employees and Third Parties through dedicated communication and training activities.

Whistleblowing

Whistleblowing Policy. The Policy defines the principles governing whistleblowing and is fully consistent with applicable legislation. It addresses the available tools to report violations of ethical standards, including breaches of the business conduct rules set out in the Code of Ethics, and establishes clear provisions for the protection of personal data throughout the reporting process. Confidentiality is ensured at every stage — submission, assessment, and follow-up. Reports may be submitted either anonymously or with identification, in written or oral form. Each case is subject to appropriate investigation, and corrective measures are implemented where required, safeguarding confidentiality even after the process has been completed.

The Policy applies across all jurisdictions, with the exception of Russia and China, where dedicated reporting channels are in place. Reports that fall outside the Policy's remit — such as general complaints or suggestions — are expressly excluded and deleted without further processing. Enforcement is entrusted to Ariston Holding N.V. in its role as parent company, while oversight is jointly exercised by the Internal Whistleblowing Committee, the Compliance Committee, and the Audit & Sustainability Committee. Moreover, its design reflects the interests of key stakeholders, ensuring confidentiality and safeguarding against retaliation or misuse, both for whistleblowers and for individuals named in reports.

The Policy is accessible to stakeholders via the corporate website and the Company Intranet.

Whistleblowing System. The Whistleblowing System provides employees with secure and confidential channels to report misconduct or unethical behavior, while ensuring protection against retaliation and discrimination. It covers matters such as breaches of the Code of Ethics, violations of workforce policies, harassment, intimidation, discriminatory practices, and potential human rights infringements. The aim is to promote awareness, encourage transparency and accountability, and enable individuals to raise concerns with confidence.

The system operates on a global basis and is accessible to all employees — both white and blue collar — as well as to external stakeholders. Reports may be submitted through the dedicated platform, the Company website, or the global Intranet. Submissions may take the form of written communications (via the website, platform, or designated mailboxes), verbal communications (by telephone or voicemail through the platform), or in-person disclosures, upon request and within an appropriate timeframe. Managers, together with Legal & Compliance, Internal Audit, and Human Resources, are required to maintain an "open door" policy to facilitate reporting.

The underlying principles, along with the Group's commitment, are formalized in the Whistleblowing Policy, which applies to directors, officers, employees, and all individuals acting on behalf of the Group or in a relationship with the Group. Oversight of the Policy is entrusted to the Internal Whistleblowing Committee, which is responsible for implementation as well as the thorough investigation of reports. Findings are referred to the relevant bodies for corrective or disciplinary measures, while significant cases are escalated to the Compliance Committee; all cases are reported to the Audit & Sustainability Committee, and - where applicable to Italian entities - the Organismo di Vigilanza, with confidentiality and protection standards upheld throughout.

Aligned with Directive (EU) 2019/1937 and Legislative Decree 231/2001, the framework provides robust safeguards for whistleblowers. It protects against retaliation, ensures the confidentiality of personal data, and takes into account the interests of employees, management, workers 'representatives and external partners. In this way, the system guarantees comprehensive protection against retaliation while reflecting a strong commitment to stakeholders' interests. For further details, please refer to the Whislteblowing Privacy Policy.

To support awareness, in 2023 the Group launched a communication campaign promoting the whistleblowing framework, encouraging the use of the WeAre platform and highlighting related policies and procedures. Local initiatives reinforced this effort with posters and visual materials displayed across sites. In 2025, the campaign was integrated with five video pills on the topic for white collars. The Policy's effectiveness is continuously monitored through the analysis of report numbers and origins, as well as platform usage, which together serve as indicators of awareness and accessibility.

The Whistleblowing Policy and the related Ariston Whistleblowing Procedure are accessible to stakeholders via the corporate website and the Company Intranet.

Whistleblowing Privacy Policy. The Policy defines the principles governing whistleblowing and is fully consistent with applicable legislation. It addresses violations of ethical standards, including breaches of the business conduct rules set out in the Code of Ethics, and establishes clear provisions for the protection of personal data throughout the reporting process. Confidentiality is ensured at every stage - submission, assessment, and follow-up. Reports may be submitted either anonymously or with identification, in written or oral form. Each case is subject to appropriate investigation, and corrective measures are implemented where required, with confidentiality preserved even after the process has been concluded.

The Policy applies across all jurisdictions subject to the General Data Protection Regulation (GDPR), with the exception of Russia and China, where dedicated reporting channels are in place. Reports that fall outside its remit - such as general complaints or suggestions - are expressly excluded and deleted without further processing. Enforcement is entrusted to Ariston Holding N.V. in its role as data controller, while oversight is jointly exercised by the Internal Whistleblowing Committee, supported by authorized members of the Supervisory Board, the Compliance Committee, and the Audit Committee. Moreover, its design reflects the interests of key stakeholders, ensuring confidentiality and safeguarding against retaliation or misuse, both for whistleblowers and for individuals named in reports.

The Policy is accessible to stakeholders via the corporate website and the Company Intranet.

Cybersecurity and Data Management Policies

To address the risk of data leakage or service and production disruptions arising from malicious actions — especially involving R&D information — the Group has introduced dedicated policies. These take into account the challenging context for stakeholders and the increasing demand for responsible data management.

Group IT Policy. This document outlines principles and guidelines for managing IT resources to protect the Company's assets and information, providing employees with instructions to mitigate risks such as data leakage and cyber threats. The Group IT Policy covers the use and handling of Company hardware, devices, and software, establishing technical, organizational, and behavioral measures to counter these risks. Compliance is monitored through preventive checks, incident follow-up and, when appropriate, disciplinary measures.

The scope of this policy extends to all employees worldwide, with no exclusions. As such, the document applies comprehensively across the organization. Responsibility for implementation lies with the CIO, who holds the highest level of accountability within the ICT function. Furthermore, the measures outlined are consistent with relevant third-party standards and legal frameworks, including the General Data Protection Regulation (GDPR) and the Directive on the Protection of Trade Secrets.

In defining this policy, the Group takes into account its specific context, identifying both its needs and the measures necessary to safeguard stakeholders. This ensures that stakeholders' interests are protected while addressing key priorities such as data security, operational efficiency and compliance with applicable standards. As for accessibility, the document is available to internal stakeholders via the Company Intranet.

Privacy Policy. The primary aim of the Group's Privacy Policy is to ensure that personal data is handled with transparency and security, primarily addressing specific requests for information regarding products and services. In addition to this core objective, the policy governs the management of critical IT and security resources, including backup and restoration procedures, and supports activities such as direct marketing and customer satisfaction surveys, provided explicit consent is obtained. The policy applies to data collected in the EU through digital forms and online configurators, with a strict geographical limitation ensuring that no personal data is transferred outside the European Union. Within its scope, the policy regulates the processing of contact information for both automated and traditional communication channels, adhering to a defined retention schedule: data is generally retained for one year to fulfill requests or until consent for marketing purposes is withdrawn, after which it is either destroyed or anonymized.

Responsibility for implementing these practices rests with Ariston Thermo S.p.A., while data processing is performed by authorized employees within designated company functions, guided by precise operational instructions. To ensure robust data protection, the Group also engages qualified external service providers for technical operations, such as website maintenance and customer service management, while safeguarding the rights of individuals to exercise their statutory entitlements, including access, rectification, and deletion of personal information.

Endpoint Security Policy. The Endpoint Security Policy defines the principles for securing endpoint devices within Ariston Group, with the objective of protecting company data and systems from endpoint-related threats, ensuring the secure and compliant use of devices, and assigning clear responsibilities to users and support functions.

The Policy applies to all Ariston Group companies, subsidiaries, affiliates, and contractually bound entities, covering employees, contractors, and other authorized users operating on company-owned or approved personal devices such as

laptops, desktops, smartphones, and tablets. Key requirements include asset management, malware protection, mobile device management, physical safeguards, encryption and data protection, access control, authorized software management, backup and recovery, and incident reporting — supported by monitoring and auditing activities.

Aligned with applicable data protection laws, cybersecurity regulations, and recognized industry best practices, the CIO distributes the Policy to all recipients and is responsible for its implementation within the Group ICT Scope.

Acceptable Use Policy. The Acceptable Use Policy defines the principles governing the secure, ethical and lawful use of Ariston Group's IT resources, outlining acceptable and prohibited behaviors, key objectives such as safeguarding company data and assets, and the related monitoring and compliance processes. It applies to all Group entities and all authorized users, covering company-provided devices, networks, applications and data, as well as pre-approved personal devices, without exclusions. Accountability for the implementation of the policy lies at senior leadership level, as reflected in the approval by the CIO, the Head of Group ICT and the Group ICT Architecture, Security, Data, Risk & Compliance Director.

The policy refers to applicable data-protection and cybersecurity regulations and to the internal Data Privacy Manual. Its content reflects the interests of relevant stakeholders, particularly regarding data confidentiality, security and compliance. Furthermore, it is made available on the Company Intranet to all authorized users, who are required to understand and adhere to it as part of their access to corporate IT resources.

Information Security Management Policy. The Information Security Management Policy sets out the principles and high-level requirements for protecting confidentiality, integrity, availability, authenticity and non-repudiation of Ariston Group's information assets, defining key objectives, core security pillars and the processes established for managing risks and for monitoring and auditing compliance. It applies to all Group entities, all authorized users, and all company-owned or approved personal devices, without exclusions. Accountability for implementing the policy rests with senior leadership, as reflected in the approval by the CIO, the Head of Group ICT and the Group ICT Architecture, Security, Data, Risk & Compliance Director.

The Policy draws on several external standards and regulatory frameworks — including GDPR, the NIS2 Directive, ISO/IEC 27001, ISO 9001, the NIST Cybersecurity Framework and relevant national legislation — as well as supporting internal documents and procedures, ensuring alignment with best practice and legal requirements. In shaping its provisions, the organization addresses stakeholder interests relating to data protection, regulatory compliance, operational continuity and clearly defined security responsibilities. Nevertheless, the policy is communicated on the Company Intranet to all employees and other authorized parties involved in managing information systems or processing company or third-party data, ensuring that those affected by or responsible for its implementation can easily access and understand its requirements.

MDR-A Actions and resources in relation to material sustainability matters

In relation to business conduct, the Group has adopted several initiatives aimed at managing the identified IROs. Overall, all actions are defined by the Company in accordance with the Policy's guidance, which serves as a framework to shape activities over time.

Moody's Compliance Catalyst Suite. To mitigate potential compliance risks and negative impacts stemming from the Company's presence globally and potential compliance risks, the Group has adopted an ongoing two cloud-based solutions provided by Moody's Analytics: Client Review and Compliance Catalyst.

These powerful, data-driven platforms are designed to support the analysis, assessment, and monitoring of suppliers and customers, ensuring that commercial operations remain compliant with applicable laws and regulations, particularly in relation to export controls and international economic sanctions.

The platforms integrate data on adverse media, sanctions list, watchlists, and Politically Exposed Persons (PEPs) - individuals holding political or influential public roles. This functionality enables the Group to enhance due diligence efforts by combining internal data (relating to employees, customers, and suppliers) with external risk intelligence. Furthermore, the tools provide a broad range of information, including company registration details, contact information, industry classification codes, summary financial data, shareholder structures (direct and controlling), subsidiaries, and beneficial ownership information. The tool offers documented evidence of the reviews performed. Both platforms also include a continuous monitoring feature, which ensures the Group is promptly alerted to any critical developments affecting its counterparties and can identify changes in their risk profile in real time.

Cybersecurity and Data Management Actions

ICT Roadmap 2026. In 2025, Ariston Group successfully began the renewal of the ICT Governance Framework through a structured roadmap. The program commenced with the "run 0" phase, during which foundational documents – including

the Information Security Policy, the Acceptable Use Policy and the Endpoint Security Procedure – were finalized. Subsequent phases will further extend the revamping effort, addressing additional processes and governance areas in a progressive manner. Looking ahead to 2026, the priority will be to consolidate the framework, complete any outstanding activities and define new initiatives to address evolving regulatory requirements and business priorities.

Master Plan 2025-2027. In the 2025–2027 period, Ariston Group defined a Master Plan for Cyber Security and Governance, Risk & Compliance (GRC), structured around several strategic priorities and implemented under the responsibility of the ICT function.

In the area of cyber security, the initiatives focused on strengthening and simplifying digital identity management for employees, extending communication protection systems (email gateway, secure web browsing, awareness programs and network segregation), and enhancing security operations through MDR services, automation of remediation, advanced analysis, and risk-based security testing. Further initiatives included the protection of the external perimeter through continuous monitoring and threat hunting across the deep and dark web, as well as specific measures for certain company brands, such as disaster recovery, technical and measures, Information Security Management System (ISMS).

In the field of GRC, the plan encompassed the review of ICT processes and procedures, the design and operation of an ICT risk control matrix supported by continuous monitoring of risk indicators, compliance with the NIS 2 Directive (assessment and implementation), and the evolution of SAP authorization. While some activities were postponed, the overall program aimed to strengthen governance, improve risk control, and enhance the organization's ability to respond effectively to threats.

Group Information, Communication Technology (ICT). Since 2024, the Company has placed an ongoing strong emphasis on reinforcing the scope, boundaries, and responsibilities of the Group ICT function to ensure accountability across all legal entities within Ariston Group. Establishing clear governance structures for ICT at Group level is crucial not only to support operational efficiency and innovation but also to safeguard data and cyber-security risks. To clarify roles and responsibilities, the Group progressed during the year in implementing a comprehensive ICT Policy framework. This provided structure, and coherence, enhancing the Group's ability to remain competitive and resilient in a fast-evolving technological environment. The framework sets out a roadmap of key ICT policies and procedures, particularly focusing on security and compliance processes, such as Access Management Policy, Project Management Procedures, and Change Management Procedures.

Since 2024, the Group ICT Scope of Applicability and IT Accountability Procedure has been made available to all employees. This initiative was designed to clarify the inclusion of entities previously considered out of scope, ensuring a consistent Company-wide approach to IT implementation and security. The procedure defines the Group ICT function's responsibilities across the entire technology infrastructure—including networks, systems, hardware, and software—ensuring data protection, regulatory compliance, and business continuity.

As for responsibilities, the ICT function is in charge of implementing global ICT architecture, covering areas such as cloud computing, emerging technologies, and data management. indeed, it develops and enforces global cyber defense protocols, while IT Governance, Risk & Compliance (IT GRC) ensures adherence to policies and procedures and oversees the management of ICT-related risks.

Managed Detection and Response Scope extension. In 2025, Ariston Group launched the MDR Scope Extension (P22115) project to strengthen its capability for detecting and responding to security incidents. The initiative introduced a centralized platform, the Security Data Lake, which aggregated cybersecurity events and enabled a continuous 24/7 monitoring and response service. The project was driven by the need to overcome the limitations of the previous provider, which offered only partial coverage and inadequate service quality, as well as to address the fragmentation of security events that made threats harder to identify and respond to effectively.

Its key objectives included extending security coverage, fully integrating it with existing platforms such as Proofpoint, CrowdStrike and Netskope, automating incident management through an expanded data source, and reducing detection and response times. Furthermore, the project also delivered tangible benefits such as more effective prioritization of threats, decision-making supported by integrated threat intelligence, and enhanced compliance and reporting capabilities.

With regard to responsibilities, the ICT function was responsible for implementing and monitoring the activity.

Crowd Strike identity threat protection. In 2025, Ariston Group implemented CrowdStrike Identity Threat Protection (ITP), a platform designed to monitor network traffic, build user behavioral profiles, and detect anomalous activities. ITP enables a Zero Trust security approach through real-time threat prevention and IT policy enforcement, leveraging Identity, Behavioral and Risk Analytics, further enhanced by integration with Falcon Complete for greater detection accuracy. This technology addresses the challenge of identity-based attacks, which are often difficult to detect and remediate promptly. By providing 24/7 contextual monitoring with a low false positive rate, improved visibility over unmanaged devices, and

a comprehensive view of the organization's security posture – including Active Directory hygiene and attack surface management – ITP is a significant step forward in strengthening cyber resilience.

Responsibility for implementing and monitoring this activity lays with the ICT function. Finally, as 2025 marks the first year in which Identity Threat Protection has been deployed by Ariston Group, no quantitative or qualitative information from prior periods is available.

Attack Surface of Work. In 2025, Ariston Group launched the Attack Surface of Work initiative to strengthen its defenses against rising cyberattacks, shadow IT, and the challenges of an expanding digital footprint. By implementing CrowdStrike Falcon Exposure Management, the project provides full visibility of exposed assets, AI-powered vulnerability management, and more efficient remediation. The initiative directly addresses weaknesses such as incomplete asset inventories, poor prioritization of vulnerabilities, and slow response times, which increase organizational risk. Its key objectives are therefore to identify exposed assets and attack paths, assign clear ownership, prioritize remediation, enhance overall security posture, ensure regulatory compliance, and optimize ICT service efforts. Responsibility for carrying out and overseeing the activity rested with the ICT function.

MDR-T Tracking effectiveness of policies and actions through targets

Ariston Group has established a set of targets that reflect the commitment to mitigating key risks, including corruption, whistleblowing, cybersecurity threats, and reputational damage, all while fostering a strong company culture through its Code of Ethics and Policies. tTo define the targets for the Road to 100, Ariston Group conducted thorough consultations with both internal and external stakeholders: they were defined during a series of multiple meetings with the functions responsible for governance. These meetings enabled the identification of key development areas by aligning the Group's ambitions with the results of ESG ratings (and the resulting feedback from financial market analysts), insights gathered from investors during previous engagements, and information provided by external consulting firms on benchmarks, best practices and regulatory frameworks (mainly in the EU, such as ISO/IEC 27001, Pillar Two, Cooperative Compliance Program, Corporate Sustainability Reporting Directive, Whistleblowing Directive EU 2019/1937 and GDPR EU 2016/679). A qualitative target for 2030 has been defined, focusing on the commitment to continuous improvement, guided by the principle of meeting high governance standards on sustainability. Additionally, specific quantitative goals have been set to support and reinforce the achievement of the 2030 target. For more information, please see SBM-1 Strategy, business model and value chain.

Governance standards Targets

To mitigate risks such as corruption, litigation from inadequate whistleblower protection, and reputational damage, Ariston Group has set an absolute target of ongoing yearly commitment to meeting high governance standards on sustainability. The target is in line with the Whistleblowing Policy objectives, ensuring transparency, accountability, and a robust framework for addressing ethical concerns within the organization.

Target	Target Year	Baseline	Base year	2024	2025 Progress	Scope of the target
Ongoing yearly commitment to meet high governance standards on sustainability	2030	Tax strategy, cybersecurity and data management systems were adopted. Additionally, the risk management framework was enhanced, a whistleblowing platform implemented and a Diversity Policy adopted.	2023	- Cybersecurity strengthen - Ariston SpA request submission to join the "Cooperative Compliance" program - Integration of ESG risks into ERM and first alignment in terms of methodology took place - Whistleblowing platform enhancement	- **ICT Roadmap and Master Plan for Cyber Security and Governance, Risk & Compliance (GRC)** - **Development of an Anti-Corruption Code of Conduct** - **Incorporation of Diversity, Inclusion and Harassment Prevention into the Code of Ethics** - **Integration of the Whistleblowing Platform with awareness video content**	Whole Group

The target has been defined based on the consideration that high governance standards correspond to a continuous improvement process, driven both by the implementation of enhancements to existing processes and the adoption of new practices, also based on benchmarking with other companies. As of today, there is no standard that can be considered perfect; therefore, continuous improvement itself constitutes the standard and applies to various areas of governance. The measurement of the steps taken toward achieving the target is carried out through analysis of the projects implemented during the reporting year. During the year, Ariston Group successfully initiated the renewal of its ICT Governance Framework through a structured roadmap. In parallel, for the 2025–2027 period, the Group defined a Cyber Security and Governance, Risk & Compliance (GRC) Master Plan, structured around several strategic priorities. Always in the same year, the Group developed an Anti-Corruption Code of Conduct with the objective of preventing and mitigating corrupt practices, and integrated Diversity, Inclusion and Harassment Prevention principles into the Code of Ethics. The 2 documents will be officially released in 2026. In addition, as a continuation of the campaign launched in 2024, targeted

whistleblowing initiatives were carried out in 2025, including informational videos aimed at raising awareness and reinforcing transparency, integrity and the protection of whistleblowers.

Supporting initiatives: Female representation in leadership

In line with the Code of Ethics and the Dutch Corporate Code, Ariston Group aims to foster a solid company culture rooted in ethics and inclusivity, while also mitigating the risk of reputational damage from failing to achieve diversity goals through the implementation of targets aimed at ensuring gender balance at the leadership level. Specifically, targets include achieving a minimum of 50% female and 50% male representation among the executive directors of the Board, as well as ensuring that at least one-third of both female and male directors are represented among the non-executive directors of the Board. Methodologies and assumptions are in line with the Dutch Corporate Code's approach.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
At least 50% female directors and at least 50% male directors among the executive directors of the Board	2028	0% female directors and 100% male directors among the executive directors of the Board	2023	0% female 100% male	**0% female** **100% male**	Whole Group

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
At least 33% female directors and at least 33% male directors among the non-executive directors of the Board	2027	30% female directors and 70% male directors among the non-executive directors of the Board	2022	33% female 67% male	**44% female (+11%)** **56% male (-11%)**	Whole Group

For Non-Executive Directors, the target of achieving at least 33% female and 33% male by 2025, has been fully met, and in fact exceeded, with the current composition standing at 44% female and 56% male. It was proposed to confirm the target level, while extending the reference year to 2027.

Supporting initiatives: Trainings

In order to address risks of corruption, targets related to training activities have been set, which express the commitment to achieve 100% of employees in risk fields trained on Antitrust. The target is to be considered rolling on a yearly basis.

Target	Target year	Baseline	Base year	2024	2025 Progress	Scope of the target
100% of employees in risk fields trained on Anti-Trust	Rolling	71%	2024	71%	**53% (expanded perimeter)**	Whole Group

The starting point to define the target was the consideration that functions identified as at risk (based on the specific assessment) must undergo the Anti-trust training. How individuals within these functions are analyzed to determine the need for training is explained in the paragraph Functions most at risk in respect to corruption and bribery. The actual figure includes active employees invited to the training in the reporting year, as well as those invited in 2024 (base year) who completed it in 2025. In 2025, the scope of employees at risk was significantly expanded, resulting in lower coverage, as training completion often extends beyond one year. Employees unable to complete the training within the reference year are invited to the next available session. The target is monitored annually and reviewed if any additional relevant needs arise.

G1-3 Prevention and detection of corruption and bribery

The Whistleblowing Policy establishes clear procedures to prevent, detect and address incidents of corruption and bribery, in line with Directive (EU) 2019/1937 and Legislative Decree 231/2001. *For more information, please see the Whistleblowing Policy, G1-1.*

The Whistleblowing Internal Committee, composed of senior representatives including the Head of Internal Audit and the Group HR&O Director, is responsible for overseeing investigations. Should any member of Internal Audit or HR&O be implicated in a case, they are automatically excluded from the process and investigations are conducted by independent internal teams or external experts to ensure impartiality and separation from the management line concerned. Outcomes are formally documented and communicated to the Committee and, in Italy, also to the Organismo di Vigilanza under Legislative Decree 231/2001 while they are always reported to the Audit and Sustainability Committee of Ariston Holding N.V.; in significant cases, they are further reported to the Compliance Committee.

To advance the objectives defined in the Antitrust Policy, Ariston Group has strengthened its internal compliance framework through dedicated training initiatives. The Trade Compliance Manual has been updated to incorporate more robust

procedures for screening customers, employees and suppliers, aimed at preventing potential breaches of trade regulations. Training on the Manual is delivered across the organization, targeting employees whose roles are particularly exposed to compliance risks - such as those in sales or marketing - regardless of seniority. In some cases, participation is determined by job level, covering positions from CEO to Senior Manager, irrespective of functional area. These activities focus on newly introduced controls relating to divergent payers and on reinforced protective measures, further underlining the Group's adherence to international compliance standards.

Separately, antitrust training is automatically provided to all new hires upon entry, ensuring continuous awareness and alignment with the Group's compliance principles. The Group performs an annual risk assessment to identify at-risk functions and organizes targeted training for new joiners and employees who change roles and enter the at-risk perimeter only. The percentage of employees at risk covered by training program for 2025 financial year accounted for 12% on the total population included in the at-risk perimeter. The 2025 data do not include employees trained in previous years, whose competencies were therefore already developed through earlier editions.

For further details on the specific targets on training and the related progress, please refer to MDR-T Tracking effectiveness of policies and actions through targets.

G1-4 Incidents of corruption or bribery

No cases of corruption or bribery, nor any related fines, were reported in 2025. Furthermore, the Group continued to monitor potential corruption risks not only within its own operations but also across the wider value chain, wherever its employees were directly involved.

Convictions and fines	U.o.M.	2024	2025
Total number of convictions for violations of anti-corruption and anti-bribery laws	€	0	0
Toal amount of fines	€	0	0

6. Other ESG Information

This section presents ESG data disclosed on a voluntary basis in addition to ESRS requirements. These data are shared on a voluntary basis to ensure consistency with prior reporting cycles and to reinforce the Group's commitment to transparency. The information is structured in accordance with the Group's key sustainability priorities and the strategic framework defined in the Road to 100 plan toward 2030.

Solutions

The Group goal is to continue designing and offering highly efficient energy solutions that rely increasingly on renewable sources of energy, while improving the efficiency of existing installations.

Target	Target Year	Base year	2024	2025	Scope
100 million tons of CO2e emissions avoided thanks to the renewable and high efficiency products we sell in the regions where we operate	2030	2020	32.1 million tons of CO2 avoided (2020 base year)	46.2 million tons of CO2 avoided (2020 base year)	Whole Group

To estimate avoided emissions, the Group assumes that efficient product categories will gradually replace products with lower efficiency in existing installations, whose average efficiency has been assessed internally. Technological developments that lack visibility have not been considered. Emissions avoided have been calculated considering emissions across their entire lifecycle. The estimated sales of the product categories in scope are based on the forecasts in the Group's Strategy Plan. Assumptions on average emission factors in kgCO2/kWh are kept constant until 2030 and defined specifically by macro-region and energy type.

Operations

Sustainable practices in industrial operations

During 2025, both white- and blue-collar employees received regular training on Health, Safety and Environment (HSE) topics to strengthen awareness and promote a proactive safety culture across all operations. Training activities were organized and delivered in line with the Group's HSE Management System to ensure consistency and compliance with internal standards and applicable regulations.
Internal audits were also conducted periodically to monitor implementation, assess effectiveness, and identify opportunities for continuous improvement.

In 2025, the Group accounted for 22 sites with ISO 14001:2015 certification (41% coverage calculated as the headcount of sites covered by certification over total Group headcount), 21 sites with ISO 45001:2018 certification (38% coverage calculated as the headcount of sites covered by certification over total Group headcount) and 30 sites with ISO 9001:2015 certification (43% coverage calculated as the headcount of sites covered by certification over total Group headcount).

Water

Given the growing global challenge of water use, intensified by climate change and increasing pressure on scarce water resources, the Group has decided to extend its reporting focus to the efficient and sustainable use of water resources, even though its most significant impacts arise in other areas, such as greenhouse gas emissions, energy consumption, and waste management. Ariston Group continues to monitor its own operational impacts as part of an ongoing improvement process. ISO 14001 certification, the Group HSE Policy and the WCM methodology are the guidelines followed by the Company as regards water.
Water is withdrawn from municipal networks and from wells and is used for cooling surface treatment in steel manufacturing plants, for testing finished goods and for civil use. It is subsequently discharged into sewers or directly into the environment, depending on its use and the need for treatment. All the production sites that discharge 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, around 76% of water withdrawal of the Company's ISO 14001-certified plants is directly pumped from groundwater that is not drinkable. Moreover, all Ariston Group production plants strictly abide by local regulations that govern 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.

Water withdrawal by source (ML)

	2025	2024	2023	2022
Total Water withdrawal	852.3	968.6	1,421	1,173
Surface water	0	0	0	0
Groundwater	646.3	806	1,146	872
Seawater	0	0	0	0
Produced water	0	0	0	0
Third-party water[42]	205.9	162.6	275	259

Plants: The scope was enlarged during 2025 with respect to the previous year, and now includes all production plants with the sole exception of Israel.

Water withdrawal in water-stressed areas by source (ML)

	2025	2024	2023	2022
Total Water withdrawal	57.64	39.912	32.512	0
Surface water	0	0	0	0
Groundwater	30.956	39.912	32.512	0
Seawater	0	0	0	0
Produced water	0	0	0	0
Third-party water	26.684*	0	0	0

The data considers plants that operate within areas classified as "Extremely High Stress" in the World Resources Institute's Aqueduct Water Risk Atlas.

Water withdrawal by category (ML)

	2025		2024		2023		2022	
	freshwater*	other types of water**	freshwater*	other types of water**	freshwater*	other types of water**	freshwater*	other types of water**
Total Water withdrawal	852.27	0	968.6	0	1,421	0	1,131	0
Surface water	0	0	0	0	0	0	0	0
Groundwater	646.34	0	806	0	1,146	0	872	0
Seawater	0	0	0	0	0	0	0	0
Produced water	0	0	0	0	0	0	0	0
Third-party water	205.93	0	162.6	0	275	0	259	0

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

[42] 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

Water discharge by destination (ML)

	2025			2024			2023 (inc. WB)			2022		
	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	605.1	0	N/A	759.0	0	N/A	1097	0	N/A	832	0	N/A
Surface water	605.1	0	N/A	759.0	0	N/A	1097	0	N/A	832	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

Plants: All Group production plants.

Water discharge by type (ML)

	2025		2024		2023 (incl. WB)		2022	
	Freshwater	Other types of water	Freshwater	Other types of water	Freshwater	Other types of water	Freshwater	Other types of water
Water discharge	605.1	0	759.0	0	1,097	0	832	0

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

Biodiversity

Although the Group's operations—primarily focused on manufacturing and technology development—do not significantly interact with or disrupt sensitive ecosystems or biodiversity-rich areas, the Company applies a unified environmental management system based on ISO 14001, ensuring consistent practices across all locations. In the EU, compliance with the Environmental Impact Assessment (EIA) Directive 2011/92/EU is required, while outside the EU the Group has established a standard to assess environmental aspects and impacts, including biodiversity, ensuring a consistent global

approach. The assessment covers biodiversity-related risks such as air emissions (VOC, NOx, dust, and other substances), water discharge, releases to soil, noise, light, and electromagnetic emissions. Based on this assessment and the geographic location of its facilities, Ariston Group is considered to have no significant impact on biodiversity.

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							

All Ariston Group plants comply with local laws and environmental permits, without any reference to any protected area. According to UCN Protected Area Management categories, none of the Group's facilities is located in a protected area or adjacent to a protected area.

a. Description of significant direct and indirect impacts on biodiversity	
Impact	
None	Ariston Group is ISO 14001 certified and has developed a standard to assess environmental aspects and impacts, including impact on biodiversity. The assessment covers the following biodiversity-related risks: air emissions (VOC, NOx, dust and non listed substances), water discharge, releases to soil, noise, light and electromagnetic emissions. Based on this assessment and the geographic location of its facilities, which are situated outside any protected area, Ariston Group has 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 impacts
None						

a. Protected or restored habitat areas			
Habitat name	Size	Geographical Location	Approved? By whom?
Saint-Brieuc plant	200,170 m²	Ploufragan (France)	Remediation is ongoing in accordance with local laws. It includes half-yearly monitoring of groundwater quality by an accredited laboratory. No significant deviation was observed in the monitoring report shared with Authorities, who did not require any additional action.

b. Description of existing partnerships
There were no partnerships with third parties to protect or restore habitat areas in the reported period. Initiatives were 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 up by authorities.

d. Standards, methodologies, and assumptions used
The scope of habitats and protected areas considered for this indicator considers all Ariston Group plants.

People and Communities

Supporting non-profit organizations and bringing comfort to people in need

The **bond with local communities** constitutes one of the Group's founding values. Contributing to the social development of the communities Ariston Group operates in is integral to founder Aristide Merloni's industrial culture and rooted in the company vision "sustainable comfort for everyone". In parallel with **providing energy efficient solutions** where they are most needed, **educational activities** to foster awareness on sustainable comfort are at the center of the Group's conferences and partnerships.

During 2025, the Group continued to strengthen its commitment to bringing *Sustainable Comfort to Everyone*, implementing initiatives across the globe and supporting local communities where it operates. Across Asia several activities were organized to improve daily well-being and strengthen community support systems. In Indonesia, the renovation of key facilities and installation of new water heaters at SOS Children's Villages enhanced hygiene conditions for children, complemented by educational and creative activities led by volunteers. In China, support for elderly residents in Qinghai and Shanxi came through the donation and installation of water heaters, ensuring reliable access to hot water during the colder months. In Singapore, collaboration with the Al-Iman Mosque enabled electric water heaters to be supplied to low-income families lacking functional systems, restoring comfort and safety in their homes. In Vietnam, the Group organized a Healthcare Day in Thanh Hoa province, during which free medical consultations, essential medicines, and wellness activities were provided to nearly 1,000 rural residents. On this occasion, water heaters and gift sets were also delivered to local families.

Together, these initiatives reflect the Group's commitment to bringing sustainable comfort, health, and care to communities that need it most.

Target	Target Year	Base year	2024	2025 Progress	Scope
100% of countries engaged in projects that foster awareness on sustainable thermal comfort as an enabler for social development	2030	2020	Germany, Hungary, Italy, Spain, Israel, Morocco, Romania, Vietnam involved in different activities New local governance to boost CSR activities	• Initiative in Indonesia at SOS Children's Villages • Initiative in China for elderly residents in the provinces of Qinghai and Shanxi • Initiative in Singapore to provide Sustainable Comfort for the homes of families in need • Initiative in Vietnam to provide free medical services in rural areas	Whole Group

7. Governance

Effective risk management, integrated into the governance system, is key to protecting the value of the Ariston Group over time. The Ariston Group's internal control system has therefore been gradually developed, drawing inspiration from, inter alia, the principles and best practices laid down in the Dutch Corporate Governance Code.

The Company is a public company with limited liability registered in the Netherlands. Its governance structure is guided by Dutch statutory requirements and the Dutch Corporate Governance Code. The latter provides guidance for effective collaboration and management. Governance encompasses management and control, responsibility and influence, supervision and accountability. The purpose of the Dutch Corporate Governance Code is to facilitate, together with other laws and regulations, a sound and transparent system of checks and balances within Dutch listed companies. To this end, it regulates the relations between executive and non-executive directors and the general meeting/shareholders.

7.1 Risk management

7.1.1 Risk management framework

In compliance with the provisions of the Dutch Corporate Governance Code and international best practices on internal risk management and control systems, the Group adopts a risk management framework to assess, manage and monitor risks affecting the business and its operations.

The Group's Enterprise Risk Management (ERM) has been structured using the COSO ERM Framework (Committee of Sponsoring Organisations of the Treadway Commission) as a reference point for developing the ERM Methodology and the related risk catalogue.

In accordance with the ERM methodology, risk events that could affect the achievement of the Group's strategic objectives are assessed in terms of their likelihood of occurrence and their economic impact.
These risks are assessed in terms of both "inherent risk", which represents the risk in the absence of any intervention, and "residual risk", which considers the effectiveness of any implemented mitigation actions.
According to its risk appetite, management is responsible for identifying the risks and defining and implementing appropriate mitigation action plans aimed at reducing the likelihood/impact of the risks to which the Group is exposed. To ensure the adequacy of risk management and internal controls, the Group has adopted the Internal Control System Framework, which is composed of three levels of defense and establishes clear roles and responsibilities for the different functions involved:

- First Line of Defense – Risk & control owners: they are responsible for achieving business goals, embedding risk management and internal controls into operational processes. Risk and control owners are responsible for identifying, managing and monitoring risks and opportunities, defining and implementing mitigation actions. They, work independently or with the support of the second line of defense functions;
- Second Line of Defense – Risk & control support: it is composed of functions that support and oversee the activities of the first line, providing systems, methods, tools and specialized information to increase risk awareness and deployment across the entire organization;
- Third Line of Defense – Risk & control independent assurance: it is composed of the Internal Audit Department which is responsible for monitoring and evaluating the effectiveness and efficiency of the Internal Control and Risk Management System. It is characterized by clear independence from the business and a high degree of autonomy and reports directly to the Executive Chair of the Board and to the Audit & Sustainability Committee (composed of three independent non-executive directors).

Risk Transfer

As part of the Group's risk management approach, the Group has decided to transfer the residual risk exposure to the insurance market, where feasible, in order to minimize the uncertainty and potential impacts deriving from specific risk events, The Group has developed an insurance strategy based on its risk appetite, balancing risk coverage and related insurance costs effectively. The Group's insurance management is supported by a specialized broker with an international network. Through Global Policies, every Group company is currently covered against the following key risks: material damage and business interruption; public and product liability; marine cargo; directors' and officers' liability.

Continuous improvements in the Ariston Group's Risk Management System

The Group promotes continuous improvement of the risk management system in accordance with evolving strategies and changes in primary risks and uncertainties. As we evolve our Group ERM system, we are committed to identifying best practices and refining our methodologies and processes. As part of this effort and in line with CSRD requirements and the principle of double materiality, we have made significant progress, particularly in incorporating ESG impacts into our framework. This includes the detailed mapping of ESG impacts across the entire risk register and expanding our risk

model to further integrate ESG risks, ensuring a comprehensive approach that addresses both financial and non-financial dimensions, including reputational risk metrics. The Group has also finalized a new ERM Policy and Procedure which clearly define the principles, responsibilities, guidelines and methodology to be adopted across the organization. These documents aim to strengthen risk governance and culture while ensuring a consistent, structured approach to risk management at all levels.

7.1.2 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, the Code of Ethics, corporate values, policies and applicable laws and regulations. As shown in the table below, the risk management and internal control system comprises different risk categories, each with its own risk appetite:

Risk Category	Category Description	Risk Appetite
Strategic	Risk related to the Group's business strategy that could affect its long-term positioning and performance.	The organization is willing to embrace risk exposure in pursuit of strategic opportunities with high potential returns. Decision-making prioritizes growth, innovation, and market expansion, even where outcomes are uncertain. Risks are intentionally assumed, actively managed, and continuously monitored, provided that such risks remain aligned with strategic objectives and value creation.
Operational	Risk that may affect internal processes, people, systems and/or external resources that influence the Group's ability to pursue its strategy.	The organization adopts a proactive approach, accepting a measured level of risk where it is necessary to optimize the achievement of operational business objectives, while managing and minimizing potential downside risk. Decision-making balances business effectiveness and risk control, supported by risk assessments, defined controls, and clear accountability.
Compliance	Risk of non-compliance with laws, regulations, local standards, the Code of Ethics, and internal policies and procedures.	The organization seeks to minimize exposure to risk, particularly in areas that could impact compliance, reputation and financial soundness. Strong preventive controls, strict adherence to applicable laws and internal policies, and clearly defined financial limits are prioritized. Risk-taking is limited except where relevant to support core business activities or where explicitly required by law.
Financial	Risk relating to uncertainty of returns and potential financial losses due to financial performance.	

7.1.3 Main risks and uncertainties to which the Group is exposed

The main risks and uncertainties to which the Group is exposed are reported below and classified by categories. The ERM model integrates Environmental, Social and Governance (ESG) risks and addresses the organization's challenges related to environmental impact, social responsibility and governance practices.
As the Ariston Group, we face a variety of business risks. The risks and uncertainties described are not the only ones to which we are exposed. Additional risks and uncertainties of which we are unaware may also affect us.

a) Strategic risks

The Group is exposed to changes in markets, end-user demand and preferences. Its success depends on its ability to develop and maintain product offerings that keep pace with these trends.

The Group competes in markets characterized by frequent new product launches and enhancements, shifting end-user preferences and demand, and changing industry standards, public incentives and regulatory requirements. Its future success depends on its ability to consistently respond to changes in end-user demand and develop products that meet evolving customer preferences.
The Group is at risk of losing market share and revenues if changes in end-user preferences and demand take place faster than the Group's ability to adapt its product offerings. General regulatory uncertainty and/or lack of clarity of governmental incentive schemes can cause a sudden increase or decrease in demand, resulting in insufficient or excessive inventory levels or an inadequate product mix. In 2024, the consequences of reduced public incentives became evident when the entire industry was affected by lower-than-expected demand. A recovery is expected in the coming years. However, uncertainty remains and demand is vulnerable to fluctuations in local public incentive schemes, which could dampen prospects in the medium term.

The Group is exposed to evolving market dynamics and competitive pressures. Demand fluctuations and increased competition require careful management to protect margins and maintain market share.

The Group faces aggressive competition from large Asian multi-category players which are fast at developing new products and invest significantly in marketing activities and digital campaigns. This competitive landscape can pose challenges, particularly during periods of excess demand. However, the Group's established market leadership in the water heating sector and its strong positioning in other key heating segments (including heating heat pumps) provide a solid foundation for navigating these dynamics and maintaining its competitive edge over time. The Group's mitigation actions focus on evolving its product portfolio to offer innovative digital and the sustainable solutions. Furthermore, the Group listens to customers, technicians and end users in order to meet their needs and market demand. Additionally, it is engaged in reinforcing brand awareness by increasing the quantity and quality of marketing investments.

After the slowdown in market demand observed in 2024, particularly in the heating heat pump segment in Germany, the market has stabilized in 2025. Nevertheless, overcapacity among manufacturers continues to pose a risk of downward pricing pressure, especially in the entry-level segment. Although the Group primarily operates in higher-end segments and does not directly compete in the entry-level segment, which is most affected by this trend, the risk of price reductions persists across the broader competitive landscape, creating challenges for maintaining profitability. To mitigate these risks, the Group has focused on improving its value proposition by offering integrated solutions to maintain pricing levels and create additional value for customers. The Group is also engaging in targeted sales campaigns aimed at strengthening relationships with specific customer segments and increasing market penetration. At the same time, it is striving to enhance service efficiency and effectiveness by capturing synergies across its brands. This approach reinforces its competitive edge and ensures that customers receive high-quality, reliable support, further solidifying the Group's market position in a challenging landscape. These efforts highlight the Group's proactive approach to mitigating risks while continuing to innovate and deliver value to its stakeholders.

The Group is exposed to social and geopolitical instability in the countries where it operates.

The Group's growth strategy focuses on continuous expansion within the Group's existing geographical areas, as well as entering new markets. The Group operates in emerging markets and in some countries where the political situation, geopolitical instability and corruption are higher than in other geographies.
The ongoing Russia-Ukraine conflict continues to generate volatility and uncertainty, driven by persistent risks of escalation, sanctions and trade restrictions. However, in March 2025, the Presidential Decree No. 176 of the Russian Federation reinstated Ariston Holding N.V. into full ownership and management of its Russian subsidiary, Ariston Thermo Rus LLC, reversing the temporary transfer to Gazprom Household Systems mandated in April 2024. This decision marked the end of external management and allowed the Group to resume operations in Russia under local leadership, while fully complying with international sanctions and governance standards.

Meanwhile, the Israel-Palestine conflict, which escalated in late 2023 and disrupted maritime routes throughout 2024, saw partial de-escalation in 2025 following a ceasefire in October. However, regional instability and proxy tensions persist, affecting shipping lanes. During periods of heightened risk, vessels are rerouted around the Cape of Good Hope, increasing transit times and costs. Although traffic through the Suez Canal is gradually increasing, global supply chains remain vulnerable to geopolitical shocks and require ongoing monitoring and contingency planning.
As the Group has industrial operations, sales and aftersales activities, this conflict could lead to a slowdown in local business operations. In addition, Suez Canal-related disruption can affect logistics, resulting in increased costs and longer delivery times for goods imported from or exported to Asia. Despite the potential risks, the Group continues to operate in the region and there have been no significant signs of a slowdown.
Tensions in the Far East, particularly those concerning Taiwan and the South China Sea, are a significant source of geopolitical uncertainty. Taiwan's critical role in the global supply chain, especially in the hi-tech and energy sectors, highligths the potential for widespread impacts in the event of disruptions. Escalating tensions could lead to economic and trade challenges, with possible repercussions for industries that depend on Taiwan's semiconductor production.
The Group's success as a multinational business hinges on its ability to anticipate and manage political, social and economic conditions and developments effectively. The Group focuses its mitigation actions on continuously monitoring the social and geographical environments in which it operates to anticipate and minimize vulnerabilities, adopting prudent measures and enhancing the possibility to shift production to different locations.
Moreover, specific measures are in place to adjust inventory levels in countries experiencing geopolitical uncertainty and to adapt the MRP (Material Replenishment Planning), for example by expediting orders for countries affected by the crisis.
In line with the Group’s values, the Group is committed to safeguarding its employees and workplaces. The Group has provided sustenance and support to its employees and their families in Ukraine, including emergency assistance, transportation and pick-ups, lodging and financial aid. Although operations in the local market have been maintained, the Group has limited its exposure by reducing investments.

The Group faces the risk of non-compliance with environmental laws and regulations and its success partially depends on the ongoing market trend toward increased sustainability and government incentives.

The Group acknowledges the environmental impact of its operations and supply chain and recognizes the need to address climate change. Therefore, it has set ambitious goals and continues to invest in optimizing the energy efficiency of its operations and products, focusing on electrification and renewable energy sources. As part of this strategy, critical suppliers have been engaged to contribute to sustainable development.
Furthermore, the Group is committed to improving the environmental impact of thermal comfort solutions by selling innovative and more sustainable products.
The risks relate to current and expected trends that could change due to factors outside the Group's control. These include modifications to or eliminations of customer incentives or regulations, which encompass environmental protection, traceability of materials, waste management and promotion of a circular economy.
Adherence to these regulations may lead to increased costs associated with product innovation and new technology developments, as well as liabilities, including fines and/or remediation obligations. These implications could affect the Group's business, financial condition and/or results.
Since 2018, the Ariston Group has been setting the pathway and targets to fully incorporate sustainability into its strategy, which include establishing a sustainability governance framework. This commitment has led to significant milestones, such as the release of a Code of Conduct for Suppliers and a Sustainable Procurement Policy, which are mandatory for all suppliers and extend ESG principles across the entire supply chain. The Group has also implemented a structured due diligence process to evaluate suppliers' ESG-related risks and has provided comprehensive training programs for all procurement employees to further reinforce these efforts. In 2025, the Group strengthened its sustainability performance and maintained the prestigious Silver Medal from EcoVadis, improving its score to 73/100. Furthermore, it chieved significant progress in other ESG ratings, including a higher Global CSA Score and leading positions in Bloomberg’s peer group. These advancements reflect the Group’s ongoing commitment to proactive risk management and regulatory monitoring, anticipating future trends to reinforce its long-term sustainability strategy.
These achievements highlight the Group's commitment to mitigating risks by proactively monitoring regulatory changes and anticipate future trends. The Group reaffirms its strong commitment to transparency and accountability in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD). Building on its previous voluntary disclosure of non-financial information, Ariston continues to anticipate regulatory developments and improve its sustainability reporting. The Group is also committed to complying with laws and regulations and to reducing the environmental impact

of its operations. To align with international and national carbon neutrality and energy efficiency goals, it has defined a comprehensive decarbonization strategy and established a monitoring system to reduce direct and indirect emissions. Investments in R&D, production capacity and the development of critical skills and resources are central to this strategy and contribute significantly to reducing CO2 emissions. Furthermore, the Group has developed a product lifecycle management strategy to ensure that best practices are applied throughout a product's entire journey, from initial preparation and development to use and disposal. These efforts underscore the Group's commitment to sustainability as a core element of its business model.

The Group is exposed to risks relating to acquisitions, integration and divestments.

The Group's expansion strategy includes achieving growth through acquisitions to strengthen its vision, competitive standing and role in the sector. However, there is the risk that the Group may be unable to successfully carry out strategic acquisitions, for example due to competition from other potential buyers or difficulties in executing such acquisitions. This could result also from challenges in obtaining necessary regulatory approvals or other factors, such as actual or potential legal disputes or political resistance.
Engaging in growth through acquisitions also exposes the Group to the risk of encountering challenges in effectively integrating newly acquired businesses. Moreover, there is a risk of losing key managerial positions, which could have a significant impact on the continuity of operations and the realization of the expected synergies.
The current landscape shows increasingly concentrated businesses and frequent mergers and acquisitions. Consequently, the Group may need to seek bank loans or financing and could face higher interest rates which could impact its financial position.
The Group's mitigation actions are mainly focused on strengthening its acquisition strategy and M&A roadmap. The Company has set strict strategic and financial criteria for acquiring new businesses. Moreover, the Ariston Group's investment decisions are selective and focussed on businesses with a proven track record. In addition, accurate analysis is carried out to understand risks and potential synergies. The Company conducts thorough due diligence on acquisitions with a clear understanding of SWOT analysis and red flags of target companies, using internal expertise and top external due diligence and legal professionals. For post-merger and integration phases, it establishes dedicated teams and change management project offices aimed at aligning strategies and balancing business culture with processes to secure the achievement of objectives and synergies. For the most important acquisitions, retention and development programs have been set up to safeguard key managerial positions and mitigate the risk of losing key competences.
The Group's Treasury department, the Chief Financial Officer, the Audit & Sustainability Committee and the Board constantly and periodically monitor the Group's liquidity, debt, cash flows and net financial position.

b) Operational risks

This category of operational risks includes environmental, cybersecurity and health and safety risks. These risks have the potential to affect not only operational aspects, but also legal and compliance aspects. This highlights the interconnected nature of these risks and emphasizes the need to address them comprehensively, ensuring that mitigation actions cover both operational and legal/compliance aspects.

The Group is exposed to protectionist policies, including regulatory changes, import tariffs and certification requirements imposed by various countries to favour local industries. These policies may increase operational costs by prioritizing domestic production.

The global trade environment has become increasingly fragmented, with protectionist measures accelerating across economies. This trend has introduced new challenges, particularly in the AMEA region and developing countries, where localized production requirements are becoming more prevalent. Such policies can result in one-off costs to obtain necessary certifications or recurring costs to adapt production processes to local requirements. Furthermore, import/export activities may become more complex due to tariffs and duties designed to support domestic industries, leading to higher costs and potential delays in supply chain operations. Recent changes in the US trade policy during 2025 have influenced the situation, with a notable shift from previous trends of trade liberalization. These changes highlight the volatility of global trade regulations and the potential for short-term operational uncertainty. Nonetheless, we are proactively conducting pricing and operational risk scenario analyses to prepare for the possibility of these tariffs being extended to our product categories. In addition, the Group's limited business exposure in countries considered most at risk from protectionist measures mitigates such risk. Finally, the Group's well-diversified presence in over 40 countries and its extensive industrial footprint provide flexibility and agility in responding to market shifts. This diversification enables it to adapt

effectively by reallocating resources or production capabilities, minimizing potential disruptions and ensuring resilience in the face of protectionist trends.

The Group depends on key raw materials and components, some of which are manufactured by a limited number of suppliers. Any shortages in such materials or components, price increases or supplier disruption would adversely affect the Group's sales and profit margins.

The Group is exposed to risks related to the availability, quality and cost of raw materials, components and specific finished products. Market prices and the availability of materials and utilities, crucial to the Group's operations, can fluctuate significantly depending on market conditions, inflation, technological advancements and legislative changes.
While previous years saw sharp increases in component prices from Asian markets and elevated utility and fuel costs linked to the Russia-Ukraine conflict, 2024 marked a turning point with early signs of easing inflation. This trend consolidated in 2025: component prices remained broadly stable due to improved supply chain conditions and lower freight costs, while commodity prices declined moderately, particularly for metals and plastics, due to weaker global demand. Energy costs showed mixed dynamics: oil and gas prices continued to soften due to oversupply and slower economic growth, while electricity tariffs increased in several regions, driven by infrastructure investments and higher financing costs. Overall, inflationary pressures eased further, with global inflation stabilizing near pre-crisis levels.

Furthermore, the Group faces risks associated with potential supply shortages, particularly for certain raw materials and components that are sourced from a single provider or a limited number of suppliers. Although the Group does not consider itself materially dependent on any single supplier, it has implemented systems to mitigate the impact of supplier disruptions. The Group has identified secondary sources and established double sourcing mechanisms without disrupting its operations. These proactive measures safeguard against potential supply chain challenges and ensure business continuity.
The Group's other mitigation actions are focused on monitoring price fluctuations through specific KPIs, revising hedging policies and implementing energy saving projects at its European plants.
Additionally, the Group has established a bi-monthly steering committee with the CEO to review the main critical issues and the action plan from both supply and planning perspectives, in addition to a weekly interaction between procurement and global operations to review critical issues for each plant.

The Group may be unable to adequately protect the health and safety of its employees, in particular those working in its manufacturing facilities.

