

# Code of Ethics



## **1. Introduction**

The present document is entitled “Code of Ethics” (hereafter referred to as “**Code**”). It is an official document drawn up to outline the ethical commitments and responsibilities of ‘Gruppo Ariston Thermo spa’ (hereafter referred to as “**Ariston Thermo Group**”) in the carrying out of its business activities. Furthermore, the present document governs the overall rights, duties, responsibilities and obligations required by each ‘Ariston Thermo Group company’ with regard to those parties with which it has business dealings in order to carry out its activities.

## **2. Implementation of the Code of Ethics and to whom it is addressed**

The Code of Ethics directly concerns all company divisions and relevant departments, full-time employees, workers, consultants and fixed-term employees of whatever nature, authorized representatives and any other persons acting on behalf of any Ariston Thermo Group company (hereafter referred to as “**recipients of the Code**”). The recipients of this Code are required to fully understand and respect the standards outlined in the Code. These standards - subsequently specified - are made available to all recipients.

In particular, the controlling bodies of each Ariston Thermo Group company agree to do their utmost to follow the guidelines and principles outlined in the Code.

The executive management at each Ariston Thermo Group company are responsible for actually implementing and promoting the use of the Code both inside the company and externally.

Ariston Thermo Group company employees agree to abide not only by norms and standards currently in force, but to ensure that the manner in which they perform their working activities complies with the practices and purpose described by the Code; this concerns intra-company relations, relations with third parties and, especially, dealings with Public Administration and other public offices and parties.

A mandatory requirement for any working relationship of mutual benefit with any Ariston Thermo Group company is that employees, collaborators and third parties alike fully respect the principles, practices and guidelines laid down in the Code.

### 3. Values

Each Ariston Thermo Group company abides by the following values when carrying out its activities:



"There is no value in the economic success of any industrial initiative unless it is accompanied by a commitment to social progress"  
*Aristide Merloni*

We can make this philosophy real by respecting our core values. Values underpin everything we do. They are reflected in the way we all behave, the way we work and the way we present ourselves.



#### *Integrity*

The Ariston Thermo Group operates honestly and ethically, with commitment and respect for everything it does.

It abides by its principles and takes full responsibility for its actions.

#### *People*

The Ariston Thermo Group puts people first; seeking to create an environment where change and competitive challenge are encouraged and where dynamism and teamwork actively recognised.

The Ariston Thermo Group is committed to ensuring its employees work together with other colleagues, suppliers and customers - even where cultural differences are involved – in an atmosphere of trust and mutual respect.

The Ariston Thermo Group works with passion, irrespective of the activity, and focuses this passion on achieving the company mission.

#### *Performance*

The Ariston Thermo Group believes it can only achieve results by keeping its promises: the promises it makes to the customer in terms of product performance, employee results and company success.

#### *Flexibility*

The Ariston Thermo Group is open to ideas and change; firmly believing that flexibility is the key to success in the current competitive environment.

The Ariston Thermo Group believes flexibility means being fast, proactive, responsive and adaptable, while respecting the wide range of cultural values the group encounters in its daily operations.

#### *Improvement*

The Ariston Thermo Group believes every opportunity for change is also an opportunity to improve. This represents a continual search for ways and means to improve products, services, operations, processes and, last but not least, the company itself.

In order to do so, the Ariston Thermo Group focuses on innovation, initiative and simplicity.

## **4. Rules of Conduct**

The rules of conduct listed below outline the correct behaviour to observe while carrying out the various corporate activities in full compliance with the values inherent in the present Code.

#### *Collaborator obligations*

Collaborators (i.e. administrators, directors, employees, and all those who operate under the management and supervision of a Ariston Thermo Group company – irrespective of the precise nature of the labour contract) are required to carry out their role and responsibilities correctly and transparently.

All collaborators are required to have a clear understanding of the regulations laid down in the Code, or regulations referred to in the same Code. Furthermore, the collaborator should be aware of the legislation governing his/her function's activities, given that such legislation represents an integral part of his/her work operations.

All collaborators (whether acting on their own behalf or on behalf of an Ariston Thermo Group company) are obliged to inform third parties with whom they intend to begin working relations of any kind – be it commercial, institutional, social, political or otherwise – of the commitments and obligations required by the Code and that they are required to fully respect the obligations of this Code during the carrying out of their activities.

All collaborators are required to apply diligence and care in the performance of their duties to ensure there is no improper or irregular use of company goods and assets.

All collaborators are required to avoid any activities, actions or situations which constitute – or might potentially lead to – a conflict of interests between those of the Ariston Thermo Group company and the personal interest of the collaborator himself/herself.

#### *Recruitment, selection and hiring*

Ariston Thermo Group companies have no direct or indirect discriminatory practices (e.g. union activity, politics, religion, race, creed, colour, native language or sex) in their recruitment and selection process.

#### *Health, safety and the working environment*

All Ariston Thermo Group companies pay particular care to the development and maintenance of work areas and environments that meet worker health and safety requirements as required by national and international legislations and regulations currently in force governing the sector.

