

# 2022 Company Report

Our Group

—

Sustainability Report

—

Methodology



# 2022 Company Report

Our Group — Sustainability Report — Methodology

---

Find out more at [www.aristongroup.com](http://www.aristongroup.com)

# Index

<a href="#">Letter to stakeholders</a>	4
<a href="#">How to read the document</a>	6

## Our group

<a href="#">Our vision</a>	10
<a href="#">Our mission</a>	12
<a href="#">A global company with strong local roots</a>	14
<a href="#">Who we are and what we do</a>	16
<a href="#">The group by numbers</a>	18
<a href="#">Global vision, local action</a>	20
<a href="#">Our history</a>	22
<a href="#">2022 highlights</a>	24
<a href="#">Brands and products</a>	26
Thermal comfort	
<a href="#">Ariston</a>	28
<a href="#">Elco</a>	30
<a href="#">Chaffoteaux - Racold</a>	32
<a href="#">Calorex - NTI</a>	34
<a href="#">HTP - ATAG</a>	36
<a href="#">Components</a>	38
<a href="#">Burners</a>	39

## Sustainability Report

<a href="#">The European Taxonomy</a>	42
<a href="#">Road to 100</a>	48
<a href="#">The path towards Road to 100</a>	50
<a href="#">Road to 100: How did we get here?</a>	52
<a href="#">Road to 100: Main 2030 objectives</a>	54
<a href="#">Solutions</a>	56
<a href="#">Key challenges</a>	58
<a href="#">Sustainable energy solutions</a>	59
<a href="#">Smart homes for sustainable living</a>	66
<a href="#">Operations</a>	70
<a href="#">Key challenges</a>	72
<a href="#">Resources productivity and circularity</a>	73
<a href="#">Responsible supply chain</a>	82
<a href="#">People &amp; Communities</a>	86
<a href="#">Key challenges</a>	88
<a href="#">Excellent employee experience &amp; engagement</a>	89
<a href="#">Education for the future</a>	96
<a href="#">Customers</a>	100
<a href="#">Key challenges</a>	102
<a href="#">Beyond customer proximity</a>	103
<a href="#">Trustworthy quality excellence</a>	109
<a href="#">Governance</a>	112
<a href="#">Key challenges</a>	114
<a href="#">Long-sighted sustainable governance</a>	115

## Methodology

<a href="#">Note on methodology</a>	126
<a href="#">Technical appendix</a>	127
<a href="#">GRI content index</a>	128
<a href="#">Notes</a>	174

# Projecting bridges to our future

Dear Stakeholders,

Looking back at 2022, which has come to an end, I want to take the opportunity to retrace the moments that shaped such an intense year of events and achievements.

Our solutions for thermal comfort – the way our customers welcome us to their homes – continued to be one of the main drivers of Ariston Group's success. As per our vision, we remained committed to championing sustainable comfort and invested heavily in technological innovation, to further enrich our renewable and high-efficiency portfolio. Over the years we have been working hard to steadily increase our production capacity for heat pumps and in 2022 we renewed our electric heat pump platform across all our core European markets, releasing improved efficiency and low-noise performance products that leverage low Global Warming Potential refrigerants. Furthermore, while electrification is confirmed as the main pillar of the European building decarbonisation strategy and remains at the core of our efforts, we have been supporting the energy transition also through the development of hydrogen, high-efficiency and hybrid solutions; and we have invested in digitalization and the IoT, upgrading our products with advanced connectivity features, to reduce consumption while further enhancing the user experience.

The decision to join forces with CENTROTEC Climate Systems – the biggest acquisition announced in Ariston Group's history and which marks

a fundamental milestone on this year's path – is fully consistent with our pledge to thrive in this area: in particular, Wolf brought to the group its role as a pioneer in natural refrigerants, high-efficiency, ultra-low noise heat pumps, while Brink brought domestic ventilation, crucial for nearly Zero Emission Buildings, and the air-handling solutions allow the Group to expand its portfolio into critical climate comfort technologies. Ariston Group's international footprint – another key element in our investment statement – has also benefited from this deal, with our European presence further consolidating and Germany becoming the lead market from 2023 onwards.

Another year of sound financial performance represents an indisputable indicator that our vision Sustainable Comfort for Everyone is robust. In 2022 Ariston Group reported revenues for 2.4 billion Euro (+ 19.7%) driven by the increasing demand for renewable solutions: during a year disrupted by a series of events that spanned from the regrettable outbreak of the Ukrainian conflict to energy and raw material scarcity and high inflationary trends, we were able to further grow our turnover – once again, an all-time high! And considering pro-forma the acquisition closed on 2 January 2023, Ariston Group starts the new year as a 3.1-billion-Euro net revenue group.

Over our 93-year history we have achieved ambitious targets. As major challenges loom on the horizon, we prepare to turn them into opportunities, continuing to raise the bar of our aspirations and performance.

Paolo Merloni  
*Executive chairman*



As we acknowledge the past achievements, we are already setting new and bolder objectives for ourselves, to project bridges to our future. Ariston Group's sustainable growth remains our absolute priority and we will deploy all the resources needed to generate value for our stakeholders in the long term. In particular, we will focus on continuing to sustain our financial performance by leveraging our solutions and our services, we will invest further in the consolidation of our global scale and we will work to increasingly mitigate and enhance our environmental and social impact – a purpose that dates back to the Ariston Group founder's industrial culture and that we will never abandon. 2023 will be critical to our ESG strategy: the plan we launched back in 2017 ended last year and – as Ariston Group approaches its 100th anniversary – we are releasing our strategic plan to 2030 “Road to 100”, renewing our commitment through the set of environmental, social and governance targets that will shape the agenda of our future development.

I will never tire of saying that these remarkable results – which are fully consistent with our growth ambitions – would not be possible without the contribution of our global community of people, whose extraordinary competencies, dedication and passion are the ultimate essence of Ariston Group's success, nor without the solid organisational structure that we have adopted and that sustains our business focus.

To all our people, the Ariston Group people, as well as to all our customers and partners, my heartfelt thanks.

# How to read the document

Ariston Group's Sustainability Report sets out key commitments and results achieved for the reporting period January-December 2022. More specifically, the document purports to provide a comprehensive description of **qualitative** and **quantitative information** which outline the Group's effort in the sustainability field.

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



Our Group 	Our Group	<ul style="list-style-type: none"> <li>Presents the <b>Group</b> focusing on its core business, historical milestones, key numbers and brands composing its portfolio</li> </ul>
Sustainability Report 	European Taxonomy	<ul style="list-style-type: none"> <li>Sheds light on Ariston Group's contribution to the <b>European Taxonomy's</b> first two objectives of mitigation and adaptation to climate change, in terms of Taxonomy-aligned economic activities</li> </ul>
	Road to 100	<ul style="list-style-type: none"> <li>Describes the <b>path towards Road to 100</b>, the Group's 2030 ESG Plan. 2022 marks the end of the first phase of the sustainability journey (Road to 2022) and the renewal of the Group's sustainability strategy</li> <li>Provides a snapshot of the <b>Road to 100 main 2030 objectives</b> and ambitions for each material topic of the Group</li> </ul>
	<i>Road to 100 engagement areas</i>	<i>Material topics</i>
	1. Solutions What we produce and sell	<ul style="list-style-type: none"> <li>Sustainable energy solutions</li> <li>Smart homes for sustainable living</li> </ul>
	2. Operations How we produce and sell	<ul style="list-style-type: none"> <li>Resources productivity and circularity</li> <li>Responsible supply chain</li> </ul>
	3. People & Communities The impact on communities we operate in	<ul style="list-style-type: none"> <li>Excellent employee experience &amp; engagement</li> <li>Education for the future</li> </ul>
	4. Customers The impact on our business stakeholder	<ul style="list-style-type: none"> <li>Beyond customer proximity</li> <li>Trustworthy quality excellence</li> </ul>
	5. Governance Safeguard the way we do business	<ul style="list-style-type: none"> <li>Long-sighted sustainable governance</li> </ul>
Methodology 	Note on methodology	<ul style="list-style-type: none"> <li>Explains the methodology used for the creation of the document, along with reporting scope and standard followed</li> </ul>
	Technical appendix	<ul style="list-style-type: none"> <li>Provides a thorough overview on all reported standards and disclosures both from a quantitative and qualitative perspective</li> </ul>
	GRI content index	<ul style="list-style-type: none"> <li>Increases the usability of reported information and helps stakeholders navigate disclosures and see the information at a glance</li> </ul>



# Our group 2022

## OUR VISION

# Sustainable comfort for everyone

Our purpose is to provide everyone, in every corner of the world, with high-quality heating and hot water solutions, while protecting the environment.



## OUR MISSION

To be the world's preferred partner in delivering energy efficient and renewable solutions for heating and hot water

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



# A global company with strong local roots

64 operating companies  
and 5 representative offices  
in 42 countries, 25 production  
sites, 25 centres of competences  
and R&D in 5 continents.



WHO WE ARE AND WHAT WE DO

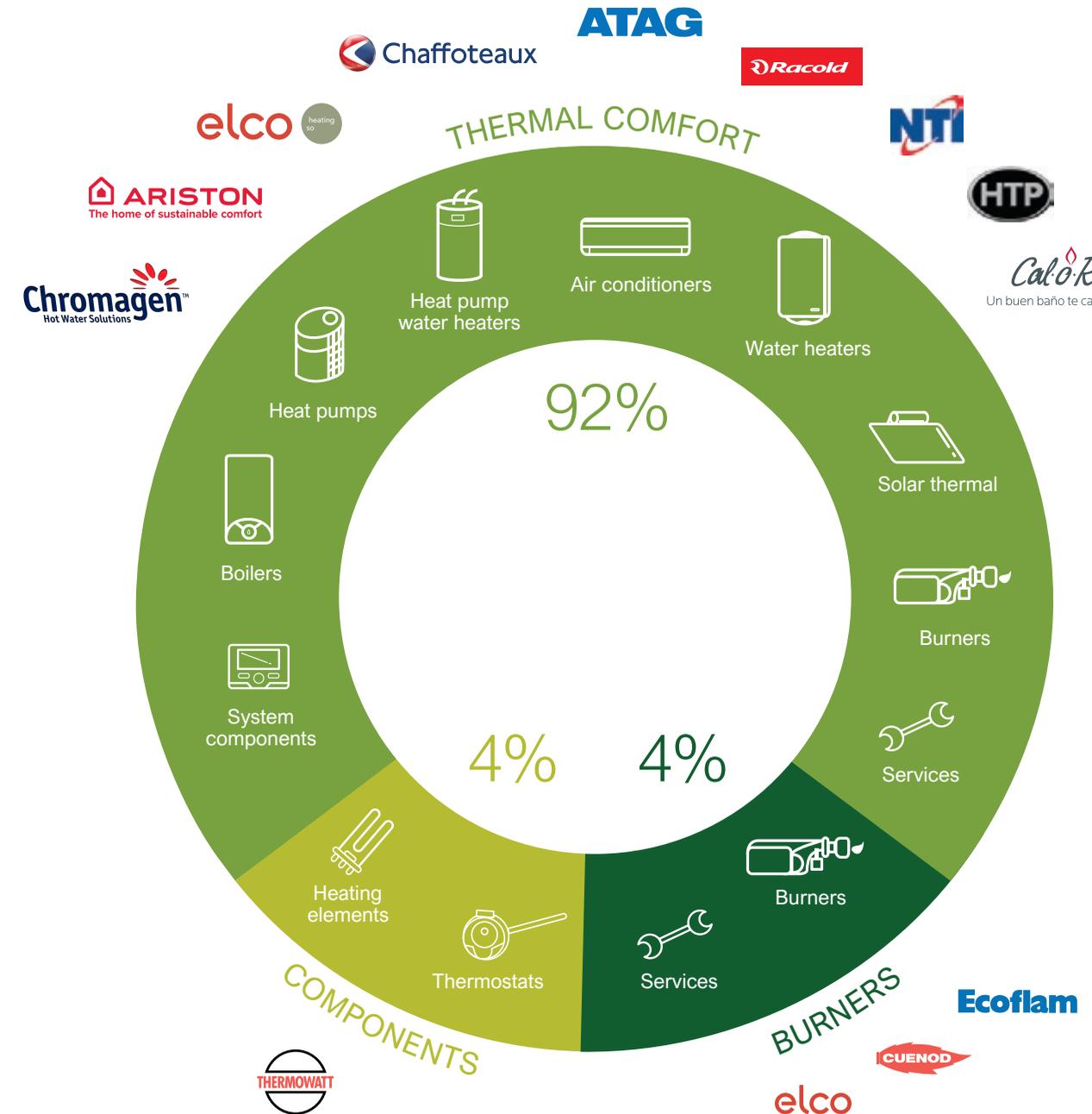
# Ariston Group

## A global leader in thermal comfort and energy efficiency

All over the world, Ariston Group is synonymous with **comfort, energy efficiency and respect for the environment**, thanks to its renewable and high efficiency products, its plants in compliance with the most advanced production standards and excellent pre- and after-sales customer support services. The Group has now a **leadership position in the global thermal comfort market** for residential and commercial spaces.

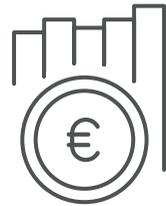


Ariston Group operates in three different sectors, offering an **extensive range of products, systems and services** mainly under the global brands Ariston and ELCO, and operating iconic brands such as **Calorex, NTI, HTP, Chaffoteaux, ATAG, Chromagen, Racold** as well as **Thermowatt and Ecoflam** in the components and burners business.



2022 HIGHLIGHTS

# The Group by numbers



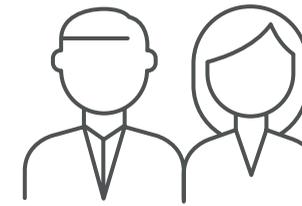
2.37

Billion euro in sales



8

Million products per year  
(and 34 million components)  
sold in over 166 countries in the world



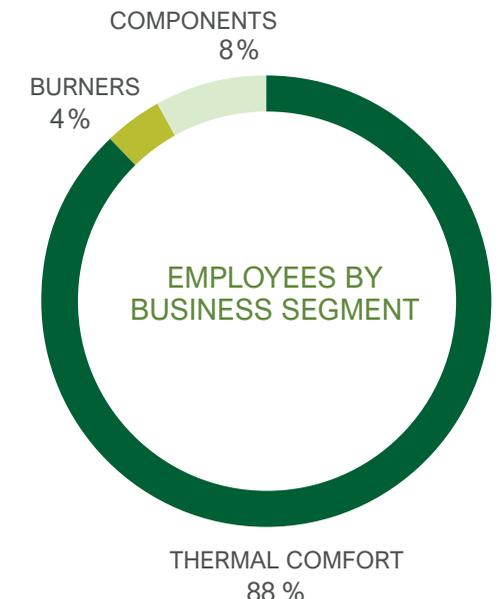
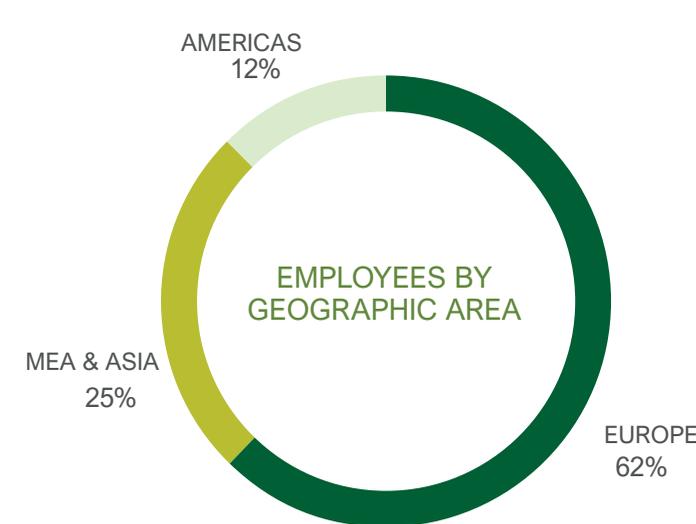
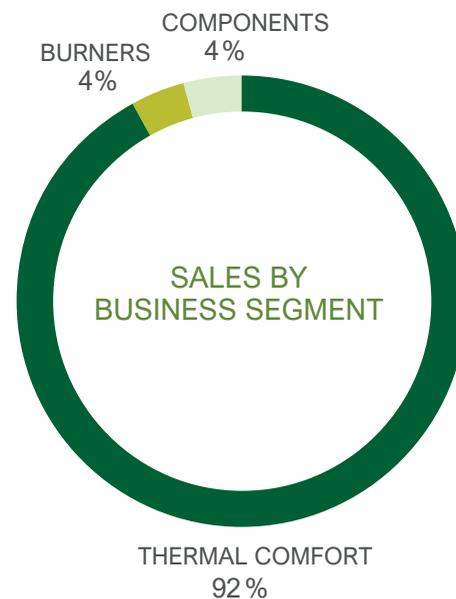
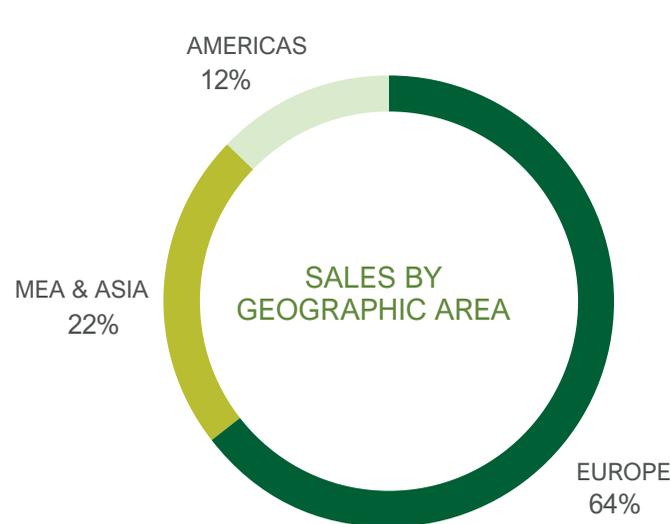
7,975

Employees  
Local people hold 88%  
of managerial positions.



25

centres of competence for  
product R&D in 15 countries



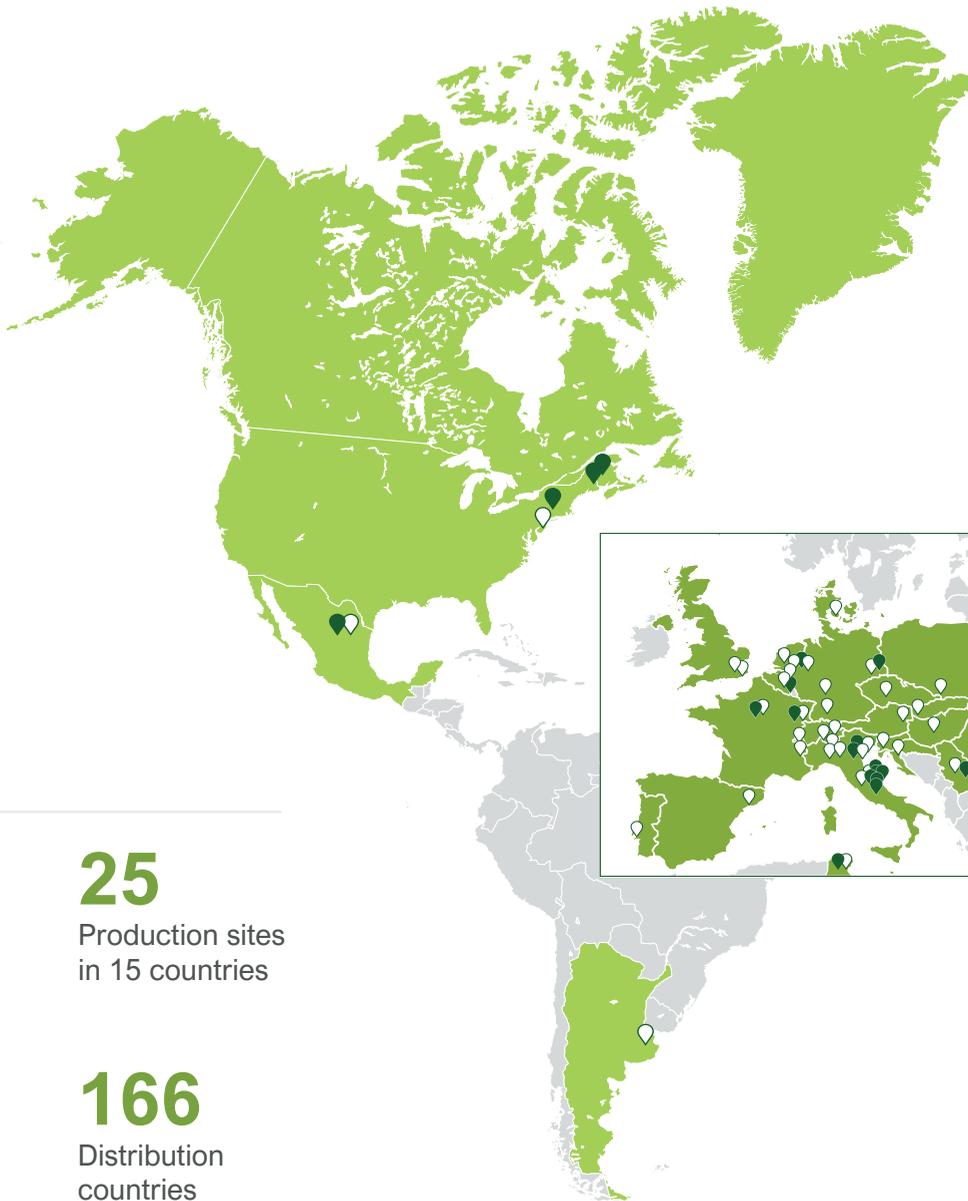
**Global presence and local resources:**  
*our numbers describe a solid and growing  
Group rooted in its values and the local territory.*

# Global vision, local action

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

## Production sites

<b>Belgium</b>	Namur
<b>Canada</b>	Saint John
<b>China</b>	Qingxi Town Wuxi (2)
<b>France</b>	Chartres Vieux-Thann
<b>Germany</b>	Pirna
<b>Israel</b>	Haifa Nazareth
<b>Italy</b>	Albacina Arcevia Cerreto Follina Genga Osimo Resana
<b>Mexico</b>	Saltillo
<b>Netherlands</b>	Lichtenvoorde
<b>Russia</b>	Saint Petersburg
<b>Serbia</b>	Svilajnac
<b>South Africa</b>	Johannesburg
<b>Tunisia</b>	Tunisi
<b>U.S.A.</b>	New Bedford
<b>Vietnam</b>	Hanoi



**64**  
Operating companies and 5 representative offices in 42 countries

**25**  
Production sites in 15 countries

**25**  
Centres of competences and R&D in 15 countries

**166**  
Distribution countries

## Companies & Representative Offices

<b>Argentina</b>	Buenos Aires	<b>Indonesia</b>	Jakarta	<b>Saudi Arabia</b>	Riyadh
<b>Australia</b>	Malvern	<b>Israel</b>	Tel Aviv	<b>Serbia</b>	Svilajnac
<b>Austria</b>	Vienna		Shaar Haamakim	<b>Singapore</b>	Singapore
<b>Bahrein</b>	Manama	<b>Italy</b>	Arcevia	<b>Slovakia</b>	Bratislava
<b>Belgium</b>	Anderlecht		Fabriano	<b>South Africa</b>	Johannesburg
<b>Canada</b>	Saint John		Follina	<b>Spain</b>	Barcelona
<b>China</b>	Shanghai		Milan	<b>Switzerland</b>	Aarburg
<b>Croatia</b>	Zagreb		Resana		Manno
<b>Czech Republic</b>	Prague		Varese		Vilters
<b>Denmark</b>	Risskov	<b>Kazakhstan</b>	Almaty	<b>Tunisia</b>	Tunisi
<b>Egypt</b>	Cairo	<b>Mexico</b>	Saltillo	<b>Turkey</b>	Istanbul
<b>France</b>	Massy Paris Vieux-Thann	<b>Morocco</b>	Casablanca	<b>Ukraine</b>	Kiev
		<b>Netherlands</b>	Kerkrade	<b>UAE</b>	Dubai
			Lichtenvoorde	<b>United Kingdom</b>	Basildon
<b>Germany</b>	Bocholt Frankfurt Hechingen Pirna	<b>Nigeria</b>	Naarden		High Wycombe
		<b>Poland</b>	Lagos	<b>U.S.A.</b>	New Bedford
		<b>Portugal</b>	Kracow		Wilmington
<b>Hungary</b>	Budapest	<b>Romania</b>	Sintra	<b>Uzbekistan</b>	Tashkent
<b>India</b>	Pune	<b>Russia</b>	Bucarest	<b>Vietnam</b>	Hanoi
			Moscow		



Direct commercial presence  
 Industrial presence

# Our history



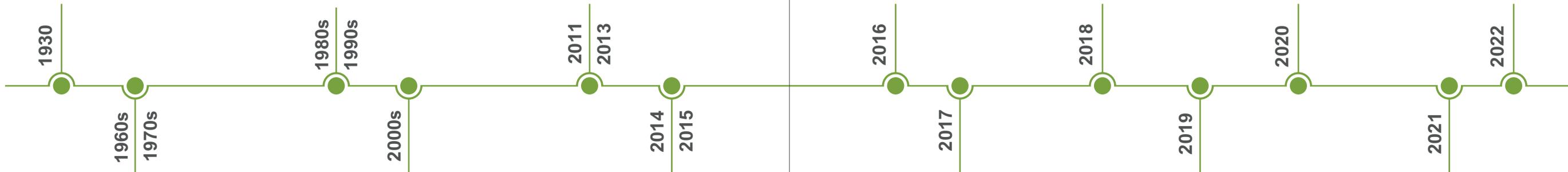
Aristide Merloni founds the Industrie Merloni in the Marche Region, in Italy, starting the production of weighing scales.



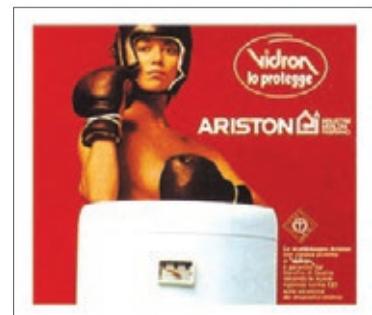
Already a market leader in water heating, during the Eighties the Company enters the heating sector and starts producing boilers. By setting up subsidiaries in Eastern Europe and Asia, it consolidates its global leadership in heating and water heating. In the Nineties, the Company acquires Racold, the largest water heating company in India, and opens its first wholly owned factory in China.



In 2011, by acquiring Cipag SA and Domotec AG, the Company confirms its leadership in Switzerland in the production, distribution and maintenance of water heating systems. In 2013, it finalises the acquisition of DhE, an Italian leader in the sector of heating components; it also enters into a joint venture for selling high-efficiency heating systems in Uzbekistan.



In the Sixties the Company starts the production of gas cylinders and electric water heaters. In a period of intense growth during the Seventies, the Company creates the Ariston brand, consolidating its leadership in the Italian water heater segment while expanding into Western Europe's main markets.



The Company pursues a remarkable growth by acquiring a number of historical companies and brands such as Chaffoteaux, ELCO, Cuenod and Ecoflam, thus becoming one of the global leaders in the water and space heating industry, with an extensive range of products, systems and services.



In 2014 the Company acquires ATAG Heating, a Dutch highend brand in the heating industry, and Heat Tech Geysers, the second player in the South African market for water heaters. In the same year, it also inaugurates a new factory plant in Vietnam. In 2015 the Company opens a new branch, Ariston Thermo Indonesia, debuts on the Danish market with the acquisition of Gastech-Energi A/S and acquires SPM, French manufacturer of burners and components.



The Company continues to sustain its growth through the acquisition of NTI, the brand leader in Canada and one of the leaders in the USA in the condensing boiler segment. In the same year, it achieves significant results as its historical Arcevia and Osimo plants win the coveted World Class Manufacturing bronze medal.



The Company reaches an agreement with Whirlpool for the reindustrialisation of the Albacina site, to establish a competence centre dedicated to advanced renewable thermal comfort technologies. Brand wise, the Company launches "The Ariston Comfort Challenge", the first Ariston global campaign expressing the Group's core values: innovation, comfort, energy sustainability and efficiency.



The Company celebrates the 90th anniversary since its foundation, an occasion to underline the Company's values. In such a significant and difficult year due to the Covid 19 pandemic, it launches a series of CSR activities to support local communities. In the same year, it signs an agreement with Politecnico di Milano and Fondazione Politecnico di Milano to further strengthen the collaboration on the development of thermal comfort sustainable solutions.



2022 starts with the closing of the acquisition of Chromagen. In the same year, Ariston Group announces the biggest deal in its history: the acquisition of CENTROTEC Climate Systems, pioneer in the development of new-generation high-efficiency heat pumps with natural refrigerants (R290) and low noise emissions, successfully operating in domestic heat-recovery ventilation and air-handling and with a solid positioning in Europe, particularly in Germany.

2016  
2017

Laurent Jacquemin takes over as Group's Chief Executive Officer. In the same year, the Ariston Thermo Innovative Technologies, a research and development centre dedicated to renewable and high-efficiency solution for thermal comfort, is established in Agrate, Italy. Investments continue with the acquisition of HTP, a well-established brand on the US high-efficiency thermal comfort market, and of Atmor, an Israeli company which distributes its instantaneous electric water heaters in 40 countries worldwide. The company also opens a new manufacturing facility in Tunisia.



2018  
2019

The Company signs an agreement of Calorex, a leading company in Mexico that offers both residential and commercial water-heating solutions and that is the authorized licensee of the American Standard brand in the USA, thus further consolidating its presence in the American continent. In the same year, its Italian plant in Cerreto D'Es, specialised in the production of electric water heaters, receives the World Class Manufacturing (WCM) bronze medal.



2020

2021  
2022

In a year full of remarkable events, the Company changes its name to become Ariston Group. In 2021, the Company also signs an agreement for the acquisition of Chromagen, a leading player in the provision of renewable hot water solutions headquartered in Israel and with a solid footprint in Australia. It's again in 2021 that Ariston Group lists on Euronext Milan, to capitalise on growth opportunities by increasing its strategic flexibility while enhancing both its profile and its brands' recognition.



[Our vision](#)

[Our mission](#)

[A global company with strong local roots](#)

[Brands and products](#)



Ariston Group completes the acquisition of Chromagen – a company headquartered in Israel with two subsidiaries in Australia and Spain, as well as a solid network of distributors across about 35 countries worldwide – through a transaction that, on an equity value basis, valued it at around 130 NIS million, paid in cash. Ariston Group acquires 100% of the shares and voting rights of the entity active in Israel, consolidating its presence in the market, plus the shares owned by Kibbutz Shaar Haamakim in Australia, thus entering a relevant market for hot water.

Ariston Group attends the 2022 AHR Expo in Las Vegas (USA) with a dedicated booth showcasing its heating and hot water products.



Ariston launches Nimbus NET R32, the new heir to water heat pump range designed to improve efficiency through the use of low GWP R32 refrigerant gas, while enabling top performances through connectivity features and leveraging on the innovative Energy Manager Technology.

Ariston Net app renews itself and releases an updated feature, a new version of the Monthly Energy Report that via artificial intelligence allows for daily, monthly, and yearly consumption monitoring while providing insights and advices on consumption behaviours to encourage energy saving.

Ariston Group releases its 2021 Sustainability Report, measuring the Group's achievements against 2022 targets and starting to disclose its 2030 ESG engagements and commitments, shaped on the material topics that external and internal stakeholders helped identifying.



