



# PROCEED FROM INTEGRITY

ACTING WITH RESPECT  
AND HONESTY IS NOT  
A CHOICE. IT'S A DUTY.

# PROCEED FROM INTEGRITY



Ariston Thermo's Governance has set the goal to maximise the value created for shareholders and all stakeholders, by controlling business risks and ensuring integrity and fairness of decision-making process.

## 2018 | FACTS & FIGURES



INDEPENDENT BOARD MEMBERS (45% OF TOTAL)



HUMAN RESOURCES AND REMUNERATION COMMITTEE; STRATEGIC COMMITTEE



THE GROUP'S FIRST SUSTAINABILITY REPORT

100%

OF THE POPULATION IS INFORMED ABOUT THE CODE OF ETHICS



WORLDWIDE WHISTLEBLOWING PROCESS

1.67BLN €

THE ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2018

## ROAD TO 2022

### TAKING INSPIRATION FROM THE BEST MODELS OF GOVERNANCE:

DEFINING A STRUCTURED MODEL OF SUSTAINABILITY GOVERNANCE, TRAINING 100% OF OUR PEOPLE ON ARISTON THERMO ETHICS AND INTEGRITY CULTURE

## OUR STORIES

### OUR CORPORATE GOVERNANCE MODEL

Effective risk management, integrated into the governance system, is a key factor to protecting the Group's value over time. The **Group's Internal Control System** has therefore 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**, to the extent applicable.

The corporate governance model is structured as follows:

**Shareholder's Meeting:** The Ordinary Shareholders' Meeting resolves on law-abiding matters. The Extraordinary Shareholders' Meeting is convened for the resolutions within its competence and is chaired by the Chairman of the Board of Directors.

**Board of Directors:** the composition must guarantee compliance with current laws and regulations on gender balance. The by-laws state that Directors remain in office for the period set at the time of their appointment by the Shareholders' Meeting and for no longer than three years.

### Board of Directors

NAME	DIRECTOR	COMMITTEE	FIRST APPOINTMENT
Francesco Merloni	Non-executive		21.07.1986
Paolo Merloni	Executive	A*, B	28.04.1997
Laurent Jacquemin	Executive		24.03.2017
Sara Dethridge	Non-executive/independent		03.05.2018
Andrea Guerra	Non-executive/independent	A	07.05.2012
Roberto Guidetti	Non-executive/independent	B	29.01.2014
Maria Francesca Merloni	Non-executive		24.09.2008
Gianemilio Osculati	Non-executive	A	04.05.2007
Paolo Tanoni	Non-executive		11.01.2002
Marinella Soldi	Non-executive/independent	B*	05.05.2016
Enrico Vita	Non-executive/independent	A	03.05.2018

\*Committee Chairman

A - Strategic B - Human resources and Remuneration

### Board of Statutory Auditors

NAME	STATUTORY AUDITORS
Lorenzo Pozza	Chairman
Antonia Di Bella	Auditor
Andrea Silvestri	Auditor

Board of Directors



**Francesco Merloni**  
Honorary Chairman



**Paolo Merloni**  
Executive Chairman



**Laurent Jacquemin**  
CEO



**Sara Dethridge**  
Director



**Andrea Guerra**  
Director



**Roberto Guidetti**  
Director



**Maria Francesca Merloni**  
Director



**Gianemilio Osculati**  
Director



**Paolo Tanoni**  
Director



**Marinella Soldi**  
Director



**Enrico Vita**  
Director

Board of Statutory Auditors



**Lorenzo Pozza**  
Chairman



**Antonia Di Bella**  
Auditor



**Andrea Silvestri**  
Auditor

**Management control:** internal controls include all instruments adopted by the Group for the purpose of guiding, managing and verifying the corporate activities, with the aim of ensuring compliance with corporate laws and procedures, protecting company assets, efficiently managing the activities and providing accurate and complete accounting and financial data.

