

Ariston Thermo Group UK Tax Strategy

Ariston Thermo UK Limited, ATAG Heating UK Limited and ELCO Heating Solutions Limited regard the publication of this strategy as complying with their duties under paragraph 22(2) of Schedule 19 of Finance Act 2016 to publish a tax strategy in the financial year ending December 31, 2017.

The Ariston Thermo group is synonymous with energy efficiency and respect for the environment, thanks to its high efficiency products. Integrity, people, excellence, customers and sustainability are the cornerstones of Ariston Thermo's universe - the principles we believe in, and draw on, every day in our pursuit of excellence. We act honestly and with respect, while ensuring all our activities are legal and compliant with corporate procedures. Our robust and comprehensive approach to managing our tax affairs is underpinned by our Code of Ethics, accessible [here](#).

The Ariston Thermo Group aims to observe all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities everywhere we operate, and to apply diligent professional care and judgement to ensure all decisions are well-considered and documented.

The Group tax department works to ensure that our tax strategy is aligned with business and commercial strategy, and aims to work positively, pro-actively and transparently with tax authorities to minimise the extent of potential disputes, to achieve early agreement on disputed issues when they arise, and achieve certainty, wherever possible.

[If accurate, it would be useful to include a sentence noting that ultimate responsibility for this tax strategy sits with the board of Ariston Thermo SpA or, if appropriate, the audit committee]

Our approach to risk management

Ariston Thermo seeks to reduce the level of tax risks arising from its operations as far as reasonably practical. This is achieved by ensuring that we employ appropriately qualified and experienced tax and finance individuals who act honestly and comply with the law, our Code of Ethics and Ariston Thermo's policies. Our internal controls ensure that all activities of the business are managed and verified with a view to ensuring compliance with the tax laws in the jurisdictions in which we operate, and helping us to identify, manage and monitor the tax risks affecting our business. Our risk management processes in place across our business are overseen by the Group Management with the support of the Internal Audit function, which defines the processes that underpin systems of compliance and internal control.

Our tolerance for tax risk

Ariston Thermo is subject to taxes in numerous jurisdictions. We are committed to complying with the tax laws and practices in all the jurisdictions in which we operate to ensure we calculate and provide for the correct amount of taxes.

Risks inevitably arise due to the scale of our business and the complexity of our business transactions. These may be relating to the application and interpretation of tax laws, changes in tax laws, treaties or regulations and/or introduction of new tax laws. Our Group tax department continuously monitor changes in the tax environment and, where there is uncertainty as to the application or interpretation of the law, will seek external advice from professional advisors. Group Tax monitor the usage and relationships with the external tax advisors across the group.

Ariston Thermo takes a conservative approach to tax risk. Whilst we do not have prescriptive level of acceptable tax risk, we consider the latter to be driven by our integrity and social responsibility, as well as our brand and reputation.

Our attitude to tax planning

Ariston Thermo seeks to support the commercial needs of the business and act in the best interests of our stakeholders. To do this, we act in accordance with our Code of Ethics and strive to comply with the spirit and letter of all tax laws, whether local, national or regional, in the jurisdictions in which we operate whilst ensuring

that our tax affairs are carried out in an efficient manner. This may mean taking advantage of legally available reliefs, exemptions and incentives, as long as the utilization of such reliefs, exemptions and incentives is in line with the spirit of the law.

Our relationship with tax authorities

Ariston Thermo Group continues to engage in an open and honest manner with all tax authorities, including HM Revenue and Customs, and is committed to being transparent with tax authorities about the Group's tax affairs - disclosing, where appropriate, relevant information to enable tax authorities to carry out their review.

We understand that there might be instances where a tax authority's interpretation of tax legislation differs from our own. Our aim is to work positively, pro-actively and transparently with tax authorities to minimise the extent of disputes, to achieve early agreement on disputed issues when they arise, and achieve certainty, wherever possible.