Ariston Group executes the final call option in regards of HTP Comfort Solution LLC, the US based Company active in high-efficiency heating and water heating whose 51% was acquired in 2017, now named Ariston Thermo USA LLC. As a result, the Group owns the 100% of its shares.

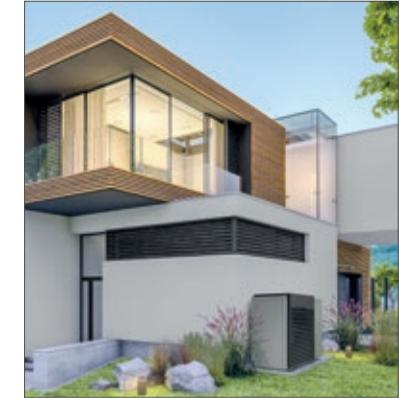


Ariston announces the release of ONE+ NET Series, its first range of condensing boilers certified to work with 20% hydrogen blend – a first important step in the Group's ongoing pledge to hydrogen for heating. At the same time, tests of boilers running 100% hydrogen starts. Ariston launches One Team, the new digital reserved area that caters to Ariston Professional Partners, offering informative contents and tools to attract, engage, support and retain Installers, Planners and Service Centres.

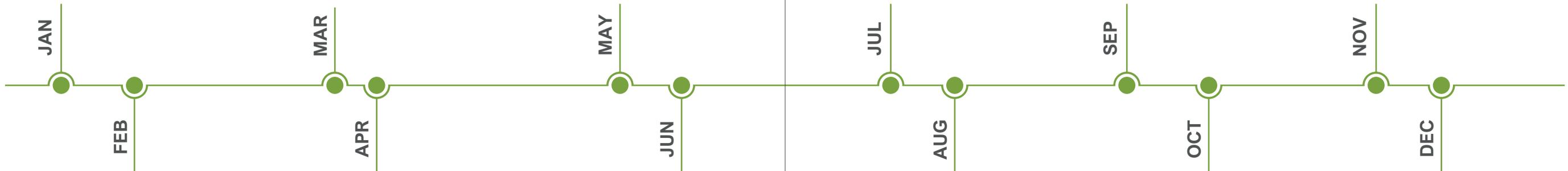


Ariston Group announces the acquisition of 100% of the share capital of CENTROTEC Climate Systems – the biggest deal in the Group's history, increasing its ESG focus, enriching its medium and high end offer of sustainable heating systems and further consolidating its positioning in Europe.

Ariston Group brings global expertise on water heating solutions to South Africa by introducing its iconic global brand Ariston, to replace local brand Heat Tech that had been part of the group stable for the past eight years.



Ariston Group global brand Elco launches the new AEROTOP SX heat pump – an air-to-water heat pump standing out for its high-efficiency performance, extremely low noise emissions as well as its high quality design features.



Ariston Group participates to Expo 2020 Dubai, hosting a two-day convention in the Italian Pavilion during the week dedicated to the excellence of Marche Region, to highlight the Group's success milestones and showcase the newest Ariston high-quality products including renewable solutions and electric storage water heaters.

Ariston introduces the latest update to its Ariston NET pro platform, now featuring in its portfolio Active Care – a dedicated service that through artificial intelligence enables the service centres to predict a fault and intervene before it occurs, minimizing consequences while ensuring continuous comfort.

Ariston Group's brand ELCO is honored with internationally renowned If Design Award and Red Dot Design Award, assigned to both AEROTOP SG Electrical Heating Heat Pump and THALION S Thermally Driven Heat Pump.

Ariston Group's components brand Thermowatt participates to the 42nd edition of Mostra Convegno Expocomfort 2022, taking place in Milan, introducing TMEC Wi-Fi, the latest SMART Wi-Fi solution designed to maximize comfort and energy efficiency.

As part of its 2030 agenda, Ariston Group started the **Decarbonization Project**, aiming at reducing the Group's carbon emissions by 2030 and involving different steps: defining the carbon footprint baseline and the Group's ambitions, identifying the levers of decarbonisation and setting the action plan. The strategy has been strengthened by engaging with the supply chain, in order to realize concrete and positive impacts, and with internal stakeholders, through educational sessions to spread awareness.

Ariston Aures range drops on the Vietnamese market, bringing instant thermal comfort to the next level by favouring reliability and efficiency while prioritizing safety and distinguishing for peculiar design features.



Ariston Group participates in the Word Hydrogen Congress, in Rotterdam, to present its views on green hydrogen, considered as an important ally in the process of accelerating the building sector's decarbonisation through a wider mix of energy sources and technologies.

As part of its multi-energy approach, which focuses on electrification while, in parallel, leveraging on multiple technologies to accelerate the decarbonisation of the building sector, Ariston Group presents the innovative Thermally Driven Heat Pump – a technology exploiting a specific thermodynamic cycle that uses heat to trigger thermal compression and turning out to be particularly suitable for residential retrofit.

# 2022 highlights

# Brands and products

Brands of excellence,  
high performance  
and low consumption products





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



Ariston is the global specialist in water heating and heating. It provides people all over the world an extensive range of innovative and energy-conscious products designed to improve and simplify home life being distinctive on:



## Global **expertise**, worldwide **leadership**

Ariston is a specialist in water heating and heating that offers a wide range of high quality renewable and energy efficient products and solutions all around the world to provide sustainable comfort to all families.



### CONNECTIVITY

Ariston solutions are simply smarter. Heating, water heating and conditioning systems can be controlled remotely through Apps and smartphones. Connectivity is an advanced way to have domestic comfort under control, to optimise energy consumption and to rely on prompt support. The Ariston Net App serves as an energy consultant, allowing users to save up to 25% energy, by boosting efficiency and increasing awareness on their consumption habits



### HOT WATER

In the water heating segment, we have successfully diversified our historical leadership in electric storage water heaters into new product families, building up expertise and global leadership in the category. We design, produce and market a comprehensive portfolio: from electric to gas to renewable, from small to medium to large capacity, from instant to storage water heaters. We introduced Lydos Hybrid, a hybrid water heater which enables to save up to 50% of energy vs B class technologies and heat-pump water heater, the first class-A energy efficient technology. We are among the pioneers of leveraging on electric storage water heaters as a way to deliver demand response services.



### HEATING

In the area of heating solutions, we are a leading player with an extensive portfolio of solutions boasting high efficiency and renewable technologies. Driven by innovation, we have recently invested in next-generation heating heat pump, innovative gas absorption heat pumps as well as hydrogen-ready boilers, and we are currently focusing on developing direct-to-consumer digital platforms to foster a more direct relationship with our end-users. Recently launched solutions include the Nimbus S net R32 which enables to significantly lower CO<sub>2</sub> emissions thanks to the R32 natural refrigerant. Also, the One+ series enables to lower the environmental impact and is certified to function on a mixed blend of up to 20% of hydrogen.



The premium heating solution provider of a first class service aimed at meeting the needs of consumers throughout the life cycle of its systems and products.



## Powered by **solutions!**

Since 1928 ELCO has been a leading European brand offering smart solutions and technologies designed to meet the needs of any domestic and commercial project, ensuring maximum energy saving.

## High-quality consulting, products, systems and services

For decades ELCO has been at the forefront of heat pumps, condensing boilers, solar technologies and burners, condensing boilers and solar technologies, installing over 1.7 million heating systems throughout Europe.

### ENVIRONMENTAL FOCUS



With the ELCO HEX<sup>3</sup> technology, Elco is able to reduce harmful NOx emissions to an absolute minimum. The NOx output is at a market leading low average of 24 mg/kWh. The sophisticated design of the heat exchangers also leads to the minimization of CO<sub>2</sub> emissions, while ensuring extraordinary efficiency. Scanning the QR Code, it is possible to discover the information about HEX<sup>3</sup> technology and why it is so important to take NOx emissions into account.



### DOMESTIC HEATING SOLUTIONS

ELCO's heat pump range is one of the quietest on the market and provides excellent efficiency performances up to A+++ . In the outdoor monoblock segment, ELCO has a significant high-end offering with the electrically driven heat pumps AEROTOP SG, SX and the THALION S, the first flue-less thermally driven heat pump. ELCO condensing gas boilers provide best-in-class, efficiency (A, A+) and emission performances, and can be integrated with renewable sources.



### COMMERCIAL HEATING SOLUTIONS

ELCO's range of commercial heat pumps is the solution of choice for sustainable comfort. The excellent energy performance of the ELCO heat pumps and also of the ELCO hybrid systems ultimately helps to reduce the global impact of greenhouse gases to build a greener future.



### SERVICE & CONNECTIVITY

ELCO's first-class service team provides 365 days a year, 24 hours a day, 7 days a week technical support to ensure that customers' heating systems work reliably and efficiently for their entire life cycle. The connected systems can be monitored constantly to identify problems before failures occur. The customer can control heating and hot water remotely thanks to the easy-to-use mobile app.



Chaffoteaux has always been and will continue to be committed to simplifying the work of professionals by developing an evolutionary offer integrating all sources of energy. Chaffoteaux features a reliable offer, guaranteeing the best of eco-performing and hybrid heating and hot water solutions.



## CONNECTIVITY

ChaffoLink is a technological revolution that allows end users to remotely control their heating system and adapt energy consumption to their needs. For professional installers and maintenance companies, it offers 24/7 access to the equipment, enabling telediagnosics and fault prediction.

## RENEWABLE ENERGY SOLUTIONS

Arianext M and Arianext S heating heat pumps and Aquanext heat pump water heaters offer top energy performance, excellent noise comfort and significant energy savings. Arianext M Hybrid heating heat pumps and Aquanext Opti Hybrid heat pump water heaters are hybrid solutions that combine the advantages of renewable and conventional energy sources.

## RESIDENTIAL WALL HUNG BOILERS

Chaffoteaux offers a complete range of residential wall hung boilers, to fulfill the needs in individual and collective housing. The Ultra and NOx ranges offer high performance, user friendliness and sustainable innovation for a unique heating experience.

## ELECTRIC WATER HEATERS

Chaffoteaux is dedicated to providing affordable, low maintenance and efficient solutions, offering continuously innovation. Thanks to a rigorous control and the quality of its components, it offers the best technology for a new generation of water heaters.



## Reborn Everyday With Hot Water

One of India's largest water heating solution provider delivering water heaters for more than 60 years. Delighting customers by providing water heating solutions with a customer-centric approach.

### ELECTRIC WATER HEATERS

Racold's Electric Water Heaters available in Instantaneous, Micro Storage and Storage are energy efficient, innovative and best in class. By driving superior performance, high durability and safety, Racold's Electric Water Heater range has been setting benchmarks in Indian water heating Industry.

### SOLAR WATER HEATERS

Solar Water Heaters convert sunlight into heat using a solar thermal collector to heat water. This is a onetime investment and lifetime savings as its payback period is less than 3 years. We provide customized solutions for industrial, residential, health care, educational and special applications.

### TANKLESS INSTANT WATER HEATERS

These tankless instant water heaters provide hot water on demand continuously and with consistent warmth. That's the reason they are also categorized as No Wait Water Heaters. Additionally, they can be operated with multiple outlets simultaneously.

### GAS WATER HEATERS

Racold's gas water heaters are "hot on technology". They offer advanced features like dual safety, child lock, 85% heating efficiency, digital display and auto protection.



### HEAT PUMP WATER HEATERS

A Heat Pump Water Heater is the most advanced water-heating solution with a reverse Carnot-cycle and uses a refrigerant to trap the heat from air, which is transferred to water inside the Heat Pump, thus heating the water. Heat pumps allow you to save up to 70% of your electricity bill, and is available for domestic and commercial applications.

# CaloRex<sup>®</sup>

Un buen baño te cambia el día.<sup>®</sup>

Calorex reinforces its leadership day by day, developing efficient and environmentally friendly technologies. More than 75 years being the preferred brand in Mexico, always providing the highest level of comfort for any lifestyle. Calorex stands out in the market due to the durability of its products, energy savings and world-class quality standards.



## WATER HEATING SOLUTIONS

With a wide portfolio of products, Calorex is the best option in Mexico to cover any hot water need, regardless of the amount or lifestyle that requires it. Thus simplifying the life of Mexicans who always seek the best. In 2020 a new range of innovative and environmentally friendly electric water heaters was incorporated into the Calorex portfolio; and in 2022, a more energy efficient and technologically advanced line of gas WH was launched.

## SERVICE

Calorex has the best user support service in Mexico. More than 100 service centers throughout the country, always ready to provide assistance, maintenance and original spare parts to whoever needs it.

## TECHNOLOGY AND CONNECTIVITY

Calorex has revolutionized the market with unique solutions and technologies that simplify the lives of Mexican families. From an exclusive app to program your water heater with a smartphone, to new products with intelligent and intuitive functions that give total control, so that whoever owns a Calorex can easily enjoy maximum comfort and the highest energy savings.

## COMMERCIAL WATER HEATER SOLUTIONS

Calorex is a specialist in commercial and industrial solutions to supply hot water to any project with a wide range of products, covering all kinds of needs and requirements. Our specialists analyze and design custom made projects to provide the best solution to any need, gyms, laundries, restaurants, etc.



As one of North America's first companies offering a condensing gas boiler, NTI has a proven record of delivering highly efficient and reliable boilers for residential and light commercial applications. NTI has consistently enhanced and improved its products while expanding its offering to consistently deliver industry-leading technology. Continuous innovation, attention to customer need and leading edge technical support underpin its success – "Products you need from people who care"



## RESIDENTIAL GAS CONDENSING BOILERS

With the industry's broadest range of high-efficiency gas boilers, NTI offers a tremendous selection of technologies, features and price points to meet any need.

## COMMERCIAL GAS CONDENSING BOILERS

NTI has developed a range of high-efficiency commercial gas condensing boilers utilizing multiple heat exchanger technologies, offering a choice of fire tube and water tube options, ranging in power from 300 to 2400 MBH (88 – 700 kW).

## COMBI-FURNACES

NTI continues its tradition of creating innovative and unique solutions with its new combi-furnace. Offering the combination of Forced Air and Hydronic heating, plus Domestic Hot Water in a single system, it reduces installation costs and environmental impact while delivering top thermal comfort and performance.

## WATER HEATERS SYSTEM

NTI delivers high-quality and efficient water heating solutions with a full line of stainless-steel indirect tanks (20 to 119 gallons), and a line of high-efficiency condensing gas water heaters designed for high-volume water heating applications.



HTP produces a wide range of highly efficient products and system components for space heating and water heating. Using the most durable components in the industry, HTP constructs long lasting products that help customers save energy and money.



## HEATING BOILERS

HTP's heating boilers provide ultimate comfort and the best overall efficiency ratings while keeping maintenance and operating costs to a minimum. These boilers are the solution to domestic and commercial needs while saving money and energy.

## WHOLE HOME SYSTEMS

HTP's combination appliances save homeowners money as they are built to save on operating costs and to reduce overall installation costs. The HTP combination appliances take up less space than traditional heating and water heating appliances.

## WATER HEATING

HTP has many water heater options available to suit both commercial and residential applications: Tank Type, Gas, Electric, Hybrid and Hot Water Supply Boilers. HTP has the most advanced and eco-friendly water heating solutions.



ATAG is driven by innovating in durable energy technologies, working from its core competence high efficiency boilers. The growth is, besides innovation, based on a strong customer focus.



## DOMESTIC HEAT PUMPS

Full range of heat pumps for heating, water heating and cooling, both for new build and renovation. Driven by decreasing the worldwide energy consumption and CO<sub>2</sub>-emission, based on energy efficiency, easy installation and silenceness.

## DOMESTIC BOILERS

Domestic boilers from 20 to 51 kW based on high efficiency and low energy costs. Equipped with the ATAG innovation – the Economizer – a second heat exchanger re-using the heat of the flue gasses. Maximum output with minimum emission.

## CONTROLS

Range of controls from single domestic use to multiple boiler installations with zone controls. ATAG One<sup>Zone</sup> is the latest innovation that controls the room temperature of up to 6 independent rooms via remote control with tablet, desktop or smartphone.

## SOLAR SYSTEMS

ATAG solar systems transform light into heat via thermal solar technology used for water heating: Solar-energy transferred into water heating. The assortment consists of boilers, cylinders and flat plate solar panels.

# Components



For more than 50 years, Thermowatt has delivered high quality and innovative components for the electric appliances industry, helping its customers build unique and effective product portfolios.



## Heating elements and thermostats for:

### DOMESTIC APPLIANCES

- Washing Machines
- Ovens
- Dishwashers
- Dryers

### ELECTRIC WATER HEATING

- Storage Water Heaters
- Instantaneous Water Heaters
- Commercial Water Heaters
- Solar Water Heaters

### PROFESSIONAL APPLIANCES

- Catering Equipment
- Professional Laundry
- Coffee Machines
- Refrigeration

### INDUSTRIAL APPLICATIONS

- Plastic Moulding
- Industrial Processes
- Oil & Gas
- Chemical and Pharmaceuticals

# Burners



Innovation and reliability, energy and care for the environment.  
The best technologies applied to a range of burners from 11 kW to 80 MW.



### ELCO

Continuously looking for new technological solutions, ELCO produces high performance burners for heating and industrial use with an extremely wide range of models available from 11 kW to 80 MW. The offer includes high quality pre and post-sales services in order to build a lasting relationship with the customers.

### CUENOD

With more than 120 years of experience in designing and manufacturing burners, Cuenod is still evolving its technologies to offer performance, safety and reliability, while guaranteeing environmental protection and high comfort for the users. All this makes CUENOD the ideal partner in the residential and commercial heating market.

### ECOFLAM

Ecoflam offers customized products and combustion technologies suitable for any type of fuel and application. The flexibility of Ecoflam combustion technologies has allowed the development of a range of performing, reliable and highly customizable products with power output available up to 34 MW.

### SPECIAL PRODUCTS

The Burners Division provides innovative and customized solutions for any application. The growing attention to issues related to the environment has also led to the development of advanced low NOx combustion technologies and products suitable to work with alternative fuels, such as biofuel, biogas and hydrogen.



# Sustainability Report

# The European Taxonomy

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

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

The Delegated Act identifies the economic activities that are **eligible** for an environmental objective and the performance criteria to be verified so that each economic activity makes a substantial contribution and does not significantly harm any of other environmental objectives. Currently the Commission has adopted the delegated acts relating to the objectives of climate change mitigation and climate change adaptation.

In compliance with Article 8 of the Delegated Act released on the 4th of June 2021, for this second year of application, companies are required to check whether their economic activities could be considered **aligned** to the European Taxonomy or not.

## THE GROUP'S CONTRIBUTION TO THE CLIMATE OBJECTIVES

Ariston Group, as a leader in the global thermal comfort market for domestic, commercial and industrial spaces, offers an extensive range of products and services. Along with its products, the Group offers specific services for the installation and maintenance of heating and cooling systems. Its activities can be broken down into three main sectors:

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

Only the activities related to Thermal comfort sector were classified as "Taxonomy-eligible" or "eligible", whereas Burners and Components have been considered as "Taxonomy non-eligible", based on the fact that no perfect fit was identified with Annexes I and II of the Climate Delegated Act.

To identify potential "Taxonomy-Eligible" activities, the Group has evaluated the criteria outlined in the Climate Delegated Act for both the objectives (CCM and CCA). The eligible activities of the Group are associated with the **manufacturing of energy efficiency equipment for buildings (3.5), the installation, repair and maintenance of energy efficiency equipment (7.3), devices for measuring, regulating and controlling energy performance of buildings (7.5) and renewable energy technologies (7.6)** as summarized in the table below:

Activity's number	Activity	Description of activity	Climate change mitigation
3.5	Manufacture of energy efficiency equipment for buildings	Manufacturing of: <ul style="list-style-type: none"> <li>• Water heaters</li> <li>• Boilers</li> <li>• Heat pumps</li> <li>• Air conditioners</li> <li>• Solar thermal</li> <li>• Thermostats</li> <li>• Connectivity</li> </ul>	Enabling
7.3	Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of air conditioners, boilers, water heaters	Enabling
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of thermostats and connectivity for measuring, regulation and controlling energy performance of buildings	Enabling
7.6	Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of heat pumps and relevant "after-services" activities	Enabling

Compared to last year, following a clarification that took place through European Commission's Q&A in December 2022 and an in-depth study of TSC requirements, the Group considered the activity 7.6 (*"Installation, maintenance and repair of renewable energy technologies"*) to be more applicable to Ariston Group business model rather than the activity 4.16 (*"Installation and operation of electric heat pumps"*). Indeed, the activity 4.16 covers the installation and operation of types of electric heat pumps which are not installed on site as technical building systems (e.g. industrial heat pumps) and therefore is not representative for Ariston Group's operations. Therefore, the KPIs have been calculated only for the activity 7.6.

All the economic activities identified are eligible for both objectives. However, in the calculation

methodology, to avoid double counting, key figures refer only to the Climate Mitigation objective (CCM). In terms of contribution to the climate mitigation objective, all eligible activities are classified as possible enablers<sup>1</sup> 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 Company are associated with economic activities qualified as environmentally sustainable or "EU Taxonomy-aligned", Ariston Group has analysed all the applicable technical screening criteria (TSC). The approach used by the Group, since the first reporting year, turned out to be in line with the clarification that took place through European Commission's Q&A in December 2022; below are represented the steps of the analysis undertaken:

### Substantial Contribution Criteria

- Household appliances, space heating, domestic hot water, cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and delegated acts adopted under that Regulation<sup>2</sup>
- Heat pumps compliant with the following criteria in accordance with Directive (EU) 2018/2001: Only heat pumps for which the estimated average seasonal performance factor (SPF) > 1,15 \* 1/η shall be taken into account.

The first criterion applies to all Ariston Group's products identified as Taxonomy-eligible and included in the activity 3.5, namely water heaters, boilers, heat pumps, air conditioners and solar thermal. This criterion is actually extended to the other Taxonomy-eligible activities identified with the codes 7.3 and 7.6 that are related to the service of installation and maintenance of individual components and systems.

The second criterion applies only to heating heat pumps and to the activity of installation and related operations (activity 7.6).

### DNSH Criteria

The Group has verified the compliance of its eligible activities to the DNSH requirements related to both the objectives (CCM and CCA) outlined in the Climate Delegated Act.

- **Adaptation to climate change.** Ariston Group has performed an **Assessment of Natural Hazard Exposure** to identify top-priority sites deserving of deeper investigations regarding their exposure to natural hazards. The Group is evaluating the possibility to further extend the scope of the analysis to other applicable risks (if any) taking into consideration different climate-scenarios (e.g. scenarios published periodically by the Intergovernmental Panel on Climate Change (IPCC)).
- **Sustainable use and protection of water and marine resources.** Ariston Group is monitoring its environmental impacts through specific internal tools and processes that cover many different environmental aspects (e.g. energy consumption and air emissions, waste, noise, etc.) including water management.



• **Transition to a circular economy.** Ariston Group makes use of cutting-edge technologies to offer energy-efficient products, reduce packaging and provide renewable solutions, considering a priority to innovate for minimizing environmental impacts. The Company, indeed, is currently working on the implementation of a circular system, based on a strategy that prioritizes recycling over disposal and reuse of various materials in the manufacturing processes, starting from the procurement of recycled and recyclable raw materials to a logistics system that reduces and optimizes consumption.

Besides, in France, Ariston Group has already dealt with regulations on materials traceability, developing during 2022 a project to be compliant with the **French law n° 2020-105** of February 10, 2020, relating to the fight against waste and the promotion of a circular economy (Agec Law)<sup>3</sup>, a great boost to the ecological transition that comes into force for the Company from 1 January 2023. The law requires **the publication of information on the environmental qualities and characteristics of waste generating products** (used recycled material, recyclability, presence of rare earth, precious metals and dangerous substances).

For further discussion on the topic, please refer to the chapter "The Group's Environmental Commitment" of the Non-Financial Disclosure Report, part of the Group Annual Report.

• **Pollution prevention and control.** As regard to harmful substances used in the processes, Ariston Group verified the presence of the listed substances of the Regulation mentioned<sup>4</sup> and it is compliant with the REACH, ROHS and POPs directives. For further information, please refer to the chapter "The Group's Environmental Commitment" of the Non-Financial Disclosure Report. As for now, the pollution criteria proposed by this DNSH are met by Ariston Group's eligible activities, however the Company is looking forward to receiving

in 2023 further guidelines from the European Union about how to conduct an assessment to define criteria for essential uses of substances of critical concerns.

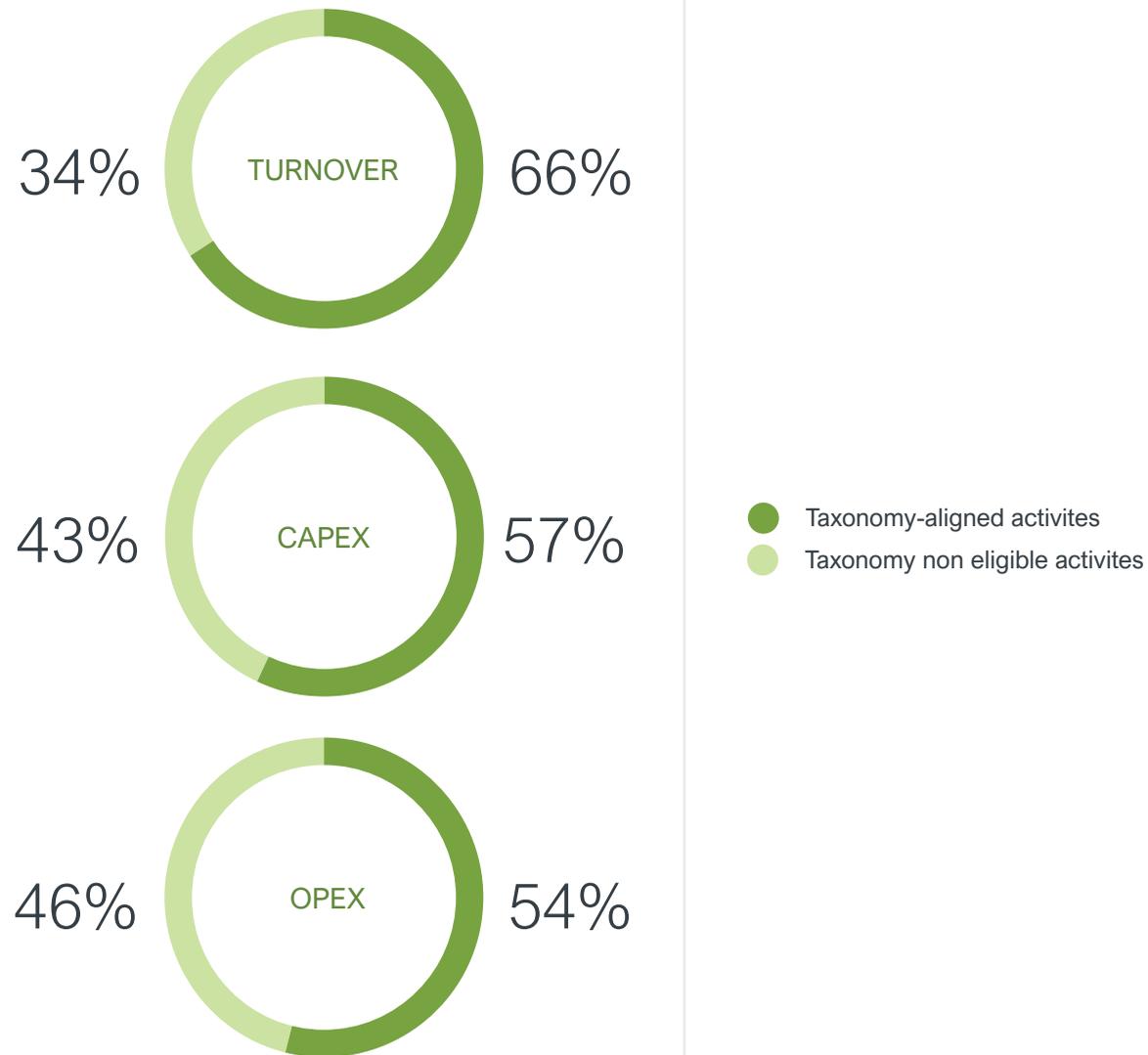
• **Protection and restoration of biodiversity and ecosystems.** As regard with the objective and the main actions pursued aimed at preserving biodiversity and ecosystems, Ariston Group is ISO14001 certified and developed a standard to assess environmental aspects and impacts, including impact on biodiversity. The assessment has been performed on the following risks impacting biodiversity: air emission (VOC, NOx, dust and non-listed substances), water discharge, releases to soil, noise, light and electromagnetic emissions. According to this assessment and the geographic location of its facilities out of any protected area according to IUCN Protected Area Management categories, Ariston Group is considered as not impacting biodiversity.

### Minimum Safeguards

Ariston Group is committed to respect the fundamental human rights of all its stakeholders across the value chain: in its operations, across the supply chain and in the communities where the Company operates in. Ariston Group's commitment refers to the internationally recognized human rights defined in the International Bill of Human Rights, the ILO's Declaration on the Fundamental Principles and Rights at Work and the Convention on the Rights of the Child. Ariston Group's commitment to Human Rights has been consolidated in a due diligence process - aligned with the UN Guiding Principles on Business and human rights - aimed at identifying and assessing potential risks and impacts related to human rights. This process allowed Ariston Group to identify its *salient* human rights, meaning those human rights that are at risk of the most severe negative impacts through the Company's activities or business relationships. The principles guiding the Group's operations are fully aligned with those found in the OECD Guidelines for Multinational Enterprises.

### KPI AND CALCULATION METHODOLOGY

For 2022, Ariston Group has performed an analysis to determine the percentage of alignment of each eligible economic activity's Turnover, CapEx and OpEx to keep up with the steps of the Regulation throughout the years. The calculation methodology of the three KPIs was developed and carried out separately for the activities related to the products families and for the ones related to the services, as the two calculation methodologies differ from each other. The values provided reflect a conservative approach to the interpretation of the new Regulation and were elaborated also taking into consideration the available information and requirements set out for the two objectives previously mentioned.



# Road to 100



2030 Ariston Group  
ESG Plan



# The path towards Road to 100

## THE EVOLUTION OF THE GROUP'S SUSTAINABILITY STRATEGY

For over 15 years, the Group' Vision has been: "Sustainable Comfort for Everyone". In 2017-18, the Group designed and committed to a sustainability strategy, the "Road to 2022", with the engagement of the Group Global Executives. Road to 2022 was framed along the 5 Company values and included a set of specific targets.



Our values

Our 2022 targets

Our 2022 achievements

**Believe in Sustainability**

"Think ahead. Energy efficiency and comfort are possible and necessary. It's worth it."

>80% of revenues generated from highly efficient and renewable solutions

>3 million tons of CO<sub>2</sub> equivalent avoided thanks to our most evolved technologies

**Bringing Comfort**

where it's hard or impossible to find

77% of revenues generated from highly efficient and renewable solutions

3.2 million tons of CO<sub>2</sub> avoided thanks to our most evolved technologies (2018 baseline)

Towards a global coordinated corporate social responsibility effort

**Inspire through Excellence**

"Create opportunities and commit to making them happen. Explore, learn, improve."

Double-digit growth of profitable revenues

80% of turnover from innovative products (younger than 5 years)

Up to 800,000 connectivity-ready products

+19% organic profitability growth compared to 2021

49% of turnover from innovative products (younger than 5 years)

~950,000 connectivity-ready products

**Start from Customers**

"Listen, stay tuned and care. Deliver solutions that exceed expectations."

>95% of products require no technical interventions in their first 5 years of service

**Excellence Class Service in NPS** at Group level and in all countries

>95% of products require no technical interventions in their first 5 years of service

After a careful analysis, a **Quality Roadmap** was created with KPIs that are specific and respond to precise needs

**People come First**

"Strength lies in diversity. Give people a chance. Pave the way to make them successful."

