



# Non-Financial Statement

## 2021

# Non-Financial Statement

2021



# Table of Contents

<b>01</b>	<b>Note on Methodology</b>	<b>6</b>		
<b>02</b>	<b>Corporate Identity</b>	<b>12</b>		
	General principles of GVS	15		
	The origins of GVS	16		
	The business model	19		
	Group taxation	20		
	Research and Development	22		
<b>03</b>	<b>Sustainability in GVS</b>	<b>24</b>		
	Stakeholders	27		
	Material topics	30		
	UN Global Compact membership and strategic objectives	34		
	Certification	36		
<b>04</b>	<b>Environmental aspects</b>	<b>38</b>		
	Risks, opportunities and how to manage them	40		
	Taxonomy of business activities and sustainable projects	43		
	Attention to the environmental impact	46		
<b>05</b>	<b>Social aspects and the supply chain</b>	<b>56</b>		
	Risks, opportunities and how to manage them	58		
	Responsibility in the supply chain	62		
	Support for socio-economic development	64		
	Quality, product safety and customer satisfaction	65		
<b>06</b>	<b>Aspects relating to personnel</b>	<b>66</b>		
	Risks, opportunities and how to manage them	68		
	Attention to and enhancement of human resources	72		
	Health and safety of employees and workers	79		
<b>07</b>	<b>Respect for human rights</b>	<b>82</b>		
	Risks, opportunities and how to manage them	84		
	Respect for human rights	85		
<b>08</b>	<b>Combating active and passive corruption</b>	<b>86</b>		
	Risks, opportunities and how to manage them	88		
	Combating active and passive corruption	90		
	<b>Independent auditor's report on the consolidated non-financial statement</b>	<b>94</b>		



# Letter to Stakeholders



## Dear Stakeholders,

We are increasingly committed to ensuring that GVS operates responsibly and ethically, supported by our corporate transparency program and projects that see us participating in the United Nations Global Compact initiative. But before we delve into the progress we have made this year and the key role our company has played in continuing to support our partners and customers, our message is a wish for Peace for all the world.

2021 was the year of COP26, one of the most important international appointments in defining the actions and commitments needed to reduce environmental impact and carbon emissions, to zero net emissions globally by 2050 and aim to limit the temperature increase by 1.5°C.

GVS, aware of the responsibility and role that a company has towards the community and the territory in which it operates, has always considered ESG principles a priority. Today, more than ever, we are even more convinced that our goal is to create long-term value for the benefit of our society, our community and our planet.

For this reason, our sustainable development strategy is structured around three goals:

- **Responsible innovation:** through continuous research and sustainable development of our products, we contribute to the construction of a future in which Safety and Well-being are accessible to all;
- **Green Transition:** we believe that sustainable business comes directly from a conscientious use of natural resources and a transition to renewable energy sources, which is why our Group takes a synergistic and cohesive approach to achieving carbon neutrality;
- **Valuing people:** GVS is a group made up of people who recognise the value of social capital and implement a series of initiatives aimed at

encouraging the personal and professional growth of their resources, promoting activities of support and integration with local communities.

On this basis, GVS has undertaken several ESG initiatives during 2021. Among the most important, the adherence to the United Nations Global Compact, to whose principles GVS today renews its constant commitment.

As part of the fight against climate change, already in the first quarter of 2021, GVS Italy and GVS UK, our main European production sites, completed the transition to renewable energy sources.

Through this initiative we have given concrete form to the Group's strategy to achieve Zero Emissions by 2040, marking a significant contribution to the United Nations SDG 13 Climate Action, to combat the rising temperature of the planet.

At the same time, within our Energy & Mobility division, we have launched two innovative projects aimed at the efficient use of energy: the separator for the production of Hydrogen Green and the E-Axle transmission oil filter, which is used in the engines of hybrid and electric vehicles.

We also recall the "Local for Local" initiative, which has been extended to the entire supply chain, with 66% of goods and services offered by local suppliers contributing to the reduction of greenhouse gas emissions in the supply chain.

Health and Safety protection is an integral part of all activities for us; we continually strive to minimise risks to our employees, contractors and third parties in pursuit of a "zero injury" goal. To that end, during 2021, we added ISO 45001:2018 certification to an additional three of our plants around the world.

Corporate Welfare saw the introduction of the company's contribution to the individual voluntary

quota of employees.

GVS's commitment to people extends to the entire community. GVS continues to support a number of organisations active in the field of research and charity, with increasingly wide-ranging interventions that have become an integral part of the Group's activities. There are many realities supported by the company, both nationally and locally. Among the latter, we are proud to mention our support for the Fondazione per Lo Sport, a non-profit organisation that promotes projects for the inclusion of people with disabilities. In the field of research, we have, among other things, renewed our contribution to the Fondazione Il Bene - Onlus, committed to research in reference to rare neurological and neuroimmune diseases.

Strengthened by a solid 2021, which saw the implementation of several new product development projects from a sustainable perspective, we will continue this year to invest in research and development of our activities, to follow up on the commitments made within the Global Compact and, more generally, with our stakeholders.

We have a great opportunity and responsibility: to deliver to the generations to come a future on a human scale.

**Massimo Scaglianni**

Chief Executive Officer of GVS





01.

NON-FINANCIAL STATEMENT

# Note on Methodology



## 01. Note on Methodology

The purpose of this document is to report the Consolidated Non-Financial Statement at 31 December 2021 (hereinafter also referred to as "NFS" or "Statement") of GVS Group (hereinafter also referred to as "GVS" or "Group"), prepared in accordance with articles 3 and 4 of Legislative Decree 254 of 30 December 2016 and containing information on environmental, social and personnel topics, respect for human rights and the fight against active and passive corruption.

GVS Group has identified the topics which guarantee an effective understanding of the company's activities, its performance, its results and the impact it has produced, and which represent a strategic role for the company itself, being able to influence the assessments of its stakeholders.

Starting 2020, GVS Group meets the minimum requirements imposed by Legislative Decree 254/16; therefore, and since this is the second year of drafting the NFS, the indicators reported take as a reference the reporting year that runs from 1 January to 31 December 2021. Figures for FY 2020 have been shown for comparative purposes. Both businesses have been audited by third parties.

In order to provide an accurate representation of the sustainability performance achieved, priority has been given to the inclusion of directly measurable quantities, avoiding as far as possible the use of estimates, which, where necessary, are based on the best available methodologies or on sample surveys and their use is indicated within the individual indicators.

The Consolidated Non-Financial Statement takes as its reference the "Sustainability Reporting Standards" published in October 2016 by the Global Reporting Initiative (GRI) and uses the "GRI-Referenced" approach. It should be noted that with regard to the specific GRI 403 and 303 standards reference has been made to the most recent 2018 version, while for GRI 306 reference was made to the 2020 revision. Starting in 2021, a detailed analysis of revenue, capex and opex was also carried out in compliance with EU Regulation 2020/852 on the taxonomy of environmentally-friendly economic activities.



The purpose of this document is to present the Group's management model and policies in the area of sustainability to stakeholders, illustrating the most significant results achieved during the year in question, to the extent necessary to ensure an understanding of the company's activities, its performance, its results and its impact, with reference to environmental, social and personnel topics, respect for human rights and the fight against active and passive corruption; topics considered relevant given the company's activities and characteristics, as well as the expectations of stakeholders, as illustrated in the materiality analysis contained in this document.

The following GRI reporting principles necessary for defining the content and quality of the document were considered in drafting the Statement, namely: Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability, as reported in GRI Standard 101: Foundation 2016.

This Statement sets out non-financial information relating to topics considered material to the Group, stakeholder analysis and business model, which were defined and elaborated by an internal working party, coordinated by the group's administration and finance function and the key representatives of the various company functions involved that manage relations with the main stakeholders.

In order to collect the data and information that will be subject to reporting, the Group has prepared data collection forms that have been sent to the contacts involved in the various areas, of the parent company and the subsidiaries.



The reporting scope of this NFS includes the parent company GVS SpA and the companies consolidated on a line-by-line basis as reported in the Annual Financial Report as at 31 December 2021.

The following is a summary overview of the Group operative companies included in the reporting scope:

- **GVS S.p.A.** manufactures and markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Sud Srl** manufactures products related to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Filter Technology UK Ltd** manufactures and markets products relating to the Healthcare & Life Sciences and Health & Safety business lines
- **GVS do Brasil Ltda** manufactures and markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Technology (Suzhou) Co.** manufactures and markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **Suzhou GVS Trading Co. Ltd.** markets products related to the Healthcare & Life Sciences business line
- **GVS NA Holdings Inc.** financial holding company
- **GVS North America Inc.** manufactures and markets products related to the Healthcare & Life Sciences business line
- **GVS Filtration Inc.** manufactures and markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **Yuyao Yibo Medical Device Co. Ltd** manufactures and markets products relating to the Healthcare & Life Sciences business line
- **GVS Microfiltrazione Srl** manufactures and markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Filtre Teknolojileri** markets products related to the Healthcare & Life Sciences and Health & Safety business lines
- **GVS Korea Ltd** markets products related to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Japan KK** markets products related to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Russia LLC** markets products related to the Healthcare & Life Sciences and Health & Safety business lines
- **GVS Argentina S.A.** markets products related to the Healthcare & Life Sciences and Health & Safety business lines
- **GVS Filter Technology de Mexico S. de R.L. de C.V.** manufactures and markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **GVS Puerto Rico LLC.** manufactures and markets products relating to the Healthcare & Life Sciences business line
- **GVS Filter India Private Limited** markets products related to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **Gvs Filtration SDN. BHD.** markets products relating to the Energy & Mobility, Healthcare & Life Sciences and Health & Safety business lines
- **Abretec Group LLC** manufactures and markets products relating to the Health & Safety business line
- **RPB Safety Limited** mainly carries out research and development of products related to the Health & Safety business line

The document shows the risks generated and suffered by the entire GVS Group.

This document was approved by the Board of Directors of GVS S.p.A., on 22 March 2022, in accordance with the provisions of Legislative Decree 254/2016.

The independent audit of the Non-Financial Statement was entrusted to PricewaterhouseCoopers S.p.A. and was concluded with the issuance of the "Report of the Independent Auditor on the Consolidated Non-Financial Statement pursuant to Article 3.C.10, Legislative Decree 254/2016 and Article 5 CONSOB regulation adopted with resolution no. 20267 of January 2018". The Report is attached to this document.







02.

NON-FINANCIAL STATEMENT

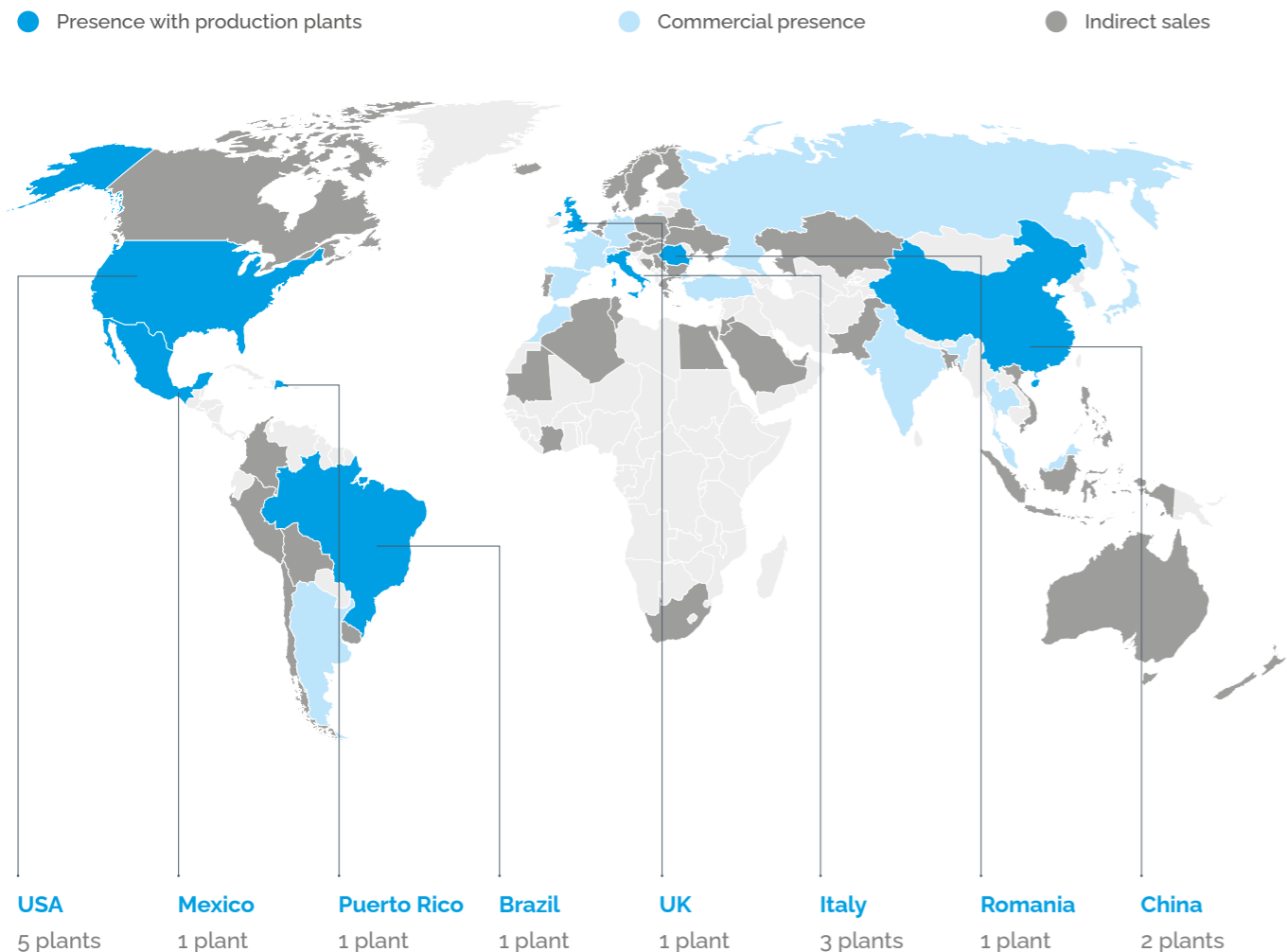
# Corporate Identity





## 02. Corporate Identity

GVS S.p.A. is an Italian company based in Zola Predosa (Bologna), **leader in the supply of advanced filtration solutions for highly critical applications** and offers advanced filtration solutions for multiple applications in various highly regulated sectors organised in the following business divisions: [Healthcare & Life Sciences](#), [Energy & Mobility](#) and [Health & Safety](#)



**15**  
Production  
plants

**3,195**  
Employees

Today, GVS Group is one of the world's largest manufacturers in its sector. The Group's international strategy has led to the opening of 15 production facilities located in Italy (3), the United Kingdom (1), Brazil (1), the United States (5), China (2), Mexico (1), Romania (1) and Puerto Rico (1), 9 sales offices located in Argentina, Russia, Turkey, Japan, Korea, Malaysia, India, Thailand and China, with about 3,195 employees, including temporary staff.

Since it was first established, GVS has always paid great attention to the constant improvement of the quality of its products and to the innovation of its production processes in order to effectively support its clients in the development and implementation of their projects.

Since its origins, GVS Group has shown a strong tendency to develop in global markets and has established, through its foreign subsidiaries and its 3,195 employees, a worldwide sales and production network to closely support its clients and offer them a more effective and efficient service.

### General principles of GVS

GVS is committed to complying with the laws and regulations of the states in which it operates. The general principles, listed in the Code of Ethics, which the Group adheres to in carrying out its activities, are: Fairness, Honesty, Transparency, Impartiality, Integrity, Efficiency, Confidentiality.



**Fairness** means being polite and respectful towards others, diligently observing work instructions and rules, and avoiding situations of conflict of interest, even if only potential;



**Honesty** means not pursuing personal or business interests in violation of civil or ethical standards;



**Transparency** in communications and information produced by the Company, as well as in the choice of suppliers on the basis of objective and predetermined criteria;



**Impartiality** consists in the refusal of any discrimination towards anyone who interacts with GVS;



**Integrity** excludes all forms of harassment, threats or violence, including moral violence;



**Efficiency** means professionalism, diligence and dedication to work;



**Confidentiality** means the prohibition to disclose information of GVS or of third parties legitimately acquired, and implies the adoption of discreet and integral behaviour in the performance of duties.

## The origins of GVS

**In 40 years of history**, GVS has transformed itself from a supplier of components for the healthcare sector to a global Group providing a range of diversified high-tech filtration solutions.



### 1979

In 1979, Grazia Valentini, with the support of her father Renato, one of the first Italian designers of insert moulds, founded GVS, initially engaged in the production of medical filters for blood treatment, which was later joined by the manufacture of a wide range of proprietary products that quickly achieved considerable success and received worldwide recognition;

### 1983

Between 1983 and 1990 the Energy & Mobility division was created and the Group opened two more plants in Monteveglio and Zola Predosa (Bologna);

### 1993

In the period between 1993 and 1999, GVS embarked on the first phase of internationalisation, opening three factories in Belgrade, Buenos Aires and San Paolo respectively, with the intention of expanding into new markets and increasing its production capacity;

### 2000

The second phase of internationalisation takes place in the early 2000s: in 2001 the private equity fund B Group acquires a minority share (about 20%) of GVS - a share then repurchased in 2006 by the Scagliarini family - in order to promote and support the growth of the Group, with the opening of new sales offices in China, the United States and Mexico and new production plants in Italy at Manocalzati (AV) and in the USA. In 2004 GVS opens the new commercial office in Guadalajara, Mexico. In 2007 the Brazilian production plant doubled its production capacity and between 2007 and 2009 the Group acquired new companies in China, Spain, Italy and the United Kingdom.

### 2011

In 2011, the private equity fund Mandarin Capital Partners acquired a minority stake (around 18.2%) in the share capital of the parent company GVS SpA (a stake which was then repurchased in 2015).

### 2012

Between 2012 and 2015, the Group launched its third phase of expansion by acquiring companies and opening new production facilities in Italy, Romania, China, Puerto Rico, Japan, the United Kingdom, the United States, Korea and Russia.

### 2015

In addition, in 2015 the Group acquired a disposable mask manufacturing company in Brazil, a Biohazard protective equipment manufacturer in Italy and a company in Sweden.

### 2017

In 2017 GVS acquires the U.S. Kuss Group, active globally in the production and marketing of strainer filters for the automotive, sport & utility and off-road sectors.

### 2019

In 2019, GVS builds a new production facility in Mexico through its subsidiary GVS Filter Technology de Mexico S. de. R.L. de C.V.