Group employees may be exposed to various workplace hazards while operating in the industrial sector and managing several production plants, including those related to chemicals, ergonomics and physical conditions. These risks may cause harm or have adverse effects, leading to work-related accidents and illnesses.
Although the Group implements all necessary measures, as required by applicable laws, regulations and industry standards, to monitor and effectively manage such risks, including systematic assessments aimed at eliminating hazards and reducing the associated risks, it cannot provide an absolute assurance of complete risk elimination or the absence of accidents in its facilities.
Workplace accidents or illnesses could cause interruptions or delays in production, with immediate effects on the site's ability to supply products. Thes accidents or illnesses may also expose the related legal entity to lawsuits, reputational damage and increased costs and liabilities.
The Group's mitigation actions are primarily focussed on reducing the frequency and severity of accidents and on conducting activities that enhance the control and management of risks. These actions adhere strictly to current legislation andinclude a specific emphasis on strengthening the Group's Health, Safety and Environment (HSE) Management System in alignment with ISO requirements. The HSE function has deployed communication methodologies to disclose the HSE performance indicators. This initiative engages all levels of the organization (bottom-up), creating awareness and commitment to continuous improvement.
At each of the Group's operating sites, roles and responsibilities have been assigned to corporate and local resources. The corporate HSE function oversees and coordinates local resources by providing policies and guidelines for the proper management of health, safety and the environment, in compliance with global and local regulations. Furthermore, periodic HSE internal audits and risk assessments are performed to assess compliance, identify remediation actions or improve opportunities. The HSE function is actively engaged in monitoring laws and regulatory trends in a proactive manner, enhancing its readiness to react to possible changes.

The Group is exposed to events that may affect operational continuity, including potential disruptions to production, development processes, supply chain and distribution networks caused by natural occurrences or other external factors.

The Group is exposed to business interruption risks, which refer to the possibility of experiencing operational disruption, which could result in lost revenues, increased expenses and reputational damage.
Business interruption could be caused by different factors, including natural disasters, fire, earthquakes, landslides, power outages, raw material shortages and cyber-attacks.
While natural events can damage physical infrastructure, interrupt supply chains and force businesses to temporarily and partially shut down, technological issues could disrupt business operations, compromise sensitive information and lead to downtime for the necessary system recovery.
Furthermore, if critical suppliers or subcontractors are exposed to significant disruptions in their operations, there is the risk they could be unable to provide the materials or components the Group needs to keep its operations running and satisfy customers' requests.
The Group's mitigation actions are mainly focussed on defining and implementing a Business Continuity Program (BCP) to map, measure, monitor and verify business risks linked to continuity in operational activities. The Group is assisted by a consultancy company, specialized in this subject. A Business Continuity Manager has been formally nominated and the Crisis Management Team Lessons Learnt actively contributes to continuous improvement across all plants. The first objective of the BCP is to contain the impact by creating a set of emergency and recovery procedures in order to ensure greater standardization across plants, manage any emergencies, safeguard people's health and well-being, minimizing the actual or potential consequences of any incident.
Furthermore, the Group is committed to implementing a set of initiatives to prevent business disruptions at corporate and plant level. These measures include switching production sites or products with similar technical characteristics, internal firewall installation to reduce malware diffusion and network redundancy, dual sourcing for critical suppliers and implementing power generators to ensure electricity back-up. While significant progress has been achieved in these ongoing projects, it is important to acknowledge that they require a considerable amount of time to fully implement and deliver their intended benefits. This timeline is challenging, especially given that extreme weather events are becoming more severe and frequent due to worsening climatic conditions. Despite these efforts, the evolving nature of climate-related risks highlights the need for ongoing commitment, adaptability and continuous improvements to safeguard the Group's resilience against these increasingly complex threats. By acknowledging these dynamics, the Group remains transparent about the challenges ahead, while reinforcing its determination to address them effectively.

The Group is at risk of being unable to attract and retain qualified personnel.

The Group's success depends on the efforts and abilities of its management team and key employees to achieve its goals and maintain operations. The Group believes that its ability to attract highly skilled and qualified employees with industry-specific expertise is key to its growth and success.
The profile of technicians is also changing due to the transition from fossil energy to renewable energy, together with the impact of digitalization, creating a new risk of competence and expertise that must be mitigated.
The Group's mitigation actions are mainly focussed on strengthening competencies through dedicated training, specific recruiting programs and employer branding initiatives.
Moreover, the Group has provided training to educate the external service technicians' network on renewable products/energy and has implemented an e-learning platform.

The Group depends on the efficient and uninterrupted operation of its information and communication technology and its ability to manage increasing cybersecurity risks successfully.

The Group relies on computer and data processing systems and their associated infrastructure to manage the business and related operations, including manufacturing.
Like many other multinational companies, the Group's IT system architecture is exposed to cyber-security risk. Current cyber attackers are becoming more effective by adopting more organised and structured approaches. One common and damaging form of cyber-attack involves ransomware, which locks and encrypts data, files or systems, making them inaccessible or unusable until the attacker receives a ransom payment. Furthermore, external cyber-attackers could target third parties connected to the Group's system, which could impact and breach its IT infrastructure.

Failure to secure the Group's IT system architecture exposes it to the risk of unauthorized access, disruption of its operations and potential dissemination of sensitive information and data. The latter scenario could result in potential consequences regarding compliance with data protection and privacy laws and regulations.
The Group's mitigation efforts are focused on addressing IT and cybersecurity risks and safeguarding against external threats through proactive and reactive approaches. Measures are implemented to monitor and analyze machine behaviors to actively avoid malicious actions and investigate suspicious ones. Furthermore, existing firewalls are continuously improved, monitored and analyzed. In addition, countermeasures are in place to protect against non-compliant behavior with the Group's cybersecurity approach when its workforce is connected outside the Group's premises.
The Group provides periodic training programs to employees and performs phishing attack simulations, executing related behavioral analyses. Additionally, the Group enforces communication security measures, implements data loss prevention procedures and takes other actions, including monitoring externally available information about the company.
A standardized disaster recovery approach has been implemented within the wider business continuity plan to recover data and infrastructure with predefined procedures and timing. The disaster recovery plan is periodically tested.

c) Compliance Risks

Some risks have the potential to extend beyond operational aspects and influence legal and compliance perspectives. Specifically, environmental, cybersecurity and health and safety risks are considered operational risks, even though they could generate legal and compliance repercussions.

The Group is at risk of facing increased complexity and higher costs due to strict and continuously evolving global compliance laws, regulations, industry standards and codes.

As a global business operating across multiple countries, the Group is subject to stringent and dynamic laws, regulations and policies covering areas such as cybersecurity, data protection, ethical business conduct, taxation, trade compliance and sustainability. Significant changes in regulatory requirements have the potential to significantly influence business operations, leading to adverse effects on revenues and operating performance.
In addition, the Group may have difficulties in accurately estimating compliance costs, which could include substantial investments in R&D to modify existing products or develop new ones in response to evolving regulations.
Failure to comply with laws and regulations could result in penalties, fines, potential legal liabilities and reputational damage.
The Group's mitigation efforts primarily consist of formulating strategies to ensure compliance with evolving regulations and enhancing testing procedures to guarantee legal compliance and explore the development of innovative solutions.
The Company actively monitors regulatory changes through a dedicated corporate function. All local business functions contribute to this effort, ensuring timely identification and alignment across the organization in a proactive manner to boost its readiness to react to changes. In addition, the Internal Communication Department raise awareness of the Company's measures to comply with legislative changes. Furthermore, the department provides training on compliance topics and legal and regulatory requirements to align employee behavior with current legislation and internal procedures.

The Group is exposed to tax risk and changes in fiscal regulations.

The Group is subject to many forms of taxation including corporation, withholding, value added, property, social security and other payroll-related taxes, and has obligations to file tax returns and pay taxes across several jurisdictions.
Significant changes to tax regulations in any of the Group's operating markets may lead to an increase in tax rates and/or unforeseen tax exposure, introducing uncertainty that could reduce the Group's net profitability.
In addition, incorrect interpretations could lead to fines, sanctions, interest, penalties and liabilities.
Although the Group believes it is in compliance with all relevant obligations, there is a risk of unintentionally failing to comply with applicable laws and regulations. The Group is subject to regular reviews and audits by tax authoritiesaround the world. Any adverse outcome could have a negative impact on the Company's effective tax rate, tax payments, financial position or results of operations. In addition, many transactions and calculations, including intragroup transactions, have uncertain final tax determinations.
The Group's primary mitigation efforts are focussed on ensuring compliance with applicable laws and regulations in every jurisdiction. The Group also proactively monitors tax law trends to boost its readiness to react to changes.
The Board has approved a Group tax strategy that expresses its commitment to complying with tax laws in all jurisdictions and maintaining a fair attitude as a taxpayer. In addition, the Group is transparent with the tax authorities in case of audits

or reviews. Its Tax Department is in charge of implementing effective tax risk management tools and adopting transfer pricing management to properly allocate profitability among Group companies. Tax specialists from the main relevant areas continuously monitor and carefully address all potential risks and opportunities. Looking ahead, the Group remains focused on strengthening its tax governance framework, including the ongoing implementation of second-level audit practices to assess the effectiveness of tax controls and frameworks. These initiatives are part of a broader effort to enhance compliance, transparency and accountability across all operations, ensuring readiness for evolving regulatory requirements and fostering a proactive approach to tax risk management.

d) Financial risks

Fluctuations in currency exchange rates may significantly impact the Group's revenues, cash flows and earnings.

The Group operates in numerous markets worldwide, holding assets, earning revenues, incurring liabilities and paying expenses in various currencies other than the euro. The Group's international operations face the risk of significant exchange rate fluctuations that could have a negative impact on the Group's activities and operating performance.
Furthermore, several of the Group's subsidiaries report their results in currencies other than the euro, requiring the translation into euros when preparing consolidated financial statements. Any increase (or decrease) in the value of the euro against the functional currency of any of the Group's operating subsidiaries may negatively influence the Group's financials.
The Group's response actions to mitigate the risk are mainly focussed on monitoring foreign exchange exposures and strengthening hedges. Whenever possible, the Company tries to create natural hedges, matching the currency profile of income and expenses and of assets and liabilities.

The Group is exposed to credit risk regarding its outstanding trade receivables.

The Group may experience low trade receivables turnover and payment delays by certain customers. Payment terms, in particular due dates for payments by the Group's customers, may vary depending on the type of transaction and business division. The Group recognizesrevenues and the corresponding trade receivables when products are delivered to customers and, for certain products, when customer acceptance occurs after delivery. Payments received prior to product delivery or customer acceptance are usually recognizedas unearned revenue.
Extended periods of time with outstanding trade receivables may negatively affect the Group's cash flow and liquidity, consequently influencing its business and results of operations.
The Group's mitigation actions are mainly focused on reducing exposure by tracking actual cash flows in the short and long-term and by conducting regular reviews of liquidity. Furthermore, the dedicated credit department supports the business by assessing customers' credit risk profiles and recommending appropriate exposure levels.

The Group is exposed to liquidity and market risks for commodity prices and interest rates.

While conducting business, the Group is exposed to financial risks associated with its operations, liquidity risks and interest rate fluctuations. The Group manages these risks through skilled functions and continuous supervision, regularly mapping and reporting such risks and working with dedicated committees to define appropriate mitigation actions.
The Group's risk mitigation response actions are mainly focused on constantly monitoring the main financial risks, in particular managing the level of liquidity to meet financial obligation and investment needs.
The Group pays attention to calibrating debts according to mid to long-term sustainability. The Group's Treasury department, Audit & Sustainability Committee and the Board monitor liquidity.

7.1.4 Code of Ethics

The Group has adopted a Code of Ethics that represents its values and sets out its obligations and ethical responsibilities. Adherence to the Code of Ethics is compulsory for directors, employees of the Company and its subsidiaries and other individuals or third parties acting in the name and on behalf of the Company or its subsidiaries.
The Group promotes the adoption of the Code of Ethics as a best practice standard of business conduct by partners, suppliers, consultants, agents, dealers and others with whom it has long-term relationships. The Group's contracts around

the world include specific clauses that recognize and uphold the principles underlying the Code of Ethics, as well as compliance with local regulations, particularly those related to corruption, money laundering, terrorism and other crimes that result in legal liability.
The Group monitors the effectiveness of, and compliance with, the Code of Ethics in accordance with a whistleblowing management procedure. As part of the audit program, the Group Internal Audit considers the values and obligations of the Code of Ethics.

7.2 Corporate Governance

Introduction

The Company is a Dutch public limited liability company existing under the laws of the Netherlands.

Except as set out below, it has adopted the best practice provisions of the Dutch Corporate Governance Code, which contains principles and best practices for listed companies, regulating relations between, *inter alia*, the Board and its committees and the relationship with the Company's general meeting.

In this governance report the Company addresses its overall corporate governance and discloses any departure from the best practices of the Dutch Corporate Governance Code and the reasons for such departures.

For the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended), the Netherlands is the Company's home member state.

Board

Composition and powers

The Company maintains a one-tier Board consisting of executive 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 which ends with 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.

The term of the non-executive directors Antonia Di Bella and Guido Krass expired in 2025. On 3 June 2025, they were reappointed as non-executive directors by the general meeting for a term ending immediately after the annual general meeting to be held in 2027.

At 31 December 2025, 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 Chair)	A*	10 June 2021	2028
Maurizio Brusadelli	1968	Italian	M	Executive director (Chief Executive Officer)		27 July 2023	2026
Antonia Di Bella	1965	Italian	F	Non-executive director (*independent*)	C*	2 January 2023	2027
Katja Gerber	1983	Swiss	F	Non-executive director (*independent*)	C	6 May 2024	2026
Roberto Guidetti	1963	Italian	M	Non-executive director (*independent*)	B*	10 June 2021	2027
Laurent Jacquemin	1969	Belgian	M	Non-executive director	C	27 July 2023	2026
Guido Krass	1957	German	M	Non-executive director	A	2 January 2023	2027
Maria Francesca Merloni	1963	Italian	F	Non-executive director		10 June 2021	2026

Name	Year of birth	Nationality	Gender	Position	Committees	First appointment	End of term
Ignazio Rocco di Torrepadula	1962	Italian	M	Non-executive director (*independent*)	B	10 June 2021	2027
Marinella Soldi	1966	Italian	F	Non-executive director (Lead Non-Executive Director) (*independent*)	B	10 June 2021	2027
Enrico Vita	1969	Italian	M	Non-executive director (*independent*)	A	10 June 2021	2027

* Committee chair
A = Strategic committee
B = Compensation and talent development committee
C = Audit committee

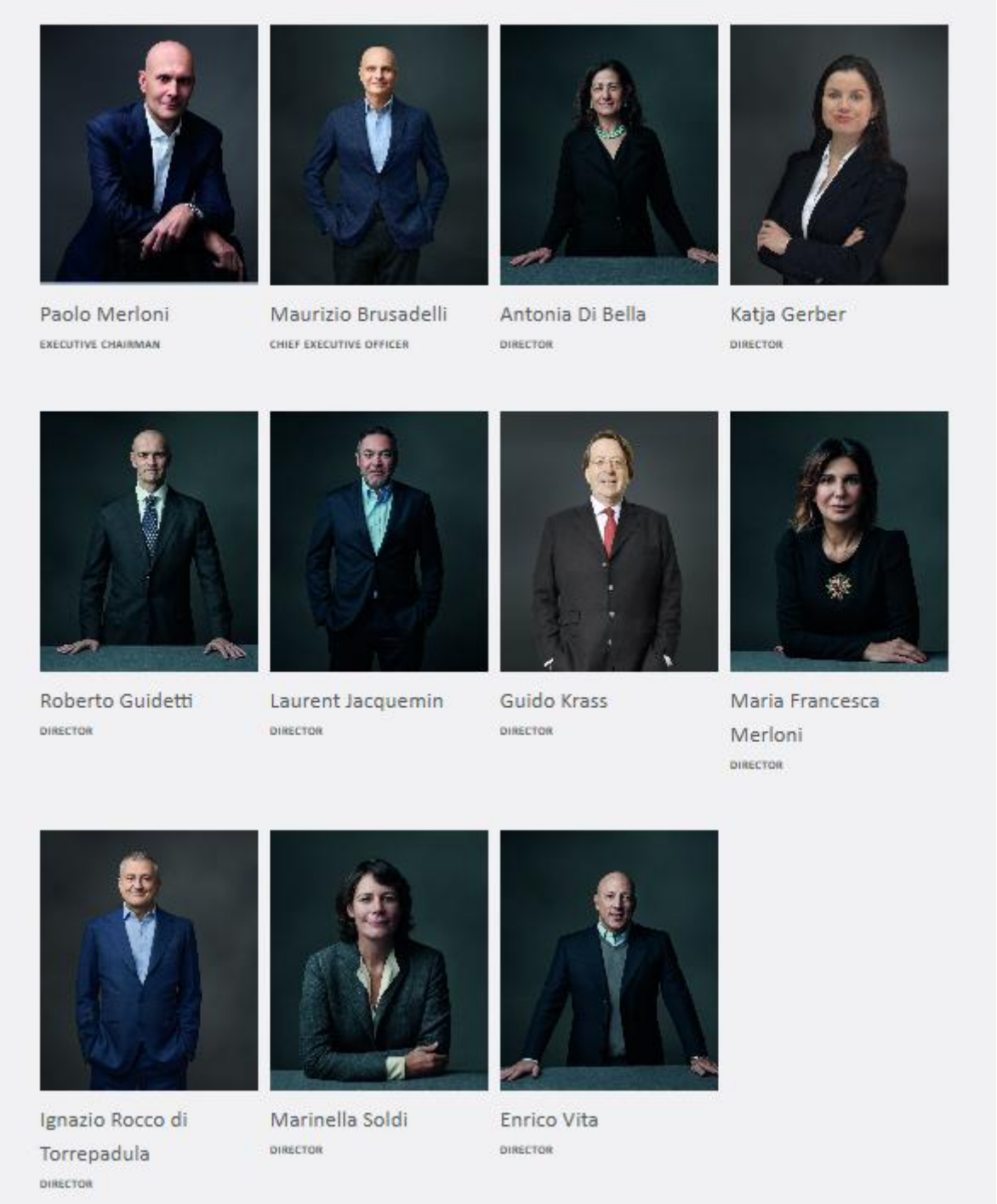


Figure 1: Board

Biographies of directors

Since 2011, Paolo Merloni has been the Executive Chair of the Ariston Group. Paolo Merloni is Executive Chair of Merloni Holding and a member of the Board of EHI (Association of the European Heating Industry). He is also a member of the Italian board of the international non-profit network Endeavor Global. In 2020, he was appointed as Cavaliere del Lavoro by the Italy's President Sergio Mattarella. Paolo Merloni's career began in McKinsey & Company, first in Madrid and then in the Milan office. In 1995, he joined the Ariston Group to hold several key positions over time, including Director for Central and Eastern Europe, Director of Italy and Vice-President with delegation to the Heating System Division. In 2004, he was appointed CEO of the Ariston Group. Paolo Merloni graduated with the highest marks and honors at Bocconi University in Milan in 1992, with a degree in Business Administration. In 2022, he received the Honorary Degree in Energy Engineering from Politecnico di Milano, recognizing his role as a leader in the energy sector and as an innovator for the energy transition. He was born in 1968 and is married with three children.

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. He joined the Group after a 30-year career at Mondelēz International, one of the world's largest snack companies. He started in 1993 in Italy at Kraft Foods, covering different positions in marketing, sales and trade marketing. After being the Marketing Director for Italy, he moved to Zurich in 2006 as Category Director, Philadelphia Europe. In 2009, he moved to Spain as Vice President and Managing Director Iberia. In 2010, he became President Gum and Candy Category for Europe and was appointed President of the UK, Ireland and Nordics operations in 2012. In 2014, he relocated to Singapore to take on the role of President of Markets and Sales and Biscuits, and since 2016 has served as Mondelēz International Executive Vice-President and President Asia-Pacific, Middle East and Africa. Maurizio holds a degree in Business and Economics from Bocconi University, Milan and is a chartered accountant. He is married and has two sons. Having lived and worked in Italy, Switzerland, Spain, the UK and Singapore, he is fluent in Italian, English and Spanish.

Antonia Di Bella has been an independent non-executive director since 2 January 2023. Antonia has solid experience in Corporate Governance, Compliance, Accounting and Audit in complex and regulated environments. Antonia Di Bella is listed in the register of the Certified Auditors and Accounting Professionals of Milan and in the register of Statutory Auditors. She is lecturer in Accounting and Management in Insurance at Università Cattolica del Sacro Cuore, Milan. She practices in Milan as an independent professional and is a counsel at ADVANT- Nctm. She spent her professional career first in the KPMG network, auditing the financial statements of insurance and reinsurance companies and firms operating in the manufacturing sector and, between October 2007 and July 2015, she was the head of the insurance sector at Mazars S.p.A. She is auditor and chair of the board of statutory auditors in a series of listed and non-listed companies, including Assicurazioni Generali, Maire Tecnimont, Pininfarina, BT Enia Telecomunicazioni, Atlanet, SFP Emilia Romagna, Yolo, Assimoco and Helvetia Vita, and she is an independent director at Interpump Group. She graduated in Business Economics and Social Sciences from Università della Calabria, Cosenza.

Katja Gerber has been an independent non-executive director since 6 May 2024. Katja started her career at Boston Consulting Group in Switzerland and was Key Account Manager at Google, Product Lead, Innovation Labs at Apple and joined HP Inc. in 2014. At HP, she held positions with increasing responsibility in both the United States and Switzerland, also serving as Senior Vice President and Global Head of Digital Direct and as Senior Vice President and Global Head Mergers & Acquisitions Go-to-Market.

Roberto Guidetti has been an independent non-executive director since 10 June 2021. Since 2013, Roberto is Group CEO and Director of Vitasoy – a company listed on the Hong Kong Stock Exchange, with responsibilities for the strategic planning, development and business management of all the group's operations, which span China, Australia, New Zealand, Singapore, Philippines and export markets. In March 2023, he became an independent non-executive director of the board at Givaudan S.A., a flagrance and flavor company listed on the Swiss Stock Exchange. Over the course of his career, he worked for Procter & Gamble between 1988 and 2007, holding positions in Marketing and General Management in Italy, Greece, England, China, and lately becoming Vice President & General Manager of Procter & Gamble Taiwan. Between 2007 and 2013, he worked in Business Strategy and General Management for the Coca-Cola Company in China, becoming Vice President, Mainland China Franchise, responsible for the P&L of the operations of the company in China and managing the joint ventures with Swire, COFCO and Bottling Investment Group. He graduated in Economics and Business from Università di Bologna, Bologna, and completed an MBA in Corporate Organization at CUOA Business School, Altavilla Vicentina. He also attended the Executive Education program at Harvard Business School, Boston.

Laurent Jacquemin has been a non-executive director since 27 July 2023, after having been CEO of the Ariston Group, with thirty years of broad international experience. Laurent has been with the Group since 1991, holding various executive roles and increasingly important positions in the commercial, marketing and sales areas, in relevant regions including Europe and Asia. He became CEO in 2017, resigning from the position in 2023. Since January 2025 he has been CEO of humanitarian services at the Belgian Red Cross.

Guido Krass has been a non-executive director since 2 January 2023. Since 1990, Guido has been the Chairman – as founder and majority owner – of CENTROTEC SE, a company focused on energy-efficient building technologies that founded and acquired a portfolio of sustainable manufacturing companies in Germany and neighboring European countries. He also founded Pari Group, with a focus on global real estate and technology investments. In 2017, he co-founded the Milan-based One Ocean Foundation, which aims to develop solutions to ocean issues through ocean literacy, blue economy-related projects and scientific research programs. At the beginning of his career, he worked in real estate development and private equity in Houston, Texas and Munich, Germany.

Maria Francesca Merloni has had an extensive career working in advertising for large manufacturing companies. As founder and artistic director of the Poiesis Festival in Fabriano, Italy, she was awarded the UNESCO "Ombra della Sera" Prize in 2013 for her cultural, social and humanitarian work. Ms. Merloni became a member of the board of Ariston Thermo Holding S.p.A. in 2008.

Ignazio Rocco di Torrepadula has been an independent non-executive director since 10 June 2021. Ignazio is founder and CEO of Credimi, the leading fintech company in digital financing for SMEs in Continental Europe. He is also Senior Advisor of Tikehau Capital, a pan-European asset manager group, leader in the management of Corporate Credit Funds and a non-executive director of Revo Spac and Assiteca SpA. He boasts more than 25 years' experience, being leader of the Financial Institutions practice in Central Europe at Boston Consulting Group and previously worked in Corporate Banking and Venture Capital at Akros Group, IMI Group and 21 Investmenti. He graduated with highest honors in Economics and Business Administration from Università degli Studi di Napoli Federico II, Naples.

Marinella Soldi is the independent lead non-executive director, appointed on 10 June 2021. Marinella is a non-executive director of the BBC main board and BBC Commercial Board. She is also a non-executive director of Piquadro SpA. She started her career at McKinsey & Company as business analyst and associate, working between London and Milan. From 1995 until 2000, she worked at MTV Networks Europe, serving initially as General Manager of MTV Italy and then SVP Strategic Development Europe. She then qualified and worked as an executive leadership coach in the technology and media industries for nine years, before joining Discovery Networks for Southern Europe as CEO (2009-2018). After holding several non-executive roles, in 2021, she was appointed to a 3-year term as Chairwoman of the Italian public service broadcaster RAI and member of the executive board of the EBU in Geneva. She graduated in Economics at the London School of Economics, London, and has an MBA from INSEAD. She won the Marisa Bellisario award in 2016. She graduated in Economics at the London School of Economics, London, and has an MBA from INSEAD, Fontainebleau.

Enrico Vita has been an independent non-executive director since 10 June 2021. Enrico is the chief executive officer of Amplifon. He started his career in 1995 at Indesit Company, staying with the company for almost 20 years and taking on roles of increasing responsibility both in Italy and abroad that include Plant Manager at the facility in Turkey, Research & Development Director for the cooling division and Group's Supply Chain Officer. In 2007, he was appointed as Managing Director for commercial activities in the UK and Ireland. After three years, he returned to Italy, initially serving as chief commercial officer and finally becoming chief operating officer, responsible for all commercial, marketing and after-sales operations. He joined Amplifon in 2014 as Executive Vice President for EMEA and in 2015 became chief operating officer, extending his responsibility to the EMEA, AMERICA and APAC regions, as well as being responsible for corporate marketing, IT and supply chain functions. After a few months, he was appointed as chief executive officer. He graduated in Mechanical Engineering from the Università Politecnica delle Marche, Ancona.

Appointment, suspension and dismissal of directors

Directors are appointed by the general meeting pursuant to a binding nomination by the Board. The general meeting may at all times overrule the binding nature of such a nomination by a resolution adopted by a majority of at least half of the votes cast in the general meeting, provided that this majority represents more than half of the issued share capital of the Company. If a nomination has not been duly made, the general meeting shall be free to appoint the directors at its discretion. A resolution of the general meeting to appoint a director in accordance with a nomination by the Board shall be adopted by an absolute majority of the votes cast.

Pursuant to the agreement for the sale and purchase of CENTROTEC Climate Systems GmbH entered into between CENTROTEC SE and Ariston Holding N.V. on 15 September 2022, CENTROTEC SE has the right to designate an individual for nomination by the Board as replacement for Guido Krass. CENTROTEC SE may only designate individuals that comply with the Board profile and such individual will not need to be independent within the meaning of the Dutch Corporate Governance Code. The designation right of CENTROTEC SE expires when it holds less than 27,611,111 shares or 7.5% of the Company's share capital.

The articles of association provide that a director may be suspended or dismissed by the general meeting at any time. In addition, an executive director may be suspended by the Board at any time. A resolution of the Board to suspend the Executive Chair must be adopted with a majority of two-thirds of the votes cast in a meeting where all directors, other than the Executive Chair, are present or represented. A resolution of the general meeting to suspend or dismiss a director, other than on the proposal of the Board, requires a majority of the votes cast representing more than half of the issued share capital of the Company.

Board rules

The Board has adopted rules with respect to the holding of meetings and the decision-taking process of the Board and other matters concerning the Board, its committees and the directors.

The Board rules provide that Board meetings shall generally be held at the office of the Company in Italy but may also take place elsewhere. No meetings of the Board will take place in the Netherlands. In addition, Board meetings may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously. However, no director will participate in a meeting of the Board (including a meeting by conference call, video conference or by any other means of communication) whilst being in the Netherlands.

Where unanimity cannot be reached, all Board resolutions are adopted by an absolute majority of the votes cast. At a meeting, the Board may only pass resolutions if the majority of the directors are present or represented. A director may only be represented by another director authorized in writing. Each director shall have one vote.

Board resolutions may at all times be adopted outside of a meeting, in writing or otherwise, provided that the proposal concerned is submitted to all directors then in office and none of them objects to this manner of adopting resolutions.

Indemnification

Under Dutch law, indemnification provisions may be included in the company's articles of association. Under the articles of association, to the extent permissible by the rules and regulations applicable to the Company, the Company is required to reimburse current and former directors for (i) the reasonable costs of conducting a defense against claims for damages or of conducting defense in other legal proceedings, (ii) any damages payable by them and (iii) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former directors, except proceedings primarily aimed at pursuing a claim on their own behalf, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request, if and only if and to the extent the relevant costs and damages are not reimbursed on account of said other duties.

There shall, however, be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterized as willful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness; (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former director and the Company or its Group; or (iii) the costs or financial loss of the person concerned are covered by insurance and the insurer has paid out the costs or financial loss.

Conflicts of interest

Dutch law provides that a director may not participate in the adoption of resolutions (including deliberations in respect of these) if he/she has a direct or indirect personal interest conflicting with the interests of the Company, which shall be determined outside the presence of the director concerned. A conflict of interest exists in any event if in the situation at hand the director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity. Pursuant to the articles of association and the Board rules, any director shall immediately report any (potential) conflict of interest to the other directors.

In addition, the Company endorses the principles and provisions of the Dutch Corporate Governance Code that address conflicts of interest between the Company and one or more directors. To this effect, provisions have been included in the Board rules covering best practice provisions 2.7.1. through 2.7.6 of the Dutch Corporate Governance Code, which were adhered to in light of the conflicts of interest described hereafter.

If a director does not comply with the provisions on conflict of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and such director may be held liable towards the Company. As a general rule, the existence of a (potential) conflict of interest does not affect the authority to represent the Company. Furthermore, as a general rule, agreements and transactions entered into by the Company cannot be annulled on the grounds that a decision of its Board was adopted with the participation of the conflicted director. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

During the year under review, no conflict of interest occurred with respect to the Company and its directors. The Group entered into several related party transactions with companies related to the Executive Chair and with CENTROTEC SE and its subsidiaries. CENTROTEC SE is a shareholder of the Company and controlled by non-executive director Guido Krass. These transactions were reviewed and approved (to the extent required) in accordance with the Company's related party transactions policy.

Related party transactions

The Company has a related party transactions policy which provides for procedures for directors to notify a potential related party transaction, which is available on the Company's website. The purpose of the related party transactions' legal framework is to provide adequate protection for the interests of the Company, its subsidiaries and its stakeholders.

In 2025, all directors were asked to fill out a questionnaire to report on all related party transactions they were aware of. All directors filled out this questionnaire. The details following from this questionnaire were included in a report on related party transactions, which was discussed by the non-executive directors and submitted to the Board.

During the period, the general counsel prepared four reports on related party transactions. These reports contained, with regard to the transactions entered into by the Ariston Group, a list of the parties involved and the details of ongoing related party transactions. These reports were discussed with, and approved by, the non-executive directors and discussed by the Board. No Related Party Transactions (as defined in the related party transactions policy) were entered into in the relevant period.

Board committees

In May 2025, the Board decided to combine the ESG committee and the audit committee as the latter committee has to supervise and monitor CSRD reporting. Since then, the Board has had three 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 the agend and the resulting recommendations are discussed at the subsequent Board meeting. The three committees are:

- the audit and sustainability committee;
- the compensation and talent development committee, which acts as both the remuneration committee and the selection and appointment committee; and
- the strategic committee.

The audit and sustainability committee and the compensation and talent development committee consist of non-executive directors. The strategic committee consists of both executive and non-executive directors and Andrea Guerra, Chief Executive Officer of Prada S.p.A., is also a member of the strategic committee.

The composition of the audit and sustainability committee was changed on 7 May 2025. The composition of the audit and sustainability committee set out below is therefore the composition as of 7 May 2025. The composition of the other committees did not change in 2025.

Audit and sustainability committee

- Antonia Di Bella (chair)
- Katja Gerber
- Laurent Jacquemin

The audit and sustainability committee is charged in particular with: (i) monitoring the financial-accounting and sustainability reporting processes and preparation of proposals to safeguard the integrity of said processes; (ii) monitoring the efficiency of the internal management and control system, the internal audit system and the risk management system with respect to the Companys' financial and sustainability reporting; (iii) monitoring the statutory audit of the annual separate and consolidated financial statements and assurance of the sustainability statement, 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) reviewing and monitoring 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) adopting 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 separate and consolidated financial statements.

Following the combination of the ESG committee and the audit committee, the Board changed its composition. On 7 May 2025, Katja Gerber joined and Ignazio Rocco di Torrepadula left the audit and sustainability committee. All members of the audit and sustainability committee are independent within the meaning of the Dutch Corporate Governance Code and are all financial experts.

Unless decided otherwise by the audit and sustainability committee, the chief financial officer, the head of the internal audit and the external auditor shall attend the audit and sustainability committee meetings. The audit and sustainability committee shall decide whether and, if so, when the chief executive officer shall attend audit and sustainability committee meetings. The audit and sustainability committee shall meet with the independent auditor at least once a year outside the presence of the executive directors.

In 2025, the audit and sustainability committee met eight times. At these meetings several matters were discussed. The main issues were related to:

- audit committee planning, meeting memoranda and reporting to the Board;
- internal audit planning, delivery of activities, results and follow up including the whistleblowing findings report;
- ERM activities, results of 2025 risk monitoring and 2025 risk assessment approach;
- monitoring sustainability reporting and periodic updates on activities and processes, including the CSRD reporting process;
- the performance and independence of the external auditor through the analysis of audit approaches, plans and results, ratio between additional services over audit fees and monitoring of additional audit services;
- monitoring the situation after the Russian Federation President Decree dated 26 March 2025 as far as legal, accounting, ICT and trade compliance rules consequences;
- the financial reporting process and periodic updates with regard to the financial position and financial performance of the Ariston Group, the impairment test methodology and the results according to its application;
- the tax strategy and the related tax control framework and program to adhere to tax cooperative compliance;
- ICT and cyber security risks; and
- information exchange with Supervisory Body (ex Italian Decree 231/2001).

Compensation and talent development committee

- Roberto Guidetti (chair)
- Ignazio Rocco di Torrepadula
- Marinella Soldi

The compensation and talent development committee is charged in particular with: (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; and (vii) proposing appointments and reappointments of directors. This committee, moreover, is charged with supporting the Board in identifying incentive mechanisms for management and making strategic decisions relating to the organization of the Ariston Group. The Board has combined the functions and the responsibilities of the remuneration committee and the selection and appointment committee in the compensation and talent development committee. Indeed, according to the Company, , given its size and its organizational structure, there would be no benefits in splitting the compensation and talent development committee as stipulated under the Dutch Corporate Governance Code.

All members of the compensation and talent development committee are independent within the meaning of the Dutch Corporate Governance Code.

In 2025 the compensation and talent development committee met four times (of which one as an extraordinary committee). At these meetings several matters were discussed, including:

- planning of topics for the compensation and talent development committee;
- training requirements for executive and non-executive directors;
- composition of the Board and its committees;
- succession planning and talent development;
- organizational evolution;
- 2022 long-term incentive plan vesting;

- 2025 long-term incentive plan;
- short-term incentive scheme and executive directors' remuneration:
  a. 2024: review of performance against targets;
  b. 2025 STI: proposal of targets and ranges;
  c. executive directors' remuneration 2025;
  d. changes to the 2023 and 2024 LTIP;
  e. equity-based special awards;
- self-assessment questionnaire of the Board;
- HR roadmap;
- diversity roadmap and status; and
- changes to the remuneration policy.

Strategic committee

- Paolo Merloni (chair)
- Guido Krass
- Andrea Guerra (Chief Executive Officer of Prada S.p.A.)
- Enrico Vita

The strategic committee is responsible for advising the Board on key business decisions, including external growth opportunities (both integrative and transformative). In 2025, the committee convened twice, in June and October. Key topics discussed included:

- market landscape: an assessment of the evolving market scenario, with a focus on the European HVAC sector;
- profitability initiatives: evaluation of the short- and mid-term actions under the "Fit2Win" program which started in 2024, aimed at recovering and enhancing bottom-line profitability, with specific focus on IT, Go-to-Market and R&D;
- strategic ambition: review and alignment on the Group's mid-term ambition and strategy, encapsulated in the "Destination 2030" project; and
- M&A strategy: analysis of the Group's mergers and acquisitions strategy and opportunities for potential growth.

These discussions served to guide and support the Board in steering the Group towards sustainable growth and enhanced profitability.

Attendance at meetings

During 2025, the Board met seven times. An overview of the attendance of the individual directors per meeting of the Board and its committees against the total number of such meetings is set out below:

Name	Board	In %	Audit committee	In %	Compensation and talent development committee	In %	Strategic committee	In %	ESG committee	In %
Paolo Merloni	7/7	100%					2/2	100%		
Maurizio Brusadelli	7/7	100%								
Antonia Di Bella	7/7	100%	8/8	100%						
Katja Gerber	7/7	100%	4/4	100%						
Roberto Guidetti	7/7	100%			4/4	100%			2/2	100%
Laurent Jacquemin	7/7	100%	8/8	100%					2/2	100%
Guido Krass	7/7	100%					2/2	100%		
Maria Francesca Merloni	7/7	100%								
Ignazio Rocco di Torrepadula	7/7	100%	4/4	100%	4/4	100%				
Marinella Soldi	6/7	85.71%			4/4	100%			2/2	100%
Enrico Vita	6/7	85.71%					2/2	100%		

1. The ESG committee has been combined with the audit committee as per 7 May 2025.
2. Katja Gerber has been a member of the audit and sustainability committee since 7 May 2025.
3. Ignazio Rocco di Torrepadula was a member of the audit committee until 7 May 2025.

Independence of the non-executive directors

Each non-executive director has a duty to properly perform their duties and act in the Company's best interest. Under Dutch law, the Company's best interest extends to the interests of all its stakeholders, including its shareholders, creditors and employees. Pursuant to best practice provisions 2.1.7 and 2.1.8 of the Dutch Corporate Governance Code, at most one non-executive director does not have to meet the independence criteria as set out in the Dutch Corporate Governance Code.

In addition, for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than 10% of the shares in the Company, there is at most one non-executive director who may be affiliated with or represent the shareholder. In total, the majority of the non-executive directors should be independent. The non-executive directors have determined that six of the nine non-executive directors qualify as independent in accordance with the Dutch Corporate Governance Code.

The Company deviates from best practice provision 2.1.7(i) which provides that at most one non-executive director does not have to meet the independence criteria as set out in best practice provision 2.1.8, sections i. to v. inclusive of the Dutch Corporate Governance Code. On 31 December 2025, two non-executive directors were not independent in accordance with best practice provision 2.1.8, sections i. to v. inclusive: Maria Francesca Merloni for being a relative by blood within the second decree of the Executive Chair Paolo Merloni, and Laurent Jacquemin for having been an executive director of the Company in the five years prior to his appointment as non-executive director.

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 edge.

Pursuant to the Dutch Act on gender diversity, the Company has to set appropriate and ambitious gender diversity targets for executive 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 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 year.

Pursuant to the Dutch Corporate Governance Code, companies should also set specific, appropriate and ambitious targets for other diversity and inclusion aspects of relevance to the Company beyond gender.

On 7 November 2023, the Board resolved to adopt, upon proposal of the compensation and talent development committee, an updated diversity and inclusion (D&I) policy of the Board and management. This 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), and 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 as it makes the organization future-proof and creates a better position on the market.

This is why, in 2023, the Company started preparing for organizational engagement and enrolment through a first set of concrete actions (the introduction of targets in the main HR processes) to instill a sense of urgency in steering behavior. In 2024, this was further supplemented by a refinement of the roadmap supporting the cultural transformation.

The roadmap includes the need to (i) build a common ground of knowledge on DEI topics involving every level of the organization, (ii) create and disseminate a Group DEI narrative, and (iii) promote DEI initiatives aligned to Road to 100 strategic objectives worldwide.

The targets proposed by the compensation and talent development committee and approved by the Board on November 6, 2024 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; and
- creating and fostering a working environment that respects and appreciates all ways of thinking, where everyone feels welcomed, respected and valued, and specifically striving towards having a due and fair representation of different ages and nationalities within the non-executive directors, management and, in general, within the Company.

The composition at 31 December 2025 was no (0%) women and two (100%) men for the executive directors, four (44%) women and five (56%) men for the non-executive directors and 292 (21%) women and 1124 (79%) men for management.

The mandate of four non-executive directors is scheduled to expire at the annual general meeting to be held in 2026. 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 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 di-

versity 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.

To strengthen the Company's progress on Diversity and Inclusion in the coming years, and building on the ongoing analysis of detailed KPIs, a bottom-up approach has been introduced by establishing a dedicated Diversity Committee. The Committee—composed of members of the Global Executive Committee (GEC) alongside representatives from diverse functions, seniority levels, generations and nationalities—guides the organization in advancing toward balanced gender representation and a more inclusive culture.
This governance model complements corporate-level actions, such as embedding diversity principles within leadership behaviors by engaging the broader organization through awareness initiatives and structured listening opportunities.

Diversity of the Board and its committees

The tables below show the gender and age group of the members of the Board, the executive directors, the non-executive directors and the committees as at 31 December 2025.

	Gender			
	Male	Numbers	Female	Numbers
Board	64%	7	36%	4
Executive directors	100%	2	0%	0
Non-executive directors	56%	5	44%	4
Audit committee	67%	2	33%	1
Compensation and talent development committee	67%	2	33%	1
Strategic committee	100%	4	0%	0
ESG committee	33%	1	67%	2

	Age group		
	<30	30-50	>50
Board	0%	9%	91%
Executive directors	0%	0%	100%
Non-executive directors	0%	11%	89%
Audit committee	0%	0%	100%
Compensation and talent development committee	0%	0%	100%
Strategic committee	0%	0%	100%
ESG committee	0%	0%	100%

Share capital and general meeting

Share capital

The authorized share capital of the Company comprises 600,000,000 ordinary shares and 50,000,000 non-listed ordinary shares, each with a nominal value of €0.01, and 420,000,000 multiple voting shares, each with a nominal value of €0.20. See "Disclosures pursuant to decree article 10 EU-Directive on takeovers" section for further details on the Company's issued share capital as at 31 December 2025.

Meetings of shareholders

At least one annual general meeting shall be held every year within six months after the end of the reporting period. Additional general meetings will be held as often as the Board considers such to be necessary and within three months after the Board has considered it to be likely that the Company's equity has decreased to an amount equal to or lower than one-half of its paid-up and called-up share capital, in order to discuss any requisite measures.

Shareholders representing alone or in aggregate at least 10% of the issued and outstanding share capital may request that a general meeting be convened. If no general meeting has been held within eight weeks of the shareholders making this request, the shareholders making the request may, upon their request, be authorized by the district court in summary proceedings to convene a general meeting.

General meetings must be held in the Netherlands in Amsterdam, Rotterdam, The Hague, or Haarlemmermeer (including Schiphol Airport).

All general meeting notices and all announcements, notifications and communications to shareholders shall be posted on the Company corporate website. Notice of a general meeting must be given by at least 42 days prior to the day of the meeting. The notice convening any general meeting must include, among other items, the items to be dealt with, the venue and time of the general meeting, the requirements for admittance to the general meeting, the address of the Company's website and such other information as may be required by Dutch law.

The agenda for the annual general meeting shall list which items are up for discussion and which items are to be voted on. In addition, the agenda shall include such items as have been included therein by the Board or the shareholders. Some items must be dealt with as separate agenda items, such as the adoption of the annual financial statements, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as these are at the disposal of the general meeting. If the agenda of the general meeting includes an item regarding the discharge of the directors for their performance of duties in the year in question, the agenda must list the discharge as separate items for the executive and the non-executive directors, respectively.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request, by a motivated request, that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Lead Non-Executive Director or by the Executive Chair at least 60 days before the day of the general meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution is adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

Pursuant to the Dutch Corporate Governance Code, if one or more shareholders intend to request that an item be put on the agenda for a general meeting that may result in a change in the Company's strategy, for example as a result of a proposed dismissal of one or more executive directors or non-executive directors, the Board may invoke a reasonable response time that does not exceed 180 days from the moment the Board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The relevant shareholder(s) should respect the response time invoked by the Board. The Board shall use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s) and shall explore alternatives. At the end of the invoked response time, the Board shall report on the outcome of such deliberation and consultation to the general meeting. The response time may only be invoked once for any given general meeting and shall not apply to an item in respect of which the response time has previously been invoked, or to a general meeting where a shareholder holds at least three quarters of the issued capital as a consequence of a successful public offer.

Voting rights and adoption of resolutions

At general meetings, each ordinary share and non-listed ordinary share confers a right to cast one vote and each multiple voting share confers the right to cast 20 votes. Pursuant to the articles of association, so long as the total number of ordinary shares and non-listed ordinary shares issued and outstanding is lower than two times the total number of multiple voting shares issued and outstanding, a shareholder casting a number of votes exceeding the total number of ordinary shares and non-listed ordinary shares issued and outstanding at the record date for the relevant general meeting may never cast a number of votes on its shares exceeding:

- five times the total number of multiple voting shares held by the relevant shareholder at the record date for the relevant general meeting so long as the total number of ordinary shares and non-listed ordinary shares issued and outstanding is lower than the total number of multiple voting shares issued and outstanding, in each case at the record date for the relevant general meeting; or
- eight times the total number of multiple voting shares held by the relevant shareholder at the record date for the relevant general meeting so long as the total number of ordinary shares and non-listed ordinary shares issued and outstanding is equal to or greater than the total number of multiple voting shares issued and outstanding, in each case at the record date for the relevant general meeting.

Pursuant to Dutch law, as a general rule, no votes may be cast at a general meeting in respect of shares which are held by the Company. Resolutions of the general meeting are passed by an absolute majority of the votes cast at the general meeting, except where Dutch law or the articles of association stipulate a greater majority. The voting rights attached to the shares may only be amended by amendment to the articles of association. The general meeting may pass a resolution to amend the articles of association, but only on a proposal of the Board. Furthermore, a resolution to amend a provision relating to the multiple voting shares and/or the rights and/or obligations of the (meeting of) holders of multiple voting shares is subject to the prior approval of the meeting of holders of multiple voting shares.

Profit rights

Each issued and outstanding share ranks equally with, and will be eligible for any dividends that may be declared on, all other shares, and will be equally entitled to the profits and (other) reserves of the company, except for the entitlement to the conversion reserve and the liquidation distribution. All profit distributions and repayment of capital will be made in such a way that on each share the same amount or value is distributed.

Issuance of shares

The Board is the competent body to issue shares for a period of five years from 19 December 2022 and this authorization can be withdrawn by the general meeting. This competence concerns all non-issued shares of the Company's authorized capital from time to time.

After this five-year period, resolutions to issue shares shall be adopted by the general meeting or, if the general meeting designated the Board to do so, by the Board. A resolution of the general meeting to issue shares or to designate the Board as the competent body to issue shares, can only take place at the proposal of the Board and can only be adopted with an absolute majority of the votes cast. The foregoing also applies to the granting of rights to subscribe for shares, such as options, but does not apply to the issue of shares to a person exercising a previously acquired right to subscribe for shares.

An authorization by the general meeting to designate the Board can be made each time for a maximum of five years and can be extended each time for a maximum period of five years. An authorization by the general meeting to designate the Board must specify the number of shares of each class concerned which may be issued pursuant to a resolution of the Board (which may be expressed as a percentage of the issued capital). The general meeting is not authorized to resolve on the issuance of shares or the granting of rights to subscribe for shares to the extent it has authorized the Board as the competent body for this purpose. A resolution of the general meeting to designate the Board cannot be withdrawn, unless otherwise provided in the authorization. The Company may not subscribe for its own shares on issue.

Pre-emptive rights

Upon the issue of ordinary shares, non-listed ordinary shares and multiple voting shares or the granting of rights to subscribe for ordinary shares, non-listed ordinary shares and multiple voting shares, each holder of shares shall have a pre-emptive right in respect of the shares to be issued, in proportion to the aggregate amount of the shares held by them (relative to the entire issued share capital) with the understanding that a holder of ordinary shares may only subscribe to acquire ordinary shares, a holder of non-listed ordinary shares may only subscribe to acquire non-listed ordinary shares and a holder of multiple voting shares may only subscribe to acquire multiple voting shares. No pre-emptive rights exist in respect of shares issued to a person exercising a previously acquired right to subscribe for shares.

In respect of an issuance of only ordinary shares or the granting of rights to subscribe for ordinary shares, each holder of shares will have a right of pre-emption proportionate to the aggregate amount of their shares (relative to the entire issued share capital), subject to the relevant limitations prescribed by Dutch law and the other provisions pursuant to the articles of association.

In respect of an issuance of only non-listed ordinary shares or the granting of rights to subscribe for non-listed ordinary shares, each holder of non-listed ordinary shares will have a right of pre-emption proportionate to the aggregate amount of their non-listed ordinary shares, subject to the relevant limitations prescribed by Dutch law and the other provisions pursuant to the articles of association.

In respect of an issuance of only multiple voting shares, each holder of multiple voting shares will have a right of pre-emption proportionate to the aggregate amount of their multiple voting shares, subject to the relevant limitations stipulated by Dutch law and the other provisions pursuant to the articles of association.

Exceptions to these pre-emptive rights include: (i) the issue of shares against a contribution in kind other than in cash, (ii) the issue of shares to employees of the Company or of a Group company (*groepsmaatschappij*) pursuant to an employee share scheme or as an employee benefit, and (iii) the issue of shares to persons exercising a previously granted right to subscribe for shares.

The Board will be the competent body to restrict or exclude pre-emptive rights for a period of five years from 19 December 2022. After this five-year period, pre-emptive rights relating to shares may be restricted or excluded by the general meeting or, if the general meeting designated the Board to do so, by the Board.

An authorization by the general meeting to designate the Board can be made each time for a maximum of five years and can be extended each time for a maximum period of five years. Unless otherwise provided in the authorization, it may not be withdrawn. A resolution of the general meeting to restrict or exclude pre-emptive rights or designate the Board as the competent body to restrict or exclude pre-emptive rights requires a majority of not less than two-thirds of the votes cast, if less than 50% of the issued share capital of the Company is represented at the meeting.

A resolution of the Board (or, if applicable, the general meeting) to restrict or exclude the pre-emptive rights relating to multiple voting shares will be subject to the approval of the meeting of holders of multiple voting shares granted by resolution adopted with more than 50% of the votes in the meeting of holders of multiple voting shares.

Major shareholders

As at 31 December 2025, the voting rights attached to the issued shares in the capital of the Company held by Merloni Holding S.p.A. represented 79.59%, by Amaranta S.r.l. represented 10.85% and by CENTROTEC SE represented 3.33%. The market was entitled to 6.23% of the voting rights. As at 31 December 2025, the Company held 4,654,120 shares in its own capital. Pursuant to Dutch law, as a general rule, no votes may be cast at a general meeting in respect of shares which are held by the Company.

As at 31 December 2025, the number of shares held by Merloni Holding S.p.A. represented 58.87%, held by CENTROTEC SE represented 11.12%, held by Amaranta S.r.l. represented 7.96% and held by the market represented 20.80% of the total number of issued shares.

For the foreseeable future, as a result of the multiple voting shares and the concentration of ownership, Merloni Holding S.p.A. will continue to be able to control or substantially influence matters requiring approval by the general meeting, including the appointment and dismissal of directors, directors' remuneration, dividend distributions, the amendment of the articles of association, capital increases and mergers and consolidations, even where Merloni Holding S.p.A. holds less than 50% of the ordinary shares.

Merloni Holding S.p.A. is controlled by Paolo Merloni, who is the Executive Chair of the Company, and Amaranta S.r.l. is controlled by Maria Francesca Merloni, who is a non-executive director of the Company. Paolo Merloni and Maria Francesca Merloni are siblings. CENTROTEC SE is controlled by Guido Krass, who is a non-executive director of the Company. As directors, Paolo Merloni, Maria Francesca Merloni and Guido Krass owe a fiduciary duty to the Company and they must act in a manner that they reasonably believe to be in the best interests of the Company, its business and its stakeholders. As shareholders, Paolo Merloni, Maria Francesca Merloni and Guido Krass are entitled to direct the vote of their shares in their own interests, which may not always be in the interests of the Company, its business and its stakeholders generally.

The articles of association do not provide for any specific provisions beyond those required by applicable law and regulation to ensure that control by the major or controlling shareholders is not abused.