Local resources holding more than 80% of managerial positions

>60% of managers coming from internal career paths

0 injuries in our production sites

88% of managerial positions held by local resources

60% of managers come from internal career paths

Injury frequency rate reduced by 3% compared to 2021

**Act with Integrity**

"Operating with respect and honesty is not a choice. It's a duty."

Defining a structured model of **sustainability governance** (starting from 2018)

Training 100% of our people on Ariston Group ethics and integrity culture (starting from 2018)

A defined procedural model of **sustainability governance** with an ESG Committee, Council and Director

100% of employees trained on the Group's Code of Ethics

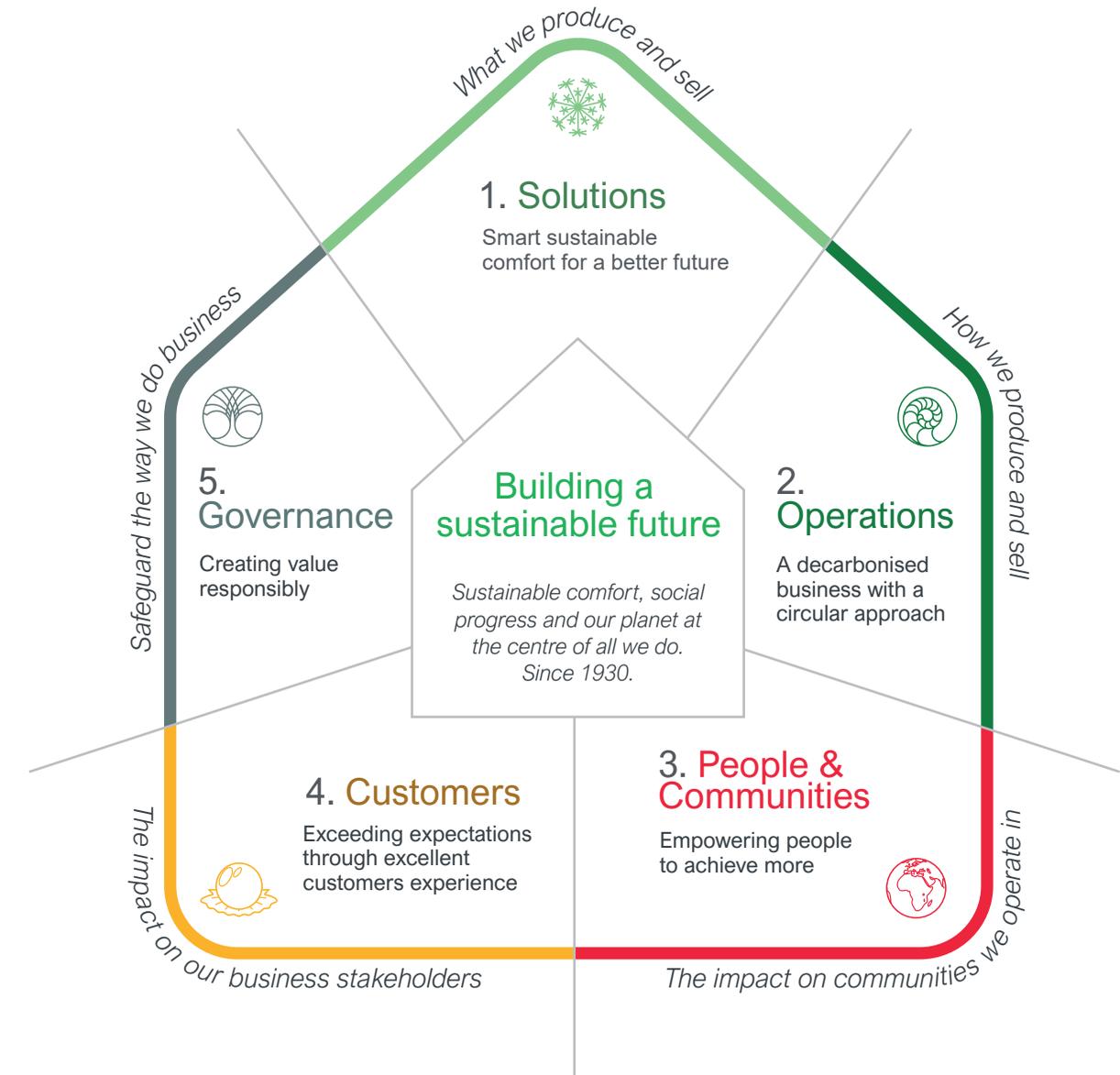
# Road to 100

## How did we get here?

2022 marks the end of the first phase of Ariston Group's sustainable journey. A **new vision** has therefore been developed with the key purpose of leading the Company towards **2030** through a clear roadmap, pivotal in supporting the Group in the achievement of strategic ESG objectives. As a leading actor of sustainable development, the Company is aware that sustainability means a long-term vision and objectives, which can be achieved only through a solid path of actions and initiatives. With this purpose in mind, the Group's 2030 ESG roadmap sets out a detailed and structured plan built on short- and medium-term targets, which will eventually lead the Company to the achievement of its ultimate 2030 targets. Yet, an important question arises: **how did we get here?**

This vision was made possible through an **engagement process operating on three different levels. First, the Group's key stakeholders** were engaged to help renew the Company's materiality analysis, a process underway since 2017. From the identification of potentially relevant topics, following a thorough context analysis, a **shortlist of 9 material topics** most relevant to the business and its stakeholders was defined, carefully assessed based on their **economic, environmental and social impacts**.

Next, on the basis of the material topics, the definition of a **forward-looking and strategic ESG plan** started to take shape. The process began with an in-depth market benchmarking and analysis of ESG pressures arising from relevant policies and trends, which enabled the identification of key challenges and opportunities on each material topic. Once these were outlined, the Group's **top management**, who serves on the ESG Council, embarked upon an **envisioning** phase to draw out the key engagement areas that the Company could focus its business strategy on. These engagements eventually mirrored the **key challenges** the Company intended to tackle in the near and longer-term. As a result, **5 engagement areas** were defined. Finally, managers were subsequently engaged to help define – through **SWOT analyses and a path of progressive convergence** – clear-cut objectives and supporting initiatives corresponding to the 9 material topics. The process involved **all Corporate, as well as several local business functions**, giving voice to more than 50 individuals. The Group's ESG plan thus came into existence thanks to a **360-degree engagement of internal and external stakeholders**, making it possible to align the business' goals and ambitions to the specific contextual challenges.



The 5 engagement areas that define the key pillars on which Ariston Group has set its ESG strategic direction include **solutions, operations, customers, people & communities** and **sustainable governance**. These areas are, in turn, divided into the **9 material topics**.

# Road to 100

## Main 2030 objectives

### 1. Solutions

Sustainable energy solutions

Enable the energy transition with renewable, efficient and smart solutions

100 mln **tCO<sub>2</sub>e emission avoided** thanks to the renewable and high efficiency products we sell in the regions we operate

Smart homes for sustainable living

>5 mln of **connectable products** sold

### 2. Operations

Resources productivity and circularity

Turn Ariston Group into a climate neutral industrial ecosystem

42% **Scope-1 and Scope-2 absolute GHG emissions reduction** (2021 base year)

>50% **Scope 3 GHG emissions reduction** per million euro value added (2021 base year)

Responsible supply chain

Leading the sustainable transformation in the value chain

100% **Strategic Suppliers** aligned with our ESG journey

### 3. People & Communities

Excellent employee experience and engagement

Towards a world-class employer

Be a **certified world class employer** that builds a sustainable working environment

Education for the future

Drive innovation through inclusive education projects

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

### 4. Customers

Beyond customer proximity

Be on our customers' side along their full journey through thermal comfort

Deliver **excellent, tailored solutions and services** to **B2B and B2C customers** and increase the loyalty of professionals

Trustworthy quality excellence

Excellence services & support along the whole product life cycle

>85 **Quality score per year** in the cumulative **Group Quality Excellence index** (GQE index)

### 5. Governance

Long-sighted sustainable governance

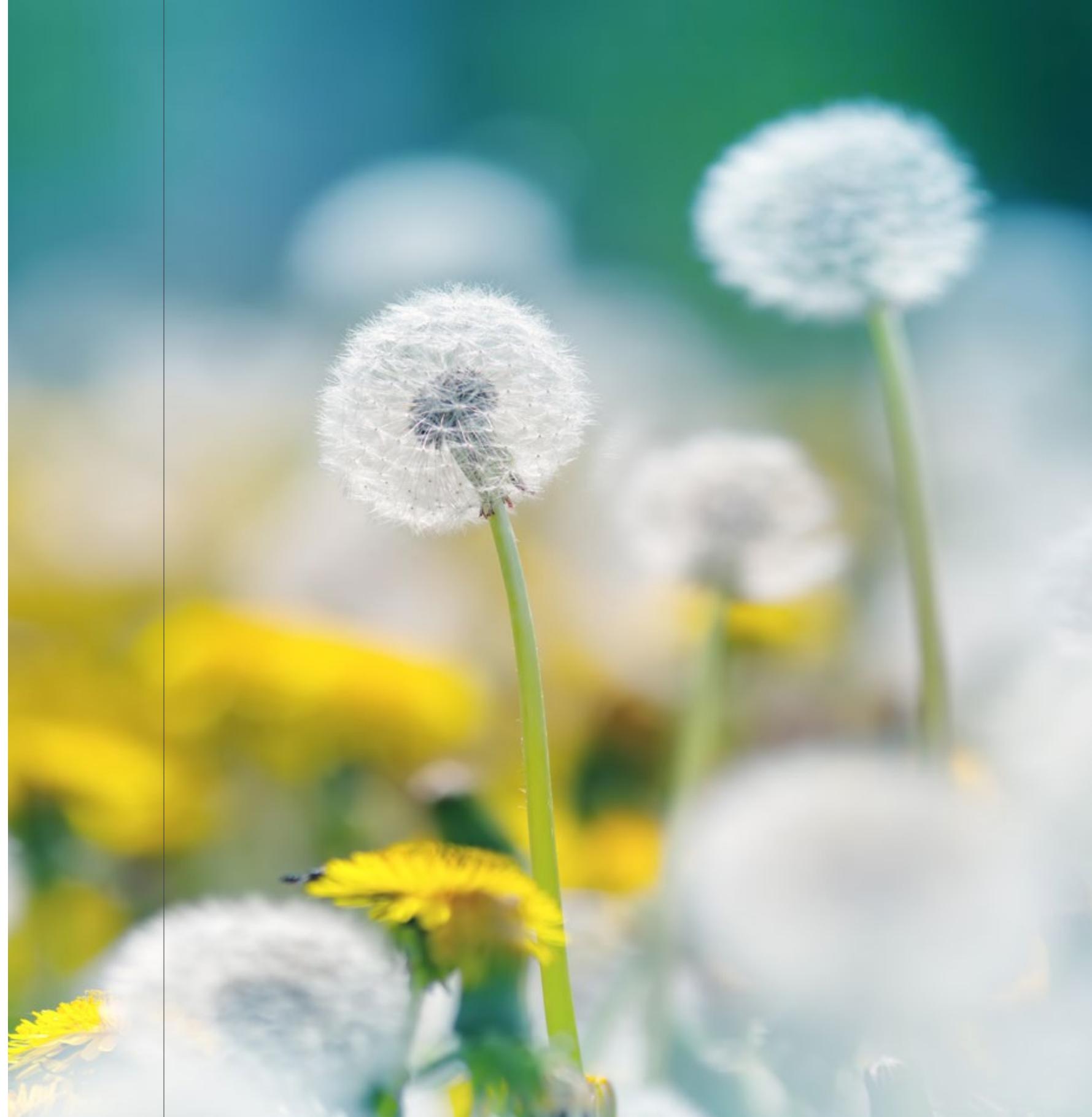
Continuously enhance a responsible ESG approach in everything we do

Ongoing yearly commitment to meet **high governance standards** on sustainability

# 1. Solutions



*Smart sustainable comfort  
for a better future*



**7** AFFORDABLE AND  
CLEAN ENERGY



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



# Key challenges



Contributing to the **decarbonisation of the thermal comfort sector** in light of **carbon neutrality and energy efficiency goals** set both at the international and at the national level.



Focusing on **heat pump technologies with natural refrigerants**, while adopting a **multi-technological approach** leveraging on solutions such as **hydrogen**, as well as **biofuels** to support the energy transition, anticipating regulatory changes including the requirements of the European Taxonomy.



Harnessing **Connected Home Services** as a lever to guarantee **easy control, energy efficiency, prompt assistance** and establish an **ongoing dialogue with professionals and end-users**, in order to provide continuous support for a sustainable installation, maintenance and use of products.

# Sustainable energy solutions

**100 million tons of CO<sub>2</sub>e emissions avoided** thanks to the renewable and high efficiency products we sell in the regions we operate<sup>5</sup>

19 million tons of CO<sub>2</sub>e avoided in 2022 (2020 base year)



2030 TARGET AND AMBITION

In the context of decarbonisation, we are moving fast 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**. To achieve this across all our product lines, we are channelling investments in R&D, production capacity and the necessary skills and resources needed to contribute to the transition, which will lead to a significant avoidance of CO<sub>2</sub> emissions. The Group effort 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.

Supporting initiatives to be achieved by 2025

100%

Heating gas condensing technologies' revenues from hydrogen-ready\* solutions in Europe<sup>6</sup>  
(29% in 2022)

>60%

Revenues in Europe generated by renewable technologies vs <40% from fossil fuel products<sup>7</sup>  
(44% full year 2022)

\*Certified to be 20% H<sub>2</sub> ready

Launch of **Demand Response-ready products** in Europe and USA by 2023<sup>8</sup>

Launch of **Home Energy Management-ready products and accessories** in Europe and USA by 2023<sup>9</sup>

OUR PROGRESS  
IN 2022HEAT PUMP TECHNOLOGIES<sup>10</sup>  
AS A KEY LEVER IN THE  
ENERGY TRANSITION

## ARISTON'S NIMBUS S NET R32

Ariston's Nimbus S NET R32 heat pump system uses **R32 refrigerant**<sup>11</sup>, a sustainable, economic and efficient choice. R32 is a high-performance gas with a low Global Warming Potential (**675 vs. 2,088 of the previous model**) and a **zero-ozone depleting potential**. It is also F-Gas phasedown<sup>12</sup> compliant and requires less refrigerant volume per cooling power, making it an affordable and readily available choice for the next generation of equipment. Nimbus S NET R32 is endowed with brand new internal units which combine a revised and modern design with improved and new technical features; other innovations include the **New Energy Manager 2.0** with improved logic and algorithms, as well as new input/output points, and the new Sensys HD system, a modular thermostat that allows for maximum comfort control, with an intuitive experience and seamless design. The improvement introduced with the Nimbus series will also be available for the **Chaffoteaux, Elco and ATAG mainstream heat pumps**.

## ELCO'S AEROTOP SX

Launched in 2022 by Elco, the AEROTOP SX heat pump is one of the most efficient available on the market for residential applications in terms of **low noise impact**, thanks to three fundamental elements – evaporator, fan and damping – exactly designed with this purpose. It belongs to the **highest A+++ energy efficiency class** and can be run with electricity generated by a **photovoltaic (PV) system**, enabling year-round zero-emissions heating and cooling. The launch of such products follows the significant increase of investments in research and development for heat pump solutions, given their crucial role in the **decarbonisation journey**. This will foster innovation and improve the performance and reliability of heat pump systems, as well as reduce the cost and environmental impact of homes and buildings.



## LEVERAGING MORE EFFICIENT REFRIGERANTS FOR OUR HEAT PUMPS

Ariston Group, in consistency with the direction of the whole industry, is looking into alternative refrigerants with ultra-low GWP such as propane (**R290**) and **R513A** as potential driver for innovation to deliver products that meet European emission reduction targets. On heating, the energy transition will be complemented by the continuous investment in heat pumps, for which, for example, **R32**, a low GWP gas which complies with the technical screening criteria set forth in the European Taxonomy, is being evaluated. On water heating, the conversion of **Nuos** range to Low GWP gases already started with R513A and will soon include R290. **Nuos** range is a full-fledged heat pump offer dedicated to hot water production equipped with best-in-class technologies in terms of **energy efficiency, heating time and connectivity**.

GLOBAL BRAND ELCO WINS  
THE RED DOT DESIGN AWARD  
AND iF DESIGN AWARD 2022

red dot design award



On June 20, Ariston Group's global brand Elco was acknowledged in the **Heating Product categories** of the 2022 edition of the Red Dot Design Award. The Award is an internationally renowned recognition and one of the largest design competitions in the world, with its distinctive "**Red Dot**" design marker that has been an indicator of outstanding design around the world for over 60 years. At the same time, the Elco brand was recognised in the **Building Technologies Product categories** of the renowned **iF Design Award 2022**. Elco was awarded with the Red Dot Product Design 2022 and the iF Design Award 2022 for two of its products: **AEROTOP SG**, an electric heating heat pump, and **THALION S**, a thermally-driven heat pump<sup>13</sup>, which was also recognised in the **Product Innovation 2022 category**. With a Bauhaus-inspired design, the **AEROTOP SG** is an outdoor electric heat pump designed to be very quiet and compact, with a circular evaporator installed instead of the traditional flat evaporator. **THALION S** is a thermally-driven heat pump, an innovative technology that combines the advantages of using renewable energy, with a solution suitable for high temperature applications in the retrofit market. It reduces **operating costs and gas consumption by more than 30%** compared with high efficiency condensing boilers. Ariston Group is proud to have won these important awards, which underline the Group's leadership in the design and innovation of heating technology solutions.

## HYDROGEN<sup>14</sup>, BIOFUELS<sup>15</sup> AND LOW NO<sub>x</sub><sup>16</sup> TO REDUCE THE ENVIRONMENTAL IMPACT



### ARISTON'S ONE+ NET WI-FI CONDENSING BOILERS RANGE

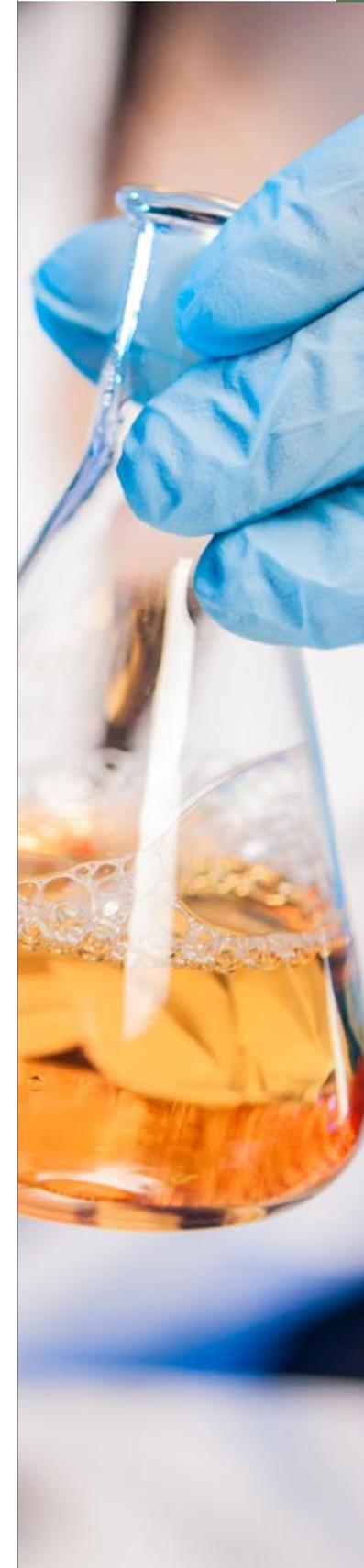
The One+ NET Wi-Fi boilers offer a range of advanced features that ensure comfort, efficiency and full heat management through connectivity. Being **certified for 20% hydrogen** and tested for a blend that goes up to 30%, these boilers allow for a lower environmental impact. In fact, emissions have also been reduced, as **NO<sub>x</sub> levels have been brought down to 25 mg/kWh**.

The boilers achieved an **A+ Energy Class rating**, thanks to the adoption of advanced thermo-regulation accessories and the ability to receive outdoor temperature data from the Internet. They also allow for easier troubleshooting both on site and remotely thanks to built-in connectivity, the new Flow Control System+ and the new Ignition Control System+. The brand-new **Ignition Control System+** auto-detects gas characteristics to ensure quick and easy installation in case of gas variations, while the **Flow Control System+** provides step-by-step on-screen instructions for hydraulic system optimisation, while minimising the time and effort needed for flow rate balancing. All products in the One+ NET range can be **controlled remotely** via the Ariston Net App, and the addition of AI capabilities enables two new features: **smart scheduling and optimum start**, which allow for even better comfort management and energy savings.

### ATAG'S COMPACT BOILERS RANGE (CBR)

The new CBR includes two different series: the **i-series** and the **P-series** boilers. Both innovative solutions are endowed with a tri-zone iCon Heat Exchanger, economiser technology and are H<sub>2</sub> ready. The new **Tri-Zone iCon heat exchanger** is characterised by the presence of three different parts that cooperate to lower emissions and provide the highest efficiency. This new technology includes a zone for the **reduction of temperature** to minimise the amount of NO<sub>x</sub> being generated and therefore, producing a reduced amount of NO<sub>x</sub> emissions; a zone that enables CO to combust to CO<sub>2</sub>, **reducing CO emissions**; a third zone to make sure that all the

**moisture in the flue gas can condense into water.** Due to its low NO<sub>x</sub> emissions, the Tri-Zone heat exchanger received approval for obtaining **subsidies by the Dutch government**. The development of **economiser technology** allows to pre-heat the cold-water inlet by using the remaining energy in the flue gases. Utilising the latent energy that is still present in the flue gases, results in a **10% improvement in efficiency**, which has a knock-on effect on household hot water performance. Finally, both i and P-series are **H<sub>2</sub> ready**, meaning that they are designed to be fuelled by a mixture of natural gas containing 30% hydrogen.



### MANUFACTURING LOW NO<sub>x</sub> COMBUSTION AND H<sub>2</sub> READY INDUSTRIAL APPLICATIONS

Convinced that hydrogen is one of the levers to achieve decarbonisation, the Group is already investing in this field, anticipating regulatory changes through its increasing deployment in the current energy mix. Elco Burners have a long history of developing technologies that enable to lower NO<sub>x</sub> emissions, delivering excellent results in terms of emission levels, flame stability and energy efficiency. These technologies along with incorporation of the FGR (Flue Gas Recirculation) enabled the development of a series of low NO<sub>x</sub> and ultra-low NO<sub>x</sub> burners that range in size from 11 kW to 80 MW. The technology makes it possible to guarantee emissions of **less than 30 mg/kWh**, a value which is hard to obtain with conventional combustion systems, as well as to offer cutting edge products that satisfy the requirements of current regulations in force. In parallel, the Group's research and development departments have been working on solutions leveraging blended fuels including hydrogen, since the 1990s. 2022 saw 6 tailored industrial applications being commissioned and delivered, deploying up to 100% hydrogen.

*Ariston Group's **research and development departments** have been working on solutions leveraging **blended fuels including hydrogen**, since the **1990s**.*

### RIDING THE F30 BIOFUEL WAVE IN FRANCE

As part of the new French energy policy on the reduction of CO<sub>2</sub>, as of July 1, 2022, new oil boilers installed in the French market must operate with **biofuel "F30"**. Biofuel is a new form of energy made up of domestic light oil blended with a 30% of a renewable fuel in the form of fatty acid methyl ester (FAME) obtained from rapeseed. This fuel reduces the carbon footprint of domestic heating and is directly linked to the local territory: since the cultivation of rapeseed is widespread in France, in addition to having a positive impact on the environment, biofuel creates positive impacts for all the players in the sector, also **offering new opportunities for farmers**. In March 2022, Cuenod, part of the Burner Division, designed a **new series of F30 biofuel burners** that are capable not only of operating with this new alternative fuel, but also of delivering **low levels of NO<sub>x</sub> emissions** well below the limits set by current regulations. In Germany, the UK and the Scandinavian region, biofuel derived from hydrotreated vegetable oils (HVO) is already used for burners and represents one of the solutions to achieve the reduction of CO<sub>2</sub> in the environment.

## TOWARDS DECARBONISATION AND HOME ENERGY MANAGEMENT: PROVIDING COMFORT AND HIGHLY EFFICIENT SOLUTIONS

### ARISTON'S PRO1 POWERFLEX

Decarbonisation and electrification are global undisputable trends. Ariston has one of the largest offers world-wide in terms of hot water solutions, from electric storage water heaters and electric instant water heaters to heat pump water heaters. Ariston confirms the investment to constantly update and enrich its offer in the segment to better adapt to evolving trends and needs in the markets. Among these new products, in 2022, Ariston PRO1 Powerflex was launched. Ariston's Powerflex is an innovative electric storage water heater (ESWH) that uses the **T-Flex 2.0 patented technology** to communicate with a smart meter. Launched in the Italian market in May 2022, this solution enables network **stabilisation during power peaks** and **automatically adjusts its power** on the basis of the total energy consumption of household appliances, **preventing blackouts** and **maximising energy savings and heating times**. Thanks to its **PLC communication protocol**, PRO1 Powerflex works without any additional wiring or physical connections. PRO1 Powerflex is just the first of a new electric product generation designed to steer the **global electrification transition**.



### EXPANDING THE GROUP'S SUSTAINABLE PRODUCT PORTFOLIO THROUGH ACQUISITIONS

The Group's commitment to adopt low carbon technologies and contribute to the decarbonisation targets is also demonstrated through its latest acquisitions. While January 2022 saw the finalisation of **Chromagen's acquisition**, an Israeli leader in the provision of renewable hot water solutions, the Company announced this year the acquisition of **100% of the share capital of CENTROTEC Climate Systems**, a leading provider of heating, ventilation, air treatment and cogeneration solutions, with a strong presence in Germany and the Netherlands, as well as in other European markets. This acquisition will enrich Ariston Group's sustainable heating product portfolio and is an important step to further meet the Company's environmental, social and governance (ESG) goals, through the integration of the **Wolf, Brink, Pro-Klima and Ned Air brands**. More specifically, **Wolf** is a pioneer in the development of the new generation of heat pumps in Germany, with natural refrigerant (R290), high efficiency and low noise performance. **Brink** is a leading European player in heat recovery domestic ventilation, the enabling technology for a healthy living environment and especially for nearly Zero-Emission Building (nZEB), a pillar of the European strategy towards energy efficiency and decarbonisation. **Wolf (along with the Pro-Klima and Ned Air brands)** also operates an air-handling-unit business, offering high-efficiency airflow control systems supplying fresh conditioned air for spaces in commercial buildings.

## ARISTON GROUP IN EUROPEAN AND INTERNATIONAL DISCUSSIONS

The Group continues to play an **active role in European and international discussions on energy efficiency and the pathway to net-zero**. Overall, it is involved in **3 European, 26 national and 3 non-European associations** (in Switzerland and the United Kingdom). Ariston Group plays an active and decision-making role in the following European associations: **EHI** (European Heating Industry), **EHPA** (European Heat Pump Association) and **APPLiA Europe's Home Comfort Division (HCD)**, which covers electric water heaters (resistance and heat pumps) and smart energy appliances. Through these, the Group contributes to shaping the debate in a context that includes all players active in the industry, also directly engaging with European institutions. The Company also maintains close relations with **EURELECTRIC**, the association of European electricity utilities and **SmartEn**, the association of demand-side flexibility operators, and **European Environmental Bureau (EEB)**, the largest network of environmental citizens' organisations in Europe in order to play an active role in issues related to demand flexibility and the development of connected devices that can communicate with the electricity grid, as well as to contribute to the adoption of renewable energy. The Group's key activities within these associations include **sponsoring and participating in the development of various documents and studies**. Indeed, the Group was designated as a peer reviewer in the most recent reports written by IEA (International Energy Agency) "The Future of Heat Pumps" and "Energy Technology Perspectives 2023", offering information related to the challenges and opportunities of the heat pumps sector. The Company has also contributed to the development of a joint study between EHI and EHPA on thermally-driven heat pumps. Finally, it was engaged in drafting two reports together with the EHI, namely:

- **"Decarbonisation pathways: For the European building sector"**, aimed at exploring new paths and opportunities to decarbonise buildings.
- **"Heating systems installers: Expanding and upskilling the workforce to deliver the energy transitions"**, which highlights the crucial role that installers play in the decarbonisation of buildings and the importance of expanding and upskilling the workforce to accelerate the energy transition.

# Smart homes for sustainable living

2030 TARGET AND AMBITION

**Over 5 million**  
*connectable products sold*

“A more sustainable future begins in our homes.” We strongly believe that sustainable living can be enabled through smart homes. **Connected Home Services represent a key instrument** to better comprehend our customers’ needs and offer increasingly better tailored solutions, becoming a means to support users, reducing and monitoring their energy consumption easily and remotely. We therefore **strive towards a continuous improvement** of our Connected Home Services, also made possible by our Ariston Net app, Ariston Net PRO remote assistance platform and Ariston Net OPEN interoperability service to engage our key stakeholders.

Supporting initiative  
to be achieved by 2025

**>2 mln**

of connectable  
products sold  
(~950.000 in 2022)

OUR PROGRESS  
IN 2022

## THE HOME OF SUSTAINABLE COMFORT

Ariston Group’s goal to simplify users’ lives through a portfolio of increasingly **more connectable products** continues to be at the forefront of its business strategy, through the integration of **new features to its smartphone applications, Ariston Net** (for end-users) and **Ariston Net PRO** (for professionals). Connectivity and the related functionalities, which leverage the power of data, enable closer proximity to customers by offering efficient and tailored solutions, providing them with the opportunity to **save energy and costs** while making **more sustainable choices**.

### ARISTON NET APP

The app enables end-users to **remotely control space and water heating solutions** in order to manage comfort, optimise energy consumption and receive prompt assistance. In parallel, it makes it possible to **increase customers’ awareness on their consumption levels** through energy usage reporting. The Ariston Net App offers **usability features** to meet the needs of both basic and advanced users, including:

- **Save energy:** the app serves as an energy consultant through **custom reports**, allowing users to monitor energy consumption, from daily to annual, increasing awareness on their consumption habits and supporting them to save up to 25%.

- **Prompt assistance:** in case of system failures, homeowners receive a **real-time notification** signalling the error number and the corresponding description to **facilitate remote technical assistance**. In addition, the **Active Care** AI-enabled feature predicts pressure drops and notifies it to users to prevent blocks and avoid comfort interruption.

- **Easy control:** remotely control and manage domestic comfort through the app but not only that: with the new AI-powered functions, the benefits of smart comfort now are even greater. Through the **Smart Scheduling** feature, AI can be used to learn from users’ habits and **provide tailor-made weekly schedules** that self-adjust constantly, meeting changing needs. Also, **geo-fencing** makes it possible to **adjust temperature** based on the users’ location, while the **Optimum Start** feature, powered by data science, was added to **recognise a home’s thermal characteristics** to preheat it accordingly, while optimising energy consumption.