### 2020

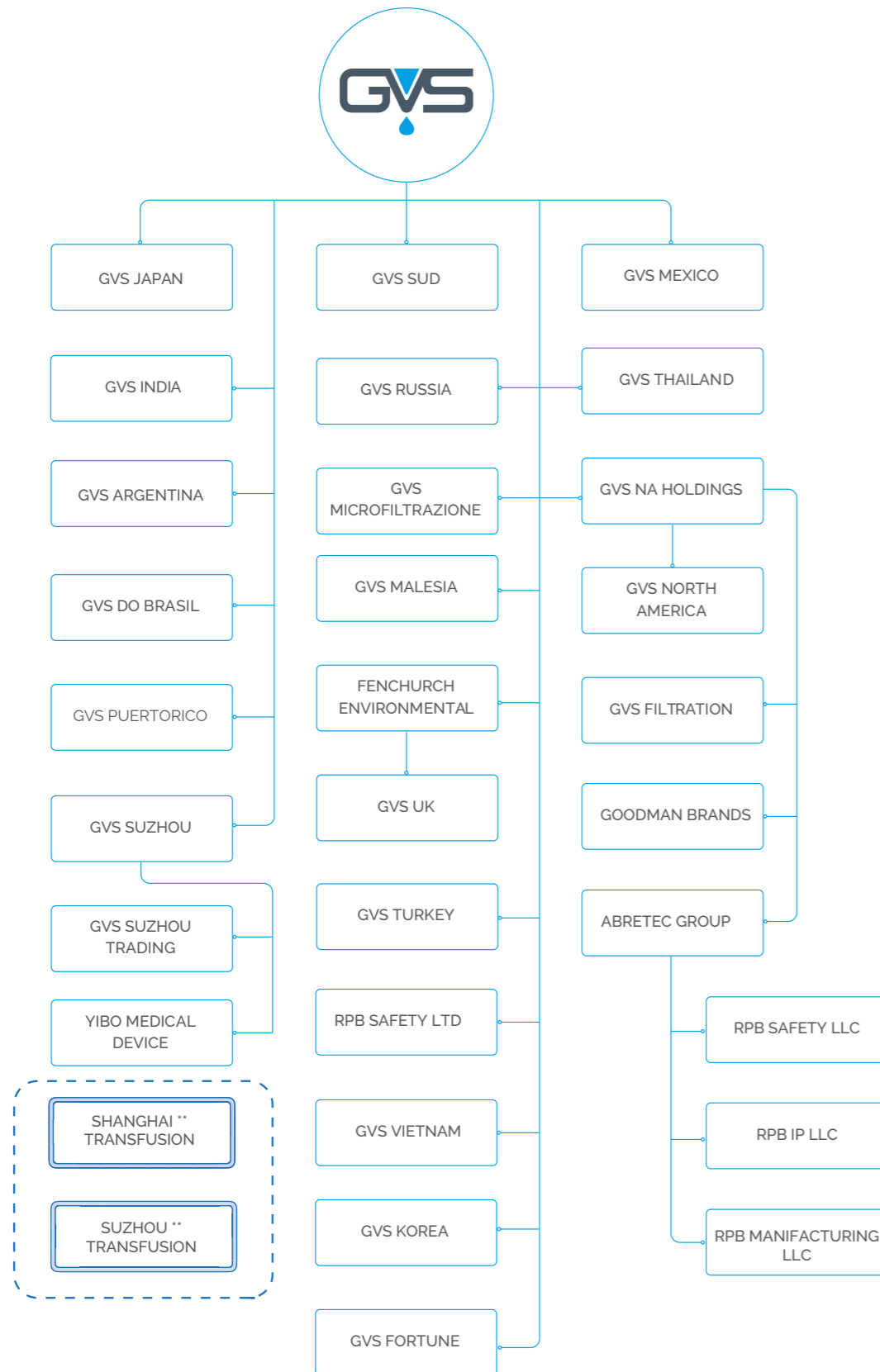
On 19 June 2020, the Company completed the listing process on the MTA market of Borsa Italiana. During the first half of 2020, GVS Group, through its subsidiary GVS Filter Technology de Mexico S. de. R.L. de C.V., completed the acquisition of a business related to products of the Life Sciences business, previously controlled by Graphic Controls Acquisition Corp. In addition, towards the end of the first half of the year, it signed a contract to acquire the equity investment in Haemonetics Puerto Rico LLC, a company operating in the healthcare business.

### 2021

GVS Group, which has shown a strong tendency to develop in global markets since its inception, in 2021 completed the opening of sales offices in India, Thailand and Malaysia plans further openings in the Asian market. The acquisition by GVS of 100% of the RPB Group, an American player specialised in the design and production of respiratory protection, is part of this context of development on international markets. The purpose of this operation is to complete GVS's product range in the field of professional masks and to acquire technical know-how.



BELOW IS GVS GROUP'S CORPORATE ORGANISATION CHART AS AT 31 DECEMBER 2021.



## The business model

GVS has developed a dynamic and flexible business model, capable of satisfying the changing demands of the market and clients.

Production flexibility is pursued with a vertically integrated process aimed at developing the best solution in-house. This is combined with a **"Local for Local" approach that aims to strengthen the relationship with customers by focusing on proximity to them and continuity of supply.**

The uniqueness of the Group's know-how is the result of the synergy based on the three lines of business:

### Healthcare & Life Sciences

GVS manufactures a wide range of filters and components covering numerous gas/air and liquid filtration applications (filters for breathing and anaesthesia, surgery, insufflation, suction and ventilation and for drug delivery, parenteral nutrition, transfusion and haemodialysis). A major contribution to the development of healthcare products is provided by the **GVS Scientific Laboratory, accredited by the Italian Ministry of Research (MIUR)**, which supports the company divisions in research and development, working in synergy with numerous international hospitals and universities. The Laboratory division can also carry out projects on an OEM (Original Equipment Manufacturer) basis, working closely with companies around the world to provide new cutting-edge solutions or finished products, for example, for medical devices, diagnostics, food & beverage or environmental monitoring.

### Energy & Mobility

**GVS boasts 40 years of experience** in high and very high volume insert **moulding** (10-100 million pcs) and in high precision machining. The Energy & Mobility Division is able to produce filters and components using any thermoplastic material. The current production line includes a wide range of filters for ABS systems, transmission, low and high pressure petrol injection systems, high-pressure common rail diesel, oil circuits, transmission units, Urea filters and fuel-tanks. GVS is also a leading manufacturer of ventilation membranes for mechatronics' applications, sensors and, with its Brazilian plant, a leading manufacturer of DBW throttle valves, gears and shafts for throttle bodies. At GVS each new OEM product is designed, developed and tested in collaboration with the client's technical team, to guarantee maximum efficiency in the realisation of the projects.

### Health & Safety

**GVS designs and manufactures a wide range of air filters** used in the field of respiratory protection as well as a wide range of filters for industrial and commercial applications (e.g. molecular filtration products that trap chemicals, environmental contaminants and odours). GVS also offers complete filter maintenance services, energy and air quality diagnostics.

**GVS Scientific Laboratory accredited with the MIUR**

**40 years of moulding experience**

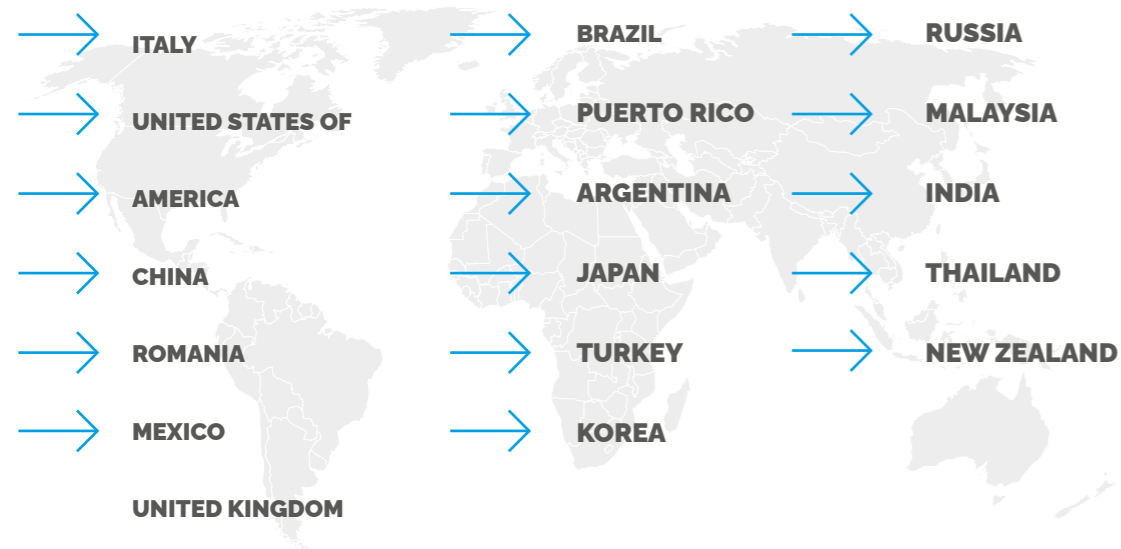
**Design and manufacture of a wide range of air filters**

## Group taxation

### 207-1 APPROACH TO TAX

GVS Group is aware of its responsibilities towards the stakeholders concerned by the aspects deriving from the correct and transparent management of fiscal aspects, both in terms of compliance with the regulations in force and in terms of contribution to the realities in which it develops its business.

The jurisdictions in which the Group operates are as follows and, in each of these, the local company is supported by tax advisers:



### 207-2 TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT

The Group is oriented towards making choices on tax matters as a direct consequence of strategic business decisions. The objective of the tax approach is to minimise the tax burden of the group, while fully respecting the regulations of the various jurisdictions. We note in this regard that the taxes paid by the Group in the periods prior to the listing have been audited by an external party, as required by the IPO procedure. With a view to reducing the tax burden, always in compliance with the regulations, GVS SpA has submitted an application for access to the preliminary agreement procedure, related to the use of intangible assets for the determination of the income generated by tax-advantaged intangible assets as provided for by the Patent Box regulations; the agreement in question, which has not yet been finalised, is expected to take effect for FY 2019 and the following 4 tax periods.

Responsibility for and control over tax matters rests primarily with the Board of Directors, supported by the Group Tax Department, which, with the help of external consultants, carries out activities to comply with regulatory requirements. In fact, the process of determining taxes derives from a true and fair view of the financial statements, in accordance with the relevant accounting standards.

Accordingly, the roles and responsibilities assigned to the various sectors of the organisation in relation to tax risks have been defined and, during the last year, the management of tax risk has also been defined by means of specific controls included in the Organisation and Management Model pursuant to Legislative Decree 231/01.

The Supervisory Body, for the companies in which it is in charge, periodically verifies the correct application of the procedures prepared and the correct and consistent conservation of the documentation of the operations, through periodic meetings with the Managers.

### 207-3: STAKEHOLDER ENGAGEMENT AND MANAGEMENT CONCERNS RELATED TO TAX

Included in the administrative and fiscal management processes are elements of control, at various levels, related, for example, to:

- adherence to the GVS code of ethics when carrying out activities on behalf of the Group;
- mapping and updating the chart of accounts and setting it up according to the tax rules applicable to individual cases;
- verification of the way in which management events and the related taxation are recognised when calculating the taxes to be recognised in the financial statements, and when preparing the tax return;
- signing of tax declarations by the legal representative for Group companies and filing of such declarations;
- periodic verification between taxes paid and taxes accounted for;
- preparation of a specific document for the management of transfer pricing topics with the support of external consultants.



## Research and Development

R&D activities are at the heart of GVS's business model, with **research expenses reaching 6% of revenues in 2021** and 5,5% of revenues in 2020, equally divided in order to improve processes and products. The Group has **7 research centres around the world**, with 104 highly qualified employees supervised by a global coordinator.

The development process depends on the complexity of the project, and results in continuous monitoring and economic evaluation until release into production. The R&D process involves a succession of 4 phases: estimate; feasibility; R&D; and the industrial phase.



The quotation consists in the conception of the product, the collection of essential information such as its specifications, the reference market and the target price;



Feasibility includes technical analysis of materials, benchmark competitors and identification of potential raw materials. In this phase, analyses of potential conflicts with existing intellectual property are also carried out and, if necessary, the possibility of applying for new patents;



Product development is the core phase of the process, where tests are performed on the required specifications and the prototype is made;



The low scale industrial phase is used when industrial samples are needed to test the product without large investments or when there are time constraints. In this phase, the same materials, specifications and technology are used as in the high industrial phase, which also meets the economic requirements of the project.

**In 2021, GVS Spa participated in the "Attraction of Investments in Emilia-Romagna" call<sup>1</sup> and was selected.** The Company presented a 2-year research and innovation project focused on advanced filtration solutions for healthcare, energy and safety and was selected among the companies participating in the call.

In addition, GVS will set up a research centre, called "GVS Membrane Open Lab", which aims to become not only a centre of excellence at world level in the design and manufacture of filtering membranes, but also a real hub of knowledge on the subject of materials for high-end filtration, within which researchers from the most varied realities will be able to pool ideas and skills, using cutting-edge infrastructures, in order to develop increasingly high-performance and innovative solutions.

The total investment, estimated at approximately **4 million euros**, will be supported by the Emilia-Romagna Region with a non-repayable contribution of 2 million euros, and will

1. The Emilia-Romagna region has allocated a fund of nearly 31.5 million euros through the "Attraction of Investments in Emilia-Romagna" call, with the aim of generating 77 million euros of investment and employing 733 new workers. There are 25 projects submitted by 19 groups and companies, ranging from sustainable mobility to train safety, artificial intelligence and medical devices to support extracorporeal circulation in neonatal age and cardiac surgery.

**6%**  
of revenues  
spent on  
research

**7**  
research  
centres  
worldwide

involve the hiring of new qualified personnel for at least 22 units.

The investment programme is part of the wider strategy of production and commercial growth of the GVS Group, which envisages significant expansion in the Bologna area and in other key areas at a global level.







03.

NON-FINANCIAL STATEMENT

# Sustainability in GVS





## 03. Sustainability in GVS

The Group is attentive to its social, environmental and economic impacts and operates with an eye on these topics, going beyond compliance with current regulations.

As of 2021, the company has decided to have a sustainability policy and to extend the risk assessment model to cover ESG issues. These will also include risks related to climate change.

The company has defined a strategic sustainability plan that includes macro-objectives and detailed objectives. The aspects already considered and addressed by current Management will also be extended and focused on with the ESG topics manager, who has been identified and appointed.

As indicated in the Code of Ethics, **GVS complies with the following sustainability principles: protection of the environment, protection of human rights, protection of health and safety at work and combating active and passive corruption.**

### Environmental protection

Respect for the environment is a fundamental right and a means of assuring stakeholders of the long-term sustainability of the business.

The Group is constantly committed to protecting natural resources and aims to reduce the environmental risks and impacts of its production activities.

To this end, the efficient use of resources is promoted and waste is limited as much as possible, for example, by recycling production waste through specialised companies.

### Human rights protection

GVS promotes the universality of human rights and supports the principles expressed by the Universal Declaration of Human Rights adopted by the United Nations. The Company strongly condemns slavery, human trafficking and the exploitation of labour, whether child, forced or under threat of corporal punishment.

In addition, it has no relationship with third parties in any way related to these crimes.



### Health and safety at work

The protection of health and safety in the workplace is a fundamental value for Group companies, which constantly ensure compliance with sector regulations and promote a culture of accident prevention in order to reduce the risk of accidents in the workplace as much as possible.

### Combating active and passive corruption

Any form of favouritism, corruption or collusion with third parties or representatives of public power (public officials, politically exposed persons or persons closely linked thereto) is firmly condemned.

The Group also adopts a policy of prohibiting gifts in countries where this is customary.

The relationship with public authorities requires transparency and attention, as does the management of public funds (contributions, subsidies, loans, etc.), which must presuppose maximum transparency both in the truthfulness of every related document and in the correct destination of the money.

## Stakeholders

Business operations depend on the relationship of trust established with the stakeholder network. GVS believes that business value grows through timely understanding of opportunities shared with stakeholders.

Below is a list of the stakeholders considered significant by GVS.



#### REGULATORY BODIES AND PUBLIC ADMINISTRATION

The Group ensures full compliance and adherence to current national and international regulations. GVS is subject to controls by the institutions and the Antitrust and Market Regulatory Authorities, showing collaboration and ensuring transparency. In its relations with the Public Administration, GVS maintains conduct which complies with the provisions of Legislative Decree 231/2001, in order to prevent the commission of the offences contained therein.



#### HEALTH SYSTEM

The healthcare system deserves special attention, given that one of the main drivers of the business line is the growing need for medical treatment directly linked to the development of new drugs and biopharmaceuticals. The Group is in constant dialogue with the healthcare system in order to find new solutions for blood transfusion, ventilation, haemodialysis, dialysis, open-heart surgery, oncology and respiratory diseases, and plasma sterilisation. In addition, to deal with the Covid-19 emergency, it has shared its know-how on personal protective equipment and medical filtration products, providing support to the healthcare system.



**SUPPLIERS**

GVS's suppliers are considered to be established and solid partners of the Group, competent and reliable in their services. A make-to-order approach with efficient sourcing is adopted to keep the process highly vertically integrated. The relationship with its suppliers is based on close cooperation and observance of the principles of loyalty, integrity, confidentiality, transparency and professionalism. Suppliers are selected and evaluated according to defined methods and criteria (professionalism, quality of collaborators and correctness in carrying out activities). The Group is committed to timely and correct compliance with contractual conditions, as well as continuity in supply requests.

**SHAREHOLDERS AND INVESTORS**

The interest of the Group and its shareholders and investors is the growth of corporate value. GVS intends to encourage the utmost transparency towards investors and the financial community, by building, maintaining and developing an active relationship of trust with them, which will bring benefits both to investors and to the Company, with a view to the creation of value in the medium/long-term. Dialogue with Shareholders is guaranteed by the 'policy for the management of dialogue with the general public and other interested parties', which governs the methods by which GVS S.p.A. intends to manage dialogue with current and potential Shareholders and with other interested parties, in order to implement Recommendation no. 3 of the Code of Corporate Governance<sup>2</sup>, also taking into account the engagement policies adopted by institutional investors and asset managers.

**FINANCIAL INSTITUTIONS**

The Investor Relations Department is responsible for managing and communicating timely, accurate, fair and transparent information.

**EMPLOYEES AND PARTNERS**

The Group shows constant attention to the well-being and professional and personal fulfilment of its employees. There is a constant commitment on the part of the company to building employment stability for its employees, meritocratic remuneration policies and incentive systems. The company culture is based on the protection of the health and safety of employees, as well as the inclusion and enhancement of diversity.

**TRADE ASSOCIATIONS**

GVS actively consults with trade associations, which represent a key to understanding best practices and regulatory provisions governing the activities of the sector in which the various companies of the Group operate.

**ACADEMIC WORLD**

Training and skills development paths are of fundamental importance, and it is for this reason that the relationship with the academic world is essential. These activities emphasise the relationship between the economy, society and universities as fundamental institutions of scientific and cultural development in the country, being primarily responsible for the dissemination and sharing of knowledge.