Compliance with the Dutch Corporate Governance Code

The Dutch Corporate Governance Code applies to the Company as the latter has its seat in the Netherlands and its ordinary shares are listed on Euronext Milan.

The Dutch Corporate Governance Code is based on a 'comply or explain' (*pas toe of leg uit*) principle. Accordingly, companies are required to disclose in their board report whether or not they are complying with the various best practice provisions of the Dutch Corporate Governance Code that are addressed to the directors. If a company deviates from a best practice provision in the Dutch Corporate Governance code, the reason for such deviation must be properly explained in its directors' report.

As at 31 December 2025, the Company complies with the principles of the Dutch Corporate Governance Code, except for the following:

- Best practice provision 2.1.7 (independent directors): the Company deviates from best practice provision 2.1.7(i) which provides that at most one non-executive director does not have to meet the independence criteria as set out in the Dutch Corporate Governance Code. In 2025, two non-executive directors were not independent: Maria Francesca Merloni for being a relative by blood within the second decree of the Executive Chair Paolo Merloni, and Laurent Jacquemin for having been an executive director of the Company in the five years prior to his appointment as non-executive director. It is believed, however, that the involvement of Maria Francesca Merloni proves the commitment of the Merloni family to participate in the Company with a spirit of homogeneity and compactness, in order to ensure continuity of control over the Company. Furthermore, Laurent Jacquemin's deep knowledge of the Company makes him a most valuable non-executive director.
- Best practice provision 2.3.2 (establishment of committees): the Company does not comply with best practice provision 2.3.2, which provides that if the Board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. The Board has combined the functions and the responsibilities of the remuneration committee and the selection and appointment committee in one committee, the compensation and talent development committee. Indeed, according to the Company, given its size and organizational structure, there would be no benefits in splitting the compensation and talent development committee as stipulated under the Dutch Corporate Governance Code.
- Principle 2.3.7 of the Dutch Corporate Governance Code (vice-chairman of the Board): the Company does not comply with best practice provision 2.3.7, which provides that the vice-chairman of the Board should deputize for the chair when the occasion arises. Pursuant to the articles of association, the Board may designate one or more of the non-executive directors as vice-chair of the Board. However, so far, according to the Company, given its size and organizational structure, there would be no benefits from such an appointment.
- Best practice provision 3.2.3 (severance payments): the Company does not comply with best practice provision 3.2.3, which provides that the remuneration of executive directors in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). The employment agreement of the Executive Chair provides for the standard indemnity upon termination of the relationship as set out in the applicable collective bargaining agreement, the pay-out on which depends on the duration of the employment agreement and could be more than one year's salary. The management agreement of the chief executive officer provides that, upon termination by the Company and existing certain conditions, the chief executive officer is entitled to a one-off severance equal to an amount of up to two years of their remuneration as manager (net of any amount paid as non-compete obligation consideration).

The Company wishes to respect the terms and conditions of the aforementioned agreements, since these agreements were entered into by the Company before the initial public offering of the Company.

Disclosures pursuant to decree article 10 EU-Directive on takeovers

In accordance with the Dutch Takeover Directive (Article 10) Decree (*Besluit artikel overnamerichtlijn*, the "Decree"), the Company makes the following disclosures:

a) At 31 December 2025, the issued share capital of the Company consisted of 125,505,005 ordinary shares and 22,095,194 non-listed ordinary shares with a nominal value of € 0.01 each, jointly representing 3.18% of the aggregate issued share capital, and 225,000,000 multiple voting shares with a nominal value of € 0.20 each, representing 96.82% of the aggregate issued share capital.

   For information on the rights attached to ordinary shares, non-listed ordinary shares and multiple voting shares, reference is made to the articles of association which can be found on the Company's website. To summarize, the rights attaching to ordinary shares, non-listed ordinary shares and multiple voting shares comprise pre-emptive rights upon the issue of shares, the right to attend the general meetings of the Company and to speak and vote at such meetings and to resolve on and the entitlement to the distribution of such amount of the Company's profit as remains after allocation to the reserves. Ordinary shares, non-listed ordinary shares and multiple voting shares rank *pari passu* and will have equal rights and obligations with respect to all matters, including profit distributions, with the exceptions as set out in the articles of association, including the entitlement to voting rights as set out in article 26.1 of the articles of association, the conversion reserve and the liquidation distribution referred to in article 36.3 of the articles of association.

b) The Company has imposed no limitations on the transfer of ordinary shares and non-listed ordinary shares. Article 16 of the articles of association provides for transfer restrictions for multiple voting shares (right of first refusal). If a holder of multiple voting shares intends to transfer to any third party (be it a shareholder or not) one or more multiple voting shares, the other holders of multiple voting shares shall have the right, in accordance with the procedure outlined in article 16 of the articles of association, to exercise a right of first refusal.

c) For information on investments in the capital of the Company for which a disclosure obligation exists under Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), please see "Major shareholders" in this Corporate Governance report where you will find a list of shareholders who are known to the Company to have investments of 3% or more at the stated date.

d) No special control rights or other rights accrue to shares in the capital of the Company other than that a multiple voting share confers the right to cast 20 votes, subject to a voting threshold, all in accordance with the terms and conditions as set out in article 26.1 of the articles of association. Reference should be made to "Share capital and general meeting", subparagraph "Voting rights and adoption of resolutions" in this Corporate Governance report.

e) A mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company.

f) No restrictions apply to voting rights attached to the shares in the capital of the Company, nor are there any deadlines for exercising voting rights other than the restriction of the number of votes that may be cast on multiple voting shares as set out in article 26.1 of the articles of association describing the voting cap and further explained in "Share capital and general meeting", subparagraph "Voting rights and adoption of resolutions" in this Corporate Governance report. Except by virtue of the different voting rights attached to the ordinary shares and non-listed ordinary shares (one vote per share) and the multiple voting shares (20 votes per share, subject to the application of a voting threshold), none of the shareholders will have any voting rights different from any other shareholders.

g) The Company is not aware of the existence of any agreements with shareholders of the Company which may result in restrictions on the transfer of shares or limitation or voting rights, other than a shareholders' agreement between Merloni Holding S.p.A. and Amaranta S.r.l entered into on 26 October 2021.

   The shareholders' agreement provides as follows:

   (i) Merloni Holding S.p.A. shall procure that one person indicated by Amaranta S.r.l. is appointed as director so long as Amaranta S.r.l. holds at least 7% of issued share capital of the Company;

(ii) should Merloni Holding S.p.A.:
   b. decide to sell a number of multiple voting shares so that it loses control over the Company, then Amaranta S.r.l. will be entitled to tag its multiple voting shares to the sale of multiple voting shares held by Merloni Holding S.p.A.;
   c. receive an offer for the entirety of the outstanding multiple voting shares, then Merloni Holding S.p.A. will be entitled to drag along the multiple voting shares held by Amaranta S.r.l.;

(iii) Merloni Holding S.p.A. shall be entitled to acquire from Amaranta S.r.l. 6,000,000 multiple voting shares in exchange for the same amount of ordinary shares by virtue of a call option; and

(iv) each of Merloni Holding S.p.A. and Amaranta S.r.l. shall inform the other party in case it wishes to convert its multiple voting shares into ordinary shares.

The lock-up provisions included in the agreement for the sale and purchase of CENTROTEC Climate Systems GmbH entered into between CENTROTEC SE and Ariston Holding N.V. on 15 September 2022 expired on 2 January 2025.

h) The rules governing the appointment and dismissal of directors are stated in the articles of association. All directors are appointed by the general meeting. The Board nominates a candidate for each vacant seat. A nomination by the Board will be binding as described above under "Board" in this Corporate Governance report. Pursuant to the agreement for the sale and purchase of CENTROTEC Climate Systems GmbH entered into between CENTROTEC SE and Ariston Holding N.V. on 15 September 2022, CENTROTEC SE has the right to designate an individual for nomination by the Board as replacement for Guido Krass. CENTROTEC SE may only designate individuals that comply with the Board profile and such individual will not need to be independent within the meaning of the Dutch Corporate Governance Code. The designation right of CENTROTEC SE expires when it holds less than 27,611,111 shares or 7.5% of the Company's share capital. Directors are appointed for a period of time to be determined by the general meeting, ending not sooner than immediately after the general meeting held in the first year after the year of their appointment and not later than immediately after the general meeting held in the fourth year after the year of their appointment.

i) The articles of association allow the Company to cooperate in the issuance of registered depositary receipts for shares, but only pursuant to a resolution to that effect by the Board. No depositary receipts have been issued for shares in its capital with the cooperation of the Company.

   The general meeting may at any time dismiss or suspend any director. If the Board proposes the dismissal of a director to the general meeting, the general meeting can resolve upon such dismissal by a resolution adopted by an absolute majority of the votes cast.

   If the Board has not made a proposal for the dismissal of a director, the general meeting can only resolve upon the dismissal of the director by a resolution adopted by an absolute majority of the votes cast, representing more than half of the issued capital of the Company. Executive directors may at all times also be suspended by the Board. A resolution of the Board to suspend the Executive Chair must be adopted with a majority of two thirds of the votes cast in a meeting where all directors, other than the Executive Chair, are present or represented. If either the Board or the general meeting has resolved upon a suspension of a director, the general meeting shall within three months after the suspension has taken effect, resolve either to dismiss the director with due observance of the provisions in the articles of association, or to terminate or continue the suspension, failing which the suspension shall lapse. A resolution to continue the suspension may be adopted only once and in such an event the suspension may be continued for a maximum period of three months commencing on the day that the general meeting adopted the resolution to continue the suspension. If the general meeting has not decided to terminate or to continue the suspension within the required period, the suspension shall lapse.

   The rules governing an amendment of the articles of association are included in article 35 of the articles of association and require a resolution of the general meeting, but only on a proposal by the Board. The prior approval of the meeting of holders of multiple voting shares is required for an amendment of a provision relating to the multiple voting shares and/or the rights and/or the obligations of the (meeting of) holders of multiple voting shares.

j) The general powers of the Board are stated in article 18 of the articles of association. Pursuant to article 21.1 of the articles of association, the general authority to represent the Company is vested in the Board and the Executive Chair. The Board has granted specific representation powers to Maurizio Brusadelli, in his capacity as Chief Executive Officer of the Company.

   According to article 7.1 of the articles of association, the Board will be the competent corporate body to issue the shares for a period of five years with effect from 19 December 2022. The Board is also authorized to limit or exclude

pre-emptive rights of shareholders on any issue of shares or granting rights to subscribe for shares, for the same term. After the five-year term, shares may be issued pursuant to a resolution of the general meeting unless the Board is designated to do so by the general meeting. Such designation can be made each time for a maximum period of five years and can be extended each time for a maximum period of five years. A designation must determine the number of shares of each class concerned which may be issued pursuant to a resolution of the Board. The resolution of the general meeting to designate the Board as the body authorized to issue shares cannot be withdrawn by the general meeting, unless otherwise provided in the authorization. The body resolving to issue shares must determine the issue price and the other conditions of issuance in the resolution to issue. After the five-year term, pre-emptive rights may be restricted or excluded by a resolution of the general meeting. The general meeting may designate this competence to the Board for a period not exceeding five years, provided that the general meeting has also authorized the Board to issue shares. Unless otherwise stipulated at its grant, this authorization cannot be withdrawn.

The Company is entitled to acquire fully paid-up shares in its capital. The terms and conditions for the acquisition of shares by the Company in its capital are set out in article 10 of the articles of association.

k) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), except for certain of the loan agreements entered into by the Company which contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.

The Company did not enter into any agreement with a director or employee of the Company providing for a payment upon the termination of employment as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

7.3 Remuneration report

Introduction

This remuneration report summarizes the guidelines and the principles followed by the Company in order to define and implement the remuneration policy. In addition, this remuneration report provides the remuneration paid to executive directors and non-executive directors for the year ended 31 December 2025.

The remuneration of the executive directors comprises base remuneration (fixed remuneration, Board and committee fees, and benefits and perquisites) and variable incentives (short-term and long-term) and the remuneration of non-executive directors comprises an annual fixed fee.

The remuneration policy for the directors was amended in 2025 to reflect the changes in the short-term and long-term incentive plans. The short-term incentive ("STI") has been revised by rebalancing the weight for the Group Adjusted EBIT and the Group Net Turnover targets to increase the focus on turnover. Such change was deemed strategically appropriate, as very much in line with the Group growth ambitions requiring strong market position and customer base. Furthermore, the STI has been revised to eliminate the minimum threshold condition of 50 points for the overall achievement of the performance targets, maintaining only the threshold for each single target, ensuring the proper focus on the achievement of each of the performance targets independently. The long-term incentive ("LTI") has been revised to change the financial instruments to be granted to the beneficiaries. Under the long-term incentive plan ("LTIP"), performance share units and restricted share units will be granted instead of only performance share units (except for the executive chair whose grant is entirely made of performance share units). Such change has been introduced to further enhance the capability of retaining key employees. Furthermore, the LTI has been revised by applying a split of the previous target of adjusted EBIT/net sales matrix into two distinct targets of Group Adjusted EBIT and Group Net Turnover. Such change aims to ensure a more transparent recognition of the achievements of each of the two KPIs. The new remuneration policy was adopted by the general meeting on 3 June 2025. Any references to the remuneration policy in this section are to the new remuneration policy.

The remuneration policy aims to contribute to the Group's business strategy and is expected to enable the Company to achieve its business objectives. The non-executive directors are responsible for the implementation and monitoring of the remuneration policy.

In accordance with Dutch law, the remuneration policy will be submitted to the general meeting at least every four years, as well as each time in case of amendments. Pursuant to the Company's articles of association, the resolution of the general meeting to adopt and amend the remuneration policy requires an absolute majority of the votes cast.

The remuneration report for 2024 was submitted to the annual general meeting held in June 2025. 97.55% of the votes were in favor of the remuneration report and 2.45% against.

Feedback received from investors on the previous version of the remuneration policy and the remuneration report for 2024 confirmed as an area of concern the lack of an explicit quantitative indication of thresholds and targets, on which the variable compensation was calculated. The Board, after careful consideration, confirmed that the competitive risks associated with exposing the Company’s expectations – which in time would result in offering an insight on how the Company’s budgets are prepared – would outweigh the advantages of transparency towards shareholders, and ultimately hurt their economic interest.

Remuneration of the executive directors

The objective of the remuneration policy for the executive directors is to attract, reward and retain the necessary leadership talent, in order to support the execution of the Group's strategic objectives and sustainability goals, whilst for the non-executive directors the remuneration policy aims at rewarding them appropriately for their work based on market-competitive fee levels.

The authority to establish the remuneration of the executive directors is vested with the non-executive directors, with due observance of the remuneration policy and applicable legal provisions. Even though the Company is not in principle in favor of making exceptions to the principles underlying the remuneration policy, the non-executives directors shall be allowed to temporarily derogate from the remuneration policy in exceptional circumstances as defined by the Dutch Civil Code, such as, for example, the need to attract and/or retain (in a competitive market) key managerial competences or

the need to provide incentives to key managers with respect to specific business objectives that, under contingent conditions, are of particular importance.

Remuneration principles

The remuneration policy is built on the following six principles:

- Align short and long-term strategy: through the variable incentives for executive directors, the Company aims to align the short-term yearly objectives with the long-term goals of the Group. This is reflected in the grant of long-term variable incentives, taking into account a three-year vesting period and lock-up obligations. Such alignment is consistent with long-term sustainability objectives.
- Pay for performance: the remuneration must reinforce the performance driven culture by rewarding top performers. It must also ensure, through the variable incentives, the alignment between executive directors' remuneration on the one hand and the annual business plan and sustainable value creation by the Group on the other.
- Differentiating by experience and responsibility: the remuneration aligns with the responsibilities, experience, competence and performance of individual directors. In addition, in determining the remuneration policy and any individual remuneration, the employment conditions of the Group are taken into account.
- Simple and transparent: the remuneration policy is based on simple and customary mechanisms. The Company is transparent in relation to the remuneration that is awarded to directors. Furthermore, the level of achievement of the financial targets can be verified in publicly disclosed and easily accessible performance results.
- Risk prudence: the remuneration structure aims to avoid incentives that encourage unnecessary or excessive risks that could threaten the Group's value.
- Compliance: the remuneration policy complies with applicable laws and regulations. The Group adopts the highest standards of corporate governance.

The remuneration philosophy of the Group is therefore to pay for performance, to be market driven, and to be fair and objective.

Market perspective

Although the Group pursues its remuneration policies independently and such policies are not benchmarked against a group of peers, market perspective is one of the factors that the non-executive directors take into account when determining adequate remuneration levels to attract and retain skilled leaders. The Company believes that the periodic review of the remuneration policies adopted by companies of comparable size and economic performance may be a useful tool to understand its competitive positioning on the labor market and attractiveness for high-quality human capital, which the Company deems a key driver for growth, innovation and development. Such monitoring of market practices is performed with the support of a subject-matter expert and international advisory firms that periodically provide salary references and market trends on remuneration practices. In 2025 the Company was supported by Mercer.

The Remuneration Policy, even if defined based on the Company's specific strategies and long-term objectives, is nonetheless in line with companies of comparable size and economic performance. In this regard, on a regular basis, the Company performs an analysis of the market competitiveness of executive directors' fixed and variable remuneration through the support of international and subject-matter expert advisory firms.

Remuneration components of the executive directors

The remuneration policy relating to executive directors constitutes the key strategic component to attract and retain human capital in today's tight market.

In line with the fundamental objective of achieving the most effective reconciliation of 'profitability' and 'sustainability' in the long term, executive directors' remuneration is aimed at supporting managerial growth strategies oriented towards sustainable long term value creation: long term is key in the Group's reference market (i.e. sustainable comfort solutions for the hot water and space heating market) where R&D projects requiring significant investment in terms of time and cost, are to be pursued with continuity and in the long run to be successful. The remuneration policy aims, therefore, not only at the adequate remuneration of the executive directors, but also at their adequate retention, as it is considered, in

principle, an important element, consistent with the fundamental objective of maximum sustainable profitability in the long term.

The remuneration policy for executive directors consists of:

(i) base remuneration
- fixed remuneration (executive directors' fee, base salary and non-compete consideration)
- Board and committee fees
- benefits and perquisites

(ii) variable incentives
- short-term incentive ("STI")
- long-term incentive ("LTI")

Component	Purpose	Terms and conditions
Executive directors' fixed remuneration	Compensate for the individual's experience, skills, duties, responsibilities and the contribution of the individual within the Company. Non-compete agreement protects the interest of the Company.	Fixed remuneration is: 1. internally consistent 2. externally competitive 3. reviewed periodically
Board and committee fees	Compensate for the contribution required by the office.	The remuneration consists solely of a fixed fee as member of the Board and an additional fee in case of participation in committees.
Benefits and Perquisites	Provide value to the professional working life in relation to status, role complexity and grading.	Benefits include health insurance, disability and life insurance, directors' and officers' liability insurance (D&O), mobility allowance or travel expenses when appropriate, representation costs and employee benefit plans as offered at any given point.
STI	Ensure executive directors' alignment with focus on the annual business plan as set by the Board.	The STI is conditional on the achievement of the following performance targets: 1. Group Adjusted EBIT (50%) 2. Group Net Turnover (30%) 3. Group Quality Index (20%)
LTI	Achieve growth results in medium and long term and align executive directors' interests with the pursuit of the priority objective of sustainable creation of value for shareholders.	Executive Chair: 100% PSUs Other Executive Directors: 60% PSUs and 40% RSUs The vesting of PSUs is conditional on the achievement of the following performance targets: 1. Group Adjusted EBIT (40%) 2. Group Net Turnover (30%) 3. Relative TSR (15%) 4. Sustainability objective (15%) The vesting of the RSUs is conditional on a continued engagement at the vesting date

** The terms Turnover, Net Revenue and Net Sales are to be considered equivalent.*

Simulated scenarios of the possible outcomes of the variable incentive components and their effect on the remuneration of the executive directors are conducted in accordance with the Dutch Corporate Governance Code.

Base remuneration

The purpose of the fixed remuneration and fees are to compensate the executive directors for their individual experience, skills, duties, responsibilities and their contribution to the Company. Such compensation of each executive director is a fixed cash compensation paid on a monthly basis, which includes holiday allowance and other local statutory requirements per country.

In addition, in consideration of their strategic and key role, the chief executive officer is entitled to a consideration for their non-compete agreement executed with the Company.

The Company ensures that the fixed remuneration is: (i) internally consistent (i.e. in line with the role), (ii) externally competitive and (iii) reviewed periodically. Each year the compensation and talent development committee reviews the fixed remuneration and decides whether circumstances justify adjustments.

All executive directors are beneficiaries of a directors' and officers' liability insurance policy ("D&O") at market conditions for this type of coverage. The insurance policy covers losses resulting from claims made against the executive directors for wrongful acts committed in their respective functions and for which they have been recognized accountable. Executive directors are also entitled to other benefits such as health insurance, disability and life insurance, mobility allowance or travel expenses, representation costs and to participate in whatever all-employee benefits plans may be offered at any given point.

Additional benefits and perquisites may be offered to the executive directors in case of a relocation or an international assignment, such as relocation support, storage costs, expatriation allowance, housing support, reimbursement of flight costs, reimbursement of costs for temporary living arrangements and other benefits which reflect local market practice, all in accordance with the applicable mobility policy.

Neither the Company nor any of its subsidiaries shall grant personal loans, guarantees or the like to executive directors except within the framework of its usual business operations, on conditions which apply to all employees and with the prior approval of the Board. No remission of loans to the executive directors shall be granted.

Various factors may be considered when determining any annual base remuneration changes, including, but not limited to, business performance, personal performance, the scope and nature of the role, salary increases of the Group's global workforce, relevant market benchmark data and local economic indicators, such as inflation and cost-of-living changes, to ensure that the remuneration is fair, sensible and market competitive. The actual annual base remuneration and any annual increases will be disclosed in the annual report.

Short-term incentive

The short-term incentive ("STI") aims to ensure that the executive directors and other selected eligible employees, are well incentivized to achieve the Group's quantitative performance targets in the short term. The purpose of the STI is to ensure executive alignment with and focus on the annual business plan as set by the Board. At the beginning of each year, the compensation and talent development committee proposes to the Board (i) the target amount of the bonus for each executive director and (ii) the performance ranges, based on the Group business plan, whereby the pay-out is equal to 100% of the target amount if the targets as per the business plan are met, while the pay-out will be equal to 50% or 150% of the target amount depending on whether the actual performance is, respectively, at minimum level (threshold) or at maximum level. Linear interpolation applies between minimum (threshold) and target and between target and maximum performance level.

At the beginning of the following year, the compensation and talent development committee reviews the performances against the targets, based on the financial records of the Group as audited by the external auditor.

There are three performance indicators as follows:

(i) Group Adjusted EBIT, weighting 50% of the total performance scorecard;
(ii) Group Net Turnover, weighting 30% of the total performance scorecard; and
(iii) Group Quality Index, weighting 20% of the total performance scorecard.

The Group Quality Index is designed to push the quality of the product, as sustainable quality contributes to the Group performance in the long run and is calculated as a weighted combination of a set of single KPIs measuring the quality of

the product over its lifecycle: from manufacturing to parts supply, product development and after sales (warranty spending). Accordingly, a portion of the short-term incentive contributes to the Group's strategy, the long-term interests of the Group and its sustainability.

The short-term incentive of the executive directors is based on financial and economic performance measures and, therefore, without directly taking into account specific qualitative performance objectives that are non-financial and/or related to corporate social responsibility. This choice is based on the consideration that socially responsible behavior, which the Group is inspired by with the utmost commitment and rigor, should in any case be reflected, in the long term, in the financial results of the Company and the Group. If the short-term incentive targets are met, the short-term incentive is paid the year following the relevant performance period once the predetermined performance objectives are verified.

The STI pay-out will be nil if: (i) all of the targets are not achieved at their threshold level; or (ii) the net profit of the year as reported in the consolidated financial statements is equal to zero, or a net loss for the period is reported.

Long-term incentive

LTI Plan

Executive directors are eligible for grants under the Company's long-term incentive plan ("LTIP"), as amended from time to time, and as approved by the general meeting. LTIP aims at providing incentives for the executive directors – and other selected eligible Group employees identified according to the banding model adopted by the Company – to achieve growth results in the medium and long term and at ensuring executive alignment with the pursuit of the key objective of sustainable long-term value creation for the Company and all its stakeholders.

The grants under the LTIP are made available annually (rolling grants) in the form of 60% performance share units ("PSUs") and 40% restricted share units ("RSUs") where each unit gives the right to receive an ordinary share of the Company. For the Executive Chair, however, the grant consists exclusively of PSUs.

At the beginning of each year, the compensation and talent development committee proposes to the Board: (i) the size of the grant for each executive director, with a maximum value at target not exceeding 150% of the base remuneration; and (ii) the target pay-out opportunity, for each executive director set at 50% for the threshold achievement, at 100% for target achievement and at 150% maximum in case of over-performance.

The number of units granted to each executive director is determined by dividing the individual grant value by the average closing price of the Company's shares on the 30 trading days before the grant.

The RSUs automatically convert in an equal number of shares at the end of the vesting period; conversely, the number of PSUs vesting at the end of the relevant vesting period will be related to the achievement of the following four performance targets:

(i) Group Adjusted EBIT, weighting 40% of the total performance scorecard;

(ii) Group Net Turnover, weighting 30% of the total performance scorecard;

(iii) relative total shareholders return ("TSR"), measuring the performance of the ordinary shares of the Company vis-à-vis the performance of the shares of selected competitors, weighting 15% of the total performance scorecard;

(iv) a sustainability objective, weighting 15% of the total performance scorecard, measuring the Scope 4 CO_2 emissions avoided at the end of the performance period, from a 2020 baseline, thanks to the renewable and high efficiency products the Group sells with respect to the efficiency of the installed park in the regions it operates.

Considering the sensitivity of the three-year plan on Group Adjusted EBIT and Group Net Turnover, the specific targets will not be disclosed to avoid providing information that could offer an advantage to competitors.

The relative TSR is measured against a peer group of 10 companies selected based on business proximity and geographic positioning. For 2025 the peer group is composed of A.O. Smith Corporation, Carel Industries, Carrier, Daikin, Lennox, Munters Group, Nibe, Systemair, Trane and Zehnder. As regards the measurement of the TSR for the Company and the companies of the peer group, it is calculated as the average closing price of the shares in the three months period preceding the beginning and the end of the performance period to sterilize any possible volatility on the market.

The time frame for assessing performance foresees annual grants, a three-year vesting period and a lock-up provision of two years on an amount equal to 30% of the ordinary shares (net of sell to cover) accrued for the executive directors. As a result, the LTIP is clearly linked to the long-term interests of the Company, in line with best market practices.

Scenario analysis

When formulating the remuneration policy and before determining the individual remuneration of the executive directors, the non-executive directors conduct analyses of the possible results of the variable remuneration components and the way in which this affects the remuneration of the executive directors.

The non-executive directors believe the remuneration policy is effective in terms of establishing a correlation between the Company's strategic goals and the selected performance targets, as the main key performance targets of the LTIP (i.e. Group Adjusted EBIT, Group Net Turnover, TSR and a sustainability objective), which represent a significant part of the executive directors' remuneration package, support both the Company's strategy and sustainable long-term value creation for the Company and its stakeholders.

While the four performance targets act as independent indicators, in the event that all four long-term threshold performance targets are not achieved, there will be no PSU vesting or STI pay-out for executive directors for the relevant period. The Board (with the abstention of the executive directors), having obtained the opinion of the compensation and talent development committee, may, at its sole discretion, adjust, downwards or upwards, the amount of PSUs that will vest if, in the reasonable opinion of the Board, the vesting of the PSUs insufficiently reflects the Group's overall performance during the performance period considering the external context.

Severance

The management agreement of the Chief Executive Officer, Mr. Maurizio Brusadelli, provides for, upon termination by the Company and certain conditions being met, the payment of a one-off severance equal to an amount of up to two years of his (i) fixed remuneration and (ii) the STI target amount.

Right to reclaim variable remuneration

In accordance with Dutch law and in line with best market practices, the non-executive directors may adjust the outcome of the variable compensation of the executive directors if the pay-out would, in their view, be unacceptable based on criteria of reasonableness and fairness (a 'malus'). The Company can also claim back variable payments (in whole or in part) if the pay-out was based on incorrect information about the achievement of the targets ('claw back').

2025 remuneration of the executive directors

The remuneration of the executive directors is in accordance with the remuneration policy. There are no loans, advances or guarantees provided by the Company or any undertaking belonging to the same group of the Company to or on behalf of an executive director.

The following table summarizes the remuneration received by the executive directors for the years ended 31 December 2025 and 2024:

Director, Position, Year		Base remuneration			Variable incentive		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Fixed Remuneration	Fees	Benefits and perquisites	Short-term incentive	Long-term incentive				
Paolo Merloni *Executive Chair*	2025	1,100	70	26	528	136[(1)]	-	54	1,914	65% fixed 35% variable
	2024	1,100	73	66	0	455[(2)]	-	50	1,744	74% fixed 26% variable
Maurizio Brusadelli *Chief Executive Officer* [(3)]	2025	1,900	50	73	792	0	3,250[(3)]	44	6,109	87% fixed 13% variable
	2024	1,900	50	94	0	0	2,800[(4)]	39	4,883	100% fixed

Notes:

- *Fixed remuneration represents for the Executive Chair the base salary and the executive director fee. For the chief executive officer the fixed remuneration represents base salary, executive director fee and non-compete consideration.*
- *Fees represent the Board fee and the committee membership fees.*
- *The short-term incentive represents the incentive to be paid for performance results achieved in 2025.*
- *The long-term incentive value is calculated as follows: (i) for 2025, the LTI is valued referring to the share price on 30 December 2025 at close of trade (€ 4.46) and (ii) for 2024, the LTI is valued referring to the share price on 30 December 2024 at close of trade (€ 3.45).*

(1) LTI accrued value based on IFRS2 expenses is € 325 thousand.
(2) LTI accrued value based on IFRS2 expenses is € 1,437 thousand.
(3) The chief executive officer received the payment of a one-off amounting to € 2,800 thousand as foreseen by his terms of engagement and a one-off exceptional retention bonus amounting to € 450 thousand.
(4) The chief executive officer received a one-off payment amounting to € 2,800 thousand as foreseen by his terms of engagement.

Short-term incentive

To determine the executive directors' short-term remuneration, the compensation and talent development committee selected and proposed to the Board the following metrics as performed by the executive directors in 2025:

KPI 2025	Weight
Group Adjusted EBIT *(€ million)*	50%
Group Net Turnover *(€ million)*	30%
Group Quality Index	20%

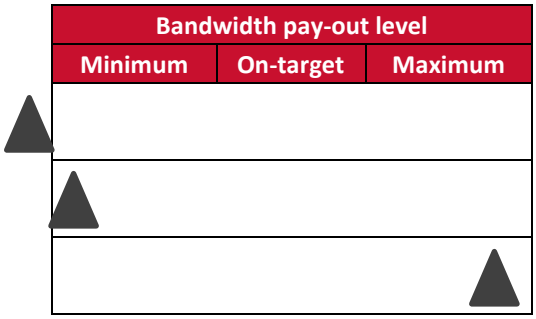
Bandwidth pay-out level		
Minimum	On-target	Maximum
▲		
	▲	
		▲

The pay-out level of the 2025 short-term incentive reflects the Company performance results to be approved by the Board on 3 March 2026.

Long-term incentive

In 2025 the LTIP 2022 vested. The compensation and talent development committee has proposed to the Board to recognize the following level of achievement:

KPI	Weight	Bandwidth pay-out level		
		Minimum	On-target	Maximum
Group Adjusted EBIT/Net sales matrix	70%			
Relative TSR	15%			
Sustainability Objective	15%			



In 2025, the compensation and talent development committee also proposed to the Board the grant of a new LTIP covering the performance years 2025-2027, in line with the remuneration policy.

The table below provides an overview of the outstanding LTI in 2025. It also provides an overview of (i) the number of PSUs of the LTIP 2022 that vested during 2025 as resolved by the Board on 5 March 2025 and (ii) the new PSUs and RSUs granted under the LTIP 2025 as resolved by the Board on 9 April 2025.

Director, position	Main conditions of performance share plans				Information regarding 2025					
					Opening balance	During the year		Closing balance		
	Plan	Performance period	Vesting start date	Vesting end date	Units on 1 January 2025[1]	Units awarded	Units vested/ shares received	Units vested/ shares received	Units awarded and unvested	Unexercised shares
Paolo Merloni *Executive Chair*	2022	2022-2024	28.04.2022	31.03.2025	104,948	0	30,435	30,435	0	30,435
	2023	2023-2025	04.05.2023	30.03.2026	110,741	0	0	0	110,741	0
	2024	2024-2026	06.05.2024	31.03.2027	218,124	0	0	0	218,124	0
	2025	2025-2027	03.06.2025	31.03.2028	0	250,740[2]	0	0	250,740	0
Maurizio Brusadelli *Chief Executive Officer*	2023	2023-2025	03.08.2023	30.03.2026	208,776	0	0	0	208,776	0
	2024	2024-2026	06.05.2024	31.03.2027	376,760	0	0	0	376,760	0
	2025	2025-2027	03.06.2025	31.03.2028	0	433,098[2][3]	0	0	433,098	0

(1) *Unvested PSUs.*

(2) *The number of units granted to the executive directors, as resolved by the Board on 9 April 2025 on the proposal of the compensation and talent development committee, is determined by dividing the individual grant value by the average closing price of the Company's shares on the 30 trading days before the grant. Specifically, for LTIP 2025 the average closing price on the 30 trading days before the grant was € 4.387.*

(3) *The units for the chief executive officer have been granted in the form of 60% PSUs and 40% RSU, i.e. 259,859 PSUs and 173,239 RSUs.*

The table below provides an overview of the ordinary shares held by the executive directors as of 31 December 2025.

Executive director	Number of ordinary shares
Paolo Merloni	535,268
Maurizio Brusadelli	80,000

Change of remuneration of executive directors and Company performance

The following table shows a comparison of the fixed remuneration over the last five years of the executive directors who served as executive director in 2025.

Annual change	2021	2022	2023	2024	2025
Executive directors' fixed remuneration ***(in € thousand)***					
Paolo Merloni *Executive Chair*	1,003	1,118	1,241	1,239	1,196
Maurizio Brusadelli *Chief Executive Officer* (1)	N.A.	N.A.	974	2,044	2,023
Executive directors' total remuneration ***(in € thousand)***					
Paolo Merloni *Executive Chair*	2,879	3,523	2,813	1,744	1,914
Maurizio Brusadelli *Chief Executive Officer*	N.A.	N.A.	1,399	4,883	6,109
Company performance ***(in € million)***					
EBIT	171	194	285	63	178
EBITDA	247	283	417	203	317
EBIT Adjusted	203	223	314	160	193
EBITDA Adjusted	277	305	422	276	311
Average remuneration on a full-time equivalent basis of employees(1) ***(in € thousand)***					
Employees of the Group	54	59	65	63	64
Internal pay ratio Chief Executive Officer					
Chief Executive Officer vs employees of the Group	40	44	N.A.(2)	105	124

(1) The population composition changes across the years in terms of FTE, mix and countries.
(2) In 2023 there is no relevant full year data for the CEO remuneration.

Internal pay ratio of the chief executive officer based on fixed remuneration

In accordance with Dutch law and the Dutch Corporate Governance Code, the internal pay ratio is an important factor in determining the remuneration policy. Pursuant to the Dutch Corporate Governance Code 'pay ratio' is understood to mean the ratio between (a) the total annual remuneration of the chief executive officer and (b) the average annual remuneration of the employees of the company and the group companies whose financial data the company consolidates, where: (i) the total annual remuneration of the chief executive officer includes all remuneration components (such as fixed remuneration, variable remuneration in cash (bonus), the share-based part of the remuneration, social security contributions, pension, expense allowance, etc.), as included in the (consolidated) financial statements; (ii) the average annual remuneration of the employees is determined by dividing the total wage costs in the financial year (as included in the (consolidated) financial statements) by the average number of FTEs during the financial year; and (iii) the value of the share-based remuneration is determined at the time of assignment, in line with the applicable rules under the applied reporting requirements. The Company has elected to follow this methodology from 2022. The 2025 pay ratio of the chief executive officer versus the employees of the Group is 124. This number is significantly impacted by the one-off amount paid to the chief executive officer as foreseen by his terms of engagement. The 2025 pay ratio of the chief executive officer excluding this one-off payment is 73.

Compliance with the remuneration policy and application of performance criteria

For the Board's 2025 remuneration, all the criteria, rules and procedures defined in the remuneration policy have been implemented with no deviations or derogations.

Director, position	Description of the performance criteria and type of applicable remuneration	Relative weighting of the performance criteria	Actual award outcome
Paolo Merloni *Executive Chair*	Short-term incentive: Group Adjusted EBIT	50%	
	Short-term incentive: Group Net Turnover	30%	
	Short-term incentive: Group Quality Index	20%	
	Long-term incentive: Group Adjusted EBIT objective	40%	(a) [●] available in 2028
			(b) [●] available in 2028
	Long-term incentive: Group Net Turnover objective	30%	(a) [●] available in 2028
			(b) [●] available in 2028
	Long-term incentive: TSR objective	15%	(a) [●] available in 2028
			(b) [●] available in 2028
	Long-term incentive: Sustainability objective	15%	(a) [●] available in 2028
			(b) [●] available in 2028
Maurizio Brusadelli *Chief Executive Officer*	Short-term incentive: Group Adjusted EBIT	50%	
	Short-term incentive: Group Net Turnover	30%	
	Short-term incentive: Group Quality Index	20%	
	Long-term incentive: Group Adjusted EBIT objective	40%	(a) [●] available in 2028
			(b) [●] available in 2028
	Long-term incentive: Group Net Turnover objective	30%	(a) [●] available in 2028
			(b) [●] available in 2028
	Long-term incentive: TSR objective	15%	(a) [●] available in 2028
			(b) [●] available in 2028
	Long-term incentive: Sustainability objective	15%	(a) [●] available in 2028
			(b) [●] available in 2028

Remuneration of non-executive directors

The remuneration of non-executive directors aims to reward the non-executive directors for utilizing their skills and competences to the maximum extent possible to execute the tasks delegated to them. The general meeting determines the remuneration upon proposals of the Board, which periodically sends these proposals to the general meeting.

Remuneration components for non-executive directors

The remuneration of the non-executive directors reflects the size of the Group, as well as the responsibilities of the role and the time spent. Since the nature of the responsibilities of the non-executive directors is to act as independent bodies, the remuneration is not tied to the performance of the Group. Therefore, the remuneration of non-executive directors includes fixed compensation only. The annual fixed fee for non-executive directors is € 50,000. The chair and the members of the Board's committees are provided with a supplementary committee fee for these additional responsibilities as set out in the table below:

Committee	Chair	Member
Compensation and talent development committee	€ 20,000	€ 10,000
Strategic committee	€ 20,000	€ 10,000
Audit and sustainability committee	€ 20,000	€ 10,000

The non-executive directors (i) shall not be eligible to participate in any benefits programs offered by the Company, (ii) will not be entitled to any severance pay, and (iii) are not eligible to participate in a pension scheme or other pension related benefits. The non-executive directors will, however, be reimbursed for all reasonable business expenses incurred when performing their duties. Furthermore, non-executive directors are beneficiaries of the D&O insurance policy of executive directors.

2025 remuneration of the non-executive directors

The remuneration of the non-executive directors is in accordance with the remuneration policy. There are no loans, advances or guarantees provided by the Company or any undertaking belonging to the same group of the Company to non-executive directors.

The following table summarizes the remuneration received by the non-executive directors for the years ended 31 December 2025 and 2024.

Non-executive director *(in € thousand)*	Fee 2025	Supplementary committee fee 2025	Remuneration 2025	Remuneration 2024
Laurent Jacquemin	50	10	60	60
Marinella Soldi[(1)]	50	13	63	70
Antonia Di Bella	50	20	70	67
Guido Krass	50	10	60	60
Roberto Guidetti[(2)]	50	27	77	90
Maria Francesca Merloni	50	-	50	50
Ignazio Rocco di Torrepadula[(3)]	50	13	63	70
Enrico Vita	50	10	60	60
Katja Gerber[(4)]	50	10	60	40

(1) Member of the ESG committee up to 7 May 2025.
(2) Chair of the ESG committee up to 7 May 2025.
(3) Member of the audit committee up to 7 May 2025.
(4) Member of the ESG committee up to 7 May 2025 and member of the audit and sustainability committee since 7 May 2025.

The following table shows a comparison of the remuneration over the last five years of non-executive directors who served as non-executive director in 2025:

Non-executive director *(in € thousand)*	2021	2022	2023	2024	2025
Laurent Jacquemin	48[(1)]	50[(1)]	50[(1)]	60	60
Marinella Soldi[(2)]	67	70	70	70	63
Antonia Di Bella	-	-	60	67	70
Guido Krass	-	-	60	60	60
Roberto Guidetti[(3)]	71	90	90	90	77
Maria Francesca Merloni	48	50	50	50	50
Ignazio Rocco di Torrepadula[(4)]	38	60	70	70	63
Enrico Vita	52	60	60	60	60
Katja Gerber[(5)]	-	-	-	40	60

(1) Fees received during his period as CEO ended on 27 July 2023.
(2) Member of the ESG committee up to 7 May 2025.
(3) Chair of the ESG committee up to 7 May 2025.
(4) Member of the audit committee up to 7 May 2025.
(5) Member of the ESG committee up to 7 May 2025 and member of the audit and sustainability committee since 7 May 2025.

8. Ariston Holding N.V. Consolidated Financial Statements at 31 December 2025

INDEX – Consolidated Financial Statements

Ariston Holding N.V. – Consolidated Financial Statements at 31 December 2025

Consolidated primary statements

Consolidated income statement for the year ended 31 December 2025.....205
Consolidated statement of other comprehensive income for the year ended 31 December 2025....206
Consolidated statement of financial position as at 31 December 2025.....207
Consolidated statement of cash flows for the year ended 31 December 2025.....209
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2025.....210

Notes to the consolidated financial statements

1. Corporate information.....211
2. Significant events of the year.....212
3. Basis of accounting preparation.....213
4. Material accounting policies.....220
5. Changes in accounting standards.....238
6. Disclosure to the Financial Statements.....240
   - 6.1 Income statement.....240
   - 6.2 Statement of Financial Position – Assets.....250
   - 6.3 Statement of Financial Position – Liabilities and Equity.....270
   - 6.4 Other Information.....285

8. Ariston Holding N.V. Consolidated Financial Statements at 31 December 2025

Consolidated income statement for the year ended 31 December 2025

(in € million)	notes	2025		2024	
REVENUE AND INCOME					
Net revenue	1.1	2,707.1	100.0%	2,632.7	100.0%
Other revenue and income	1.1	40.2	1.5%	47.5	1.8%
Revenue and Income	1.1	**2,747.4**	**101.5%**	**2,680.1**	**101.8%**
OPERATING EXPENSES					
Change in inventories	1.2	-11.6	-0.4%	121.7	4.6%
Purchase of raw materials, consumables and goods for resale	1.2	1,237.1	45.7%	1,103.5	41.9%
Services	1.3	493.2	18.2%	461.5	17.5%
Personnel	1.4	666.5	24.6%	667.4	25.4%
Depreciation and amortisation	2.1/2.2	138.9	5.1%	139.7	5.3%
Addition and release of provisions	1.5	47.6	1.8%	49.2	1.9%
Write-downs of Intangible Assets and PPE	2.1/2.2	12.2	0.4%	5.1	0.2%
Other operating expenses	1.6	26.5	1.0%	68.8	2.6%
Gain on bargain purchases	2.1.1	-41.1	-1.5%	0.0	0.0%
Operating expenses		**2,569.2**	**94.9%**	**2,616.8**	**99.4%**
OPERATING PROFIT (EBIT)	1.7	**178.2**	**6.6%**	**63.3**	**2.4%**
FINANCIAL INCOME AND EXPENSE					
Financial income	1.8	6.6	0.2%	9.4	0.4%
Financial expense	1.9	-42.2	-1.6%	-48.8	-1.9%
Exchange rate gains/losses	1.10	0.4	0.0%	-5.5	-0.2%
Financial Income and Expense		**-35.2**	**-1.3%**	**-45.0**	**-1.7%**
PROFIT (LOSS) ON INVESTMENTS					
Profit (loss) on investments	1.11	**-9.2**	**-0.3%**	**-4.6**	**-0.2%**
PROFIT BEFORE TAX		**133.8**	**4.9%**	**13.7**	**0.5%**
TAXES	1.12	**1.2**	**0.0%**	**11.4**	**0.4%**
			0.9%		**83.1%**
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**132.5**	**4.9%**	**2.3**	**0.1%**
NET PROFIT		**132.5**	**4.9%**	**2.3**	**0.1%**
Net profit attributable to non-controlling Interests		**0.1**	**0.0%**	**-0.2**	**0.0%**
Net profit attributable to the Group		**132.4**	**4.9%**	**2.5**	**0.1%**
Basic earnings per share (€)	1.13	**0.36**		**0.01**	
Diluted earnings per share (€)	1.13	**0.36**		**0.01**	

Consolidated statement of other comprehensive income for the year ended 31 December 2025

(in € million)	notes	2025	2024
NET PROFIT	3.1	**132.5**	**2.3**
Items that will not be reclassified to the income statement			
Actuarial gains (losses) (*)	3.1	2.9	0.4
Sub-total of items that will not be reclassified to the income statement		***2.9***	***0.4***
Items that may be reclassified to the income statement			
Gains (losses) from the translation of financial statements	3.1	-24.7	-11.8
Net gains (losses) under cash flow hedge reserve (*)	3.1	3.9	-2.8
Sub-total of Items that may be reclassified to the income statement		***-20.8***	***-14.6***
Total other gains (losses) net of taxes		**-17.9**	**-14.3**
TOTAL COMPREHENSIVE INCOME		**114.6**	**-11.9**
Attributable to:			
- Group		114.5	-11.7
- Non-controlling Interests		0.1	-0.2

(*) Tax effect included

Consolidated statement of financial position as at 31 December 2025

(in € million)	notes	At December 31, 2025	At December 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	2.1	891.6	897.8
Other intangible assets	2.1	600.5	603.4
Total intangible assets	2.1	**1,492.1**	**1,501.2**
Property, plant and equipment			
Land and buildings excluding ROU		*212.5*	*203.0*
Land and buildings ROU		*54.1*	*60.9*
Land and buildings	2.2	266.6	264.0
Plant and machinery excluding ROU		*162.1*	*158.1*
Plant and machinery ROU		*1.1*	*1.1*
Plant and machinery	2.2	163.1	159.2
Other property, plant and equipment excluding ROU		*217.5*	*187.1*
Other property, plant and equipment ROU		*42.6*	*38.2*
Other property, plant and equipment	2.2	260.1	225.3
Total property, plant and equipment	2.2	**689.9**	**648.5**
Investments in associates & Joint ventures	2.3	12.9	5.1
Deferred tax assets	2.4	126.0	122.1
Financial assets	2.5	2.1	5.1
Other non-current assets	2.6	8.3	7.0
Non-current tax receivables	2.7	1.9	1.0
Total non-current assets		**2,333.1**	**2,290.2**
CURRENT ASSETS			
Inventories	2.8	511.0	470.4
Trade receivables	2.9	347.8	333.9
Tax receivables	2.10	38.0	39.9
Current financial assets	2.11	11.9	18.4
Other current assets	2.12	86.7	62.8
Cash and cash equivalents	2.13	246.5	350.8
Total current assets		**1,241.9**	**1,276.1**
ASSETS HELD FOR SALE	2.14	**1.7**	**0.3**
TOTAL ASSETS		**3,576.7**	**3,566.5**

Consolidated statement of financial position as at 31 December 2025

(in € million)	notes	At December 31, 2025	At December 31, 2024
LIABILITIES AND EQUITY			
NET EQUITY			
Share capital	3.1	46.5	46.5
Share premium reserve	3.1	711.3	711.3
Retained earnings and other reserves	3.1	625.9	665.4
Net profit attributable to the Group	3.1	132.4	2.5
Net equity attributable to the Group	3.1	**1,516.1**	**1,425.8**
Non-controlling interests and reserves		-1.1	-0.5
Net profit attributable to non-controlling interests		0.1	-0.2
Net equity attributable to non-controlling interests		**-1.0**	**-0.7**
Net equity	3.1	**1,515.1**	**1,425.1**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	3.2	181.8	208.7
Non-current provisions	3.3	82.2	69.6
Post employment benefits	3.4	78.4	85.0
Non-current financing	3.5	736.1	800.1
Other non-current liabilities	3.6	34.8	24.0
Non-current tax liabilities	3.7	0.7	3.9
Total non-current liabilities		**1,113.9**	**1,191.2**
CURRENT LIABILITIES			
Trade payables	3.8	504.9	444.2
Tax payables	3.9	53.5	53.4
Current provisions	3.10	50.0	62.8
Current financial liabilities	3.11	30.5	46.8
Current loans	3.12	33.8	101.3
Other current liabilities	3.13	275.0	241.9
Total current liabilities		**947.7**	**950.2**
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE		**0.0**	**0.0**
TOTAL LIABILITIES AND NET EQUITY		3,576.7	3,566.5

Consolidated statement of cash flows for the year ended 31 December 2025

		(in € million) notes	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES				
1	NET PROFIT	3.1	132.5	2.3
2	- Taxes	1.12	1.2	11.4
3	- Income and expense from financing and investment activities	From 1.8 to 1.11	44.4	49.5
4	- Depreciation and amortisation excluding ROU	2.1/2.2	104.4	107.0
5	- Depreciation ROU	2.2	34.5	32.6
6	- Provisions	1.5	47.6	49.2
7	- Other adjustments		12.2	5.1
8	= **GROSS OPERATING CASH FLOW** (+1+2+3+4+5+6+7)		**376.8**	**257.3**
9	- Change in trade receivables	2.9	-4.0	23.6
10	- Change in inventories	2.8	-10.1	119.0
11	- Change in trade payables	3.9	61.8	-43.4
12	- Change in other short-term assets/liabilities		-27.0	58.5
13	- Change in provisions		-60.2	-57.3
14	- Tax paid		-33.8	-51.2
15	= **NET OPERATING CASH FLOW** (+8+9+10+11+12+13+14)		**303.3**	**306.5**
CASH FLOW FROM INVESTMENT ACTIVITIES				
16	- Investments in intangible assets	2.1	-38.1	-33.7
17	- Investments in property, plant and equipment (PPE)	2.2	-107.5	-82.1
18	- Government grants		4.5	0.0
19	- Business combinations	2.1.1	-24.5	-22.0
20	- Investments in financial assets		-8.3	-4.9
21	- Change in the scope of consolidation		1.5	-3.5
22	- Proceeds from sale of intangible assets and PPE	2.1/2.2	1.5	4.7
23	- Interest received		4.4	6.8
24	= **CASH FLOW FROM INVESTMENT ACTIVITIES (**+16+17+18+19+20+21+22+23)		**-166.5**	**-134.6**
CASH FLOW FROM FINANCING ACTIVITIES				
25	- Financial expense paid		-35.8	-37.6
26	- Financial expense pursuant to IFRS16		-3.8	-3.6
27	- Other inflows (outflows) of cash classified as financing activities	1.10	0.3	0.8
28	- Increase/decrease in short-term financial payables	3.5	-69.3	-47.7
29	- New loans	3.5	100.8	2.3
30	- Loans repayment	3.5	-195.8	-103.5
31	- Payment of dividends	3.1	-29.5	-63.1
32	- Capital and reserves increase/distribution		0.0	0.0
33	- Proceeds from issue of ordinary shares		0.0	0.0
34	- Buyback/sale of treasury shares	3.1	-1.0	-11.8
35	= **CASH FLOW FROM FINANCING ACTIVITIES** (25+ / +34)		**-234.1**	**-264.3**
36	= **CASH FLOW FROM CONTINUING OPERATIONS** (15+24+35)		**-97.3**	**-92.4**
37	= **CASH FLOW FROM DISCONTINUED OPERATIONS**		**0.0**	**0.0**
38	= **TOTAL CASH FLOW** (36+37)		**-97.3**	**-92.4**
39	***Effect of changes in exchange rates***		**-9.5**	**-2.4**
40	**= TOTAL MOVEMENT IN CASH AND CASH EQUIVALENTS** (+38+39)		**-106.8**	**-94.8**
41	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		345.2	440.0
42	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (+40+41)		238.4	345.2

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2025

CHANGES IN NET EQUITY *(in € million)*	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Stock-based incentive plans reserve	Reserve for gains/losses in equity	Actuarial gains (losses)	Retained earnings (losses) and other reserves	Net profit	Net equity attributable to the Group	Net equity attributable to non controlling interest	Net Equity
Balances as at 31 December 2024	**3.1**	**46.5**	**-22.1**	**711.3**	**37.0**	**4.0**	**-4.4**	**-23.5**	**674.5**	**2.5**	**1,425.8**	**-0.7**	**1,425.1**
Net profit										132.4	**132.4**	0.1	**132.5**
Other comprehensive income (loss)							3.9	2.9	-24.7		**-17.9**		**-17.9**
Total comprehensive income							***3.9***	***2.9***	***-24.7***	***132.4***	***114.5***	***0.1***	***114.6***
Consolidated profit allocation									2.5	-2.5	**0.0**		**0.0**
Payment of dividends	3.1								-29.5		**-29.5**		**-29.5**
Share-based payments	3.1		0.7			3.0			-0.8		**2.9**		**2.9**
Acquisition of treasury shares	3.1		-1.0								**-1.0**		**-1.0**
Other changes	3.1				7.1				-3.8		**3.3**	-0.4	**2.9**
Balances as at 31 December 2025	**3.1**	**46.5**	**-22.4**	**711.3**	**44.1**	**7.0**	**-0.4**	**-20.7**	**618.2**	**132.4**	**1,516.0**	**-1.0**	**1,515.1**

CHANGES IN NET EQUITY *(in € million)*	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Stock-based incentive plans reserve	Reserve for gains/losses in equity	Actuarial gains (losses)	Retained earnings (losses) and other reserves	Net profit	Net equity attributable to the Group	Net equity attributable to non controlling interest	Net Equity
Balances as at 31 December 2023	**3.1**	**46.5**	**-14.8**	**711.3**	**30.8**	**9.0**	**-1.6**	**-23.9**	**554.1**	**191.2**	**1,502.6**	**-0.1**	**1,502.5**
Net profit										2.5	**2.5**	-0.2	**2.3**
Other comprehensive income (loss)							-2.8	0.4	-11.8		**-14.3**		**-14.3**
Total comprehensive income							***-2.8***	***0.4***	***-11.8***	***2.5***	***-11.7***	***-0.2***	***-11.9***
Consolidated profit allocation									191.2	-191.2	**0.0**		**0.0**
Payment of dividends	3.1								-63.1		**-63.1**		**-63.1**
Share-based payments	3.1		4.5			-5.0			2.9		**2.5**		**2.5**
Acquisition of treasury shares	3.1		-11.8								**-11.8**		**-11.8**
Other changes	3.1				6.2				1.1		**7.3**	-0.5	**6.8**
Balances as at 31 December 2024	**3.1**	**46.5**	**-22.1**	**711.3**	**37.0**	**4.0**	**-4.4**	**-23.5**	**674.5**	**2.5**	**1,425.8**	**-0.7**	**1,425.1**

8.1 Corporate information

Ariston Holding N.V. (the "Parent Company") is a company listed in Euronext Milan, Italy, having its corporate seat is in Amsterdam, the Netherlands, and its principal office and business address is Via Broletto 44, Milan, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (Kamer van Koophandel) under number 83078738. The Netherlands is the Company's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU).
The major business operations of the Group and of the Ariston Holding N.V. are in Italy and, consequently, the Company has established a secondary seat with a permanent representative office, within the meaning of article 2508 of the Italian Civil Code.
The Parent Company's primary purpose is to be a holding company and, with it, the management and coordination of a series of business processes for all the subsidiaries of the Group (the "subsidiaries"). The Group, with its subsidiaries, is active in the business of the production and distribution of hot water and space heating and service solutions with cutting-edge technology serving markets all around the world.
At 31 December 2025, the voting rights are as follows: Merloni Holding S.p.A. 79.59%, Amaranta S.r.l. 10.85%, Centrotec SE 3.33%, while the market is entitled for 6.23%.
The issued share capital of the Company is held by Merloni Holding S.p.A. for 58.87%, Amaranta S.r.l. for 7.96%, the market for 20.80%, Centrotec SE for 11.12% and Ariston Holding (treasury shares) for 1.25%.
The consolidated financial statements of the Ariston Group as at and for the year ended 31 December 2025 were approved on 3 March 2026 by the Board of the Parent Company and approved for publication.
The consolidated financial statements comprise the following: income statement, statement of other comprehensive income, statement of financial position, statement of cash flows, statement of changes equity (in millions of Euro) and these notes.