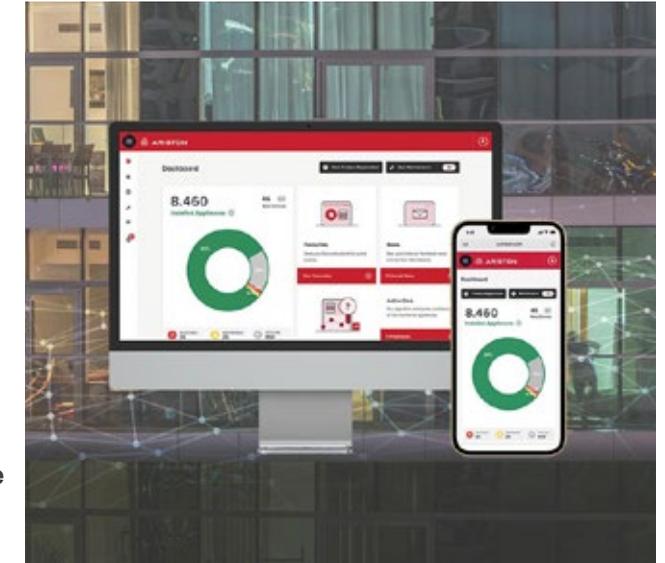
### CUSTOMISED ENERGY REPORTS

Ariston Group is dedicated to expanding its customer base with a high level of environmental impact awareness, providing users with personalised energy report that includes **insights on energy consumption, CO<sub>2</sub> savings and tips** to optimise their energy use. To this end, in 2022 the Group launched **Energy Report 2.0**, a new edition of the monthly energy report that is sent to customers by email. The report leverages **AI** to analyse changes in monthly energy consumption, as well as factors influencing these changes, such as individual behaviour and the weather. In addition, Ariston Group offers **personalised tips** on how to boost efficiency and energy optimisation, as well as on how to adjust product settings to achieve the **perfect balance between savings, sustainability and comfort**.



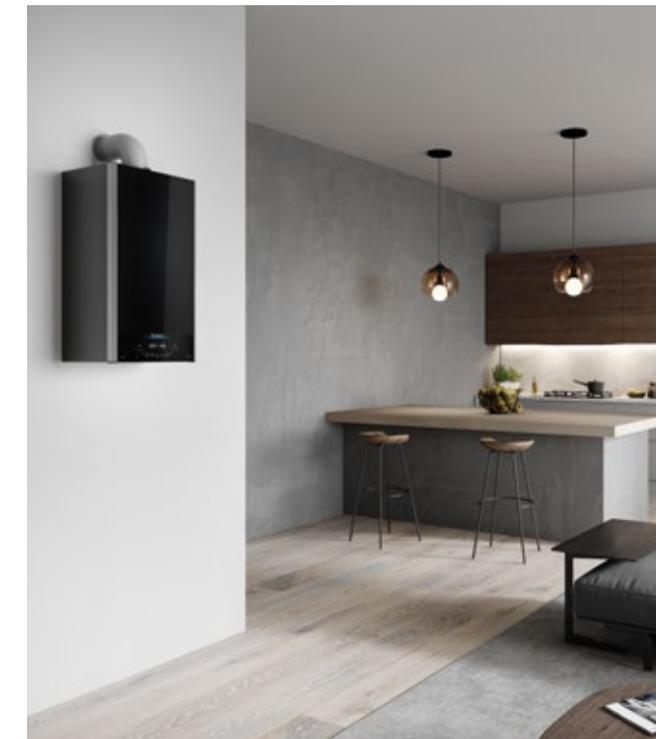
### ARISTON NET PRO

This app allows professionals to provide customers with best-in-class service, as well as effective and timely support. The platform **boosts operational efficiency** through the remote monitoring of the installed systems, enabling the identification and immediate resolution of problems. It also uses AI to predict potential faults, allowing service centres to proactively optimise their workload and bring additional peace of mind to their customers. Some of the main advantages of Ariston NET PRO include the **ability to monitor and control systems and adjust products settings remotely, receive real-time notifications** about potential issues, easily **identify necessary spare parts** in advance, as well as **improve the scheduling of maintenance activities**.



### DEVELOPING INTEROPERABILITY EVEN FURTHER THROUGH ARISTON NET OPEN

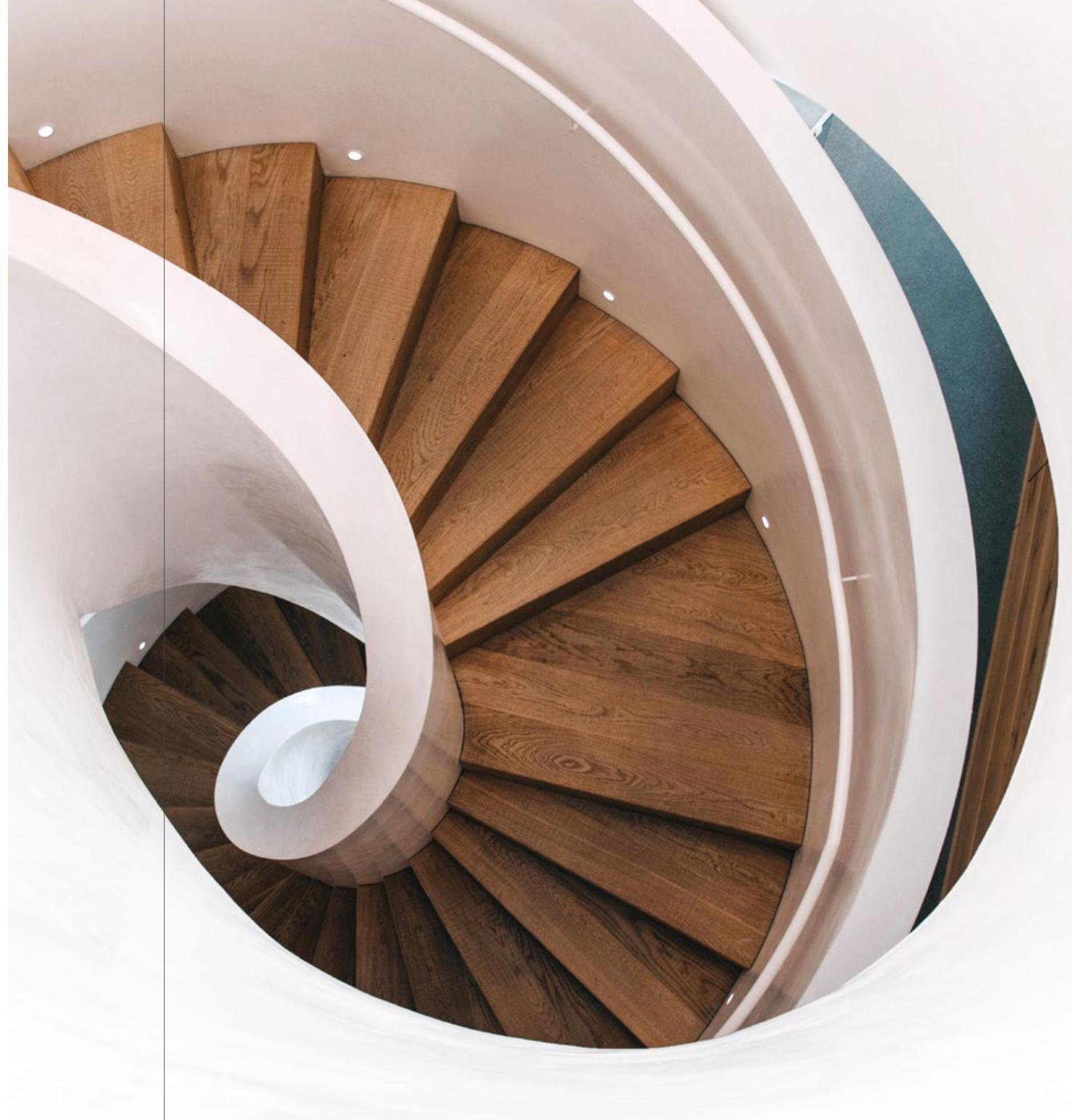
**Interoperability**, or the integration of connected products and services into domestic ecosystems with unified management interfaces or third-party asset or service management software platforms, is a key feature of a smart home. Such interaction is made possible with the **Ariston Net OPEN** service, which leverages **API programme (Ariston Application Programming Interface)** to address the needs of anyone striving to build new use cases based on mutual integration and/or exchange of data. As such, **Ariston Group has partners operating in different sectors**, such as social housing, maintenance companies, utilities, facility management and insurance. Our connectivity products are compatible with all major IoT platforms and with the aim of delivering to end users competitive solutions that can communicate with third-party services, a few years ago the Group established partnerships with **Amazon Alexa, Apple HomeKit** and **Google Assistant** and in 2022 has further developed these collaborations.



# 2. Operations



*A decarbonised business  
with a circular approach*



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



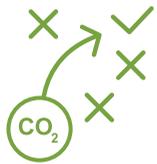
**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



# Key challenges



**Defining a decarbonisation strategy and a monitoring system** to reduce direct and indirect emissions (Scope 1, 2 and 3).



**Integrating circular processes** within the business and along the supply chain and defining a monitoring system as a supporting tool for ongoing improvement.



**Increasing suppliers' engagement and transparency** and defining ESG standards for supply chain business partners alongside due diligence processes, in response to the latest applicable regulatory developments.

# Resources Productivity and Circularity

**42% Scope 1 and Scope 2 absolute GHG emissions reduction (2021 base year)**

**>50% Scope 3 GHG emissions reduction per million euro value added (2021 base year)<sup>17</sup>**



In light of global decarbonisation targets, we are all called upon to **drive change and mitigate our CO<sub>2</sub> emissions**. This does not only mean setting targets within our direct reach (Scope 1 and Scope 2), but also engaging on those factors that are particularly impactful across our value chain (Scope 3). We firmly believe that **mitigation efforts are truly possible** by setting specific, measurable and science-based targets that can guide our emission reduction strategy while monitoring our improvement journey, year after year.

Supporting initiatives to be achieved by 2025

**100%**

of production plants with energy efficiency improvement initiatives in place by 2023

**Zero waste to landfill** by 2030  
(3% in 2022)

**Green Energy procurement increase in key countries**

Enhance on a more efficient use of water in our operations by **reducing water discharge and increasing treated water** to be returned into the ecosystem



## A 360 DEGREES DECARBONISATION STRATEGY

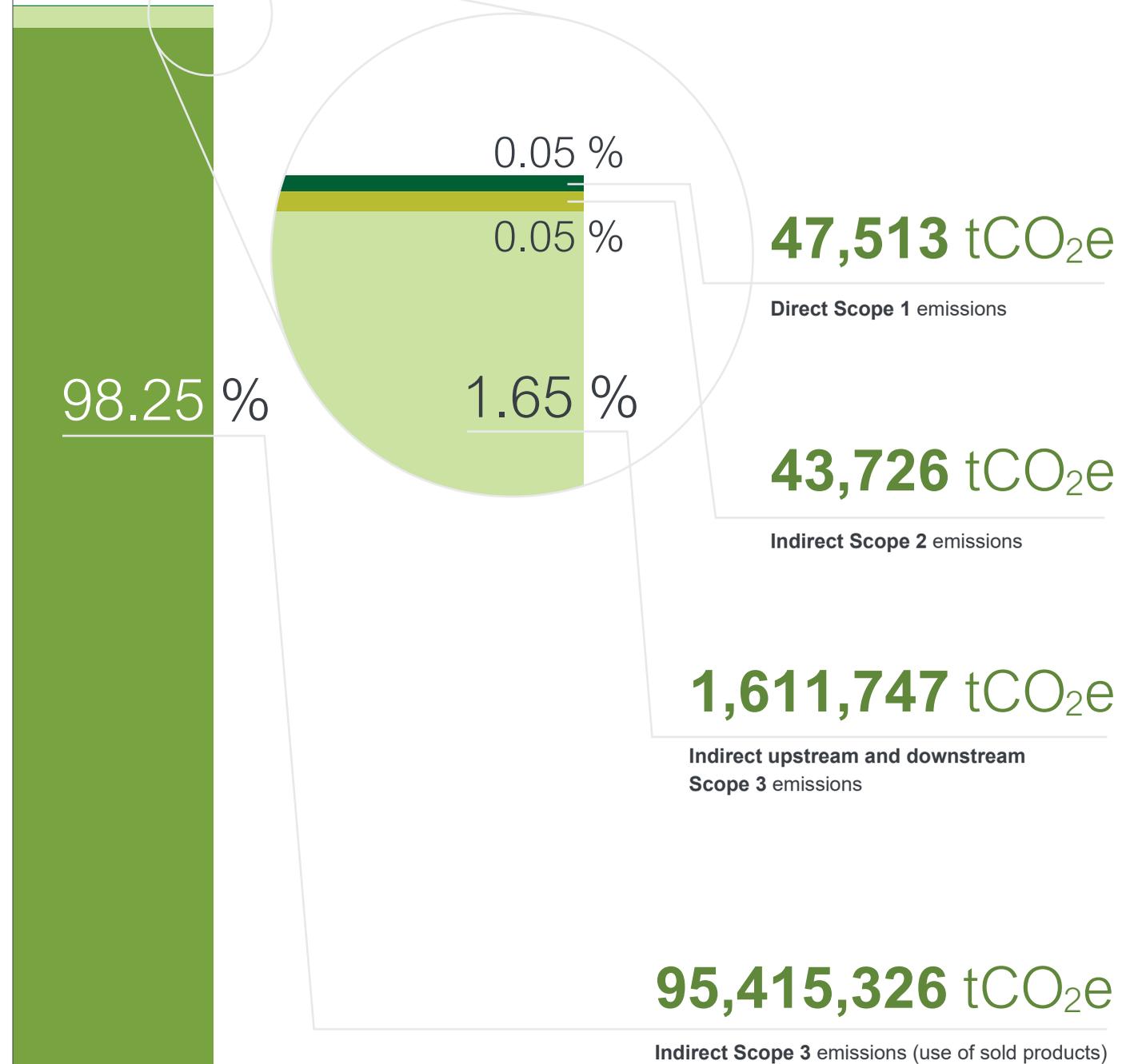
Ariston Group acknowledges the urgent need to address climate change and reach a decarbonised economy by 2050. As a player operating in a sector that bears a significant impact on GHG emissions, the Group has undertaken bold commitments with the introduction of its **carbon reduction programme** in 2022.

The journey follows a clear methodological approach and involves three key phases. The first step involved defining a **baseline** to determine the carbon footprint of the Group's Scope 1, 2 and 3 emissions. The baseline made it possible to **define objectives**, achievable through specific decarbonisation targets and based on careful benchmarking and current climate science. The baseline was set for 2021 and calculated with reference to well-known **Greenhouse Gas Protocol**. During the second step, **decarbonisation levers and respective impacts** were mapped out. These include energy efficiency measures, renewable energy procurement, off-setting activities and credits issuing and, finally, a **co-creation process** was envisaged in order to define a forward-looking **decarbonisation strategy**, based on the close engagement of internal stakeholders.

Taking a closer look, **Scope 1** encompasses fuel consumption, refrigerant leakages and fugitive emissions stemming from the Group's production plants and other facilities. **Scope 2**, instead, entails electricity consumption in plants and other non-production facilities. Finally, **Scope 3** accounts for indirect upstream and downstream emissions ranging from purchased goods and services, transport and distribution, waste, business travel and use of the sold products.



## ARISTON GROUP'S CORPORATE EMISSIONS



Ariston Group is committed to reducing its **Scope 1 and Scope 2 emissions of 42% by 2030 with respect to 2021**. A key lever is the **optimisation of energy use within operations processes**. Indeed, all the Group's production facilities are developing and deploying **energy efficiency measures** through various initiatives: the implementation of interventions on compressed air (replacement, revamping or management improvement), buildings (insulation), heat recovery and heat volume reduction, temperature management, installation of inverters, locating air leakages and definition of a plan to resolve them, lights (both replacement and management), as well as installation of meters and data collection system. Other actions to further enhance the Group's decarbonisation journey include the integration of new installations and machineries, the enhancement of renewable energy systems for onsite energy generation, the implementation of electricity shut down power saving applications and the gradual electrification of main processes and the corporate fleet.

Moreover, a **switch to renewable sources** through on-site photovoltaic panels extension, Power Purchase Agreements (PPAs) and certified green energy procurement will also be required. As to **residual emissions**, offsetting activities will be carried out and corresponding credits will be issued.

In terms of **Scope 3 emissions**, evidence indicates that most of the Group's emissions stem from downstream use of the products, with a minor part from purchased goods and services. Ariston Group is committed to addressing **use of sold product emissions** by leveraging on renewable technology solutions, products durability and a more circular use of resources, as well as the reliance on refrigerants with lower environmental impact and global warming potential, hydrogen, biofuels and connectivity as a means to improve product efficiency. **Emissions arising from purchased goods and services**, instead, will be tackled through a renewed **supplier relationship management** model based on an ESG approach.

### PHOTOVOLTAIC PANELS AND COGENERATION IN PRODUCTION SITES

In line with its goal of **reducing Scope 2 emissions**, the Group is looking to renew its operations with an initial focus on Italy. The project was launched in 2022 with two Italian production plants that are undergoing asset renovation and have already been equipped with **photovoltaic roof panels** to generate renewable energy for self-consumption. The project is currently undergoing and planned for the longer-term.



### EXPANDING WORLD CLASS METHODOLOGY

Already back in 2011, Ariston Group adopted the **World Class Manufacturing (WCM) methodology** as a tool to create a structured and replicable production system to attain its business targets through the monitoring and prevention of waste and losses, with the goal of improving the quality, safety, cost and environmental performance of the production system. Today, the WCM constitutes a **common language** that allows processes to be standardised across the Group's production plants at a global level, to **eliminate waste and improve quality, safety, costs and environmental performance**. The methodology is now operational in **13 production plants** and with the Osimo, Cerreto d'Esi and Arcevia facilities the Group has so far won three bronze awards.

Moreover, in 2018, the Ariston Group adopted the **World Class Logistics (WCL) methodology**. In line with the WCM concepts, the WCL methodology constitutes a **shared approach** that allows processes to be standardised across the Group's warehouses at a global level, creating a replicable logistics system throughout finished goods and distributions warehouses. This methodology is now operational in **two finished goods warehouses** and is based on the goal of improving customer service levels, safety, cost and environmental performance, also thanks to a monitoring and waste and losses prevention procedure.

### FROM TAKE-MAKE-WASTE, TO CLOSING THE LOOP

In Europe, each type of waste is characterised to determine the accurate European Waste Code and its treatment. In addition to being compliant to the latest European regulations, the Group is **ISO 14001 certified** and its European production plants have adopted a standard to assess the **environmental impact** of waste. The latter is measured on the basis of volume trends, the environmental sensitivity according to the percentage of waste disposed, the legal requirement in light of plant authorisation categories, the involvement of stakeholders (always taking into account the interests of the communities in which the Group operates), the extension of the interested area and the reversibility of the impacts. According to this detailed assessment, Ariston Group's production plants have **low waste-related impacts**, with a generation of less than **5% hazardous waste** and a **revalorisation of 96%** of the total waste in Europe.

With circularity already active through recycling practices, the Group is progressively identifying circular opportunities and **implementing circularity initiatives** with a particular focus on its **waste management approach**, in order to continue reducing its strain on finite resources.

Focusing on the production process, waste can be divided in two categories:

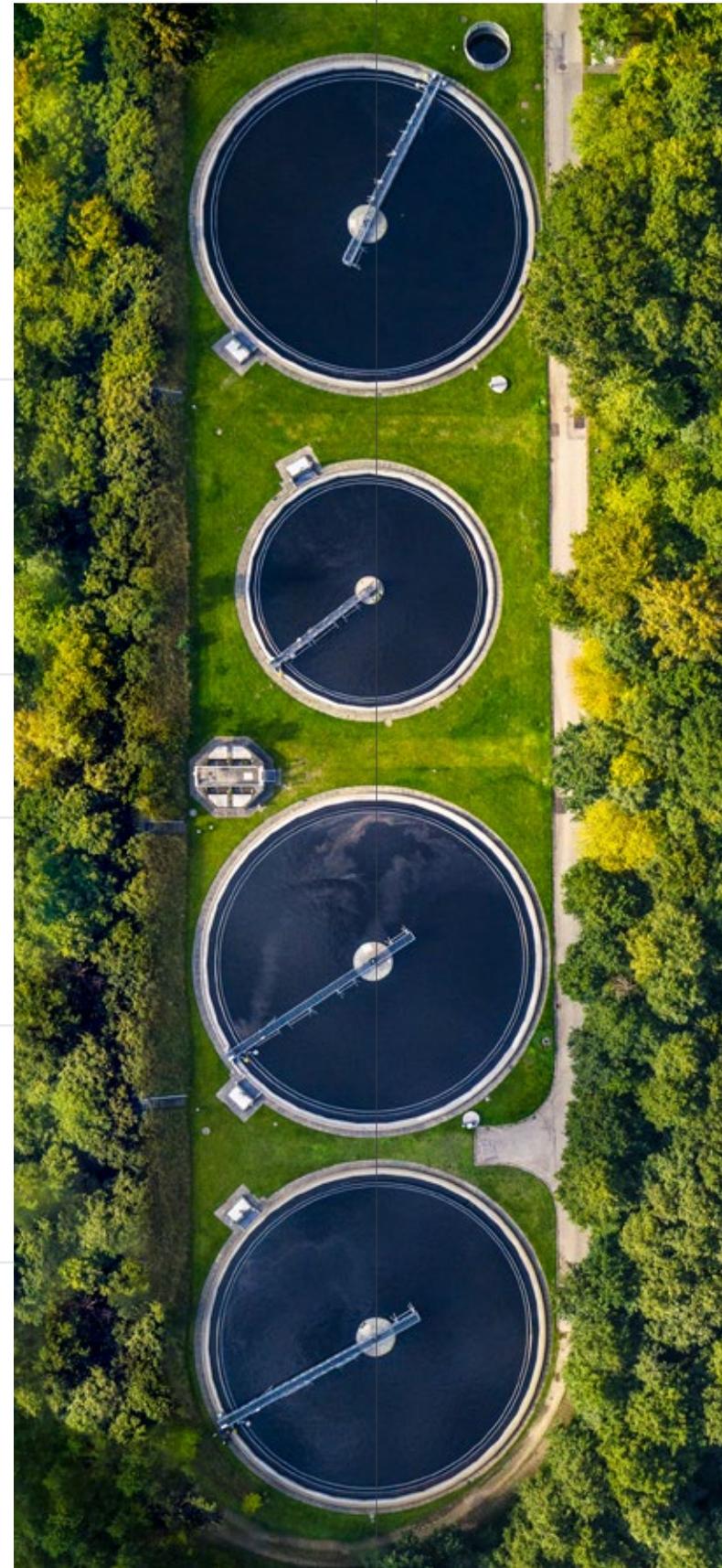
- **Packaging of the raw materials** such as cartons, plastics bags, wooden pallets, etc.

- **Manufacturing scraps** resulting from the manufacturing process, such as metal cutting scraps, non-conforming work in progress, or finished goods.

According to the **5R methodology**, waste reduction projects are prioritised by:

- **Rejecting** unnecessary packaging, evaluating the environmental impact of any change through a pre-project risk assessment
- **Reducing** waste production by considering some waste resulting from our production processes as by-products (e.g. magnesium oxide is not classified as waste when further use is certain directly in other industrial processes without any further processing), designing high-quality products to extend their lives and designing efficient packaging to reduce waste
- **Recycling** metal, plastics, cartons, electrical components, etc.
- **Reusing** component packaging in partnership with suppliers, reworking non-conforming products to reuse tank and other metal components saving 0.4% of the production, selling wooden pallets for repair and reuse
- **Revalorising** by prioritising incineration with energy recovery when it comes to disposal operations and assessing available technology to treat non-recyclable materials such as polyurethane foam to maintain the energy efficiency of the Group's solutions

An annual corporate objective of **-2% of IRT** (waste volume/production pieces) for waste reduction is defined, based on the Group's strategy to meet ISO 14001 requirements. In the upcoming years, the Group will increase the circularity level of its waste management model, from the use of raw materials to the disposal of the finished product.



### GOLD MEDAL FOR THE GROUP'S VIEUX THANN BURNERS PLANT IN FRANCE



This year, Ariston Group's **SPM Innovation Vieux Thann production plant**, which operates in the burners division, received a positive sustainability rating from **Ecovadis**, confirming its positioning in terms of **operational sustainability**. The plant was evaluated on a range of criteria varying from environmental to social and the medal enabled the plant to move from a score of 58/100 received in 2020 (silver medal) to 72/100 in 2022, **achieving a gold medal scoring**. In terms of benchmarking, SPM Innovation reached the 97<sup>th</sup> position, meaning that only 3% of the suppliers evaluated by Ecovadis achieved a better score, making it a true example in terms of **best-in-class HSE management systems**.

### OPERATING WITH RESPECT FOR WATER RESOURCES

ISO 14001, the **Group HSE Policy** and the **WCM methodology for environmental performances** are the guidelines followed by Ariston Group throughout its operations in **managing water**, which is withdrawn from the municipality and wells and is used for **cooling, surface treatment** in steel manufacturing plants, **finished goods testing** and for **civil use**. The water is subsequently released into sewers or directly into the environment, depending on its use and treatment necessities. The Arcevia, Cerreto, Chartres, Genga, Saint Petersburg and Wuxi production sites, in fact, are equipped with internal **chemical and physical filtration processes** that prepare the water for release into rivers, in accordance with the applicable environmental requirements.

To reduce water consumption, the Group focuses on **decreasing the use of water in production process**, improving its **water reuse practices** and on **reducing the use of tap water** through the withdrawal from wells. In fact, 83% of the water withdrawal of the Company's ISO14001 certified plants is directly pumped from ground water that is not drinkable. Moreover, all of Ariston Group's production plants strictly abide by local regulations to govern the quality of water discharged through **specific periodic controls**. Any deviations are noted down in the **internal audit/controlled 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.



In 2022, the **water-related impacts** of the production plants in Albacina, Cerreto, East Freetown, Genga, Hanoi, Chartres, Namur, Osimo, Saint Petersburg, Saltillo, Vieux-Thann and Wuxi were measured following a separation among industrial, civil and rainwater management. Namely, an analysis was conducted on sensitivity based on the **discharge** into a receiving water body with ecological status (quality of the water), the **legal requirements** on the plant authorisation category, the **involvement of stakeholders**, the **extension of the area** interested by the impact and the reversibility of the impact itself. The analysis pointed out that 62% of the water withdrawal of the above-mentioned production sites directly pumped from ground water is not drinkable, underlining the Group's efforts in disseminating a proper use of the resource water among its entities worldwide.

## AN INCREASINGLY MORE CIRCULAR APPROACH FOR OUR SOLUTIONS

### FOSTERING TRANSPARENCY AND TRACEABILITY WITH A FOCUS ON FRANCE

In response to the publication of the Agec Law in France in 2022 (Anti-Waste for a Circular Economy Law), Ariston Group has started taking action to **communicate the environmental qualities and characteristics of its waste-generating products**. As a producer, importer and distributor of water and space heating solutions on the French market, the Group is in fact required to disclose the **levels of recyclability and recycled materials, the presence of rare earth elements** (e.g. scandium, lanthanum, cerium, neodymium etc.), **precious metals** (gold, silver, platinum, palladium), **dangerous substances**. Indication must be provided as to whether the presence of these materials is **above or below a certain threshold**. The data collected must be published and made available to customers. So far, the disclosure has been carried out for the most **representative categories of French products**, ranging from electric storage water heaters, heat pumps water heaters, heating heat pumps and boilers.

The data collection carried out is the first step for the deployment of **circularity practices**, as it guarantees the identification of circular opportunities and raises awareness in terms of resource consumption from a social and environmental perspective, with a potential to be further implemented into different areas of the business. This analysis also helps improve the **transparency and traceability** of raw materials in the supply chain, supporting the Company in seizing the adequate circular opportunities and contributing to a stronger collaboration with suppliers around ESG topics.

## A 360 DEGREES APPROACH ON PRODUCTS DATA: THE GROUP'S PRODUCT LIFECYCLE MANAGEMENT (PLM)

In 2020, the Group developed a product lifecycle management (PLM) strategy to address the need to guarantee **best practices throughout the whole product life cycle**. PLM is the strategic process of managing a product's entire journey, from initial ideation and development to service and disposal. The strategy will improve the **time-to-market**, as well as the **product cost and effectiveness**, ensuring **more fluent data management** which, in turn, will help **monitor environmental impacts** and set circularity targets. In addition to **integrating** functions, data, processes and business systems, PLM software solutions are a **crucial component in the digital transformation** journey of the business. These, in fact, provide a variety of tools based on a complex and state-of-art IT infrastructure, aimed at enhancing the customer experience, speeding up innovation, increasing efficiency and cutting costs.

### LIFE CYCLE ASSESSMENT (LCA) AND ENVIRONMENTAL PRODUCT DECLARATION: THE PEP ECOPASSPORT

An Environmental Product Declaration (EPD) is an internationally harmonised communication format that describes the environmental footprint of a product throughout its life cycle. The PEP (Product Environmental Profile) registered under the PEP ecopassport® Programme is a type III environmental declaration that meets the ISO 14025 Standard and is based on the LCA methodology. As early as 2017, Ariston Group began working towards the **PEP ecopassport** and, in 2022, Ariston's **Nevis Evo R32 25 MUD0**, an air-to-air heat pump providing heating for individual housing, obtained the ecopassport certification, the **10<sup>th</sup>** assigned to products developed by the Ariston Group's brands. LCA is again an essential analysis that supports the Group in the effective implementation of circularity aspects, giving a complete overview of the environmental impacts, from cradle to grave.

# Responsible supply chain

2030 TARGET AND AMBITION

## Align 100% of our strategic suppliers with our ESG journey

In line with our ambitions and the rapid regulatory evolution, we are **committed to focusing on and engaging our supplier base** on ESG-related aspects. We are aware that as part of our ESG efforts, we must take into consideration the **environmental and social performance of our supply chain**. For this reason, we are developing multiple tools and plans to **foster a relationship management driven by sustainability**. These include assessments, improvement and monitoring plans aimed at engaging and supporting our suppliers' base in our ESG journey.

### Supporting initiatives to be achieved by 2025

Set **ESG vendor rating criteria** and policy for strategic suppliers by 2023

**>80%**

of products and services purchased from local\* suppliers (72% in 2022)

**50%**

of strategic suppliers assessed on ESG performance

\*In the same country of the Group legal entity they are supplying.

OUR PROGRESS IN 2022

## ORIENTING OUR SUPPLIERS' EVALUATION TOWARDS ESG ISSUES

With the aim to continue improving its purchasing practices, the Group has adopted a process to select **direct suppliers**, which not only assesses product specifications, packaging and delivery, but also the **integrity and reputation** of the latter. The prequalification procedure involves fulfilment of applicable **ISO certifications** (i.e. ISO 45001, ISO 14001, ISO 9001, ISO 50001), state accreditation for vendors and answers to more than 50 questions on different topics, such as **health, safety, environmental and quality aspects**. The contract clearly outlines the **legal compliance** of the entire process in accordance with national and international laws, as well as accreditation. The document must also include the **ethical declaration on protecting health and safety in the workplace, respecting human rights and a commitment to the HSE policy**, which mandates operating in a responsible manner towards people and the environment. This process has been implemented thanks to the **Group's e-vendor portal**, a dedicated platform that facilitates the collection of supplier documentation required to evaluate their compliance with the applicable requirements.

## ESG SUPPLY CHAIN DUE DILIGENCE

During 2022, the Group has worked hard to set the basis for conducting a structured **ESG assessment of its supplier base**. The Company is aware of the importance of assessing the risks that can arise from the business relations with third parties and is therefore **defining a strategy** to minimise impacts derived from its value chain and to improve synergy in delivering environmental and social high-impact outcomes. The project will be launched in 2023 with an initial **identification of further criteria suppliers are required to align with**. Moreover, the project will involve an assessment which will make it possible to **rate ESG performance** for each supplier. The definition of a strategic approach and the evaluation of supplier ESG performance will, in turn, lead to the definition of **clear-cut improvement and monitoring plans**. Ariston Group has started implementing a **human rights due diligence process**, initially mapping impacts brought about by the business itself, in order to identify the most critical areas and countries. The due diligence process will be applied to the rest of the supply chain over the coming years.