**LOCAL COMMUNITIES**

Local communities play an important role for GVS, which continually promotes the building of close ties with local communities in the countries in which it operates, working together to promote sustainable development. The agreement with the community is not only indispensable, but it is also strategic, on the one hand through dialogue with the authorities and on the other through participation and promotion of projects and initiatives to support the territory.

**NON-PROFIT ORGANISATIONS**

The Group supports various organisations and associations for research, while also paying attention to local charitable and non-profit organisations. These include "Save the Children" and the *Cystic Fibrosis Research Foundation*. GVS is also committed to research in the field of rare neurological and neuroimmune diseases, with particular attention being placed on new diagnostic and therapeutic methods, demonstrated in the support given to the *il Bene Onlus Foundation*.

**ENVIRONMENT**

The Group is committed to protecting the environment through training and awareness activities in order to generate a positive impact, especially in the workplace.

**COMPETITOR**

Relations with competitors are fundamental for the definition of common strategies, for the consolidation of sector policies and for the protection of free competition.

**AGENTS AND DISTRIBUTORS**

GVS Group relies on major distributors in the sector. During the Covid-19 emergency, the use of direct distribution to the final consumer increased to ensure greater timeliness and safety for its customers. As with relations with suppliers, relations with distributors are also oriented towards collaboration and observance of the principles of loyalty, integrity, confidentiality, transparency and professionalism.

**BUSINESS PARTNERS**

Over the years, strategic relationships have been defined with its business partners in terms of product and service quality, proper environmental management and adequate working conditions. Focusing on the principles of fairness and honesty with regard to market practices ensures that GVS and its partners enhance one another.

<sup>2</sup> According to recommendation no. 3 of the Corporate Governance Code, "The Board of Directors, on the proposal of the Chair formulated in agreement with the Chief Executive Officers, shall adopt and describe in the Corporate Governance Report a policy for managing dialogue with all shareholders, also taking into account the engagement policies adopted by institutional investors and asset managers".



## Material topics

The identification of material topics is the result of a process of identification, evaluation and classification of the topics that affect the Group's ability to create value in the short, medium and long term.

It is important to point out that since the Group is still in initial stages of integrating sustainability into its business, to date, the determination of material topics is the result of a process carried out internally without the direct involvement of external stakeholders. However, the Company is considering putting in place a structured method to involve them in identifying material topics.

For the purposes of identifying and defining the material topics, account was taken of the requirements of Legislative Decree 254/16, the statements already present within the Group (e.g. Code of Ethics, Model pursuant to Legislative Decree 231/2001, GVS Environmental Policy, GVS Quality Policy, GVS Safety Policy), and a benchmark of the Group's main competitors and reference partners.

Senior management and its staff were involved right from the process of defining the objectives, identifying the topics to be analysed and the priorities for GVS, to the formal approval of the result of the analysis.

**A total of 8 material themes were identified, covering 5 categories: environmental (1 theme), social (3 themes), personnel-related (2 themes), human rights (1) and the fight against active and passive corruption (1 theme).**



HEALTH AND SAFETY OF EMPLOYEES AND WORKERS



SUPPORT FOR SOCIO-ECONOMIC DEVELOPMENT



QUALITY, PRODUCT SAFETY AND CUSTOMER SATISFACTION



ATTENTION TO AND ENHANCEMENT OF HUMAN RESOURCES



ATTENTION TO THE ENVIRONMENTAL IMPACT



RESPECT FOR HUMAN RIGHTS



RESPONSIBILITY IN THE SUPPLY CHAIN



COMBATING ACTIVE AND PASSIVE CORRUPTION

Legislative Decree 254/16	Material topic	Description
Fight against corruption	Combating active and passive corruption	The topic refers to the Group's commitment to fight active and passive corruption, fraud, monopolistic practices and anti-competitive behaviour. This topic also refers to compliance with existing laws, regulations and conventions, as well as the promotion of respect for the commonly accepted principles of transparency, fairness, loyalty and good administration, including through training and awareness-raising activities.
Social	Responsibility in the supply chain	Responsible supply chain management refers to the importance of supplier production and traceability systems, starting with supplier selection, evaluation and monitoring. The theme also takes into account not only criteria of legality, transparency, fairness and quality but also environmental and social sustainability (e.g. possession of ISO 9001, ISO 14001, ISO 45001 and SA8000 certifications).
Environment	Attention to the environmental impact	The Group considers respect for the environment to be a fundamental right and a means of assuring stakeholders of the sustainability of the business in the long term. GVS is actively committed to the protection of natural resources and has the constant objective of reducing the environmental risks and impacts due to its activities. The theme refers to the responsible management of the following aspects: <ul style="list-style-type: none"> <li>• materials used in core business activities;</li> <li>• energy consumption, in order to reduce it and consequently also the emissions produced;</li> <li>• water consumption, with a view to efficient management of the quantity of water withdrawn;</li> <li>• waste and water discharges from business activities.</li> </ul>
Personnel	Health and safety of employees and partners	The theme refers to the prevention and protection of employees to minimise their exposure to work-related risks (such as occupational accidents and diseases). In particular, the topic concerns the implementation of adequate tools to monitor accidents and of prevention, education and training measures in the field of health and safety.
Personnel	Attention to and enhancement of human resources	The Group promotes an inclusive environment that respects differences in gender, age, ethnicity, sexual orientation and religion in its recruitment, training, professional development and remuneration policies. It also refers to attracting new talent, updating employees to develop professional and transversal skills, as well as paying special attention to the training and development of younger resources.
Social	Support to development socio-economic	The topic concerns the ability to create and distribute value to local economies in the areas where the Group conducts its business, so as to enable sustainable development and prosperity over time. In order to pursue this objective, relationships are developed with local communities, support is offered through volunteer initiatives and the management of projects in collaboration with local institutions.
Human Rights	Respect for human rights	The Group promotes the universality of human rights and supports the principles expressed by the Universal Declaration of Human Rights adopted by the United Nations. Furthermore, the Company strongly condemns slavery, human trafficking and the exploitation of labour, whether child, forced or under threat of corporal punishment.
Social	Quality, product safety and customer satisfaction	The theme concerns the constant search for the best quality in production aimed at maximum value creation for the customer, through continuous attention to the applicable quality and safety parameters. It also refers to the criteria of professionalism, correctness, transparency and clarity in relations with customers, in order to create stable relationships.



The materiality analysis process was structured as follows:



### IDENTIFICATION OF RELEVANT THEMES

- Research and analysis of internal (policies, procedures, etc.) and external sources (analysis of standard-setters' publications and benchmarks with major competitors);
- Development of a long list of potentially relevant topics;
- Review and approval of the long list and skimming of those topics to a short list.



### EVALUATION OF RELEVANT THEMES

- Organisation of meetings with management to assess the importance of each topic on the short list, from the point of view of both the Company and its stakeholders;
- Consolidation of the results of the assessment and preparation of the relative materiality matrix.

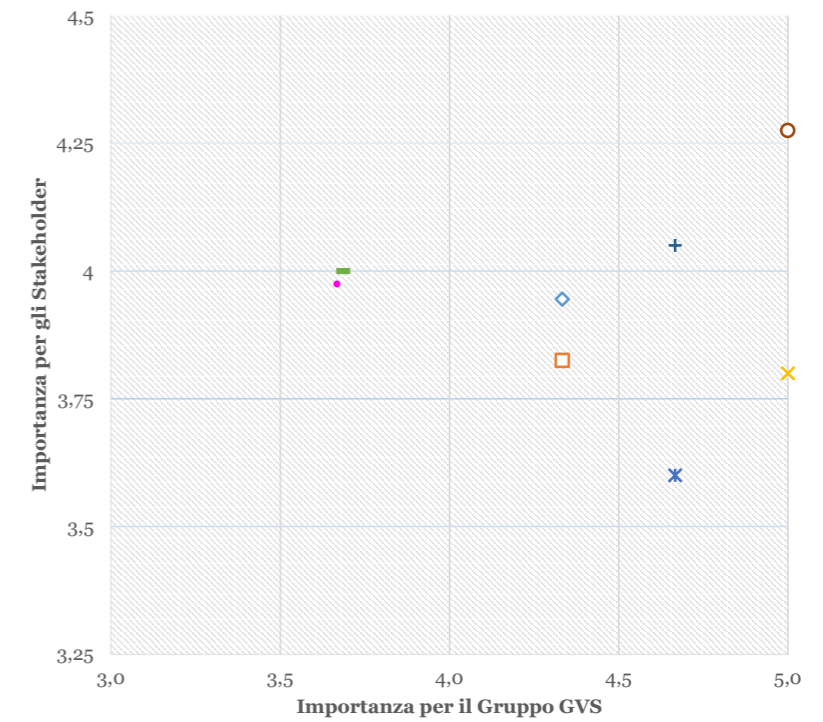


### APPROVAL AND REVIEW

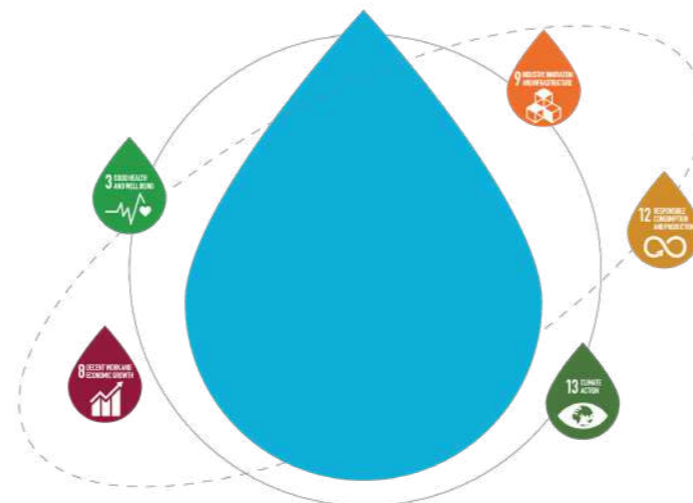
- Approval of the short list of topics identified and evaluated in previous phases;
- Review and verification of the materiality matrix resulting from the assessment of the various topics;
- Approval of the matrix by the internal working party and by the BoD.

Below is the materiality matrix showing the results of the analysis. The materiality matrix consists of a graphical representation of the importance attributed to each material theme from the point of view of society (X-axis) and stakeholders (Y-axis): the higher and to the right the theme is placed on the graph, the greater its relevance for both parties.

### Materiality Analysis



- ◆ Combating active and passive corruption
- Responsibility in the supply chain
- Attention to the environmental impact
- × Health and safety of employees and partners
- × Attention to and enhancement of human resources
- Support for socio-economic development
- + Respect for human rights
- Quality, product safety and customer satisfaction





## UN Global Compact membership and strategic objectives

Since 2021 GVS S.p.A. has been committed to the corporate responsibility initiative of the United Nations Global Compact and its principles in the areas of human rights, labour, the environment and the fight against corruption.



The Group is committed to making the UN Global Compact and its principles part of the company's strategy, culture and day-to-day operations and to engaging in collaborative projects that promote the broader goals of the United Nations, particularly the Sustainable Development Goals.

The commitment to environmental, social and economic sustainability shown by the GVS Group has been consolidated over the years. The Group's set of founding values, set out in the Code of Ethics, are the premise for integrating into its strategy, culture and *modus operandi* the ten universal principles on which the United Nations initiative is based.

*"Innovating to promote safety and wellness, bringing innovation to healthcare, using science, and innovating to bring the power of mobility into the future are our commitments to sustainable industrial innovation and good health as a universal right. In addition, to contribute to the United Nations Climate Action, we aim to be carbon neutral by 2040. We then believe that improving awareness of Wellness, Health and Safety in the workplace, and making it as inclusive as possible, is part of our commitment to value People."*

Massimo Scagliarini, CEO GVS Group.

GVS therefore believes it can make a contribution to the mission of the Global Compact to achieve the Sustainable Development Goals dictated by the UN 2030 Agenda for Sustainable Development. Specifically, **GVS has identified five priority** goals within the seventeen goals as part of its business development strategy: Industry, Innovation, and Infrastructure (SDG9); Responsible Consumption and Production (SDG12); Climate Action (SDG13); Health and well-being (SDG3); and Decent Work and Economic Growth (SDG8), which we describe below.

### 3. HEALTH AND WELL-BEING

"The SDGs provide a new opportunity for the private sector to support the delivery of health needs worldwide through their products, services, and business activities, including supply chains and distribution networks, communications activities, occupational health and safety practices and the provision of employee benefits. By ensuring safe working conditions and access to health services, companies establish healthier staff and better relationships that in many cases have positive effects on productivity."

Filtering air to promote safety and wellness, innovating healthcare through science, and combining reliability with tomorrow's technology are GVS's commitments to sustainable industry innovation and good health as a universal right.

GVS promotes and guarantees a serene and safe working environment, based on respect for people, solidarity, non-discrimination of any kind and careful observance of the law and regulations.



### 8. DECENT WORK AND ECONOMIC GROWTH

"Businesses are engines of job creation and economic growth and promote economic activity through their value chain. Decent job opportunities are good for businesses and companies. Companies that meet labour standards throughout their operations and supply chains reduce their exposure to the risk of reputational loss and legal liability. Instituting non-discriminatory practices and embracing diversity and inclusion also leads to greater access to talented, skilled and efficient human resources."



GVS is firmly convinced of the value of human resources for the development of the entire Group. In view of the organisational development and empowerment of the various business functions, in addition to increasing the level of awareness of the importance of one's role in achieving the company's objectives, we have designed and implemented an incentive system based on the sharing of objectives and individual assessment, which defines the values that can stimulate each employee. The entire process aims to create a business environment, in which employees maintain a high level of motivation and satisfaction.

### 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

"By committing to sustainable industrialisation and fostering innovation in all business operations, companies can contribute to development activities in the regions where they operate through improving local infrastructure, investing in resilient energy and communication technologies, and making these technologies available to all people, including groups on the margins, who might otherwise not have access to them."



GVS considers innovation to be one of the pillars of its strategy, the continuous improvement of the process, with particular attention to energy consumption, the minimisation of waste are key factors in the implementation of the strategy.

### 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

"Sustainable practices in the production phase of products and services will not provide sufficient answers to meet scientific emission reduction targets, natural resource constraints, or growing demand for basic necessities such as food, water and sanitation, and energy access. Consumption patterns, particularly lifestyles in industrialised societies, must be made sustainable and their ecological footprint reduced to enable the regeneration of the natural resources on which human life and biodiversity depend."



GVS complies with the following sustainability principles: protection of the environment, protection of human rights, protection of health and safety at work and combating active and passive corruption. GVS takes care of the natural resources used in its production process, favouring responsible energy and minimising the consumption of water and non-recyclable waste.

### 13. ACTING FOR CLIMATE

"Climate change impacts natural and human systems globally through increases in global mean surface temperature, extreme weather events, precipitation patterns, sea level rise and ocean acidification. The world must transform its industrial, transportation, food, agricultural and forestry energy systems to ensure that cumulative net emissions do not exceed 1 trillion tones of carbon dioxide, implying net zero emissions by the second half of the century."


The environmental policy defined by GVS is the guideline for improving the environmental impact of its activities and includes the following commitments: to continually improve the management system and prevent pollution; to comply with the applicable legal requirements relating to its environmental aspects; and finally it provides a reference for establishing and reviewing environmental objectives and targets. GVS is very active in raising awareness among its employees to reduce the environmental impact of emissions.





## Certification

Below is a summary of the certifications held by the companies in GVS Group, broken down into geographical area and field of application.

GVS GROUP			
ECOVDIS AWARD 2020 - Silver Medal			
			
	ENVIRONMENT	QUALITY	HSW
ITALY	EMAS 2019 - GVS Sud	IATF 16949 2016 - GVS S.p.A.	
	ISO 14001 2015 - GVS S.p.A.	IATF 16949 2016 - GVS Sud	ISO 45001 2018 - GVS S.p.A.
	ISO 14001 2015 - GVS Sud	ISO 9001 2015 ISO 13485 Med	ISO 45001 2018 - GVS Sud
UK	ISO 50001:2018	ISO 9001 2015	Safe Contractor Accreditation
	ISO 14001:2015	ISO 13485:2016	ISO 45001:2018
ROMANIA	ISO 14001	ISO 9001 2015 ISO 13485:2016 IATF 16949 2016	ISO 45001:2018
USA		IATF 16949:2016 GVS North America - Sanford, ME	
		ISO 13485:2016 GVS North America - Sanford, ME	
		IATF 16949:2016 GVS Filtration - Findlay, OH	
	ISO 14001: 2015 GVS North America - Sanford, ME	ISO 9001:2015 GVS Filtration - Findlay, OH	
	ISO 14001:2015 GVS Filtration - Findlay, OH	ISO 13485:2016 GVS Filtration - Findlay, OH	
	ISO 14001:2015 GVS Filtration - Bloomer, WI	ISO TS 16949:2016 GVS Filtration - Bloomer, WI	
	ISO 9001:2015 GVS Filtration - Bloomer, WI		
	ISO 13485:2016 GVS Puerto Rico, PR		
	ISO 9001, GVS North America - Sanford, ME		
	ISO 9001, GVS RPB, MI		
CHINA		IATF 16949:2016	
	ISO 14001 2015	ISO 9001 2015	ISO 45001:2018
		ISO 13485 2016	

	ENVIRONMENT	QUALITY	HSW
MEXICO		ISO 9001 2015 ISO 13485:2016 IATF 16949 2016	
BRAZIL	ISO 14001	NBR ISO 9001 IATF 16949:2016	







04.

NON-FINANCIAL STATEMENT

# Environmental aspects





## 04. Environmental aspects

GVS Group is one of the **world's leading suppliers of filter solutions**, for applications in the Healthcare & Life Sciences, Energy & Mobility and Health & Safety sectors; it stands out for being at the forefront of both technology and production in the manufacture of its products, respecting the environment in which its various production centres and sales offices are located.

GVS S.p.A., GVS Sud S.r.l., GVS North America Inc., GVS do Brasil Ltda, GVS Technology (Suzhou) Co., GVS Filtration Inc., GVS Filter technology UK Ltd and GVS Microfiltrazione Srl are in possession of ISO 14001 certification, and of procedures for the management of environmental aspects equivalent to those held by the Italian companies.

In these situations, for each activity and for each potentially hazardous site, an assessment is made of the potential capacity to cause effects on the surrounding environment. The analysis for identifying environmental impact factors is developed for normal plant operating conditions and anticipated abnormal conditions. Possible emergency situations, accidents and possible impacts of past activities are also considered.

### Risks, opportunities and how to manage them

The main environmental aspects can be summarised as follows:

#### Atmospheric emissions (fumes, noise)

The main risk is air and noise pollution, as well as exceeding the limits of the permits granted to the Group's activities.

Atmospheric emissions are mainly due to vehicle exhausts, emissions generated by air-conditioning systems and fumes from thermal power stations.

The emissions (fumes) produced during the injection moulding of plastic materials derive from the melting of the plastic granule, which takes place near the die-casting of the materials inside the mould, at a temperature that can vary between 160-180°C for the

majority of thermoplastic resins (e.g. PVC), and 280-300°C for polycarbonate. The environmental impact that occurs due to the fumes released into the atmosphere is chemical and physical. The chemical impact is due to the fact that chemical substances are released into the air (volatile organic substances, dusts and oil mists) that in certain quantities, above the limits mentioned above, can be toxic for people, animals and plants.