The statement of cash flows has been prepared using the "indirect method" and shows the changes that occurred, during the year, in the "short-term financial position" which measures the cash and cash equivalents (short-term and high liquidity financial investments promptly convertible and not subject to the risk of a change in value), classifying the cash flows according to their origin: operating, investing or financing activities.

These consolidated financial statements have been prepared in euro, the currency used in most of the Group's transactions. Transactions with foreign companies are included in the consolidated financial statements in compliance with the standards described hereafter.

8.2 Significant events of the year

The significant events of the year relating to corporate actions, acquisition agreements and other significant events affecting results are described in a specific section of the Directors' report which accompanies these consolidated financial statements. The main events are:

- on 7 March, the acquisition of DDR Heating, a manufacturer specializing in tubular electric heaters for professional and industrial applications based in Michigan;
- Presidential Decree No. 176 of the Russian Federation, issued on 26 March, which reinstated Ariston Holding N.V. into the control and full management of the shares of its Russian subsidiary, Ariston Thermo Rus LLC;
- on 26 June, the acquisition of 80% of Z.R.E. S.r.l., a leading Italian manufacturer of industrial electric heating solutions;
- on 17 October, the Group entered into an agreement to acquire items of property, plant and machinery from an Indian entity, including a building serving as a factory and a set of plant and machinery, used for the production of electric water heaters;
- on 31 October, the Ariston Group acquired 80% of General Bruciatori S.r.l., based in Italy.

For further information about the impacts of the events mentioned above on these consolidated financial statements, reference should be made to paragraph '3 - Basis of preparation'.

8.3 Basis of accounting preparation

The consolidated financial statements have been prepared in compliance with the IFRS Accounting Standards (as adopted by the EU), which include all International Accounting Standards in force as well as all interpretations provided by the IFRS Interpretations Committee formerly known as the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with Part 9 Book 2 of the Dutch Civil Code.
The Parent Company prepares separate financial statements in compliance with the accounting standards under Section 2:362 (8) of the Dutch Civil Code, pursuant to Part 9 of Book 2. These accounting policies are applied to the IFRS consolidated financial statements and the separate financial statements.
The financial statements were prepared based on the going concern principle, on the cost basis and taking any value adjustments into account where appropriate, with the exception of statement of financial position items, such as financial instruments, which, under the IFRS, must be recognized at fair value, and except in cases in which the IFRS allow application of a different measurement criterion. The carrying amount of assets and liabilities subject to fair value hedging transactions, which would otherwise be recognized at cost, has been adjusted to take into account the changes in fair value attributable to the risk being hedged.
The financial statements include corresponding prior year figures for comparative purposes.

i. Going concern

The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, and not less than 12 months from the date of signing the Group's consolidated financial statements.

In compliance with IAS 38 and IAS 36, on a yearly basis, the Group verifies the recoverable amount of intangible assets with an indefinite life. Amounts were tested at aggregate level based on the amounts allocated to the three cash-generating units (CGUs) identified as the lowest level at which goodwill is monitored by the Group and is considered appropriate, given the synergies and efficiencies obtained.
The Group continues to demonstrate a solid financial position across a variety of economic and financial metrics, which safeguard its operations. The Group is thoughtfully reassessing its investment strategies and believes that there are no significant concerns that could impact its ongoing stability.

ii. Segment reporting

For management purposes, the Group is organized into 3 business divisions (representing the three CGUs - Thermal Comfort, Burners and Components). However from a segment reporting perspective, the Group has one reportable segment in accordance with IFRS 8 – Operating Segments.
In assessing performance, management reviews financial information on an integrated basis for the Group as a whole, substantially in the form of, and on the same basis as, the Group's IFRS financial statements.
The information required as per IFRS 8.31-34 has been disclosed in Section '6. Notes to the Consolidated Financial Statements'.

iii. Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and of the Italian and foreign subsidiaries.
For the purposes of preparing IFRS-compliant consolidated financial statements, all consolidated companies have prepared a specific reporting package, at the same reporting date, based on the IFRS Accounting Standards that the Group has adopted and which are described below, entailing the reclassification and/or adjustment of their accounting data prepared for disclosure purposes on a local level.
The consolidated financial statements reflect the financial position and performance of the Parent Company and of its direct and indirect subsidiaries. In particular, consolidated entities are those under the direct or indirect control of Ariston Holding N.V., with the majority of voting rights at the general meeting, or through the exercise of a significant influence over the financial and operating policies of the companies/entities, thus obtaining the related benefits, even without regard to equity ownership.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the significant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the contractual arrangement(s) with the other vote holders of the investee; rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when it loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date control ceases.
All subsidiaries are consolidated from the date when the Group acquired their control. They are excluded from the consolidation scope from the date the Group ceases or loses control of them.
The income statement and each component of OCI are allocated to the owners of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Compared to 31 December 2024, the consolidation scope changed due to the following transactions:

- On 31 January, the Ariston Group acquired 100% of the Italian-based 'Clima Techno Service S.r.l.'. The acquisition was performed by the Italian-based 'Ariston S.p.A.'.

- On 7 March, the Ariston Group acquired 100% of the US-based 'DDR Heating Inc.'. The acquisition was performed by the US-based 'Ariston Holding USA LLC'. Reference should be made to 'Note 2.1.1 – Business combinations' for further details.

- On 26 March 2025, Presidential Decree No. 176 of the Russian Federation reinstated Ariston Holding N.V. into the control and full management of the shares of its Russian subsidiary, Ariston Thermo Rus LLC. This follows the temporary transfer of the subsidiary to external management under Gazprom Bytovie Sistemy (a subsidiary of the Gazprom Group) as mandated by Presidential Decree No. 294, issued on 26 April 2024. The new decree formally nullifies Subparagraph "a" of Paragraph 1 of Decree No. 294, effectively restoring Ariston Group's full ownership and operational control over Ariston Thermo Rus LLC.
  With the issuance of Decree No. 176, the Ariston Group has re-gained control over Ariston Thermo Rus LLC. Therefore, Ariston will need to consolidated the company on a line-by-line basis in accordance with IFRS 10.
  The Ariston Group considers 1 April 2025 as the reconsolidation date. Reference should be made to 'Note 2.1.1 – Business combinations' for further details.

- On 8 May, the Ariston Group, through its Swiss subsidiary Elcotherm AG, entered into an agreement to acquire Kälin Wärmetechnik AG, a Swiss company operating in the trade, distribution and installation of oil and gas heating systems and air-conditioning technologies, as well as in service and maintenance activities. Reference should be made to 'Note 2.1.1 – Business combinations' for further details.

- On 26 June, the Ariston Group acquired 80% of 'Z.R.E. S.r.l.', based in Italy.
  The acquisition was performed by the Italian-based 'Thermowatt S.p.A.'. Reference should be made to 'Note 2.1.1 – Business combinations' for further details.

- On 17 October, the Ariston Group entered into an Asset Purchase Agreement ("APA") with Hintastica Private Limited in order to purchase a series of assets, including a building serving as a factory and a set of plant and machinery, used for the production of electric water heaters. The acquisition was performed by the Indian entity 'Ariston Water Heating Products India Private Limited'. Reference should be made to 'Note 2.1.1 – Business combinations' for further details.

- On 31 October, the Ariston Group acquired 80% 'General Bruciatori S.r.l.' based in Italy. The acquisition was performed by the Italian-based 'Ecoflam Bruciatori S.p.A.'. 'General Bruciatori S.r.l.' has been included in the Ariston Group's consolidation scope since the acquisition date.

For further details on transactions that occurred in the year, reference should be made to the following section 'Basis of consolidation'.

The list of the companies included in the consolidation scope at 31 December 2025 is included in the 'List of companies at 31 December 2025.

Subsidiaries

A subsidiary is a company where the financial and operating policies are determined by the Parent Company which aims to benefit from their activities.
The economic results of the subsidiaries, whether acquired or transferred during the period, are included in the consolidated income statement from the actual acquisition date to the actual transfer date.

The share of non-controlling interests in the net assets of the consolidated subsidiaries is identified separately from the equity attributable to owners of the Parent. This share is determined based on their percentage of interest held:

a. in the fair values of the assets and liabilities recognized at the date of the business combination. As regards the symmetric put and call contracts connected to the new acquisitions, they have been represented by recognizing the fair value of the liability arising from the purchase and sale options signed upon acquisition on all the shares held by non-controlling interests under financial liabilities in the statement of financial position and without recognising the residual equity attributable to non-controlling interests (see the subsequent section: "Business combinations");

b. in the changes in equity after that date. Subsequently, the losses attributable to non-controlling interests exceeding the equity attributable to them, are recognized under non-controlling interests.

Associates and joint ventures

The consolidated financial statements include the portion of associates' economic results attributable to the owners of the Parent. Associates are companies over which the Group has a significant influence, in terms of financial and operating policies, although not holding control or joint control. The portion of these companies' economic results attributable to the owners of the Parent is recognized according to the equity method, from the date when the significant influence starts until it ceases to exist. If the portion of losses of an associate attributable to the owners of the Parent exceeds the carrying amount of the recognized investment, the amount of this investment is eliminated and the portion of exceeding losses is not recognized, except and to the extent of the obligations assumed by the Parent.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost.

The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date.
The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in the OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.
The aggregate of the Group's share of the income statement of an associate and a joint venture is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.
The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies into line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount, and subsequently recognizes the loss in 'Share of profit of an associate and a joint venture' in the income statement.
Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the income statement.

Transactions eliminated upon consolidation

All significant intra-group balances and transactions arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Consolidation of foreign companies

All assets and liabilities of foreign companies in a functional currency other than the euro, falling within the consolidation scope, are translated using closing rates (current exchange method). Income and expenses are translated using the average exchange rate for the year. Should it be possible to identify the specific exchange rate for individual transactions, these items are translated using the related spot rate.
Exchange differences arising from application of this method are recognized in OCI and equity until the investment is transferred. Goodwill and adjustments to the fair values generated by the acquisition of a foreign company are recognized in their currency and translated using the closing rate.
The following tables show the exchange rates against the euro used to translate foreign currency financial statements: (exchange rate = euro/currency).

Currency		2025 Average exch. rate	2025 Exch. rate at 12.31	2024 Average exch. rate	2024 Exch. rate at 12.31
Emirati Dirham	AED	4.14	4.32	3.98	3.82
Canadian Dollar	CAD	1.57	1.61	1.48	1.49
Swiss Franc	CHF	0.94	0.93	0.95	0.94
Chinese Renminbi	CNY	8.10	8.23	7.77	7.58
Czech Koruna	CZK	24.70	24.24	25.12	25.19
Danish Crown	DKK	7.46	7.47	7.46	7.46
Egyptian Pound	EGP	55.71	56.05	50.04	52.82
English Sterling	GBP	0.86	0.87	0.85	0.83
Russian Ruble	RUB	93.79	96.08	99.80	116.56
Hungarian Forint	HUF	397.59	385.15	395.54	411.35
Indonesian Rupiah	IDR	18,638.14	19,640.83	17,131.48	16,820.88
Indian Rupiah	INR	99.80	105.60	90.60	88.93
Kazakhstani Tenge	KZT	587.26	592.33	509.93	544.98
Morocco Dirham	MAD	10.54	10.71	10.77	10.51
Mexican Peso	MXN	21.57	21.12	20.01	21.55
Nigerian Naira	NGN	1,620.36	1,698.67	1,669.72	1,674.32
Polish Zloty	PLN	4.24	4.22	4.31	4.28
Romanian New Leu	RON	5.05	5.10	4.97	4.97
Singapore Dollar	SGD	1.47	1.51	1.44	1.42
Tunisian Dinar	TND	3.37	3.39	3.37	3.31
Ukrainian Hryvnia	UAH	47.39	49.79	43.59	43.69
US Dollar	USD	1.13	1.18	1.08	1.04
Vietnam Dong	VND	29,865.06	30,883.00	27,107.79	26,478.00
Israeli New Shekel	ILS	3.88	3.75	3.99	3.79
Serbian Dinar	RSD	117.21	117.31	117.08	116.80
Australian Dollar	AUD	1.75	1.76	1.64	1.68
South African Rand	ZAR	20.18	19.44	19.80	19.62

Hyperinflation

With reference to the Group, at 31 December 2025 no material operations are located in hyperinflationary economies in accordance with IFRS Accounting Standards. Consequently, the consolidated financial statements do not include material effects related to the application of IAS 29.

Business combinations

Business combinations are accounted for using the acquisition method.
The Group verifies that a business combination falls within the definition of the IFRS only if it is an integrated set of activities and assets that, with the input and process, contribute to the output creation.
The cost of acquisition is calculated as the sum of payments transferred as part of a business combination, measured at fair value, on the acquisition date and at the value of the portion of equity attributable to non-controlling interests, measured at the fair value of the net interest recognized for the acquired entity.
Ancillary costs related to the transactions are recognised in the income statement when incurred. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.
The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.
When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Should the business combination be done in instalments, the interest previously held by the Group in the acquired business is recognised at fair value on the date control is acquired, and any resulting gains or losses are recognized in the income statement.
Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration, classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with fair value changes recognized in the income statement in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is remeasured at fair value at each reporting date with changes in fair value recognized in the income statement.
Any changes in the fair value of the net assets acquired, occurring once further information is available during the measurement period – 12 months from the acquisition date – are included retrospectively in goodwill.
Goodwill acquired in business combinations is initially measured at cost, as the excess of the sum of payments transferred, the value of the portion of equity relating to non-controlling interests and the fair value of any interest previously held in the acquired business over the Group's portion of the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. If the carrying amount of the net assets acquired and liabilities assumed on the acquisition date exceeds the sum of the transferred payments, the value of the non-controlling interests' portion of equity and the fair value of any interest previously held in the acquired business, this excess value is accounted for in profit and loss as income from the transaction.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Accounting treatment of the Put and Call Agreement for the non-controlling interest in Chromagen Australia

On 31 May 2023, the Group entered into an agreement with non-controlling interests for the acquisition of the remaining shares. The Group fully recognised Non-Controlling Interests (NCI). This includes recognizing the amount payable, along with any subsequent changes to the carrying amount of the financial liability. These changes result from remeasuring the present value of the amount payable when the NCI put option is exercised. The effects of these changes are recognised in the profit or loss attributable to the owners of the parent. The agreement establishes both a call option, granting the Group the right to purchase the shares, and a put option, affording non-controlling interests the right to sell the shares. The present value of this amount is equal to € 20.9 million and is classified under current liabilities. The exercise date is set within 2 months following the approval of the 2025 financial statements.

Other minor accounting treatment

At 31 December 2025, the Ariston Group has the following financial liabilities:

- Representation and warranty clauses related to the acquisition of the shares and voting rights of MTG Service Single Member that operates in Greece performed in 2023. The present value of this amount is equal to € 0.2 million and is classified under current liabilities given that the expiry date is in 2026.

- During 2023, the Group signed an Asset Purchase Agreement about a customer list with Stenkilde which foresees a future payment based on the performance of the assets acquired. The payment is scheduled annually for the next five years. The present value of this amount is equal to € 0.2 million.

- During 2025, the Group acquired 100% of the Italian-based Clima Techno Service S.r.l. The agreement sets forth a mechanism for a subsequent adjustment of the purchase price. The present value of this amount is equal to € 0.1 million and is classified under non-current liabilities given that the expiry date is in 2028.

- During 2025, the Group acquired 80% of the Italian-based Z.R.E. S.r.l. The agreement establishes both a call option, granting the Group the right to purchase the shares, and a put option, affording non-controlling interests the right to sell the shares. The present value of this amount is equal to € 0.4 million and is classified under non-current liabilities given that the expiry date is in 2027.

- During 2025, the Group acquired 100% of the US-based DDR Heating Inc. The agreement sets forth a mechanism for a subsequent adjustment of the purchase price. The present value of this amount is equal to € 0.8 million and is classified under current liabilities given that the expiry date is in 2026.

- Representation and warranty clauses related to the acquisition performed in 2025 of the shares of Kaelin that operates in Switzerland. The present value of this amount is equal to € 0.5 million and is classified under non-current liabilities given that the expiry date is in 2027.

The following table summarizes the fair value of the above financial liabilities:

Company	Type	% Ownership	Execution Date	Local Currency	Eur million
Chromagen Australia	Put and Call	49%	2026	19.5 CHF	20.9
MTG Service Single Member	Reps and Warranties	n.a.	2026	0.2 EUR	0.2
Clima Techno Service S.r.l.	Earn-out	n.a.	2028	0.1 EUR	0.1
Z.R.E. S.r.l.	Put and Call	20%	2027	0.4 EUR	0.4
DDR Heating Inc	Earn-out	n.a.	2026	1.0 USD	0.8
Financial liabilities related to Investments in subsidiaries					***22.5***
Stenkilde VVS	Earn-out	n.a.	From 2024 to 2028	2.0 DKK	0.2
Kaelin	Reps and Warranties	n.a.	2027	0.4 CHF	0.5
Financial liabilities to third parties					***0.7***

8.4 Material accounting policies

i. Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on a current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

Or

- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii. Fair value measurement

The Group measures financial instruments such as derivatives and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use or by selling it to another market participant that would use the asset in its best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing their categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

iii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the income statement in the period in which the expenditure is incurred.
The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category that is consistent with the function of the intangible assets.
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
An intangible asset is derecognized upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Goodwill

Goodwill arising from the acquisition of a subsidiary reflects the excess of the acquisition cost over the percentage attributable to the Group, of the fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date (IAS 36). Goodwill is recognized as an asset and undergoes an impairment test on an annual basis, or more frequently if there are events or changes in circumstances that may result in impairment losses.
For this purpose, goodwill, if any, resulting at the acquisition date is allocated to each of the cash generating units (CGU), which are expected to benefit from the synergy effects deriving from the acquisition. Any impairment loss is identified through valuations that are based on the capacity of each unit to produce cash flows capable of recovering the part of goodwill allocated to it, according to the methods described hereinafter, in the section "Impairment of assets". If the value recoverable by the cash generating unit is below the attributed carrying amount, the related impairment loss is recognized. This impairment loss is not reversed if the reasons that have generated cease to exist.
If control is lost in a subsidiary, the portion of goodwill attributable to it at the date of the sale is included in the calculation of the gain or loss on disposal.

Other intangible assets

Other intangible assets, whether purchased or internally produced, are recognized under assets in compliance with IAS 38 *Intangible Assets*, if it is likely that the use of the assets will generate future economic benefits and when the cost of the asset can be accurately measured.

These assets (such as concessions, licenses and software) with a definite useful life are recognized at purchase or production cost and amortized on a straight-line basis over their estimated useful life. Any impairment losses, and any restatement, are based on the same methods described in the section "Impairment of assets".

Intangible assets with an indefinite useful life are not amortized but are subject to evaluation in order to identify any impairment loss, yearly or more frequently, and at any time there is an indication that the asset may have been impaired.

Research costs are recognized in the income statement when incurred.
Internally generated intangible assets deriving from the development of the Group's products are recognized under assets, only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to reliably measure the expenditure during development

Capitalized development costs include only the expense incurred which may be attributed directly to the development process.
Intangible assets with a finite useful life are amortized on a straight-line basis over the respective useful life of the product, which is normally 5 years. Any impairment losses, and any reversals, are based on the same methods described in the section "Impairment of assets". If the internally generated assets cannot be recognized, development costs are recognized in the income statement when incurred.

The other intangible assets recognized following the acquisition of a company are recognized separately from goodwill, if their present value can be accurately measured.

Here below are the principles applied by the Group for intangible assets (IAS 38.118) (a) (b):

	Licenses	Trademarks	Development costs	Software
Useful life	Definite (5 years)	Indefinite	Definite (5 years)	Definite (4 years)
Amortization method used	Amortized on a straight-line basis over the period of the license	No amortization	Amortized on a straight-line basis over the period of expected future sales resulting from the related project	Amortized on a straight-line basis over the period of the usage of the software
Internally generated or purchased	Purchased	Purchased	Internally generated/Purchased	Purchased

Residual other intangible assets mainly include purchased customer lists with an average useful life of 20 years, amortized on a straight-line basis over the period of the expected future sales from the customer relationship.

iv. Property, plant and equipment

Property, plant and equipment are recognized at cost, net of accumulated depreciation and impairment losses, if any. Work in progress is stated at cost, net of accumulated impairment losses, if any.
The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
Assets with components of a significant value and with a different useful life are recognized separately when depreciated.
Under IAS 16 *Property, Plant and Equipment* an entity has a policy choice for the measurement of property, plant and equipment after initial recognition. An entity may choose either the cost model or the revaluation model for entire classes of property, plant and equipment. The Group has elected to use the cost model for all asset classes.
Depreciation is calculated on a straight-line basis, according to the cost of the asset net of all residual values, over its estimated useful economic-technical life through the use of depreciation rates that accurately represent it. If significant parts of these assets have a different useful life, they will be stated separately. Depreciation will be based on the following percentage rates:

Buildings and light constructions	from 1.8 to 3.0
Plant and machinery	from 6.0 to 15.5
Industrial and commercial equipment	from 10.0 to 25.0
Cars and internal transport vehicles	from 20.0 to 25.0
Furniture, office equipment, data processing systems	from 12.0 to 20.0

The Group reviews the estimated residual values and expected useful lives of assets at least annually.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each year end and adjusted prospectively, if appropriate.

Land with no construction or annexed to residential and industrial buildings, is not depreciated since it has an indefinite useful life.

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains and losses arising from the sale or disposal of assets are calculated as the difference between revenue from sales and the carrying amount of the asset and are taken to the income statement.

v. Leases

At contract inception the Group assesses whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
Right-of-use assets are recognized in a single accounting model . In accordance with this model, the entity recognizes: (1) assets and liabilities for all leases with a duration of over twelve months; (2) separately in the income statement, the amortization/depreciation of the recognized asset and the interest on the financial liability recognized.

Specifically, in order to determine the value of right-of-use assets, of the related discounted liabilities, any payments made to the lessor before signing the lease, net of the incentives received, the initial direct costs incurred by the lessee as well as the provisions for removal and dismantling, if any, are taken into account.

Leases in place within the Group include offices, warehouses, plant, machinery and vehicles and low-value assets belonging to third parties.
Lease terms generally range from 1-10 years but may contain option to extend them. They may also contain a wide range of different conditions.
In accordance with IFRS 16, right-of-use assets measured at cost, net of accumulated amortization and impairment losses and are adjusted after any remeasurement of the lease liabilities. Their carrying amount is the amount of the recognized lease liabilities, plus the initial direct costs incurred, lease payments settled on the start date of the agreement or previously, and restoration costs, net of any lease incentives received.
The value of the liability, discounted to its present value, as determined above, increases the right of use of the underlying asset, and a liability is recognized as a balancing-entry. Right-of-use assets are amortized on a straight-line basis over their estimated useful life or the term of the agreement, whichever is the shorter. Lease liabilities are recognized on the start date of the agreement for a total amount equal to the present value of the lease payments to be made during the term of the agreement, discounted to using incremental borrowing rates (IBR) when the implicit interest rate in the lease cannot easily be determined. Variable lease payments which are not linked to an index or rate continue to be taken to the income statement when incurred.
After the start date, lease liabilities increase to reflect the accrual of interest and reduce to reflect the payments made. Each lease payment is divided into a repayment of the principal of the liability and a financial cost. The financial cost is charged to the income statement over the term of the agreement to reflect a constant interest rate on the remaining debt portion of the liability for each period.
The term of the lease is calculated taking into account the non-cancellable period of the lease together with the periods covered by an option to extend the agreement if it is reasonably certain that it will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain it will not be exercised. The Group assesses whether it is reasonably certain that it will exercise the options to extend or will terminate the agreements, taking into account all the relevant factors that create a financial incentive for such decisions.

On the basis of practical expedients, recognition of exemptions for low-value and short-term leases, equal to € 36.5 million for 2025 (€ 33.4 million for 2024), was not considered, in addition to € 4.2 million for 2025 (€ 4.2 million for 2024) out of scope IFRS 16, which comprises mainly tolls and leases of IT equipment.

The agreements are either included or excluded from the scope of the standard based on detailed analysis carried out for each agreement and in line with the rules laid down by IFRS Accounting Standards.

IFRS 16 lease liabilities are initially measured at the present value of the lease payments still to be paid.
With respect to some of its leases, the Group has the option to extend or terminate them. The Group applies judgement when assessing whether it is reasonably certain to exercise renewal options. That said, the Group considers all relevant factors that may create an economic incentive to exercise the options to renew or terminate the lease. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances which are within its control and affect whether it can exercise (or not exercise) an option to renew or terminate the lease (e.g. investments in leasehold improvements or specific material changes to the leased asset). In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a

change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.
The exercise price for the underlying asset, in the event of purchase options, and/or the contractual value of the penalties, in the case of early termination of the lease, are included in the value of lease liability only if their exercise is reasonably certain.
Following initial recognition, IFRS 16 lease liabilities are measured using the amortized cost method.
The discount rate at which the lease liabilities that are still to be paid are discounted is called lessee's incremental borrowing rate and is equal to the interest rate the lessee would have paid if they had borrowed money to the value of the right of use, with payment terms similar to the contractual duration of the lease in a similar economic environment. Management estimated the discount rate by individual country, on the basis of the contractual duration and the total amount of the current "lease portfolios with similar characteristics".

vi. Impairment of assets

At each reporting date, the Group reviews the carrying amount of its intangible assets and property, plant and equipment to verify whether there is any indication that they were subject to an impairment loss. If there are indications of impairment, the Group estimates the recoverable amount of the assets to calculate the related impairment loss. If it is not possible to estimate individually the recoverable amount of an asset, the Group estimates the recoverable value of the cash generating unit to which the asset belongs.
Intangible assets with an indefinite useful life, including goodwill, are assessed on an annual basis or more frequently if there is an indication of possible impairment losses.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In calculating the value in use, the estimated future cash flows are discounted using a discount rate that reflects the current market values relating to money and the risks associated with the asset.
If the recoverable amount of an asset (or of the CGU) is estimated to be lower than its carrying amount, it is reduced to the lower recoverable amount. Impairment losses are immediately recognized in the income statement.

If impairment ceases to exist, the carrying amount of the asset (or of the CGU), excluding goodwill, is increased to the new amount resulting from the estimate of its recoverable value, but not above the carrying amount that the asset would have had, had the impairment loss not occurred. The difference is recognized in the income statement.

vii. Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.
Non-current assets (and disposal groups) are classified as held for sale when the Group expects that their carrying amount will be recovered through sale rather than used in its operating activities. This condition is met only when the sale is highly probable, the asset (or group of assets) is held for immediate sale in its current condition, and management has committed to the sale, which should occur within 12 months from the date of classification of this item.
Property, plant and equipment and intangible assets are not depreciated or amortized, respectively, once classified as held for sale.
Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.
Financial assets related to ceased or discontinued operations, net of tax effects, are recognized under one single item in the consolidated income statement, including the comparative figures of the relevant period.

viii. Investments in associates

Investments in associates are recognized using the equity method, starting from the date of the significant influence by the Group up to the time when this influence ceases to exist, as described in the previous paragraph 'Basis of accounting preparation'.

ix. Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (OCI) or at fair value through profit or loss.
In line with IFRS 9, financial assets, which are represented by debt instruments (trade receivables, financial receivables, etc.), are classified on the basis of the business model (how the Group manages financial assets in order to generate cash flows) and the contractual characteristics of the cash flows (SPPI test, "solely payment of principal and interest"), in one of the following categories:

- amortized cost, for financial assets held with the aim of receiving the contractual cash flows which pass the SPPI test, since the cash flows represent solely payment of principal and interest; this category includes trade receivables, other receivables included in other current and non-current assets and financial receivables included in other current and non-current financial assets;
- fair value through other comprehensive income (FVOCI), for financial assets held with the aim of collecting cash flows, both contractual, which represent solely payments of principal and interest, and from sales. Changes in fair value subsequent to initial recognition are offset against OCI and are recycled to the income statement upon derecognition;
- Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value with net changes in fair value recognized in the income statement. This category mainly includes derivative instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.
With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue from contracts with customers.

As per the provisions of IFRS 9, the Group recognizes non-strategic investments and investment funds units at FVTPL; while other investments, which are considered strategic, are treated individually and, at the moment, are all measured at FVOCI.

Contingent consideration classified as an asset (or liability) that is a financial instrument and falls within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with fair value changes recognized in the income statement in accordance with IFRS 9. Other contingent consideration that does not fall within the scope of IFRS 9 is measured at fair value at each reporting date with fair value changes recognized in the income statement

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

- Financial assets at amortized cost (debt instruments)
  Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost include trade receivables, a loan to an associate and a loan to a director included under other non-current financial assets. Trade receivables originate in the ordinary

course of business and are held within a business model with the objective to hold the receivables in order to collect contractual cash flows that meet the 'solely payments of principal and interest' criterion under IFRS 9, therefore they are measured at amortized cost using the effective interest rate method. The Group applies the amortized cost only for trade receivables with maturities greater than one year and are discounted to present value.

- Financial assets at fair value through OCI (debt instruments)
  For debt instruments at fair value through OCI, interest income, exchange gains/losses and impairment losses or reversals are recognized in the income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to the income statement. The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

- Financial assets designated at fair value through OCI (equity instruments)
  Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognized as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to irrevocably classify its non-listed equity investments under this category.

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value with net changes in fair value recognized in the income statement. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the income statement when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has substantially transferred all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – reference should be made to sub-paragraph 'xxi. - Significant accounting judgements, estimates and assumptions';
- Trade receivables, including contract assets as described below.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

- Financial liabilities at fair value through profit or loss
  Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss also include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedging relationships as defined by IFRS 9. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied.

- Financial liabilities at amortized cost (loans and borrowings)
  This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Derivatives

The Group uses financial derivative instruments mainly to hedge its exposure to currency risk, interest rate risk and commodity price fluctuation risk.
With reference to the classification of hedging transactions, the provisions of IFRS 9 require that:

- there is an economic relationship between the hedged item and the hedging instrument, such as to offset the related changes in value;
- this ability to offset is not undermined by the counterparty's credit risk level;
- a ratio between the hedged object and the hedging instrument (the so-called hedge ratio) is defined, in line with the derivatives risk management objectives, as part of the established derivatives risk management strategy, rebalancing where necessary.

Changes in the derivatives risk management objectives, the termination of the above conditions to classify hedging transactions or rebalancing lead to the future, total or partial, discontinuation of the hedge.

Financial instruments are recognized according to hedge accounting rules when:

- at the beginning of the hedging, the formal designation and documentation of the hedging exist;
- the hedging is assumed to be effective;
- the effectiveness can be accurately measured and the hedging itself is highly effective during the relevant periods.

The Group applies the cash flow hedge (IFRS 9), if the hedging relationship of changes in the cash flows originating from an asset or liability or a future transaction (hedged underlying element), which is deemed as likely to occur and could have an impact on other comprehensive income and equity (cash flow hedge reserve), is formally documented.
Changes in the value of the derivatives designated as fair value hedges and that are qualified as such, are recognized in the income statement, consistent with the changes in the fair value of the hedged assets and liabilities. If the derivative, even non-speculative ones, does not meet all the formal requirements necessary to be designated in hedge accounting, the changes in fair value are recognized in the income statement, under the same line of the changes in the hedged item.

x. Inventories

Inventories are stated at the lower of cost and net realizable value, according to the weighted average cost method.
Cost includes direct materials and direct labor general production costs and other costs incurred to bring inventories to their current location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
Lastly, some obsolete stock provisions are calculated for materials, finished goods and spare parts that are considered obsolete or slow moving, taking into account their expected future use and realizable value.

xi. Cash and cash equivalents

Cash and cash equivalents are recognized at their nominal amount and include numeric values, i.e. those values that meet the requirement of on demand or very short-term availability, positive outcome and no costs of disposal with a maturity of three months or less, which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. This item also includes the collection and payment instruments that have been subject to an account recording at the servicing financial institution as at the closing date of the period notwithstanding any subsequent different accounting records.

xii. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the Income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any gain or loss resulting from subsequent sales is recognized in equity.

xiii. Provisions for risks and charges

General

The Group recognizes provisions for risks and charges when it has a present obligation, either legal or constructive, toward third parties arising from a past event, and it is likely that it will be necessary to use the resources of the Group to meet the obligation, and when it is possible to make an accurate estimate of the amount of the obligation itself.
When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Changes in estimates are reflected in the income statement of the period when the change has occurred.

Disclosures about provisions follow IAS 37 (paragraph 92) which regulates and limits these indications when they might prejudice the company's position in any disputes.

Uncertain tax position

IFRIC23 'Uncertainty over Income Tax Treatments' has been applied to clarify the accounting for uncertainties in income tax.
The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

In the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it has used or plans to use in its income tax filling.

If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

In case facts and circumstances changes, the entity shall reassess its judgements and estimates.

Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions are recognized only when the Group has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

xiv. Employment benefits

Group companies provide post-employment benefits to staff, both directly and by contributing to external funds.
The procedures for providing these benefits vary depending on the legal, fiscal and economic conditions in each country in which the Group operates.
Employee benefits are accounted for under IAS 19 and IFRS 2.
Group companies provide post-employment benefits through defined contribution and/or defined benefit plans.

Post-employment benefits

i. Defined benefit plans

The Group's obligations and the annual cost reported in the income statement are determined by independent actuaries using the projected unit credit method.
The net cumulative value of actuarial gains and losses is recorded directly in the statement of other comprehensive income and is not subsequently recognized in the income statement. The costs associated with an increase in the present value of the obligation, as the time for payment of the benefits draws nearer, are included under financial expenses. Service costs are posted to the income statement.
The liability recognized represents the present value of the defined benefit obligation, less the present value of plan assets. If an amendment to the plan changes the benefits accruing from past service, the costs arising from past service

are recognized in the income statement at the time the change to the plan is made. The same treatment is applied if there is a change to the plan that reduces the number of employees or that amends the terms and conditions of the plan (the treatment is the same, regardless of whether the final result is a profit or a loss).

For defined benefit plans, remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit/contribution liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit/contribution liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.
Past service costs are recognized in the income statement on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit/contribution liability or asset. The Group recognizes the following changes in the net defined benefit/contribution obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the consolidated income statement (by nature):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

ii. Defined contribution plans

Since the Group fulfils its obligations by paying contributions to a separate entity (a fund), with no further obligations, the company records its contributions to the fund in respect of employees' service, without making any actuarial calculation.
Where these contributions have already been paid at the reporting date, no liabilities are recorded in the financial statements.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.
That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognized at the beginning and end of that period. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to the immediate expensing of an award unless there are also service and/or performance conditions.
No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled

by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

xv. Grants

Government grants are recognized when there is a reasonable assurance that they will be received and that the Group will comply with all the conditions established for their granting by the government, government agencies and equivalent local, national or international entities.

Grants related to income are those intended to compensate for expenses incurred or to provide financial support to the entity without being directly linked to the acquisition of an asset.
These grants are recognized in 'Other revenue and income' in the income statement.
Recognition should be made systematically and reasonably over the period or periods in which the entity incurs the costs that the grant is intended to compensate.

Government grants related to assets received for the acquisition of tangible and intangible assets are recorded as a reduction of the cost of the acquired asset. The asset is recorded at its gross cost, then the government grant is deducted, so the net value of the asset is the effective cost after the grant. Consequently, depreciation will be calculated on the net value of the asset.

xvi. Revenue and income

Revenue is recognized when control of the goods and services has been transferred and the Group's performance obligations to its customers have been satisfied. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring goods or providing services. The timing of when the Group transfers the goods or services to the customer may differ from the timing of the customer's payment. Revenues are stated net of discounts, allowances, settlement discounts and rebates.
The Ariston Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. Contractual warranties required by law do not represent a separate performance obligation and the cost of such warranties is recognized at the time of the transfer of control of the related good.
The Group also provides extended warranty. These service-type warranties are sold either separately or bundled together with the sale of products and represent a separate performance obligation, in accordance with accounting principle IFRS 15. The revenue from extended warranties is generally recognized over the time, on the basis of the period in which the service is provided.
Ariston Group revenue streams are described in the following table.

Revenue stream	Revenue stream description	% Revenues 2025	% Revenues 2024
Professional	Customers are mainly installers, medium-large distributors and professionals in the field of Thermal Comfort. Standard T&Cs apply and the main performance obligation is characterized by the sale of finished products including variable considerations too. The Group acts as principal.	66%	65%
DIY (Do it yourself)	Customers are large retailers. The main performance obligation is characterized by the sale of finished products and the variable considerations are significant. T&Cs are decided by the customer by means of annual framework agreements. The Group acts as principal.	5%	6%
Business-to-business (B2B)	The main performance obligation is characterized by the sale of components, burners and heating only for specific projects: e.g. for institutions (schools, hospitals, etc.). The Group acts as principal.	14%	14%
Service	Indirect service: maintenance and repair services offered through Technical Support to the end customer. Direct service: maintenance and repair services offered directly to the end customer. Spare Parts: Related to Service activities (in PL reported as Net Revenue from Sales). The Group acts as principal.	15%	15%
Total		**100%**	**100%**

Assets and liabilities arising from rights of return

Right of return assets

A right-of-return asset is recognized for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Regarding the use of significant assumptions, refer to sub-paragraph '*Revenue recognition*' included in the paragraph '*Significant assumptions*'.

xvii. Taxes

Current income tax

Current taxes are based on the taxable income for the year. The taxable income is different from the profit/loss recognized in the income statement since it excludes positive and negative items which are taxable or deductible in other years and it also excludes items that will never be taxable or deductible.
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred taxes are those that the Group expects to settle or recover based on the temporary differences between the carrying amount of assets and liabilities and their corresponding tax values used for calculating taxable income. They are recognized using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, whereas deferred tax assets are recognized only if it is probable that there will be future taxable income against which deductible temporary differences can be used. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- if the temporary differences derive from goodwill or the initial recognition (not in business combinations) of other assets or liabilities in transactions that do not affect the profit (loss) for the year or the taxable income;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and impaired, if it is no longer probable that sufficient taxable income exists that can enable recovery of all or part of the assets.
In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.
Deferred taxes are calculated at the tax rate that is expected to be applied when the asset is realized or the liability extinguished. Deferred taxes are recognized directly in the income statement, except for those related to items recognized directly under equity, in which case the deferred taxes are also recognized under equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

xviii. Earnings per share

The basic earnings per share are calculated by dividing the portion of profit/loss attributable to the Group by the weighted average of the outstanding shares of the year.
The diluted earnings per share are calculated by taking into account, both as regards the portion of profit/loss attributable to the owners of the Parent and the above-mentioned weighted average, the impact deriving from the total subscription/conversion of all potential shares that may be issued through the exercise of outstanding options.

xix. Dividends

Dividends are recognized as changes in equity in the year when the Group's unconditional right to receive payment arises, that is when the general meeting approves the distribution of dividends.

xx. Transactions in a foreign currency

Should a company in the Group have a monetary item to be received or to be paid in regard to another foreign subsidiary, for which settlement is not planned nor is it likely that it may occur in the foreseeable future and is substantially part of the entity's net investment in this foreign operation, it is recognized in accordance with the provisions of IAS 21 (paragraphs 32 and 33). This envisages the treatment of the related differences in exchange rates be recognized under the items of the statement of comprehensive income in the consolidated financial statements which include this foreign operation.

xxi. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. The Group includes the renewal period as part of the lease term for leases of plant and machinery with a shorter non-cancellable period. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

When the carrying amount of property, plant and equipment, intangible assets, right-of-use assets, goodwill and investments in associates/joint ventures exceeds its recoverable amount, which is the higher of the fair value less costs of disposal and the value in use, the assets are impaired. Such impairments are carried out in accordance with the provisions of IAS 36, as described in greater detail in note 2.1. In order to determine the recoverable amount, the Group generally adopts the value in use criterion. Value in use is based on the estimated future cash flows generated by the asset, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and of the specific risks of the asset. Future cash flows used to determine value in use are based on the most recent business plan, approved by the management, containing forecasts for volumes, revenue and operating costs, which are based on certain assumptions on the market trends and macro-economic scenario.
Regarding climate-related matters, the expected future cash flows incorporate certain climate-related risks to pursue the Group's global sustainability strategy. For further details about climate change, please refer to the following note 'Climate Change'. These projections cover the next three years. For subsequent years, the assumption is perpetual income. Nevertheless, possible changes in the underlying assumptions on which the calculation of such amounts is based could generate different recoverable amounts. The analysis of each group of non-financial assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical, observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year

which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. The assessment of the correlation between historical, observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and in forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in 'Credit Risk' included in section '6.4 - Other information'.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. They on income are recognized in the income statement except to the extent they relate to items recognized directly in equity or in other comprehensive income, in which case the related tax effects are recognized directly in equity or in other comprehensive income. Deferred taxes are calculated on temporary differences between the tax base of an asset or liability and the carrying amounts in the Consolidated Financial Statements. Deferred tax assets relating to the carry-forward of unused tax losses are recognized to the extent it is probable future profits will be available against which they can be utilized. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the enacted or substantively enacted tax rates of the relevant tax jurisdictions that are expected to apply to taxable income during the period or periods in which the temporary differences reverse. Other taxes not based on taxable profits, such as property taxes and taxes on capital, are included in operating expenses. Further disclosures are in 'Note 1.12 – Taxes' and in 'Notes 2.4 – Deferred tax assets and liabilities'.

Defined benefit plans (pension benefits)

The cost of defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those with excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further disclosure is in 'Note 3.4 – Post-employment benefits'.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on listed prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. Further disclosure is in 'Financial Instruments' included in section '8.6.4 - Other information'.

Development costs

The Group capitalizes costs for product development projects. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. Further disclosure is in 'Note 2.1 – Intangible assets'.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.
The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to the historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analyzed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will likely to be entitled to a rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.
The Group applied the statistical model for estimating expected volume rebates for contracts. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group. Further disclosure is provided in 'Note 3.13 – Other current liabilities'.

Leases - Estimating the incremental borrowing rate

The Incremental Borrowing Rate (IBR) is defined as the interest rate the lessee would incur to borrow under a secured loan with terms similar to those of the lease, with a similar security and in a similar economic environment. This interest rate is identified through the Bloomberg database by applying the following relevant criteria to enhance the comparability:

- The credit rating;
- The term of the loan;
- The currency of denomination;
- The geographies (depending on the cases, countries or regions);
- The industry of the borrowing entity.

In order to obtain statistically significant samples of comparable transactions, a flexibility in the above criteria shall be preserved and specific adjustments can be made to account for particular comparability factors. When the base rate is negative, a zero floor to the base rate is applied.

For more information on leases, reference should be made to Notes 2.2 and 3.5.

Contingent liabilities

The Group triggers provisions once pending or threatened disputes or legal proceedings are considered as a probable event, for which there could be an outflow of funds with the amount reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes to the Consolidated Financial Statements. The Group could be subject to legal and tax proceedings from various jurisdictions and for complex issues therefore eventually monitoring the status of pending legal proceedings by consulting with experts on a regular basis. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds that could result from such disputes with any certainty.

Climate change

Global climate change is resulting, and is expected to continue to result, in natural disasters and extreme weather, such as drought, wildfires, storms, sea-level rise, flooding, heat waves and cold waves, occurring more frequently or with greater intensity. Such extreme events are driving changes in market dynamics, stakeholder expectations, local, national and international climate change policies and regulations.
In the climate change context, the Ariston Group is moving towards anticipating structural changes driven by regulations and the market. Our goal is to continue designing and offering highly energy-efficient solutions, which increasingly rely on renewable sources of energy, while improving the efficiency of the installed park. The Group can act as a principal in the context of decarbonization as an enabler of climate change mitigation.
To achieve this across all our product lines, we are channeling investments in R&D, optimizing production capacity and developing the necessary skills and resources needed to contribute to the transition, which will lead to a significant avoidance of CO2 emissions. The Group's efforts in boosting highly efficient products and solutions that rely on renewable technology will also contribute to the reduction of Scope 3 emissions, whose greatest impact is generated by the use of sold products.

In applying the IFRS Accounting Standards, the Group has summarized the impacts arising from climate change topic by topic, providing the approach used by the Group.

Account	Approach
	Management performed analysis on the impact of climate change on cash flow forecasts used in impairment assessment, estimating the financial impacts of the main following climate change actions: (i) analysis of transitional risks; (ii) highly energy efficiency products development; (iii) manufacturing investments; and (iv) supply chain and sustainable procurement.
Estimates and judgments concerning climate change	In particular, turnover projections considered assumptions on the impact from consumer demand shift toward alternative products, potentially favoring air conditioning systems over heat pumps due to temperature rise, suspension of incentives in specific markets and regulatory changes at global level. Moreover, capex used to estimate cash flow projections included considerations over the optimization of production capacity of efficient solutions and products leveraging on renewable technology, processes improvement and enhancement of the energy efficiency of plants (machinery revamping, EAC's etc.). Measures to enhance resilience to flood and seismic events are embedded within the interventions outlined above.
Sustainable investment	Ariston Group is directing investments in physical assets and new product development aimed at delivering more efficient solutions, including renewable heating and water heating products, the internal development of new electronic components, and enhancements to laboratories for water heating renewable products to improve testing, quality control, and heating system simulations. With regards to electric heat pumps, the Group is looking to replace currently used refrigerant gases with natural ones that have a much lower Global Warming Potential (GWP). These include propane, a group of liquefied petroleum gases, the suitability of which is still being researched with products likely to be released in upcoming years.

8.5 Changes in accounting standards

The accounting policies adopted in the preparation of the Consolidated Financial Statements as of 31 December 2025 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.
Several amendments apply for the first time in 2025, but do not have an impact on the Consolidated Financial Statements of the Group.

i. Summary of the new accounting standards adopted by the Group from 1 January 2025

As from 1 January 2025 the following amendments of accounting standards have become applicable to the Group:

- *Lack of Exchangeability – Amendments to IAS 21*
  The new amendments are effective on 1 January 2025 and they had no impact on the Consolidated Financial Statements of the Group.

ii. Accounting standards, amendments and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Consolidated Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures*
  The amendments are effective for annual periods starting on or after 1 January 2026. The Group is evaluating the potential impact from the adoption of these amendments.

- *IFRS 18 - Presentation and Disclosure in Financial Statements*
  In April 2024, the IASB issued IFRS 18 — Presentation and Disclosure in Financial Statements, which introduces new concepts relating to:

  (i) the structure of the statement of profit or loss,

  (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures),

  (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  The standard is effective on or after 1 January 2027. The Group is evaluating the potential impact from the adoption of this standard.

- *IFRS 19 - Subsidiaries without Public Accountability: Disclosures*
  The standard is effective on or after 1 January 2027 and earlier application is permitted. The standard will have no impact on the Group's Consolidated Financial Statements.

- *Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7*
  On 18 December 2024 the IASB issued amendments to improve the reporting by companies of the financial effects of nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

  Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors

related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. In response, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve the disclosure of these contracts in the financial statements. The amendments include:

- Clarifying the application of the 'own-use' requirements;
- Permitting hedge accounting if these contracts are used as hedging instruments; and
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted. The Group is evaluating the potential impact from the adoption of this standard.

- *Amendments about Uncertainties in the Financial Statements*

  In November 2025, the IASB issued illustrative examples on reporting uncertainties in financial statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 — Disclosures about Uncertainties in the Financial Statements). These illustrative examples demonstrate how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. As accompanying materials to IFRS Accounting Standards, these illustrative examples do not have an effective date. However, companies are expected to implement any changes in their reporting on a timely basis.

  There were no impacts to the Group's financial statements as a result of these illustrative examples.

8.6 Disclosure to the Financial Statements

This section details the results and performance for the period ended 31 December 2025.

8.6.1 Income statement

Note 1.1 – Revenue and Income

During 2025, the Group recorded revenue of € 2,707.1 million, compared to € 2,632.7 million in the previous year, with an increase of € 74.4 million (+2.8%).

The increase was mainly driven by the stronger renewable heating market in Germany and improved performances in Iberian Peninsula and Romania. In addition, the perimeter variation linked to the regaining control of Ariston Thermo Rus LLC had an impact of € 57.2 million on revenue.

The Revenue item can be broken down as follows:

Revenue and Income *(in € million)*	31.12.2025	31.12.2024
Revenue from sales	2,504.5	2,435.9
Revenue from services	189.1	182.5
Other revenue	13.5	14.2
Net revenue	**2,707.1**	**2,632.7**
Other revenue and income	40.2	47.5
Total	2,747.4	2,680.1

'Other revenue and income' is represented by items that do not directly refer to the production activities of the Group but are all the same connected to the core business and included income related to no longer due payables, the gains on the disposal of fixed assets, and other income.
At 31 December 2025, they totaled € 40.2 million, a decrease of € 7.3 million compared to the same period in the previous year.