## STREAMLINING REQUIREMENTS FOR MATERIALS AND COMPONENTS

When it comes to raw materials and components, both sourced from within and outside Europe, Ariston Group requires its suppliers to adhere to **certain safety and environmental performance requirements**. They are defined taking into account applicable **regulations, laws, directives, norms, voluntary standards** and the **Group's protocols**, and range from packaging to safe drinking prerequisites, along with hazardous substances and pollutants. In particular, the **RoHS Directive** (Restriction of Hazardous Substances) applies to a wide range of electrical and electronic equipment, including household appliances, and covers several hazardous substances with the aim to prevent the risks posed to human health and the environment. The **POPs Regulation** (Persistent Organic Pollutants) also aims to reduce the environmental impact of certain persistent organic pollutants, which are resistant to environmental degradation and accumulate in the environment, causing a negative impact on human health and the environment. Finally, the Group is subject to the **REACH Regulation** (Registration, Evaluation, Authorisation, and Restriction of Chemicals), which covers virtually all substances (hazardous and non-hazardous) manufactured, imported and used within the EU and comprises the registration, evaluation, authorisation and restriction of chemicals. For all these requirements, the Group **requires its suppliers to submit the related statement on a yearly basis**, in which they are asked to **declare the compliance of their components** and update in terms of material composition or due to regulatory changes. These statements are then checked by the Group's Certification Division to ensure the compliance of suppliers with applicable requirements. The overall process ensures a **clear mapping of materials and their composition**, providing the Group with an overview of the current status and updates.

*Ariston Group has launched its **digital supply chain (DSC) project** for a comprehensive review of **supply chain processes, organization and technological platforms**.*

## SUPPLY CHAIN DIGITALISATION

Ariston Group has launched its **digital supply chain (DSC) project** for a comprehensive review of supply chain processes, organization and technological platforms. The strategic scope of this project includes **improving the reliability and consistency of the supply chain**, enhancing the Company's reputation with customers by increasing the value of its products and services and taking advantage of business opportunities through **better management of inventory levels** and **dedicated flows for key customers**. The project also aims to **increase the efficiency of supply chain management** through correlated processes like demand planning, Sales & Operations (S&OP) and master planning, supported by new tools, as well as to **provide decision-making support through simulation tools**. Demand planning involves forecasting market demand, while S&OP involves top management in strategic decision-making relating to sales demand and operation planning. Master planning, on the other hand, involves creating **production schedules for finished goods and accessories** and deploying them through the network, while order management involves managing and prioritising customer orders through appropriate engagement rules. The project also aims to consistently **measure and report on the Company's growth** and to take appropriate action to sustain it.

Finally, Ariston Group has launched other **transformation** projects to improve its sourcing and procurement (S&P) model. To manage its suppliers more effectively, the Company plans to implement initiatives such as paperless processes, increased transparency, centralised data, improved reporting, enhanced user experience and supplier integration.

# 3. People & Communities



*Empowering people  
to achieve more*



**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



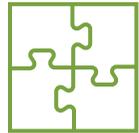
**13** CLIMATE ACTION



**17** PARTNERSHIPS FOR THE GOALS



# Key challenges



Building a **One Team company culture** based on the integration of diversity and inclusion and on a clear understanding of roles and responsibilities, in order to continue attracting and retaining resources.



Contributing to **upskilling and reskilling of workers** in view of the rapid evolution of the Industry 4.0 technologies and the increasing lack of necessary skills in such a technical and connectivity-oriented realm.



Maintaining a **strong link between the company and the communities** across its operations, to foster awareness on the importance of sustainable thermal comfort.

# Excellent employee experience and engagement

To be a **certified world class employer that builds a sustainable working environment**

2030 TARGET AND AMBITION

For us at Ariston Group, **“people come first”**. Our goal is, first and foremost, that of developing a meaningful and comprehensive people experience, in order to foster a sense of belonging to the Group and **increase the engagement of our people as one team**. We want our employees to feel they are valued and cared for. That is precisely why we are working towards a set of initiatives that will lead us to become a certified world class employer, where our employees can thrive.

Supporting initiatives to be achieved by 2025





**weARe: A MILESTONE FOR INTERNAL COMMUNICATION**

In the framework of Ariston Group's commitment towards the full realization of being **one team**, the Company launched its first global Intranet, **weARe**, at the end of 2022.

The unveiling of **weARe** marked an important step, bringing Ariston Group's **global internal community closer together**. The introduction of the corporate Intranet represents a building block to **define and disseminate a shared culture**, based on **core values** and **historic achievements**. Indeed, this need became even more urgent as a consequence of the significant growth of the Group, which has been further accelerated by the CENTROTEC Climate Systems acquisition.

The platform aims not only at spreading messages that are **key for the business** and its different functions, but also at **engaging all the employees** worldwide, **giving them voice** and involving them

in inspiring dialogues with the Company. **weARe** is continuously progressing, leveraging Ariston Group's **heritage and strengths**, while drawing its evolution according to future dynamics.

Concerning **sustainability**, **weARe** provides the employees with specific content, namely:

• **Ariston Group for ESG:** it provides readers with information on the Group's ESG strategy and vision, main objectives, projects, action plans and achievements, always oriented towards a sustainable growth

• **ESG Around the world:** it gives voice to timely updates concerning international and national legislative frameworks and projects related to the ESG trends

• **ESG Awareness:** it sheds light on key reports results, aimed at increasing the understanding of main ESG topics, international days that celebrate and promote ESG awareness and interesting ESG insights considered worth spreading



**EXTENDING THE GLOBAL LEADERSHIP PROGRAM (GLP)**

The Global Leadership Program is a learning and development initiative aimed at activating, supporting and strengthening practices associated with the competences of Ariston Group Leadership Model: **LEAD CHANGE, LEAD BUSINESS** and, most importantly, **LEAD PEOPLE**. The feedback culture and the interpretation of the Leader's role as Coach are the thread that run across the different journeys, customized by type of population (Executive, Senior Managers, Managers, Individual contributors and Blue Collars) from 25 countries, wishing to address them through behavioural changes that have an impact on daily actions and results.

Launched in 2021, the fully digital GLP program was initially addressed to **Executives** and **Senior Managers**, so that they could lead by example and bring about a cultural change through a consistent managerial style. In 2022, the Group extended the Global Leadership Program to the **Mid Management**, covering **25 countries** and, in 2023, it will also be applied to **Individual Contributors**, with **follow-ups** planned for Executives and Senior Managers in order to strengthen the leadership style while enriching diversity through different contributors. **Key methodologies** include tailored training sessions, individual business coaching journeys, team learning sessions, webinars and online content.



## REVISITING THE GROUP'S PERFORMANCE MANAGEMENT PROCESS

The strong focus on feedback and a more “employee centric” approach in managing all the HR processes brought the Group to review its **Performance Management Process**, ensuring accountability and **recognition of the work performed** by employees, on one hand, and **identifying professional development needs** on the other. In the co-responsible relationship between managers and employees, where personal and professional growth occurs through **objectives** and the **sharing of training needs**, the goal of Ariston Group is to ensure that all employees have a **clear understanding of the work they are required to complete** and of the organisation's expectations. The Company strongly believes that if people are provided with adequate direction and support in their work, they will be able to perform tasks to the best of their abilities.

To this extent, the Group introduced several improvements along the Performance process:

- Shift from a top-down to a **bottom-up approach**, where employees are proactive in **self-assigning their own goals** for the year and co-responsible for the process contents

- Focus on **employees' development**, offering them the opportunity to express and track both training and development needs and personal growth ambitions, to reduce possible biases in evaluation process

- Setting of **clear steps with fixed deadlines** defined at Group level, leveraging on a group-wide shared tool to provide a constant **overview of the process progression** and track both employees historical data and development actions

- **Effective user experience**, leveraging on **digital tools** and an improved mobile user experience and application look & feel

Performance management does not stand alone: rather, it is deeply integrated and strictly linked to other processes. It supports **job rotation** processes through the sharing of personal aspiration; it facilitates **career management** by offering career development opportunities aligned with personal strengths; it contributes to the development of specific customized **training paths** that take into consideration inputs and needs; finally, it supports **salary reviews** and **HR mapping** processes.

## SUPPORTING EMPLOYEES IN THEIR FURTHER DEVELOPMENT

In 2022, the Group continued to carry on its **HR Mapping process**, addressed to all white-collar workers, which consists in assessing the performance and potential of the employees, to **define tailored development plans based on specific learning needs and career paths**. HR Mapping process supports in identifying multiple talent management activities, ranging from **job rotations** and **360-degrees feedback evaluation processes to coaching activities and training programmes**. Along the process are evaluated continuous individual or in-class **trainings** aimed at building soft and technical skills, accompanying employees along their growth path inside and across the business. One of the key tools to achieve this goal is the **Learning Management System (LMS)**, which consists of a user-friendly and easy-to-access online hub that embeds all **corporate learning materials provided through physical and digital courses**.

The employees can easily access the LMS platform having the opportunity to build their self-learning path or can join one the corporate trainings offered each year. In 2022, a total of **39 hours of training** were provided to employees split across white and blue collars (30 vs 9 respectively).

Upskilling programs  
for white collars

Objectives

Hours  
(per edition)

Global Leadership Program

To activate, support and strengthen practices associated with the competences of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE

11

My Ariston Group

To support the induction of new employees with 6-12 months experience transferring business competences and Ariston key processes

40  
(on average)

Presentation effectiveness

To refine and improve the style, structure, content and delivery of presentations, through the application of effective techniques, practice and live feedbacks

16

Leading people for growth

To support recently assigned managers on leading teams the achievement of the results through effective people management skills

20

Leading The Effective Sales Force

To help optimise the performance of the sales force and raise sales

40

Brand Management

To identify opportunities and threats that affect brand's market position and determine potential strategies to capitalize on opportunities to strengthen the brand's position

60

Sales Planning & Control

To provide for a common language to the management control functions and Sales and the tools to enhance the company's ability to predict, govern and measure commercial performance

36

Advanced Management Program

Designed for top-tier executives who want to boost their ability to navigate complex markets and identify new sources of competitive advantage

160

Strategic Learning & Development

To provide the new digital skills that the market requires with a strategic view, more and more connected to the business aiming to transform the training in Learning Organisation

30

Finance Group Coaching Journey

Designed for the Finance team to leverage on strengths and defining new rules for the team to better work together

24

Consumer Insight

Training dedicated to the new professional roles of RPD (Region Product Directors) covered by employees already in the company and to Product Managers in order to support them in acquiring new knowledge and skills to work in synergies with markets

6

### A COACHING PROGRAM, SPECIFICALLY DESIGNED FOR THE FINANCE TEAM

In 2022, the Finance Team underwent a significant organizational change, which showed the importance of acting quickly in order to bring the team together to define **common priorities** and build a **sense of mutual trust**. As a result, a tailored Coaching Training initiative was put in place through the integration of two different methodologies: 1) 1:1 training sessions focused **personal development and growth**; 2) **group meetings** aimed at building effective relationship. More specifically, training activities were divided into three phases:

**Discovery:** to outline strengths and improvement areas, individual perceptions and team dynamics.

**Alignment:** to detect team operating principles and identify tools to work effectively as a team leveraging on strengths.

**Execution:** to set out new rules for team-working, closing gaps and evaluating learning and achievements.

### DEVELOPING TECHNICAL COMPETENCES: THE LATEST EDITION OF THE THERMOWATT ACADEMY

The Thermowatt Academy was launched in 2020 **to develop professional paths specifically for the manufacturing world**, transferring technical know-how from the Thermowatt sites – Ariston Group's premier component brand – to young talents from Italian technical schools. The 1-month 2021 edition involved 12 students coming from 4 local schools and was focused on Operations. Through a combination of in-class and on-the-field training, the

students had the opportunity to learn more about the Company's products and technologies. Currently, 9 out of 12 students have been confirmed and are continuing training. For the 2022 edition, the Academy might become the **systematic way of onboarding young professionals** from both technical schools (ITS) and undergraduate/pre-graduate programs. The Academy will be expanded to include the other Group's brand as well.

## HEALTH AND SAFETY MANAGEMENT

Ariston Group has implemented an **Occupational Health and Safety Management System** which is certified by the British Standards Institution, in accordance to the international standard **ISO 45001:2015**. The Management System is integrated with the Environmental and Quality Management systems, both of which follow the **ISO 14001:2015** and **ISO 9001:2015**, respectively. The Integrated System is outlined in the **HSE Management Manual** structured according to a cyclical sequence of planning, implementation, monitoring and review phases, providing harmonised procedures and guidelines to all the levels of the organisation.

## STRENGTHENING THE "ONE TEAM" PROGRAM TO ENCOMPASS HR, FINANCE, SUPPLY CHAIN & LOGISTICS FUNCTIONS

The "One Team" Program was launched in 2020 to help **clarify accountabilities, roles and decision-making processes** for streamlining procedures, review local as well as global structures and evolve to a more cross-functional approach. Following a process of alignment of the Product Development and Marketing business functions, 2022 focused on engaging **HR, Finance and Supply Chain and Logistics**, to create effective internal business partners and set a "**One Team**" approach. With regards to the **HR team**, work on the overall strategy and organisational model was carried out to clarify roles and responsibilities across geographical areas, distinguishing between administrative/HR services activities and business activities. In parallel, work was carried out to help develop a cohesive communication strategy through the launch of the new Intranet. The **Supply Chain and Logistics team** was involved in identifying and addressing key pain points, leading to a clarification of decision-making processes and new organisational design at the Group and country level. Similar approach adopted for the **Finance project** leading to a redefinition of roles and structural changes at all levels, in parallel with the completion of the **New Finance Model**, which reviewed the Group's Finance systems as well as processes and flows behind.



# Education for the future

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

\*Countries Ariston Group operates in

2030 TARGET AND AMBITION

OUR PROGRESS IN 2022

The **bond with local communities** constitutes one of our founding values. Contributing to the social development of the communities we operate in is part of founder Aristide Merloni's industrial culture and rooted in our vision "sustainable comfort for everyone". In parallel to **providing energy efficient solution where it is needed the most**, educational activities to **foster awareness on sustainable comfort** are at the center of our conferences and partnerships, along with sustainability contents accessible to everyone thanks to the digital platforms we rely on.

## THE ARISTIDE MERLONI FOUNDATION AS A PROMOTER OF CONFERENCES, REPORTS AND CONVENTIONS

On the January 20, the "**Business Mergers and Acquisitions in Italy and the Marche Region - Trends, Opportunities and Open Issues**" conference was held at the Contamination Lab of the Marche Polytechnic University of in Ancona, to discuss and address the regional and national mergers and acquisitions of companies. In 2022, the 7<sup>th</sup> edition of the **Scientific Committee of the Aristide Merloni Foundation**, led by former Italian Prime Minister Enrico Letta, took place. Here, conversations about markets, deglobalisation and reshoring were hosted: pivotal topics for the future of the Marche region and for Italy as a whole. More specifically, the talk was

led by Arancha González Laya, former World Trade Organisation Director General and Spanish Foreign Minister, with speeches given by journalist Ferruccio De Bortoli, Former Prime Ministers Enrico Letta and Romano Prodi as well as European Parliament Committee Member Irene Tinagli, amongst other prominent figures. Always in 2022, the theme of globalisation and deglobalisation has been discussed also at the Faculty of Economics of Ancona with Professor Innocenzo Cipolletta, who held the **Marche Economics Lesson** during the annual Graduation Award, which is part of the initiatives of *Economia Marche*, the historic economic magazine edited by the



Aristide Merloni Foundation. On October 20, in L'Aquila, the **Energy for Central Italy conference** was held by HAMU, the Abruzzo Marche Umbria hub, of which the Aristide Merloni Foundation is one of the founding members. The Abruzzo, Marche and Umbria regions are involved in the **European strategy aimed at supporting the development of the Adriatic-Ionian regions**, and key themes such as **energy** and the **innovation ecosystem** for central Italy were at the centre of the discussions. On November 26, the conference presenting the "**Alliance School-Work - it is never too late**" exhibition took place. The initiative resulted from the Foundation's collaboration with the **Building the Future Foundation** and focused on the relationship between schools and the professional world. Finally, the 9<sup>th</sup> edition of the "**Report on entrepreneurship in the Marche region**" stressed the differences in entrepreneurial propensity between inland and urban areas, also offering an analysis of the impacts of earthquakes on entrepreneurial activities.

## FOSTERING EDUCATION IN THE COMMUNITY THROUGH PARTNERSHIPS

**Future Campus Fabriano**, an innovative training course addressed to young people, was held in collaboration with Confindustria Fabriano to **introduce the young generations to the surrounding context**, to help make them aware of the area and its businesses and professionals, **supporting them in designing their future**. In 2022, another scholarship was provided to a high-performing student of the "**Merloni-Miliani**" State Industrial Institute in Fabriano. The second edition of the "**Digital Support Sales Edition - Energies for Small Business**" course was held in collaboration with the Department of Management of the Marche Polytechnic University. A total of **40 graduates and sales workers** were admitted, with a focus on learning the strategic aspects and impacts of digitalisation.

The close collaboration between the **ITS Fabriano Business School** and the Aristide Merloni Foundation led to the inauguration of a **new Automation Laboratory**, aimed at enabling technicians to develop their skills in **programming, operation and maintenance** of machines and systems and respond to the increased demand for specialized technicians by local businesses. Entirely based on 4.0 technology, the Laboratory includes a **robotics section** and **24 stations** for learning programmable logic controller (**PLC**) and human machine interface (**HMI**) programming, as well as asynchronous drive modules and various types of sensors. Additionally, ITS Fabriano's vast experience in graduating specialised technicians for over 10 years, combined with the solid vision of the President of the Aristide Merloni Foundation, resulted in the development of **two training courses focused on the industry 4.0 technologies**.

## THE SOLIDARITY INITIATIVES OF ARISTON GROUP ACROSS ITS GLOBAL OPERATIONS

### EDUCATIONAL AND AWARENESS FOCUSED ACTIVITIES

**Italy:** in 2022, the **AMPlification** project was launched in Italy by the Worldrise non-profit organisation, with the support of Ariston Group, to help raise awareness on the importance of **Italy's Marine Protected Areas** and their biodiversity. A public discussion and other free activities were organised in October to engage citizens on these issues. This included a **bio-walk** along the coast of the Rena Bianca beach, led by Worldrise marine biologist, Stefano Pedone, to help illustrate the varied biodiversity that populates the Sardinian coastline. The initiative was followed by a **beach clean-up activity** involving the community of Santa Teresa di Gallura, united to achieve a single goal: cleaning the coastline to ensure a greener and more sustainable future for the next generations.

**Mexico:** in view of **Breast Cancer Awareness Month** in October, Ariston Group staff members and their families were invited to donate their hair to "Casa Rosa", an organisation that supports women fighting cancer and that creates natural fibre wigs for breast cancer patients. Moreover, this year, the local Company established the **Energy Saving Committee**, aimed at developing and **recommending strategies for the efficient use of energy**.

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

**France:** Ariston Group has been supporting the **Les Rayonnantes project**, organising training initiatives to improve the inclusion of women in the **maintenance and installation of the thermal comfort industry**. Les Rayonnantes provides disadvantaged people the opportunity to find employment, through a **6-month course**. The first group of trainees will start training in Saint-Priest in February 2023.

**Hungary:** Ariston Group **donated condensing boilers** to kindergarten and primary school students in the village of **Ujléta**, to the **National Ambulance Service** and to a structure that assists infants requiring neuro-hydrotherapy in **Győr**.

**Indonesia:** the **Indonesian Deli Serdang Hospital** and Ariston Group collaborated to deliver comfort in the health sector through **the provision of Heat Pumps**, meeting the warm water needs of the hydrotherapy pool, used to treat a variety of diseases, including arthritis.

**Morocco:** in 2022, the Group collaborated with the **El Baraka Angels Association**, offering ultra-high-efficiency solar collectors for water heating to a girls' student house in a rural area.

**South Africa:** in 2022, the Group supported organisations with donations to **Impilo Women's Shelter**, an organisation that offers protection to women subject to domestic violence, and to **Ironman 4 the Kidz Charity Trust**, an organisation that organises sport events to raise funds for children in need. The Company also provided a scholarship to the **University of Pretoria**, including both tuition and accommodation fees, and food donations to the **Attridgeville Orphanage Home**, where most of the Company's employees stay. During the National Women Day, the Group donated 2000 sanitary pads to a **local primary school**.

**Romania:** Ariston Romania, in partnership with the Red Cross, donated almost 3,000 products to 290.000 beneficiaries between 2018 and 2022, with 1.484 institutions benefitting from the Group's products (mainly schools). The company also facilitated **access to hot water** to over 290.000 children and elderly people during the humanitarian campaign Comfort Challenge. The Group, always in partnership with the Red Cross, in 2022, managed to donate **533 products to 50.877 beneficiaries** (children, elderly and volunteers).

### A PROMPT RESPONSE TO EMERGENCY SITUATIONS

**Severe flooding in the Marche region:** following the flooding in the Marche region that took place on September 15 and 16 of this year, the Company carried out a project to support colleagues living in the municipalities affected by the disaster, providing **financial assistance to those who have suffered damage** to their homes through the provision of economic support of 3.500 € gross each. In addition, the Group collaborated with the **Specchio d'Italia Foundation**, organising a tender process to support **50 selected small-medium enterprises**.

**Supporting Ukrainian employees:** following the outbreak of the war between Russia and the Ukraine in February 2022, to support its Ukrainian employees, the Group granted them **immediate economic support** and **monthly economic advantages**. All employees intending to leave the country were supported, receiving **housing** and **financial assistance** with Poland and Romania as first emergency aid hubs.

**Chinese efforts during the pandemic:** Faced with the severe epidemic situation in Shanghai, in April 2022 the Group **distributed vegetable bags to more than 50 employees and 80 partners**. Additionally, a group of employees volunteered in the local community to contrast the emergency situation. The Group provided also **free repair and maintenance services** to a number of users in Shanghai and Changchun who have been affected by lockdowns. In the Hubei province, the Group's sales colleagues and Wuhan partners donated **more than 200.000 epidemic prevention equipment**, including tents, prevention cards and masks to the community.

# 4. Customers



*Exceeding expectations through  
excellent customer experience*

**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



# Key challenges



**Continuously strengthening the relevance of Ariston Group's brands** by responding to our B2B and B2C customers' evolving needs thanks to active listening and proximity actions.



**Providing an increasingly more effective and efficient customer service** through tailored solutions and the most advanced technologies and innovations.



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

# Beyond customer proximity

*Deliver **excellent, tailored solutions and services** to B2B and B2C customers and **increase the loyalty of professionals.***

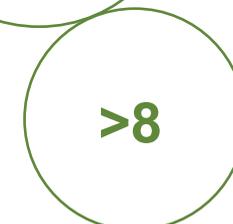


"Listen, stay tuned and care. Deliver solutions that exceed expectations." In line with our core values, seeking to meet our customers' needs will continue to be pivotal in the years ahead. Alongside with **creating value by offering products of top-notch quality and guaranteeing an excellent service**, we strive towards further proximity to our customer base. **Proximity, however, builds upon dialogue** and it is precisely this driver that pushes us towards an **active listening** of our end-customers and professional intermediaries, enabling us to provide even better **tailored services**. Whilst consumers are a crucial stakeholder, so are the professionals who ultimately deliver services to end-users, acting as the final touchpoint.

Supporting initiatives to be achieved by 2025



Quantitative B2C Ariston Brand Equity assessment



key countries with active "OneTeam Professional" portal

(3 in 2022)



Voice of Our Professionals programme launch in 2023

Ariston website organic click performance per year

OUR PROGRESS  
IN 2022CONTINUOUSLY STRENGTHENING THE POWER  
OF ARISTON GROUP'S BRANDS THROUGH  
LISTENING AND ENGAGEMENT

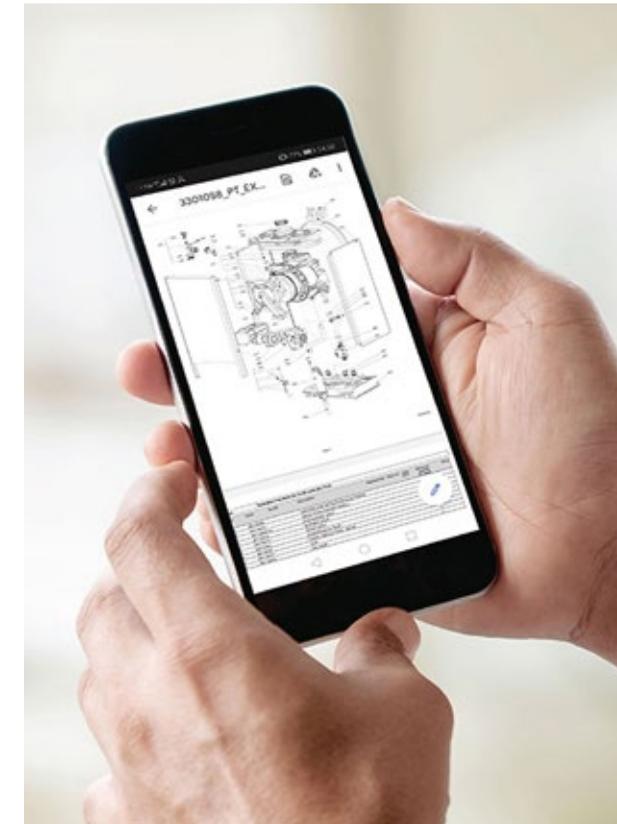
The Group is focused on improving the relationship with its end-users through **active listening and engagement practices** by analysing the **B2C perception of the Group's brands**. Based on past **Brand Health assessments** carried out in 2019, in 2022 the Group relaunched the surveys with a focus on monitoring the evolution of important KPIs to measure and highlight brand health **across several countries**. The "health" of a brand is measured in terms of how powerful the brand is perceived by customers in terms of **meaningfulness**, which determines the emotional affinity to the brand, **salience**, which tests how quickly a brand comes to mind in a purchase situation and, finally, **difference**, which looks at the brand's differentiation with respect to other brands. These tools make it possible to have a snapshot into the **areas that require prompt intervention** and offer **comparative insights** in relation to where other competing brands stand. In Italy and Spain, the assessments were carried out on a total sample of **600 end-users** per country. The objective is to boost the initiative, expanding the assessments to additional markets to monitor their trends.

GIVING VOICE TO  
OUR PROFESSIONALS

The Company will soon be extending its dialogue and listening activities from end users to also **installers and professionals**. In 2022 a few projects have started to be designed which will be launched and implemented in 2023. The assessments will set the basis for the development of a **Brand Equity Index**, which will be outlined by the Group in the near future to assess the perception of the brand's strengths and weaknesses amongst B2B stakeholders.

TECHNICAL COMMITTEES AS JOINT EFFORTS  
FOR CONSTANT SERVICE IMPROVEMENT

**Technical Committees** represent fundamental opportunities for listening and meeting with **service partners** and provide organised forms of discussion aimed at sharing potential products issues, verifying the perception of product quality amongst customers and identifying potential improvements of the brands' product lines, as well as new business opportunities. The Group defines a **centralised annual plan** to collect feedback and opinions from B2B customers who provide installation and support services, known as the **"Voice of the Customer"**. This survey helps to connect regional partners with the corporate offices responsible for R&D, Product Marketing, and Quality and Operations. In 2022, **19 technical support sessions** to a total of **almost 300 participants** were provided across France, Italy, Poland, Romania, Spain, Netherland and Germany.

OneTeam AS A ONE STOP  
FOR PROFESSIONALS

The network of professionals that the Group relies on ranges from **installers and service centres to planners**. To support their work with customised educational content and tools that facilitate their daily operations, the Group has developed an **all-encompassing digital infrastructure** that can be used by professionals as a reference point. Launched in 2022, the platform envisaged further development with the **addition of new digital services, training programmes and up-to-date information on products**, with the aim to ultimately create a **one stop** for more markets.

Among the others, the platform includes an **Event & Learning Hub**, a section dedicated to online and offline learning events; a **Media Centre**, a searchable platform with an easy to find and watch rich catalogue of videos about brand, promotional and technical materials; the **E-Catalogue**, a digital catalogue where, along with typical technical details, additional information can be accessed and browsed; and, finally, the **Solution Portfolio**, which collects and displays the best examples of systems installed in the field, including the relative information on the system layouts and suggested variants.

A FIRST LEVEL SUPPORT ALWAYS  
AT THE DISPOSAL OF OUR PROFESSIONALS

The interactive **Quick Fix app** is a tool developed for technicians that provides them to solutions aimed at **resolving the most frequent product issues**. Moreover, Quick Fix provides online access to product documentation, including user guides, exploded views, spare part lists and technical notes. The software can also be utilised in locations without a stable or accessible Internet connection, as the results of the search carried out can also be consulted offline.

In 2022, the platform launched **Skin CALOREX** in Spanish (Mexican), opening up in the Mexican market. A second pilot project was also started in order to expand the app into a new Asian market. The year closed with the release of 14 new troubleshooting methods.

## CREATING VALUE THROUGH AN IMPROVED CUSTOMER RELATIONS MANAGEMENT

From 2019, the **Customer Relation Management (CRM)** tool was implemented in **16 countries**, in order to enable the Group's sales professionals to **manage customers interactions even more closely**. This year, the focus has been on enhancing the effective adoption of the tool and defining adequate KPIs to measure its added value and lay the foundation for further improvements. The first phase has set the basis for understanding which data could be considered as useful information in order to provide the Company with a **system of dashboards** that makes it possible to obtain quick **snapshots into the specific characteristics of a market**, which will be key to help define more ambitious **sales strategies**, strengthening their governance and reporting to the Group's top management.

## CODIFYING COMMON BUSINESS DEVELOPMENT MODELS THROUGH THE SALES ACADEMY

Launched in March 2021, the **Sales Academy** was created to ensure **excellent sales execution**, codifying the Company's sales processes by business model and transferring the **necessary skills to our commercial structures**, in order to allow them to execute sales processes as effectively as possible. The project, which involves over **15 countries** across America, Asia, Africa, and Europe, aims to create a pool of best practices across these regions with targeted training. The first step of the initiative was to codify a **common business development model**, outlining the specific roles and responsibilities for people from different backgrounds as they move through the sales funnel. A pilot training was delivered to around 40 individuals globally, with a view to expanding the model to the remaining countries in which the Group operates. The pilot set the foundations for a **Global Academy** and enabled the definition of a **common set of sales skills** and the implementation of an international program to **train sales personnel**. The bottom-up collaboration model adopted by the Sales Academy received positive feedback from participants and led to productive dialogue on best practices and knowledge sharing. In 2023, the Sales Academy will scale up to include **additional operational and strategic topics related to sales and marketing**, such as **pricing and commercial policies, e-commerce and trade marketing**.



## OFFERING BEST-IN-CLASS SERVICES: INNOVATIONS IN ELCO SERVICE SOLUTIONS

This year, Ariston Group worked on several initiatives to further improve assistance, including by means of continuous investments in innovative technologies, with Elco being a perfect example of this.

### DENMARK AND SWITZERLAND REMOTE ASSISTANCE

In Denmark, an Elco technical support unit assists remotely clients with heating system issues rather than sending a professional to the customer's location, reducing travel-related emissions. About **5,000 connected Heat Pumps and Gas Boilers** are monitored, with technicians being able to operate and **fix technical issues remotely**. The same approach is implemented in German-speaking Switzerland, where another **5,000 connected Heat Pumps and Gas Boilers** can be managed remotely.