With regard to noise, two types were found: noise inside the company, and noise outside the company, due mainly to air conditioning and production systems.

**GVS is very active in raising awareness among its employees to reduce the environmental impact of emissions;** as company cars are replaced, the company offers its employees electric or hybrid cars so that over time, new rental cars will be channelled towards electric/hybrid vehicles.

#### Exhausts

The processes that have the greatest impact on discharges are membrane manufacturing processes, resulting from the use of chemicals in liquid form and process water. The remainder are impacts mostly resulting from civilian use of water resources within the plants.

The main impacts are due to process wastewater, related to membrane manufacturing processes. These processes concern the GVS SpA plant in Italy and the two plants in Sanford and Westborough belonging to GVS North America Inc. In Italy, wastewater is collected in collection tanks and collected as waste by a disposal company. The service water of the offices is, on the other hand, conveyed into the municipal sewer.

In GVS North America Inc., depending on the process, waste water is managed in the same way as in the Italian plant, or is treated internally and then disposed of in the public sewage system.

As of 21 December 2020, the GVS SpA plant obtained a new Single Environmental Authorisation for the discharge of water from membrane treatment into the sewer system. This is process water assimilated to domestic wastewater. Everything else is disposed of as waste.

#### Single Environmental Authorisation

#### Management of waste disposed of externally (plastic residues, cartons and packaging, dirty rags, dirty oils)

The waste produced is mainly plastic residues from moulding operations and packaging and workshop residues. They are all properly confined, identified and disposed of by authorised companies. A further risk is the pollution of the soil and sewers in the event of spills and runoff from the yards for this reason, waste is usually stored in a covered warehouse, and where necessary, with special containment basins to prevent soil and sewer pollution. Anti-spill kits have been placed near the areas where accidental spills could occur (forklift reloading area, waste oil cabinet).



## Land use and contamination

The risk of soil contamination could arise from accidental spillage of stored oils, stored in suitable cabins in all GVS plants.

## Use of natural resources and raw materials

With regard to the use of natural resources, the greatest risk is the excessive consumption of water, electricity and gas for production needs.

A wide range of thermoplastics, elastomers and technologically advanced materials are used to meet customer specifications. All medical products are made from resins, which are selected according to assembly and sterilisation methods. Filter fabrics include nylon monofilament, polyester, steel, bronze, copper and non-woven fabrics with filtration from 2 to 300 microns. Hydrophobic and hydrophilic microporous membranes are also used, with the possibility of further surface treatments. GVS's high level of expertise in moulding production technology means that inserts of any metal material, from brass or steel to the most advanced alloys, can also be used.

Part of the risk of environmental pollution is due to the thermal decomposition of the plastic granule in factories where moulding and injection plants are operating.

In addition to direct environmental aspects, indirect environmental aspects should not be overlooked, i.e. those over which GVS can only have an influence on third parties who have direct control. In particular, this refers to those suppliers to whom the Group has delegated certain activities, not directly overseeing the related environmental aspects, but maintaining, to a greater or lesser extent, its influence on their behaviour.

At present, the indirect environmental aspects, apart from the transport of waste by authorised persons, are mainly related to the transport of both raw materials and finished products by lorries.

The impacts associated with this activity are:

- Noise pollution, due to noisy emissions from vehicles;
- Air pollution, due to exhaust gases;
- Traffic.

**The company GVS SpA has adopted, pursuant to Legislative Decree 231, the Organisation, Management and Control Model. Among the types of offences provided for by the Legislative Decree are environmental offences, and in order to mitigate the risks arising from production activities, the GVS companies in possession of the ISO 14001 certified Management System have set up the Environmental Management System** (hereinafter also EMS). This arises from the need to prove to its customers, supervisory bodies, and all stakeholders, that the company is sensitive to aspects of the environment in which the entire Group can exercise control.

An Environmental Management System can be defined as the part of the overall management system that includes the organisational structure, planning activities, responsibilities, practices, procedures, processes, resources to develop, implement, achieve, review and maintain the environmental policy.

The environmental policy defined by GVS is first of all appropriate to the type, size

and environmental impacts of its activities; it includes a continuous commitment to improvement and prevention of pollution; it includes a commitment to compliance with applicable legal requirements concerning its environmental aspects; it provides a reference for establishing and reviewing environmental objectives and targets; and finally it is documented, implemented and maintained, and communicated to all persons working for the company or on its behalf.

Compliance with the contents of the Environmental Management System in accordance with EC REGULATION No. 1221/2009 of 22-12-2009 (EMAS III) and the UNI EN ISO 14001-2015 standard aims to achieve improvement in its environmental performance through an orderly path of continuous improvement of the System itself.

To ensure this, systematic and documented audits shall be carried out to find out and assess, with objective evidence, whether the organisation's environmental management system complies with the criteria defined by the organisation for the audit of the environmental management system and to communicate the results of this process to management.

## Taxonomy of business activities and sustainable projects

In June 2020, Regulation 2020/852 on the establishment of the European taxonomy came into force, which is the main regulatory intervention implementing the European Union's Sustainable Finance Action Plan.

**The main objective of the action plan is to achieve a comprehensive strategy of interconnection between financial performance and sustainability in order to encourage investments aimed at pursuing environmental and social objectives.**

The regulation establishes the framework for gradually creating a unified classification system called taxonomy, according to which an economic activity can be considered environmentally sustainable.

At this time, the 2021 classification has focused on sustainable environmental activities from the perspective of two objectives:

- Climate change mitigation;
- Climate change adaptation.

Starting next year, the taxonomy of corporate activities will be gradually extended to include the following environmental objectives:

- Protection of water and marine resources;
- Transition to a circular economy;
- Pollution: prevention and reduction;
- Protection of biodiversity and ecosystems.

To then also develop a single set of regulations for social and corporate governance topics.

Pursuant to Art. 8 of Reg. EU 2020/852 companies subject to the obligation to publish non-financial data are required, starting from the 2021 NFS, to give information on how and to what extent their activities are associated with **economic activities considered environmentally sustainable** according to the two environmental objectives described above (climate mitigation and climate adaptation) while starting from 2022 economic activities and exposures aligned and not aligned with the technical screening criteria established in the taxonomy will also have to be reported.

As a result, the GVS Group put in place several analytical activities during 2021 to meet regulatory obligations.

In particular, a screening process was carried out involving all business lines and all products within each line, according to the classifications of activities in the environmental taxonomy climate mitigation and adaptation, in order to identify any business assets (revenue) that could be assessed from the point of view of the taxonomy.

Upon completion of the analyses, despite GVS's commitment to climate change mitigation and adaptation, the Group's activities were not eligible for taxonomy in FY 2021.

This is because the taxonomy establishes criteria by industry and activity, not by product line or company; moreover, activities and processes within the value chain of an activity are only eligible if they are explicitly included in the activity description; therefore, if the description established in the taxonomy refers to the manufacture of final products, intermediate activities in the value chain, such as the supply of components, cannot be considered eligible. As a result, the manufacturing of specific components in the Energy & Mobility division, within which there are several component products to supply activities classified within the environmental taxonomy, did not fall under the "manufacturing of low carbon technologies for transportation" section described within the taxonomy.

However, it should be noted that within the GVS Group, investments are underway for the year 2022<sup>3</sup> to develop innovative products for electric vehicles, which will generate revenue from 2022 and will be eligible for the climate objectives already defined in the taxonomy, with particular reference to the activities:

3.3. Manufacture of low-carbon technologies for transportation;

3.2. Manufacture of equipment for the production and use of hydrogen;

3.6. Manufacture of other low-carbon technologies.

Specifically, we are referring to the development projects 'E-Axle Transmission Oil Filters' and 'Separator for the Production of Green Hydrogen' described below, which once again demonstrate GVS's commitment to environmentally-sustainable topics.

<sup>3</sup> These investments, which were initiated at the end of 2021, have only been incurred to a small extent as early as FY 2021, which is why they were not considered relevant for taxonomy purposes for the current financial year, while they will be relevant starting in 2022.

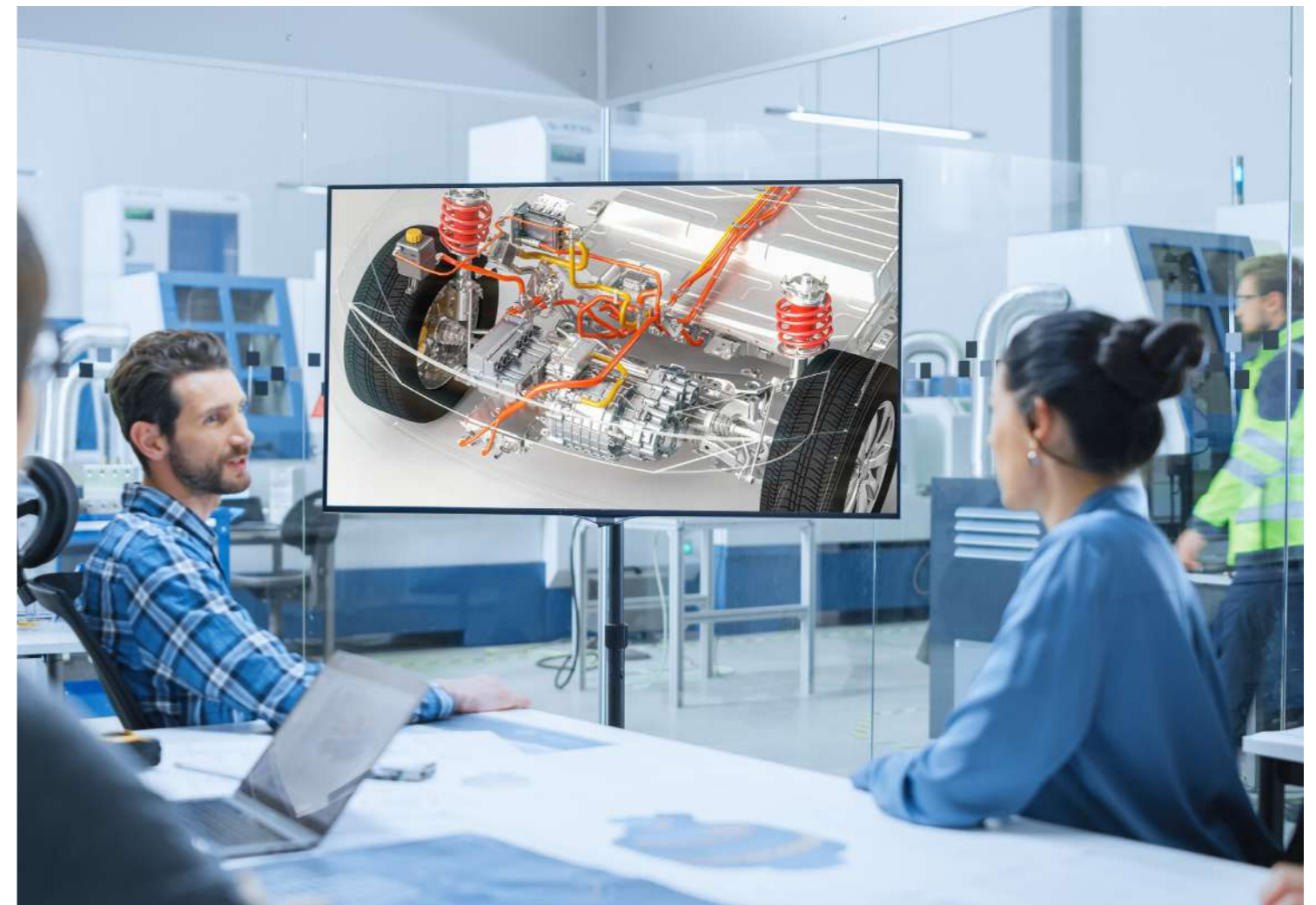
## E-Axle Transmission Oil Filters

The E-Axle oil filter development project combines an electric motor, transmission, and power electronics into a single unit; which provides significant weight and space savings and significant improvements in overall efficiency. The filter sees its main applications E-mobility, Hybrid vehicles, Fuel Cell - Hydrogen vehicles.

E-Axle can be adapted to different classes of vehicles (passenger cars, sports cars, compact or commercial vehicles) thanks to the easy scalability of the system, guaranteeing a key role in reducing the time and cost of next-generation vehicle development.

Its main properties are the protection and reliability of the system, ensured by a single oil circuit for lubrication and cooling, designed to be as compact and efficient as the whole system. Reliability and advantages of space reduction and high efficiency are its main features.

Following the same concepts, GVS can offer both customised filtration solutions integrated on the suction side of the pump, saving space and reducing the driving power of the pump (lower pressure differential) in a wider filtration area, and protection filters along the circuit





## Separator for Green Hydrogen production

Thanks to the experience gained over the years in the various Applications and Divisions of the group, GVS has developed a "Green" gas separator membrane for the Production of Hydrogen which guarantees excellent performance in terms of efficiency and mechanical and chemical stability in a limited thickness.

Water can be converted to hydrogen and oxygen using an electrolyser. In actual fact, electrolysis plays a central role in the deployment of renewable hydrogen.

The development of new materials for components with increased performance and convenience is a key part of emerging research.

Fuel cells consist of an alternative energy technology that generates electricity through the reaction between Hydrogen (or a hydrogen-rich fuel source) and oxygen. Its main applications are: E-mobility, Fuel Cell/Hydrogen and Batteries.

These devices are particularly attractive because of their high efficiencies over traditional combustion engines and low emissions, producing only heat and water as waste products.

## Attention to the environmental impact

The tables below show some numerical information, of a non-financial nature, relating to environmental aspects, ordered by GRI indicator.

### GRI 301-1 Materials used by weight or volume

The main raw material is the plastic granule: PVC, ABS, Polyethylene, Polypropylene, Polystyrene, Nylon 66 and TPE. In fact, the plastic granule is used in the moulding of all the filters produced (for various sectors such as Energy & Mobility, Healthcare & Life Sciences and Health & Safety).

The plastic granule used does not come from recycled material, in compliance with the regulations that do not allow its use.

The process related materials used are usually solvents, oil and silicone. Plastic and cardboard is used for packaging, which is mainly derived from recycled paper.

Resin and sheet metal are used in the manufacture and assembly of filters. For the production of masks we find among the non-renewable resources resin, labels, aluminium, foam, glue and plastic. The renewable ones include cardboard and some types of cloth.

Secondary raw materials are pallet wood, plastic bags and lubricants.

Below is the percentage of group purchases broken down by type of material.

Purchase Category	2021	2020	2019
Plastic Filter Media	33%	53%	25%
Plastic Granules	20%	15%	25%
Packaging	11%	7%	8%
Microporous Membrane Rolls	6%	6%	8%
Mesh	6%	5%	8%
Membranes	5%	2%	3%
Metal	4%	3%	7%
Glue & Polyurethane	4%	3%	7%
Other	11%	6%	9%

The decrease in Plastic Filter Media compared to 2020 is due to the decrease in disposable mask production. The values for 2020 were influenced by the extraordinary nature of the health emergency which had seen GVS as the leading producer of FFP2 and FFP3 protective devices in Italy; while 2021, especially in the second half of the year, saw a return to a situation of normality, albeit with values higher than those before the pandemic.

Emissions from the processing of materials are channelled into chimneys equipped, where necessary, with suitable pollutant abatement systems. All materials that become waste are handled in accordance with the relevant regulations.

### GRI 302-1 Energy consumed within the organisation

The table shows the total fuel consumption within the organisation from renewable and non-renewable energy sources<sup>4</sup>.

It should be noted that the GVS Group is in the process of converting electricity supplies from non-renewable sources to renewable sources. Gvs Spa, Gvs Sud Srl and GVS Filter Technology UK Ltd during 2021 purchased 100% of their energy from renewable sources; while the other Group companies periodically analyse offers from local distributors to increase the use of renewable energy sources.

The increase in energy consumption from 2019 to 2021 is primarily due to three factors:

- the acquisition of Puerto Rico in mid-2020, which affects the Group's energy consumption from June 2020 and throughout 2021;
- the acquisition in 2021 of Abretec Group LLC and RPB Safety Limited which are consolidated within consumption as of September 2021;
- increased production in clean room and production departments such as moulding over the three-year period.

<sup>4</sup> Billing data was used to calculate the figure.

GRI 302-1 <sup>5</sup>	UoM	2021	2020	2019
Natural gas	GJ	33,445	33,775	36,915
Diesel fuel for generators	GJ	980	519	68
LPG	GJ	1,560	1,705	2,252
Diesel <sup>6</sup>	GJ	4,699	6,034	8,054
Petrol	GJ	3,264	2,677	2,506
Kerosene	GJ	787	629	1,027
Electricity	GJ	202,054	163,135	133,051
of which is from non-renewable sources	GJ	117,014	124,919	93,954
of which is from renewable sources	GJ	85,039	38,216	39,097
<b>Total energy consumed<sup>7</sup></b>	<b>GJ</b>	<b>246,792</b>	<b>208,474</b>	<b>183,873</b>
Self-produced electricity	GJ	0	0	0
from which is electricity sold	GJ	0	0	0

**85,039 GJ**  
electricity from  
renewable  
sources

### GRI 302-3 Energy intensity

The table below reports the energy intensity of the organisation, taking into account the number of hours worked.

GRI 302-3	UoM	2021	2020	2019
Total energy consumed	GJ	246,792	208,474	183,873
Total number of hours worked	N.	6,810,666	7,922,861	5,517,444
Energy intensity	GJ/N.	0.04	0.03	0.03

GRI 302-3	UoM	2021	2020	2019
Total energy consumed	GJ	246,792	208,474	183,873
Total Group revenue	€ 000	338,126	363,296	230,585
Energy intensity	GJ/000 €	0.73	0.57	0.80

5. The conversion factors published by the Department for Environment Food & Rural Affairs (DEFRA 2021) were used to calculate 2021 consumption; while DEFRA 2020 conversion factors were used to calculate 2019 and 2020 energy consumption.

6. The data have been estimated for the companies: GVS Japan KK, GVS Argentina S.A.

7. Data has been estimated for the companies GVS Filtre Teknolojileri, GVS Japan KK, GVS Russia LLC, GVS Argentina S.A., GVS Filter India Private Limited and Gvs Filtration SDN. BHD.

### GRI 302-4 Reduction of energy consumption

GVS Group has started a process aimed at reducing the energy consumed, through various structural and managerial interventions. During the current year, the organisation, in its various locations, is progressively replacing NEON lighting with LED technology. In addition, indicators have been set up to monitor energy consumption monthly based on the amount of granule consumed and plastic waste produced. Considering that a significant amount of electricity is consumed during the summer for air conditioning in the clean room, GVS Sud Srl in 2019 and Gvs Filtration Inc in 2021 replaced the air conditioning system with better performing equipment.