Revenue by business line

Thermal Comfort.
This business line serves the Group's three main business categories, Hot Water, Heating and Air Treatment and is the Group's largest division. In 2025, it recorded revenue of € 2,522.8 million, accounting for 93.2% of total revenue, compared to € 2,464.4 million in 2024 (93.6%), up € 58.4 million or 2.4% (of which 2.9% is due to organic and foreign exchange impact).
On 26 March 2025, the Ariston Group regained full ownership and operational control of Ariston Thermo Rus LLC. Starting from April 2025, the latter company has been included in the Group's consolidation scope. In 2024, Ariston Thermo Rus LLC generated € 28.1 million in revenue (from 1 January to 26 April). Revenue generated in 2025 amounted to € 57.2 million (from 1 April to 31 December).

Burners. This business line recorded net revenue of € 90.1 million for 2025, accounting for 3.3% of total net revenue, compared to € 89.3 million in 2024, or 3.4% of total revenue, with a € 0.9 million or 1.0% increase (of which 1.1% is due to organic and foreign exchange impact).

Components. This business line recorded net revenue of € 94.2 million for 2025, accounting for 3.5% of total net revenue, compared to € 79.1 million (3.0%) in 2024, up € 15.2 million or 19.2% (of which 9,5% is due to organic and foreign exchange impact).
On 4 March 2025, the Ariston Group announced the acquisition of DDR Heating, a U.S. based manufacturer specializing in tubular electric heaters for professional and industrial applications.

Furthermore, on 12 June 2025, it announced the acquisition of Z.R.E. S.r.l., an Italian based manufacturer specializing in band heaters for industrial applications.
The increase in organic revenue was driven by the resumption of the domestic business, thanks to a strong improvement in the water heating markets as well as the professional business, due to a good recover in the Ho.Re.Ca market.

Net revenue by geographical area

At 31 December 2025 the net revenue by main country is detailed below:

Country	2025	2024
Netherlands (country of domicile)	107.0	111.2
Germany	539.7	511.7
Italy	271.0	279.7
Switzerland	206.5	197.3
Other countries	1,582.9	1,532.8
Total	2,707.1	2,632.7

Europe. This is the Group's largest market, recording net revenue of € 1,940.8 million for 2025, or 71.7% of total revenue, compared to € 1,858.8 million, or 70.6%, in 2024, up € 82.0 million or 4.4% (of which 2.8% organic and foreign exchange impact). The increase was primarily driven by the revival of the renewable heating market in Germany and improved performance in the Iberian Peninsula and Romania.
On 26 March 2025, the Ariston Group regained full ownership and operational control of Ariston Thermo Rus LLC., Starting from April 2025, the latter company has been included in the Group's consolidation scope. In 2024, Ariston Thermo Rus LLC generated € 28.1 million in revenue (from 1 January to 26 April). Revenue generated in 2025 amounted to € 57.2 million (from 1 April to 31 December).

Asia, Pacific & MEA. This is the second largest market for the Group, recording net revenue of € 496.0 million for 2025, or 18.3% of total revenue, compared to € 504.3 million, or 19.2%, in 2024, down € 8.3 million or 1.6% (of which +3.3% organic and foreign exchange impact). The increase, net of the exchange rate effect, was driven by positive trends in the renewable water heating market in Australia and improved performance in the water heating markets in Vietnam, Israel and Morocco.

Americas. This is the Group's third largest market, recording net revenue of € 270.3 million for 2025, or 10.0% of total net revenue, compared to € 269.6 million, or 10.2%, in 2024, up € 0.8 million, or 0.3% (of which +4.1% organic and foreign exchange impact). The increase, net of the exchange rate effect, was due to the good performance of the water heating and heating businesses in North America.

Note 1.2 – Purchase of raw materials, consumables and goods for resale

In 2025, the purchase cost of raw materials, consumables and goods for resale amounted to € 1,237.1 million, up € 133.6 million compared to the previous year.
As a percentage of revenue, the trend in purchases and changes in inventories shows a decrease from 46.5% in 2024, to 45.3% in 2025, mainly driven by operational efficiencies and changes in purchasing and inventory management dynamics.

Note 1.3 – Services

'Services' amounted to € 493.2 million as at 31 December 2025, compared to € 461.5 million in December 2024, reflecting an increase of € 31.8 million. The details are as follows:

Services *(in € million)*	31.12.2025	31.12.2024
Logistics and transport	138.6	131.7
Sub-contracted work and maintenance	101.7	94.1
Rental and lease expenses	40.7	37.6
Advertising and promotion	39.6	36.3
Consulting services	37.0	36.5
Utilities	36.1	32.9
Bonuses and commissions	27.5	25.8
Travel expenses	27.1	26.4
Insurance	12.1	14.4
Facilities management services	11.9	11.3
Directors and Statutory Auditors' Fees	9.8	7.6
Technical support	-2.2	-6.2
Other services	13.5	13.2
Total	493.2	461.5

Based on the figures above, the trend in service costs reflects growth broadly consistent with the expansion of the Group's operating activities and the increase in revenues recorded in 2025.

As a percentage of revenue, they stood at 18.2%, up on the 17.5% recorded in 2024. Services showed increases in almost all items, in particular:

- An increase of € 7.6 million in subcontracted work and maintenance costs, reflecting the rise in production volumes.
- An increase of € 6.9 million in logistics and transportation costs, due to the increase in the volume of goods shipped driven by higher sales.

Note 1.4 – Personnel

A breakdown of personnel costs by nature is shown in the table below:

Personnel *(in € million)*	31.12.2025	31.12.2024
Wages and salaries	522.8	524.7
Social security costs	120.1	117.3
Provision for Employees severance indemnity	11.0	10.7
Provision for retirement benefits and other funds	-0.1	2.0
Other personnel costs	12.7	12.6
Total	666.5	667.4

In 2025, personnel-related costs amounted to € 666.5 million, down by € 0.9 million, substantially in line with 2024. 'Wages and salaries' totaled € 522.8 million in 2025, compared to € 524.7 million in 2024.

'Post-employment benefits' and 'Provision for retirement benefits and other funds' include the net impact of accruals and releases for the year.

At 31 December 2025, the Group's workforce increased from 10,612 at December 31, 2024 to 10,830.

The headcount by category of employee was as follows:

Headcount *(number of people)*	31.12.2025	31.12.2024	Average	Delta
Managers and white collars	5,753	5,661	5,707	92
Blue collars	5,077	4,951	5,014	126
Total	10,830	10,612	10,721	218

At 31 December 2025, the number of employees was 10,830 (10,612 at December 31, 2024), of whom 2,008 (1,955 in 2024) were based in Italy, 8,303 (8,079 in 2024) were based worldwide and 519 (578 in 2024) were based in the Netherlands. The workforce at December 31, 2025, net of variations due to acquisitions, stood at 10,410 (down 420 unit). The increase in the headcount is primarily driven by the business combinations completed during the year and is largely attributable to the re-inclusion of Ariston Thermo Rus LLC within the Group's consolidation scope.
Excluding the effects of business combinations, the decrease in the headcount is attributable to initiatives undertaken to optimize the Group's organizational structure, improve operational efficiency and realign the global operational footprint. These actions are aimed at ensuring a leaner structure by aligning costs with business needs while supporting long-term competitiveness and resilience.

Note 1.5 – Additions and release of provisions

During 2025, 'Additions and release of provisions' were recognized for € 47.6 million versus € 49.2 million in 2024. In detail:

Provisions *(in € millions)*	31.12.2025	31.12.2024
Product warranty provision	38.3	36.9
Provision for restructuring	7.4	5.7
Provision for installation	1.9	1.9
Provision for legal disputes	-0.9	0.9
Bad debt provision	-2.8	3.0
Other provisions	3.6	0.7
Total	47.6	49.2

Overall, accruals and releases of provisions in 2025 remained broadly in line with the prior year, with a slight decrease compared to 2024. The composition of provisions reflects a higher allocation to product warranty and restructuring activities, offset by releases and lower accruals in other categories.
The increase in the product warranty provision is consistent with the higher sales recorded during the year, which led to increased accruals in line with historical trends and expected warranty claims. At the same time, the higher provision for restructuring reflects ongoing initiatives aimed at optimizing the Group's organizational structure and operational footprint in response to changes in production volumes and market conditions.
Overall, provisions as a percentage of revenue remained substantially stable year on year (1.8% in 2025 vs 1.9% in 2024), confirming a prudent and consistent approach to risk coverage and cost management.
For further details about the changes of the year, reference should be made to 'Note 2.9 – Trade Receivables' for the 'Loss allowance' and 'Note 3.3 - Non-Current Provisions'.

Note 1.6 – Other operating expenses

'Other operating expenses' amounted to € 26.5 million, versus € 68.8 million in the previous year, and can be detailed as follows:

Other operating expenses *(in € million)*	31.12.2025	31.12.2024
Non-income tax and other levies	8.8	9.8
Concession rights and other	4.2	3.8
Losses on receivables	2.2	1.4
Losses on assets	0.4	0.5
Other operating expenses	10.9	53.3
Total	26.5	68.8

The composition of expenses continues to mainly relate to ordinary operating activities, including office supplies, printing, subsidies and contributions, with only limited fluctuations across individual cost categories.
'Other operating expenses' decreased significantly in 2025 compared to the prior year, reflecting the normalization of cost levels following the exceptional items recognized in 2024. The reduction is mainly attributable to the absence of the € 35.7 million derecognition of the investment in Ariston Thermo Rus LLC, which had a material impact in the previous year following the loss of control. Excluding this extraordinary effect, 'Other operating expenses' remained broadly stable year on year.
After regaining control and reintegrating Ariston Thermo Rus LLC in 2025, the Group recognized a gain of € 40.2 million classified in theincome statement under Gain on bargain purchases.

Note 1.7 – Operating profit

In 2025 'Operating profit' amounted to € 178.2 million compared to € 63.3 million in 2024. The increase is attributable to the changes discussed earlier.

Note 1.8 – Financial income

In 2025, 'Financial income' amounted to € 6.6 million, down compared to € 9.4 million in the previous year. This item may be analysed as follows:

Financial income *(in € million)*	31.12.2025	31.12.2024
Interest Income from bank	3.9	6.2
Employee benefits	2.3	2.6
State Green Programmes	0.1	0.2
Other financial income	0.3	0.4
Total	6.6	9.4

The year-on-year change can mainly be attributed to 'Interest income from bank'. The other components contributing to the overall total remained relatively stable compared to the previous year.

Note 1.9 – Financial expense

'Financial expense' totaled € 42.2 million at the end of December 2025, compared to € 48.8 million realized in 2024. The breakdown of this line item is detailed as follows:

Financial expense *(in € million)*	31.12.2025	31.12.2024
Interest and other expenses due to bank	30.9	37.6
Employee benefits	4.9	5.4
Leases	3.8	3.6
Business Combinations	1.9	1.7
Other financial expense	0.6	0.6
Total	42.2	48.8

Compared to the previous year, 'Financial expense' decreased by € 6.6 million. The decline is mainly due to "Interest and other expense due to bank" as a result of a reduction in the average level of debt during the year and the contraction in applicable interest rates.

Note 1.10 – Exchange rate gains/losses

'Exchange rate gains/losses' showed a positive result of € 0.4 million, which can be broken down as follows:

Exchange rate gains/losses *(in € million)*	31.12.2025	31.12.2024
Exchange rate gains	13.9	5.8
Exchange rate losses	-13.7	-5.0
Unrealised exchange rate gains	2.0	5.9
Unrealised exchange rate losses	-1.9	-12.2
Total	0.4	-5.5

Exchange gains/losses' include monetary adjustments to items that are recognized at the end of the reporting period. 'Unrealized exchange gains' and 'Unrealized exchange losses' include monetary changes that have not yet been realized because they refer to financial transactions still open at the end of the reporting period.

Note 1.11 – Profit (loss) on investments

This item was negative for € 9.2 million, down by € 4.6 million compared with the previous year, mainly due to the re-measuring of the obligations relating to the Put and Call options connected to Chromagen Australia. Any related differences have been recognized in the income statement of any valuation differences.

Note 1.12 – Taxes

Tax expense (income) and the related profit before tax for 2025 and 2024 consisted of the following:

Taxes *(in € million)*	2025	2024	Delta
Profit before taxes	**133.8**	**13.8**	**120.0**
Current taxes	36.9	21.9	15.0
Deferred taxes	-35.6	-10.5	-25.2
Total taxes	1.2	11.4	-10.2

In 2025, total taxes of € 1.2 million decreased by € 10.2 million compared to the 2024 balance of € 11.4 million. However, both years have been affected by significant extraordinary events: the 2024 profit before taxes has been negatively impacted by the Russian deconsolidation amounting to € 42.8 million, while the 2025 profit before taxes has been positively impacted by the Russian reconsolidation amounting to € 40.2 million. Both extraordinary items do not have in general an impact on the tax line, since the investment's results are excluded from taxation. Only in 2024, the deconsolidation had an indirect positive effect deriving from the reversal of the deferred tax liabilities on the Russian undistributed earnings accrued in previous years based on IAS 12.40, for an amount equal to € 1.7 million. Moreover, 2025 has been characterized by another significant event: the change in the tax rate in Germany that had a positive effect on this item following the remeasurement of deferred taxes, mainly composed of significant deferred tax liabilities arising from the recent Wolf acquisition PPA. The positive effects of the change in the tax rate in Germany amounts to € 19.0 million. The following table shows the resulting PBT and taxes after the above-mentioned adjustments.

Taxes *(in € million)*	2025	2024	Delta
Profit before taxes adjusted for Russia	**93.6**	**56.6**	**37.0**
Current taxes	36.9	21.9	15.0
Deferred taxes adjusted for Russia (2024) and Germany (2025)	-16.6	-8.8	-7.9
Adjusted total taxes	20.3	13.1	7.2

Only by looking at the adjusted numbers it is possible to compare the 2025 taxes with the previous year taxes. Overall, total taxes rose by € 7.2 million, mainly due to the increase in the profit before taxes of € 37.0 million. The increase in the profit before taxes mainly derives from the business results.
The reconciliation of the differences between the theoretical income taxes at the parent local rate and total income taxes is based on the Italian local corporation income tax rate in force in 2025 (24%). Indeed, Ariston Holding N.V. is incorporated in the Netherlands but is tax resident in Italy. The 2025 reconciliation takes into account the Russian re-consolidation which affects the profit before taxes and the change of the tax rate in Germany which affects taxes. Therefore, for a meaningful reconciliation, the profit before taxes in the consolidated financial statements adjusted for € 40.2 million to neutralize the Russian reconsolidation and the impact of the change in the German tax rate are separately shown in the table. The reconciliation of Ariston's income tax expense for 2025 is shown in the following table:

Effective tax rate reconciliation *(in € million)*	2025	%
Profit before taxes from financial statement	**133.8**	
Russia adjustments without tax implications	**-40.2**	
Profit before taxes adjusted	**93.6**	
Taxes at nominal Tax Rate	**22.5**	**24.00%**
Change in the tax rate in Germany	-19.0	-20.3%
Foreign income at different tax rate	-2.8	-3.0%
Deferred taxes not recognized and write down	5.2	5.6%
Italian IRAP	4.6	4.9%
Recognition or use of previously unrecognized DTA	-3.6	-3.9%
Permanent differences	1.0	1.0%
Italian revaluation	-6.9	-7.4%
Prior year taxes	-0.5	-0.5%
Other	0.8	0.8%
Effective tax charge	1.2	1.3%

Overall, the 2025 tax rate adjusted for the Russia re-consolidation is equal to 1.3% and if further adjusted for the change of German tax rate, it is equal to 21.6%. The 2025 tax rate of 21,6% is aligned with the adjusted previous year tax rate of 20.1%.
As in the previous years, the 2025 effective tax rate is positively impacted by the on-going net benefit deriving from the revaluation of intangible assets and property, plant and equipment carried out in 2020 for both Local GAAP and tax purposes in Italy. In addition to the initial positive impact of the revaluation accrued in the 2020 financial statements and equal to the expected tax benefit for the first five-year business plan, in the 2025 financial statements the expected benefit for the additional year of the new five-year business plan period has been recognized as positively impacting the tax rate.

For comparative purposes, here below is shown a reconciliation of Ariston's income tax expense for 2024:

Effective tax rate reconciliation *(in € million)*	2024	%
Profit before taxes from Financial Statements	**13.8**	
Deconsolidation impacts of Ariston Thermo Rus without tax implications	**42.8**	
Profit before taxes adjusted	**56.6**	
Taxes at nominal Tax Rate	**13.6**	**24.0%**
Foreign income at different tax rate	-3.3	-5.7%
Deferred taxes not recognized and written down	8.4	14.8%
Italian IRAP	3.1	5.6%
Recognition or use of previously unrecognized DTA	-0.2	-0.4%
Permanent differences	0.7	1.3%
Italian revaluation	-5.8	-10.2%
Prior year taxes	-4.0	-7.1%
Russia deconsolidation DTL	-1.7	-3.0%
Other	0.5	0.9%
Effective tax charge	11.4	20.1%

Deferred taxes not recognized and written down arise from the realization of tax losses in certain countries, mainly in Belgium, Egypt, India and the United States. The negative impact has been partially offset by the recognition of deferred tax assets on unused losses in the US due to the expected future profitability.
As in the previous years, the 2025 effective tax rate is positively impacted by the on-going net benefit deriving from the revaluation of intangible assets and property, plant and equipment carried out in 2021 for both Local GAAP and tax purposes in Italy. In addition to the initial positive impact of the revaluation accrued in the 2021 financial statements and equal to the expected tax benefit for the first five-year business plan, in the 2024 financial statements the expected benefit for the additional year of the new five-year business plan period has been recognized as positively impacting the tax rate.

Pillar 2

The OECD Pillar Two initiative aims to ensure that multinational corporations pay a minimum effective tax rate of 15 percent on a jurisdictional basis. The implementation of the Global Minimum Tax, provided for in Directive No. 2022/2523 of 15 December 2022 (implementing the OECD/G20 Pillar Two proposal), is effective in Italy as from 1 January 2024 and was implemented with Legislative Decree No. 209 of 27 December 2023. The Italian legislation related to Pillar Two applies to Ariston Holding NV being a Duch company tax resident in Italy. Many other countries have initiated domestic legislative procedures to enact the related tax legislation as well.

Tax 2025 financial year represents the second year of application of the Global Minimum Tax. Given the complexity of the system enacted by the above-mentioned legislation, a simplified regime (the so-called "Transitional Safe Harbours") has been introduced for the first three years, equivalent to 2024, 2025 and 2026 for the Ariston Group. The Safe Harbours regime has been recently modified by the OECD Administrative Guidance dated 5 January 2026, including a further "Simplified Effective Tax Rate Safe Harbour" that should further reduce compliance burden in high tax jurisdictions.
The Transitional Safe Harbours are mainly based on accounting information already available for each jurisdiction and on the application of three tests (De Minimis test, Simplified Effective Effective Tax Rate test and Routine Profits test). If at least one of these tests is met, no additional top-up tax is calculated, and compliance obligation is reduced. Based on the once out, always out rule, a jurisdiction that failed to qualify for any safe harbour test in 2024 cannot benefit from any of the Transitional Safe Harbours either in 2025 or in 2026.

The impact of Pillar 2 legislation on Ariston Group is extremely limited: only two jurisdictions failed one of the Transitional Safe Harbours tests in 2024 and this led to an immaterial amount of Qualified Domestic Minimum top-up tax (QDMTT) already accrued in the same period. Based on the information available, the situation is not expected to change in 2025 and the immaterial top up tax arising in 2025 has been recorded in the 2025 financial statement.
Finally, the Group has applied the temporary exception, introduced in May 2023 by IASB with the "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar II Model Rules", regarding the accounting requirements for deferred taxes under IAS 12; therefore, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar II income taxes.

Note 1.13 – Basic and diluted earnings per share

Basic earnings per share are determined as the ratio of the Group's portion of the profit for the year to the weighted average number of ordinary shares outstanding during the year. The Group's treasury shares are included in this calculation for 2025. Diluted earnings per share are determined considering the potential effect of the options allocated to beneficiaries of dilutive stock option on the calculation of the number of outstanding shares.

Basic earnings per share amounted to € 0.36 in 2025 and have been calculated by dividing the profit for the year attributable to the ordinary shareholders of the Parent Company, of € 132.4 million, by the number of total shares – ordinary and multiple voting – outstanding during the year, equal to 368,103,644.

Diluted earnings per share amounted to € 0.36 and have been calculated by dividing the profit for the year attributable to the ordinary shareholders of the Parent Company, of € 132.4 million, by the number of total shares and potential shares to be issued for the LTI plan, which totaled 369,173,504.

Basic and diluted earnings per share have been calculated as shown in the table below:

		2025	2024
Net profit attributable to ordinary shareholders	€ million	132.4	2.5
Weighted average of ordinary and multiple voting shares outstanding	number	368,103,644	369,769,513
Basic earnings per share	**€**	**0.36**	**0.01**
Net profit attributable to ordinary shares outstanding net of dilution	€ million	132.4	2.5
Weighted average of ordinary and multiple voting shares outstanding	number	368,103,644	369,769,513
Potential shares to be issued for LTI plan	number	1,069,860	409,547
Weighted average of ordinary and multiple voting shares outstanding adjusted for dilution	number	369,173,504	370,179,060
Diluted earnings per share	**€**	**0.36**	**0.01**

Atypical or unusual transactions

During the year 2025, the Ariston Group did not undertake any atypical or unusual transactions.

6.2 Statement of financial position - Assets

Note 2.1 – Intangible assets

At 31 December 2025, 'Intangible assets' amounted to € 1,492.1 million, a decrease of € 9.1 million compared to 31 December 2024, after accounting for the amortization expense of € 43.0 million for the period, along with other changes.

The amortization expense for the period is recognised under the appropriate item in the income statement.

Changes during the period are shown in the table below:

Intangible assets *(in € million)*	Goodwill	Other intangible assets	Total
Cost net of accumulated impairment losses	897.8	801.7	1,699.5
Accumulated amortization		-198.1	-198.1
As at 31.12.2024	**897.8**	**603.4**	**1,501.2**
Perimeter variation	3.4	7.6	11.0
Increases	0.0	33.1	33.1
Decreases	0.0	-0.2	-0.2
Remeasurements and Impairment	0.0	-0.2	-0.2
Amortisation	0.0	-43.0	-43.0
Exchange rate effect	-9.5	-0.6	-10.1
Other	0.0	0.4	0.4
Total changes	-6.2	-2.9	-9.1
Cost net of accumulated impairment losses	891.6	824.6	1,716.3
Accumulated amortization		-224.2	-224.2
As at 31.12.2025	**891.6**	**600.5**	**1,492.1**

Changes during the prior period are shown in the table below:

Intangible assets *(in € million)*	Goodwill	Other intangible assets	Total
Cost net of accumulated impairment losses	894.1	780.2	1,674.3
Accumulated amortization		-161.8	-161.8
As at 31.12.2023	**894.1**	**618.3**	**1,512.4**
Perimeter variation	2.6	0.0	2.6
Increases	0.0	33.7	33.7
Decreases	0.0	-0.1	-0.1
Remeasurements and Impairment	0.0	-0.5	-0.5
Amortisation	0.0	-47.1	-47.1
Exchange rate effect	0.6	-1.8	-1.2
Other	0.5	1.1	1.6
Total changes	3.7	-14.8	-11.1
Cost net of accumulated impairment losses	897.8	801.7	1,699.5
Accumulated amortization		-198.1	-198.1
As at 31.12.2024	**897.8**	**603.4**	**1,501.2**

The total amount of goodwill was € 891.6 million, showing a decrease from € 897.8 million at the end of 2024, which is consistent with the prior period. The changes are primarily due to the following factors:

- Goodwill resulting from the business combinations completed during the year. Refer to 'Note 2.1.1 – Business combinations' for further details.
- The changes in exchange rates, negative for € 9.5 million.

The total amount of goodwill recognised in the statement of financial position is not amortized but is subject at least annually to an impairment test (together with the other intangible assets with indefinite useful lives) to assess its recoverability, as envisaged by IAS 36.
Therefore, the goodwill has been allocated to the cash generating units (CGU) from which future economic benefits related to the acquisition are expected.
Consequently, at 31 December 2025, the impairment test was carried out as described in the subparagraph 'Impairment Test'.

The item 'Other intangible assets' can be detailed as follows:

Other intangible assets *(in € million)*	31.12.2025	31.12.2024
Concessions, licenses, trademarks	235.3	235.5
Development costs	43.1	45.3
Intangible assets in progress	42.0	34.3
Software	36.8	34.4
Other	243.3	253.9
Total	600.5	603.4

Details of and changes in 'Other intangible assets' during the year are as follow:

Other intangible assets *(in € million)*	Development costs	Software	Concessions, licenses and trademarks	Intangible assets in progress	Other	Total
Cost net of accumulated impairment losses	117.9	87.9	243.7	34.3	317.9	801.7
Accumulated amortization	-72.5	-53.6	-8.3	0.0	-63.9	-198.1
As at 31.12.2024	**45.3**	**34.4**	**235.5**	**34.3**	**253.9**	**603.4**
Perimeter variation	0.0	0.1	0.0	0.0	7.5	7.6
Increases	1.9	3.2	0.0	27.4	0.6	33.1
Decreases	0.0	-0.3	0.0	0.1	0.0	-0.2
Remeasurements and Impairment	0.0	-0.2	0.0	0.0	0.0	-0.2
Amortization	-10.6	-14.2	-0.1	0.0	-18.1	-43.0
Exchange rate effect	-0.1	-0.1	0.0	-0.1	-0.3	-0.6
Other	6.6	14.0	0.0	-19.8	-0.4	0.4
Total changes	-2.2	2.4	-0.1	7.7	-10.7	-2.9
Cost net of accumulated impairment losses	118.7	99.6	243.7	42.0	320.7	824.6
Accumulated amortization	-75.5	-62.9	-8.5	0.0	-77.3	-224.2
As at 31.12.2025	**43.1**	**36.8**	**235.3**	**42.0**	**243.3**	**600.5**

Details of and changes in 'Other intangible assets' during the prior year are the following:

Other intangible assets *(in € million)*	Deve-lopment costs	Software	Concessions, licenses and trademarks	Intangible assets in progress	Other	Total
Cost net of accumulated impairment losses	112.0	76.6	246.0	31.1	314.6	780.2
Accumulated depreciation	-63.5	-48.9	-7.8	0.0	-41.9	-161.8
As at 31.12.2023	**48.4**	**27.7**	**238.2**	**31.1**	**272.7**	**618.3**
Perimeter variation	0.0	0.0	0.0	0.0	0.0	0.0
Increases	3.4	4.2	0.0	25.4	0.7	33.7
Decreases	0.0	-0.1	0.0	0.0	0.0	-0.1
Remeasurements and Impairment	-0.2	-0.1	0.0	-0.2	0.0	-0.5
Amortization	-12.2	-14.6	-1.3	0.0	-19.0	-47.1
Exchange rate effect	0.0	-0.1	-1.5	0.0	-0.2	-1.8
Other	5.8	17.4	0.0	-22.2	0.0	1.1
Total changes	-3.2	6.7	-2.8	3.2	-18.7	-14.8
Cost net of accumulated impairment losses	117.9	87.9	243.7	34.3	317.9	801.7
Accumulated depreciation	-72.5	-53.6	-8.3	0.0	-63.9	-198.1
As at 31.12.2024	**45.3**	**34.4**	**235.5**	**34.3**	**253.9**	**603.4**

Other intangible assets have a definite useful life and are consequently amortized as necessary.

The change in 'Other' from the beginning of the period was € -10.7 million. This decrease was primarily attributed to the amortization of the period. Additionally, starting in 2023, following the merger of Wolf-Brink, customer lists have been recognized in this category, with a net value of € 222.8 million as at 31 December 2025 (€ 235.9 million as at 31 December 2024).

'Development costs' refer to products for which the return on investments occurs within a five-year period, on average. The capitalized costs for the period (including reclassified amounts from the 'Intangible asset in progress'), attributable only to product development projects, amounted to € 20.0 million (€ 17.4 million in 2024) out of a total of € 43.1 million (€ 45.3 million in 2024) reported in the financial statements. The amount of 'Development costs' internally generated is equal to € 43.3 million, while the rest was acquired through business combinations (mainly Wolf-Brink for € 27.4 million with a carrying amount as at 31 December 2025 equal to € 2.0 million).

The Group evaluated the development costs related to products based on the criteria outlined in the Climate Delegated Act only for objective mitigation of climate change. As evidence of the commitment to promote a more efficient and renewable product portfolio, these investments have been capitalized. The impairment of the previously capitalized development costs was charged to the income statement if the related product revenues do not meet the level of future economic benefits.

To determine the loss in value of capitalized development costs, in addition to the assessment of the economic return from each development project, the Group arranged to allocate them to the Net capital employed of the related CGUs and assesses their recoverability together with the related tangible assets, determining their value in use with the discounted cash flow method.

'Concessions, licenses, trademarks' remained stable compared to prior year. Trademarks have an indefinite useful life and are subject to impairment testing. For further details, please refer to the next sub-paragraph 'Impairment Test'.

Impairment test

In accordance with IAS 36 - Impairment of Assets, goodwill and intangible assets with indefinite useful lives (Trademarks) are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.
Goodwill and intangible assets with indefinite useful lives are allocated to CGUs within the unique operating segment. The impairment test is performed by comparing the carrying and recoverable amount of each CGU to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value-in-use. The balance of goodwill and intangible assets with indefinite useful lives recognised by the Company primarily relates to the CGU Thermal Comfort (€ 1,096.4 million in 2025 and € 1,110.3 million in 2024), while other goodwill balances relate to the CGUs Burners (€ 12.5 million in 2025 equal to 2024) and Components (€ 5.5 million in 2025 equal to 2024).

In line with previous years, the Group applied the long-term business plan, which includes the latest available financials from the 3-year plan 2026 - 2028 which are approved by the Board, as the base for the impairment test.

The estimate of the recoverable amount for the purposes of performing the annual impairment test for each of the CGUs is determined using value-in-use and was based on the following assumptions:

- the expected future cash flows covering the period from 1 January 2026 through 31 December 2028. These expected cash flows reflect the current expectations regarding economic conditions and market trends as well as the Company's initiatives for the period covered by the projections. Regarding climate-related matters, the expected cash flows incorporated certain climate-related risks to pursue the Group's global sustainability strategy. These cash flows relate to the respective CGUs in their current condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used to estimate the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and the segment for the respective CGU over the period considered. The expected future cash flows include a terminal period to estimate the future result beyond the time period explicitly considered which incorporates a long-term growth rate assumption of 1.68%. The growth rate is determined by weighting the GDP growth rate at constant prices for the market in which the Group operates, to the revenues obtained in such markets. This GDP growth rate has been obtained from an authoritative international source (IMF, October 2024 release);
- the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU that are not reflected in the estimated future cash flows;
- pre-tax cash flows are discounted using a pre-tax discount rate which reflects the current market assessment of the time value of money for the period being considered, and the risks specific to those cash flows under consideration. The pre-tax Weighted Average Cost of Capital ("WACC") discount rate applied for each CGU is equal to:
    - TCO for 10.62%;
    - BUR for 11.21%;
    - COM for 11.92%.

As part of the impairment test, additional stress tests are performed to assess the Group's capacity to resist any further market shock. The stress tests included:

- a reduction of 5%, 10% and 15% in EBITDA and Capex over the entire test period and for all markets and brands;
- increase of WACC by +1% and decrease of growth rate by -1%.

Each stress test is performed on a stand-alone basis. Any reasonable possible change in the key assumptions reported above would not cause any impairment loss.

Further, the headroom breakeven point is calculated through both the WACC percentage increase and the cash flow percentage decrease (in order to make it nil); for the reporting period the results are, within the planned horizon:

- WACC percentage increase on a weighted average of more than 22%;

- Cash Flow percentage decrease: Thermal Comfort 14.3% (16.0% in 2024), Burners 64.2% (49.7% in 2024), Components 82.0% (71.4% in 2024).

Assumptions related to the impairment plan

Below is a summary of the main assumptions used within the impairment test for each CGU:

2025	Thermal Comfort (TCO)	Burners (BUR)	Components (COM)
Net invested capital (€/000)	1,975.7	49.6	31.8
of which Goodwill and Other intangible assets with indefinite useful lives (€/000)	*1,096.4*	*12.5*	*5.5*
Growth rate (%)	1.71%	0.94%	0.98%
WACC (%)	10.62%	11.21%	11.92%

2024	Thermal Comfort (TCO)	Burners (BUR)	Components (COM)
Net invested capital (€/000)	1,924.5	46.1	33.5
of which Goodwill and Other intangible assets with indefinite useful lives (€/000)	*1,110.3*	*12.5*	*5.5*
Growth rate (%)	1.72%	0.98%	0.91%
WACC (%)	9.95%	10.70%	11.57%

Impairment test results

The values estimated as described in the above paragraph are determined to be in excess of the carrying amount for each CGU to which goodwill is allocated. As such, no impairment charges were recognized for goodwill and intangible assets with indefinite useful lives for the year ended 31 December 2025.

Note 2.1.1 – Business combinations

Control re-acquisition of Ariston Thermo Rus LLC

Ariston Thermo Rus LLC is a wholly-owned subsidiary of Ariston Holding N.V., which owns 100% of its share capital. Ariston Holding N.V. regained a control over Ariston Thermo Rus LLC as of 26 March 2025 and consolidates its assets, liabilities, equity, income and expenses starting from 1 April 2025. For a more detailed description of the events, please refer to paragraph '6.3 – Basis of accounting preparation'.

Ariston Group have identified the net assets acquired and assessed their fair value. The analysis has focused on three main categories of assets: (a) customer relationships; (b) inventory; and (c) properties, plant and equipment (PPE). Other assets typically examined in such circumstances, but not included in this analysis, are: (a) the brand, as sales and production are conducted under the Ariston brand, which is owned by Ariston S.p.A. and (b) technology and patents, since these are not held by Ariston Thermo Rus LLC.

Based on the activities performed, the Group did not identify any significant differences between the carrying amounts of the assets and liabilities and their fair values at the date of re-consolidation.

(in € million)	Book value at acquisition date		Fair value at acquisition date
ASSETS			
Non-current assets			
Lands and buildings	6.1		6.1
Plant and machinery	3.7		3.7
Other tangible assets	1.7		1.7
Deferred tax assets	3.5		3.5
Total non-current assets	**15**		**15**
Current assets			
Inventories	33.1		33.1
Trade receivables	9.7		9.7
Tax receivables	1.3		1.3
Current financial assets	2.0		2.0
Other current assets	4.6		4.6
Cash and cash equivalents	0.9		0.9
Total current assets	**51.7**		**51.7**
TOTAL ASSETS	**66.7**		**66.7**
LIABILITIS			
Non-current liabilities			
Deferred tax liabilities	1.3		1.3
Non current provisions	1.0		1.0
Non current financing	0.5		0.5
Total non-current liabilities	**2.8**		**2.8**
Current liabilities			
Trade payables	16.8		16.8
Tax liabilities	0.1		0.1
Current provisions	4.7		4.7
Current financing	0.2		0.2
Other current liabilities	1.8		1.8
Total current liabilities	**23.6**		**23.6**
Total Liabilities	**26.4**		**26.4**
NET ASSETS ACQUIRED	**40.2**	**A**	**40.2**

TOTAL LIABILITIES AND EQUITY	66.7		66.7

Total consideration, of which:	**B**	**-**
Price paid in cash		-
Contingent consideration		-
Price paid in kind		-
Gain from a bargain purchase (C=B-A)	**C**	-40.2

From the date of consolidation, Ariston Thermo Rus LLC contributed € 57.2 million in revenue and € 10.3 million to profit before tax from continuing operations of the Group.

Indian Plant Acquisition

As mentioned in paragraph '3 – Basis of accounting preparation', on 17 October 2025 Ariston Group completed the acquisition from Hintastica for Home and Electrical Appliances (the "Seller") of a production site located in the Green Industrial park, near Hyderabad, and with a total area of 23,100 square meters and approximately 22 employees (hereinafter the "transaction" and the "business acquired"). Such facility is aimed to produce a range of domestic water heating solutions developed to serve the needs of Indian market. The transaction consideration (paid fully in cash) amounted to EUR 10.9 million.

Further, in the context of the acquisition, the parties shall be entering into an OEM agreement for which Hintastica is committed to purchase (and Ariston is committed to sell) the Hintastica range products manufactured by Ariston India. This agreement is expected to be in force for one year and it shall be automatically renewed on an annual basis.

The transaction was accounted for in accordance with IFRS 3 by applying the acquisition method. The IFRS 3 acquisition method of accounting applies the fair value concepts defined in *IFRS 13 - Fair Value Measurement* and requires, among other things, the assets acquired and the liabilities assumed in a business combination to be recognized by the acquirer at their fair values as of the acquisition date.
Based on the above, the Group performed the purchase price allocation and it was finalized in a period not exceeding 12 months from the closing date, in compliance with the applicable accounting standards.
The book value and the fair value of the identifiable assets and liabilities of the business acquired as at the date of acquisition were the followings:

(in million €)	Book value at acquisition date		Fair value at acquisition date
ASSETS			
Non-current assets			
Lands and buildings	4.3		4.5
Plant and machinery	5.6		5.9
Total non-current assets	**9.9**		**10.3**
Current assets			
TOTAL ASSETS	**9.9**		**10.3**
LIABILITIES			
Total Liabilities	-		-
NET ASSETS ACQUIRED	**9.9**	**A**	**10.3**

Total consideration	**B**	**10.9**
Goodwill arising on acquisition (C=B-A)	**C**	**0.6**

The emerging goodwill has been allocated to the Thermal Comfort CGU and is not tax-deductible based on the relevant local regulations.

DDR Heating Inc Business Combinations

On 7 March 2025, Ariston Group entered into an agreement for the purchase of the shares in DDR Heating Inc, a company operating in the U.S. market specializing in the production of components for the professional sector. On the same date, the parties also agreed to transfer ownership of two properties located in Allegan, Michigan, where the offices and facilities of the Investee are situated, which were previously owned by the Sellers, through the entities DDR Real Estate 1 LLC and DDR Real Estate 2 LLC. The transaction price is defined in the documents as follows:

i. an initial amount of USD 3.2 million (€ 2.9 milion) was paid at closing for the acquisition of the equity interests;
ii. an amount of USD 1.4 million (€ 1.3 milion) was paid for the purchase of the two properties;
iii. an estimated amount of USD 1.0 million (€ 0.9 milion) is to be paid subsequently upon approval of the 2025 financial statements, calculated based on company performance;
iv. other minor amounts equal to USD 0.2 million (€ 0.1 milion) for property taxes and an adjustment for net financial position.

The total transaction price is equal to USD 5.8 million (€ 5,3 milion).

The book value and the fair value of the identifiable assets and liabilities of DDR Heating INC as at the date of acquisition were as follows:

(in million €)	Book value at acquisition date		Fair value at acquisition date
ASSETS			
Non-current assets			
Other intangible assets	0.0		1.0
Lands and buildings	0.7		2.2
Plant and machinery	0.1		0.1
Other tangible assets	0.2		0.2
Total non-current assets	**0.9**		**3.4**
Current assets			
Inventories	1.8		1.5
Trade receivables	0.7		0.7
Tax receivables	0.1		0.1
Cash and cash equivalents	1.2		1.2
Total current assets	**3.8**		**3.6**
TOTAL ASSETS	**4.7**		**7.0**
LIABILITIS			
Non-current liabilities			
Deferred tax liabilities	0.1		0.5
Non current financing	0.0		0.1
Total non-current liabilities	**0.1**		**0.6**
Current liabilities			
Trade payables	0.2		0.2
Total current liabilities	**0.2**		**0.2**
Total Liabilities	0.3		0.8
NET ASSTES ACQUIRED	**4.4**	**A**	**6.2**
TOTAL LIABILITIES AND EQUITY	**4.7**		**7.0**

Total consideration, of which:	**B**	**5.3**
Price paid in cash		4.4
Contingent consideration		0.9
Gain from a bargain purchase (C=B-A)	**C**	**-0.9**

From the date of acquisition, DDR contributed € 4.5 million in revenue and € 0.5 million to profit before tax from continuing operations of the Group.
The emerging goodwill has been allocated to the Component CGU and is not tax-deductible based on the relevant local regulations.

Z.R.E. S.r.l. Business Combinations

On 26 June 2025, Ariston Group entered into an agreement to acquire an 80% majority stake in Z.R.E. S.r.l., a long-established company based in San Gillio (Turin, Italy), specialized in the design and production of industrial electric heaters. On the same date, the parties also agreed to regulate a put and call option on the residual stake held by the Minority Shareholders.

An initial amount of € 1.8 million was paid at closing date as provisional price for the acquisition of 80% majority stake in Z.R.E. S.r.l. An additional amount of € 0.1 million was paid on 22 October 2025, as Adjustment purchase price in accordance with the above formula.

For the residual stake (20%) held by the Minority Shareholders, it has been estimated an amount of € 0.4 million to be paid after the exercise of the option within thirty days following the approval of the Company's financial statements for the fiscal year ending 31 December 2026.

The book value and the fair value of the identifiable assets and liabilities of Z.R.E. S.r.l. as at the date of acquisition were as follows:

(in million €)	Book value at acquisition date	Fair value at acquisition date
ASSETS		
Non-current assets		
Other intangible assets	0.0	1.0
Lands and buildings	0.5	1.1
Plant and machinery	0.2	0.3
Deferred tax assets	0.2	0.3
Long term tax receivables	0.1	0.1
Total non-current assets	**1.2**	**2.9**
Inventories	1.2	0.8
Trade receivables	1.7	1.7
Other current assets	0.1	0.1
Cash and cash equivalents	0.4	0.4
Total current assets	**3.4**	**3.0**
TOTAL ASSETS	**4.6**	**5.9**
LIABILITIS		
Non-current liabilities		
Deferred tax liabilities	0.0	0.4
Post employement benefits	0.8	0.8
Non current financing	0.3	0.3
Total non-current liabilities	**1.1**	**1.6**
Current liabilities		

Trade payables	0.9		0.9
Tax liabilities	0.1		0.1
Current financial liabilities	0.9		0.9
Other current liabilities	0.7		0.7
Total current liabilities	**2.6**		**2.6**
Total Liabilities	**3.8**		**4.2**
NET ASSETS ACQUIRED	**0.8**	A	**1.7**
TOTAL LIABILITIES AND EQUITY	**4.6**		**5.9**

Total consideration, of which:	B	**2.4**
Price paid in cash		1.9
Contingent consideration		0.4
Goodwill arising on acquisition (C=B-A)	C	**0.7**

From the date of acquisition, Z.R.E. S.r.l. contributed € 3.5 million in revenue and € 0.2 million to profit before tax from continuing operations of the Group.
The emerging goodwill has been allocated to the Component CGU and is not tax-deductible based on the relevant local regulations.

Kälin Wärmetechnik AG Business Combinations

On 8 May 2025, the Ariston Group, through its Swiss subsidiary Elcotherm AG, entered into an agreement to acquire the shares of Kälin Wärmetechnik AG, a Swiss company operating in the trade, distribution and installation of oil and gas heating systems and air-conditioning technologies, as well as in service and maintenance activities.
The transaction price is defined in the documents as follows:

a) an initial amount of CHF 5.0 million was paid at closing on 27 May for the acquisition of the equity interests;
b) an amount of CHF 0.5 million as price retention to be paid, at contract given condition after 24 months.

The total transaction price is equal to CHF 5.5 million (€ 5.8 million).
The company was subsequently merged into Elcotherm AG on 30 June 2025.

The book value and the fair value of the identifiable assets and liabilities of Kälin Wärmetechnik AG as at the date of acquisition were as follows:

Value at acquisition date	Book value at acquisition date	Fair value at acquisition date
ASSETS	**EUR/million**	**EUR/million**
Non-current assets		
Other intangible assets	0.0	5.2
Total non-current assets	**0.0**	**5.2**
Current assets		
Inventories	0.4	0.4
Trade receivables	0.3	0.3
Other current assets	0.3	0.3
Cash and cash equivalents	0.5	0.5
Total current assets	**1.4**	**1.4**
TOTAL ASSETS	**1.5**	**6.7**
LIABILITIS		
Non-current liabilities		
Deferred tax liabilities	0.0	0.9
Total non-current liabilities	**0.0**	**0.9**
Current liabilities		
Trade payables	0.5	0.5
Other current liabilities	0.4	0.4

Total current liabilities	0.9		0.9
Total Liabilities	0.9		1.7
NET ASSETS ACQUIRED	0.6	A	5.0
Total Consideration		B	5.8
Goodwill arising on acquisition		B-A	0.8

The emerging goodwill has been allocated to the Therma Comfort CGU and is not tax-deductible based on the relevant local regulations.

Note 2.2 – Property, plant and equipment

At 31 December 2025, 'Property, plant and equipment' amounted to € 689.9 million, up by a net € 41.2 million compared to 31 December 2024.
The depreciation expense for the period is recognized under the appropriate item in the income statement and amounted to € 95.8 million.

Details of and changes in 'Property, plant and equipment' during the year are as follows:

Property, plant and equipment *(in € million)*	Land and buildings	Plant and machinery	Construction in progress	Other property, plant and equipment	Total
Cost net of accumulated impairment losses	458.7	487.4	91.6	419.7	1,457.5
Accumulated depreciation	-194.8	-328.2	0.0	-286.0	-809.0
As at 31.12.2024	**264.0**	**159.2**	**91.6**	**133.8**	**648.5**
Perimeter variation	15.0	10.1	0.2	2.0	27.2
Increases	14.6	10.6	80.6	34.2	139.9
of which for right of use	*10.2*	*0.3*	*0.0*	*21.9*	*32.5*
Decreases	-2.8	-0.2	-0.1	-0.9	-4.0
Impairment	-7.3	-4.1	-0.1	-0.5	-12.0
Depreciation	-28.6	-24.1	0.0	-43.2	-95.8
of which for right of use	*-17.3*	*-0.4*	*0.0*	*-16.9*	*-34.5*
Exchange rate effect	-2.7	-1.9	-0.2	-0.9	-5.7
Other	14.5	13.5	-47.8	11.4	-8.4
Total changes	2.7	3.9	32.6	2.1	41.3
Cost net of accumulated impairment losses	480.6	513.3	124.2	447.4	1,565.5
Accumulated depreciation	-214.0	-350.2	0.0	-311.6	-875.8
As at 31.12.2025	**266.6**	**163.1**	**124.2**	**135.9**	**689.9**

Details of and changes in 'Property, plant and equipment' during the prior year are as follows:

Property, plant and equipment *(in € million)*	Land and buildings	Plant and machinery	Construc-tion in progress	Other property, plant and equipment	Total
Cost net of accumulated impairment losses	431.6	485.0	106.6	391.2	1,414.4
Accumulated depreciation	-177.9	-347.3	0.0	-269.7	-795.0
As at 31.12.2023	**253.7**	**137.7**	**106.6**	**121.5**	**619.4**
Perimeter variation	12.8	0.3	-1.4	-1.4	10.3
Increases	26.3	10.4	53.4	37.9	128.0
of which for right of use	*21.6*	*0.0*	*0.0*	*24.3*	*45.9*
Decreases	0.2	-0.2	-0.1	0.1	0.0
Impairment	-1.0	-1.7	0.0	-1.9	-4.6
Depreciation	-27.9	-23.1	0.0	-41.5	-92.5
of which for right of use	*-17.2*	*-0.3*	*0.0*	*-15.2*	*-32.7*
Exchange rate effect	-1.9	-0.9	-0.2	-0.7	-3.7
Other	1.8	36.8	-66.9	20.0	-8.3
Total changes	10.3	21.6	-15.1	12.1	29.2
Cost net of accumulated impairment losses	458.7	487.4	91.6	419.7	1,457.5
Accumulated depreciation	-194.8	-328.2	0.0	-286.0	-809.0
As at 31.12.2024	**264.0**	**159.2**	**91.6**	**133.8**	**648.5**

The net increase was largely attributable to the capital expenditure for the period, totalling € 139.9 million, only partly offset by € 95.8 million for depreciation.

In order to recognize any impairment loss to tangible assets, in the presence of impairment indicators, the Group attributes these assets to the Net invested capital of the related CGUs and assesses their recoverability by determining their value in use with the discounted cash flow method.

The item 'Other property, plant and equipment' amounted to € 135.9 million, up by € 2.1 million compared with 31 December 2024.

The breakdown is detailed below:

Other property, plant and equipment *(in € million)*	31.12.2025	31.12.2024
Industrial and commercial equipment	75.9	76.7
Vehicles & transportation equipment	43.8	39.1
Furniture and office equipment	10.2	12.0
EDP machinery	3.2	2.9
Other	2.8	3.0
Total	135.9	133.8

In accordance with IFRS 16, below are the carrying amounts of right-of-use assets and the relevant changes during the period:

Right of use assets *(in € million)*	Lands and buildings	Plant and machinery	Other property, plant and equipment	Total
Cost net of accumulated impairment losses	112.5	2.1	66.7	181.3
Accumulated depreciation	-51.7	-1.0	-28.4	-81.1
As at 31.12.2024	**60.9**	**1.1**	**38.2**	**100.2**
Perimeter variation	0.6	0.0	0.1	0.6
Increases	10.2	0.3	21.9	32.5
Depreciation	-17.3	-0.4	-16.9	-34.5
Exchange rate effect	-0.5	0.0	0.1	-0.4
Other	0.2	0.1	-0.8	-0.6
Total changes	-6.8	-0.0	4.4	-2.4
Cost net of accumulated impairment losses	**119.7**	**2.4**	**85.0**	**207.1**
Accumulated depreciation	**-65.6**	**-1.3**	**-42.4**	**-109.3**
As at 31.12.2025	**54.1**	**1.1**	**42.6**	**97.8**

Below are the carrying amounts of right-of-use assets and the relevant changes during the prior period:

Right of use assets *(in € million)*	Land and buildings	Plant and machinery	Other property, plant and equipment	Total
Cost net of accumulated impairment losses	98.8	2.4	55.1	156.2
Accumulated depreciation	-42.6	-1.0	-25.5	-69.1
As at 31.12.2023	**56.3**	**1.4**	**29.5**	**87.2**
Perimeter variation	-0.6	0.0	-0.1	-0.7
Increases	21.6	0.0	24.3	45.9
Depreciation	-17.2	-0.3	-15.2	-32.7
Exchange rate effect	0.4	0.0	-0.1	0.3
Other	0.5	0.0	-0.3	0.2
Total changes	4.7	-0.2	8.6	13.1
Cost net of accumulated impairment losses	112.5	2.1	66.7	181.3
Accumulated depreciation	-51.7	-1.0	-28.4	-81.1
As at 31.12.2024	**60.9**	**1.1**	**38.2**	**100.2**

Note 2.2.1 – Information on tangible and intangible assets by main country

At 31 December 2025 the information on tangible and intangible assets (excluding goodwill) by main country is detailed below:

Country	31.12.2025	31.12.2024
Netherlands (country of domicile)	79.8	87.3
Germany	549.5	563.5
Italy	327.6	306.1
Switzerland	61.2	53.7
Other countries	272.1	241.4
Total	1,290.4	1,251.9

Note 2.3 – Investments in associates & Joint ventures

Associates

On 11 March 2025, the Ariston Group acquired 20.00% of the German company HeimWatt GmbH. The investment was around € 3.2 million. The core activities focus on the design, installation, and integration of photovoltaic systems and heat pumps, enabling households to produce and use clean energy efficiently.
The Group's interest in HeimWatt GmbH is accounted for using the equity method in the consolidated financial statements.

On 26 March 2025, the Ariston Group subscribed to a capital increase in the Belgian company Thermovault B.V.
Prior to the transaction, the Ariston Group held a 18.97% equity interest in Thermovault B.V.. Following the capital increase subscribed during the year, the Group's ownership increased to 27.98%. As a result, the Group's interest in Thermovault B.V. is accounted for using the equity method in the consolidated financial statements starting from 2025.
As at 31 December 2025, the carrying amount of the investment was approximately € 3.8 million.

Joint ventures

On 27 May 2025, the Company Ariston Lennox Water Heating North America, LLC was created. The Group holds 50.1% interest in the Joint Venture, involved in the commercialization of Ariston products under the Lennox brand within the United States and Canadian markets. In addition, the Joint Venture is required to provide operational support, including technical assistance and after-sales service, to Lennox in relation to the aforementioned products.

The interest of Ariston Group in Ariston Lennox Water Heating North America, LLC is accounted for using the equity method. As at 31 December 2025 the investment amount is equal to € 0.7 million. JV's financial results are not material for the Group for the year 2025.

Notes 2.4 – Deferred tax assets and liabilities

The net deferred taxes show a negative net balance of € 55.7 million in comparison with a negative net balance of deferred taxes of € 86.5 million of 2024, with an overall variation of € 30.8 million. The reduction of the net balance mainly derives from the reduction of deferred tax liabilities. In 2025, different factors created the reduction of the deferred tax liabilities.