### ELCO NEW FIELD SERVICE SOLUTIONS

All Elco service technicians across all markets are now using a modern, state-of-the-art, integrated support system, which allows them to work better and more efficiently and that paves the way for further optimisation. The **replacement project** comprised also a massive training program to provide Elco Service Technicians with the skills and knowledge to make best use of the new system. In addition, in Germany and Switzerland only, Elco Service Technicians received a total of **7,000 hours of training** to improve their skills on servicing **Renewable Energy products**.

### THE ELCO PORTAL

The goal of this project is to create a **disruptive and scalable Elco website** that serves as a brand outlook for its products and attracts customers through an **advanced responsiveness and user experience**. This included creating a consistent customer journey to promote Elco products and services to both B2B and B2C audiences, **redesigning the public as well as the private areas of the portal** to ensure site responsiveness, security and speed, whilst implementing the new infrastructure with state-of-the-art technology and data architecture management.

### THE GROUP'S DIGITAL TRANSFORMATION JOURNEY TO BE CLOSER TO CUSTOMERS

Ariston Group's digital team is constantly **seeking new opportunities** to further digitalise operations and support all the different business functions. 2022, in fact, saw the development of the **Digital Route To Market** which aims to digitalise service-related processes for end customers, as well as sales and technical partners, namely:

- The **new Thermowatt portal**, a website designed to support the growth efforts of the Thermowatt Professional division. The aim is to improve visibility to potential users, increase active users on the website (targeting around 40-50,000 per year), strengthen relationships with current clients and improving search engine ranking. The new portal is expected to lead to **increased visibility in new markets and product lines**, as well as greater autonomy in managing website content.
- **New digital services were launched** to bridge the gap between Ariston and end-users by **establishing direct contact and offering comprehensive heating solutions** that include products and accessories. This approach involves working with Ariston's ecosystem of installers and distributors to create a mutually beneficial model.



# Trustworthy quality excellence

**>85 Quality score per year in the cumulative Group Quality Excellence Index<sup>18</sup> (GQE).**



**"We care about customers** over time as our utmost priority, providing products and systems designed to **fulfil their expectations of comfort and efficiency** with best-in-class services". In line with our internal ambition, our quality mission is driven by our vision of **gaining customers' loyalty** and enable them to **become our best promoters**.



OUR PROGRESS  
IN 2022

## QUALITY AS THE GROUP'S OUTMOST PRIORITY

2022 saw the definition of **Ariston Group's Quality Strategy**, whose vision and mission have been defined according with the Group's vision and mission. Whilst the Group's Quality vision states that "We want our customers being our best promoters", the Quality mission recites that "We care about customers over time as our outmost priority, providing products and systems designed to fulfil their expectations of comfort and efficiency with best-in-class services". To pursue this mission, the Company defined a forward-looking strategy on:

- **Products and systems:** in order to be close to markets and customers with a comprehensive portfolio that meets end-users' needs, the development of a specific approach to define accurate solution specifications from the very beginning is key, as well as the deployment of dedicated practices for new technologies. With this in mind, in 2022 **test protocols** coverage, by also – but not only – new testing facilities implementation and a **further harmonisation of the core production processes** were launched.
- **Services:** service excellence is guaranteed over time through constant support to customers, ensuring technical expertise on the product and its life cycle. Collaboration between back and front-end is fundamental to ensure more responsiveness with a customer-centric mindset. 2022 saw the definition of a new governance between key central and local business functions, to enhance the **end-to-end technical escalation flow**.
- **Customer care:** the ambition is based on Ariston Group's goal of ensuring customer satisfaction over time, along the whole journey, through a top service level and product mix whilst preserving the **installed base**. In 2022, customer satisfaction collection and **structured technical committees** have been deployed to guarantee the integration of Ariston Group's stakeholder voice in current and future actions.
- **Mindset and awareness:** quality has always been in the Company's DNA, but it is key to continuously improve, enhancing the awareness, the sense of urgency and attention this topic necessitates and leverage internal competencies. In 2022, the Group focused its efforts on strengthening the Company's quality culture, **cascading it to all business levels**. To achieve this, a specific path has been undertaken, jointly led by Quality and HR-Internal Communication in order to further drive the quality awareness within the organisation.
- **Drive by data:** obtaining a high-quality standard relies on a robust data and IT systems architecture driving the decisions. In 2022, the Group expanded its **quality-KPI system**, leveraging on an increasing number of connected products, platforms and tools that guarantees better access to measurements and data science.



Above mentioned 2022 activities are core part of the Quality Roadmap Program whose roll out is systematically measured along the year.

Quality is and has always been in the Company's DNA through a perfect mix of managerial attention and employee empowerment to consider quality as a driving value, yet without any compromise in terms of safety and compliance. The strong role of the Group's management team, putting Quality as a driver at all levels of the organisation, represents the main driver for continuous improvement. In this context, the Company will continue to **monitor and renew its tools to maintain excellent levels of quality** in products and services.

# 5. Governance



*Creating value responsibly*

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



# Key challenges



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



**Measuring and managing actual and potential impacts** that are caused or suffered by Ariston Group through the adoption of an ESG risk management framework.



**Ensuring an effective cybersecurity approach** through policies and procedures to prevent threats and resiliency plans to protect business continuity, in response to regulatory requirements.

# Long-sighted sustainable governance

*Ongoing **yearly commitments** developed to meet **high governance standards** on sustainability*



2030 TARGET AND AMBITION

The Group's approach of strengthening its environmental, social and governance responsibilities follows the line of **continuous improvement towards an increasingly structured and solid sustainable governance**. While long-term attention will be directed to **consolidating an external stakeholder engagement strategy** and broadening its sphere of public policy influence, in the short-term, Ariston Group is committed to continuing to **develop policies, strategies and tools** related to diversity, remuneration, risk management, tax strategy and business conduct.

Supporting initiatives to be achieved by 2025

At least **33%**

**female** among the **Group Board of Directors** members

(18% in 2022)

**Risk and Crisis Management** enhancement

**Codes of Business Conduct** continuous improvement:

Code of Ethics, corruption and bribery, human rights

**Tax Strategy** strengthening

OUR PROGRESS  
IN 2022STRENGTHENING THE GROUP'S SUSTAINABILITY  
GOVERNANCE MODEL

On November 26, 2021, Ariston Holding N.V completed its **public offering**, by listing and trading its ordinary shares on **Euronext Milan**, the regulated market managed by Borsa Italiana S.p.A. Since then, the Group's Internal Control System has been gradually expanded, drawing inspiration from, among other sources, the principles laid down in Article 7 of the Corporate Governance Code for Listed Companies, promoted by Borsa Italiana, and the Dutch Corporate Governance Code (DCGC). The Control System is structured as follows:

• **Shareholder's Meeting:** decides on the matters reserved for it under the law and the articles of association. The Ordinary and Extraordinary Shareholders' Meetings are convened to take the decisions reserved for it and is chaired by the Chair of the Board of Directors.

• **Board of Directors:** comprised of **executive and non-executive Directors**, it manages the Group, is responsible for business continuity and compliance with all relevant laws and regulations. It focuses on **long-term value creation** and takes **stakeholders interests** into account. These responsibilities are vested collectively<sup>19</sup>. **Paolo Merloni** is the Executive Chairman of the Company, while **Marinella Soldi** is the Lead Non Executive Director of the Board. Directors are **appointed by the general meeting** following 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 such majority represents more than half of the issued share capital of the Company. **Independence** and **diversity** represent two criteria adopted for the selection and nomination of the highest governance body.

GUARANTEEING A DIVERSELY  
COMPOSED BOARD

On 1 January 2022, a new Dutch law entered into force which provides that certain large companies, such as the Company, have to set appropriate and ambitious goals in the form of **a target to achieve a more balanced ratio between the number of men and women** on the Board as well as for a certain category of employees in management positions to be determined by the Company. The Board has to set measurable objectives for achieving these diversity targets. In fact, on 3 November 2022, the Board resolved to adopt a **diversity policy** which defines the guidelines by which the Company will maintain an adequate level of diversity and addresses a concrete target related to diversity in the Board: **at least 33% female by the end of 2025**.

As of 31 December 2022, the Board comprised the following directors:

Name	Year of birth	Nationality	Gender	Position	Committees	First appointment	End of term
Paolo Merloni	1968	Italian	M	Executive director (Executive Chairman)	A*, D	10 June 2021	2024
Laurent Jacquemin	1969	Belgian	M	Executive director (Chief Executive Officer)		10 June 2021	2024
Marinella Soldi	1966	Italian	F	Non-executive director (Lead Non-Executive Director) ( <i>independent</i> )	B, D	10 June 2021	2024
Roberto Guidetti	1963	Italian	M	Non-executive director ( <i>independent</i> )	B*, D	10 June 2021	2024
Francesco Merloni	1925	Italian	M	Non-executive director		10 June 2021	2024
Maria Francesca Merloni	1963	Italian	F	Non-executive director		10 June 2021	2024
Lorenzo Pozza	1966	Italian	M	Non-executive director ( <i>independent</i> )	C*	17 June 2021	2024
Andrea Silvestri**	1968	Italian	M	Non-executive director	C	15 June 2021	2024
Paolo Tanoni**	1957	Italian	M	Non-executive director		10 June 2021	2024
Ignazio Rocco di Torrepadula	1962	Italian	M	Non-executive director ( <i>independent</i> )	B, C	10 June 2021	2024
Enrico Vita	1969	Italian	M	Non-executive director ( <i>independent</i> )	A	10 June 2021	2024

\* Committee Chair

\*\*Andrea Silvestri and Paolo Tanoni resigned with effective date 2 January 2023 and Antonia Di Bella and Guido Krass were appointed with effective date 2 January 2023.

A = Strategic Committee

B = Compensation and Talent Development Committee

C = Audit Committee

D = ESG Committee

In 2022, Sabrina Baggioni resigned, with effective date 3 November 2022, to take on the role of Chief Digital and Marketing Officer for the Group. In addition, on 19 December 2022 the General Meeting approved the appointments of Mr. Guido Krass and Ms. Antonia Di Bella under the condition precedent of the closing of the acquisition of all the share capital of CENTROTEC Climate Systems GmbH. Mr. Andrea Silvestri and Mr. Paolo Tanoni resigned from the Board under the same condition precedent. Closing of the acquisition took place on 2 January 2023.

The corporate organisation is further composed by **four committees** that are part of and support the Board of Directors of Ariston Holding N.V.<sup>20</sup>:

Main courses at Group level	Objectives
Strategic Committee	Advises the Board of Directors on strategic business decisions, business models, operational approaches and growth opportunities
Compensation and Talent Development Committee	Defines selection and assessment criteria, proposes remuneration policies and draws succession plans for the senior management and Board Member
Audit Committee	Supervises financial reporting, the risk management approach, and the Control System. In addition, it supports with matters related to internal and external audit, financial resources, IT and cybersecurity and tax policy
Environmental, Social and Governance (ESG) Committee	Defines the ESG vision and strategic plans, monitors its implementation, supervises communication activities and sets the Group's ESG culture

## TOWARDS A SUSTAINABLE GOVERNANCE

As part of its ambition, Ariston Group is working to **strengthen its structure**, currently composed by **three functions** that are fully dedicated to sustainability, in line with the Group's goal of embedding it into its corporate strategy and of enhancing stakeholder accountability.

The **ESG committee** supports the Board on (i) providing guidance to steer the strategy of the Group in terms of ESG visions and commitments; (ii) approving the Group's material topics and relative ESG plan (targets, activities and KPIs); (iii) monitoring the ESG plan execution in terms of target achievement and progress of actions, including areas of work required by ESG rating agencies; (iv) approving the Group's ESG communication plan and reporting methods related to ESG issues, such as "Declaration on non-financial issues"; (v) promoting the dissemination of a Sustainability Culture in the Group; (vi) supervising the activities of listening, dialogue and involvement of stakeholders.

The **ESG Council** is a cross-country and cross-functional roundtable between Global Executive Committee members and the ESG Director to discuss ESG challenges and develops the strategies needed to surmount them.

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

## ENTERPRISE RISK MANAGEMENT (ERM)

Effective risk management, **integrated into the corporate governance system**, is a crucial factor in safeguarding the value of the Group over time. The Group's Internal Control System has therefore been developed in compliance with the Dutch Corporate Governance Code (DCGC) and Italian laws applicable to listed companies with legal seat in a foreign country. The Group has adopted a **Risk Management model** that designs and includes suitable tools for identifying, measuring, managing and monitoring risks that could affect the achievement of strategic objectives. The tool to identify, assess and monitor corporate risks is based on the **Self Risk Assessment approach**. Risks are analysed, determining the likelihood of their occurrence and their impact, in order to establish their priority and how they should be managed.

Business risks are monitored with at least **monthly frequency** through management meetings during which results, opportunities, risks and respective measures are analysed for all business segments and geographical areas in which the Group operates. The **Internal Audit function** systematically verifies the effectiveness of risk management and the Internal Control System as a whole, **reporting the results of its activities to the Board of Directors, the Audit Committee, and the Supervisory Board of Ariston Holding N.V.** for specific risks related to compliance with Legislative Decree no. 231/2001. This process led to the identification of four main risk categories:

- **Strategic:** risks which may derive from the pursuit of the business plan, from strategic changes in the business environment, and/or from adverse strategic business decisions that could affect the Group's long-term positioning and performance.
- **Operational:** risks which may affect internal processes, people, systems, and/or external resources that affect the Group's ability to pursue its strategy.

- **Compliance:** risks of non-compliance with laws, regulations, local standards, the Code of Ethics, internal policies and procedures.
- **Financial:** risks relating to uncertainty over returns and the potential for losses due to financial performance, together with the reliability of the financial information provided in reports.

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

- **Ability to expand its range of products, delivering innovative solutions to meet customer needs and preferences, and compliant with regulatory requirements.** The Group's future success will depend on its ability to consistently address changes in end-user demands and in compliance with the latest regulatory requirements. The Group exploits its in-depth knowledge of the markets to adapt its proposals to the latest technologies and needs by accelerating the heat-pump range and the development of all technological and product roadmaps.
- **Dependence on/Scarcity of raw materials, components and heightened tensions on energy prices utilities.** The Group must manage and mitigate the supply chain pressures alongside the risks of disruption in the European gas imports and inflationary trends related to the availability, quality and cost of raw materials, utilities, component parts, and specific finished products.
- **The ongoing Russia-Ukraine conflict and related escalating geopolitical tensions** continue to generate further volatility and local market uncertainty.

- **Employees' health and safety.** The Group strives to manage at best its employee health and safety, rigorously complying with applicable laws.
- **Cyber-attacks.** The Group, like many other multinational companies, depends on the efficient and uninterrupted operation of its information and communication technology and its ability to successfully manage increasing cybersecurity risks.

## INTEGRATING ESG RISKS INTO THE ERM FRAMEWORK

To spread an **ESG risk-based culture**, which involves identifying, preventing and monitoring the actual and potential impacts of the business on the economy, environment and people, the Group has developed its **ESG impacts mapping exercise** in line with the new requirements set by the Global Reporting Initiative (GRI), the most adopted sustainability reporting standard at international level. Ariston Group has started integrating ESG impacts into its existing ERM process to ensure that these risks, which have operational, economic and regulatory repercussions at both local and global level, are included in the Company's broader risk portfolio. The priority identified risks included addressing GHG emissions reduction targets, substances of concern in products, life-cycle assessments, cybersecurity concerns and ESG supply chain management.

## ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

To identify and manage risks and improvement areas concerning Environmental, Health and Safety issues, the Group has implemented an **Occupational Health and Safety Management System and an Environmental Management System**. Both fulfil the requirements of the international standards ISO 14001:2015 and ISO 45001:2018. The two Management Systems, also integrated with the ISO 9001:2015 certified **Quality Management System**, set the basis

for the continuous improvement of environmental and prevention policies for the **systematic control of risks**. The System, described in the **HSE Management Manual**, is structured according to a cyclical sequence of planning, implementation, monitoring and review phases and provides harmonised tools and guidelines to pursue the objectives expressed in the **Group's HSE Policy**, ensuring legal compliance. Management Systems Reviews are carried out by the Top Management and consequent outputs are then translated into defined goals and improvement actions.

## BUSINESS CONTINUITY PLAN (BCP)

In line with the Dutch Corporate Governance Code, that requires a company's management to be responsible for the operational continuity of its business, in 2022 the Group implemented action plans to further enhance its **risk management and control systems**. The Board of Directors is responsible for identifying and managing strategic and business risks and, as part of this responsibility, the Board has developed a **Business Continuity Plan (BCP)** to annually **identify, measure, monitor and verify the risks to the Company's operational continuity**, including those related to extreme natural events, raw material shortages and cyberattacks. The BCP will enable the Group to better **prepare for interruptions of any kind**, from large-scale natural disasters to technology-related incidents, outlining procedures to follow when **responding to, recovering from and restoring activities to pre-defined levels following interruptions**, defining the resources, services and activities required to ensure the continuity of critical organisational functions. Currently, each plant is responsible for restoring its own site in case of an emergency and has its own operational continuity plan (OCP). Each site has assessed the risk of interruption in the supply of critical products and raw materials and has set out emergency plans to ensure the continuity of supply. Alternative solutions are identified where applicable and documented accordingly in the BCP for each plant. With key Italian plants already assessed, Ariston Group is currently in the process of **coordinating the implementation of the BCP to all of its key plants globally**, in order to outline specific risks and identify tailored remediation plans.

## 231 ORGANISATIONAL MODEL

The Group adopted the Organisation and Management Model required of Italian companies under **Legislative Decree 231/2001, which has been revised in 2022**, to prevent the commission of crimes and unethical conduct. Ariston Holding N.V.'s Organisation and Management Model was updated by the Board at the meeting held on 16 December 2022. Even after the domiciliation of the Group in the Netherlands and pursuant to the provisions of the decree, the Company appointed the *Organismo di Vigilanza*, composed of three members and an external chair, ensuring a constantly updated **Organisation and Management Model** and complying with the procedures and information flows required to effectively implement regulatory provisions. The *Organismo di Vigilanza* reports annually to the Board of Directors, informing it of any critical issues encountered, and constantly monitors problems until resolved. Legislative Decree 231/2001 has also been implemented in the Group's Italian subsidiaries. In fact, since it has its **main place of business in Italy**, and in accordance with Legislative Decree 231/2001 as well as the criminal code in terms of enforceability of these legal provisions, Ariston Group decided to remain fully compliant with these laws. Additionally, at the end of 2022, an **online training on the 231 model** was provided to 1280 white collar employees of Italian operations. The training will be expanded to include blue collars in 2023.

## WHISTLEBLOWING SYSTEM

In 2018, Ariston Group implemented its **whistleblowing procedure**, part of the Group's Code of Ethics, to enable employees and third parties to **raise concerns** and disclose information related to malpractice, alleged violations of business ethics, financial and accounting fraud, harassment, intimidation or discriminatory behaviour towards such employees or third parties. Relevant concerns may include abuse of authority, breach of contract, dangers to health, safety and environment, manipulation of company data/records, criminal offence or activity and so on. The Group appointed a **Whistleblowing Internal Committee** composed by **Internal Audit Committee's Members** and the **Group Legal and Corporate Affairs Manager**. The Committee was designed to define and close investigations, validate the results through ad hoc reports, evaluate the necessity to extend the investigations and, finally, take actions and sanctions/penalties. To streamline the system and further its reach, the Group developed a **dedicated section on its website, allowing to file reports anonymously**, a secure channel which is meant to protect whistle-blowers' privacy. 2022 saw **12 claims** being made, against the 14 addressed in 2021.

## ANTI-MONEY LAUNDERING AND TRADE COMPLIANCE

In 2019, the Company adopted an organisational model that allows to ensure the Group's compliance with **Anti Money Laundering (AML)** and **International Trade Compliance** regulations at national, European and international level. Noteworthy among them are the so-called **Office of Foreign Assets Control (OFAC)** Regulations of the US and the specific Regulations adopted by the EU with respect to sanctions and restrictions against certain countries and entities as well as to dual use, including **Regulation 428/2009**. The main tool adopted by the Company to this end is the **Trade Compliance Manual**, which lists the various measures in place to prevent conduct contrary to Trade Compliance regulations. These consist of specific conduct procedures that involve several checks and reviews throughout the performance of sensitive business operations. In 2021, Ariston Group decided to purchase a new organisational tool for Trade Compliance: **software dedicated to running individual and collective checks** on employees, customers, and suppliers as well as **conducting specific investigations** where required. All such measures are referenced in the Code of Ethics, of which they form an integral part. Twice a year, the Group, through a tool managed by an external supplier, conducts a general **review of 10,000 counterparties** (including suppliers, customers, and employees), with respect to the ones located in the so-called Sensitive Countries, to identify any entities sanctioned under OFAC, UN, and EU Sanctions Lists. The Group analyses the findings and, if necessary, asks an external advisor to perform additional Due Diligence, halting transactions where required. This process is repeated also before beginning a new business relationship in a sensitive region. Moreover, in 2022 the Group conducted an overall review of the Trade Compliance Manual and is going to publish an updated version, with a more accurate chapter about sanctioned countries and internal processes on commercial relationships with customers from listed countries.

## ANTITRUST REGULATION

Ariston Group runs its business while **respecting competition rules** and their foundational principles of **merit, fairness and loyalty**. The Group requires employees globally to maintain a conduct that is fully consistent with the **provisions of national and international antitrust laws and regulations**, the **Code of Conduct** and the **Code of Ethics**. The Group's organisation model allows to promptly verify compliance with the relevant EU regulations. Since 2018, the Company has been performing a thorough assessment and refreshing its antitrust programme, including a dedicated manual and guidelines, and is offering online training to all employees developed to raise awareness about applicable laws and the relevant principles. A new and updated training online tool to be implemented starting from beginning of 2023 to ensure acknowledgement of rules and legal provisions and awareness of correct behaviour, compliant with competitive rules, available to all Group employees.

## ANTI-BRIBERY

As per the Code of Ethics, **Ariston Group has a zero-tolerance policy towards any acts of active or passive corruption involving any public or private entity or individual**. The Group and its subsidiaries undertake to comply with and enforce applicable anti-bribery legislation. Moreover, the Code explicitly forbids taking advantage or boasting of existing or alleged relationships with Public Administration officials to give or promise money or other utilities to oneself or others as the price for illicit mediation with the public official, or to compensate him or her with respect to the performance of his/her functions or powers.

## HUMAN RIGHTS DUE DILIGENCE

Ariston Group is aware that **respect for human rights** needs specific oversight and management tools and procedures, especially as it operates internationally and in close contact with countries characterised by complex socio-political frameworks and in which the rights of workers and the relationships between partners are not always disciplined by regulations equivalent to EU standards. The principles of legality, dignity and equality expressed in the **Group's Code of Ethics and values**, as well as the choice of partners with proven reliability in managing local workers and suppliers, are the foundations on which the Group manages such issues.

At the beginning of 2022, the European Commission adopted a **proposal for a Directive on Corporate Sustainability Due Diligence** to promote sustainable and responsible corporate behaviour by integrating human rights and environmental concerns into business operations and corporate governance. The Group has therefore started working towards the implementation of an **all-encompassing human rights due diligence** which will soon be extended to the supply chain.



## AN EVER-EVOLVING CYBERSECURITY APPROACH

In order to anticipating ever evolving cybersecurity threats, the Group is developing the ICT Security Model, a comprehensive model based on a **predictive, preventive and proactive approach**, which involves analysing past and current events to gain insights and prevent unknown threats, as well as **empowering and training employees to minimise risks**.

The Group is continuously exploring and investing in new solutions and tools to make this process as effective as possible and to protect its systems and data against cyber-attacks. In 2022, Ariston Group has been focusing on **building a robust and resilient cyber defence**, equipping its ICT Security Team with the tools and strategies necessary to safeguard against a wide range of threats. The team has worked to identify and implement the **most effective security controls**, while also providing **support for incident investigation and recovery**.

Further, the Group is also dedicated to **empowering its global workforce with the knowledge and tools** they need in order to play an active role in preventing cyber threats, by providing **security awareness trainings and targeted training for top management**. To achieve these goals, the Company has turned to **Proofpoint**, a comprehensive email security solution that delivers **advanced protection against phishing and other email-borne threats**. With Proofpoint, the organisation has been able to identify key areas where **additional training** is most needed and provide **tailored support** for most vulnerable individuals. In parallel, the solution also enabled to **discover and mitigate ransomware** and other advanced email threats delivered via attachments and URLs deploying the Proofpoint Enterprise Protection email security gateway, including its Email Fraud Defence and the Targeted Attack Protection (TAP). Thanks to these solutions, the Group has seen a **reduction in risks related to malware and targeted attacks**.

## TAX GROUP STRATEGY

In 2022, the Group approved a new Tax Strategy with the goal to establish a common **approach to tax** and a **governance structure** that outlines clear management roles and responsibilities. The Group is committed to ensuring that its tax practices are consistent with its values and tax regulations in the jurisdictions where it operates. The main purposes of the tax strategy are:

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

To manage and mitigate tax risks in line with Non-Financial Reporting standards, legislative obligations and the values expressed in the Code of Ethics, the **Tax Control Framework (TCF)** was approved in December 2022, with the goal of increasing transparency and contributing to the economy and social well-being of the Company. During the year, a **Tax risk assessment** was also carried out, which led to the identification of 11 main tax areas and 81 tax risks, including transfer pricing and withholding tax on cross-border flows. The recognition of tax risks and the controls to mitigate them is merged into the **Tax Risk and Controls Matrix** of Ariston S.p.A. The TCF will be applied first to Ariston S.p.A. and Italian companies, and then to other companies within the Group operating in other countries. The governance of the TCF is regulated in the **Tax Compliance Model (TCM)** which defines the roles and responsibilities in the management of the tax variable and the execution of monitoring activities of the processes prepared to mitigate tax risk, entrusted to the **Tax Risk Officer (TRO)**.

# Note on methodology

## HOW THIS DOCUMENT WAS CREATED

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

The information contained in this document refers to **fiscal year 2022** (from the 1st of January to the 31st of December). The information is to be read in conjunction with the ESG strategic targets the Group has set in view of 2030. Information regarding long-term targets and objectives is available in more detail in the Road to 100 Report.

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

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

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

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

# Technical appendix

## ABOUT THIS APPENDIX

This Technical Appendix is produced to supplement the Ariston Group Sustainability Report 2022 as it provides details of the methodology and quantitative data. This Appendix has been prepared in accordance with the GRI Standards: with reference option.

This document contains:

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

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

# GRI content index

<b>Statement of use</b>	Ariston Group has reported the information cited in this GRI content index for the period 01/01/2022 - 31/12/2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	NOTES
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Ariston Group	Fully reported
	2-2 Entities included in the organization's sustainability reporting	The entities included within the Sustainability Report are the same of the consolidated financial statements and include the economic, social and environmental results of all the companies of Ariston Group operating worldwide	Fully reported
	2-3 Reporting period, frequency and contact point	Data refers to fiscal year ending on 31.12.2022	Fully reported
	2-4 Restatements of information	The data referring to the years prior to 2022 have not changed compared to those published in the previous edition	Fully reported
	2-5 External assurance	The Sustainability Report 2022 has not been subject to external assurance	Fully reported
	2-6 Activities, value chain and other business relationships	§ Our Group	Fully reported
	2-7 Employees	See sheet 2-7	Fully reported
	2-8 Workers who are not employees	See sheet 2-8	Fully reported
	2-9 Governance structure and composition	§ Strengthening the Group's Sustainability Governance Model; § Guaranteeing a Diversely Composed Board; § Towards a Sustainable Governance	Fully reported
	2-10 Nomination and selection of the highest governance body	§ Strengthening the Group's Sustainability Governance Model	Fully reported
	2-11 Chair of the highest governance body	§ Strengthening the Group's Sustainability Governance Model	Fully reported
	2-12 Role of the highest governance body in overseeing the management of impacts	§ Strengthening the Group's Sustainability Governance Model	Fully reported
	2-13 Delegation of responsibility for managing impacts	§ Strengthening the Group's Sustainability Governance Model	Fully reported
	2-14 Role of the highest governance body in sustainability reporting	§ Strengthening the Group's Sustainability Governance Model	Fully reported
	2-15 Conflicts of interest	See Annual Report 2022 dedicated section	Fully reported

GRI STANDARD	DISCLOSURE	LOCATION	NOTES
<b>GRI 2: General Disclosures 2021</b>	2-16 Communication of critical concerns	Critical concerns are communicated to the Board through the Internal Audit function and Audit Committee. Fewer than 45 cases have been reported of non-compliance with the Code of Ethics, misconduct and corruption, the outcome of which did not have a significant economic impact.	Fully reported
	2-17 Collective knowledge of the highest governance body	The Board approves the ESG Strategy and Plan which includes the materiality analysis and all the milestone activities to be implemented to achieve the targets and the information therein contained which include the materiality analysis and ESG risks analysis. Its members also regularly take part in sustainability related events and conferences.	Partial disclosure
	2-18 Evaluation of the performance of the highest governance body	See Annual Report 2022 dedicated section	Fully reported
	2-19 Remuneration policies	See Annual Report 2022 dedicated section	Partial disclosure
	2-20 Process to determine remuneration	See Annual Report 2022 dedicated section	Fully reported
	2-21 Annual total compensation ratio	See Annual Report 2022 dedicated section	Partial disclosure
	2-22 Statement on sustainable development strategy	§ Projecting bridges to our future	Fully reported
	2-23 Policy commitments	In the assessment and management of economic, environmental and social risks, Ariston Group adopts an approach based on the precautionary principle. Links to the Group's ESG commitments can be retrieved at: <a href="https://www.aristongroup.com/en/download-area">https://www.aristongroup.com/en/download-area</a> . The Group's ESG policies are approved by the Board of Directors and disseminated through mailings, acknowledgement and acceptance, the company intranet, trainings and awareness-raising.	Partial disclosure
	2-24 Embedding policy commitments	§ Enterprise Risk Management; § 231 Organisational Model	Partial disclosure
	2-25 Processes to remediate negative impacts	§ Enterprise Risk Management; § Whistleblowing System; Code of ethics	Partial disclosure
	2-26 Mechanisms for seeking advice and raising concerns	§ Whistleblowing System	Fully reported
	2-27 Compliance with laws and regulations	The company Gastech Energy committed a breach of antitrust law for total value fine 8DKK before being part of Ariston Group and for this reason they reimbursed Ariston according to the Seller according to Share Purchase Agreement. The payment was settled in 2022.	Fully reported
	2-28 Membership associations	§ Ariston Group in European and International discussions; See sheet 2-28	Fully reported

GRI STANDARD	DISCLOSURE	LOCATION	NOTES
<b>GRI 2: General Disclosures 2021</b>	2-29 Approach to stakeholder engagement	§ How did we get here? § See sheet 2-29	Fully reported
	2-30 Collective bargaining agreements	The percentage of total employees covered by national collective bargaining agreement amounts to 100%. In case collective bargaining agreements are not provided, the individual contract incorporates local regulations, guaranteeing the minimum wage.	Fully reported
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	§ How did we get here?	Fully reported
	3-2 List of material topics	§ How did we get here?	Fully reported
	3-3 Management of material topics	§ Enterprise Risk Management; § Towards a sustainable governance	Fully reported
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	See sheet 202-1	Fully reported
<b>GRI 202: Market Presence 2016</b>	202-2 Proportion of senior management hired from the local community	See sheet 202-2	Partial disclosure
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	See sheet 204-1	Partial disclosure
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	See sheet 205-2	Partial disclosure
<b>GRI 206: Anti-competitive behavior</b>	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	See sheet 206-1	Fully reported
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	See sheet 301-1	Partial disclosure
	301-2 Recycled input materials used	See sheet 301-2	Partial disclosure
<b>GRI 302: Energy 2016</b>	GRI 302-1   Energy consumption within the organization	See sheet 302-1	Partial disclosure
	GRI 302-2   Energy consumption outside of the organization	See sheet 302-2	Partial disclosure
	302-3 Energy intensity	See sheet 302-3	Partial disclosure
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	See sheet 303-1	Fully reported
	303-2 Management of water discharge-related impacts	See sheet 303-2	Fully reported
	303-3 Water withdrawal	See sheet 303-3	Partial disclosure
	303-4 Water discharge	See sheet 303-4	Partial disclosure
	303-5 Water consumption	See sheet 303-5	Partial disclosure