#### *Fair competition*

It is of prime importance for all Ariston Thermo Group companies that the market is governed by fair competition and fair trading practices.

#### *Gifts and benefits*

No gifts may be accepted that might be interpreted in any way as exceeding simple good manners, standard commercial practice or seen to be a means of gaining advantageous or favourable treatment during activities either directly or indirectly associated with those of an Ariston Thermo Group company.

#### *Total transparency in all operations and activities*

All operations and/or activities must be legitimate, authorised, consistent with policy, documented and verifiable. They should be carried out in full conformity with the principles of traceability and those of the corporate processes and procedures, together with the necessary foresight, care and restraint in order to safeguard the interests of all Ariston Thermo Group companies.

#### *Financial reporting and accounting transparency*

Financial and accounting practices of the company and all companies within the group adhere to the acknowledged principles of truth, accuracy, integrity and transparency of the reported data.

#### *Internal controls*

All companies within the Ariston Thermo Group fully support and promote the value of carrying out internal controls at all levels of the organisation. A positive disciplined approach to the controlling function allows a significant improvement in corporate efficiency and, consequently, its effectiveness.

#### *Confidentiality*

All employees and collaborators are required to observe total confidentiality with regard to information, documents, studies, initiatives, projects, contracts, etc, that come to their attention during working activities.

#### *Shareholder relations*

All Ariston Thermo Group companies work with the utmost transparency when making decisions and are firmly committed to maintaining and developing a constructive dialogue with shareholders.

#### *Customer relations*

Of prime importance for all Ariston Thermo Group companies is to ensure that customer needs are fully catered to, in order to create a sound working relationship based on correct business practices, honesty, competent effective operations and professionalism.

#### *Relations with financial institutions*

Ariston Thermo Group company relations with financial institutions are based on correct business practices and transparency in order to create added value for the group as a whole.

#### *Relations with distributors*

Relations with distributors are based on total transparency and the need to take full advantage of the business partnership in order to gain advantages for both parties.

#### *Suppliers of goods and services*

All Ariston Thermo Group companies fully respect the present Code of Ethics and legislation currently in force when defining business relations with suppliers. This includes not only close attention to the best professional standards, but also best practices in terms of an ethical code of conduct, and the safeguarding of health, safety and the environment.

Supplier selection procedures for both group companies and other companies are based on objective, tangible and verifiable criteria. Such criteria take into consideration a number of parameters such as financial cost, technical skills and expertise, reliability, material quality, supplier conformity with its adopted quality procedures - including the credentials of supplier sub-contractors. Those responsible for purchasing are required to request quotations from more than one supplier and assess those quotations fairly and appropriately.

#### *Public Administration*

All Ariston Thermo Group companies adhere to principles of correct business practices and honesty when carrying out relations with Public Administrations.

Ariston Thermo Group company personnel required to carry out negotiations, requests for quotation or other relations with public administrations (either on domestic territory or abroad) must under no circumstances seek improperly to influence any decision, or behave in an illicit manner – such as accepting gifts or other

benefits – which might be deemed as influencing the impartiality of the decision taken by the Public Administration.

Ariston Thermo Group companies agree to provide complete, correct and verifiable information about all European Union, state or public body contributions, funds and financing, regardless of the amount involved. All contributions, funds and financing must be used for the express purpose for which they were requested and approved.

Similarly, in the event that parties associated either directly or indirectly with the company – and, as such, subject to the Code of Ethics - take part in public tenders, competitions, etc., they are required to operate in compliance with legislation currently in force and correct commercial practices. In particular, they are required to avoid any practices which might induce Public Administration officers to act in favour of the company and other companies within the group.

All those subject to the present Code agree to abide in full to the current requirements and regulations laid down by the supervisory public institutions and authorities governing the specific areas of interest and activities.

#### *Environmental code of conduct*

Ariston Thermo spa and other companies within the group consider the environment an asset to be safeguarded both for the current populace as a whole, and for future generations. The Ariston Thermo Group abides by norms and standards currently in force and adopts the most appropriate measures to safeguard the environment; supporting and planning activities that are aligned with these objectives as well as promoting awareness-raising initiatives and projects.

### **5. Breach of conduct**

In the event of violation of the Code of Ethics, Ariston Thermo Group companies will take disciplinary action against offenders whenever it is necessary to safeguard the interests of the company. Any such action will be taken in full compliance with legislation currently in force governing labour contracts and disciplinary action. This may result in the dismissal of the person responsible but also allow for subsequent claims for compensation.

Lack of observance of the Code of Ethics by corporate bodies may result in the relevant competent body taking the measures foreseen and required by law.

Any breach of the Code of Ethics by employees represents a failure to fulfil their work obligations, thereby bearing either contractual or legislative consequences, and in accordance with the gravity of the violation.

Sanctions due to breach of contract by suppliers or third party collaborators are governed by contract conditions, unless more serious legislative violations are involved.

### **6. Concluding ordinance**

In the event that a rule or regulation laid down by the Code should conflict with an internal regulation or procedure, the regulation stipulated by the Code shall always take precedence.