The first item is the change of the tax rate enacted in 2025 in Germany that impacted the deferred taxes for an amount of € 19.0 million. Pursuant to Sec. 23 para. 1 of the German Corporate Income Tax Act, the German Corporate Income Tax rate will gradually reduce from 15% to 10%, starting on 1 January 2028 and concluding in 2032. The impact on the deferred tax liabilities has been entirely accrued in 2025.

The other recurring item is the amortization of the assets deriving from the purchase price allocation, mainly arising from the Wolf-Brink business combination occurred in 2023 and amounting to € 5.7 million.

Another reason for the deferred tax liabilities decrease derives from the reduction of those pertaining to undistributed earnings. Starting from 2021, a deferred tax liability on the undistributed earnings in Ariston subsidiaries is recorded equal to the expected tax burden on the remittance of earnings from those jurisdictions. The amount of the deferred tax liabilities on undistributed earnings recorded in 2025 is equal to € 15.5 million, a decrease of € 4.3 million in respect to the previous year. A significant part of this decrease, € 3.1 million relates to the reduction of the withholding tax on distribution of earnings from China deriving from the new Tax treaty against double taxation between Italy and China becoming effective in 2026. The remaining part, equal to € 1.2 million, mainly derives from the dividend policy applied aimed at maximizing dividend distribution.

The components of deferred tax assets and liabilities at 31 December 2025 are as follows:

Deferred tax assets *(in € million)*	31.12.2024	P&L	Equity	Translation differences and others	31.12.2025
Intellectual property	21.7	0.0	0.0	0.7	22.4
Research and development	8.0	0.1	0.0	-0.1	8.1
Tangible assets and leasing	21.1	-3.5	0.0	6.1	23.8
Provisions for risks	25.4	-1.5	-0.2	6.6	30.2
Inventory&Bad Debt	19.2	0.2	0.0	-5.8	13.6
Hedging	2.4	0.0	-2.4	1.3	1.4
Tax timing differences	8.2	4.5	0.0	3.6	16.2
Tax losses	7.4	1.3	0.0	-0.3	8.4
Other	8.8	-4.0	0.0	-2.8	2.0
TOTAL	122.1	-2.9	-2.6	9.4	126.0

Deferred tax liabilities *(in € million)*	31.12.2024	P&L	Equity	Translation differences and others	31.12.2025
Intellectual property	-135.1	21.5	0.0	-2.0	-115.6
Tangible assets and leasing	-35.5	9.8	0.0	-11.6	-37.4
Inventory	-2.7	0.2	0.0	1.2	-1.4
Taxes on undistributed profits	-20.0	4.7	0.2	-0.2	-15.3
Hedging and exchange gain or loss	-2.8	2.0	-0.7	-1.2	-2.8
Tax timing differences	-8.8	0.0	0.0	1.3	-7.4
Other	-3.7	0.5	-0.2	1.6	-1.9
TOTAL	-208.7	38.6	-0.7	-11.0	-181.7

As comparative data, the components of deferred tax assets and liabilities at 31 December 2024 were as follows:

Deferred tax assets *(in € million)*	31.12.2023	P&L	Equity	Translation differences and others	31.12.2024
Brand and patents	20.4	-0.1	0.0	1.4	21.7
Research and development	7.8	0.1	0.0	0.1	8.0
Tangible assets and leasing	15.7	-1.1	0.0	6.5	21.1
Provisions for risks	28.2	-4.6	3.5	-1.7	25.4
Inventory & Bad Debt	17.7	1.4	0.0	0.1	19.2
Hedging	2.3	0.0	-1.0	1.1	2.4
Tax timing differences	6.0	3.0	0.0	-0.8	8.2
Tax losses	9.7	-2.3	0.0	0.0	7.4
Other	6.9	3.9	0.0	-2.0	8.8
Total	114.6	0.3	2.5	4.7	122.1

Deferred tax liabilities *(in € million)*	31.12.2023	P&L	Equity	Translation differences and others	31.12.2024
Brand and intellectual property	-143.5	4.2	0.0	4.2	-135.1
Tangible assets and leasing	-26.9	-5.0	0.0	-3.6	-35.5
Inventory	-3.3	1.4	0.0	-0.8	-2.7
Taxes on undistributed profits	-24.6	4.6	0.0	0.0	-20.0
Hedging and exchange gain or loss	-4.6	1.2	1.7	-1.1	-2.8
Tax timing differences	-8.5	-0.9	0.0	0.6	-8.8
Other	-2.8	4.7	0.0	-5.6	-3.7
Total	-214.3	10.2	1.7	-6.3	-208.7

The decision to recognize deferred tax assets is made for each legal entity in the Group by critically assessing whether the conditions exist for the future recoverability of such assets on the basis of actual results, as well as updated plans.

Ariston recognizes in its consolidated statement of financial position the amount of deferred tax assets less the deferred tax liabilities of the individual consolidated legal entities, where these may be offset.

Note 2.5 – Financial assets

'Financial assets' amounted to € 2.1 million at 31 December 2025, down by € 3.0 million compared to December 2024. This item mainly consists of "Other investments" held for the medium/long term and measured at fair value, since they are largely classified as "Financial instruments at fair value through profit or loss (FVTPL)".

Note 2.6 – Other non-current assets

'Other non-current assets' primarily include guarantee deposits due after one year and other assets with a financial impact of more than one year.
At 31 December 2025, 'Other non-current assets' amounted to € 8.3 million, up compared with € 7.0 million at 31 December 2024.

Note 2.7 – Non-current tax receivables

As at 31 December 2025, 'Non-current tax receivables' amounted to € 1.9 million, slightly up from € 1.0 million in the same period of 2024. This item includes receivables due to the Group from the tax authorities.

Note 2.8 – Inventories

'Inventories' at 31 December 2025 and at 31 December 2024, are broken down below, net of the obsolete stock provision.

Inventories *(in € million)*	31.12.2025	31.12.2024
Raw materials	186.5	175.6
Work in progress and semi-finished goods	31.5	31.9
Finished goods and goods for resale	293.0	263.0
Total	511.0	470.4

As at 31 December 2025, the gross value of inventories was € 585.1 million, up from € 553.7 million on 31 December 2024. Meanwhile, the provision amounted to € 74.1 million, down from € 83.3 million in the previous year.

As at 31 December 2025, inventories totaled € 511.0 million, an increase of € 40.6 million compared to 31 December 2024. This change is mainly attributed to the following factors:

- the re-consolidation of Ariston Thermo Rus LLC equal to € 33.1 million;
- organic change and perimeter variation of € 16.4 million, primarily resulting from initiatives to improve customer service levels, supported by coordinated monthly planning across functions;
- negative exchange rate effect of € 8.9 million.

Inventories are recognized at the lower between purchase and production cost, according to the weighted average cost method, and their net realizable value which includes the costs necessary to sell inventories. Based on that, they had no material impact for the Group.

The provision for obsolete or slow-moving stock increased compared to the previous year, both in percentage terms and in absolute value. In 2025, the provision amounted to 14.5% of the total inventory, down from 17.7% the year before. Additionally, the absolute variation in the provision was € -9.1 million.
The obsolescence risk is measured taking into account stock rotation, calculated monthly as the ratio of inventories to consumption over the last twelve months for raw materials (forty-eight months for spare parts with a life cycle defined as "inactive"), and the product life cycle. In the obsolescence risk, the Group has considered the technological obsolescence which can arise from climate change and the energy transition for materials and products in stock. Based on these parameters, impairment percentages are applied which increase in proportion to the estimated risk.

The change in the obsolete stock provision changed as follows:

Obsolete stock provision *(in € million)*	Raw materials	Work in progress and semi-finished goods	Finished goods and goods for resale	Total
As at 31.12.2024	**23.1**	**2.8**	**57.4**	**83.3**
Perimeter variation	1.0	-	1.5	2.5
Increases	9.6	1.7	9.5	20.8
Decreases	-3.5	-0.2	-4.3	-8.0
Release	-7.3	-1.0	-14.3	-22.6
Exchange rate effect	-0.4	0.0	-0.8	-1.1
Other	0.0	0.0	-0.7	-0.7
Total changes	-0.6	0.5	-9.1	-9.1
As at 31.12.2025	**22.5**	**3.3**	**48.3**	**74.1**

The recognition of inventories using the weighted average cost method does not show any significant differences compared with measurement at current costs.

Note 2.9 – Trade receivables

Trade receivables amounted to € 347.8 million, net of a bad debt provision of € 18.2 million.
Compared with 31 December 2024, the net balance shows an increase of € 13.9 million in absolute values. The variation is primarily attributable to the slight rise in sales volumes. Nevertheless, the country mix effect played a crucial role in partially mitigating this impact though the diversification of geographical sales.
The percentage of trade receivables on the turnover of the last 12 months was equal to 13.0% compared with 12.9% recorded at 31 December 2024.
The bad debt provision of € 18.2 million shows a net decrease by € 4.0 million compared with 31 December 2024. This decrease is mainly attributable to the reconsolidation of Russian company which resulted in the release of the provisions allocated to the company considered third party in December 2024 and bad debt usage for old unrecoverable balance.
At 31 December 2025, the provision was deemed to be appropriate for the estimated losses from unsecured or disputed receivables.

Following are the changes in the bad debt provision:

Bad debt provision *(in € million)*	Short-term	Medium/long-term	Total
As at 31.12.2024	**17.7**	**4.5**	**22.2**
Perimeter variation	0.6	0.3	0.9
Increases	3.6	0.2	3.8
Decreases	-1.1	-0.5	-1.6
Release	-6.4	-0.2	-6.6
Exchange rate effect	-0.5	0.1	-0.6
Other	0.2	-0.1	0.1
Total changes	-3.6	-0.4	-4.0
As at 31.12.2025	**14.0**	**4.1**	**18.2**

Reference should be made to the 'Credit Risk' paragraph for further details on ageing and the related Bad Debt Provision.

Note 2.10 – Tax receivables

'Tax receivables' primarily includes the amounts due to Group companies from the taxation authorities in several countries where the Group operates. At 31 December 2025, this item amounted to € 38.0 million, compared to € 39.9 million in 2024, as shown in this table:

Tax receivables *(in € million)*	31.12.2025	31.12.2024
Tax receivable for taxes paid in excess	21.3	26.4
Tax receivables towards Merloni Holding	12.3	8.7
Other short term tax receivables	4.5	4.7
Total	38.0	39.9

Ariston Holding N.V. is incorporated in the Netherlands but is a tax resident in Italy and is controlled by Merloni Holding S.p.A. Ariston Holding N.V. and its Italian subsidiaries have adopted the national tax consolidation scheme. At 31 December 2025, the income tax assets and liabilities of individual Italian companies are transferred to Merloni Holding S.p.A. and included in the 'Tax assets' from the parent for tax consolidation purposes. The increase amounts to € 3.6 million and mainly derives from the taxable base for tax consolidation purposes at Ariston Group level.

Note 2.11 – Current financial assets

At 31 December, 2025, 'Current financial assets' amounted to € 11.9 million, down from € 18.4 million reported at the end of 2024.

The item mainly includes:

- 'Short-term financial receivables', mainly security deposits amounting to € 1.9 million as of 31 December 2025 (€ 2.8 million as of 31 December 2024);
- 'Financial derivative assets' of € 6.6 million (€ 9.1 million as of 31 December 2024) arising from the fair value measurement of derivative financial instruments. The fair value of financial derivatives included hedges on commodities for € 3.7 million, on interest rates for € 2.1 million and on foreign exchange for € 0.8 million.
  Closed derivatives not yet collected amounted to € 1.5 million (€ 4.0 million as of 31 December 2024).

Note 2.12 – Other current assets

At 31 December 2025, 'Other current assets' amounted to € 86.7 million, compared to € 62.8 million at 31 December 2024:

Other current assets *(in € million)*	31.12.2025	31.12.2024
Indirect tax receivables	38.8	37.6
Credits from government	17.7	0.9
Prepaid expenses	14.4	11.3
Advances to suppliers	8.8	5.6
Supplier debit balance	3.7	5.1
Receivables from employees	0.7	0.8
Other receivables	2.6	1.4
Total	86.7	62.8

The increase in 'Other current assets' primarily reflects the credits from government and advances to suppliers which rose compared to 2024.

The credit for government is primarily related to the incentives granted in Italy in connection with investment programs. For further information, please refer to paragraph '8.6.4 – Other disclosures', section 'Grants'.

Note 2.13 – Cash and cash equivalents

'Cash and cash equivalents', amounting to € 246.5 million at 31 December 2025, primarily consist of bank and postal accounts, as shown in the following table:

Cash and cash equivalents *(in € million)*	31.12.2025	31.12.2024
Bank and postal deposits	223.0	289.8
Short Term Investments	23.4	60.7
Cash on hand	0.2	0.2
Total	246.5	350.8

'Bank and postal accounts' primarily consist of credit balances on current accounts and show a decrease of € 66.8 million compared to 31 December 2024. The other components also decreased compared to the previous year end.
The reduction in cash and cash equivalents mainly reflects the cash used by the initiatives undertaken to optimize the Group's debt profile, the dividends distributed during the year and the cash outflows associated with recent business combinations.

The reconciliation between cash and cash equivalents and the consolidated statement of cash flows is provided below:

Table of Reconciliation among Cash & Cash Equivalent and Consolidated statement of cash flows *(in € million)*	31.12.2025	31.12.2024
Cash and cash equivalents *(as included in the Consolidated statement of financial position)*	246.5	350.8
Short-term bank notes or similar tradable instruments and others	0.0	0.2
Bank overdrafts	-2.5	-0.2
Notes payable	-5.6	-5.5
Cash and cash equivalents *(as included in the Consolidated statement of cash flows)*	238.4	345.2

For the purposes of the 'Consolidated Statement of Cash flows', the Group has included the financial instruments shown in the above table (bank overdrafts, short-term bank notes and notes payable) in 'Cash and cash equivalents'. Indeed, these instruments are readily convertible and repayable on demand. In particular, short-term bank notes and notes payable are similar to bank overdrafts and are used primarily in China to settle commercial transactions, with the net balance of these notes fluctuating throughout the year.

Note 2.14 – Assets held for sale

At 31 December 2025, 'Assets Held for Sale' amounted to € 1.7 million, up from the previous year end. This item includes assets held for sale by:

- Ariston S.p.A., an Italian subsidiary, for which a building is subject to a binding sale agreement and is expected to be sold in 2026;
- the Romanian subsidiary.

Assets held for sale are measured in accordance with IFRS 5 at the lower of their carrying amount and fair value less costs to sell.

8.6.3 Statement of financial position – Liabilities and equity

Note 3.1 – Equity

At 31 December 2025, the fully paid up share capital of Ariston Holding N.V. was € 46,476,001.99, comprising 125,505,005 ordinary shares and 22,095,194 non-listed ordinary shares with a nominal value of € 0.01 each, and 225,000,000 multiple voting shares with a nominal value of € 0.20 each. The capital structure at 31 December 2025 for ordinary shares, non-listed ordinary shares and multiple voting shares is shown below.

Shareholders	Ordinary shares[1]	Non-listed ordinary shares[2]	% of total ordinary shares and non-listed ordinary shares	Multiple voting shares[3]	Total number of shares[4]	% of total shares
Merloni Holding S.p.A.	21,366,514		14.48%	198,000,000	219,366,514	58.87%
Amaranta S.r.l.	2,649,000		1.79%	27,000,000	29,649,000	7.96%
Treasury shares	4,654,120		3.15%		4,654,120	1.25%
Centrotec SE	19,321,473	22,095,194	28.06%		41,416,667	11.12%
Other shareholders	77,513,898[5]		52.52%		77,513,898	20.80%
Total	**125,505,005**	**22,095,194**	**100.00%**	**225,000,000**	**372,600,199**	**100.00%**

Notes:

(1) Ordinary shares are listed, freely transferable and each of them confers the right to cast one vote.

(2) Non-listed ordinary shares are not listed, freely transferable and each of them confers the right to cast one vote. Until 2 January 2025, lock-up provisions applied to the ordinary shares and non-listed ordinary shares held by CENTROTEC SE.

(3) Multiple voting shares confer economic rights equal to the ordinary shares, are not listed and confer the right to cast twenty votes, subject to a voting threshold. See 'Share capital and general meeting', sub-paragraph 'Voting rights and adoption of resolutions' in the Governance report. If a holder of multiple voting shares intends to transfer to any third party (be it a shareholder or not) one or more multiple voting shares, the other holders of multiple voting shares shall have the right, in accordance with the procedure outlined in article 16 of the articles of association, to exercise a right of first refusal.

(4) Each issued and outstanding share ranks equally with, and will be eligible for any dividends that may be declared on, all other shares, and will be equally entitled to the profits and (other) reserves of the Company, except for the entitlement to the conversion reserve (included into the 'Retained earnings/(losses) and other reserves' in the Statement of Changes in Equity) and the liquidation distribution. All profit distributions and repayment of capital will be made in such a way that on each share the same amount or value is distributed.

(5) Including 535,268 ordinary shares held by Paolo Merloni.

At 31 December 2025, the total consolidated equity amounted to € 1,515.1 million, up from € 1,425.1 million on 31 December 2024.

The overall change is the result of the sum of positive and negative items, such as:

- the Group's profit for the year amounting to € 132.4 million;
- the decrease in 'Retained earnings and other reserves' for the dividends paid in May 2025 for a total amount of € 29.5 million;
- the financial statements translation reserve in the Group currency, used to recognize the exchange differences arising from the translation of the financial statements of foreign subsidiaries not included in the Euro area, which had a negative impact of € 24.7 million (included in 'Retained earnings/(losses carried forward) and other reserves' in the statement of changes in equity);
- in November 2025, the Company started a treasury share buyback program to serve the Group's LTI plans with a number of Ariston shares to be acquired equal to 2,000,000. The treasury share buyback program was launched on 6 November 2025 and was still in place at 31 December 2025. Total treasury shares at 31 December 2025 amounted to € 22.4 million (4,654,120 ordinary shares);
- the increase in the 'Reserve for gains/losses' in equity and in 'Actuarial gains (losses)' for a total amount of € 6.8 million due to the net positive mark-to-market impact in hedge accounting and the positive change due to the remeasurement of the pension provision;

- the 'Stock-based incentive plans reserve' which increased by € 4.4 million during the year, due to the expense of share-based plans for 2025 and which decreased by € 1.4 million following the assignment of shares for LTI plans for 2022. At 31 December 2025, the reserve amounted to € 6.9 million (€ 4.0 million at 31 December 2024) and related to long-term incentive plans for 2023-2025:
  - 2023: € 3.0 million
  - 2024: € 2.3 million
  - 2025: € 1.6 million

  For further details, reference should be made to 'Note 3.1.1 - Stock-based incentive plans payments'.

Dividends paid

The table below shows the dividends approved and paid during the year and in previous years:

DIVIDENDS to the parents *(in € thousand)*	2025	2024	2023
Dividends paid during the year	29,455	63,078	48,342

At the reporting date, there were no dividends approved by the general meeting yet to be paid.

Note 3.1.1 – Stock-based incentive plans payments

2025 remuneration of the executive directors

The remuneration of the executive directors is in accordance with the remuneration policy. There are no loans, advances or guarantees provided by the Company or any undertaking belonging to the same group of the Company to or on behalf of an executive director.

The following table summarizes the remuneration received by the executive directors for the years ended 31 December 2025 and 2024:

Director, Position, Year		Base remuneration			Variable incentive		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Fixed Remuneration	Fees	Benefits and perquisites	Short-term incentive	Long-term incentive				
Paolo Merloni *Executive Chair*	2025	1,100	70	26	528	136[1]	-	54	1,914	65% fixed 35% variable
	2024	1,100	73	66	0	455[2]	-	50	1,744	74% fixed 26% variable
Maurizio Brusadelli *Chief Executive Officer* [3]	2025	1,900	50	73	792	0	3,250[3]	44	6,109	87% fixed 13% variable
	2024	1,900	50	94	0	0	2,800[4]	39	4,883	100% fixed

Notes:

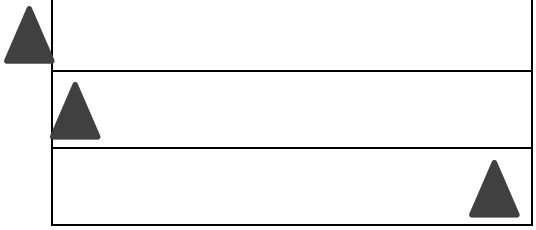
- *Fixed remuneration represents for the Executive Chair the base salary and the executive director fee. For the chief executive officer the fixed remuneration represents base salary, executive director fee and non-compete consideration.*
- *Fees represent the Board fee and the committee membership fees.*
- *The short-term incentive represents the incentive to be paid for performance results achieved in 2025.*
- *The long-term incentive value is calculated as follows: (i) for 2025, the LTI is valued referring to the share price on 30 December 2025 at close of trade (€ 4.46) and (ii) for 2024, the LTI is valued referring to the share price on 30 December 2024 at close of trade (€ 3.45).*

(1) LTI accrued value based on IFRS2 expenses is € 325 thousand.
(2) LTI accrued value based on IFRS2 expenses is € 1,437 thousand.
(3) The chief executive officer received the payment of a one-off amounting to € 2,800 thousand as foreseen by his terms of engagement and a one-off exceptional retention bonus amounting to € 450 thousand.
(4) The chief executive officer received a one-off payment amounting to € 2,800 thousand as foreseen by his terms of engagement.

Long-term incentive

In 2025 the LTIP 2022 vested. The compensation and talent development committee has proposed to the Board to recognize the following level of achievement:

KPI	Weight	Bandwidth pay-out level		
		Minimum	On-target	Maximum
Group Adjusted EBIT/Net sales matrix	70%			
Relative TSR	15%			
Sustainability Objective	15%			



In 2025, the compensation and talent development committee also proposed to the Board the grant of a new LTIP covering the performance years 2025-2027, in line with the remuneration policy.

The table below provides an overview of the outstanding LTI in 2025. It also provides an overview of (i) the number of PSUs of the LTIP 2022 that vested during 2025 as resolved by the Board on 5 March 2025 and (ii) the new PSUs and RSUs granted under the LTIP 2025 as resolved by the Board on 9 April 2025.

Director, position	Main conditions of performance share plans				Information regarding 2025					
					Opening balance	During the year		Closing balance		
	Plan	Performance period	Vesting start date	Vesting end date	Units on 1 January 2025[1]	Units awarded	Units vested/ shares received	Units vested/ shares received	Units awarded and unvested	Unexercised shares
Paolo Merloni *Executive Chair*	2022	2022-2024	28.04.2022	31.03.2025	104,948	0	30,435	30,435	0	30,435
	2023	2023-2025	04.05.2023	30.03.2026	110,741	0	0	0	110,741	0
	2024	2024-2026	06.05.2024	31.03.2027	218,124	0	0	0	218,124	0
	2025	2025-2027	03.06.2025	31.03.2028	0	250,740[2]	0	0	250,740	0
Maurizio Brusadelli *Chief Executive Officer*	2023	2023-2025	03.08.2023	30.03.2026	208,776	0	0	0	208,776	0
	2024	2024-2026	06.05.2024	31.03.2027	376,760	0	0	0	376,760	0
	2025	2025-2027	03.06.2025	31.03.2028	0	433,098[2][3]	0	0	433,098	0

(1) *Unvested PSUs.*

(2) *The number of units granted to the executive directors, as resolved by the Board on 9 April 2025 on the proposal of the compensation and talent development committee, is determined by dividing the individual grant value by the average closing price of the Company's shares on the 30 trading days before the grant. Specifically, for LTIP 2025 the average closing price on the 30 trading days before the grant was € 4.387.*

(3) *The units for the chief executive officer have been granted in the form of 60% PSUs and 40% RSU, i.e. 259,859 PSUs and 173,239 RSUs.*

The table below provides an overview of the ordinary shares held by the executive directors as of 31 December 2025.

Executive director	Number of ordinary shares
Paolo Merloni	535,268
Maurizio Brusadelli	80,000

Change of remuneration of executive directors and Company performance

The following table shows a comparison of the fixed remuneration over the last five years of the executive directors who served as executive director in 2025.

Annual change	2021	2022	2023	2024	2025
Executive directors' fixed remuneration ***(in € thousand)***					
Paolo Merloni *Executive Chair*	1,003	1,118	1,241	1,239	1,196
Maurizio Brusadelli *Chief Executive Officer* (1)	N.A.	N.A.	974	2,044	2,023
Executive directors' total remuneration ***(in € thousand)***					
Paolo Merloni *Executive Chair*	2,879	3,523	2,813	1,744	1,914
Maurizio Brusadelli *Chief Executive Officer*	N.A.	N.A.	1,399	4,883	6,109
Company performance ***(in € million)***					
EBIT	171	194	285	63	178
EBITDA	247	283	417	203	317
EBIT Adjusted	203	223	314	160	193
EBITDA Adjusted	277	305	422	276	311
Average remuneration on a full-time equivalent basis of employees(1) ***(in € thousand)***					
Employees of the Group	54	59	65	63	64
Internal pay ratio Chief Executive Officer					
Chief Executive Officer vs employees of the Group	40	44	N.A.(2)	105	124

(1) The population composition changes across the years in terms of FTE, mix and countries.
(2) In 2023 there is no relevant full year data for the CEO remuneration.

Internal pay ratio of the chief executive officer based on fixed remuneration

In accordance with Dutch law and the Dutch Corporate Governance Code, the internal pay ratio is an important factor in determining the remuneration policy. Pursuant to the Dutch Corporate Governance Code 'pay ratio' is understood to mean the ratio between (a) the total annual remuneration of the chief executive officer and (b) the average annual remuneration of the employees of the company and the group companies whose financial data the company consolidates, where: (i) the total annual remuneration of the chief executive officer includes all remuneration components (such as fixed remuneration, variable remuneration in cash (bonus), the share-based part of the remuneration, social security contributions, pension, expense allowance, etc.), as included in the (consolidated) financial statements; (ii) the average annual remuneration of the employees is determined by dividing the total wage costs in the financial year (as included in the (consolidated) financial statements) by the average number of FTEs during the financial year; and (iii) the value of the share-based remuneration is determined at the time of assignment, in line with the applicable rules under the applied reporting requirements. The Company has elected to follow this methodology from 2022. The 2025 pay ratio of the chief executive officer versus the employees of the Group is 124. This number is significantly impacted by the one-off amount paid to the chief executive officer as foreseen by his terms of engagement. The 2025 pay ratio of the chief executive officer excluding this one-off payment is 73.

2025 remuneration of the non-executive directors

The remuneration of the non-executive directors is in accordance with the remuneration policy. There are no loans, advances or guarantees provided by the Company or any undertaking belonging to the same group of the Company to the non-executive directors.

The following table summarizes the remuneration received by the non-executive directors for the years ended 31 December 2025 and 2024.

Non-executive director *(in € thousand)*	Fee 2025	Supplementary committee fee 2025	Remuneration 2025	Remuneration 2024
Laurent Jacquemin	50	10	60	60
Marinella Soldi[(1)]	50	13	63	70
Antonia Di Bella	50	20	70	67
Guido Krass	50	10	60	60
Roberto Guidetti[(2)]	50	27	77	90
Maria Francesca Merloni	50	-	50	50
Ignazio Rocco di Torrepadula[(3)]	50	13	63	70
Enrico Vita	50	10	60	60
Katja Gerber[(4)]	50	10	60	40

(1) Member of the ESG committee up to 7 May 2025.
(2) Chair of the ESG committee up to 7 May 2025.
(3) Member of the audit committee up to 7 May 2025.
(4) Member of the ESG committee up to 7 May 2025 and member of the audit and sustainability committee since 7 May 2025.

The following table shows a comparison of the remuneration over the last five years of non-executive directors who served as non-executive director in 2025:

Non-executive director *(in € thousand)*	2021	2022	2023	2024	2025
Laurent Jacquemin	48[(1)]	50[(1)]	50[(1)]	60	60
Marinella Soldi[(2)]	67	70	70	70	63
Antonia Di Bella	-	-	60	67	70
Guido Krass	-	-	60	60	60
Roberto Guidetti[(3)]	71	90	90	90	77
Maria Francesca Merloni	48	50	50	50	50
Ignazio Rocco di Torrepadula[(4)]	38	60	70	70	63
Enrico Vita	52	60	60	60	60
Katja Gerber[(5)]	-	-	-	40	60

(6) Fees received during his period as CEO ended on 27 July 2023.
(7) Member of the ESG committee up to 7 May 2025.
(8) Chair of the ESG committee up to 7 May 2025.
(9) Member of the audit committee up to 7 May 2025.

Member of the ESG committee up to 7 May 2025 and member of the audit and sustainability committee since 7 May 2025.

Notes 3.2 – Deferred tax liabilities

'Deferred tax liabilities' are discussed in 'Note 2.4 - Deferred tax assets and liabilities', to which reference should be made.

Note 3.3 – Non-current provisions

'Current and non-current provisions' totalled € 132.2 million, essentially in line with the previous year.
The following table shows the composition of this item and the changes occurring during the year:

Non-current and current provisions *(in € millions)*	Agent supplementary indemnity provision	Product warranty provision	First installation provisions	Other Provision	Total
As at 31.12.2024	2.8	94.9	7.0	27.6	132.4
of which:					
- Current	0.0	43.9	2.0	16.9	62.8
- Not Current	2.8	51.0	5.1	10.7	69.6
Perimeter variation	0.0	1.4	0.0	4.4	5.8
Increases	0.4	44.8	1.9	17.7	64.8
Decreases	-0.6	-40.5	-2.1	-11.7	-54.9
Releases	0.0	-6.6	0.0	-7.5	-14.1
Other	0.0	-2.3	-0.1	0.5	-1.9
Total changes	-0.2	-3.1	-0.3	3.4	-0.2
As at 31.12.2025	2.6	91.8	6.7	31.0	132.2
of which:					
- Current	0.0	26.6	1.9	21.5	50.0
- not Current	2.6	65.2	4.9	9.5	82.2

Details of and changes in 'other provisions' are the following:

Other provisions *(in € millions)*	Legal Dispute Provision	Restructuring Provision	Other Provision	Total
As at 31.12.2024	7.6	3.4	16.7	27.6
of which:				
- Current	7.2	3.4	6.3	16.9
- Not Current	0.3	0.0	10.4	10.7
Perimeter variation	0.0	0.0	4.4	4.4
Increases	0.5	7.9	9.3	17.7
Decreases	-1.2	-5.8	-4.8	-11.7
Releases	-1.4	-0.4	-5.7	-7.5
Other	0.0	1.4	-0.8	0.5
Total changes	-2.0	3.1	2.4	3.4
As at 31.12.2025	5.5	6.4	19.1	31.0
of which :				
- Current	5.2	6.4	9.8	21.5
- not Current	0.3	0.0	9.3	9.5

At 31 December 2025, 'Current provisions for risks and charges' amounted to € 50.0 million compared to € 62.8 million at 31 December 2024, whereas 'Non-current provisions for risks and charges' amounted to € 82.2 million compared to € 69.6 million at the previous year end.

Specifically, the 'Agents' termination indemnity' includes the accruals covering the indemnities that may be due to agents on the termination of their agency relationship. The provision shows a modest decrease of € 0.2 million compared to the previous year end.

The 'Product warranty provision' represents the estimated costs to be borne for technical support of products sold under warranty.
The method used to determine this provision is based on historical/statistical data about the warranty work performed, the costs incurred for such work and the products sold on the market which are still under warranty at the evaluation date.
The provision decreased by a net amount of € 3.1 million, mainly due to the ordinary business related to the warranty on manufactured and sold products.

The 'First installation provision' represents the estimated expense that the Group must bear for interventions on products. The balance is substantially unchanged compared to the previous year end.

'Other provisions' include estimated future charges for corporate restructuring, pending legal disputes and other risks to be covered with appropriate provisions. These were estimated based on available information.

'Other' includes the exchange effect of the year and reclassifications.

Note 3.4 – Post-employment benefits

Most Group employees are eligible for benefits through pension plans in the case of retirement and resignation. Those plans are either defined contribution plans or defined benefit plans based on pensionable remuneration and length of service. The Group manages its pension plans by geographical area and most plans, classified as defined benefit plans under IAS 19, are located in Switzerland, Germany and Italy.

In Switzerland, under IAS 19, the projected unit credit cost method was applied for the calculation of the defined benefit obligation and normal cost at 31 December 2025. In collaboration with an independent consultancy for institutional investors, the main Pensionskasse conducted an asset/liability analysis to derive a suitable investment strategy. The study thoroughly evaluated the liabilities of the scheme. The suitability of asset classes and the optimization of the strategic asset allocation have been carried out on the basis of simulations of the funded status. As a result, the board of trustees decided on a strategic asset allocation which: contains several asset classes, is diversified globally and mimics the economic properties of the liabilities. With the exception of Swiss real estate investments, the ELCO Pensionskasse only invests in publicly traded assets. The largest share of assets is invested in Swiss Franc bonds. Other asset classes are foreign currency bonds, global equity and Swiss real estate. Alternative assets are not considered. The use of derivatives is limited to hedging currency risk and to fine tune bond and equity investments. All investments are made in institutional investment funds designed for Swiss pension schemes.
With respect to the other asset strategy, the arrangement is part of the Swiss Life pension funds ("BVG-Sammelstiftung Swiss Life" / "Sammelstiftung Zusatzvorsorge Swiss Life"). Hence the affiliated company has no influence on the asset strategy and asset management. The responsibility lies fully with the board of trustees of the Swiss Life pension funds, in particular in relation to collaboration with an independent consultancy for institutional investors, performing asset liability analysis, the implementation policy, deviations from the strategic asset allocation, tactical asset allocation, etc..

In Germany, pension funds are regulated in a Pension System based on three pillars.
The "first pillar" (state and obligatory pension insurance contributions) is a defined contribution pension plan, established by the social pension insurance, based on the pay-as-you-go principle and related to the income limit. It covers employees in the public and private sector and some categories of self-employed workers and is mainly financed through social security contributions paid by workers and employers in equal measure and by taxes.
The "second pillar" (company pension schemes) is represented by voluntary supplementary pensions on a pay-as-you-go basis, and thus with defined benefits falling on both the worker and the company.
The "third pillar" is a voluntary, private savings plan in funds or insurance companies which is encouraged through tax incentives and subsidies.
Pension provisions are recognized in accordance with IAS 19 Employee Benefits using the projected unit credit method, taking into account, among other things, estimated future pension and salary increases. The expense from the accrued interest on pension provisions is reported under interest expense. The defined benefit obligation (DBO) in accordance with IAS 19 guidelines is used as a measure of the accrued obligation. The present value of the defined benefit obligation (DBO) to be determined on the reporting date corresponds to the present value of the benefits earned on the reporting

date, taking into account biometric assumptions (e.g. mortality, probability of disability, fluctuation) and economic assumptions (e.g. wage and salary increases, pension increases), where relevant in each case. For each expected benefit, that part is deemed to have been earned on the reference date which corresponds to the ratio of the length of service achieved on the reference date to the length of service achievable at the start of the respective benefit. For vested beneficiaries and pensioners, the DBO corresponds to the present value of all future benefits. Financing takes place internally via the scheduled accumulation of pension provisions. There are no separate assets that fulfil the requirements of IAS 19.8 for plan assets (unfunded plan).
The companies pay annual contributions to the pension insurance association. In accordance with applicable regulations the insurance association is responsible for statutory insolvency protection for company pension schemes.

In Italy, the employees' leaving entitlement or "TFR" relates to the amounts that employees are entitled to receive when they leave the company and is calculated based on the period of employment and the taxable income of each employee. Under certain conditions, the entitlement may be partially advanced to an employee during the employee's working life. The Italian legislation regarding this scheme was amended by Law 296 of 27 December 2006 and subsequent decrees and regulations issued in the first part of 2007. Under these amendments, companies with at least 50 employees are obliged to transfer the TFR to the "Treasury fund" managed by the Italian state-owned social security body ("INPS") or to supplementary pension funds. Prior to the amendments, accruing TFR for employees of all Italian companies could be managed by the company itself. Consequently, the Italian companies' obligation to INPS and the contributions to supplementary pension funds take the form, under IAS 19 revised, of "Defined contribution plans" whereas the amounts recorded in the employees' leaving entitlement retain the nature of "Defined benefit plans". Accordingly, the Italian provision consists of the residual TFR obligation until 31 December 2006. This is an unfunded defined benefit plan as the benefits have already been almost entirely earned, with the sole exception of future revaluations. Since 2007 the scheme has been classified as a defined contribution plan, and the Group recognizes the associated cost, being the required contributions to the pension funds, over the period in which the employee renders service.

Summary of the reconciliations for the DBO and plan assets

The following tables contain the reconciliations for the DBO and plan assets:

	31.12.2025			31.12.2024		
Change in obligations during the year	Switzerland	Others	Total	Switzerland	Others	Total
BEGINNING OF THE PERIOD	**-227.3**	**-90.0**	**-317.3**	**-223.7**	**-92.3**	**-316.0**
Current service	-5.1	-2.9	-8.1	-4.6	-2.8	-7.4
Past service	-1.9	-0.5	-2.4	0.0	0.0	0.0
Financial expense	-1.9	-3.0	-4.9	-2.4	-3.0	-5.4
Other pension cost	0.0	0.0	0.0	0.0	-0.1	-0.1
Curtailment, settlement, plan amendment	0.0	0.1	0.1	0.0	0.1	0.1
Total impact recognized at PL	***-9.0***	***-6.3***	***-15.3***	***-7.0***	***-5.9***	***-12.9***
Gains (losses) resulting from experience	*-1.6*	*0.8*	*-0.8*	*-2.2*	*-0.7*	*-2.9*
Act. gains/losses resulting from changes in demographic assumptions	*0.0*	*0.1*	*0.1*	*0.9*	*0.0*	*0.9*
Act. gains/losses resulting from changes in financial assumptions	*6.9*	*4.8*	*11.7*	*-3.4*	*1.2*	*-2.2*
Total impact recognized at OCI	***5.4***	***5.6***	***11.0***	***-4.7***	***0.5***	***-4.2***
Perimeter variation	0.0	1.4	1.4	0.0	0.0	0.0
Foreign exchange gains (losses)	-2.3	0.1	-2.3	3.5	0.3	3.9
Paid benefits	15.5	7.9	23.4	10.0	7.3	17.2
Minor changes	-3.5	-3.3	-6.8	-5.4	0.1	-5.3
Total other changes	***9.7***	***6.1***	***15.8***	***8.1***	***7.7***	***15.8***
END OF THE PERIOD	**-221.2**	**-84.6**	**-305.8**	**-227.3**	**-90.0**	**-317.3**

Change in plan assets during the year	31.12.2025			31.12.2024		
	Switzerland	Others	Total	Switzerland	Others	Total
BEGINNING OF THE PERIOD	**250.5**	**7.8**	**258.3**	**237.3**	**7.6**	**244.9**
Financial income on plan assets	2.0	0.3	2.3	2.4	0.2	2.6
Curtailment, settlement, plan amendment	0.0	0.0	0.0	0.0	0.0	0.0
Total impact recognized at PL	***2.0***	***0.3***	***2.3***	***2.4***	***0.2***	***2.6***
Actuarial gains (losses) from plan assets	7.3	0.0	7.3	12.3	-0.1	12.2
Total impact recognized at OCI	***7.3***	***0.0***	***7.3***	***12.3***	***-0.1***	***12.2***
Perimeter variation	0.0	0.0	0.0	0.0	0.0	0.0
Company's contributions	6.3	0.2	6.5	6.3	0.2	6.4
Employees' contributions	5.1	0.1	5.2	5.0	0.2	5.2
Foreign exchange gains (Losses)	2.7	0.0	2.7	-3.6	0.0	-3.6
Payments	-15.5	-0.4	-15.9	-10.0	-0.1	-10.1
Minor changes	-0.6	0.2	-0.4	0.8	-0.1	0.7
Total other changes	***-2.1***	***0.1***	***-2.0***	***-1.5***	***0.1***	***-1.4***
END OF THE PERIOD	**257.7**	**8.2**	**265.9**	**250.5**	**7.8**	**258.3**

Employee Benefits	31.12.2025			31.12.2024		
	Switzerland	Others	Total	Switzerland	Others	Total
Current value of defined benefit plans	-221.2	-84.6	-305.8	-227.3	-90.0	-317.3
Fair value on plan assets	257.7	8.2	265.9	250.5	7.8	258.3
Total	36.5	-76.4	-39.9	23.3	-82.2	-59.0
Unrecognised plan assets	-37.9	0.0	-37.9	-25.4	0.0	-25.4
of which: effect of Asset Ceiling in OCI	*12.0*	*0.0*	*12.0*	*9.8*	*0.0*	*9.8*
Total	-1.4	-76.4	-77.9	-2.1	-82.2	-84.4
of which: Post-employee benefits	*-2.0*	*-76.4*	*-78.4*	*-2.7*	*-82.2*	*-85.0*
Other non-current assets	*0.6*	*0.0*	*0.6*	*0.6*	*0.0*	*0.6*

Assumptions

The weighted averages of the assumptions used to calculate the DBO as at 31 December were as follows:

Assumptions used	Switzerland		Other	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Discount rate	1.2%	1.0%	3.7%	3.5%
Inflation rate	0.5%	1.0%	1.8%	1.8%
Future salary raises	0.5%	1.0%	3.0%	3.0%
Future pension raises	0.0%	0.0%	1.6%	1.5%

Sensitivity analysis

A quantitative sensitivity analysis of the significant assumptions used at 31 December 2025 is provided below. Specifically, it shows the effects on the final net obligation arising from a positive or negative percentage change in the key assumptions used.

	Switzerland		Other		Total	
	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Discount rate	-5.9%	6.6%	-4.2%	4.5%	-5.5%	6.1%
Future salary	0.8%	-0.7%	0.8%	-0.2%	0.6%	-0.6%
Future pension	3.6%	0.0%	3.0%	-2.8%	3.5%	-0.8%
Future inflation rate	0.0%	0.0%	1.1%	-1.0%	0.3%	-0.3%

The above sensitivity analysis is based on a method which involves extrapolation of the impact of reasonable changes to the key assumptions made at the reporting date on the net obligation for defined benefit plans.

Future cash flows

The following payments are the expected contributions that will be made in future years to provide for the obligations of the defined benefit plans.

	Switzerland	Other	Total
Within 12 months	-12.2	-6.4	-18.5
From 1 to 5 years	-66.5	-24.2	-90.7
From 5 to 10 years	-67.4	-26.6	-93.9
Total	**-146.1**	**-57.1**	**-203.2**
Average plan duration (years)	**12.9**	**7.5**	**11.4**

Note 3.5 – Non-current financing and current loans

As at 31 December 2025, 'Non-current financing and current loans' amounted to € 769.9 million compared to € 901.4 million in the previous year, and was as follows:

	31.12.2025				31.12.2024			
	< 1 year	< 5 years	> 5 years	Total	< 1 year	< 5 years	> 5 years	Total
Fair value of Current and Non-current Financing	33.8	645.6	90.5	**769.9**	101.3	713.6	86.6	**901.4**

'Current financial liabilities' for loans decreased by € 67.5 million compared to the previous year, primarily due to the regular maturing of medium and long-term debt. Meanwhile, 'Non-Current financing' as of 31 December 2025, decreased by € 64.0 million, mainly due to repayments made in 2025.

In accordance with IFRS 16, the carrying amounts of financial liabilities arising from right-of-use assets, broken down by due date at 31 December 2025, are presented below:

Expiry dates 31.12.2025 *(in € million)*	**0-12 months**	**2-5 years**	**>5 years**	**Total**
Financial payables				
- non-current loans		65.7	6.5	72.2
- current loans	28.5			28.5
Financial payables	**28.5**	**65.7**	**6.5**	**100.7**

Net financial indebtedness

The reconciliation with the Net Financial Indebtedness adjusted is set out below.

	Net Financial Indebtedness *(€ million)*	2025	2024
A	Cash	246.5	350.8
B	Cash equivalents including the current financial assets	0.0	0.0
C	Other current financial assets	3.3	6.4
D	**Liquidity (A+B+C)**	**249.9**	**357.1**
E	Current financial liabilities	-52.6	-46.9
F	Current portion of non-current financial liabilities	-33.8	-101.3
G	**Current Financial Indebtedness (E+F)**	**-86.4**	**-148.2**
H	**Net Current Financial Indebtedness (G-D)**	**163.4**	**208.9**
I	Non-current financial liabilities	-736.1	-800.1
J	Non-current financing (Debt instruments)	-0.0	-0.0
K	Non-current Trade and Other Payables	-1.1	-11.5
L	**Non-Current Financial Indebtedness (I+J+K)**	**-737.2**	**-811.7**
M	**Net Financial Indebtedness (H+L) (*)**	**-573.7**	**-602.7**
N	Group Net Financial Indebtedness	-542.0	-579.1
O	**Δ M-N**	**-31.7**	**-23.6**

At 31 December 2025, the Group recognized adjusted net financial indebtedness of € -542.0 million, compared with € -579.1 million as of 31 December 2024.

A reconciliation of the changes in financial assets and liabilities used in financing activities as per the cash flow statement and the balances shown on the financial statements is provided below:

	Non-current financing	Current financial liabilities	Current loans	Current financial assets	Total Net impact
31.12.2024	800.1	46.8	101.3	-18.4	929.9
Increase/decrease in short-term financial payables (1)	0.0	-5.3	-69.7	5.8	-69.3
New loans (1)	100.8	0.0	0.0	0.0	100.8
Loans repayment (1)	-195.8	0.0	0.0	0.0	-195.8
New lease contracts	32.5	0.0	0.0	0.0	32.5
Reclassification	-3.4	0.0	3.4	0.0	0.0
Exchange rate effects	-0.1	-0.6	-0.3	0.0	-1.1
Perimeter variation	1.1	2.0	0.2	-2.0	1.2
Net variation MTM	0.0	-8.1	0.0	2.6	-5.5
Other movements	0.9	-4.1	-1.1	0.2	-4.1
31.12.2025	736.1	30.5	33.8	-11.9	788.4

(1): Included in the Cash flow Statement.

Note 3.6 – Other non-current liabilities

'Other non-current liabilities' amounted to € 34.8 million compared to € 24.0 million at the previous year end. These liabilities primarily includes amounts due after one year and non-current contract liabilities. For information about contract liabilities, reference should be made to 'Note 3.13 – Other current liabilities'. The non-current portion of the contract liabilities amounted to € 9.4 million, compared to € 10.8 million at 31 December 2024.

During the year, the put/call option liability related to Chromagen Australia was reclassified to the current bracket as the exercise date falls within two months from the approval of the 2025 financial statements.

'Other non-current liabilities' include the advance on government grants received in 2025 in relation to expenditure scheduled for the subsequent years.

Note 3.7 – Non-current tax liabilities

'Non-current tax liabilities' amounted to € 0.7 million at 31 December 2025, down by € 3.2 million compared to the previous year end. The decrease is primarily due to a € 2.6 million payment made to the 'French Tax Administration'.

Note 3.8 – Trade payables

'Trade payables' 2025amounted to € 504.9 million at 31 December 2024, up by € 60.8 million, compared with 31 December 2024. They do not bear interest and their carrying amount approximates their fair value at the reporting date.

Trade payables in terms of the average DPO amounted to 90.0 days in 2025 and 89.0 days in 2024.

The reduction of trade payables is due to careful management of procurement terms and supplier agreements.

Note 3.9 – Tax payables

'Tax payables' amounted to € 53.5 million versus € 53.4 million in 2024.

Tax payables *(in € million)*	31.12.2025	31.12.2024
Income tax payables	28.6	33.9
Tax payables towards Merloni Holding	13.6	8.3
Other tax payables	11.4	11.1
Total	53.5	53.4

Tax payables remained broadly stable year on year, amounting to € 53.5 million at 31 December 2025 compared with € 53.4 million at 31 December 2024. The overall stability reflects offsetting movements within the individual components. In particular, 'Income tax payables' decreased to € 28.6 million from € 33.9 million, mainly due to the Group's operating performance and timing effects. This reduction was more than offset by an increase in tax payables towards Merloni Holding, which rose to € 13.6 million from € 8.3 million, mainly in connection with the national tax consolidation mechanism. Other tax payables remained broadly in line with the prior year.

Ariston Holding N.V. is incorporated in the Netherlands but is a tax resident of Italy and is controlled by Merloni Holding S.p.A. Ariston Holding N.V. and its Italian subsidiaries have adopted the national tax consolidation scheme. At 31 December 2025, the individual Italian companies' income tax receivables and payables were recorded from or to, respectively, Merloni Holding S.p.A.. These amounts are included in the 'Tax payables' due to the controlling shareholder for tax consolidation.

Note 3.10 – Current provisions

This item amounts to € 50.0 million and is described in 'Note 3.3 - Non-current provisions for risks and charges', to which reference should be made.

Note 3.11 – Current financial liabilities

At 31 December 2025, 'Current financial liabilities' amounted to € 30.5 million compared to € 46.8 million at the previous year end.

Liabilities are as follows:

Current financial liabilities *(in € million)*	31.12.2025	31.12.2024
Financial derivative liabilities	8.6	16.9
Short-term debt due to bank	6.3	10.0
Financial notes payables	5.6	5.5
Other current financial liabilities	10.0	14.3
Total	30.5	46.8

As of 31 December 2025, 'Financial derivative liabilities' totaled € 8.6 million, which includes the negative fair value and the derivatives that have been closed but not yet settled. The Group does not have any collateral.
The fair value of financial derivatives included hedges on foreign exchange for € 1.2 million (€ 4.5 million as of 31 December 2024), on interest rates for € 5.6 (€ 9.5 million as of 31 December 2024), and on commodities for € 0.02 million (€ 0.9 million as of 31 December 2024).
As of the reporting date, negative accruals to financial derivatives that have been closed but not yet settled amounted to € 1.8 million. The change in commodity, foreign exchange and interest rate hedges was offset by the changes in the value of the underlying hedged items. The fair value measurement of the derivative instruments has a direct contra-entry in

the equity reserve related to the cash flow hedge for a total of € 0.2 million. For a more detailed explanation of hedging instruments, please refer to the section on financial risk management instruments.

Short-term debt due to banks showed a € 3.7 million decrease as result of a lower draw-down of short-term lines. Short-term uncommitted credit lines amounted to approximately € 487.6 million and consisted almost entirely of current account credit lines and advances utilised for € 103.6 million at the reporting date (€ 90.0 million as of 31 December 2024). 'Financial notes payable' amounted to € 5.6 million (€ 5.5 million as of 31 December 2024) and consisted of short-term debt for bank notes or similar tradable instruments issued, held by subsidiaries in China, and used in commercial transactions with customers and suppliers in order to settle supply agreements.

The item 'Other current financial liabilities' amounted to € 10.0 million (€ 14.3 million as of 31 December 2024) and mainly consisted of interest accrual on medium/long-term loans.

Note 3.12 – Current loans

The balance of 'Current loans' amounted to € 33.8 million compared to € 101.3 million as of 31 December 2024.
The item primarily consists of the short-term portion of medium/long-term bank loans, with detailed information provided in 'Note 3.5 - Non-current financing and current loans'.

Note 3.13 – Other current liabilities

'Other current liabilities' amounted to € 275.0 million, up by € 33.1 million on € 241.9 million at 31 December 2024.

Other current liabilities *(in € million)*	31.12.2025	31.12.2024
Contract liabilities	73.3	72.7
Current payables due to personnel	64.0	63.8
Customers credit balance	39.1	29.8
Indirect tax payables	27.1	31.6
Short Term put/call debts	22.1	0.1
Current payables for social security contributions	20.9	21.0
Advances from customers	10.3	8.7
Deferred income	5.2	12.3
Other current payables	12.8	1.7
Total	275.0	241.9

In accordance with IFRS 15, performance obligations to customers at contract level are recognised as contract liabilities.

Contract liabilities include:

- Rights of Return
- After-sales service, which include Service maintenance contracts and Service type warranties
- Loyalty program

	31.12.2025				31.12.2024			
	Up to 1 year	From 1 to 5 years	Over 5 years	Total	Up to 1 year	From 1 to 5 years	Over 5 years	Total
Right of returns	3.7	0.0	0.0	**3.7**	2.6	0.0	0.0	**2.6**
After-sales services	49.4	7.5	1.9	**58.8**	49.6	9.3	1.4	**60.3**
Loyalty program	20.3	0.0	0.0	**20.3**	20.6	0.0	0.0	**20.6**
Total	73.3	7.5	1.9	82.8	72.7	9.3	1.4	83.6

The table below shows the opening and closing balances of contract liabilities as well as movements during the years:

	Right of returns	After-sales services	Loyalty program	Total
Opening Balance 01.01.2025	2.6	60.4	20.6	83.6
Increase recognized	0.0	104.8	14.5	119.4
Revenue recognized	0.0	-103.7	-8.0	-111.7
Contracts cancelled	0.0	-3.1	0.0	-3.1
Net variation invoicing	0.0	-0.6	0.0	-0.6
Pay out	0.0	0.0	-6.0	-6.0
Other changes to contract balances	1.1	1.1	-0.8	1.4
Closing balance 31.12.2025	3.7	58.8	20.3	82.8

'Current payables due to personnel' include the amounts accrued by personnel and not yet disbursed.