GRI STANDARD	DISCLOSURE	LOCATION	NOTES
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See sheet 304-1	Fully reported
	304-2 Significant impacts of activities, products and services on biodiversity	See sheet 304-2	Fully reported
	304-3 Habitats protected or restored	See sheet 304-3	Fully reported
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	See sheet 304-4	Fully reported
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	§ A 360 Degrees Decarbonisation Strategy	Partial disclosure
	305-2 Energy indirect (Scope 2) GHG emissions	§ A 360 Degrees Decarbonisation Strategy	Partial disclosure
	305-3 Other indirect (Scope 3) GHG emissions	§ A 360 Degrees Decarbonisation Strategy	Partial disclosure
	305-4 GHG emissions intensity	§ A 360 Degrees Decarbonisation Strategy	Partial disclosure
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	See sheet 305-1	Fully reported
	306-2 Management of significant waste-related impacts	See sheet 305-2	Fully reported
	306-3 Waste generated	See sheet 305-3	Fully reported
	306-4 Waste diverted from disposal	See sheet 305-4	Fully reported
	306-5 Waste directed to disposal	See sheet 305-5	Fully reported
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	See sheet 401-1	Fully reported
	401-3 Parental leave	See sheet 401-3	Partial disclosure

GRI STANDARD	DISCLOSURE	LOCATION	NOTES
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	See sheet 403-1	Fully reported
	403-2 Hazard identification, risk assessment, and incident investigation	See sheet 403-2	Fully reported
	403-3 Occupational health services	See sheet 403-3	Fully reported
	403-4 Worker participation, consultation, and communication on occupational health and safety	See sheet 403-4	Fully reported
	403-5 Worker training on occupational health and safety	See sheet 403-5	Fully reported
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See sheet 403-7	Fully reported
	403-8 Workers covered by an occupational health and safety management system	See sheet 403-8	Fully reported
	403-9 Work-related injuries	See sheet 403-9	Fully reported
	<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	See sheet 404-1
404-2 Programs for upgrading employee skills and transition assistance programs		See sheet 404-2	Partial disclosure
404-3 Percentage of employees receiving regular performance and career development reviews		See sheet 404-3	Partial disclosure
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	See sheet 405-1	Fully reported
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Ariston Group complies with all international and local regulations concerning health and safety impacts of 100% of its products and services	Fully reported
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period	Fully reported

GRI STANDARD	DISCLOSURE	LOCATION	NOTES
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	The Group's procedures require the following types of information for the labelling of its 100% of its products and services: the sourcing of components, the content, particularly with regard to substances that might produce an environmental or social impact, how to use a product safely and how to dispose of it	Fully reported
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See sheet 418-1	Fully reported

## GRI 2-7 | EMPLOYEES

a. Employees by gender and region** <i>Head count / Full Time Equivalent (FTE)</i>	2022					2021					2020				
	Female	Male	Other*	N.D.	Total	Female	Male	Other*	N.D.	Total	Female	Male	Other*	N.D.	Total
Americas**	179	802	0	0	981	213	1.085	0	0	1.298	162	828	0	0	990
Europe**	1.060	3.907	0	0	4.967	1.035	3.889	0	0	4.924	952	3.874	0	0	4.826
MEA and Asia**	514	1.416	0	97	2.027	415	1.221	0	0	1.636	411	1.217	0	0	1.628
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1.753	6.125	0	97	7.975	1.663	6.195	0	0	7.858	1.525	5.919	0	0	7.444

b. Employees by contract gender and region* <i>Head count / Full Time Equivalent (FTE)</i>	2022					2021					2020				
	Americas**					Europe**					MEA and Asia**				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	176	801	0	0	977	812	3.690	0	0	4.502	381	1.092	0	83	1.556
Number of permanent/ part-time employees	2	1	0	0	3	181	113	0	0	294	0	0	0	0	0
Number of temporary/ full-time employees	0	0	0	0	0	60	82	0	0	142	133	324	0	14	471
Number of temporary/ part-time employees	0	0	0	0	0	7	22	0	0	29	0	0	0	0	0
Number of non-guaranteed employees	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Regional total	179	802	0	0	981	1.060	3.907	0	0	4.967	514	1.416	0	97	2.027
Total															7.975

b. Employees by contract gender and region* <i>Head count / Full Time Equivalent (FTE)</i>	2021					2020					2019				
	Americas**					Europe**					MEA and Asia**				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	212	1.085	0	0	1.297	759	3.662	0	0	4.421	293	934	0	0	1.227
Number of permanent/ part-time employees	0	0	0	0	0	191	112	0	0	303	0	1	0	0	1
Number of temporary/ full-time employees	0	0	0	0	0	74	96	0	0	170	122	286	0	0	408
Number of temporary/ part-time employees	1	0	0	0	1	11	19	0	0	30	0	0	0	0	0
Number of non-guaranteed employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional total	213	1.085	0	0	1.298	1.035	3.889	0	0	4.924	415	1.221	0	0	1.636
Total															7.858

b. Employees by contract gender and region* <i>Head count / Full Time Equivalent (FTE)</i>	2020					2019					2018				
	Americas**					Europe**					MEA and Asia**				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
Number of permanent/ full-time employees	162	827	0	0	989	723	3.681	0	0	4.404	277	908	0	0	1.185
Number of permanent/ part-time employees	0	0	0	0	0	170	110	0	0	280	0	0	0	0	0
Number of temporary/ full-time employees	0	1	0	0	1	51	68	0	0	119	134	309	0	0	443
Number of temporary/ part-time employees	0	0	0	0	0	8	15	0	0	23	0	0	0	0	0
Number of non-guaranteed employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional total	162	828	0	0	990	952	3.874	0	0	4.826	411	1.217	0	0	1.628
Total															7.444

**c. Methodologies and assumptions used to compile the data**

Numbers are reported in head count.

**d. Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;**

\* gender distribution not available for Chromagen - Australia (2022)

\*\* The country categorizations referred to include the following countries:

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

**GRI 2-8: WORKERS WHO ARE NOT EMPLOYEES**

a. Workers who are not employees	2022			2021			2020		
	Head count / Full Time Equivalent (FTE)	n.	Contractual relation	Job description	n.	Contractual relation	Job description	n.	Contractual relation
Direct worker	1020	Lease staff contract active at 12.22, mainly in Europe and Asia	The type of work performed is that of direct employees	1032	Lease staff contract active at 12.21, mainly in Europe and Asia	The type of work performed is that of direct employees	676	Lease staff contract active at 12.20, mainly in Europe and Asia	The type of work performed is that of direct employees
Total			1.020			1.032			676

**b. Methodologies and assumptions used to compile the data**

Numbers are reported in head count.

**c. Significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods**

The significant fluctuations from 2020 is due to the increased presence of workers who are not employees in Italy, Vietnam, China and South Africa.

**GRI 2-28 | MEMBERSHIP ASSOCIATIONS CHECK**

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

## GRI 2-29 | APPROACH TO STAKEHOLDER ENGAGEMENT

Stakeholders	Key topics and concerns raised	Approach to stakeholder management
Banks and financial institutions	Economic-financial long term sustainability	Press release, Reporting
	Profitability	Website, Reporting (Sustainability Report and Management Report)
	Global growth	Reporting
	ESG Ratings	Reporting, ad hoc responses
Customers (Installers, Distributors, Importers, Centre of Technical Assistance, Consumers)	Product development and improvement Innovation and introduction of cutting-edge technology	Technical Committees, Technical issue escalation process
	Service effectiveness	Call Center, Website and social network, Internal platform and data about after sales (Athos + Business Intelligence)
	Better comfort and decrease in consumption	Online engagement activities of B2B customers (training, online dedicated meetings), Marketing and Communication tools (brochures, online catalogues)
Local communities	Value creation for the local area	Website
	Respect for the environment	Website, Social network, Reporting
	Employment	Initiatives to support the community, CSR activities
	Respect for the local culture	Reporting
Local, national and supernational institutions	Legislative compliance	Meetings
	Value creation for the local area	Publications Website
Media	Clear and prompt communication	Website
	Transparency to provide information on business issues	Social network
		Press releases
People	Training and professional growth	Intranet and other IT internal tools Global Leadership Program
	Respect for cultural diversity	Training meetings
	Equal opportunities and meritocracy	Trade Union involvement
	Listening and engagement within corporate processes	Team digital collaboration platform
		Performance evaluation
Shareholders	Value creation	Reporting
	Global growth	Reporting
	Social responsibility	Dedicated meetings
	Economic-financial sustainability	Reporting
Suppliers	Reliable partnerships	Meetings
	Support during the components design phase	Meetings
Trade Unions and Trade Association	Respect of health and safety standards	Meetings
	Respect of workers' rights	Website
	Respect of labour contracts	

Stakeholders	Key topics and concerns raised	Approach to stakeholder management
University and Research Center	Research and development on energy efficiency	Dedicated R&D teams
	Talent enhancement	Partnership with Universities and Business Schools worldwide Partnership with Research Centres
Young talents	International development paths	International Career Program, Graduate Programs
	Listening skills	
	Appropriate training for the development of competences	Dedicated training and digital platform Internship

## GRI 201-1 | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Million Euro	2022	2021	2020
Direct economic value generated*	2.432	2.024	1.693
Direct economic value distributed	2.249	1.824	1.626
Operational costs	1.657	1.327	1.046
Value distributed to employees	459	412	387
Value distributed to capital providers	25	8	18
Value distributed to Public Administration	60	25	42
Value distributed to shareholders**	46	48	129
Value distributed to community	2	2	3
Held economic value	192	198	63

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

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

(\*) The release of the provisions were reclassified as a reversal of the related cost

(\*\*) Extraordinary distribution from reserves of EUR 100.2 million not included

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

a. % of senior manager hired from a local community	2022			2021		
	Senior manager hired	Senior manager hired from a local community	% of senior manager hired from a local community	Senior manager hired	Senior manager hired from a local community	% of senior manager hired from a local community
Location of operation: Ariston Group	17	17	100%	17	17	100%
Total	17	17	100%	17	17	100%

### b. Definition used for 'senior management'

The senior management of Ariston Group consists of the people who cover a role in an organisational position from A to E band (from EVP to Director role).

### c. Organization's geographical definition of 'local'

With regards to local community, the definition relied on includes individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation.

### d. Definition used for 'significant locations of operation'

Significant locations of operation include all Group facilities (HQs and local organisations).

Note: Data corresponding to 2020 is not available.

## GRI 204-1 | PROPORTION OF SPENDING ON LOCAL SUPPLIERS

a. Percentage of the procurement budget	2022	
	Spent %	
Location of operation: Group level	72%	

### b. The organisation's geographical definition of 'local'

Ariston Group defines as "locals" those suppliers who provide goods and services in the same country of the Group legal entity they are supplying.

### c. The definition used for 'significant locations of operation'

Group level

Note: Data corresponding to 2021 and 2020 is not available.

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

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

b. Communication on anti-corruption policies and procedures to employees	2022		
	Total employees (n)	Informed employees (n)	Informed employees (%)
White Collar			100%
Blue Collar			100%

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

c. Communication on anti-corruption policies and procedures to partners	2022		
	Total business partner (n)	Informed business partner (n)	Informed business partner (%)
Business partner (specify type)			100%

Note: The Group's Code of Ethics is shared with all business partners.

e. Training on anti-corruption policies and procedures to employees	2022		
	Total member (n)	Trained employees (n)	% Trained employees
White Collar			100%
Blue Collar			0%

Note: With regards to anti-corruption training, a specific module on this topic is included in the "Compliance 231" training which was provided in 2022 to white collars in the Italian operations. Training will be extended to all blue collars in 2023.

Note: Data corresponding to 2021 and 2020 is not available.

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

a. Legal actions	2022	2021	2020
Legal actions pendings	0	1	1
Legal actions completed	1	0	0
Total legal actions	1	1	1

### b. Main outcomes of completed legal actions

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

## GRI 301-1 | MATERIALS USED BY WEIGHT OR VOLUME

a. Materials used to produce and package the organization's primary products	2022	2021	2020
Total weight or volume of materials used	262.250.931	240.591.062	N/A

### Description of materials used

Raw materials only

### Purchase materials

Purchase from external suppliers

## GRI 301-2 | RECYCLED INPUT MATERIALS USED

a. Percentage of recycled input materials used to manufacture the organization's primary products and services	2022	2021	2020
% of recycled input materials	35%	31%	N/A

Note: The material considered refers only to steel, which anyway represents over 70% of total material purchased to manufacture the primary products.

## GRI 302-1 | ENERGY CONSUMPTION WITHIN THE ORGANIZATION

The reporting organization shall report the following information:

- Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.
- Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.
- In joules, watt-hours or multiples, the total:
  - electricity consumption
  - heating consumption
  - cooling consumption
  - steam consumption
- In joules, watt-hours or multiples, the total:
  - electricity sold
  - heating sold
  - cooling sold
  - steam sold
- Total energy consumption within the organization, in joules or multiples.
- Standards, methodologies, assumptions, and/or calculation tools used.
- Source of the conversion factors used.

a. Total fuel consumption within the organization from non-renewable sources, including fuel types used* (GJ)	2021
Natural gas	574.446,95
Diesel	4.391,42
GPL	18.871,16
Oil	1.117,65
Petrol	186,26
Other fuels	344,17
Fleet	99.673,77
Total	699.031,38

\*Data on 2020 and 2022 is under definition. Total fuel consumption from renewable sources is not applicable.

c. Electricity, heating, cooling and steam for consumption* (GJ)	2021
Electricity consumption	346.094,15

\*Data for heating, cooling, steam consumption cannot be disaggregated from total energy consumption. Data on 2020 is not available and 2022 is under definition.

e. Total energy consumption within the organization* (GJ)	2021
	1.045.126

\*Data on 2020 is not available. Data on 2022 is under definition.

### f. Standards, methodologies, assumptions, and/or calculation tools used

The total energy consumption (fuel, gas, electricity) of production plants has been collected from HSE and/or maintenance referents of each plant, while for all other facilities (offices, warehouses..) it has been estimated starting from facilities SQM and taking into consideration some facilities as representative. Fleet energy consumption has been estimated converting fuel spending provided by leasing companies into consumption.

### g. Source of the conversion factors used

DEFRA\_conversion-factors-2021-full-set-advanced-users version 2.0  
Gross calorific values

## GRI 302-2 | ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

The reporting organization shall report the following information:

- Energy consumption outside of the organization, in joules or multiples.
- Standards, methodologies, assumptions, and/or calculation tools used.
- Source of the conversion factors used.

a. Energy consumption outside of the organization, in joules or multiples.	2021
GJ	1.425.643.103,58

Note: Energy consumption refers to use of sold products, purchased goods and services, upstream transportation and distribution, end of life treatment of sold products, capital goods, downstream transportation and distribution, fuel and energy-related activities, employee commuting, business travel, waste generated in operations. Data on 2020 is not available and 2022 data is under definition.

### b. Standards, methodologies, assumptions, and/or calculation tools used.

The calculation of the energy consumption of sold products is based on yearly energy consumption and life expectancy of the products sold, taking into consideration the energy source, the geographic market (mainly for electric products) and the refrigerant type. For products with no yearly energy consumption on ErP label, thermal need and product efficiency have been used to calculate the missing value. For Air conditioning products, data has been taken from ErP label and energy consumption has been calculated by taking 15% of heating yearly consumption and 100% of cooling. The calculation of the energy consumption of the other categories has been estimated from the spending, which has been converted into energy consumption.

### c. Source of the conversion factors used.

DEFRA\_conversion-factors-2021-full-set-advanced-users version 2.0  
Gross calorific values

## GRI 302-3 | ENERGY INTENSITY

a. / b. Energy intensity (GJ)	2021
Energy intensity (energy consumption within the organisation/euro million)	526

### c. Type of material

The energy type included in the energy intensity is electricity, gas and fuel, provided in GJ, per total production pieces of all of the Group's production plants.

### d. Calculation

The energy intensity calculation includes the total energy consumption of all the production plants within the organisation. With regards to energy consumption an estimation <1% for 2021, <7% for 2022 (data collection not yet completed) is applied.

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

### a. Description of how the organization interacts with water

ISO 14001 guidelines are followed by the Ariston Group throughout its operations when it comes to water management. Water is withdrawn from the municipality and wells and is used for cooling, surface treatment in steel manufacturing plants, finished goods testing and for civil use. The water is subsequently released into sewers or directly in the environment, depending on its use and thus responding to different treatment necessities.

### b. Description of the approach used to identify water-related impacts

The scope of the assessment are the plants of the Group which are 3rd party certified by BSI for ISO 14001. Data was collected on plant meters, on the whole year 2021 and 2022.

Ariston Group is ISO14001 certified and developed a standard to assess environmental aspects and impacts, the water related one is based on:

- the separation between industrial, civil and rainwater management;
- the sensitivity according to the discharge into a receiving water body with ecological status (quality of the water);
- the legal requirement according to plant authorisation category;
- the involvement of stakeholders according to the attention of the community;
- extension representing the area interested by the impact and
- the reversibility of the impact itself.

According to this assessment, Ariston Group's plants factories are considered as low water-related impact.

### c. Description of how water-related impacts are addressed

According to the Group's HSE policy, the Ariston Group pays a high degree of attention to operate in a responsible manner in respect of the environment, avoiding commission of offences, also involuntary, against the environment, in order to ensure continuous improvement. The Group has hence decided to design its management system in accordance with ISO14001 and conduct measurements and assessment, according to the WCM methodology environmental performances. This policy is shared with all the stakeholders and suppliers sign a declaration of commitment.

Ariston Group considers water as a shared resource and reduces its consumption:

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

One plant in semi-desertic area in Mexico where the water consumption is controlled by the authorities. In addition, in some countries like in USA, France and South Africa occasional restriction may be asked by authorities in case of dryness.

### d. Explain the process for setting any water-related goals and targets that are part of the organisation's approach to managing water and effluents

All the Group's plants comply with local authorisations and permits.

## GRI 303-2 | MANAGEMENT OF WATER DISCHARGE RELATED IMPACTS

### a. i. How standards for facilities operating in locations with no local discharge requirements were determined

All of the Group's plants comply with local requirements to manage discharged water quality and periodical controls are organised to verify said compliance. Any deviation is reported in the HSE action tracker that is controlled during internal audits. Any legal non conformity or water pollution is considered a major environmental incident and immediately reported to top management according to the Group's incident management procedure.

### a. ii. Internally developed water quality standards or guidelines

The Group did not develop a water quality guideline since all plants are aligned with local criteria and permits.

### a. iii. Sector-specific standards

No sector-specific standard applies.

### a. iv. Profile of the receiving waterbody

All of the Group's plants discharge water to public sewer or rivers controlled by competent authorities.

## GRI 303-3 | WATER WITHDRAWAL

a. Water withdrawal by source (ML)	2022	2021
Total Water withdrawal	1.025	1.067
Surface water	0	0
Groundwater	835	915
Seawater	0	0
Produced water	0	0
Third-party water*	191	152

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

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

\*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.

c. Water withdrawal by category (ML)	2022		2021	
	freshwater*	other types of water**	freshwater*	other types of water**
Total Water withdrawal	1.025	0	1.067	0
Surface water	0	0	0	0
Groundwater	835	0	915	0
Seawater	0	0	0	0
Produced water	0	0	0	0
Third-party water*	191	0	152	0

\*≤1,000 mg/l total dissolved solids

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

### d. Supporting information

Data for 2022 was extracted from the scorecard of all the ISO14001 certified production plants  
Data for 2021 is extracted from the scorecard of all the ISO14001 certified production facilities  
Data for 2020 is not representative and therefore not disclosed.

## GRI 303-4 | WATER DISCHARGE

a./b. Water discharge by destination (ML)*	2022			2021		
	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	916	-	N/A	1.097	-	N/A
Surface water (Cerreto, Genga, Osimo)	831	-	N/A	917	-	N/A
Groundwater	0	-	N/A	0	-	N/A
Seawater	0	-	N/A	0	-	N/A
Third-party water*	85	-	N/A	180	-	N/A

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

c. Water discharge by type (ML)	2022		2021	
	Freshwater	Other types of water	Freshwater	Other types of water
Water discharge	916	0	1.097	0

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

## GRI 303-5 | WATER CONSUMPTION

Water consumption (ML)	2022	2021
a. Total water consumption in all areas	916	1097
b. Water consumption in water stressed areas	-	-
c. Water storage (if found to have a significant impact)**	0	0

\*\* Said data has been provided for the Wuxi, Wuxi Thermowatt plants in China e for Arcevia in Italy.

Note: Data for 2020 is not available.

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

a. Operational site							
For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	i. Geographic location	ii. Subsurface and underground owned land	iii. Position in relation to the protected area	iv. Type of operation	v. Size of operational site (km <sup>2</sup> )	vi. Biodiversity value	vii. Biodiversity value characterized by listing of protected status
None							

## Other significant information

All of Ariston Group's plants comply with local law and environmental permits, without any reference to any protected area. According to UCN Protected Area Management categories, none of the Group's facilities is considered to be located in a protected area or adjacent to a protected area. List of all the facilities may be provided if needed.

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

a. Description of significant direct and indirect impacts on biodiversity	
Impact	
None	Ariston Group is ISO14001 certified and developed a standard to assess environmental aspects and impacts, including the impact on biodiversity. This assessment has been performed on the following risks impacting biodiversity: air emission (VOC, NOx, dust and non listed substances), water discharge, releases to soil, noise, light and electromagnetic emissions. According to this assessment and the geographic location of its facilities out of any protected area, Ariston Group is considered as not impacting biodiversity.

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

## GRI 304-3 | HABITATS PROTECTED OR RESTORED

a. Habitat areas protected or restored			
Habitat name	Size	Geographical Location	Approval
Saint-Brieuc plant	200.170 m <sup>2</sup>	Ploufragan (France)	Remediation ongoing according to local law. It includes half a year monitoring of the groundwater quality by an accredited laboratory. No significant deviation has been observed in the monitoring report shared with Authorities who did not require any additional action.

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

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

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

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

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

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

a. Significant and potential impacts related to waste
<p>Ariston Group's waste management model is circular from the procurement of raw materials to the production of the finished good disposed by end users.</p> <p>Focusing on the production process, waste may be divided in two categories:</p> <ul style="list-style-type: none"> <li>- packaging of the raw materials like cartons, plastics bags, wooden pallets, etc. and</li> <li>- manufacturing scraps which are due to production processes like metal cutting scraps, non-conforming work in progress or the production finished products.</li> </ul> <p>With regards to the product, packaging can contain carton, polystyrene and plastics that are recyclable by local public waste collectors or recycling parks. Ariston provides training and assistance to installers with the objective of implementing periodical maintenance and repair interventions on products to extend their life as much as possible, before scrapping finished product through local public waste recycling parks.</p> <p>Ariston Group is ISO14001 certified and has developed a standard to assess environmental aspects and impacts; the standard relating to waste is based on:</p> <ul style="list-style-type: none"> <li>- its relative importance impact according to the volume trends;</li> <li>- the sensitivity of the environment according to the percentage of waste disposed;</li> <li>- the legal requirement according to plant authorisation category;</li> <li>- the involvement of stakeholders according to the attention of the community;</li> <li>- the scope of the area interested by the impact and</li> <li>- the reversibility of the impact itself.</li> </ul> <p>According to this assessment, Ariston Group plants are considered a low waste-related impact company, with a generation lower than 5% of hazardous waste and a revalorisation of 96% of the total waste (for plants operating in Europe).</p> <p>In Europe, waste is characterised to determine the accurate European Waste Code and its treatment. In 2022, the top 3 waste categories were represented by 78% of metal, 6% of cardboard and 5% of wood.</p>

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

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

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

This applies to the 6 European main production plants (Arcevia, Cerreto D'Esi, Chartres, Genga, Namur, Osimo), located in Italy, Belgium and France.

## GRI 306-2 | WASTE BY TYPE AND DISPOSAL METHOD

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

A corporate goal on waste reduction and circularity is defined yearly and is based on the Group's strategy to conform with ISO14001 requirements but also on the performance trends that are discussed at the management review.

Waste reduction projects are prioritised based on the 5R methodology by

- Refusing non necessary packaging and assessing environmental impact of any change through a pre-project risk assessment
- Reducing the waste production by considering byproducts as secondary products, as an example, magnesium oxide is not classified as waste but as a secondary product to be used as raw material, designing high quality products extending its life and designing efficient packaging to reduce damaged products in the supply chain below 88 PPM
- Reusing packaging of components in collaboration with supplier, rework our own non conforming product to reuse tank and other metal components saving 0,4 % of the production, selling wooden pallets for repair and reuse
- Recycling metal, plastics, cartons, electrical components, etc.
- Revalorise by prioritising incineration with energy recovery to disposal processes and continuously perform technological watch to find new treatment channels for non recyclable components like the polyurethane foam ensuring energy efficiency of our boilers.

Plants are part of a waste management consortium by countries, according to EU directive as well as a consortium on electronic product treatment to manage the end of life of our products in France, Belgium and Italy.

### b. Description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.

Ariston Group has a procedure to manage indirect suppliers, like waste managers, which include the following steps:

- Prequalification process with questions on waste management, ISO certifications and state accreditation.
- Selection of suppliers for collection, transportation, recovery, and disposal of waste, as well as the supervision of such operations and the aftercare of disposal sites are contracted with third party based on the prequalification.
- Contract signature including the list of the EWC to be treated, the commitment to legal compliance of the full process according to the EU Directive and state accreditations, the ethical declaration on protecting health and safety, respecting human right and a commitment to our HSE policy requiring among other to operate in a responsible manner that respects the environment, avoiding commission of offences, also involuntary, against the environment.
- Evaluation process.
- Internal and third party audits of the respect of this procedure by sampling.

### c. The processes used to collect and monitor waste-related data.

Ariston Group's waste management procedure requires, even if it could not be a local legal requirement to register for each plant, the waste volume per EWC, with a double weight control of the transport leaving the plant and being managed by third party, and to monitor for reporting the total volumes of waste, the recycling index and the cost of waste management.

Data are controlled by the HSE central team, internal audit team and shared for management's review.

In addition, according to local law, waste register that is maintained for hazardous and not hazardous wastes is shared with the competent authorities.

## GRI 306-3 | WASTE GENERATED

a. Waste generated	2022	2021	2020
Waste generated (t)	10.055	11.607	9.402
Of which non-hazardous	10.822	11.043	8.945
Of which non-hazardous (%)	97%	95%	95%
Of which hazardous	311	565	457
Of which hazardous (%)	3%	5%	5%

### b. Contextual information

Data for 2022 has been approximated according to a reduction of 2%. Data has been extracted from the waste register of the six main European production plants (Arcevia, Cerreto D'Esi, Chartres, Genga, Namur, Osimo). Data for 2021 was extracted from the waste register of the six main European production plants. Data for 2020 has been extracted from the waste register of the six main European production plants by European Waste codes and treatment codes, the repartition is approximated based on 2021 repartition.

## GRI 306-4 | WASTE DIVERTED FROM DISPOSAL

a./b./c./d. Weight of waste diverted from disposal (t)	2022	2021	2020
Total weight of waste diverted from disposal	9.501	10.979	8.673
Of which hazardous waste	80	229	181
<i>Preparation for reuse</i>	0	0	0
<i>On site</i>	0	0	0
<i>At an external site</i>	0	0	0
<i>Recycle</i>	80	229	181
<i>On site</i>	0	0	0
<i>At an external site</i>	80	229	181
<i>Other operation of reuse</i>	0	0	0
<i>On site</i>	0	0	0
<i>At an external site</i>	0	0	0
Of which non-hazardous waste	9.421	10.749	8.492
<i>Preparation for reuse</i>	0	0	0
<i>On site</i>	0	0	0
<i>At an external site</i>	0	0	0
<i>Recycle</i>	9.421	10.749	8.492
<i>On site</i>	0	0	0
<i>At an external site</i>	9.421	10.749	8.492
<i>Other operation of reuse</i>	0	0	0
<i>On site</i>	0	0	0
<i>At an external site</i>	0	0	0

**e. Contextual information**

Data for 2022 has been approximated according to a reduction of 2%. The recycling index of the company is of 95%. Data for 2021 has been extracted from the waste register of the six main European production plants. Data for 2020 has been extracted from the waste register of the six main European production plants by European Waste codes and treatment codes, the repartition is approximated based on 2021 repartition.

## GRI 306-5 | WASTE DIRECTED TO DISPOSAL

a./b./c./d. Weight of waste directed to disposal (t)	2022	2021	2020
Total weight of waste directed to disposal	553	628	710
Of which hazardous waste	231	335	379
<i>Incineration (with energy recovery)</i>	37	6	7
<i>On site</i>	0	0	0
<i>Offsite</i>	37	6	7
<i>Incineration (without energy recovery)</i>	194	329	371
<i>On site</i>	0	0	0
<i>Offsite</i>	194	329	371
<i>Landfilling</i>	0	0	0
<i>On site</i>	0	0	0
<i>Offsite</i>	0	0	0
<i>Other disposal operations</i>	0	0	0
<i>On site</i>	0	0	0
<i>Offsite+C21</i>	0	0	0
Of which non-hazardous waste	322	293	331
<i>Incineration (with energy recovery)</i>	185	178	201
<i>On site</i>	0	0	0
<i>Offsite</i>	185	178	201
<i>Incineration (without energy recovery)</i>	137	116	131
<i>On site</i>	0	0	0
<i>Offsite</i>	137	116	131
<i>Landfilling</i>	0	0	0
<i>On site</i>	0	0	0
<i>Offsite</i>	0	0	0
<i>Other disposal operations</i>	0	0	0
<i>On site</i>	0	0	0
<i>Offsite</i>	0	0	0

**e. Contextual information**

Data for 2022 has been approximated according to a reduction of 2%. Data for 2021 has been extracted from the waste register of the six main European production plants. Data for 2020 has been extracted from the waste register of the six main European production plants by European Waste codes and treatment codes, the repartition is approximated based on 2021 repartition.