Last year, GVS Filtration Inc. opted for the purchase of 8 injection moulding machines equipped with Eco-drive at its Findlay plant. It is a servo drive system that replaces the electric motor and hydraulic pump in order to reduce energy consumption.

Many awareness-raising activities are promoted within the Group on topics such as energy saving, renewable energy sources, conscious use of natural resources and lifestyle changes, so that all employees behave sensibly, for example by switching off devices not in use and minimising the use of printed paper by using digital methods.

### GRI 303-1 Interaction with water as a shared resource

The water supply is carried out exclusively through the public aqueduct whose consumption is monitored on a monthly basis. The main utilities served are the offices and sinks, the fire fighting tanks, the plant's air conditioning system and production-type needs.

As part of their standards, Group companies are required to perform monthly, quarterly, semi-annual and annual audits and monitoring, as well as to report their findings as necessary to local, state and federal management authorities. In particular, in the USA, a stormwater non-exposure assessment certified with the US Environmental Protection Agency is carried out every 5 years.

Water use causes related impacts and GVS has identified approaches to identify these impacts. The risk of discharge into the public sewer system as a result of runoff from the yards of pollutants potentially present has been assessed. The potential impact is reduced through proper storage of waste and having procedures in place to manage any spills. Usage monitoring indicates trends and anomalies and therefore allows quick and appropriate actions/solutions to be applied.

Group companies with management systems provide contractors with a summary of the environmental measures to be adopted, including an absolute ban on the introduction of any type of liquid or solid substance into the sewage system, while in the other companies this is managed as a matter of practice.

At present, the Management Systems include indicators for the companies GVS SpA and



GVS Microfiltrazione Srl, which report the following performances:

- Electrical energy/kg granule used;
- Electricity/filters produced;
- Plastic waste/granule consumed.

Although there are no formal indicators, water consumption is monitored monthly and discussed annually in the environmental review.

### GRI 303-2 Management of impacts related to water discharge

The organisation has internal procedures for handling environmental emergencies, including accidental spillage of pollutants that could contaminate the soil or sewage system. The company GVS North America Inc. has a water treatment system, complete with monitoring, which makes it possible to correct the pH of the waste water and return it to the sewage system, while in other companies of the Group the production waste is managed as waste and disposed of accordingly.

### GRI 303-3 Water withdrawal

The Group's water is supplied mainly through the public water supply network and, to a lesser extent, only in the plants in Brazil and Romania, through underground resources. The tables show the amount of total water withdrawal.

GRI 303-3	UoM	2021	2020	2019
		Freshwater (≤1,000 mg/l total dissolved solids)	Freshwater (≤1,000 mg/l total dissolved solids)	Freshwater (≤1,000 mg/l total dissolved solids)
Surface waters	m³	0	0	0
Groundwater	m³	11,935	8,174	7,508
Sea water	m³	0	0	0
Produced water	m³	0	0	0
Third-party water resources <sup>8</sup>	m³	59,122	64,659	64,106
<b>Total water withdrawal</b>	<b>m³</b>	<b>71,057</b>	<b>72,833</b>	<b>71,614</b>



8. Data has been estimated for the companies GVS Filter Technology UK, GVS Russia LLC, GVS Argentina S.A., GVS Filter India Private Limited and Gvs Filtration SDN. BHD.

The downward trend of the previous two years is confirmed in 2021 and demonstrates GVS's continued commitment to reducing the consumption of this resource.

It should also be pointed out that none of the Group's production plants is located in a geographical area subject to water stress; on the other hand, as regards the commercial offices, only Gvs Korea Ltd, whose consumption is irrelevant with respect to the Group, comes from a geographical area that can be considered as subject to water stress.

### GRI 305-1 and GRI 305-2 Direct and indirect GHG emissions

The Group reports direct and indirect GHG emissions. The first (Scope 1) are those coming from the company's own sources or controlled by the company, while the indirect ones (Scope 2), are those not physically produced by the company and not directly under its control.

GRI 305-1 and 305-2 <sup>9</sup>	UoM	2021	2020	2019
<b>Direct emissions (Scope 1)</b>				
Natural gas	tCO <sub>2</sub> eq	1,886	1,910	2,088
Diesel fuel for generators	tCO <sub>2</sub> eq	68	37	5
LPG	tCO <sub>2</sub> eq	100	109	144
Diesel	tCO <sub>2</sub> eq	328	429	572
Petrol	tCO <sub>2</sub> eq	220	180	168
Kerosene	tCO <sub>2</sub> eq	54	43	70
<b>Total direct emissions</b>	<b>tCO<sub>2</sub>eq</b>	<b>2,657</b>	<b>2,708</b>	<b>3,047</b>
<b>Indirect emissions (Scope 2) - market based<sup>10</sup></b>				
Electricity purchased from the grid for consumption	tCO <sub>2</sub> eq	16,510	16,665	12,293
<b>Total indirect emissions</b>	<b>tCO<sub>2</sub>eq</b>	<b>16,510</b>	<b>16,665</b>	<b>12,293</b>
<b>Total emissions</b>	<b>tCO<sub>2</sub>eq</b>	<b>19,167</b>	<b>19,373</b>	<b>15,340</b>

Direct emissions from fuel consumption continue to fall as the Group has adopted a policy of converting its car fleet to hybrid and electric cars.

Indirect emissions, by consumption of electricity according to a market based approach<sup>11</sup>,

9. For the calculation of 2019 and 2020 greenhouse gas emissions, the conversion and emission factors published by Terna S.p.A. in 2019 and by the Department for Environment Food & Rural Affairs (DEFRA 2020) were used, while conversion and emission factors published by Terna S.p.A. in 2019 and by the Department for Environment Food & Rural Affairs (DEFRA 2021) were used to calculate 2021 greenhouse gas emissions.

10. The market-based approach considers specific emission factors reported by GVS providers. A different approach is the "location-based approach" that uses data on the average emission factor of the network. According to the location based approach, the total indirect emissions for electricity consumption of the Group amount to tCO<sub>2</sub>eq 20,576; while the total CHG emissions (direct and indirect) amount to 23,233.

11. The market-based approach considers the specific emission factors communicated by the suppliers from which the Group obtains its supplies.

have decreased considerably, despite the increase in production, as GVS Spa, Gvs Sud Srl and Gvs Filter technology UK Ltd, in 2021 have procured energy entirely from renewable sources.

The company monitors not only the trend of direct consumption, but also that of indirect transport, generated during delivery to its customers.

The objective of GVS is not only to deliver within the agreed terms, but also to use appropriate means of transport for the delivery, limiting as far as possible the use of extraordinary transport, or emergency air transport, which has a greater environmental impact as well as a greater cost for the company.

### GRI 305-4 GHG emissions intensity

The table shows the intensity rate of the Group's GHG emissions.

GRI 305-4 <sup>12</sup>	UoM	2021	2020	2019
Total GHG emissions	tCO <sub>2</sub> eq	19,167	19,373	15,340
Total number of hours worked	N.	6,810,666	7,922,861	5,517,444
Emission intensity	tCO <sub>2</sub> eq / N.	0.00	0.002	0.003

GRI 302-4 <sup>13</sup>	UoM	2021	2020	2019
Total GHG emissions	tCO <sub>2</sub> eq	19,166	19,373	15,340
Total Group revenue	€ 000	338,126	363,296	230,585
Emission intensity	tCO <sub>2</sub> eq / 000 €	0.06	0.05	0.07

Emission intensity increases slightly from 2020 to 2021 due to increased production in clean rooms and departments such as moulding; while it is lower than in 2019.

In fact, 2020 was influenced by extraordinary disposable mask sales, which resulted in lower energy consumption as a percentage of sales.

### GRI 306-1 Waste generation and significant waste-related impacts

As far as materials are concerned, the most significant production of waste comes from clean room production departments, in particular from moulding, from which plastic scrap is generated. In addition to scrap, waste from both assembly and moulding comes from moulded products. Most plastic scrap is recovered by companies that use this waste as raw material for other plastic products.

The process also generates oily waste.

An important role in reducing waste and environmental impact is played by the value chain that all Group companies tend to establish with their suppliers. Driven by high quality

12. Emission intensity was calculated using a market-based approach.

13. Ibidem.

standards, the Business Units support their suppliers in a process of continuous improvement aimed at reducing waste, thus improving efficiency and reducing environmental impact.

### GRI 306-2 Management of significant waste-related impacts

GVS is committed to reducing environmental impact from the design stage, through the choice of materials with less environmental impact wherever possible. GVS SpA is taking on board the innovations introduced by the recent update of the Consolidated Environmental Act, with reference to the environmental labelling of packaging. All this, in order to provide the consumer of the packaged product, with the correct indications on the separate collection.

Waste is collected, transported and recovered or disposed of through authorised specialised companies in accordance with the legislation of the various countries in which it is generated.

Generally, waste follows different procedures or is destined for disposal or recovery depending on the type of waste.

Specifically, hazardous waste is collected, transported, and predominantly disposed of through incineration. Non-hazardous waste may be destined for disposal or recycled. The main method of disposal is incineration with energy recovery while for wood, cardboard, paper, packaging and scrap, recycling is mainly used.

GVS monitors that the management of its own waste entrusted to third parties for disposal complies with legislative and contractual obligations, requesting from specialist companies a description of the processes used, and controls internally the processes used to collect and monitor data relating to waste, in order to minimise the risks of non-compliance with the environmental regulations of the various countries and environmental impacts.

### GRI 306-3 Waste generated

The following is information on waste, divided into hazardous and non-hazardous waste.

GRI 306-3 <sup>14</sup>	UoM	2021	2020	2019
Hazardous waste	t	729	684	480
Non-hazardous waste	t	3,908	3,330	2,854
<b>Total waste weight</b>	<b>t</b>	<b>4,638</b>	<b>3,798</b>	<b>3,334</b>

Hazardous waste is a marginal portion of the total waste generated by GVS.

It should be noted that the production of waste, consisting mostly of plastic scrap from moulding operations, increased compared to the previous year as the number of pieces produced also increased due to the expansion of the scope of consolidation of the legal entities acquired during 2020 and 2021.

14. Data has been estimated for the companies GVS Russia LLC, GVS Argentina S.A., GVS Filter India Private Limited and Gvs Filtration SDN. BHD.



### GRI 306-4 Waste diverted from disposal

The Group reports the total weight in tonnes of waste not destined for disposal broken down by waste composition. As a reminder, the updated GRI 306 standard is effective starting 2021, so data was collected from this non-financial statement.

GRI 306-4 a) b) c)	UoM	2021		
		Preparation for reuse	Recycling	Other recovery operations
Hazardous waste	t	0	4	630
Non-hazardous waste	t	0	998	620
<b>Total weight of waste diverted from disposal</b>	<b>t</b>	<b>0</b>	<b>1,002</b>	<b>1,250</b>

GRI 306-4 d)	UoM	2021					
		Preparation for reuse		Recycling		Other recovery operations	
		<i>in situ</i>	at an external site	<i>in situ</i>	at an external site	<i>in situ</i>	at an external site
Waste hazardous	t	0	0	0	4	0	630
Non-hazardous waste	t	0	0	0	998	0	620
<b>Total weight of waste diverted from disposal</b>	<b>t</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,002</b>	<b>0</b>	<b>1,250</b>

A large part of the non-hazardous waste, consisting mainly of scrap from moulding and production waste, is recycled at an external site, while the remainder is recovered by companies that use the discarded plastics as raw materials for other plastic products.

With regard to hazardous waste, consisting mainly of wastewater from the membrane production process, the transport and recovery of all waste is carried out by companies authorised under current legislation and is indicated in the table in the column "Other recovery operations".

### 306-5: Waste directed to disposal

Below is the total weight in tonnes of waste for disposal broken down by waste type and disposal method.

GRI 306-5 a) b) c)	UoM	2021			
		Incineration (with energy recovery)	Incineration (without energy recovery)	Conferral to landfill	Other disposal operations
Hazardous waste	t	0	71	0	24
Non-hazardous waste	t	32	314	1,939	6
<b>Total weight of waste directed to disposal</b>	<b>t</b>	<b>32</b>	<b>385</b>	<b>1,939</b>	<b>30</b>

GRI 306-5 d)	UoM	2021							
		Incineration (with energy recovery)		Incineration (without energy recovery)		Conferral to landfill		Other disposal operations	
		<i>in situ</i>	at an external site	<i>in situ</i>	at an external site	<i>in situ</i>	at an external site	<i>in situ</i>	at an external site
Hazardous waste	t	0	0	49	22	0	0	0	24
Non-hazardous waste	t	0	32	2	312	1	1,938	0	6
<b>Total weight of waste directed to disposal</b>	<b>t</b>	<b>0</b>	<b>32</b>	<b>51</b>	<b>334</b>	<b>1</b>	<b>1,938</b>	<b>0</b>	<b>30</b>

### GRI 307-1 Non-compliance with environmental laws and regulations

During the year, the Group did not identify any non-compliance with environmental laws and/or regulations.

### GRI 308-1 New suppliers that were screened using environmental criteria

Finally, the table shows the number and percentage of new suppliers that have been evaluated using environmental criteria.

GRI 308-1	UoM	2021	2020	2019
New suppliers	N.	1,229	1,165	1,002
New suppliers selected using environmental criteria	N.	281	129	90
Percentage of new suppliers selected using environmental criteria	%	23	11	9

**The performance over the three-year period demonstrates GVS's constant commitment and attention to selecting environmentally-sustainable suppliers.**

In 2021, in order to monitor the sustainability of its suppliers, GVS initiated Assessment of the main suppliers in all Business Units, sending a questionnaire to the main suppliers aimed at monitoring social and environmental sustainability. The results obtained will be analysed during the year 2022 and it will be decided how to proceed for the qualification of suppliers and possible actions to increase more and more the synergies with its partners.





05.

NON-FINANCIAL STATEMENT

# Social aspects and supply chain



## 05. Social aspects and supply chain

Always aware of the important role that companies play in the community and the territory, GVS has always considered social commitment an important priority and one of its responsibilities. This is also with reference to the induced activities created by the collaboration with suppliers of the realities in which the group companies carry out their business.

Its activities are managed in close contact with local populations, in geographically and culturally diverse situations.

**GVS supports local populations through numerous projects and initiatives to support social welfare.** This is demonstrated by what was done following the health emergency declared by the World Health Organisation regarding the epidemiological evolution from Covid-19. Even before a national protocol was defined to deal with the emergency, GVS took immediate safety measures, providing its employees with masks and sanitising gel, using smart work as a form of protection from infection and donating PPE to part of its community.

Since the early stages of the epidemic, GVS has provided concrete support to face the Covid-19 emergency, expanding its production capacity to produce personal protective equipment and donating a part of the production of masks to the Civil Protection and to some local communities.

### Risks, opportunities and how to manage them

Social risks include events that may jeopardize the achievement of the Group's sustainability objectives regarding socio-economic development, the quality of the products offered and the responsible management of the supply chain.

#### Risks related to the responsible management of the supply chain

The most important of these is the risk of suppliers' failure to comply with sustainability topics deemed relevant, including respect for human rights, environmental protection, health and safety in the workplace, the fight against corruption and the quality of raw materials and products supplied. Suppliers are a fundamental part of the Group's production process, and for this reason GVS undertakes to require them to respect behavioural principles corresponding to its own and to social and environmental best practices. The choice of local suppliers is mainly sought for economic and social responsibility reasons.

#### Risks relating to socio-economic development

One aspect that relates to the whole Group is the risk of failure to support the socio-economic development of the local communities surrounding the various corporate entities. GVS operates in several territories, from which it draws valuable resources to carry out its activities and in many of them provides employment to hundreds of residents. Consequently, there is a risk of a reduction in the Group's production capacity and know-how, which would lead to a reduction in employment in the local community.

#### Risks relating to the quality of the products offered

Risks associated with the quality of the product could arise from the effects it could have on the end user. These risks are mitigated by preparation, training and updating of employees working in the production process. In addition, GVS, in order to cover these risks, adopts an appropriate international insurance programme that includes the various aspects of liability, such as product liability.

#### Supply chain management arrangements

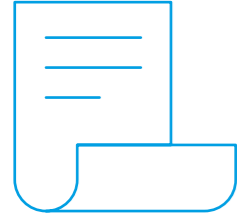
With regard to the responsible management of the supply chain, the choice of suppliers is oriented towards the criteria of professionalism, quality and fairness in the performance of activities. Supplier relationships consist of business partnerships, based on healthy competition, a financially strong and reliable supply chain in terms of quality and continuity of production, GVS believes this will enhance business success. The Group is oriented towards including specific environmental and social criteria in the evaluation of suppliers, the future objective is to disseminate a green purchasing policy and establish multi-channel communication to help suppliers improve the quality of their products and services.

The supplier selection strategy adopted so far has proven to be reliable and low risk over time, but there are greater risk factors for strategic suppliers who are difficult to replace because they provide specific raw materials and consumables.

GVS S.p.A. has a formalised procedure for the management of activities in the case of assigning works, services and supplies under contract, with a contract of work or supply, approved by the Quality Assurance department. On the other hand, the other Group companies follow established practices for supply chain management.

The purpose is to define the activities, methods and roles involved in the management of suppliers to whom contracted works, services and/or supplies are entrusted, by means

of a works or supply contract, in compliance with the requirements of Legislative Decree 81/08 and subsequent amendments and additions concerning the protection of health and safety in the workplace, including the verification of the regularity of the following documents:



- Copy of Chamber of Commerce registration;
- Self-certification of possession of the requirements of technical and professional suitability;
- INPS and INAIL position, DURC;
- Copy of insurance policy for third-party liability;
- List of workers who will work at GVS S.p.A.;
- Copy of the single labour book (only the personal data section on the top, last page of the single labour book relating to each worker on the list referred to above) personnel authorised to work at GVS S.p.A.

After that, the specific risks of the working environment of GVS SpA are communicated.



## Socio-economic development

Moving on to socio-economic development, one of the principles of the supply chain is local development, which is why whenever possible and with the same economic and qualitative selection criteria, local suppliers are used, in order to reduce transport costs, the environmental impact of CO<sub>2</sub> emissions and promote the development of local communities.

For some time now, GVS has been contributing directly and indirectly to the economic development of the territories and communities in which the Group has become involved, both nationally and internationally.

**The Group aims to have a positive impact on the local community, and links with the local community were further strengthened during the Covid-19 pandemic as PPE production has been a real help to local communities.**

GVS perceives social commitment as a responsibility, participating in different benevolent initiatives in the countries in which it operates. **In Italy, among the local non-profit organisations, GVS S.p.A. supports the Fondazione per Lo Sport, a non-profit organisation which organises, supports and promotes projects and activities with the aim of giving people with disabilities and/or in situations of social hardship the chance to practise sport, thus working for their social inclusion.**

GVS S.p.A. has chosen to assist Save the Children, the Valsamoggia Green Cross and the Fire Brigade and has contributed to financing the construction of the new headquarters of the non-profit association Gruppo Volontario di Soccorso Valle Lavino.