The item 'Indirect tax payables' includes the VAT payables due to tax authorities. The € 4.5 million decrease was linked to the business operations.

The 'Short-term put/call debts' arises from purchase agreements that are to be settled in the near future. The increase is mainly attributable to the reclassification to current liabilities of the put/call debts related to Chromagen Australia. The present value of this amount is € 20.9 million, and the exercise date falls within two months following the approval of the Financial Statements for FY 2025.

'Current payables for social security contributions' included all relationships that the Company is required to maintain with social security and insurance entities for its employees and workers with atypical contracts (*parasubordinati*). It has not substantially changed compared with December 2024.

The item 'Advances from customers' shows all advances received from customers for supplies not yet delivered. It was up by € 1.6 million compared to 31 December 2024.

'Deferred income' includes adjustments to costs and revenue for the year in order to comply with the accruals basis of accounting and the matching principle (accruals and deferred income also relating to financial liabilities).

Note 3.14 – Liabilities held for sale

There are no 'Liabilities held for sale'.

8.6.4 Other disclosures

COMMITMENTS

Commitments

At 31 December 2025, there were no other commitments to be reported herein except for those concerning the call and put options entered into as part of the recent acquisitions and already accounted for under 'Other liabilities'.

The company has issued downstream a guarantee pursuant to Section 403 of Book 2 of the Dutch Civil Code for Elco Burners B.V. As at 31 December 2025, the total liabilities of Elco Burners B.V. amount to € 2.7 million (as at 31 December 2024 the amount was equal to € 3.5 million).

Guarantees issued

No sureties in favor of third were issued by the Group.
Third-party assets in deposit accounts amounted to € 8.5 million.
No collateral guarantees were issued by the Group.

GRANTS

In 2025 the Group unveils a multi-year investment plan totalling € 500 million (2022–2028), launched by the Group in Italy with the dual objective of strengthening Research and Development activities in key technologies and equipping the company with an industrial footprint capable of supporting long-term growth. In this context, the Group has consistently been eligible for public grants in the countries where it invests.
In terms of R&D, the Group enhanced its dedicated centers focused on renewable energy solutions, with innovations affecting both domestic hot water systems and conventional heating technologies.
On the production side, the Group carried out modernization initiatives across historical sites, including the re-shoring to Italy of high value-added manufacturing processes.
The investment plan is supported by government grants linked to industrial development, sustainability, and innovation programs. These initiatives aim to promote economic recovery, enhance environmental performance, and improve energy efficiency through the optimization of production processes. They also include research and innovation projects focused on advancing technological capabilities, increasing energy efficiency, and fostering the transition toward more sustainable and digital solutions.
During 2025, the Group recognized € 35.3 million in government grants and incentives. These primarily relate to advances on grants supporting ongoing strategic initiatives, as well as incentives granted in Italy and Serbia in connection with investment programs and employment growth (please refer to note '2.12 – Other current assets').

FINANCIAL INSTRUMENTS

The Group's financial instruments recognized by category and the level of confidence of their fair value measurements at 31 December 2025 are shown below:

31.12.2025 *(in € million)*	Note	Carrying value per type				
		Fin. instr. at fair value through P&L	Fin. instr. at fair value through OCI	Loans & receivables (*)	Fin. liabilities at amortised cost (*)	Total
Measured at:		Fair value	Fair value	Amortized cost	Amortised cost	
Financial assets						
Cash and cash equivalents	**2.13**	0	0	246.5	0	246.5
Trade receivables	**2.9**	0	0	347.8	0	347.8
Current financial assets	**2.11**	0	6.6	5.3	0	11.9
Financial assets	**2.5**	1.4	0	0.7	0	2.1
Total		1.4	6.6	600.3	0	608.3
Financial liabilities						
Trade payables	**3.8**	0	0	0	504.9	504.9
Current financial liabilities	**3.11**	0	6.8	0	23.7	30.5
Current loans	**3.12**	0	0	0	33.8	33.8
Non-current financing	**3.5**	0	0	0	736.1	736.1
Total		0	6.8	0	1,298.5	1,305.3
Financial instruments balance		**1.4**	**-0.2**	**600.3**	**-1,298.5**	**-697.0**

The Group’s financial instruments, recognized in the financial statements with a similar breakdown at 31 December 2024, are shown in the table below:

31.12.2024 *(in € million)*	Note	Carrying value per type				
		Fin. instr. at fair value through P&L	Fin. instr. at fair value through OCI	Loans & receiva-bles (*)	Fin. liabilities at amortised cost (*)	Total
Measured at:		Fair value	Fair value	Amortized cost	Amortised cost	
Financial assets						
Cash and cash equivalents	**2.13**	0.0	0.0	350.8	0.0	350.8
Trade receivables	**2.9**	0.0	0.0	333.9	0.0	333.9
Current financial assets	**2.11**	0.0	9.2	9.2	0.0	18.4
Financial assets	**2.5**	2.1	2.2	0.8	0.0	5.1
Total		2.1	11.4	694.7	0.0	708.2
Financial liabilities						
Trade payables	**3.8**	0.0	0.0	0.0	444.2	444.2
Current financial liabilities	**3.11**	0.0	15.0	0.0	31.8	46.8
Current loans	**3.12**	0.0	0.0	0.0	101.3	101.3
Non-current financing	**3.5**	0.0	0.0	0.0	800.1	800.1
Total		0.0	15.0	0.0	1,377.4	1,392.4
Financial instruments balance		**2.1**	**-3.6**	**694.7**	**-1,377.4**	**-684.2**

(*) For such categories the carrying amount approximates the fair value

As shown in the table above, at the reporting date, there were no differences between the carrying amounts of financial instruments and the corresponding fair value.

Current and non-current loans are at both fixed and floating rates and are recognized at their amortized cost.

Current financial assets/liabilities include the year-end fair value of the derivative financial instruments used to hedge the purchase of commodities (positive for € 3.7 million), exchange rates (negative for € 0.4 million) and interest rates (negative for € 3.5 million). This has been already described in 'Note 3.11 – Current financial liabilities' and in 'Note 2.11 – Current financial assets'.

For details on these transactions, reference should be made to the section on 'Hedging instruments'.

The Group is exposed to operations which include financial risks, including credit risk, liquidity risk and market risk, which it constantly monitors.

The following section provides qualitative and quantitative information about the impact of these risks on the Group.

Financial instruments at fair value through OCI include the fair value of derivatives mainly on interest rates, exchange rates and commodities for which the Group has applied 'Cash flow hedging' (IFRS 9 - Hedge Accounting).

CREDIT RISK

Credit risk is the Group's exposure to potential losses from failure by commercial counterparties to fulfil obligations they have entered into. Failure to collect or late collection of trade receivables could have a negative impact on the Group's financial performance and financial balance.
The Group's policy for managing credit risk from commercial activities envisages the preliminary assessment of counterparties' creditworthiness, the management of credit limits and the adoption of risk mitigation instruments, such as the acquisition of bank guarantees, letters of credit and the external transfer of part of the insolvency risk through a global program of credit insurance.
The portion of secured receivables, at 31 December 2025, accounted for 58.1% of the total exposure compared to 59.8% at 31 December 2024.

In order to mitigate credit risk, the Group has also adopted a policy which defines the strategic guidelines and operating rules for an effective system to control each company's credit.
In addition, the policy defines the means for estimating expected losses, in accordance with the means set out hereafter and taking account of the mitigating factor represented by the aforementioned instruments for insured credit.

In accordance with IFRS 9 and the impairment requirements based on Expected Credit Losses ("ECLs"), the Group applies the simplified approach to trade receivables, using a provision matrix.
In particular, the Group applies a new policy which groups trade receivables into clusters by type (ordinary/legal), ageing (past-due ranges) and country rating, applying the relevant historical loss rates to the balance outstanding and subsequently adjusting it for forward-looking factors determined by the counterparty Probability of Default (PD) at one year obtained from external resources.

With regard to impairment criteria, these are clearly based on the specific statutory and tax rules in force in the various countries where the Group companies are present.

Maximum risk exposure

The maximum exposure to risk, net of guarantees, at 31 December 2025 was € 145.9 million compared to € 134.3 at 31 December 2024. The Group has not identified any concentration risk on customers and on its trade receivables as the Group has a very diversified customer risk portfolio without any significant increase in a risky customer share. The Group seeks to mitigate the credit risk by depositing its liquidity in leading bank and corporate counterparties selected according to their credit quality. All recognized receivables have a credit risk rating minimum.
The table below summarizes the types of instruments protecting the Group against credit risk:

Type *(in € million)*	31.12.2025	%	31.12.2024	%
Receivables under insurance policies	181.9	52.3%	181.6	54.4%
Other financial means of securing	20.0	5.8%	18.0	5.4%
Total secured receivables	201.9	58.1%	199.5	59.8%
Non-secured receivables	145.9	41.9%	134.3	40.2%
Total receivables	347.8	100.0%	333.9	100.0%

"Other" mainly includes receivables insured through letters of credit and bank guarantees, as well as other methods of covering default risk through the Central Payment Regulator System, introduced following as part of the Wolf-Brink business combination.

Overdue financial assets

The instrument used for the classification and monitoring of credit is ageing, according to which the accounts receivables are divided by their expiry dates, starting from the most recent (1-30 days) to the oldest (beyond 120 days).
The amount of receivables past-due within 60 days is € 27.3 million (versus € 27.7 million at December 2024) whereas the amount of receivables past-due beyond 60 days is € 13.6 million (versus € 16.3 million at December 2024).
The following table shows trade receivables for issued invoices broken down by past-due ranges:

Overdue ageing *(in € million)*	31.12.2025	%	31.12.2024	%
Overdue 0-30	19.4	5.6%	20.4	6.1%
Overdue 31-60	8.0	2.3%	7.3	2.2%
Overdue 61-120	3.3	0.9%	2.9	0.9%
Due after 120 and legal	10.2	2.9%	13.4	4.0%

The credit policy defines the depreciation grid for the statistical part, differentiating percentages by ageing and country risk class where the trade receivable amount is allocated.
The current (not overdue) receivables amounted to € 306.9 million. Also these amounts are allocated to their country risk class and subject to depreciation according to the assigned devaluation percentage. The related provision for bad debt amounted to € 4.5 million.
Companies with a credit insurance contract, as well as credits covered by other forms of guarantee, are not subject to impairment up to overdue below 180 days, while over 180 days the percentages remain the same.

As at 31 December 2025 there is no significant financing component identified for trade receivables.

Method used to calculate the bad debt provision

The allocation for the provision is made on the basis of both analytical and generic assessments, as set out below:

Specific write-off: the receivables in litigation or past-due for longer than one year or transferred to an external collection agency are subject to a specific impairment loss according to the progress of their recovery and the information provided by the attorneys.
Simplified IFRS 9 model: for receivables that are past-due within the year, assessments are applied based on historical loss rates in relation to the ageing of receivables and the risk grade of each individual country, adjusting them through a forward-looking component identified as Probability of Default of the single counterparty at one year. Here below are the percentages used for the simplified IFRS 9 (ECL).

Depreciation grid

Trade receivables ageing	Country risk A	Country risk B	Country risk C	Country risk D
Overdue > 360 days	56.4%	49.9%	40.5%	60.1%
Overdue 271- 360	43.2%	36.5%	21.9%	39.1%
Overdue 181- 270	28.9%	23.8%	8.1%	26.4%
Overdue 121-180	17.9%	14.6%	2.8%	14.9%
Overdue 91-120	12.2%	10.2%	1.0%	11.2%
Overdue 61-90	6.7%	4.9%	0.5%	5.9%
Overdue 31-60	2.4%	2.1%	0.2%	2.1%
Overdue 0-30	0.5%	0.4%	0.1%	0.6%
Current (not overdue)	0.1%	0.1%	0.0%	0.3%

The Group has established an internal model for defining country-risk classes. The model starts from OECD and Coface country rating, adjusting them according to Ariston companies' past credit experience in performances, business relations and control of the market. This leads to the classification of all the countries where the Ariston Group operates in 4 risk categories from A (low risk) to D (high risk) which result in the application of different impairment measures according to the level of risk assigned.

Following is the summary of the specific and simplified ECLs assessments used to determine the bad debt provision:

Analysis of bad debt provision		31.12.2025	31.12.2024
Total receivables	Gross	366.0	356.1
	Provision	18.2	22.2
	Net	347.8	333.9
Receivables impaired on a specific basis	Gross	4.3	5.0
	Provision	4.1	4.4
	Net	0.2	0.6
Receivables impaired on a simplified ECLs	Gross	361.7	351.0
	Provision	14.1	17.7
	Net	347.6	333.3

LIQUIDITY RISK

As of 31 December 2025, the Group's "Overall available liquidity", defined as the sum of cash and cash equivalents and the unused portion of committed credit lines (equal to € 1.045 million at December month-end) amounted to approximately € 1,291 million.
As of 31 December 2025 the Group's overall bank credit lines, including used and unused credit lines (both committed and uncommitted) totaled approximately €2.2 billion, of which approximately 35% was drawn.
Cash generated from operations and bank financing are the primary sources of liquidity.
The Group periodically assesses its financial needs, in order to act promptly and implement the necessary actions to find additional resources when needed. The Group seeks to maintain an adequate mix of resources in terms of maturities, financial instruments and available amounts.

The following table shows the contractual due dates for the financial liabilities other than derivatives. These figures are based on undiscounted cash flows, including financial charges, at the next closest date when the Group may be asked for repayment.

Expiry dates 2025 *(in € million)*	< 1 month	2-6 months	6-12 months	1-5 years	> 5 years	Total
Trade payables	**142.0**	**362.5**	**0.1**	**0.3**	**0.0**	**504.9**
Financial payables						
- Current financial liabilities	4.3	22.4	3.8			**30.5**
- Current loans			33.8			**33.8**
- Non-current loans	10.1	2.2	12.5	653.7	162.1	**840.6**
Total financial payables	**14.4**	**24.6**	**50.1**	**653.7**	**162.1**	**904.9**
Expiry dates	156.4	387.1	50.2	654.0	162.1	1,409.8

Details about the due dates of financial and trade payables as at 31 December 2024 are shown in the table below:

Expiry dates 2024 *(in € million)*	< 1 month	2-6 months	6-12 months	1-5 years	> 5 years	Total
Trade payables	**88.1**	**355.6**	**0.4**	**0.1**		**444.2**
Financial payables						
- Current financial liabilities	2.2	35.4	10.4			**48.0**
- Current loans			101.3			**101.3**
- Non-current loans	8.8	4.3	12.6	794.8	99.0	**919.6**
Total financial payables	**11.0**	**39.7**	**124.4**	**794.8**	**99.0**	**1,068.9**
Expiry dates	99.1	395.3	124.8	794.9	99.0	1,513.1

MARKET RISK

The Group is exposed to various market risks, particularly the potential impact of fluctuations in exchange rates, interest rates and commodity prices on the carrying amount of assets, liabilities and expected cash flows. Market risk management policies related to interest rates, exchange rates and commodities are centrally defined to mitigate these risks in a structured and proactive manner, supporting the Group's objectives. The three types of market risk are outlined below.

Exchange rate risk

The international context in which the Group operates exposes the Group to the risk that changes in exchange rates may affect its financial results.

Exposure to exchange rate risk determines:

a) impacts on the operating result due to the different valuation of income and expense in another currency compared to the time when the price conditions were agreed upon (economic risk);

b) impacts on the operating result due to the translation of trade or financial receivables/payables denominated in another currency (transaction risk);
c) impacts on the consolidated financial statements due to the translation of assets and liabilities held by companies that prepare their financial statements in a currency other than the euro (translation risk).

The Group's most significant exposure to other currencies refers to the exchange rate of the euro against the US dollar, Chinese renminbi, Swiss franc and several other currencies for lower amounts.

Economic risk is hedged using average rate forward financial instruments, which are hedging agreements utilized to mitigate the volatility in currency markets. These instruments refer to monthly average exchange rates and enable the Group to meet the objectives outlined in its market risk management policy. To achieve these goals, the Group hedges a defined portion of its net exposure to currencies other than its functional currency using derivatives. At each reporting date, the exposure is reflected in the financial statements through hedge accounting, which requires the recognition of derivatives at their fair value in the statement of financial position. The Group believes it is appropriate to use hedge accounting, as the hedging relationship meets the effectiveness criteria under IFRS 9.

To minimize exposure to the transaction risk, the Group uses derivative forward instruments which provide protection against revaluations/write-downs of credit and debit positions of both a financial and commercial nature.

The Group does not hedge the translation risk except for any distribution of intergroup dividends.

At the reporting date, the notional amount of forward currency contracts (sale and purchase) entered into by the Group, can be summarized as follows:

(in € million)	Notional amount in Currency	Notional amount in €
CHF	70.9	76.2
GBP	3.7	4.2
CNY	309.8	37.7
USD	19.7	16.7

At the same date, the fair value of the foreign exchange derivatives was negative overall, standing at € 0.4 million.

In relation to exchange rate risk, the Group performed sensitivity analysis to measure how exchange rate fluctuations against the euro may affect pre-tax profitability. The sensitivity analysis was performed on the currencies to which the Group is exposed. The assumed scenario envisages a general variation in exchange rates of 2%. The following table shows sensitivity, while keeping all the other variables fixed, in terms of profit before tax and equity, gross of the tax effect. The largest exposures are CHF and CNY. In the sensitivity analysis, the two exposures tend to offset each other as they are on the opposite side.

(in € million)	Effect on profit before tax	Effect on equity
	31.12.2025	
Foreign currency revaluation	1.0	1.0
Foreign currency devaluation	-1.0	-1.0

Commodity price fluctuation risk

Profit and loss are affected by the performance of the prices of raw materials, in particular non-ferrous metals such as copper, nickel, silver and aluminium, as well as precious metals like silver, which are one of the primary components of most products traded by the Group.

In order to hedge against the risk of fluctuating copper, silver and nickel prices, the Group, through its parent company Ariston Holding N.V., has implemented the necessary hedging measures in accordance with the procedures adopted in previous years, aimed at reducing the impact of price volatility on future purchases.

Consequently, it partially hedged purchases also for 2026 and 2027.

In order to achieve the goals set out in the market risk management policy, the Group entered into derivatives, hedging a set amount of raw material purchases. At each reporting date, the exposure is presented in the financial statements using hedge accounting, which requires recognizing derivatives at their fair value in the statement of financial position.

The Group considered it possible to use hedge accounting since the hedging relationship is effective in accordance with IFRS 9.

When these instruments no longer qualify for hedge accounting, they are recognized as trading instruments.

At the reporting date, the notional amount of forward commodity contracts entered into by the Group, can be summarized as follows:

Commodity	Financial instruments	Quantity/ton	Total price *(in € million)*
Copper	Forward	1,385.0	12.1
Nickel	Average Forward	27.0	0.4
Silver	Average Forward	1.55	1.7
Aluminum	Forward	175.0	0.4

The fair value measurement of the derivatives on commodities showed a net positive amount of € 3.7 million.
Derivatives contracts entered into and terminated during the year generated a positive result of approximately € 0.01 million which affected the purchase price of commodities.

Interest rate risk

Interest rate risk refers to the possible impact of fluctuations in the interest rates applied to the Group's loans on the income statement.
The amount of the Group's exposure to variable rate debt, unhedged against interest rate risk, represents the main risk element for the negative impact from an increase in market interest rates. The interest rate risk to which the Group is exposed originates primarily from bank financing.
The Group's policy for managing this risk seeks to strike a balance between fixed and variable rate debts, taking into account the maturity profile and the short-term market outlook, with the purpose of containing funding costs.
As of 31 December 2025, the Group had in place, for hedging purposes, interest rate swap (IRS) transactions for a total notional amount of € 352.9 million.
At the same date, 56% of bank financing was hedged or fixed and 44% was at a variable rate, consistent with the Group policy.

The sensitivity analysis of interest rate risk is conducted under the delta margin approach and is aimed at measuring how a given change in interest rates would affect financial expense associated with variable rate debt over the next 12 months.
The sensitivity of the interest rate spread, assuming a generalized +/- 50 basis point change in interest rates, amounted to € +1.5 million and € -1.5 million, respectively, at the end of December 2025.

HEDGING INSTRUMENTS

In summary, on 31 December 2025, the following financial hedging instruments were in place:

- against exchange rates – Swiss franc, British pound sterling, US dollar and Chinese renminbi with maturities up to 2 years;
- against commodities – copper, nickel, silver, aluminum with maturities up to 2 years;
- against interest rates – medium/long-term floating rate loans with maturities up to 7 years.

The hedging instruments applied to exchange rates were set up in order to reduce the Group's economic and transactional risk, and they meet all the formal requirements set out in the IAS/IFRSs and are therefore recognized in hedge accounting.

The following table provides detailed information about the hedging instruments in place as of 31 December 2025. Compared to the previous year, the overall mark-to-market position improved, mainly driven by commodity-related hedges. In particular, hedging contracts on copper and silver recorded a significant positive revaluation, reflecting the increase in the market prices of these commodities throughout the year. This development contributed to a more favorable valuation of the Group's hedging portfolio. Amounts are expressed in millions of euro:

Hedging instruments 31.12.2025 *(in € million)*	Nature of risk covered	Fair value 31.12.2025	Non-current financial assets	Current financial assets	Non-current financial liabilities	Current financial liabilities	Total
Interest Rate Swap	Interest rate	-3.5	-	2.1	-	-5,6	-3.5
Average Forward	FX	-0.4	-	0.8		-1.2	-0.4
Forward	Commodity	2.2	-	2.2	-	0.0	2.2
Average Forward	Commodity	1.5	-	1.5	-	-0.0	1.4
Hedging instruments		-0.2	-	6,6	-	-6.8	-0.2

The following table provides detailed information about the hedging instruments in use as of 31 December 2024.The amounts are expressed in millions of euro:

Hedging instruments 31.12.2024 *(in € million)*	Nature of risk covered	Fair value 31.12.2024	Non-current financial assets	Current financial assets	Non-current financial liabilities	Current financial liabilities	Total
Interest Rate Swap	Interest rate	-1.5	-	8.0	-	-9.4	-1.5
Average Forward	FX	-3.9	-	0.6		-4.5	-3.9
Forward	Commodity	0.1	-	0.4	-	-0.3	0.1
Average Forward	Commodity	-0.5	-	0.2	-	-0.6	-0.5
Hedging instruments		-5.8	-	9.1	-	-14.9	-5.8

RELATED PARTY DISCLOSURES

At 31 December 2025 Ariston Holding N.V., controlled by Merloni Holding S.p.A., and its Italian subsidiaries, adopted the national tax consolidation scheme. At 31 December 2025, the income tax receivables and payables of the individual Italian companies were recorded from or to, respectively, Merloni Holding S.p.A. All tax receivables and payables are non-interest-bearing.
At 31 December 2025, the Company and its Italian subsidiaries had a payable position from Merloni Holding S.p.A. for € 1.3 million.
All transactions with related parties were carried out in the Group's interest.

Based on the transactions carried out by the Ariston Group during 2025, related parties are mainly represented by:

- companies directly and/or indirectly related to the majority shareholder of Ariston Holding N.V.;
- directors and/or companies related to the same.

The following table shows the figures of the main transactions with related parties:

	31.12.2025				31.12.2024			
(in million €)	Receivables	Payables	Revenue	Costs	Receivables	Payables	Revenue	Costs
Merloni Holding S.p.A.	12.4	13.7	0.1	0.1	8.8	8.5	0.1	0.1
Novapower S.r.l.	0.1	0.8	0.1	0.3	0.1	0.7	0.1	0.3
Nova Re S.r.l.	0.0	0.0	0.0	0.3	0.0	0.2	0.0	0.3
Novacapital S.r.l.	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Centrotec Building Technology	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1
Centrotec Immobilien GmbH	0.0	0.1	0.0	0.0	0.0	0.1	0.0	1.8
Centrotec SE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Centrotherm Systemtechnik GmbH	0.0	0.1	0.0	0.0	0.0	0.1	0.0	2.2
Möller Medical GmbH	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
CS Wismar GmbH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Ubbink BV	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.4
Ubbink NV-SA	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.6
Total	12.6	15.1	0.2	0.8	9.1	9.7	1.2	7.0

As regards transactions with related parties, it should be noted that they are not to be qualified as atypical or unusual but should be included in the normal course of the business carried out by Group companies. These transactions are regulated by market conditions and are based on the characteristics of the services provided. The transactions carried out by the Group with these related parties are primarily of a commercial nature, except for Merloni Holding S.p.A. where transactions mainly related to the national tax consolidation scheme.
In addition, members of the Ariston Board and executives with strategic responsibilities and their families are also considered related parties. No transactions were carried out with them during the year.

About the key management personnel compensation, reference should be made to 'Note 3.1.1 - Stock-based incentive plans payments'.

REMUNERATION PAID TO THE PARENT COMPANY'S BOARD OF DIRECTORS

Fees attributable to the year and represented by remuneration to Directors of the Parent Company, at 31 December 2025, are summarized as follow:

Office *(in € million)*	Year	Base remuneration		Variable incentive	Extraordinary items
		Fixed Remunera-tion	Fees	Short-term incentive	
Directors	2025	3.0	0.7	1.3	3.3
Total		3.0	0.7	1.3	3.3

Notes:
- *Base remuneration does not include Benefits and Perks*
- *Variable incentive does not include the Long-term incentive*
- *Fixed remuneration represents for the Executive Chair the base salary and the executive director fee. For the Chief Executive Officer the fixed remuneration represents base salary, executive director fee and non-compete agreement*
- *Fees represent the Board fee and the committee membership fees*
- *The short-term incentive represents the incentive to be paid for performance results achieved in 2025*
- *Extraordinary items represent the payment to the Chief Executive Officer of a one-off amounting to € 2.8 million as foreseen by his terms of engagement and a one-off exceptional retention bonus amounting to € 0.5 million.*

Both the remuneration of the executive directors and the non-executive directors have been included in 'Note 3.1.1 – Stock-based incentive plan payments'.

AUDIT FEES

The fees for services provided by the Company's independent auditors to the Company and its subsidiaries are broken down as follows:

Audit fee *(in € million)*	31.12.2025	31.12.2024
Audit fees	2.0	1.9
Other non-audit services	0.4	0.6
Total	2.4	2.5

The fees for audit services provided in 2025 by EY Accountants B.V. are equal to € 0.2 million (€ 0.2 million in 2024).

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Riello Group

On 16 December 2025, Ariston Group announced the acquisition of a 100% stake of Riello Group, a long-established player renowned for its portfolio of heritage brands such as Riello and Beretta. Established in 1922 in Legnago, in the Veneto region, Riello is a highly regarded player in the climate comfort and combustion technology sectors. In 2025 plans to achieve approximately 400 million euro of net sales, with an adjusted EBITDA of approximately € 35 million.

The transaction covers all of Riello's activities, which are split between climate comfort and combustion solutions. The transaction unlocks multiple levers of value creation from technological synergies, sourcing and logistics, and complementary product portfolio. In particular, Riello will benefit from Ariston's renewable and high efficiency climate comfort and hot water solutions, including its last generation of in-house, made in Europe, air-to-water heat pumps, as well as connectivity and advanced digital services. Conversely, Ariston will gain from Riello's unique lineup of commercial and industrial boilers and its specialty combustion technology solutions.

In Italy, thanks to the combination of Ariston and Riello's business, the Group will strengthen its role in the climate comfort and water heating sector, broadening the product portfolio, harnessing an extensive network of loyal installers, supported by a capillary post-sales services' network. This deal also positions Ariston as a global reference expert in clean combustion technologies, serving residential, commercial, and light-to-mid industrial process applications. Ariston will boast one of the industry's most comprehensive portfolios of combustion systems and burner solutions - fuelled by natural gas,

hydrogen blends, biogas, biofuels, and fuel oils - enjoying a significant international business in Europe, North America and Asia.

The parties agreed on an Enterprise Value of € 289 million, including run-rate synergies, on a cash and debt-free basis corresponding to a multiple of around 5 times EV/2026 Adjusted EBITDA.

The transaction is expected to generate an adjusted EPS accretion by year 2 post closing; and high teen accretion in 2026, including run-rate synergies. The acquisition will be financed through Ariston Group's own funds with payment to be settle by closing. The leverage post-acquisition3 expected below 2.5x (NFP4/EBITDA).

The closing of the transaction is subject to obtaining clearance from the competent merger-control authorities in Italy, Poland, Romania and Spain. During the period between the signing of the Binding Offer and the receipt of such clearances, the parties are strictly prohibited from engaging in any interaction that could imply, or result in, a transfer of effective control prior to obtaining the required approvals. Any conduct that may suggest or lead to a premature change of control is expressly forbidden during this interim phase.

Completion remains contingent upon the satisfaction of customary closing conditions and is expected to occur within the first half of 2026. As a consequence, Riello Group will be consolidated by Ariston Group starting from the effective closing date. As of the date of this Annual Report, the transaction has not yet been completed.

LIST OF COMPANIES AT 31 DECEMBER 2025

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Direct interest	Subsidiaries' interest	Minority interest
1	Ariston Holding N.V.	Netherlands	EUR	46,476,002	TC				
2	Air Install Group B.V.	Netherlands	EUR	18,154	TC	Brink Climate Systems B.V.		100.00	
3	AR1 S.r.l.	Italy	EUR	200,000	TC	Ariston S.p.A.		100.00	
4	Ariston Benelux S.A./N.V.	Belgium	EUR	15,000,000	TC	Ariston Holding N.V.	100.00		
5	Ariston Climate Solutions d.o.o. Niš.	Serbia	RSD	11,740,000	TC	ATAG Heating B.V.		100.00	
6	Ariston Climate Solutions Mexico S.A. de C.V.	Mexico	MXN	1,827,860,000	TC	Elcotherm AG Atag Heating B.V.		99.99 0.01	
7	Ariston Climate Systems GmbH	Germany	EUR	25,000	TC	Ariston Holding N.V.	100.00		
8	Ariston Croatia d.o.o.	Croatia	EUR	110,000	TC	Ariston Holding N.V.	100.00		
9	Ariston CZ S.r.o.	Czech Republic	CZK	30,000,000	TC	Ariston Holding N.V.	100.00		
10	Ariston Deutschland GmbH	Germany	EUR	255,700	TC	Ariston Holding N.V.	100.00		
11	Ariston Egypt LLC	Egypt	EGP	10,900,000	TC	Ariston Group Water Heating Solutions Egypt LLC Ariston Holding N.V.	 0.01	99.99	
12	Ariston France S.a.s.	France	EUR	54,682,110	TC	Ariston Holding N.V. Ariston Deutschland GmbH	99.99	 0.01	
13	Ariston Group Greece P.C.	Greece	EUR	2,500,000	TC	ATAG Heating B.V.		100.00	
14	Ariston Group India Private Limited	India	INR	457,500,000	TC	Ariston Holding N.V. Ariston S.p.A.	99.99	 0.01	
15	Ariston Group Water Heating Solutions Egypt LLC	Egypt	EGP	438,595,000	TC	ATAG Heating B.V. Ariston Holding N.V.	 0.01	99.99	
16	Ariston Gulf Water Heating LLC	UAE	AED	400,000	TC	Ariston Holding N.V.	100.00		
17	Ariston Heating Solutions (China) Co. Ltd.	China	CNY	145,885,010	TC	Ariston Holding N.V.	100.00		
18	Ariston Heating Technology Nigeria Ltd.	Nigeria	NGN	100,000,000	TC	Ariston Holding N.V.	100.00		
19	Ariston Holding USA LLC	USA	USD	98,037,666	TC	Elcotherm AG		100.00	
20	Ariston Hungária Kft.	Hungary	HUF	131,000,000	TC	Ariston Holding N.V.	100.00		
21	Ariston Iberica S.L.	Spain	EUR	800,000	TC	Ariston Holding N.V.	100.00		
22	Ariston Industrial Vietnam Co. Ltd.	Vietnam	VND	41,600,000,000	TC	Ariston Holding N.V.	100.00		
23	Ariston Kazakhstan LLP	Kazakhstan	KZT	212,100	TC	Ariston Holding N.V.	100.00		
24	Ariston Maroc SA	Morocco	MAD	3,000,000	TC	Ariston Holding N.V.	100.00		
25	Ariston Polska Sp. zo.o.	Poland	PLN	12,000,000	TC	Ariston Holding N.V.	100.00		
26	Ariston Pte Ltd.	Singapore	SGD	100,000	TC	Ariston Holding N.V.	100.00		
27	Ariston S.p.A.	Italy	EUR	30,100,000	TC	Ariston Holding N.V.	100.00		
28	Ariston Sales Mexico S.A. de C.V.	Mexico	MXN	132,238,920	TC	Ariston Climate Solutions Mexico S.A. de C.V. ATAG Heating B.V. Calentadores de America S.A. de C.V.		0.07 0.01 99.92	
29	Ariston South Africa (Pty) Ltd.	South Africa	ZAR	100	TC	Ariston Holding N.V.	100.00		
30	Ariston Thermo Argentina S.r.l.	Argentina	ARS	50,000,000	TC	Ariston Holding N.V. Thermowatt S.p.A.	99.66	 0.34	
31	Ariston Thermo Romania S.r.l.	Romania	RON	29,041,740	TC	Ariston Holding N.V.	100.00		
32	Ariston Thermo Rus LLC (1)	Russia	RUB	1,403,787,727	TC	Ariston Holding N.V.	100.00		
33	Ariston Thermo Tunisie SA	Tunisia	EUR	500,000	TC	Elcotherm AG Third parties		66.70	 33.30
34	Ariston U.K. Ltd.	UK	GBP	7,500,000	TC	Ariston Holding N.V.	100.00		
35	Ariston Ukraine LLC	Ukraine	UAH	38,705,753	TC	Ariston Holding N.V.	100.00		
36	Ariston USA LLC	USA	USD	10,275,184	TC	Ariston Holding USA LLC		100.00	
37	Ariston Vietnam CO. Ltd.	Vietnam	VND	31,471,000,000	TC	Ariston Holding N.V.	100.00		
38	Ariston Water Heating Products India Private Limited	India	INR	1,500,000,000	TC	Atag Heating B.V. Ariston Climate Systems GmbH		99.99 0.01	
39	Atag Electronics B.V.	Netherlands	EUR	1	TC	Atag Heating B.V.		100.00	
40	Atag Engineering B.V.	Netherlands	EUR	1	TC	Atag Heating B.V.		100.00	
41	Atag Heating B.V.	Netherlands	EUR	10,000	TC	Ariston Holding N.V.	100.00		
42	Atag Heizungstechnik GmbH	Germany	EUR	512,000	TC	Atag Heating B.V.		100.00	
43	Atag Verwarming Belgie B.V.BA	Belgium	EUR	18,600	TC	Atag Heating B.V.		100.00	
44	Atmor Electronic Technology Company Ltd.	Hong Kong	HKD	1,092,001	TC	Ariston IL Ltd		100.00	
45	BCE S.r.l.	Italy	EUR	10,400	BUR	Ecoflam Bruciatori S.p.A.		100.00	

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Direct interest	Subsidiaries' interest	Minority interest
46	Brink Climate Systems B.V.	Netherlands	EUR	20,004	TC	Ariston Climate Systems GmbH		100.00	
47	Brink Climate Systems France S.a.s.	France	EUR	10,000	TC	Brink Climate Systems B.V.		100.00	
48	Calentadores de America S.A. de C.V.	Mexico	MXN	958,143,637	TC	Ariston Climate Solutions Mexico S.A. de C.V. Atag Heating B.V.		99.99 0.01	
49	Chromagen Australia PTY Ltd.	Australia	AUD	10,358,995	TC	Elcotherm AG Third parties		51.00	49.00
50	Ariston IL Ltd	Israel	ILS	13,322	TC	Elcotherm AG		100.00	
51	Clima Techno Service S.r.l.	Italy	EUR	10,000	TC	Ariston S.p.A.		100.00	
52	Cuenod S.a.s.	France	EUR	15,422,390	BUR	Ariston France sas		100.00	
53	Domotec AG	Switzerland	CHF	50,000	TC	Elcotherm AG		100.00	
54	DDR Heating Inc	USA	USD	37,812.46	TC	Ariston Holding USA LLC		100.00	
55	Ecoflam Bruciatori S.p.A.	Italy	EUR	3,690,000	BUR	Ariston Holding N.V.	100.00		
56	Elco Austria GmbH	Austria	EUR	35,000	TC	Elcotherm AG		100.00	
57	Elco B.V.	Netherlands	EUR	2,046,004	TC	Elco Burners B.V.		100.00	
58	ATAG Heating Belgium S.A./N.V.	Belgium	EUR	3,650,000	TC	Ariston Benelux S.A./N.V. Elco B.V.		99.99 0.01	
59	Elco Burners B.V.	Netherlands	EUR	22,734	BUR	Atag Heating B.V.		100.00	
60	Elco Burners GmbH	Germany	EUR	25,000	BUR	Ariston Deutschland GmbH		100.00	
61	Elco GmbH	Germany	EUR	50,000	TC	Ariston Deutschland GmbH		100.00	
62	Elco Heating Solutions Ltd.	UK	GPB	3,001,750	TC	Ariston U.K. Ltd.		100.00	
63	Elco Italia S.p.A.	Italy	EUR	3,500,000	TC	Ariston S.p.A.		100.00	
64	Elcotherm AG	Switzerland	CHF	1,000,000	TC	Ariston Holding N.V.	100.00		
65	Gastech-Energi A/S	Denmark	DKK	7,554,935	TC	Ariston Holding N.V.	100.00		
66	General Bruciatori S.r.l.	Italy	EUR	46,800	BUR	Ecoflam Bruciatori S.p.A.		100.00	
67	Holmak export import D.o.o.e.l.	Macedonia	MKD	816,651	TC	Brink Climate Systems B.V.		100.00	
68	Ingrado S.r.l.	Italy	EUR	10,000	TC	Ariston Holding N.V.	100.00		
69	Instachauf S.a.s.	France	EUR	200,000	TC	Ariston Holding N.V.	100.00		
70	Ned Air B.V.	Netherlands	EUR	54,000	TC	Ariston Climate System GmbH		100.00	
71	Ariston Canada Inc.	Canada	CAD	43,000,000	TC	Ariston Holding N.V.	100.00		
72	NTI USA Inc.	USA	USD	1	TC	Ariston Canada Inc.		100.00	
73	Pro-Klima D.o.o.	Croatia	EUR	1,208,820	TC	Wolf GmbH		100.00	
74	PT ARISTON CLIMATE SOLUTIONS INDONESIA	Indonesia	IDR	10,000,000,000	TC	Atag Heating B.V. PT Ariston Group Indonesia Ltd.		99.99 0.01	
75	PT Ariston Group Indonesia Ltd.	Indonesia	IDR	16,260,750,000	TC	Ariston Holding N.V. Ariston Pte Ltd.	99,93	0.07	
76	Racold Thermo Private Ltd.	India	INR	262,134,750	TC	Ariston Holding N.V. Ariston S.p.A.	99.99	0.01	
77	S.H.E. d.o.o. Svilajnac	Serbia	RSD	35,432,220	COM	Thermowatt S.p.A.		100.00	
78	SPM Innovation S.a.s.	France	EUR	750,020	BUR	Ariston Holding N.V.	100.00		
79	Tasfiye Halinde Ariston Thermo Isıtma ve Soğutma Sistemleri İthalat ve İhracat ve Dağıtım Ltd.Şti.	Turkey	TRY	66,157,500	TC	Ariston Holding N.V.	100.00		
80	Thermowatt (Wuxi) Electric Co. Ltd.	China	CNY	82,769,200	COM	Ariston Heating Solutions (China) Co. Ltd. Ariston Holding N.V.	 30.00	70.00	
81	Thermowatt Professional S.r.l.	Italy	EUR	100,000	COM	Thermowatt S.p.A.		100.00	
82	Thermowatt S.p.A.	Italy	EUR	7,700,000	COM	Ariston Holding N.V.	100.00		
83	UAB ARISTON Lithuania	Lithuania	EUR	250,000	TC	Ariston Holding N.V.	100.00		
84	WOLF Energiesparsysteme O.O.O.	Russia	RUB	113,200,000	TC	Wolf GmbH Wolf Power Systems		99.00 1.00	
85	Wolf Energiesystemen B.V.	Netherlands	EUR	150,000	TC	Wolf GmbH		100.00	
86	Wolf France S.a.s.	France	EUR	1,040,000	TC	Wolf GmbH		100.00	
87	Wolf GmbH	Germany	EUR	20,000,000	TC	Ariston Climate Systems GmbH		100.00	
88	Ariston Climate Solutions (Shanghai) Co., Ltd.	China	CNY	14,512,361	TC	Wolf GmbH		100.00	
89	Wolf Power Systems GmbH	Germany	EUR	500,000	TC	WEBA Services GmbH Wolf GmbH		89.00 11.00	
90	WEBA Services GmbH	Germany	EUR	83,333	TC	Ariston Deutschland GmbH		100.00	
91	Z.R.E. Srl	Italy	EUR	98,800	COM	Thermowatt S.p.A.		100.00	

The participation shares in this table are the ones relevant for determining the Consolidated financial statements. The companies acquired with the put/call contracts to be exercised on the remaining shares of the share capital were fully consolidated, together with the acquisition agreement based on the provisions set forth in IFRS3 (see the specific treatment of the individual put/call options in the notes)

All companies summarised in the table above are consolidated using the line by line method

(1) Ariston Thermo Rus LLC has been included in the perimeter as of April 2025, following the regaining of control of the entity pursuant to Presidential Decree No. 176 of the Russian Federation

(*) Refers to the main Division

LIST OF COMPANIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION

N°	Company	Registered office	Curr.	Share capital	Business unit (*)	Investing companies	Group's interest
1	Ariston Lennox Water heating North America LLC	USA	USD	1,400,000	TC	Ariston USA LLC	50.10
2	Cinergi Ltd	UK	GBP	100	TC	Ariston U.K. Ltd.	24.75
3	Haas Heating B.V.	Netherlands	EUR	100	TC	Atag Heating B.V.	24.50
4	HeimWatt GmbH	Germany	EUR	30,332	TC	WEBA Services GmbH	20.00
5	Joint venture "Ariston Thermo - UTG LLC" (**)	Uzbekistan	EUR	1,000,000	TC	Ariston Holding N.V.	51.00
6	Thermal Earth Ltd	UK	GBP	81	TC	Ariston U.K. Ltd.	30.00
7	Thermovault	Belgium	EUR	6,283,576	TC	Ariston Holding N.V.	27.98

(**) The company was not included in the scope of consolidation because of its limited area of operation and significance

9. Ariston Holding N.V. Company-only Financial Statements at 31 December 2025

INDEX – Company-only Financial Statements at 31 December 2025

Ariston Holding N.V. – Company-only Financial Statements at 31 December 2025

Company-only primary statements

Ariston Holding N.V. Income Statement for the year ended 31 December 2025.....302
Ariston Holding N.V. Statement of Financial position as at 31 December 2025.....303

Ariston Holding N.V. Notes to the Company Financial Statements.....305

9. Ariston Holding N.V. – Company-only Financial Statements at 31 December 2025

Ariston Holding N.V. Income Statement for the year ended 31 December 2025

(in € million)	notes	2025	2024
NET TURNOVER	1.1	10.4	10.6
Total operating income	**1.1**	**10.4**	**10.6**
Costs of work contracted out and other external costs	1.2	25.4	24.6
Wages and salaries	1.3	9.9	8.0
Social security charges	1.4	2.6	2.1
Amortization of intangible fixed assets and depreciation of tangible fixed assets		0.5	0.5
Other operating expenses	1.5	1.2	1.7
Total operating expenses		**39.6**	**36.9**
Income from fixed asset investments	1.6	2.1	2.5
Other interest income and similar income	1.7	19.7	23.1
Interest expense and similar expenses	1.8	50.4	58.6
RESULTS BEFORE TAX		-57.7	-59.3
Taxes (expenses)/benefit	1.9	14.8	11.2
Share in profit/(loss) of participation	1.10	175.3	50.6
NET RESULT AFTER TAX		132.4	2.5

The accompanying notes are an integral part of the Company Financial Statements.

Ariston Holding N.V. Statement of Financial position as at 31 December 2025

(before appropriation of results)

(in € million)	notes	2025	2024 (*)
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Goodwill	2.1	0.5	0.5
Other intangible assets	2.1	0.0	0.0
Total intangible fixed assets	**2.1**	**0.5**	**0.5**
Tangible fixed assets			
Land and buildings	2.2	1.1	1.4
Other fixed operating assets	2.2	0.4	0.4
Total tangible fixed assets	**2.2**	**1.5**	**1.8**
Financial fixed assets			
Interests in group companies	2.3	2,100.3	2,056.7
Accounts receivable from group companies	2.3	31.9	41.5
Other participations	2.3	5.0	4.2
Total financial fixed assets	**2.3**	**2,137.2**	**2,102.4**
CURRENT ASSETS			
Accounts receivable			
Trade debtors	2.4	0.1	0.1
From group companies	2.4	254.2	219.5
Shareholders and participating interests	2.4	12.0	8.5
Other accounts receivable	2.4	16.3	26.9
Prepayments and accrued income	2.4	4.5	2.2
Total accounts receivable	**2.4**	**287.1**	**257.2**
Cash	**2.5**	**14.9**	**71.7**
TOTAL ASSETS		2,441.2	2,433.6

Ariston Holding N.V. Statement of Financial position as at 31 December 2025

(before appropriation of results)

(in € million)	notes	2025	2024 (*)
LIABILITIES AND EQUITY			
EQUITY			
Called-up share capital	3.1	46.5	46.5
Share premium	3.1	711.3	711.3
Revaluation reserve	3.1	8.2	8.2
Legal and statutory reserves	3.1		
Legal reserves	3.1	44.1	37.0
Reserves required under the articles of association	3.1	37.5	35.3
Other reserves	3.1	153.9	167.1
Retained earnings	3.1	382.1	417.9
Profit/loss for the period	3.1	132.4	2.5
Total equity	**3.1**	**1,516.1**	**1,425.8**
PROVISIONS			
Pensions	3.2	0.2	0.2
Taxes	3.2	13.0	18.3
Other	3.2	9.4	11.2
Total provisions	**3.2**	**22.6**	**29.7**
LONG-TERM DEBT			
Debts to lending institutions	3.3	543.2	593.0
Other liabilities	3.3	1.5	1.8
Total long-term debt	**3.3**	**544.8**	**594.9**
CURRENT LIABILITIES			
Debts to lending institutions	3.4	0.0	70.0
Trade creditors	3.5	9.0	7.7
Amounts due to group companies	3.6	324.0	272.9
Amounts due to shareholders and participating interests		0.2	0.1
Taxes and social security contributions	3.7	1.9	1.5
Other liabilities	3.8	22.8	31.1
Total current liabilities		**357.8**	**383.3**
TOTAL LIABILITIES AND EQUITY		**2,441.2**	**2,433.6**

The accompanying notes are an integral part of the Company Financial Statements.
(*) 2024 restated with reference to reclassifications illustrated in Notes 2.3, 2.4, and 3.6

Ariston Holding N.V. Notes to the Company Financial Statements

9.1 Corporate information

Ariston Holding N.V. (hereafter also the "Company") is a Company listed in Euronext Milan, Italy, having its corporate seat in Amsterdam, the Netherlands, and its principal office and business address in Via Broletto 44, Milan, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (Kamer van Koophandel) under number 83078738. The Netherlands is the Company's home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU).

The major business operations of Ariston Holding N.V. are in Italy and for that reason the Company has established a secondary seat with a permanent representative office, within the meaning of article 2508 of the Italian Civil Code.

At 31 December 2025, the share capital of the Company was represented by 125,505,005 ordinary shares and 22,095,194 non-listed ordinary shares of € 0.01 each, and by 225,000,000 multiple voting shares of € 0.20 each. At the same date the issued share capital of the Company was held by Merloni Holding S.p.A. for 58.87%, , Amaranta S.r.l. for 7.96%, the market for 20.80%, CENTROTEC SE for 11.12% and Ariston Holding N.V. (Treasury Shares) for 1.25%. Due to the presence of multiple voting shares, and not including Treasury Shares, Merloni Holding S.p.A was entitled for 79.59% of voting rights, Amaranta S.r.l. for 10.85%, CENTROTEC SE for 3.33% and the market for the residual 6.23%.

The company financial statements comprise the following: income statement, statement of financial position and these notes to the financial statements.

9.2 Principal activities

Ariston Holding N.V.'s primary purpose is to be a holding company and, with it, the management and coordination of a series of business processes for all the subsidiaries of the Group. The Group, with its subsidiaries, is active in the business of the production and distribution of hot water and space heating and service solutions with cutting-edge technology serving markets all around the world.

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

- Thermal comfort, which serves the Group's three main business categories, Hot Water, Heating and Air Treatment, and represents the Group's largest division
- Burners
- Components

For a detail of Group revenues by business line and geographical area and of business events which occurred in the year, please refer to sections *Group Financial Review* and *Significant business events in the year* included in this Annual Report.

9.3 Accounting policies

Basis of preparation

The 2025 Company Financial Statements represent the separate financial statements of Ariston Holding N.V. and have been prepared in accordance with the legal requirements of Title 9, Book 2 of the Netherlands Civil Code (NCC). In accordance with the provisions of Section 2:362 (8) of Book 2 of the NCC, the accounting policies used are the same as those used in the notes to the consolidated financial statements, prepared under IFRS as adopted by the European Union, unless stated otherwise below.
The accounting policies are described in a specific section, *Basis of accounting preparation*, of the Consolidated Financial Statements included in this Annual Report, while the application of Combination 3 enables keeping the equity according to the company financial statements equal to the equity according to the consolidated financial statements, since the subsidiaries are accounted for using the equity method in the company financial statements of Ariston Holding N.V.

Format of the financial statements

Given the activities carried out by Ariston Holding N.V., the presentation of the Company Income Statement is based on the nature of revenues and expenses.

Ariston Holding N.V. financial statements are prepared in euro, which is also the Company's functional currency, representing the currency in which the main transactions of the Company are denominated.
The Statements of Income and of Financial Position and the Notes to the Financial Statements are expressed in millions of euro to one decimal place, except where otherwise stated, whereas the original data is recorded in euro. The use of amounts expressed in millions of euro may therefore result in apparent discrepancies in both absolute amounts and data expressed as a percentage.
As parent company, Ariston Holding N.V. has also prepared consolidated financial statements for the Ariston Group for the year ended on 31 December 2025.

9.4 2025 Financial Year Overview

Regarding the Ariston Group overview for the year ended on 31 December 2025, please refer to the section *Full year 2025 conclusion and outlook* included in this Annual Report.

9.5 Composition and principal changes

Note 1.1 – Operating income

The following table summarizes operating income:

Operating income *(in € million)*	31.12.2025	31.12.2024
Net turnover:		
- Revenues from services	10.4	10.6
Total Net turnover	10.4	10.6
Total Operating Income	10.4	10.6

Revenues from services, mainly consisting of services rendered to the subsidiaries of the Ariston Group, registered a decrease of € 0.2 million from 2024.

Note 1.2 – Costs of work contracted out and other external costs

Costs of work contracted out and other external costs during the year ended 31 December 2025 were € 25.4 million (€ 24.6 million at 31 December 2024), consisting of consulting costs, costs for legal and financial services, in addition to Directors' fees (including components from related LTI plans), and Statutory Auditors' fees.
The increase in 2025 was mainly due to Directors' fee and consulting costs.

Note 1.3 – Wages and salaries

Wages and salaries during the year ended 31 December 2025 totaled € 9.9 million (€ 8.0 million at 31 December 2024), including components from related LTI plans. The average number of employees in 2025 was 76.9 (69.7 in 2024), based in Italy (all wholly outside the Netherlands).

	31.12.2025	Average 2025	31.12.2024	Average 2024
Executives	21	19.3	19	18.6
Managers	28	26.8	21	21.3
White collars	32	30.8	31	29.8
Total	81	76.9	71	69.7

Note 1.4 – Social security charges

Social security charges during the year ended 31 December 2025 were € 2.6 million (€ 2.1 million at 31 December 2024).

Note 1.5 – Other operating expenses

Other operating expenses include provisions for employee severance indemnity, other personnel costs and non-deductible VAT.

Note 1.6 – Income from fixed asset investments

Income from fixed asset investments relates to financial income from subsidiaries. At 31 December 2025, income from fixed asset investments was € 2.1 million (€ 2.5 million at 31 December 2024), with a decrease of € 0.4 million.