**Internal Audit:** in 2010, the Group established an Internal Audit function to carry out controls over financial reporting integrated with process and compliance audits. In 2012, an online platform was introduced for managing any remediation plans and sharing information.

**Supervisory body:** it is the body provided by D.L. 231/2001 to give effectiveness to the group organization to prevent from anybody breaching any laws or rules, monitors the effectiveness and update of the "Modello di

Organizzazione" making audit and report yearly to the Board of Directors about the results of its activity.

**Human Resources and Remuneration Committee:** nominated by the Board of Directors, it provides guidance and support both in the definition of the remuneration and incentive mechanisms of the management and in the strategic choices concerning the organisation of the Group.

**Strategic Committee:** it performs a consulting function, assessing the macro risks to which the Group is exposed and supporting the Board of Directors in the definition of business development models.

**Internal Finance Committee:** its task is to analyse the problems related to the financial management of the Group and its information infrastructure, and to define its management policies.

WHISTLEBLOWING

Ensuring the necessary protection measures and enabling workers to submit a complaint can be decisive actions to counteract misdeeds. In March 2018, Ariston Thermo decided to undertake all necessary measures to ensure full compliance with the law, from the protection of identity to the prohibition of discrimination. The company has established a system to receive notifications via email, as well as a

**Whistleblowing Internal Committee. The system allows workers and third parties to communicate with the Group in an anonymous form.** By adopting principles of privacy, IT security, segregation of duties and double control, each business function informs the Internal Audit Committee and the Supervisory Body of the state of the art.

ANTITRUST REGULATION

Ariston Thermo operates on the market in compliance with the rules of competition based on merit, fairness and loyalty. **The Group requires that collaborators of each company adopt a commercial conduct that is fully consistent with the provisions of national and international antitrust regulations, as provided for by the Code of Conduct and the Antitrust Vademecum which form an integral part of the Group's Code of Ethics.** In 2018, the Group has complied with the antitrust legislation of the European Union, and revised its antitrust tools, including a dedicated manual and guidelines. Ariston timely refresh the compliance of the group under this EU laws. In 2018 performed a full assessment and update of the antitrust compliance of the Company, even ensured by training on line dedicated to involved people to ensure the full awareness of relevant people of laws and principles.

COMPLYING TO GDPR

In April 2016, the European Union published the GDPR (General Data Protection Regulation), which seeks to harmonise privacy protection by extending its applicability to third parties outside the EU who process data of European citizens. since the date of entering into force of GDPR, 25 May 2018, Ariston is fully compliant with GDPR prescription and obligation, having the organizational model and rules and audit provided by law to definitively prevent from any risks on data available to the Company.

# HOW THIS DOCUMENT IS MADE

Our first Sustainability Report has been designed to make results and main activities carried out during the fiscal year 2018 available to all the company's stakeholders. The reporting scope is the same used for the consolidated financial statements, and includes the economic, environmental and social results from the activities of all Ariston Thermo Group companies at global level. This document has been edited according to the **GRI Standards**, currently representing the main reference point for non-financial reporting at national and international level. Materiality of information is at the centre of sustainability reporting: it is a threshold beyond which a topic becomes important enough to be reported. According to GRI, material topics are those that may reasonably be considered important for reflecting the organisation's economic, environmental and social

impacts or influencing the decisions of stakeholders. Our values have inspired us to focus on the material topics that currently best describe the company's commitment towards sustainability.

Data sources are internal documents, information processed from benchmarking and sector analyses, and from other official sources mentioned in the Report.

The contents were elaborated in collaboration with all the people in the company, who actively participated in collecting information and relevant data.

Flow data collection has provided a decisive basis for the solidity of the reporting model developed. For further details on the indicators featured in this document, the methods of calculation and the index of GRI contents, please see the Technical Appendix on our website.

[www.aristonthermo.com](http://www.aristonthermo.com)

Any request for clarification and specification can be directed via email to the following address:  
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