Over the years the number of initiatives has increased and the social activity of GVS S.p.A. has expanded, becoming an integral part of the activity of the whole Group.

**The company has joined research initiatives, including the charitable distribution of Christmas gifts organised for the National Cancer Association (ANT), the largest non-profit organisation for specialist home care for cancer patients and free prevention, asking its suppliers to make donations in place of the usual gifts at Christmas time.**

In addition, **GVS contributes to the Fondazione Il Bene**, a non-profit organisation engaged in research in the field of rare neurological and neuroimmune diseases with particular attention to the latest therapeutic methods, **and to the Fondazione per la Ricerca sulla Fibrosi Cistica**, an organisation with the specific aim of assisting children affected by the disease and guaranteeing their growth.

GVS is also committed to initiatives in favour of circularity and reuse, among which we



point out the collection of used toys/clothing, on the occasion of the World Day of Human Solidarity, the material collected was donated to the Social Cooperative La Fraternità.

It is also necessary to underline the Group's commitment to safeguarding the natural heritage, through **initiatives for the maintenance and restoration of public parks and the creation of a charity fund in the USA made from recycled aluminium**, with the intention of giving gifts and goods to families in difficulty during the holidays.

## Product quality management procedures

Last but not least, the **quality of the products offered is guaranteed through controls carried out from the moment the materials are received until the finished products are shipped to the customer**. All results are documented, monitored and evaluated and depending on these, GVS has a preventive action programme in place to prevent adverse or non-compliant situations from occurring.

The Group invests heavily in innovation to improve product quality and safety. There is a focus on waste recovery and the treatment of hazardous chemicals. Based on the rigorous manufacturing process, the equipment has been adapted to achieve low-carbon production.

## Responsibility in the supply chain

The tables below show some numerical information, of a non-financial nature, relating to social aspects, in particular supply chain management.

### GRI 102-9 Supply chain

Successful and sustainable supply chain management requires adherence to 6 core principles, followed at each stage by all Group companies:

- Minimise business interruptions;
- Protect the company's reputation and value;
- Reduce energy/material usage and transportation costs;
- Increase labour productivity;
- Meet the growing demands of customers and business stakeholders;
- Innovate to change markets.

It should be noted that in the procurement of materials from its suppliers, GVS ensures complete compliance with the international requirements established by the REACH and RoHS regulations for the European Union.

GVS has chosen to manage suppliers using an interdisciplinary approach.

The functions involved are part of the Quality Assurance Area, Purchasing Office, Programming and Selection, Technical Office, each area intervenes in the qualification, monitoring and development of the supplier, as well as in the procurement process, as far as it is concerned.

The suppliers of GVS S.p.A. are classified on the basis of the type of purchase, on the basis of the environmental impact and on the basis of the impact on the quality of the product.

Under the first approach, GVS providers are classified into:

- **Suppliers of materials** (raw materials, semi-finished products): suppliers necessary for the production process;
- **Suppliers of products/services by catalogue and contract, tender, work and supply:** suppliers that are not directly involved in the type of components required to feed production (e.g. transport, technical services, consultancy, maintenance, test/calibration laboratories), or that do not have a direct impact on production (e.g. headphones, disposable gowns, soaps, various consumables, stationery, etc.);
- **Technical suppliers**, used to purchase moulds, equipment, spare parts and special processes.

The second subdivision takes into account the environmental impacts of the company and provides for the identification of these two categories as illustrated below:

- **High risk:** Suppliers who carry out work inside GVS S.p.A.'s plants, and/or who may significantly influence the environmental impact of the company (e.g. suppliers who influence consumption, suppliers who may cause the company to incur penalties or who may create spillage of dangerous substances/waste in the company). For these suppliers, the "Report on inspection, coordination and cooperation" (DUVRI) is delivered;
- **Low risk:** Suppliers that do not significantly affect the company's environmental impacts.

For the third classification, two categories of membership were identified as follows:

- **Direct impact:** suppliers that directly influence the quality of the final product;
- **Indirect impact:** suppliers that do not directly influence the quality of the final product.

For the qualification of its suppliers we refer, together with other tools, to a questionnaire that is sent to the supplier, a document whose completion constitutes a self-assessment by the supplier of the company's potential and management system for quality, environment and safety. The minimum requirement of GVS is that the Quality Management System is certified in accordance with ISO 9001:2015. Suppliers that do not meet the minimum requirement do not have access to subsequent qualification activities.

The Group's supply chain is constantly monitored according to a process that includes:

- Incoming material checks;
- Development of performance indicators;
- Audit at the production site;
- Verification of quality, environmental, health and safety management system certification status.

### GRI 204-1 Proportion of spending on local suppliers

Choosing local suppliers is part of the GVS Group's strategy, as demonstrated by the data in the table. All Group companies tend to give preference to suppliers within their own community, even if small, not only to minimise supply risks, reduce environmental impact and transport costs, but also to contribute to the growth of their local community.

GRI 204-1	UoM	2021	2020	2019
Total goods and services purchased <sup>15</sup>	(€/000)	151,880.70	139,594.53	90,076.94
Goods and services purchased from local suppliers	(€/000)	100,820.41	106,373.77	62,101.06
Goods and services purchased from local suppliers <sup>16</sup>	%	66	76	69

**66%**  
of goods  
and services  
purchased  
from local  
suppliers

### Support for socio-economic development

The tables below show some numerical information, of a non-financial nature, relating to social and economic compliance.

#### GRI 414-1 New suppliers that were screened using social criteria

The table below shows the number and percentage of new suppliers that have been assessed using social criteria, i.e. through due diligence procedures for social impacts.

GRI 414-1	UoM	2021	2020	2019
New suppliers	N.	1,229	1,165	1,002
New suppliers selected according to social criteria	N.	59	106	91
Percentage of new suppliers selected according to social criteria	%	5	9	9

#### GRI 419-1 Non-compliance with laws and regulations in the social and economic area

The Group is aware that compliance with the regulations currently in force in the various countries in which it operates is an essential principle and is therefore committed to preventing violations of any form. As a confirmation of its commitment, in fact, to date the organisation has not identified any non-compliance with laws and/or regulations. All actions are carried out in strict compliance with the relevant laws and regulations in each country. Confident in the diligence of all its employees, no penalties, monetary or non-monetary, were found for non-compliance with laws and/or regulations in the social and economic spheres.

15. Data from purchase orders.

16. The term local suppliers refers to suppliers within the same country of the Business Unit. For example, Italian suppliers for Gvs Spa; Brazilian suppliers for Gvs do Brasil and so on are considered local suppliers.

### Quality, product safety and customer satisfaction

The marketing of products of defined and assured quality and safety level is a strategic factor for the reality of GVS, recognised by many national and international regulations through the issue of certifications in the various jurisdictions in which GVS products are sold. The company constantly monitors customer satisfaction through performance indicators including PartsPerMillion for the Energy & Mobility division which measures the quality of the end product supplied to the customer and expresses the number of defective parts per million parts sent to the customer. This indicator amounts to 14 p.p.m. in 2021; while in 2020 it measures 62 p.p.m., recording an improvement that demonstrates the Group's ongoing commitment to ever greater customer satisfaction.





GVS

06.

NON-FINANCIAL STATEMENT

# Aspects relevant to staff





## 06. Aspects relating to personnel

GVS is firmly convinced of the value of human resources for the development of the entire Group.

With a view to promoting organisational development and the empowerment of the various company departments, as well as increasing the level of awareness of the importance of one's role in achieving company objectives, **an incentive system has been devised that defines values that can stimulate each employee.** The whole process is aimed at achieving a high level of motivation among employees, which is directly linked to their levels of satisfaction with the company environment in which they work and achieve the objectives entrusted to them.

**The common goal is to operate and develop a workplace based on strong ethical principles that are recognised by all, i.e. an environment where the worker is guaranteed:**

- respect for health and safety in the workplace;
- the promotion and enhancement of the worker's ideas and potential;
- a fair and decent remuneration for his work;
- the possibility to express themselves at their best, even beyond specific skills or abilities;
- opportunities for training and introduction to work for the youngest and most disadvantaged.

**The working environment must be based on inclusion, be multicultural and strive for gender equality.** In fact, specific programmes are in place to integrate young people in their first work experience, and for the inclusion of the disabled, giving them the opportunity to integrate socially and feel relevant to society.

Discriminatory attitudes are categorically prohibited for any reason. In addition to gender, ethnicity or religious belief, discrimination may also be based on economic, personal or social circumstances and all forms of harassment, whether bullying, physical or moral violence.

## Risks, opportunities and how to manage them

GVS identifies and manages both health and safety and personnel management aspects.

**The commitment to protecting and promoting the health and safety of workers in the workplace is one of the Group's most important challenges.** However, in order to make it a reality, will is not enough; the contribution of each individual is needed.

GVS is committed to spreading and consolidating a culture of safety by developing awareness of risks and promoting responsible behaviour on the part of all employees. Each of them must therefore use their personal protective equipment appropriately, participate

actively in drills and report any hazards or risks to their immediate supervisor in a timely manner. The main health and safety risks are the risk of injury and/or permanent disability and the risk of occupational disease as a result of accidents in the workplace.

A number of procedures have been put in place to ensure that employees work in a safe workplace and that they receive annual training/information on various topics related to employee health and safety, based on job profiles (tasks), hazards, risk assessment. To confirm this, periodic audits are carried out to identify risks and implement corrective/preventive actions.

Due to the exceptional nature of the situation caused by the Covid-19 emergency and in order to guarantee everyone's health, as well as the company's operations, smart working was possible at almost all sites. The flexibility of working hours applied during the pandemic period revealed the importance of the physical and psychological health of staff.

GVS has protected the health and safety of workers from possible contagion from COVID-19 and has guaranteed the healthiness of the working environment throughout the emergency situation. As per protocol, the pace of shifts has changed and movements within the offices have been regulated. The objective of all these rules is to guarantee the health and safety of staff, partners, suppliers and customers, by preparing anti-contagion procedures and controls in line with regulatory requirements.

Some of the risks that apply to all Group companies, regardless of the activity carried out, are:

- high turnover, which could lead to the premature loss of important knowledge from the Group's workforce;
- inadequate vocational training;
- risk of decreasing staff motivation levels;
- lack of objective assessment of performance;
- company policies and practices that do not adequately inform the worker;
- low attractiveness of talent.

There are also some risks linked to the nature of the activities carried out, such as those related to the availability of direct and indirect labour, or to the repositioning of resources in the face of the automation of production processes, which will lead to a reduction in manual and repetitive tasks, requiring the retraining of resources employed in activities with greater added value.

Given the risk factors listed above, possible consequences include loss of quality and quantity in the production of goods and damage to the company's reputation.

The COVID-19 pandemic has also had a significant impact on corporate welfare. The emergency has led to a change in people's physical, psychological and social needs and has therefore necessitated an adjustment in corporate practices regarding employee welfare. The Group has shown itself to be close to its employees and collaborators by safeguarding their health and introducing company welfare measures to cover the most urgent needs of people, not only economic but also psychological. **GVS S.p.A. has defined a procedure for the management of human resources which has the objective of describing the activities for the purposes of a coherent management of the process of selection, insertion, training, incentivisation and monitoring of the human resources involved, in order to guarantee an organisational system which is centred, aware, supportive and motivated.** In addition, it has formally incorporated its commitment to them by adopting a Code of Ethics, which represents the foundation of the corporate culture.



The company's organisational structure defines a series of positions/tasks that, together with the complex of relationships that the individual establishes in the company, define the individual's role. The efficiency and effectiveness in carrying out the activities foreseen in the job description of each individual in GVS, depends directly on the personal skills of the resource, and therefore on the complex of 5 dimensions that each of us brings into play in our daily work:



Know-how, i.e., the body of technical and professional knowledge acquired either through work experience or training;



Experience, i.e., the cultural background of the individual both socially and practically;



The individual profile, i.e. the set of psychophysical qualities possessed by the individual;



Communications and relationships, i.e. the individual's ability to listen to interlocutors and convey information, to team up, to provide feedback;



Motivation, represented on the one hand by the drive for action that fuels the activities of the individual, which is expressed through behaviours of proactivity, self-control, tenacity and adaptability; on the other hand by the degree of satisfaction and complacency that determine the individual's commitment to carry out a certain role profitably.

## Personnel Selection:

**"Well begun is half done", which is why a lot of attention is paid to the incoming staff**

**selection phase.** The activity of planning insertion, education and training needs is closely related to the Business Plan. In fact, the general objectives of structure sizing, education and training are formalised within the Business Plan.

For the selection phase, human resources usually rely on external companies to whom they send a Job-Description (JD) in order to obtain an initial screening of the market according to the basic elements indicated. The social and operational adaptation of the newly hired employee is facilitated, which includes a phase of knowledge of the company and its main processes and a phase of specific training for the role to be assumed. In particular, as far as the GVS Sud plant is concerned, the selection process takes place through the so-called "assessment centre" which provides for different moments to get to know the candidate: the completion of a logic-based mathematical test, a group interview and an individual interview.

## Education and training:

Education and training are two different concepts that are very often confused. **Training is a training intervention that involves an internal employee as trainer, and therefore takes place mainly within the company.** Since this is employee-to-employee teaching, it generally does not involve incremental costs. **Education**, on the other hand, **constitutes any type of course or educational intervention, held exclusively by non-employee personnel, which can take place either inside or outside the company and which generally does involve incremental costs.** Education does not necessarily act directly on the specific skills of an employee: it can also concern "soft" skills or the personal development of an individual.

The definition of the annual educational programme is the result of budgeting activities, which take into account the needs of new staff, changes in activities, the reinstatement of staff already on the payroll but temporarily absent, the introduction of new technologies or measurement and control instruments, new investments and the training needs arising from the "Continuous Quality Improvement Plan".

At the end of the educational course, the employee is required to evaluate the efficiency of the institution where the course was held and of the teacher(s) who held the course, by filling out an ad hoc form.

A few months after the conclusion of the course, the employee, still in force, is evaluated by the Area Manager through the compilation of a specific evaluation session in the personnel management software. If the result is positive, it will be specified if a new skill has been acquired or if the value of an existing skill has been increased or not.

In the evaluation of the efficiency it is important to know the validity of the initiative and is used as a stimulus for the design of other educational interventions, while the verification of the effectiveness of the education is carried out after a period of time to allow the trainee to assimilate the lessons learned and apply them on the job in the company.

Training activities are carried out by the person directly in charge of the staff to be trained, who organises and defines the tutor to accompany the training user according to the time and organisational needs of the area in question.

When new machines, technologies or measurement and control instruments are introduced into the company, following the updating of the risk assessment, the personnel in charge of operating the new equipment is usually trained by the same technicians of the manufacturer of the new equipment or instrument, with the help of the operating manuals. The commitment of the individual in the company is discussed and deepened by the HR department through specific interviews. In addition, every two years a global analysis is carried out in the company with the specific aim of identifying the key priorities to be addressed in order to improve the human resource management process.

GVS strongly believes in the recognition of the brilliant performances of its employees, for this reason, the Company promotes a culture based on constant feedback.

Starting in 2017, a system for evaluating the company's activities was set up using the MyByz platform, which connects employees and department managers and provides information on the progress of the objectives set at the beginning of the year; thanks to this software, it is possible to constantly monitor the performance of employees, ensuring

transparency on the progress achieved.

The success of GVS depends on the ability of its employees to maintain and deliver the highest standards of quality in their work, while remaining in line with the company's objectives.

Effective two-way communication is essential to ensure cooperation between the various levels of the Group. For this reason, the MyByz system, in addition to allowing users to upload set objectives, subject to the approval of the reference manager, requires a quarterly self-assessment of the performance achieved.

The Company assesses results on a fair and proportional basis, taking into account the weight of the target set, which testifies to the great trust it places in all the staff present in the company and the merit it acknowledges in individual operators.

## Attention to and enhancement of human resources

The tables below show some numerical information, of a non-financial nature, relating to Group personnel.

### GRI 102-8 Information on employees and other workers

The total number of employees by contract type (permanent or fixed-term), gender and geographical area is shown below.

GRI 102-8 <sup>17</sup>	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Italy</b>	<b>231</b>	<b>180</b>	<b>411</b>	<b>209</b>	<b>155</b>	<b>364</b>	<b>196</b>	<b>147</b>	<b>343</b>
Permanent	227	180	407	201	152	353	191	144	335
Fixed-term	4	0	4	8	3	11	5	3	8
<b>Europe (excluding Italy)</b>	<b>200</b>	<b>764</b>	<b>964</b>	<b>238</b>	<b>724</b>	<b>962</b>	<b>235</b>	<b>623</b>	<b>858</b>
Permanent	188	503	691	224	494	718	222	411	633
Fixed-term	12	261	273	14	230	244	13	212	225
<b>Americas</b>	<b>624</b>	<b>701</b>	<b>1,325</b>	<b>637</b>	<b>691</b>	<b>1,328</b>	<b>382</b>	<b>336</b>	<b>718</b>
Permanent	618	689	1,307	628	667	1,295	380	329	709
Fixed-term	6	12	18	9	24	33	2	7	9
<b>Asia</b>	<b>104</b>	<b>160</b>	<b>264</b>	<b>100</b>	<b>153</b>	<b>253</b>	<b>89</b>	<b>156</b>	<b>245</b>
Permanent	104	160	264	100	153	253	89	156	245
Fixed-term	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,159</b>	<b>1,805</b>	<b>2,964</b>	<b>1,184</b>	<b>1,723</b>	<b>2,907</b>	<b>902</b>	<b>1,262</b>	<b>2,164</b>

17. Values are not inclusive of temporary staff.



Below is a cross-section of the total number of employees (which also includes temporary work), distinguishing temporary workers from GVS employees by type of employment (temporary or permanent) and by gender (male, female).

GRI 102-8	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Italy</b>	<b>240</b>	<b>197</b>	<b>437</b>	<b>281</b>	<b>340</b>	<b>621</b>	<b>204</b>	<b>163</b>	<b>367</b>
Permanent	227	180	407	201	152	353	191	144	335
Fixed-term	13	17	30	80	188	268	13	19	32
Of which are GVS employees	4	0	4	8	3	11	5	3	8
Of which are temporary staff	9	17	26	72	185	257	8	16	24
<b>Europe (excluding Italy)</b>	<b>206</b>	<b>771</b>	<b>977</b>	<b>333</b>	<b>761</b>	<b>1,094</b>	<b>251</b>	<b>633</b>	<b>884</b>
Permanent	188	503	691	224	494	718	222	411	633
Fixed-term	18	268	286	109	267	376	29	222	251
Of which are GVS employees	12	261	273	14	230	244	13	212	225
Of which are temporary staff	6	7	13	95	37	132	16	10	26
<b>Americas</b>	<b>669</b>	<b>745</b>	<b>1,414</b>	<b>705</b>	<b>796</b>	<b>1,501</b>	<b>396</b>	<b>361</b>	<b>757</b>
Permanent	618	689	1,307	628	667	1,295	380	329	709
Fixed-term	51	56	107	77	129	206	16	32	48
Of which are GVS employees	6	12	18	9	24	33	2	7	9
Of which are temporary staff	45	44	89	68	105	173	14	25	39
<b>Asia</b>	<b>129</b>	<b>238</b>	<b>367</b>	<b>185</b>	<b>363</b>	<b>548</b>	<b>121</b>	<b>297</b>	<b>418</b>
Permanent	104	160	264	100	153	253	89	156	245
Fixed-term	25	78	103	85	210	295	32	141	173
Of which are GVS employees	0	0	0	0	0	0	0	0	0
Of which are temporary staff	25	78	103	85	210	295	32	141	173
<b>Total</b>	<b>1,244</b>	<b>1,951</b>	<b>3,195</b>	<b>1,504</b>	<b>2,260</b>	<b>3,764</b>	<b>972</b>	<b>1,454</b>	<b>2,426</b>



The table below shows the total number of collaborators distinguished by type of employment (full time or part-time) and gender.