## GRI 401-1: NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

b. Employee hires	2022														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	14	91	0	0	105	78	168	0	0	246	41	75	0	41	157
30 - 50 y	22	76	0	0	98	127	324	0	0	451	62	180	0	11	253
> 50 y	6	11	0	0	17	22	72	0	0	94	4	10	0	0	14
Total Hiring	42	178	0	0	220	227	564	0	0	791	107	265	0	52	424
Hiring rate															18%

b. Employee hires	2021														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	24	311	0	0	335	84	198	0	0	282	26	75	0	13	114
30 - 50 y	29	193	0	0	222	101	315	0	0	416	53	144	0	13	210
> 50 y	3	15	0	0	18	11	55	0	0	66	2	4	0	0	6
Total Hiring	56	519	0	0	575	196	568	0	0	764	81	223	0	26	330
Hiring rate															22%

b. Employee hires	2020														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	2	67	0	0	69	58	139	0	0	197	26	34	0	14	74
30 - 50 y	5	66	0	0	71	66	196	0	0	262	40	80	0	14	134
> 50 y	3	6	0	0	9	18	33	0	0	51	2	3	0	1	6
Total Hiring	10	139	0	0	149	142	368	0	0	510	68	117	0	29	214
Hiring rate															12%

b. Turnover	2022														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	23	196	0	0	219	52	92	0	0	144	30	54	0	33	117
30 - 50 y	44	196	0	0	240	95	274	0	0	369	47	150	0	17	214
> 50 y	5	52	0	0	57	41	172	0	0	213	12	31	0	0	43
Total	72	444	0	0	516	188	538	0	0	726	89	235	0	50	374
Turnover rate															20%

b. Turnover	2021														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	21	294	0	0	315	33	93	0	0	126	24	43	0	0	67
30 - 50 y	25	178	0	0	203	68	234	0	0	302	47	148	0	0	195
> 50 y	3	19	0	0	22	25	138	0	0	163	0	9	0	0	9
Total	49	491	0	0	540	126	465	0	0	591	71	200	0	0	271
Turnover rate															18%

b. Turnover	2020														
	Americas					Europe					MEA and Asia				
	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total	Female	Male	Other	N.D.	Total
< 30 y	15	60	0	0	75	37	89	0	0	126	28	52	0	0	80
30 - 50 y	27	54	0	0	81	37	176	0	0	213	40	137	0	0	177
> 50 y	5	29	0	0	34	14	133	0	0	147	1	10	0	0	11
Total	47	143	0	0	190	88	398	0	0	486	69	199	0	0	268
Turnover rate															13%

\* Leavings not available for ATMOR China (2022-2021-2020)

\* Hirings not available for ATMOR China (2022)

**Other supporting information**

\* gender distribution not available for Chromagen - Australia (2022)

\*\*The country categorizations referred to the following countries:

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

**GRI 401-3: PARENTAL LEAVE**

Parental leave	2022		
	Male	Female	Total
a. Total number of employees that were entitled to parental leave, by gender.	241	251	492
b. Total number of employees that took parental leave, by gender.	20	12	32
c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	N/A	N/A	N/A
d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	N/A	N/A	N/A
e. Retention rates of employees that took parental leave, by gender.**	N/A	N/A	N/A
f. Return to work rates of employees that took parental leave, by gender.	N/A	N/A	N/A

Note: Data for 2021 and 2020 is not available. Please note that in Italy parental leave is regulated by law.

\*\*Not available data

**Other supporting information**

The scope of data disclosed is Italy.

No information for the computation of Return to work and retention rates is available.

**GRI 403-1 | OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM****a. Health and safety management system**

The Organisation has implemented a Group HSE Management System intended to provide an effective HSE management integrated with other management requirements and with WCM methodology to control all potential HSE risks. The HSE management System is certified according with ISO 14001 and ISO 45001 international standards.

**b. Workers, activities and workplaces covered by the management system**

Ariston Group's HSE Management System applies to all types and sizes of its production and non-production sites and includes requirements for Suppliers, Contractors and Outsourcing services.

**GRI 403-2: HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION****a. Processes for identifying and assessing occupational health and safety risks**

A Group Procedure, HSE.PR024Tt - HSE Risks assessment, is in place to:

- provide a systematic approach to the early identification of all risks of workplaces;
- provide consistent risk assessment criteria;
- provide risk mitigation strategies that are efficient in reducing risk to an acceptable level;
- provide methods to monitor the effectiveness of preventive and protective measures.

The process is based on ISO 45001 Standard. If there are local legal requirements that differ from the standard, the stricter requirements shall be applied.

The risk assessment is regularly performed for both routine activities and non-routine activities, that are not generally performed on regular basis or in usual work places, that could create risk of interference and consequent coordination needs, and the activities being performed for the first time.

The overall process allows each site to:

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

After consulting with Workers' Representative, the employer conducts the risks assesser's Representative, the employer conducts the risks assessment and compiles the Risk Assessment Document, in cooperation with Site HSE Coordinator and Industrial Doctor.

The Risk Assessment is reviewed every 3 years, or immediately reworked:

- whenever there are any significant changes in workplace processes, design or organization of work;
- whenever new machinery, substances or procedures are introduced;
- following the development in technology related to prevention and protection;
- whenever there is an injury or incident as a result of hazard exposure;
- when the health surveillance demonstrates that it is necessary.

As a consequence of any changes in the Risk Assessment, the preventive measures are also be updated.

**b. Processes available for workers to report hazards and dangerous situations at work, and an explanation of how workers are protected from retaliation;**

All employees are encouraged to daily check their working stations and their colleagues' behaviour as well as their own, to identify and report any existing unsafe condition and unsafe act, by utilising to two preventive tools: Unsafe Act Tag (HSE.MD003Tt) and Unsafe Condition Tag (HSE.MD020Tt). These tools are used for reporting any anomaly encountered in the workplace. The tags are filled out in duplicates: the first copy is directly attached on the place where the anomaly is founded, the second one is registered, periodically analysed and stored by the HSE Coordinator and a priority approach is applied basing on the outcome of the analysis to establish a proper action plan.

**c. A description of the policies and processes available to workers to remove themselves from work situations that are believed to cause work-related injury or illness, and an explanation of how they are protected from retaliation;**

A coaching based programme to influence positive changes in behaviours is available to let employees stop whenever they feel to be exposed to situations that can cause work-related injury or illness. The programme, named STOP&THINK, encourages workers to pause and assess their environment for anything that doesn't seem safe. A pocket-sized check-list (STOP&THINK tag) is available to identify potential health and safety issues in the workplace. Even when on a tight timeline, if a hazard is identified, action is taken to correct it before work can continue. When necessary, the appropriate people are called in for assistance.

**d. Description of the processes used in order to investigate possible occupational accidents**

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

A systematic process, appropriate to their significance, is used for the investigation of incidents, which is led by the site HSE coordinator.

The process will include:

- identification and documentation of contributing factors (human, technical, organisational);
- underlying causes of the incident;
- identification of the controls that were intended to prevent it and analysis of any failures in the controls;
- identification of countermeasures to prevent the reoccurrence.

To facilitate the investigation process a "step by step approach" is suggested by using the 5W & 1H Analysis.

This involves approaching a problem/incident by developing a problem statement developed using the following; What, When, Where, Which, Who & How.

## GRI 403-3: OCCUPATIONAL HEALTH SERVICES

**a. Description of the occupational health services**

Employees are referred to a designated healthcare professional or facility that is determined to meet local legal requirements. This professional/facility has the capability to provide clinical services such as medical surveillance and fitness for duty evaluations, medical care for work related injury and illness, substance abuse testing, audiometry, spirometry, biological monitoring, health promotion, and managing healthcare records.

Employee medical records (paper and electronic) are complete, considered confidential and are maintained in the exclusive custody and control of occupational healthcare professionals in accordance with local legal requirements and GPDR (General Data Protection Regulation).

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

**a. Description of processes for participation in occupational health and safety management systems**

According to the Group's Procedure HSE.PR009Tt (regarding workers consultation and participation on HSE matters), all managerial and non-managerial workers and worker's representatives are consulted on:

- the HSE Group Policy;
- the needs and expectations of interested parties;
- the significant environmental aspects, related actual or potential environmental impacts associated with their work and the OH&S consequences, actual or potential, of their work activities;
- their contribution to the effectiveness of the HSE management system, including the definition of objectives and plans to achieve them, and the benefits of enhanced environmental and personal performance;
- their demonstration of involvement in the internal and external audit program, and in all applicable controls for outsourcing, procurement and contractors;
- the implications of not conforming with the HSE management system requirements, including fulfilling the Organisation's legal compliance obligations;
- their roles and responsibilities and importance in achieving conformity to the HSE Policy and procedures and to the requirements of the HSE management system, including emergency preparedness and response requirements;
- any changes that affect the HSE system; including any new resources in HSE organisation.

**b. Description formal joint management-worker health and safety committees**

A formal meeting is organised, at least once a year, involving the Plant Manager or their delegate, the local HSE Coordinator, the occupational physician, the workers' representative and the HR Manager.

The Committee discusses mainly the Risk Assessment Document; the injuries and work-related illnesses trends and the medical surveillance, the criteria for selecting personal protective equipment and for evaluating the effectiveness of preventive and protective measures, the training program for workers.

The meeting is also the opportunity to discuss:

- Codes of behaviour and best practices to prevent HSE risks;
- HSE opportunities for improvement.

Further formal meetings take place with a greater frequency and according to local legislation or in case of any significant changes that can affect the environment and the health and safety of workers.

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

### a. Description of training activities

The suitability of the personnel working on processes is evaluated in the recruitment process, according to the "Recruitment & Selection Process" or in the assignment to new tasks (for employees already in force), according to the "Training Management". This is conducted by the responsible of the departments concerned, with the support of the HR department.

According to the procedure "Training Management", the Organisation:

- has determined the necessary competence of persons doing work under its control that affects its HSE performance and its ability to fulfil its compliance obligations;
- has ensured that these persons are competent on the basis of appropriate education, training or experience, through job interviews, reviewing resumes, documented information of training or diplomas;
- has determined any training needs associated with its environmental aspects and OH&S risk and its HSE management system conform with ISO9001, ISO 45001 and ISO14001;
- where applicable, has taken actions to acquire the necessary competence, and evaluate the effectiveness of the actions taken, by completing the form "Participants List" and direct observation of his performance, it may include a written test.

The Organisation retains appropriate documented information as evidence of competence, such as diplomas, licenses, resumes, and from completion of training, and performance reviews. Training procedures takes into account differing levels of responsibility, ability, language skills and literacy and the risk.

All the training cost is managed by Ariston group and therefore free of charge and during paid working hours.

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

### a. Description of the organisation's approach to preventing or mitigating significant negative occupational health and safety impacts

According to ISO 45001 standard, the Ariston Group has established, implemented, controlled and maintains the processes needed to meet HSE management system requirements, and to:

- meet its requirements;
- address its risks and opportunities;
- achieve its objectives;
- manage the OH&S risks, including the management of change;

by:

- establishing operating criteria for the processes
- implementing control of the processes, in accordance with the operating criteria.

In particular, the Organisation has implemented and maintained:

- operational controls applicable to its activities in "Control register";
- controls related to purchased goods, equipment and services, according to the "Pre\_Project HSE Checklist";
- controls related to contractors and other visitors to the workplace, according to the procedure "Contractors management" and "Access to workplaces";
- documented procedures, to cover situations where their absence could lead to deviations from the HSE Policy and objectives;
- stipulated operating criteria where their absence could lead to deviations from the HSE Group Policy and objectives.

According to the procedure "Change Management" the Organisation has defined how to control planned changes and how to review the consequences of unintended changes, taking actions to mitigate any adverse effects.

The Organisation has ensured that an outsource process is controlled or influenced.

Consistent with a life cycle perspective, the Organisation:

- has established controls, to ensure that its environmental requirements are addressed in the design and development process for the product or service, considering each stage of its life cycle, according to the "Product Development Manual";
- has determined its environmental requirements for the procurement of products and services, according to the "Investment Request Manual";
- has communicated its relevant environmental requirements to external providers, including contractors, according to the procedure "HSE Communication Management";
- has considered the need to provide information about potential significant environmental impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of its products and services, according to the Working Instruction "Guideline for the environmental impacts assessment".

The Organisation maintains documented information to the extent necessary to have confidence that the process has been carried out as planned.

According to the procedure "Change Management", when determining controls, or considering changes to existing controls, the Organisation has given consideration to reducing the risks according to the following hierarchy:

- elimination;
- substitution;
- engineering controls;
- signage/warnings and/or administrative controls;
- personal protective equipment.

According to the Working Instruction "HSE Risks Assessment", with the Risk Assessment Document the Organisation has documented and kept up-to-date the results of identification of hazards, risk assessments and determined controls.

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

a. Health and safety management system	2022		2021		2020	
	n	%	n	%	n	%
i. Employees covered by the system	7.975	100	7.858	100	7.444	100
ii. Non-employees covered by the system	1.020	100	1.032	100	676	100
ii. Employees covered by the internally audited system	7.975	100	7.858	100	7.444	100
ii. Non-employees covered by the internally audited system	1.020	100	1.032	100	676	100
iii. Employees covered by the third-party certified system	2.762	35	2.717	35	2.502	34
iii. Non-employees covered by the third-party certified system	808	79	747	72	496	73

### b. Any workers excluded from the coverage of the management system

The HSE management system is build on ISO45001 and ISO14001 standards and is deployed in all the companies of the group according to the Group HSE policy signed by the CEO.

### c. Additional information on data compilation

Data were extracted from the management review, employee have an Ariston Group working contract and non-employees is the temporary lease staff in support. Third-party body is BSI who ISO45001 certify Ariston Group, at group level . The last version of the certificate is published on [www.aristongroup.com](http://www.aristongroup.com)

## GRI 403-9 | WORK-RELATED INJURIES

a. Employees work-related injuries (n)	2022	2021	2020
Recordable injuries	40	44	45
<i>Injury rate</i>	5,16	5,31	5,86
of which deaths	1	0	0
<i>Death rate</i>	0,13	0	0
of which with serious consequences	0	1	0
<i>Severity index</i>	0	0,121	0
Main types of injuries	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - Stab wound for contact with sharp object/surface	- Crushing and contusion for contact with moving parts - Stab wound for contact with sharp object/surface
Hours worked (n)	7.751.474,94	8.278.463,42	7.683.267,29

b. Non-dependent occupational accidents	2022	2021	2020
Recordable injuries	24	21	15
<i>Injury rate</i>	9,99	10,11	6,71
of which deaths	0	0	0
<i>Death rate</i>	0	0	0
of which with serious consequences	0	0	0
<i>Severity index</i>	0	0	0
Main types of injuries	- Crushing and contusion for contact with moving parts - stab wound for contact with sharpe object/surface	- Crushing and contusion for contact with moving parts - Stab wound for contact with sharp object/surface	- Crushing and contusion for contact with moving parts - Stab wound for contact with sharp object/surface
Hours worked (n)	2.402.012,01	2.076.886,53	2.235.591,35

### c. Work hazards that pose a risk of injury with serious consequences

According to ISO45001 standard, Ariston Group has established, implemented and maintained the Group Procedure "HSE Risks Assessment" for the ongoing hazard identification and risk assessment.

The methodology for hazard identification and risk assessment:

- has been defined with respect to its scope, nature and timing to ensure it is proactive rather than reactive;
- has provided for the identification, prioritisation and documentation of risks, and the application of controls, as appropriate.

The Group Procedure for hazard identification and risk assessment takes into account:

- routine and non-routine activities;
- activities of all persons having access to the workplace (including contractors and visitors);
- human behaviour, capabilities and other human factors;
- identified hazards originating outside the workplace capable of adversely affecting the health and safety of persons under the control of the Organisation within the workplace;
- hazards created in the vicinity of the workplace by work-related activities under the control of the Organisation;
- infrastructure, equipment and materials at the workplace, whether provided by the Organisation or others;
- changes or proposed changes in the organisation, its activities, or materials;
- modifications to the OH&S management system, including temporary changes, and their impacts on operations, processes, and activities;
- any applicable legal obligations relating to risk assessment and implementation of necessary controls;
- the design of work areas, processes, installations, machinery/equipment, operating procedures and work organisation, including their adaptation to human capabilities.

All changes or proposed changes in the Organisation, its activities or materials, must pass the operational rigors of HSE review, according to the procedure "Change Management".

The Organisation ensures that the results of these assessments, including the hierarchy of control (eliminate, substitute, add technical means, add organisational means, PPE) are considered when determining controls.

In 2022, the objective of 0 injury is depolyed to reach at least trends to reduce injury rate below 5 injury per million worked hours by

- promoting the signalisation of unsafe condition by workers with a target of 2 notification per worker,
- following up the action plan to mitigate machine risk and ensure conformity to the EU machinery directive or equivalent with a target of 100% of completion in 2023,
- assessing ergonomic risk on workstation were charges are lifted, or repetitive movement executed, with the NIOSH and OCRA methods with a target of 100% of completion,
- performing 100% of the internal audit planned, etc.

#### d. Actions taken or in progress intended to eliminate other workplace hazards and minimize risks using the hierarchy of controls

According to ISO 45001 standard, the Ariston Group has established, implemented and maintained the procedure "Incident Management" to investigate and analyse incidents in order to:

- determine underlying OH&S deficiencies and other factors that might be causing or contributing to the occurrence of incidents;
- identify the need for corrective action;
- identify opportunities for continual improvement;
- communicate the results of such investigations.

The investigations are performed in a timely manner under the governance of the HSE Director. The results of incident investigations are documented and maintained.

In 2021, 87% of the 253 actions linked to incident report were completed, as well as 81% of the 3405 unsafe condition identified by workers. Prioritisation is given based on the level of risk (high, medium or low) and action plan based on the root cause and the hierarchy of control.

#### e. Calculation of severity, incidence and injury rates.

The method used to calculate the rates in the disclosure is \*1,000,000

#### f. Exclusions of certain workers from the disclosure

Group record work-related injuries of employees, lease staff, contractors and visitors. Plants manages it in the HSE Action Tracker without any exclusion.

#### f. Additional description on the calculation of data and methodologies used

Data extracted from the Ariston Group yearly management review.

Are considered injuries with serious consequences, work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

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

a. Average hours of training provided to employees	2022		
	Male	Female	Total average
White collar	16	14	15
Blue collar	4	5	4,5
Total	10	9,5	9,75

Note: Data corresponding to 2021 and 2020 is not available.

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

a./b. List of training programs			
#	2022		
N	Type (Update/ Assistance)	Content	Hours (per edition)
1	Global Leadership Program	The Global Leadership Program is a learning and development initiative aimed at activating, supporting, and strengthening practices associated with the competences of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE. The feedback culture and the interpretation of the Leader's role as Coach are the thread that run across the different journeys, customised by type of population (in 2022: Middle managers-people Managers) from 25 countries, wishing to address them through behavioural changes that have an impact on our daily actions and on our results. Impact on more than 600 employees. Key methodologies include tailored training sessions, individual business coaching journeys, team learning sessions, webinars and online content.	11
2	My Ariston Group	My Ariston Group is a learning program aiming at supporting the induction of new comers transferring business competences and leveraging on self-responsibility. Main objectives are the following: <ul style="list-style-type: none"> <li>- To experience and feel the Corporate culture</li> <li>- To acquire knowledge about our sector and business, focusing on Ariston Group processes and practice</li> <li>- To acquire soft skills useful to promote team working and relational effectiveness</li> <li>- To develop self-awareness and encourage self-leadership development, focusing on professional growth "drivers"</li> <li>- To take awareness of and experience a decision making process within a group</li> <li>- To promote the development of behaviour in line with corporate values having an active role in professional growth opportunities in the company</li> </ul>	40 hours average + project work activities (per edition)
3	Presentation Effectiveness	The course aims at transferring a set of knowledge and competences to refine and improve style, structure, content and delivery of presentations through the application of effective techniques, practice and live feedbacks.	16
4	Leading People For Growth	The course wants to give support to the newly assigned managers in order to: <ul style="list-style-type: none"> <li>- Learn how to LEVERAGE MOTIVATIONS of the employees to maximise his/her commitment to the assigned goal</li> <li>- Recognise the MATURITY LEVEL of individuals, and learn to align with this level as a starting point for their growth path</li> <li>- Use DELEGATION as a development tool and for optimising own workload</li> <li>- Learn how to give structured and evidence-based FEEDBACK.</li> </ul>	20
5	Sales Academy (Pilot phase)	This project aims to provide a continuous learning experience to our sales force, to root Ariston Group's way of selling and to deliver useful toolkits in order to facilitate and improve worldwide sales performances. Key methodologies include tailored training sessions, business cases discussions and online content. Impact on 37 employees.	24
6	Leading The Effective Sales Force	The five-days Leading the Effective Sales Force programme is designed to help participants to optimise the performance of their sales force and learn how to cut costs while raising sales; how to generate maximum growth by analysing the sales calls, realigning territories, shifting product or market emphases, reallocating time among members of the sales force or adjusting its size; how to motivate salespeople and third-party distribution channels through compensation systems and organisational structures.	40

\*For each type of programme, the hours are identified per participant.

7	Brand Management	The course has aimed at identifying the foundational building blocks for brand purpose by understanding the target audience and crafting integrated marketing communications; to identify opportunities and threats that affect brand's market position and determine potential strategies to capitalize on opportunities to strengthen the brand's position; to create a brand positioning strategy for the market, and identify various vehicles for marketing communications that would effectively reach the brand's target market; brand assessment and management strategies for the allocation of resources to ensure brand performance is optimised and brand objectives are met.	60
8	Sales Planning & Control	The Sales Planning & Control course wants to provide a common language to the management control functions and Sales and the tools to enhance the company's ability to predict, govern and measure commercial performance. The objective of the course is to provide principles, methodologies, tools and practical examples to integrate commercial and economic performance, identifying the actions that make it possible to maximise the economic effect of the commercial choices.	36
9	Advanced Management Program	IESE's Advanced Management Program (AMP) is designed for top-tier executives who want to boost their ability to navigate complex markets and identify new sources of competitive advantage. In an energising learning forum, they sharpen their grasp on the most critical global trends and discover leadership insights that magnify corporate performance	160
10	Strategic Learning & Development	The course has the goal of providing the new digital skills that the market requires with a strategic view, more and more connected to the business aiming to transform the training in Learning Organisation.	30
11	Finance Group Coaching Journey	A group coaching path dedicated to Finance Organisation in order to make a reflection on oneself, firstly, trying then to align with the team operating principles and purpose in order to work together effectively leveraging on strengths and defining new rules for the team to better work together.	24
12	Coaching	Coaching is a method of achieving set goals. The coach through dialogue helps the coachee to correctly set a goal, to find the best way to achieve the goal and reveal hidden inner potential in a person. The coach does not say how to achieve success, but asks questions through which the coachee himself finds the solution to his own tasks.	5
13	Mentoring	Mentoring is a reciprocal and collaborative at-will relationship that most often occurs between a senior and junior employee for the purpose of the mentee's growth, learning, and career development. Often the mentor and mentee are internal to an organisation, and there is an emphasis on organizational goals, culture, career goals, advice on professional development.	According to mentor-mentee
14	360° Program	360° feedback is a process where an individual (participant or focus) is rated on his/her competencies by people (the raters) who work with him/her. The process aims to: <ul style="list-style-type: none"> <li>- Help the focus to understand how his/her behaviours are perceived by people around him/her</li> <li>- Gain a better understanding and awareness of his/her strengths</li> <li>- Have a clear understanding on how to be the best version of yourself, in a perspective of continuous dev, through the achievement of the goals set within the Individual Development Plan (IDP)</li> </ul>	8 people involved
15	Consumer Insight	Training dedicated to the new professional roles of RPD (Region Product Directors) covered by employees already in the company and to Product Managers in order to support them in acquiring new knowledge and skills to work in synergies with markets. Consumer Insights training main contents are: <ul style="list-style-type: none"> <li>- What is CI/objectives and its relevance within the company</li> <li>- How to set up a CI research and which types of research for which business needs</li> <li>- How to read the data</li> </ul>	6
Total	15 programs		472

a./b. List of training programs			
#	2021		
N	Type (Update/ Assistance)	Content	Hours (per edition)
1	Global Leadership Program	The Global Leadership Program is a learning and development initiative aimed at activating, supporting, and strengthening practices associated with the competences of Ariston Group Leadership Model: LEAD CHANGE, LEAD BUSINESS and, most importantly, LEAD PEOPLE. The feedback culture and the interpretation of the Leader's role as Coach are the thread that run across the different journeys, customized by type of population (in 2021: Executive and Senior Managers) wishing to address them through behavioral changes that have an impact on our daily actions and on our results. Impact on more than 300 employees. Key methodologies include tailored training sessions, individual business coaching journeys, team learning sessions, webinars and online content.	17
2	My Ariston Group	My Ariston Group is a learning program aiming at supporting the induction of new comers transferring business competences and leveraging on self-responsibility. Main objectives are the following: <ul style="list-style-type: none"> <li>- To experience and feel the Corporate culture</li> <li>- To acquire knowledge about our sector and business, focusing on Ariston Group processes and practice</li> <li>- To acquire soft skills useful to promote team working and relational effectiveness</li> <li>- To develop self-awareness and encourage self-leadership development, focusing on professional growth "drivers"</li> <li>- To take awareness of and experience a decision making process within a group</li> <li>- To promote the development of behaviour in line with corporate values having an active role in professional growth opportunities in the company</li> </ul>	40 hours average + project work activities (per edition)
3	Presentation Effectiveness	The course aims at transferring a set of knowledge and competences to refine and improve style, structure, content and delivery of presentations through the application of effective techniques, practice and live feedbacks.	16
4	Leading People For Growth	The course wants to give support to the newly assigned managers in order to: <ul style="list-style-type: none"> <li>- Learn how to LEVERAGE MOTIVATIONS of the employees to maximise his/her commitment to the assigned goal</li> <li>- Recognise the MATURITY LEVEL of individuals, and learn to align with this level as a starting point for their growth path</li> <li>- Use DELEGATION as a development tool and for optimising own workload</li> <li>- Learn how to give structured and evidence-based FEEDBACK.</li> </ul>	20
5	Six Sigma	The Training program wants to transfer a scientific method, through Induction-Deduction process and data driven decisions, as well as to share an experimentation approach to be applied to business process	40
Total	5 programs		133

### GRI 404-3 | PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

a. Employee evaluation (%)	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
White collar	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A
Blue collar	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A

Note: Data unavailable for blue collar employees as regular performance reviews are not foreseen. Overall, the data provided in response to this indicator is only available for 2022.

### GRI 405-1 | DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

a. Governance bodies (%)	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
30 - 50	0%	0%	0%	0%	0%	0%	0%	9%	9%
> 50	82%	18%	100%	75%	25%	100%	73%	18%	91%

b. Employees (%)	2022			2021			2020		
	Male	Female	Other	Male	Female	Other	Male	Female	Other
White Collar	34%	16%	1%	34%	15%	0%	33%	15%	0%
Blue Collar	43%	6%	1%	45%	6%	0%	46%	5%	0%
Total	77%	22%	1%	79%	21%	0%	80%	20%	0%

b. Employees (%)	2022			2021			2020		
	< 30 y	30 - 50	> 50 y	< 30 y	30 - 50	> 50 y	< 30 y	30 - 50	> 50 y
White Collar	6%	33%	11%	6%	32%	11%	6%	32%	11%
Blue Collar	6%	28%	15%	8%	28%	15%	7%	29%	15%
*Total	13%	61%	26%	15%	60%	25%	13%	61%	26%

#### b. Indicate other diversity indicators, if relevant (such as minorities or vulnerable groups)

In 2022 employees were distributed as follows:  
Blue Collars: 3,916  
White Collars: 4,059

\* Data by age range not available for Chromagen Australia

### GRI 418-1 | SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

a. Complaints received (n)	2022	2021	2020
Complaints received concerning breaches of customer privacy	4	1	1
of which received from external parties	2	0	0
of which received from regulatory agencies	1	0	0

b. Leaks, thefts, or losses of customer data (n)	2022	2021	2020
Total customer data leaks	3	0	0
Total customer data theft	1	0	1
Total customer data losses	0	0	0

Note: All reported cases have been investigated, remediated, and countermeasure actions have been taken.

# Notes

- 1 According to Article 16 of the Regulation, enabling activities contribute substantially to one or more of the environmental objectives by directly enabling other target activities to make a substantial contribution to one or more of those objectives. Such activities play a crucial role in the decarbonisation of the economy by directly enabling other activities to be carried out at a low carbon level of environmental performance.
- 2 The analysis of this substantial contribution criteria was based on the segmentation of the main product families and service sold, which have been broken down into different clusters based on type, specific features, and geographical area of sales. For future analysis, the Group is considering the opportunity to leverage specific information related to the energy efficiency classes of products when they will be publicly available on EPREL (EU Product Database for Energy Labelling) database.
- 3 According to the law n°2020-105 ("Agec Law"), it is applicable, as of 1st January 2023, to producers with an annual turnover of more than 50 million euros and at least 25,000 units of products placed on the French market each year.
- 4 Market substances listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament, Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council, Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council, Annex II to Directive 2011/65/EU of the European Parliament and of the Council, Annex XVII and Article 57 of Regulation (EC) 1907/2006.
- 5 To estimate avoided emissions, the Group assumes that efficient product categories are going to gradually replace products with lower efficiency in the installed park, whose average efficiency has been internally assessed. Technological developments that lack visibility have not been considered. The emissions avoided have been calculated assuming an average expected lifetime of the products of 15 years and considering emissions across their entire lifecycle. The estimation of sales projections of the product categories in scope is based on the forecasts from the Group's Strategy Master Plan. Assumptions on average emission factors kgCO<sub>2</sub>/kWh are kept constant until 2030 and defined specifically for macro-region and energy type.
- 6 Including Balkans, Switzerland, United Kingdom, Israel, Norway, Ukraine. Excluding Russia.
- 7 The perimeter considered refers to revenues generated in Europe (Including Balkans, Switzerland, United Kingdom, Israel, Norway, Ukraine. Excluding Russia), for both domestic and commercial heating and for water heating products. Renewable technologies refer to heating heat pumps, heat pump water heaters and solar water heaters. Fossil products includes boilers and gas water heaters (both storage and instantaneous). Electric water heaters, air conditioning, 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.
- 8 Demand Response (DR) is a service to the grid based on increases or reduction of the energy consumption of multiple assets (e.g. water heaters), in response to peaks in energy supply or demand. Such technology applies to electric storage water heaters (ESWH).
- 9 A Home Energy Management (HEM) system autonomously monitors, controls and optimises energy flows within the home, in order to minimise customers' energy costs while meeting their preferences (such as comfort, EV use, carbon emission, etc.). Such technology applies to ESWH.
- 10 Heat pump technologies are highly efficient heating options that use hydronic heat emitters, including radiators, convectors and surface heating to provide heating, cooling and hot water for buildings. These systems can be powered by electricity, thermal energy, or hybrid.
- 11 A refrigerant is a substance used to transfer heat. R-32 is a highly efficient and eco-friendly refrigerant that effectively transfers heat. Unlike commonly used refrigerants like R-22 and R-410A, it has a much lower global warming potential (GWP) and a significantly lower environmental impact.
- 12 The F-gas Regulation aims to reduce the consumption and production of high-global warming potential (GWP) F-gases, such as hydrofluorocarbons (HFCs). In addition, the use of lower-GWP alternatives, such as natural refrigerants, is being encouraged.
- 13 Thermally-driven heat pumps are powered by thermal energy, make use of the existing gas infrastructure and can currently be operated with renewable gases like biomethane or biopropane. Efforts are being made to adapt them to work with hydrogen blends or pure hydrogen in the future.
- 14 Hydrogen is a CO<sub>2</sub>-neutral energy source. If produced through renewable energy, it will also make it possible to avoid emissions in the production phase.
- 15 Biofuels are fuels derived from biomass, in turn derived from organic mass (plant or algae material or animal waste) and can be produced relatively quickly, enabling a significant reduction in pollution.
- 16 Nitrogen oxides (NOx) emissions stem from fuel combustion. Ariston Group's objective is that of reducing them to the maximum extent possible, to lower their impact on human health and on the environment.
- 17 Economic intensity. Emissions from use of sold products covering at least 67% of Scope 3 total emissions.
- 18 The Quality Excellence Index is a tool leveraged by Ariston Group to assess the capability of the organisation to implement the Quality Roadmap. The Quality Roadmap is a plan of annual initiatives whose completion determines the attribution of a score, which will be accumulated year over year.
- 19 Ariston Holding N.V. (November 2021), Board Rules
- 20 As a result of the redomiciliation, the Company's board of statutory auditors ceased to hold office.

# 2022 Company Report

Our Group — Sustainability Report — Methodology