Income from fixed asset investments *(in € million)*	31.12.2025	31.12.2024
Interest income long-term loans granted to subsidiaries	2.1	2.5
Total	2.1	2.5

Note 1.7 – Other interest income and similar income

The following table summarizes Other interest income and similar income:

Other interest income and similar income *(in € million)*	31.12.2025	31.12.2024
Exchange rate gains	11.7	10.0
Interest income from cash pooling	4.9	6.3
Interest income short-term loans granted to subsidiaries	2.4	4.5
Interest income from banks	0.3	1.8
Other income	0.5	0.4
Total	19.7	23.1

As of 31 December 2025, exchange rate gains amounted to € 11.7 million (€ 10.0 million at 31 December 2024). These gains include both monetary changes from accounting entries realized at the end of the reporting period ("Realized exchange rate gains") and monetary changes that have not yet been realized, as they pertain to transactions that were not completed by the end of the reporting period ("Unrealized exchange rate gains"). The results for the period relating to realized and unrealized exchange differences were primarily influenced by the US dollar and the Swiss Franc. Exchange rate gains include € 10.4 million of realized gains on foreign currency forward contracts closed during the year, relating to transactions entered into to manage foreign currency fluctuations.
Interest income from banks was € 0.3 million as of 31 December 2025 (€ 1.8 million at 31 December 2024), reflecting a decrease of € 1.5 million due to a reduction in liquidity investments. Other financial income includes gains on derivatives on commodities for Group purposes.

Note 1.8 – Interest expense and similar expenses

The following table summarizes Interest expense and similar expenses:

Interest expense and similar expenses *(in € million)*	31.12.2025	31.12.2024
Interest and other expenses due to banks	26.4	31.8
Exchange rate losses	16.3	12.7
Interest due to subsidiaries	6.5	13.3
Other financial expense	1.0	0.8
Total	50.4	58.6

Interest and other expenses due to banks of € 26.4 million (€ 31.8 million at 31 December 2024) include gains and losses on derivatives on interest rates for Group purposes. The decrease of € 5.3 million from 31 December 2024 was mainly due to interest due to banks as a result of a decrease in the average level of debt during the year and a contraction in the applicable interest rates.

As of 31 December 2025, exchange rate losses amounted to € 16.3 million (€ 12.7 million at 31 December 2024).

Exchange rate losses include both the monetary changes on the accounting entries that were realized at the end of the reporting period ("Realized exchange rate losses") and the monetary changes that were not yet realized because they referred to transactions that were not closed at the end of the reporting period ("Unrealized exchange rate losses"). The result for the period relating to realized and unrealized exchange rate losses was mostly affected by the US dollar and the Chinese Yuan. Exchange rate losses include € 12.0 million of realized losses on foreign currency forward contracts closed during the year and related to transactions entered into to manage foreign currency fluctuations.

Interest due to subsidiaries of € 6.5 million (€ 13.3 million at 31 December 2024) includes for € 5.1 million cash pooling interests and for € 1.4 million interests related to loans received from Ariston Canada Inc., Calentadores de America S.A. de C.V.and Tasfiye Halinde Ariston Thermo Isıtma ve Soğutma Sistemleri İthalat ve İhracat ve Dağıtım Ltd.Şti.

Note 1.9 – Taxes (expenses)/benefit

The following table summarizes Taxes (expenses)/benefit:

Taxes (expenses)/benefit *(in € million)*	31.12.2025	31.12.2024
Fiscal benefit from consolidated taxation	13.1	7.9
Tax (expense)/benefit current year	**13.1**	**7.9**
Tax (expense)/benefit previous years	-1.4	-0.9
Total tax (expense)/benefit	**11.6**	**7.0**
Deferred tax (expense)/benefit	3.2	4.3
Total	14.8	11.2

In 2025 income taxes were a benefit of € 11.6 million (a benefit of € 7.0 million at 31 December 2024) and refer mainly for € 13.1 million to income within the Ariston Group consolidation scheme in Italy, partially offset for € 1.4 million by previous years' income tax expenses.

Deferred taxes were income of € 3.2 million (an income of € 4.3 million at 31 December 2024), mainly due to the release of deferred tax liabilities on undistributed earnings.

Ariston Holding N.V. is incorporated in the Netherlands but is a tax resident of Italy. The reconciliation of the differences between the theoretical income taxes and the total income taxes is presented based on the Italian local corporation income tax rate in force in 2025 of 24%. A reconciliation of Ariston Holding N.V.'s income tax expense for the year ended as at 31 December 2025 is as follows:

(in € million)	31.12.2025	%
Taxes at nominal Tax Rate	**13.9**	**24.0%**
Permanent differences	-1.5	-2.7%
Prior year taxes	-1.4	-2.5%
Deferred taxes on undistributed earnings	4.0	6.9%
Effective Tax Charge	14.8	25.7%

For comparative purposes, here below is a reconciliation of Ariston Holding N.V.'s income tax expense for the year ended as at 31 December 2024:

(in € million)	31.12.2024	%
Taxes at nominal Tax Rate	**14.2**	**24.0%**
Permanent differences	-3.3	-5.5%
Prior year taxes	-0.9	-1.6%
Deferred taxes on undistributed earnings	1.2	2.0%
Effective Tax Charge	11.2	18.9%

Note 1.10 – Share in profit/(loss) of participations

The following table summarizes the Share in profit/(loss) of participations:

Share in profit/(loss) of participations *(in € million)*	31.12.2025	31.12.2024
Result of interests in group companies	176.1	50.9
Result of other participations	-0.8	-0.3
Total	175.3	50.6

The Share in profit of participations relates to the valuation of the Company's share in the total equity of subsidiaries and associates.

In particular, the result of interests in group companies of € 176.1 million is given for € 174.3 million from the share in profit of participations and for € 1.8 million by positive changes in values of the provision for interest in group companies. The result of interests in group companies is positively impacted by a € 40.2 million gain recognized after regaining control of Ariston Thermo Rus LLC in March 2025.
For more details, please refer to subparagraph *iii. Principles and Basis of Consolidation*, which is included in the section *6.3 – Basis of Accounting Preparation* of this Annual Report.

Note 2.1 – Intangible fixed assets

At 31 December 2025 the carrying amount of intangible fixed assets was € 0.5 million (€ 0.5 million at 31 December 2024) and related primarily to goodwill (€ 0.5 million) for the portion which continues to be classified in intangible fixed assets due to the absence of a related interest in group companies, since it referred to the acquisition of a legal entity incorporated in 2009.

With reference to other intangible assets, the amortisation expense for the period is recognised under the appropriate item in the income statement.

Note 2.2 – Tangible fixed assets

At 31 December 2025 the carrying amount of tangible fixed assets was € 1.5 million (€ 1.8 million at 31 December 2024), out of which € 1.3 million (€ 1.6 million at 31 December 2024) related to right-of-use assets, in accordance with IFRS16.

The gross value of tangible fixed assets was € 3.3 million (€ 3.1 million at 31 December 2024) and related accumulated depreciation was € 1.8 million (€ 1.3 million at 31 December 2024).

Depreciation for the period (€ 0.5 million) is recognised under the appropriate item in the income statement.

Details of changes in tangible fixed assets during the year are as follows:

Tangible Assets *(in € million)*	Land and buildings	Other fixed operating assets	Total
Cost net of accumulated impairment losses	2.4	0.7	3.1
Accumulated depreciation	-1.1	-0.2	-1.3
As at 31.12.2024	**1.4**	**0.4**	**1.8**
Increases	0.2	0.2	0.4
Decreases	-0.1	0.0	-0.1
Depreciation	-0.3	-0.1	-0.5
Reclassification	0.0	0.0	0.0
Total changes	-0.2	0.0	-0.2
Cost net of accumulated impairment losses	2.6	0.7	3.3
Accumulated depreciation	-1.5	-0.3	-1.8
As at 31.12.2025	**1.1**	**0.4**	**1.5**

Details of changes in tangible fixed assets during the prior year are as follows:

Tangible Assets *(in € million)*	Land and buildings	Other fixed operating assets	Total
Cost net of accumulated impairment losses	2.3	0.4	2.7
Accumulated depreciation	-0.8	-0.2	-0.9
As at 31.12.2023	**1.6**	**0.2**	**1.8**
Increases	0.1	0.3	0.4
Decreases	0.0	-0.0	-0.0
Depreciation	-0.3	-0.1	-0.4
Reclassification	0.0	-0.0	0.0
Total changes	-0.2	0.2	-0.0
Cost net of accumulated impairment losses	2.4	0.7	3.1
Accumulated depreciation	-1.1	-0.2	-1.3
As at 31.12.2024	**1.4**	**0.4**	**1.8**

Note 2.3 – Financial fixed assets

The following table summarizes the composition of financial fixed assets:

Financial fixed assets *(in € million)*	31.12.2025	31.12.2024	Change
Interests in group companies	2,100.3	2,056.7	43.6
Accounts receivable from group companies	31.9	41.5	-9.6
Other participations	5.0	4.2	0.8
Total	**2,137.2**	**2,102.4**	**34.8**

Interests in group companies were subject to the following changes during 2025 and 2024:

Interests in group companies *(in € million)*	2025	2024	Change
Balance at beginning of year	**2,056.7**	**2,242.1**	**-185.5**
Capital injection into subsidiaries	15.3	14.3	0.9
Stock-based incentive plans	1.9	-0.5	2.4
Dividends received from subsidiaries	-132.3	-241.5	109.1
Share in profit/(loss) of participations	174.3	51.0	123.3
Cumulative translation adjustments and other OCI	-15.4	-6.5	-8.9
Reclassification to Provision for interest in group companies	0.0	-2.3	2.3
Balance at end of year	**2,100.3**	**2,056.7**	**43.6**

The increase in Interests in group companies in 2025 mainly related to the share in profit of participations of € 174.3 million and to capital injection into subsidiaries of € 15.3 million, only partially offset by dividends received from subsidiaries of € 132.3 million. For more details about re-inclusion of Ariston Thermo Rus LLC within the Group's consolidation perimeter please refer to sub-paragraph *iii. Principles and Basis of Consolidation*, which is included in the section *6.3 – Basis of Accounting Preparation* of this Annual Report.

The decrease in Interests in group companies in 2024 mainly related to the dividends received from subsidiaries of € 241.5 million, only partially offset by the share in profit of participations of € 51.0 million and the capital injection into subsidiaries of € 14.3 million.

Other participations were subject to the following changes during 2025 and 2024:

Other participations *(in € million)*	2025	2024	Change
Balance at beginning of year	**4.2**	**3.6**	**0.6**
Capital injection into participations	2.0	1.0	1.0
Share in profit/(loss) of participations	-1.2	-0.3	-0.9
Balance at end of year	**5.0**	**4.2**	**0.8**

The increase in Other participations mainly related to the capital injection (share capital increase) of € 2.0 million into Thermovault B.V.

Accounts receivable from group companies are related to long-term financial loans of € 31.9 million (€ 41.5 million at 31 December 2024), consisting of:

- two loans granted to Ariston Egypt LLC for a total amount of € 7.2 million, expiring in 2028;
- a revolving credit facility granted to Ariston Group Water Heating Solutions Egypt LLC of USD 26.9 million corresponding to € 22.9 million, expiring in 2029;
- a loan granted to Chromagen Australia Pty Ltd. of AUD 3.1 million corresponding to € 1.8 million, expiring in 2028.

Related interest rates are defined in accordance with the Group transfer pricing policy of benchmarking the loans against comparable financial transactions between independent parties on the credit market and applying relevant criteria to enhance the comparability, such as tenor, currency of denomination, the geographies, the industry of the borrowing entity, and the credit rating.

Below the changes during the reporting period:

(in € million)	At 1 January 2025	Additions	Repayments	Translation differences	Reclass. to current assets	At 31 December 2025
Long-term Financial Loans	**41.5**	0.0	-6.5	-3.1	0.0	**31.9**

Starting from 2025, the balance of accounts receivable from participated companies falling under Ariston Group consolidation, previously included in *Accounts receivable from participations and other participating interests,* has been classified in *Accounts receivable from group companies*, with no direct impact on the company's financial position (net equity) and/or income statement. In the Statement of Financial Position, the balance for 2024 (€ 41.5 million) has been restated accordingly.

Note 2.4 – Accounts receivable

At 31 December 2025 accounts receivable were € 287.1 million (€ 257.2 million at 31 December 2024), with an increase of € 29.9 million mainly related to an increase of accounts receivables from group companies for € 34.7 million, primarily related to an increase in financial receivables for credits for cash pooling of € 43.1 million, only partially offset by a decrease in other credits.

The following table summarizes the composition:

Accounts receivable *(in € million)*	31.12.2025	31.12.2024	Change
Trade debtors	0.1	0.1	0.0
From group companies	254.2	219.5	34.7
Shareholders and participating interests	12.0	8.5	3.5
Other accounts receivable	16.3	26.9	-10.6
Prepayments and accrued income	4.5	2.2	2.3
Total	287.1	257.2	29.9

Accounts receivables from group companies include: trade receivables for € 17.7 million (€ 19.9 million at 31 December 2024); other credits for € 2.0 million (€ 1.7 million at 31 December 2024), and financial receivables of € 234.5 million (€ 197.9 million at 31 December 2024) consisting of:

- loans granted to group companies of € 49.6 million, consisting of:
  - a revolving credit facility granted to Ariston Climate Solutions d.o.o. Niš. of € 31.0 million;
  - a revolving credit facility granted to Ariston USA LLC of USD 5.0 million corresponding to € 4.3 million;
  - a revolving credit facility granted to Ariston Group Water Heating Solutions Egypt LLC of USD 4.1 million corresponding to € 3.4 million;
  - a loan granted to PT Ariston Group Indonesia Ltd. of USD 3.0 million corresponding to € 2.6 million;
  - a loan granted to Ariston U.K. Ltd. of GBP 2.0 million corresponding to € 2.3 million;
  - a loan granted to Ariston Thermo Tunisie SA of € 2.0 million;
  - a loan granted to Ariston South Africa (Pty) Ltd. of ZAR 30.0 million corresponding to € 1.5 million, expiring in 2026;
  - a revolving credit facility granted to Gastech-Energi A/S of € 1.5 million;

- a loan granted to Ingrado S.r.l. of € 1.0 million;

- credits for cash pooling of € 184.0 million;

- credits for derivative financial instruments of € 0.9 million.

Interest rates related to intercompany loans are defined in accordance with the Group transfer pricing policy of benchmarking loans against comparable financial transactions between independent parties on the credit market and applying relevant criteria to enhance the comparability, such as tenor, currency of denomination, the geographies, the industry of the borrowing entity, and the credit rating.

Below are the changes in loans granted to group companies in the reporting period:

(in € million)	At 1 January 2025	Additions	Repayments	Translation differences	Reclass. from not-current assets	At 31 December 2025
Loans granted to group companies	**55.1**	36.8	-40.2	-2.1	0.0	**49.6**

Shareholders and participating interests of € 12.0 million include corporate tax receivables from Merloni Holding S.p.A. for the domestic tax consolidation scheme of € 11.9 million (€ 8.4 million at 31 December 2024) and other credits for € 0.1 million (€ 0.1 million at 31 December 2024).

Other accounts receivable mainly relate to:

- deferred tax assets of € 1.9 million (€ 4.5 million at 31 December 2024);
- derivative financial instruments mark-to-market of € 6.6 million (€ 9.1 million at 31 December 2024), including hedges on commodities for € 3.7 million, interest rates for € 2.1 million, and foreign exchanges for € 0.8 million;
- VAT credit for the Group consolidation scheme of € 0.1 million (€ 1.7 million at 31 December 2024).

Starting from 2025, the balance of accounts receivable from companies not participated but falling under shareholder consolidation and the balance of accounts receivable from participated companies falling under Ariston Group consolidation, previously included in *Shareholder and participating interests,* have been classified in *Trade debtors* and in *Accounts receivable from group companies* respectively, with no direct impact on the company's financial position (net equity) and/or income statement. In the Statement of Financial Position, the balances for 2024 (€ 0.1 million and € 219.5 million respectively) have been restated accordingly.

Note 2.5 – Cash

As of 31 December 2025, Cash amounted to € 14.9 million (€ 71.7 million as at 31 December 2024), primarily consisting of amounts held in euros. The carrying amount of Cash is considered to be in line with its fair value.

The credit risk associated with Cash is deemed limited, as the counterparties are leading national and international banks.

Note 3.1 – Equity

Changes in Shareholders' equity during 2025 and 2024 were as follows:

(in € million)	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Legal Reserves	Statutory Reserves	Cum. Translation Adj	Stock-based incentive plans reserve	OCI and Other Reserves	Retained Earnings	Profit/Loss for the period	Total Equity
At 31 December 2023	**46.5**	**711.3**	**-14.8**	**8.2**	**30.8**	**25.3**	**10.5**	**9.0**	**177.0**	**307.8**	**191.2**	**1,502.6**
Allocation of prior year result										191.2	-191.2	**0.0**
Net profit for the year											2.5	**2.5**
Current period change in translation adjustments and OCI, net of taxes							-12.5		5.6			**-6.9**
Dividends										-63.1		**-63.1**
Legal reserve					6.2					-6.2		**0.0**
Share-based payments			4.5					-5.1		2.9		**2.4**
Acquisition of treasury shares			-11.8									**-11.8**
Conversion reserve multiple voting shares						10.0				-10.0		**0.0**
Other changes									4.7	-4.7		**0.0**
At 31 December 2024	**46.5**	**711.3**	**-22.1**	**8.2**	**37.0**	**35.3**	**-2.0**	**4.0**	**187.3**	**417.9**	**2.5**	**1,425.8**
Allocation of prior year result										2.5	-2.5	**0.0**
Net profit for the year											132.4	**132.4**
Current period change in translation adjustments and OCI, net of taxes							-15.3		-0.8			**-16.1**
Dividends										-29.5		**-29.5**
Legal reserve					7.1					-7.1		**0.0**
Share-based payments			0.7					3.0		0.8		**4.4**
Acquisition of treasury shares			-1.0									**-1.0**
Conversion reserve multiple voting shares						2.5				-2.5		**0.0**
Other changes						-0.3			0.3			**0.0**
At 31 December 2025	**46.5**	**711.3**	**-22.4**	**8.2**	**44.1**	**37.5**	**-17.3**	**6.9**	**186.7**	**382.1**	**132.4**	**1,516.1**

Shareholders' equity increased by € 90.3 million in 2025, primarily due to net profit for the year of € 132.4 million, only partially offset by dividends paid to shareholders for € 29.5 million and changes in translation adjustments of € 15.3 million.

Shareholders' equity decreased by € 76.8 million in 2024, primarily due to dividends paid to shareholders for € 63.1 million and changes in translation adjustments of € 12.5 million, only partially offset by net profit for the year of € 2.5 million.

Share capital

At 31 December 2025 the share capital of Ariston Holding N.V. was € 46.5 million, fully paid-up, and represented by 125,505,005 ordinary shares and 22,095,194 non-listed ordinary shares with a nominal value of € 0.01 each, and 225,000,000 multiple voting shares with a nominal value of € 0.20 each.

Share premium reserve

At 31 December 2025 the share premium reserve was € 711.3 million.

Treasury shares reserve

In June 2025 Ariston Holding N.V. transferred 138,083 treasury shares to the beneficiaries of the 2022 vested restricted share units long-term incentive plan for an amount equal to € 0.7 million.
In November 2025 Ariston Holding N.V. started a treasury share buyback program to serve the Group's LTI plans, with a number of shares to be acquired equal to 2,000,000. The treasury share buyback program started on 6 November 2025 and as at 31 December 2025 was still continuing. The total amount of treasury shares at 31 December 2025 was equal to € 22.4 million.

Legal reserves

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity up to at least the total amount of the legal reserve.

At 31 December 2025, legal reserves amounted to € 44.1 million (€ 37.0 million at 31 December 2024), related to capitalized development expenditures recognised by subsidiaries.

Statutory reserves

At 31 December 2025, statutory reserves amounted to € 37.5 million (€ 35.3 million at 31 December 2024), with a net increase of € 2.2 million, due to the amount (€ 2.5 million) allocated and added in the year to the Conversion Reserve (reference is made to article 31 of the Company's articles of association), the Company having established a policy on reservations for the benefit of the Conversion Reserve, net of a reclassification of € 0.3 million into OCI and Other reserves.

Stock-based incentive plans reserve

The Ariston Group adopted stock-based incentive plans under which a combination of restricted share units and performance share units ("PSUs"), each representing the right to receive one Ariston Holding N.V. ordinary share, have been awarded to the executive directors and a selected number of managers. In 2025 the related stock-based incentive plan reserve increased by € 4.4 million for the competence for the year and decreased by € 1.4 million following the assignment of shares executed for the 2022 LTI plan.

At 31 December 2025, the stock-based incentive plans reserve amounted to € 6.9 million (€ 4.0 million at 31 December 2024), and referred to the following plans:

- 2023: € 3.0 million;
- 2024: € 2.3 million;
- 2025: € 1.6 million.

Settlement of the conversion of restricted share units and performance share units (2023 plan) will take place in the first half of 2026.

Note 3.2 – Provisions

At 31 December 2025, provisions were € 22.6 million (€ 29.7 million at 31 December 2024).
The following table summarizes the composition:

Provisions *(in € million)*	31.12.2025	31.12.2024	Change
Provision for employee severance indemnity	0.2	0.2	0.0
Deferred tax liabilities	13.0	18.3	-5.3
Provision for interest in participating companies	9.0	10.9	-1.8
Provision for risk	0.4	0.4	0.0
Total	22.6	29.7	-7.1

The following table shows the changes which occurred during the year:

Provisions *(in € million)*	Provision for employee severance indemnity	Deferred tax liabilities	Provision for interest in participating companies	Provision for risk	Total
As at 31.12.2024	0.2	18.3	10.9	0.4	29.7
Increases	0.6	0.3	0.0	0.0	0.9
Decreases	-0.5	-5.3	-1.9	0.0	-7.7
Other	-0.0	-0.3	0.0	0.0	-0.3
Total changes	0.0	-5.3	-1.8	0.0	-7.1
As at 31.12.2025	0.2	13.0	9.0	0.4	22.6

Please refer to the consolidated financial statements for related terms and conditions.

Provision for interest in participating companies of € 9.0 million is mainly related to participations in Ariston France S.a.s. (€ 8.6 million), and Instachauf S.a.s. (€ 0.4 million).

Note 3.3 – Long-term debt

At 31 December 2025, long-term debt was € 544.8 million (€ 594.9 million at 31 December 2024), primarily composed of debts to lending institutions for € 543.2 million (€ 593.0 million at 31 December 2024).

Compared to 31 December 2024, the decrease in total long-term debt was essentially attributable to repayments made in 2025.

Below are the details:

(in € million)	At 1 January 2025	Additions	Repayments	Reclassification	Other movements	At 31 December 2025
Debts to lending institutions	**593.0**	100.0	-150.0	0.0	0.2	**543.2**
Other liabilities	**1.8**	0.3	-0.6	0.0	-0.1	**1.5**
Total	594.9	100.3	-150.6	0.0	0.2	544.8

Below is the composition as at 31 December 2025 of debts to lending institutions:

(in € million)	Long-term debt	In 1-5 years	Over 5 years
Debts to lending institutions	543.2	490.2	53.0
Total	543.2	490.2	53.0

Other non-current liabilities of € 1.5 million (€ 1.8 million at 31 December 2024) are mainly related to a long-term financial lease.

Note 3.4 – Debts to lending institutions

At 31 December 2025, current debts to lending institutions were € 0.0 million (€ 70.0 million at 31 December 2024).

Compared to 31 December 2024, the decrease is mainly due to the regular maturities of debt.

Below are the changes during the reporting period:

(in € million)	At 1 January 2025	Additions	Repayments	Reclassification	Other movements	At 31 December 2025
Debts to lending institutions	**70.0**	0.0	-70.0	0.0	0.0	**0.0**
Total	70.0	0.0	-70.0	0.0	0.0	0.0

Note 3.5 – Trade creditors

At 31 December 2025, trade creditors were € 9.0 million (€ 7.7 million at 31 December 2024).

Trade creditors are due within one year and their carrying amount at the reporting date is deemed to approximate their fair value.

Note 3.6 – Amounts due to group companies

Amounts due to group companies of € 324.0 million (€ 272.9 million at 31 December 2024) are summarized in the table below:

Amounts due to group companies *(in € million)*	31.12.2025	31.12.2024	Change
Cash pooling liabilities:			
- Ariston S.p.A.	123.0	15.4	107.6
- Elco GmbH	39.4	33.2	6.2
- Thermowatt S.p.A.	30.4	18.3	12.1
- Elcotherm AG	27.8	0.0	27.8
- Wolf GmbH	20.8	110.4	-89.6
- Elco Italia S.p.A.	11.9	8.7	3.2
- Ariston Iberica S.L.	11.5	9.9	1.6
- Elco Austria GmbH	10.0	10.3	-0.3
- Ariston Deutschland GmbH	9.0	10.7	-1.7
- Wolf France S.a.s.	2.2	2.1	0.0
- Domotec AG	2.1	0.0	2.1
- Brink Climate Systems B.V.	2.1	2.9	-0.9
- Wolf Power Systems GmbH	2.0	0.0	2.0
- Atag Heating B.V.	1.8	3.0	-1.2
- Pro-Klima D.o.o.	1.8	0.0	1.8
- BCE S.r.l.	1.5	0.0	1.5
- SPM Innovation S.a.s.	1.5	0.0	1.5
- AR1 S.r.l.	1.1	1.9	-0.8
- Ecoflam Bruciatori S.p.A.	1.1	5.6	-4.4
- Elco Burners B.V.	1.1	0.7	0.4
- Cuenod S.a.s.	1.0	7.2	-6.2
- Ariston Iberica SL	0.9	0.0	0.9
- Wolf Energiesystemen B.V.	0.4	0.4	0.0
- Calentadores de America S.A. de C.V.	0.1	0.0	0.1
- Wolf Iberica Climatization Y Calefacion SA	0.0	0.4	-0.4
- Ariston Benelux S.A./N.V.	0.0	7.9	-7.9
Cash pooling liabilities	304.8	249.1	55.7
Current derivative financial Instruments	4.7	2.4	2.4
Current financial loans:			
- Calentadores de America S.A. de C.V.	7.2	7.0	0.1
- Tasfiye Halinde Ariston Thermo Isıtma ve Soğutma Sistemleri İthalat ve İhracat ve Dağıtım Ltd.Şti.	1.6	1.7	-0.1
Current financial loans	8.8	8.7	0.0
Trade creditors	3.8	7.8	-4.0
Other debits:			
- Consolidated VAT	1.9	4.9	-3.1
Other debits	1.9	4.9	-3.1
Total	324.0	272.9	51.1

At 31 December 2025, Cash pooling liabilities consisted of € 304.8 million in overdrafts as part of the Ariston Group's centralized treasury management, with an increase of € 55.7 million from 31 December 2024.
Current financial loans were composed of the loan granted by Calentadores de America S.A. de C.V.of MXN 151.0 million corresponding to € 7.2 million, and a loan granted by Tasfiye Halinde Ariston Thermo Isıtma ve Soğutma Sistemleri İthalat ve İhracat ve Dağıtım Ltd.Şti. of € 1.6 million.

Related interest rates are defined in accordance with the Group transfer pricing policy of benchmarking the loans against comparable financial transactions between independent parties on the credit market and applying relevant criteria to enhance the comparability, such as tenor, currency of denomination, the geographies, the industry of the borrowing entity, and the credit rating.

Current derivative financial instruments of € 4.7 million were related to the recharge of commodities and interest rate hedging instruments.

Starting from 2025, the balance of accounts payable from participated companies falling under Ariston Group consolidation, previously included in *Amounts due to shareholders and participating interests,* has been classified in *Amounts due to group companies*, with no direct impact on the company's financial position (net equity) and/or income statement. In the Statement of Financial Position, the balance for 2024 (€ 272.9 million) has been restated accordingly.

Note 3.7 – Taxes and social security contributions

Taxes and social security contributions of € 1.9 million were related to short-term social security payables for € 1.1 million and short-term other tax debts for € 0.8 million.

Note 3.8 – Other liabilities

The following table summarizes Other liabilities:

Other liabilities *(in € million)*	31.12.2025	31.12.2024	Change
Derivative financial instruments	8.6	16.9	-8.3
Current debts with employees	1.8	1.0	0.8
Other financial debts	10.3	12.6	-2.3
Other debts	2.0	0.5	1.5
Total	22.8	31.1	-8.3

Current derivative financial Instruments of € 8.6 million were related for € 6.8 million to derivative financial instruments with negative fair value at 31 December 2025. It related for € 5.9 million to hedging contracts and for € 0.9 million to non-hedging contracts (signed by Ariston Holding N.V. as parent company in the interest of the subsidiaries, with subsequent recharge of the results of these hedges to the group companies). The remaining amount of derivative financial instruments of € 1.8 million referred to financial derivatives closed but not yet paid.

For the accounting treatment of derivatives financial instruments, please refer to section *Derivatives* included in this Annual Report.

Other liabilities are all due within one year and their carrying amount is deemed to approximate the related fair value.

Commitments and risks

The Company reported the following potential liabilities as at the end of the reporting period:

Guarantees issued

At 31 December 2025, guarantees issued were € 119.9 million (€ 120.3 million at 31 December 2024), wholly provided on behalf of group companies, related:

- for € 101.5 million to parent guarantees issued for credit lines and term loans granted by lending institutions;
- for € 17.3 million to other guarantees;
- for € 1.2 million to other parent guarantees.

The main guarantees outstanding at 31 December 2025, were as follows:

Group companies *(in € million)*	2025	2024	Change
Ariston S.p.A.	76.2	76.2	0.0
Ariston Climate Solutions d.o.o. Niš.	13.7	15.8	-2.1
Ariston Group India Private Limited	6.6	4.5	2.1
Ariston Thermo Romania S.r.l.	6.4	6.5	-0.2
Ariston Vietnam CO. Ltd.	4.0	4.0	0.0
Ariston Climate Solutions (Shanghai) Co., Ltd.	3.6	3.6	0.0
Ariston Ukraine LLC	2.5	2.5	0.0
S.H.E. d.o.o. Svilajnac	2.0	2.0	0.0
Ariston CZ S.r.o.	1.5	1.5	0.0
Ariston Hungária Kft.	1.5	1.5	0.0
Ariston U.K. Ltd.	1.5	1.6	-0.1
Ariston Polska Sp. zo.o.	0.4	0.4	0.0
BCE S.r.l.	0.1	0.1	0.0
Elco Italia S.p.A.	0.0	0.1	-0.1
Total	119.9	120.3	-0.3

The decrease of € 0.3 million as compared to 31 December 2024 was mainly due to the guarantees on behalf of Ariston Thermo Romania S.r.l. which saw a decrease of € 0.2 million.

Please refer to the consolidated financial statements for related terms and conditions.

Commitments

At 31 December 2025, there were no commitments to be mentioned.

Audit fees

The fees for services provided by the Company's independent auditors to the Company are broken down as follows:

Audit fees *(in € million)*	31.12.2025	31.12.2024	Change
Audit fees	0.3	0.3	0.1
Other non-audit services	0.3	0.4	-0.0
Total	0.6	0.6	0.0

The fees for audit services provided in 2025 by EY Accountants B.V. are equal to € 0.2 million (€ 0.2 million in 2024).

Board remuneration

Detailed information on Board compensation is included in the *Remuneration Report* section of this report.

Proposal for the appropriation of profits

The appropriation of profits will be determined in accordance with article 32 of the articles of association of Ariston Holding N.V.
The Board determines which part of the profits will be added to reserves, taking into account the financial condition, earnings, cash needs, working capital developments, capital requirements (including requirements of its subsidiaries) and any other factors that the Board deems relevant in making such a determination. The part of the profits remaining after the addition to reserves will be at the disposal of the general meeting. The Board makes a proposal for the remaining part of the profits that will be at the disposal of the general meeting. The Board resolved to convene the annual general meeting to be held on 5 May 2026. Dividend will be distributed pro rata on all shares, being ordinary shares, non-listed ordinary shares and multiple voting shares. No dividend will be paid on shares held by the Company.

In view of the above, it is proposed to pay an amount of € 0.10 per share, gross of withholding taxes, being equal to approximately 33% of the Group net profit adjusted.

Calculated on the shares outstanding as at 31 December 2025, it is proposed that the profits realized during the 2025 financial year in the amount of € 132,427,404 will be allocated as follows:

i. an amount of € 5,229,875 will be allocated to increase the conversion reserve required under the article 31 of the articles of association;

ii. an amount of € 90,402,921 will be added to the retained earnings reserve; and

iii. the remaining part of € 36,794,608 will be distributed as dividend on the shares, being equal to approximately 33% of the Group net profit adjusted.

The amount added to the reserves and the dividend distribution will be recalculated based on the actual number of shares issued and outstanding as at the coupon detachment date.

Subsequent events

Regarding subsequent events evaluated by the Group, please refer to the section *Subsequent events* included in this Annual Report.

3 March 2026

The Board
Paolo Merloni
Maurizio Brusadelli
Antonia Di Bella
Katja Gerber

Roberto Guidetti
Laurent Jacquemin
Guido Krass
Maria Francesca Merloni
Ignazio Rocco di Torrepadula
Marinella Soldi
Enrico Vita

Other information

Additional information on Dutch corporate governance

Independent Auditor's Report

The report of the Company's independent auditor, EY Accountants B.V., is set forth following this Annual Report.

Appropriation of profits

The appropriation of profits will be determined in accordance with article 32 of the articles of association of the Company. The relevant provisions of the articles of association read as follows:

Appropriation of profits
Article 32

32.1. The Board may decide that the profits realised during a financial year are fully or partially appropriated to increase or form reserves.

32.2. The profits of the Company remaining after application of Article 32.1 shall be put at the disposal of the General Meeting. The Board shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting.

32.3. The Shareholders will share in the (profit) distribution in proportion to the aggregate number of the Shares (either Ordinary Shares, Non-Listed Ordinary Shares and/or Multiple Voting Shares) held by each of them.

32.4. The Company's policy on reserves and dividends shall be determined and can be amended by the Board.

32.5. The Company may distribute profits to Shareholders and other persons eligible to receive any share of the distributable profits only insofar as the Company's shareholders' equity, reduced by the amount of the distribution, will not be smaller than the paid-up and claimed part of the Company's shareholders' capital, increased by the reserves which must be maintained under these Articles and by Dutch law.

32.6. Profits will be distributed after confirmation of the Annual Accounts, evidencing this to be permissible.

32.7. The Company may only make interim (profit) distributions to the extent that the provisions as set out in Article 32.5 have been complied with as evidenced by an interim specification of assets and liabilities. Such interim specification of assets and liabilities will relate to the position of the equity of the Company at the earliest as at the first day of the third month prior to the month in which the resolution providing for payment is announced. It will be drawn up with due observance of valuation methods deemed acceptable under generally accepted standards. The specification of assets and liabilities will include the amounts to be allocated to the reserves in accordance with Dutch law or these Articles. It shall be signed by the Directors; if the signature of one or several of them is missing, the reason thereof shall be stated. The Company shall file the specification of assets and liabilities with the office of the Dutch trade register within eight days after the resolution to make payment available is announced.

32.8. With due observance of the provisions of Article 32.5, the General Meeting, on a proposal of the Board, may adopt resolutions for distributions to the charge of the Company's reserves that do not need to be kept pursuant to these Articles or Dutch law.

Disclosures pursuant to decree article 10 EU-Directive on takeovers

In accordance with the Dutch Takeover Directive (Article 10) Decree (*Besluit artikel overnamerichtlijn*, the "Decree"), the Company makes the following disclosures:

l) At 31 December 2025, the issued share capital of the Company consisted of 125,505,005 ordinary shares and 22,095,194 non-listed ordinary shares with a nominal value of € 0.01 each, jointly representing 3.18% of the aggregate issued share capital, and 225,000,000 multiple voting shares with a nominal value of € 0.20 each, representing 96.82% of the aggregate issued share capital.

For information on the rights attached to ordinary shares, non-listed ordinary shares and multiple voting shares, reference is made to the articles of association which can be found on the Company's website. To summarize, the rights attaching to ordinary shares, non-listed ordinary shares and multiple voting shares comprise pre-emptive rights upon the issue of shares, the right to attend the general meetings of the Company and to speak and vote at such meetings and to resolve on and the entitlement to the distribution of such amount of the Company's profit as remains after allocation to the reserves. Ordinary shares, non-listed ordinary shares and multiple voting shares rank *pari passu* and will have equal rights and obligations with respect to all matters, including profit distributions, with the exceptions as set out in the articles of association, including the entitlement to voting rights as set out in article 26.1 of the articles of association, the conversion reserve and the liquidation distribution referred to in article 36.3 of the articles of association.

m) The Company has imposed no limitations on the transfer of ordinary shares and non-listed ordinary shares. Article 16 of the articles of association provides for transfer restrictions for multiple voting shares (right of first refusal). If a holder of multiple voting shares intends to transfer to any third party (be it a shareholder or not) one or more multiple voting shares, the other holders of multiple voting shares shall have the right, in accordance with the procedure outlined in article 16 of the articles of association, to exercise a right of first refusal.

n) For information on participations in the capital of the Company for which a disclosure obligation exists under Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), please see "Major shareholders" in Corporate Governance report. There you will find a list of shareholders who are known to the Company to have holdings of 3% or more at the stated date.

o) No special control rights or other rights accrue to shares in the capital of the Company other than that a multiple voting share confers the right to cast 20 votes, subject to a voting threshold, all in accordance with the terms and conditions as set out in article 26.1 of the articles of association. Reference is made to "Share capital and general meeting", subparagraph "Voting rights and adoption of resolutions" in Corporate Governance report.

p) A mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company.

q) No restrictions apply to voting rights attached to the shares in the capital of the Company, nor are there any deadlines for exercising voting rights other than the restriction of the number of votes that may be cast on multiple voting shares as set out in article 26.1 of the articles of association describing the voting cap and further explained in "Share capital and general meeting", subparagraph "Voting rights and adoption of resolutions" in Corporate Governance report. Except by virtue of the different voting rights attached to the ordinary shares and non-listed ordinary shares (one vote per share) and the multiple voting shares (20 votes per share, subject to the application of a voting threshold), none of the shareholders will have any voting rights different from any other shareholders.

r) The Company is not aware of the existence of any agreements with shareholders of the Company which may result in restrictions on the transfer of shares or limitation or voting rights, other than a shareholders' agreement between Merloni Holding S.p.A. and Amaranta S.r.l entered into on 26 October 2021.

The shareholders' agreement provides as follows:

(v) Merloni Holding S.p.A. shall procure that one person indicated by Amaranta S.r.l. is appointed as director so long as Amaranta S.r.l. holds at least 7% of issued share capital of the Company;

(vi) should Merloni Holding S.p.A.:

d. decide to sell a number of multiple voting shares so that it loses control over the Company, then Amaranta S.r.l. will be entitled to tag its multiple voting shares to the sale of multiple voting shares held by Merloni Holding S.p.A.;

e. receive an offer for the entirety of the outstanding multiple voting shares, then Merloni Holding S.p.A. will be entitled to drag along the multiple voting shares held by Amaranta S.r.l.;

(vii) Merloni Holding S.p.A. shall be entitled to acquire from Amaranta S.r.l. 6,000,000 multiple voting shares in exchange for the same amount of ordinary shares by virtue of a call option; and

(viii) each of Merloni Holding S.p.A. and Amaranta S.r.l. shall inform the other party in case it wishes to convert its multiple voting shares into ordinary shares.

The lock-up provisions included in the agreement for the sale and purchase of CENTROTEC Climate Systems GmbH entered into between CENTROTEC SE and Ariston Holding N.V. on 15 September 2022 expired on 2 January 2025.

s) The rules governing the appointment and dismissal of directors are stated in the articles of association. All directors are appointed by the general meeting. The Board nominates a candidate for each vacant seat. A nomination by the Board will be binding as described above under "Board" in this Corporate Governance report. Pursuant to the agreement for the sale and purchase of CENTROTEC Climate Systems GmbH entered into between CENTROTEC SE and Ariston Holding N.V. on 15 September 2022, CENTROTEC SE has the right to designate an individual for nomination by the Board as replacement for Guido Krass. CENTROTEC SE may only designate individuals that comply with the Board profile and such individual will not need to be independent within the meaning of the Dutch corporate governance code. The designation right of CENTROTEC SE expires when it holds less than 27,611,111 shares or 7.5% of the Company's share capital. Directors are appointed for a period of time to be determined by the general meeting, ending not sooner than immediately after the general meeting held in the first year after the year of their appointment and not later than immediately after the general meeting held in the fourth year after the year of their appointment.

t) The articles of association allow the Company to cooperate in the issuance of registered depositary receipts for shares, but only pursuant to a resolution to that effect by the Board. No depositary receipts have been issued for shares in its capital with the cooperation of the Company.

The general meeting may at any time dismiss or suspend any director. If the Board proposes the dismissal of a director to the general meeting, the general meeting can resolve upon such dismissal by a resolution adopted by an absolute majority of the votes cast.

If the Board has not made a proposal for the dismissal of a director, the general meeting can only resolve upon the dismissal of the director by a resolution adopted by an absolute majority of the votes cast, representing more than half of the issued capital of the Company. Executive directors may at all times also be suspended by the Board. A resolution of the Board to suspend the Executive Chair must be adopted with a majority of two thirds of the votes cast in a meeting where all directors, other than the Executive Chair, are present or represented. If either the Board or the general meeting has resolved upon a suspension of a director, the general meeting shall within three months after the suspension has taken effect, resolve either to dismiss the director with due observance of the provisions in the articles of association, or to terminate or continue the suspension, failing which the suspension shall lapse. A resolution to continue the suspension may be adopted only once and in such an event the suspension may be continued for a maximum period of three months commencing on the day that the general meeting adopted the resolution to continue the suspension. If the general meeting has not decided to terminate or to continue the suspension within the required period, the suspension shall lapse.

The rules governing an amendment of the articles of association are included in article 35 of the articles of association and require a resolution of the general meeting, but only on a proposal by the Board. The prior approval of the meeting of holders of multiple voting shares is required for an amendment of a provision relating to the multiple voting shares and/or the rights and/or the obligations of the (meeting of) holders of multiple voting shares.

u) The general powers of the Board are stated in article 18 of the articles of association. Pursuant to article 21.1 of the articles of association, the general authority to represent the Company is vested in the Board and the Executive Chair. The Board has granted specific representation powers to Maurizio Brusadelli, in his capacity as Chief Executive Officer of the Company.

According to article 7.1 of the articles of association, the Board will be the competent corporate body to issue the shares for a period of five years with effect from 19 December 2022. The Board is also authorized to limit or exclude pre-emptive rights of shareholders on any issue of shares or granting rights to subscribe for shares, for the same term. After the five-year term, shares may be issued pursuant to a resolution of the general meeting unless the Board is designated to do so by the general meeting. Such designation can be made each time for a maximum period of five years and can be extended each time for a maximum period of five years. A designation must determine the number of shares of each class concerned which may be issued pursuant to a resolution of the Board. The resolution of the general meeting to designate the Board as the body authorized to issue shares cannot be withdrawn by the general meeting, unless otherwise provided in the authorization. The body resolving to issue shares must determine the issue price and the other conditions of issuance in the resolution to issue. After the five-year term, pre-emptive rights may be restricted or excluded by a resolution of the general meeting. The general meeting may designate this competence

to the Board for a period not exceeding five years, provided that the general meeting has also authorized the Board to issue shares. Unless otherwise stipulated at its grant, this authorization cannot be withdrawn.

The Company is entitled to acquire fully paid-up shares in its capital. The terms and conditions for the acquisition of shares by the Company in its capital are set out in article 10 of the articles of association.

v) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), except for certain of the loan agreements entered into by the Company which contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.

The Company did not enter into any agreement with a director or employee of the Company providing for a payment upon the termination of employment as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Shape the future with confidence

10. Other Information

Independent auditor's report

To: the shareholders and the board of directors of Ariston Holding N.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

We have audited the accompanying financial statements 2025 of Ariston Holding N.V. based in Amsterdam, the Netherlands.

The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of Ariston Holding N.V. as at 31 December 2025 and of its result and its cash flows for 2025 in accordance with IFRS Accounting Standards as adopted in the European Union (IFRS Accounting Standards) and with Part 9 of Book 2 of the Dutch Civil Code
- The company financial statements give a true and fair view of the financial position of Ariston Holding N.V. as at 31 December 2025 and of its result for 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2025
- The following statements for 2025: the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company statement of financial position as at 31 December 2025
- The company income statement for 2025
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Ariston Holding N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Ariston Holding N.V. and its subsidiaries are a global group primarily active in the business of the production and distribution of thermal comfort and water and space heating solutions. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€18 million (2024: €18 million)
Benchmark applied	Approximately 0.70% of revenues
Explanation	Given the group is active in a listed environment for a couple of years, made a significant growth due to recent acquisitions and combined with the available communication towards the financial markets and other stakeholders, we have identified that the group highlights performance primarily in terms of revenues for showing growth. Next to profitability, investors also focus on volumes and future growth of revenues of the group. Accordingly, we conclude that revenues as a measurement basis remain appropriate, as it is considered an important and stable indicator for the users of the financial statements. We determined materiality to be consistent with prior financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of €0.9 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Ariston Holding N.V. is at the head of a group of entities. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment,
we determined the nature, timing and extent of audit work performed, including the entities or business units within the group (components) at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group. We have worked closely together with our regional component team in Italy, in performing audit work in respect of our audit approach including group risk assessment; and in directing, supervising, reviewing and/or coordinating the work of 27 component teams. We communicated the audit work to be performed and identified risks through instructions for component auditors as well as requesting component auditors to communicate matters related to the financial information of the component that is relevant to identifying and assessing risks.

This resulted in a coverage of 81.3% of revenue, 90.9% of EBIT and 86.9% of total assets.
For other components, we performed specified audit procedures and analytical procedures to corroborate that our risk assessment and scoping remained appropriate throughout the audit.

We performed site visits to meet with management in Italy, observe the operations, discuss the group risk assessment and the risks of material misstatements. We reviewed and evaluated the adequacy of the deliverables from component auditors and reviewed key working papers for selected components to address the risks of material misstatement. We held planning meetings, key meetings required based on circumstances and we attended closing meetings with management and the regional component team in Italian component. During these meetings and calls, amongst others, the planning, procedures performed based on risk assessments, findings and observations were discussed and any further work deemed necessary by the primary or component team was then performed.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the heating industry. We included specialists in the areas of IT audit, forensics, treasury and income tax and have made use of our own experts in the areas of valuations.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO2 footprint.

The board of directors summarized Ariston Holding N.V.'s commitments and obligations, and reported in the section 5.2 Sustainability statement 2025 of the annual report how the company is addressing climate-related and environmental risks.
As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions, especially in the area of impairment of goodwill, as well as in the design of relevant internal control measures. Furthermore, we read the annual report and considered whether there is any material inconsistency between the non-financial information in section 7. Governance and 5.2 Sustainability statement 2025 and the financial statements.

Based on the audit procedures performed, we consider climate-related risks to be appropriately considered in the financial reporting judgments, estimates and significant assumption as at
31 December 2025.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and board of directors' process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes.
We refer to section 7.1 Risk management of the governance report for board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration.
We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have, among other things, performed procedures to evaluate whether the selection and application of accounting policies by the company, particularly those relating to subjective measurements and complex transactions, as disclosed in Note 8.4 subsection xxi to the financial statements may be indicative to fraudulent financial reporting. We have also used data analysis to identify and address high-risk journal entries and other adjustments made in the financial reporting process. We evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

The following fraud risk identified required significant attention during our audit.

Presumed risks of fraud in revenue recognition	
Fraud risk	We presumed that there are risks of fraud in revenue recognition. We evaluated that revenues from the divisions Thermal Comfort, Burners and Components give rise to such risks. These three divisions consist of four revenue streams, being Professional, DIY (Do it yourself), business-to-business and service.
Our audit approach	We describe the audit procedures responsive to the presumed risk of fraud in revenue recognition in the description of our audit approach for the key audit matter: Risk of improper Revenue Recognition.

We considered available information and made enquiries of relevant executives, directors, legal, compliance, human resources, regional directors and the audit committee.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations including sanction laws, that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, inspection of compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and we have been informed by the board of directors that there was no correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in Note 8.3 subsection i to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism.

We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern or the board of directors' use of the going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, our key audit matters did not change.

Risk of improper revenue recognition	
Risk	Revenue is one of the key indicators of the company's performance and considered a focus of the users of the financial statements. We considered the following aspects as part of our assessment of the fraud risk in regard to the three divisions Thermal Comfort (TC), Burners (BUR) and Components (COM): ▪ High volume of sales transactions ▪ Different revenue streams ▪ The year-end bonuses arrangements (YEBs) ▪ The management adjustments on cut-off at year-end ▪ Other manual journal entries As mentioned in the section Our audit response related to fraud risks above, we identified a fraud risk for inappropriate revenue recognition as a result of manual journal entries recorded at or near period end in order to achieve its targets. Given the focus of users of the financial statements and the identified fraud risks, we consider improper revenue recognition a key audit matter. Financial statement disclosures related to revenue recognition are reported in Note 8.4 subsection xxi and subsection xvi and Note 8.6.1 subsection 1.1.
Our audit approach	The procedures designed to address the matter in our audit included, amongst others: ▪ We have obtained an understanding of the significant classes of transactions impacting revenue (including the manual journals thereof) and performed walkthroughs of each in order to confirm our understanding of revenue streams

Risk of improper revenue recognition	
	▪ We have verified if a consistent revenue recognition methodology (IFRS 15) with prior year was applied ▪ We have performed analytical review procedures and performed a test of details as to revenue recorded near or close to period-end ▪ We have performed a test of details for a sample of year-end bonus contracts to verify the proper application of the contract conditions in issuing related credit memos ▪ We have performed tests of manual journal entries recorded to verify appropriate business rationale, and proper authorization and documentation of approval ▪ We have audited manual journal entries made by people who are entitled to the management bonus scheme (MBO) and/or long term incentive plan (LTI) to verify appropriate business rationale and documentation of approval Lastly, we assessed the adequacy, included in Note 8.4 subsection xvi and subsection xxi and Note 8.6.1 subsection 1.1 of the disclosures in the explanatory notes to the consolidated financial statements.
Key observations	Based on the audit procedures performed, we did not identify inappropriate manual journal entries made nor any material misstatements in the revenue reported.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive directors are charged with the supervision on the integrity and quality of financial reporting. The audit committee assists the non-executive directors in fulfilling its oversights responsibilities and reviews the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.
Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.
In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.
The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of Ariston Holding N.V. on 28 May 2021, as of the audit for the year 2021 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

Ariston Holding N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Ariston Holding N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

Rotterdam, 3 March 2026

EY Accountants B.V.

signed by A.M. Buijs

Limited assurance report of the independent auditor on the sustainability statement

To: the shareholders and board of directors of Ariston Holding N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement for 2025 of Ariston Holding N.V. based in Amsterdam (hereinafter: the company) in section 5 “Sustainability Statement” of the accompanying board report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, “Assurance-opdrachten inzake duurzaamheidsverslaggeving” (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised),
“Assurance engagements other than audits or reviews of historical financial information”.

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Our responsibilities in this regard are further described in the section “Our responsibilities for the limited assurance engagement on the sustainability statement” of our report.

We are independent of Ariston Holding N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations associated with measurement or evaluation of sustainability information

Significant uncertainties affecting the quantitative metrics

Section "BP-2 Disclosures in relation to specific circumstances" paragraph "Estimation and uncertainty around metrics" in the sustainability statement identifies the quantitative metrics that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

Comparability may be limited for entity-specific sustainability information

The company provides additional entity-specific sustainability information in Section *"Environmental Information"* paragraphs *"ESRS E1 - Climate Change", "ESRS E3 - Water and Marine Resources" and "ESRS E5 - Resource Use and Circular Economy",* as well as in Section *"Social information"* paragraph *"ESRS S2 – Workers in the Value Chain"* in the sustainability statement. The comparability of entity-specific sustainability information between entities and over time may be affected by the absence of a uniform practice or availability of external information sources to measure or evaluate this information that can support comparability. This allows for the application of different, but acceptable, measurement techniques.

Inherent limitations of a double materiality assessment process

The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Inherent limitations of forward-looking information

In reporting forward-looking information in accordance with the ESRS, management describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that it reflects the actual plans or decisions made by the company (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Comparative information not assured

Sustainability information for reporting years before 2024 included in the sustainability statement, has not been part of this limited assurance engagement. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the sustainability statement for reporting years before 2024. Our conclusion is not modified in respect of this matter.

Responsibilities of the board of directors and the audit committee for the sustainability statement

The board of directors is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability

statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the board of directors is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The board of directors is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The audit committee is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of
  all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment,
  the company's processes for gathering and reporting entity-related and value chain information,
  the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise (selected disclosures). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the board of directors appears consistent with the process carried out by
  the company
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the board of directors' estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy delegated acts, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented

- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS

Communication

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Rotterdam, 3 March 2026

EY Accountants B.V.

signed by A.M. Buijs


ARISTON
GROUP