GRI 102-8	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	1,239	1,920	3,159	1,502	2,234	3,736	969	1,428	2,397
Part-time	5	31	36	2	26	28	3	26	29
<b>Total</b>	<b>1,244</b>	<b>1,951</b>	<b>3,195</b>	<b>1,504</b>	<b>2,260</b>	<b>3,764</b>	<b>972</b>	<b>1,454</b>	<b>2,426</b>

The trend in the number of employees deserves special attention, which must take into account the global socio-economic situation and the company's choices following the pandemic.

GVS, in order to deal with the health emergency caused by the pandemic and to respond to market demand for PPE, in 2020 expanded its production capacity abruptly, increasing its use of temporary resources, which it trained, qualified and inserted into its workforce in record time. At the same time as the expansion of production capacity, a process of optimising the production of disposable masks has been initiated.

As the pandemic subsided, the need to resort to temporary resources diminished, with a return to the use of moderate temporary employment, in line with what had occurred prior to the health emergency, but at the same time the number of specialised technical staff hired on permanent contracts within the Group increased.

## GRI 401-1 New employee hires and employee turnover

The Group reports the total number of new hires, including those on fixed-term contracts, as well as the total number of turnovers in the reporting period, broken down by age group, gender and geographical area.

GRI 401-1 <sup>18</sup>	Employees hired								
	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Italy</b>	<b>57</b>	<b>54</b>	<b>111</b>	<b>21</b>	<b>12</b>	<b>33</b>	<b>22</b>	<b>13</b>	<b>35</b>
<30	24	8	32	8	5	13	13	5	18
30-50	29	41	70	13	6	19	9	6	15
>50	4	5	9	0	1	1	0	2	2
<b>Europe (excluding Italy)</b>	<b>83</b>	<b>419</b>	<b>502</b>	<b>68</b>	<b>277</b>	<b>345</b>	<b>62</b>	<b>190</b>	<b>252</b>
<30	43	125	168	24	72	96	31	52	83
30-50	27	210	237	32	152	184	25	119	144
>50	13	84	97	12	53	65	6	19	25
<b>Americas</b>	<b>390</b>	<b>685</b>	<b>1,075</b>	<b>447</b>	<b>689</b>	<b>1,136</b>	<b>79</b>	<b>99</b>	<b>178</b>
<30	184	366	550	257	339	596	19	22	41
30-50	173	294	467	164	309	473	45	70	115
>50	33	25	58	26	41	67	15	7	22
<b>Asia</b>	<b>51</b>	<b>72</b>	<b>123</b>	<b>128</b>	<b>261</b>	<b>389</b>	<b>29</b>	<b>63</b>	<b>92</b>
<30	16	24	40	83	134	217	14	23	37
30-50	31	48	79	45	127	172	15	40	55
>50	4	0	4	0	0	0	0	0	0
<b>Total</b>	<b>581</b>	<b>1,230</b>	<b>1,811</b>	<b>664</b>	<b>1,239</b>	<b>1,903</b>	<b>192</b>	<b>365</b>	<b>557</b>

18. Values are inclusive of fixed-term employees.

GRI 401-1 <sup>19</sup>	Employees made redundant								
	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Italy</b>	<b>24</b>	<b>12</b>	<b>36</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>16</b>	<b>2</b>	<b>18</b>
<30	6	1	7	2	1	3	4	2	6
30-50	13	8	21	5	2	7	9	0	9
>50	5	3	8	1	1	2	3	0	3
<b>Europe (excluding Italy)</b>	<b>108</b>	<b>381</b>	<b>489</b>	<b>65</b>	<b>176</b>	<b>241</b>	<b>101</b>	<b>239</b>	<b>340</b>
<30	47	135	182	28	49	77	68	69	137
30-50	42	193	235	26	94	120	20	151	171
>50	19	53	72	11	33	44	13	19	32
<b>Americas</b>	<b>489</b>	<b>749</b>	<b>1,238</b>	<b>276</b>	<b>442</b>	<b>718</b>	<b>83</b>	<b>84</b>	<b>167</b>
<30	243	393	636	150	212	362	26	22	48
30-50	195	301	496	109	206	315	42	46	88
>50	51	55	106	17	24	41	15	16	31
<b>Asia</b>	<b>107</b>	<b>197</b>	<b>304</b>	<b>72</b>	<b>195</b>	<b>267</b>	<b>38</b>	<b>162</b>	<b>200</b>
<30	38	54	92	49	100	149	17	96	113
30-50	69	141	210	22	95	117	21	66	87
>50	0	2	2	1	0	1	0	0	0
<b>Total</b>	<b>728</b>	<b>1,339</b>	<b>2,067</b>	<b>421</b>	<b>817</b>	<b>1,238</b>	<b>238</b>	<b>487</b>	<b>725</b>

The increase in disposals in 2021 is primarily attributable to the extraordinary nature of the hiring that occurred in the prior year to address the high demand for disposable masks in the midst of the pandemic. In the latter part of 2021, there is a return to staffing numbers tied to normal volumes as a direct result of the attenuation of the Covid-19 emergency.

## GRI 401-2 Benefits provided to employees

The GVS Group implements a set of initiatives with the main aim of enabling employees to work to the best of their ability and keep quality of life high.

Benefits that are normally provided to GVS Group employees include: life insurance, health care, disability and invalidity insurance coverage, parental leave, pension contributions and annual leave. In some locations, not all of the measures listed above are provided, but only some of them such as health care and insurance coverage in case of disability and invalidity. GVS Filtration Inc. - Bloomer's plant offers the option of extending voluntary life insurance to employees' spouse and children, while GVS Puerto Rico provides tuition reimbursement. GVS Italia is enrolled in the Enfea Supplementary Health Care Fund to which all employees with a permanent employment relationship, and/or with an apprenticeship contract, and/or with a fixed-term contract, if stipulated for a period of more than 12 months, are entitled.

The year 2021 is a turning point for corporate Welfare and Gvs Spa has introduced the possibility of converting up to a maximum of 50% of the PPO to its employees in Welfare services, recognising on the conversion an additional 10% increase to be paid by the company.

19. Values are inclusive of fixed-term employees.

The services that can be converted are:

- Purchase shopping vouchers, fuel and more;
- Child education reimbursement, daycare fees;
- Health, visits, exams and health services;
- Subscriptions to gyms, pools and sports activities;
- Repayment of interest on loans and mortgages;
- Travel packages fun and wellness;
- Reimbursement babysitting and care for the elderly;
- Leisure time, cinemas, museums and more.

In 2021, Gvs do Brasil funded university specialisation courses for its employees. This opportunity offered by the Brazilian plant to workers has led to high enrolment and attendance, especially by female staff, of advanced training courses concerning quality, engineering and finance and a considerable increase in staff skills.

In addition, under the travel policy, applicable to the entire Group and to all employees, additional benefits are provided for travelling staff, including: reimbursement of sports, recreation, entertainment, laundry and other travel-related comforts. For seconded staff, in addition to housing, all benefits are provided for a long-term stay abroad, not only for employees but also for their families.

### Parental leave

The Group provides parental leave for new parents, which is why the table below provides various numerical information about the right to parental leave.

GRI 401-3	Parental leave								
	2021			2020			2019		
	Men	Women	Total	Men	Wom-en	Total	Men	Wom-en	Total
Total number of employees <b>entitled</b> to parental leave	1,185	1,896	3,081	1,269	1,933	3,202	934	1,403	2,337
Total number of employees who <b>took</b> parental leave	11	61	72	14	47	61	11	39	50
Total number of employees who returned to work <b>during the reporting period after taking parental leave</b>	10	33	43	14	39	53	11	29	40
<b>Rate of return</b> to work of employees who took parental leave	91%	54%	60%	100%	83%	87%	100%	74%	80%

### GRI 404-1 Average hours of training per year per employee

Details of the total hours of training per capita (vocational and HSW) conducted in 2021 and the previous two years, are shown below.

GRI 401-1	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
Direct	27.70	28.27	22.07	22.46	23.55	20.68
Indirect	24.62	28.26	22.16	24.84	17.50	18.27
of which are Management	9.99	13.83	8.64	8.61	12.81	13.13
<b>Total</b>	<b>26.16</b>	<b>28.26</b>	<b>22.11</b>	<b>23.65</b>	<b>20.53</b>	<b>19.48</b>

### GRI 404-3 Percentage of employees receiving regular performance and career development reviews

The table shows the total percentage of employees who received a performance review, broken down by gender and category.

GRI 404-3	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
Direct	93%	83%	48%	54%	71%	68%
Indirect	91%	84%	83%	73%	49%	46%
of which are Management	35%	34%	32%	20%	31%	20%

### GRI 405-1 Diversity of governance bodies and employees

The percentage of individuals on the Organisation's Board of Directors is shown below, broken down by gender, age group and other indicators where relevant (including minority or vulnerable groups).

GRI 405-1	2021											
	<30			30 - 50			>50			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
<b>Members of the Board of Directors</b>	0	0	0	2	3	5	3	1	4	5	4	9

GRI 405-1	2021					
	<30		30 - 50		>50	
	% U	% D	% U	% D	% U	% D
<b>Members of the Board of Directors</b>	0	0	40	60	75	25



The tables below show the percentage of employees directly engaged in the production process ("direct") and not directly involved in the production process ("indirect"), broken down by gender, age group and other indicators where relevant (including minority or vulnerable groups).

GRI 405-1	2021											
	<30			30 - 50			>50			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Direct	130	229	359	261	853	1,114	104	363	467	495	1,445	1,940
Indirect	117	60	177	378	218	596	169	82	251	664	360	1,024
of which are Management	1	8	9	45	34	79	23	4	27	69	46	115
<b>Total</b>	<b>247</b>	<b>289</b>	<b>536</b>	<b>639</b>	<b>1,071</b>	<b>1,710</b>	<b>273</b>	<b>445</b>	<b>718</b>	<b>1,159</b>	<b>1,805</b>	<b>2,964</b>

GRI 405-1	2021					
	<30		30 - 50		>50	
	% U	% D	% U	% D	% U	% D
Direct	36.2	63.8	23.4	76.6	22.3	77.7
Indirect	66.1	33.9	63.4	36.6	67.3	32.7
of which are Management	11.1	88.9	57.0	43.0	85.2	14.8
<b>Total</b>	<b>46.1</b>	<b>53.9</b>	<b>37.4</b>	<b>62.6</b>	<b>38.0</b>	<b>62.0</b>

GRI 405-1	2020											
	<30			30 - 50			>50			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Direct	242	323	565	327	1,014	1,341	124	281	405	693	1,618	2,311
Indirect	91	51	142	344	184	528	141	80	221	576	315	891
of which are Management	0	8	8	45	29	74	22	5	27	67	42	109
<b>Total</b>	<b>333</b>	<b>374</b>	<b>707</b>	<b>671</b>	<b>1,198</b>	<b>1,869</b>	<b>265</b>	<b>361</b>	<b>626</b>	<b>1,269</b>	<b>1,933</b>	<b>3,202</b>

GRI 405-1	2020					
	<30		30 - 50		>50	
	% U	% D	% U	% D	% U	% D
Direct	42.8	57.2	24.4	75.6	30.6	69.4
Indirect	64.1	35.9	65.2	34.8	63.8	36.2
of which are Management	0.0	100	60.8	39.2	81.5	18.5
<b>Total</b>	<b>47.1</b>	<b>52.9</b>	<b>35.9</b>	<b>64.1</b>	<b>42.3</b>	<b>57.7</b>

GRI 405-1	2019											
	<30			30 - 50			>50			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Direct	121	150	271	229	738	967	89	196	285	439	1,084	1,523
Indirect	88	76	164	276	170	446	131	73	204	495	319	814
of which are Management	0	7	7	34	19	53	13	1	14	47	27	74
<b>Total</b>	<b>209</b>	<b>226</b>	<b>435</b>	<b>505</b>	<b>908</b>	<b>1,413</b>	<b>220</b>	<b>269</b>	<b>489</b>	<b>934</b>	<b>1,403</b>	<b>2,337</b>

GRI 405-1	2019					
	<30		30 - 50		>50	
	% U	% D	% U	% D	% U	% D
Direct	44.6	55.4	23.7	76.3	31.2	68.8
Indirect	53.7	46.3	61.9	38.1	64.2	35.8
of which are Management	0.0	100	64.2	35.8	92.9	7.1
<b>Total</b>	<b>48.0</b>	<b>52.0</b>	<b>35.7</b>	<b>64.3</b>	<b>45.0</b>	<b>55.0</b>

## Health and safety of employees and workers

The company's activities are organised to reduce the risk of occupational accidents as far as possible. GVS ensures compliance with industry regulations and promotes a culture of accident prevention, and each employee receives sufficient and appropriate training specific to their tasks.

The tables below show some numerical information, of a non-financial nature, relating to health and safety at work.

### GRI 403-9 Work-related injuries

The Group reports below information on work-related injuries to employees and non-employees that occurred during the reporting period.

GRI 403-9 GVS employees	2021	2020	2019
The number of deaths resulting from accidents at work	0	0	0
The number of accidents at work with serious consequences (excluding deaths)	1	2	2
The number of recordable occupational accidents	63	62	39
ongoing	11	6	4
at work	51	56	35
Hours worked	6,810,666	6,062,217	4,763,419
The rate of deaths as a result of work-related injuries	0%	0%	0%
The rate of accidents at work with serious consequences (excluding deaths)	0.03%	0.07%	0.08%
The rate of recordable occupational accidents	1.9%	2.1%	1.6%

GRI 403-9 Non-employed workers (temporary contracts)	2021	2020	2019
The number of deaths resulting from accidents at work	0	0	0
The number of accidents at work with serious consequences (excluding deaths)	0	0	0
The number of recordable occupational accidents	9	16	4
ongoing	0	1	0
at work	9	15	4
Hours worked	915,370	1,860,644	754,025
The rate of deaths as a result of work-related injuries	0%	0%	0%
The rate of accidents at work with serious consequences (excluding deaths)	0%	0%	0%
The rate of recordable occupational accidents	2.0%	1.7%	1.1%

During 2021, there was a decrease in the number of serious and non-serious injuries for employees while there was an increase in the rate of non-serious injuries for employees and no serious events.

For the type of activity carried out, the main risks are:

- Physical (spills on floors or tripping hazards, machinery, electrical equipment);
- Noise and vibrations;
- Load handling;
- Chemical;
- Biological;
- Ergonomic (repetitive movements, handling of loads);
- Due to the overuse of video terminals (visual overload);
- Mechanical.

All these risks are discussed at the various training sessions. The actions taken to reduce the main injury risks listed above follow the risk reduction hierarchy:

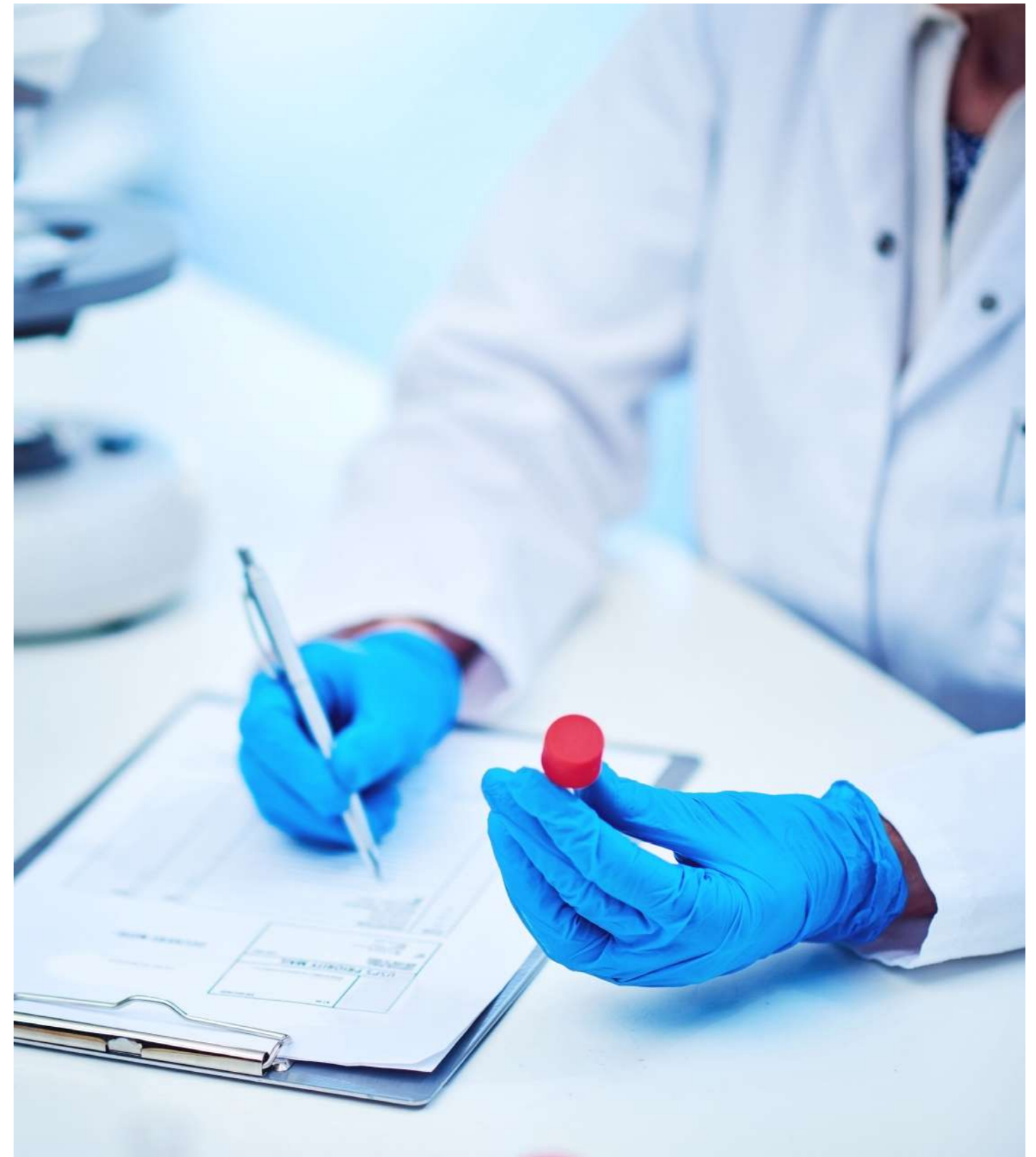
- Elimination;
- Replacement;
- Periodic engineering checks for the maintenance of work equipment;
- Information, education and training of workers;
- Use of collective and individual protective equipment.

### GRI 403-10 Work-related ill health

The Group reports below information on occupational diseases of employees and non-employees that occurred during the reporting period.

403-10 Employees	2021	2020	2019
The number of deaths resulting from occupational diseases	0	0	0
The number of cases of occupational diseases recorded	3	5	7

Occupational diseases in employees are in constant decline; with regard to occupational diseases of non-employees, no requests have been received and the actions taken to reduce the risk are the same as for the risk of injury.







07.

NON-FINANCIAL STATEMENT

# Respect for human rights





# 07. Respect for human rights

There is no business without respect for human rights. GVS promotes and guarantees a serene and safe working environment, based on respect for people, solidarity, non-discrimination of any kind and careful observance of the law and regulations.

With regard to equal opportunities, they are guaranteed from the selection and recruitment of personnel and throughout the employee's working life. **GVS prohibits any form of discrimination on the basis of gender, sexual orientation, age, marital status, physical appearance, nationality, disability, political or religious beliefs, and any form of abuse or harassment in the workplace, or any behaviour that violates the freedom and dignity of the employee. Furthermore, the Company strongly condemns slavery, human trafficking and the exploitation of labour, whether child, forced or under threat of corporal punishment.**

## Risks, opportunities and how to manage them

The work environment is based on inclusion and respect, it is multicultural and aimed at the application of gender equality.

Particular attention is paid to respect for fundamental human freedoms and the principles of non-discrimination, especially with regard to the most vulnerable groups, such as women, children, the disabled, LGBTQ people, migrants and asylum seekers, and people belonging to ethnic and religious minorities.

The following have been identified as activities that could pose a risk of human rights violations:

- Definition of working time and salary conditions;
- Employment of pregnant workers and under-age workers;
- Theft or compromise of employee personal data resulting in a privacy impact;
- Business relationships with third parties, such as suppliers, agents and consultants, involved in situations of human rights violations.

The Group is committed to identifying, managing and preventing any risk of human rights violations in the conduct of its business. This commitment is explicitly mentioned in the Code of Ethics and in the internal procedures. Together with the Code of Ethics, in order also to ensure respect for human rights, the Parent Company resolved to adopt the Organisation and Management Model pursuant to Legislative Decree 231/2001. The Code of Ethics contains the values, principles and guidelines expressed by GVS. The

reputation of the Company is closely linked to the behaviour of the people who act on behalf of or with GVS, and they must therefore operate in compliance with the ethical rules established in the Code of Ethics. The addressees are all personnel of GVS Group and third parties with whom it maintains relations. In fact, the manager has the task of preventing possible risks of unethical conduct, so as to reduce the likelihood of it occurring; the employee or collaborator must understand the rules of good conduct and immediately report any possible violation of human rights and cooperate in case of investigation.

Compliance with the provisions of the Code of Ethics is an integral part of the contractual obligations of all those who work in the name of and on behalf of one of the Companies of the Group.

In order to identify, prevent and manage any risks of human rights violations, it is necessary to:

- Raise staff awareness through relevant training activities;
- Distribute the Code of Ethics;
- Select its suppliers on the basis of sustainability criteria oriented towards respect for human rights.

The Group encourages awareness on the protection of human rights thanks to specific periodic training activities aimed at all employees and which make the worker not only protected, but above all aware.

## Respect for human rights

The tables below show some numerical information, of a non-financial nature, related to the protection of human rights.

### GRI 406-1 Incidents of discrimination and corrective actions taken

GVS places respect for human rights at the basis of its values and orients its *modus operandi* towards the protection of people. There were no incidents of convicted discrimination during the reporting period. All employees or third parties with whom the Group has business dealings must, if they become aware of any discriminatory action, report it to the Legal Department.

### GRI 412-2 Employee training on human rights policies or procedures

Employees are constantly trained on policies and procedures concerning human rights' aspects relevant to the Group's activities.

GRI 412-2 <sup>20</sup>	UoM	2021	2020	2019
Total number of hours devoted to training on human rights policies or procedures that are relevant to activities	N.	1,302.25	914.09	523.5
Percentage of employees who have been trained on policies or procedures concerning human rights aspects relevant to their activities	%	65.83	59.71	59.27

20. Data has been estimated for GVS Filter Technology UK Ltd and GVS Russia LLC.





08.

NON-FINANCIAL STATEMENT

# Combating active and passive corruption



## 08. Combating active and passive corruption

Integrity is a fundamental part of the identity of GVS, so much so that it is part of the general principles of the Group.

**In carrying out its activities, GVS places integrity at the basis of its economic and social relations, and recognises the phenomenon of corruption as a serious threat to its development.** These topics are considered material topics, and GVS promotes the performance of its activities in compliance with the regulations and the fight against corruption at national and international level, both in relations with public officials and with private individuals.

The risk of corruption is present in various areas of business activity, involving all relationships on all levels. The occurrence of wrongdoing could result in penalties and possible repercussions on the conduct of business, as well as serious damage to reputation. Directors and all employees in positions of autonomy or responsibility must report in writing the cases in which there are relationships of an organisational nature (e.g. customer - supplier) with persons, entities or organisations capable of influencing their judgement in the performance of their activities, for reasons of family or other relationships of a personal nature.

GVS is committed to constant compliance with national and international antitrust regulations and the guidelines of the Competition and Market Authority. The Group avoids any kind of agreement or communication aimed at influencing free competition.

In the course of their business activities, all employees and managers of the Group must adhere to professional and commercial integrity. Acts of violence or threats, capable of damaging free competition or misleading third parties into believing that the competitor is not financially capable of meeting the obligations contracted, shall not be tolerated.

### Risks, opportunities and how to manage them

As a company operating at international level, GVS Group is exposed to a number of risks in carrying out its ordinary activities, including the commission of crimes of active and passive corruption.

For this reason, the Group declares that any form of favouritism, corruption or collusion with third parties or representatives of public power (public officials, politically exposed persons or persons closely linked to them) is strictly prohibited.

The pursuit of the Group's interest or advantage shall never be justification for unethical

and dishonest conduct. No employee may receive gifts, presents or personal gratuities of any form or value, in relation to the performance of their activities, from persons, entities or organisations with which they have any kind of relationship.

The aforementioned risks associated with corruption, in some cases also entail the administrative liability of the entity in the event of violations of the rules.

The companies GVS S.p.A. and GVS Sud Srl, in order to ensure the correctness and transparency of company operations, consider it appropriate to adopt an Organisation, Management and Control Model in accordance with Legislative Decree 231/2001 (OMC). The purpose of the Model is to constitute a set of procedures and control activities aimed at preventing the commission of the various types of offences provided for in the Decree.

GVS has set up the Supervisory Board in order to supervise the operation of and compliance with the Model, and to propose its updating. A further tool for reporting violations of 231 regulations is the so-called "Whistleblowing", defined as one or more channels that allow all recipients of the Model 231 to report unlawful conduct to the detriment of the entity. The Code of Ethics also incorporates Whistleblowing, thus overcoming the national limitations of the Model 231, since the Code of Ethics has been adopted by all Group companies.

The Code of Ethics aims to ensure transparent and appropriate conduct by all those to whom it is addressed. The occurrence of risky events may lead to the application of sanctions, loss of profit, compromise of business relations and damage to the image, which may be to the detriment of the entire Group. In order to mitigate this risk, in addition to the adoption and distribution of the Code of Ethics, specific training plans are promoted for all employees on anti-corruption principles and general principles of conduct.

All subjects who come into contact with GVS reality, such as managers, employees, suppliers, clients and public administration are required to avoid any situation of corruption or collusion. The relationship with public authorities requires transparency and correctness, the management of public funds (contributions, subsidies or funding) presupposes maximum transparency both in the truthfulness of every related document and in the correct destination of the money, and again, in the event of inspections or investigations carried out by public authorities, GVS personnel must collaborate to protect the integrity and reputation of all.

In addition, on 17 December 2021, the Board of Directors adopted the Global Compliance Programme, a Group-wide programme to prevent perpetration of offences. As part of the Global Compliance Programme, the Anti-Corruption Policy has also been adopted, as an integral part of the system of control of business ethics, aimed at guaranteeing the compliance of GVS with the Anti-Corruption Laws, both national and international, and with the best international standards in the fight against corruption, also to protect the reputation of GVS.

The Anti-Corruption Policy enshrines the GVS Group's commitment to a zero tolerance principle in relation to corruption and requires compliance with all national anti-corruption legislation where the GVS Group operates. The commitment to zero tolerance includes a prohibition on offering or receiving money or other benefits to obtain undue advantage or otherwise influence the decisions of others. The prohibition includes those actions that



may even generate the doubt of having corrupt purposes.

The Policy applies to employees, collaborators and all other persons who in various ways have dealings with GVS.

The Policy provides for specific rules and controls in relation to activities identified as potentially "at risk" (e.g. relations with public officials, donations, sponsorships, relations with suppliers) and activities concerning the effective implementation of anti-corruption compliance (e.g. adoption of written procedures, segregation of roles, formalisation of powers, traceability and documentation of decisions, assessment of business partners).

Finally, in order to guarantee the effectiveness of the provisions, the Policy provides for control systems (audits), training and communication activities, disciplinary measures, as well as channels for reporting, including confidential ones ("whistleblowing").

In conclusion, it can be said that the Group is committed to spreading a culture of compliance in the various countries in which it operates, to ensure maximum dissemination and adherence to its ethical principles.

## Combating active and passive corruption

The tables below show some numerical information, of a non-financial nature, relating to the fight against active and passive corruption.

### GRI 205-3 Confirmed incidents of corruption and actions taken

During the reporting period there were no confirmed incidents of corruption.

### GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

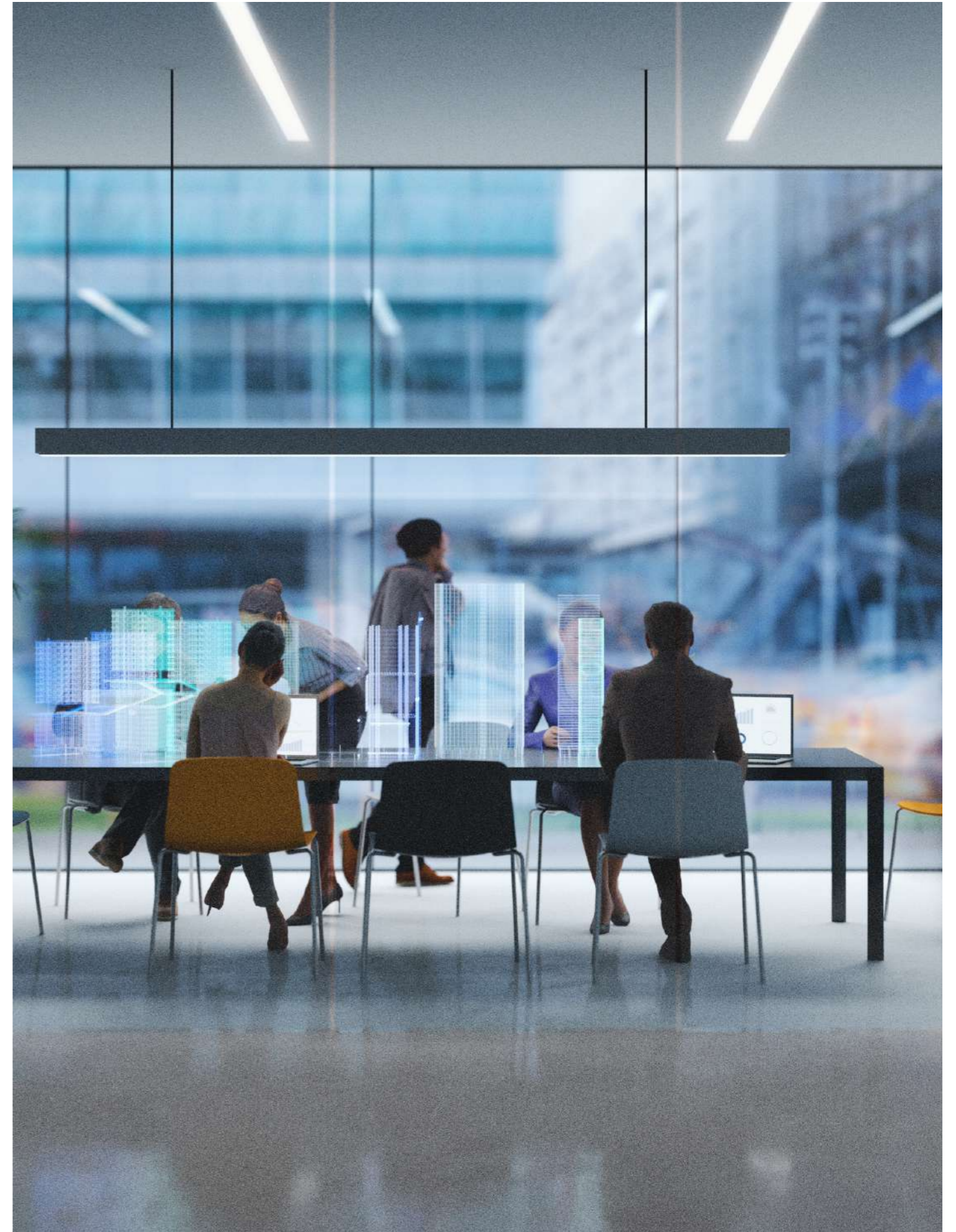
GVS does not propose or accept market-distorting agreements with competitors, such as selective pricing or discounts. Reflecting this, there were no legal actions for anti-competitive behaviour, antitrust or monopolistic practices during the reporting period.

Zola Predosa, 22 marzo 2022

**Massimo Scaglari**  
Amministratore Delegato

*Emanuele Stanco*  
**Emanuele Stanco**

Dirigente preposto alla redazione  
dei documenti contabili societari



Topic of the Legislative Decree 254/2016	Material topic	Risks/management methods	General topic standard/disclosure	Topic specific standard/disclosure	Reporting perimeter	
Environmental	Focus on the environmental impact	Refer to chapter 4	102-15 Risks, impacts and opportunities  103 <i>Management approach</i>	301-1	Materials used by weight or volume	The companies of GVS Group as defined in the Note on Methodology
				302-1	Energy consumption within the organisation	The companies of GVS Group as defined in the Note on Methodology
				302-3	Energy intensity	The companies of GVS Group as defined in the Note on Methodology
				303-1	Interactions with water as a shared resource	The companies of GVS Group as defined in the Note on Methodology
				303-2	Management of water discharge-related impacts	The companies of GVS Group as defined in the Note on Methodology
				303-3	Water withdrawal by source	The companies of GVS Group as defined in the Note on Methodology
				305-1	Direct GHG emissions	The companies of GVS Group as defined in the Note on Methodology
				305-2	Indirect GHG emissions	The companies of GVS Group as defined in the Note on Methodology
				305-4	GHG emissions intensity	The companies of GVS Group as defined in the Note on Methodology
				306-1	Waste generation and significant waste-related impacts	The companies of GVS Group as defined in the Note on Methodology
				306-2	Management of significant waste-related impacts	The companies of GVS Group as defined in the Note on Methodology
				306-3	Waste generated	The companies of GVS Group as defined in the Note on Methodology
				306-4	Waste directed to disposal	The companies of GVS Group as defined in the Note on Methodology
				306-5	New suppliers that were screened using environmental criteria	The companies of GVS Group as defined in the Note on Methodology
Social	Responsibility in the supply chain	Refer to chapter 5		102-9	Supply chain	The companies of GVS Group as defined in the Note on Methodology
	Quality, product safety and customer satisfaction			204-1	Proportion of spending on local suppliers	The companies of GVS Group as defined in the Note on Methodology
				308-1	New suppliers that were screened using environmental criteria	The companies of GVS Group as defined in the Note on Methodology
				103-1	Explanation of the material topic and its boundary	The companies of GVS Group as defined in the Note on Methodology
	Socio-economic development			103-2	The management approach and its components	The companies of GVS Group as defined in the Note on Methodology
				103-3	Evaluation of the management approach	The companies of GVS Group as defined in the Note on Methodology
				204-1	Proportion of spending on local suppliers	The companies of GVS Group as defined in the Note on Methodology
Personnel	Attention to and enhancement of human resources	Refer to chapter 6		414-1	New suppliers that were screened using social criteria	The companies of GVS Group as defined in the Note on Methodology
				102-8	Information on employees and other workers	The companies of GVS Group as defined in the Note on Methodology
				401-1	New employee hires and employee turnover	The companies of GVS Group as defined in the Note on Methodology
				401-2	<i>Benefits provided to full-time employees that are not provided to temporary or part-time employees</i>	The companies of GVS Group as defined in the Note on Methodology
				404-1	Average hours of training per year per employee	The companies of GVS Group as defined in the Note on Methodology
	404-3			Percentage of employees receiving regular performance and career development reviews	The companies of GVS Group as defined in the Methodological Note with the exception of GVS Filter Technology de Mexico S. de. R.L. de C.V.	
	Health and safety of employees and partners			405-1	Diversity of governance bodies and employees	The companies of GVS Group as defined in the Note on Methodology
				406-1	Incidents of discrimination and corrective actions taken	The companies of GVS Group as defined in the Note on Methodology
				403-9	Work-related injuries	The companies of GVS Group as defined in the Note on Methodology
				403-10	Work-related ill health	The companies of GVS Group as defined in the Note on Methodology
Human Rights		Respect for human rights	Refer to Chapter 7		412-2	Employee training on human rights policies or procedures
Fight against corruption	Combating active and passive corruption	Refer to chapter 8		205-3	Confirmed incidents of corruption and actions taken	The companies of GVS Group as defined in the Note on Methodology
				206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	The companies of GVS Group as defined in the Note on Methodology
				307-1	Non-compliance with environmental laws and regulations	The companies of GVS Group as defined in the Note on Methodology
				419-1	Non-compliance with laws and regulations in the social and economic area	The companies of GVS Group as defined in the Note on Methodology
Transversal topic	Transversal topic	Refer to Chapter 2		207-1	Approach to tax	The companies of GVS Group as defined in the Note on Methodology
				207-2	<i>Tax governance, control and risk management</i>	The companies of GVS Group as defined in the Note on Methodology
				207-3	Stakeholder engagement and management of concerns related to tax	The companies of GVS Group as defined in the Note on Methodology



# Report of the Independent auditing firm on the consolidated non-financial statement



**GVS SPA**

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED  
NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,  
PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND  
ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY  
2018**

**YEAR ENDED 31.12.2021**



## Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree no. 254/2016 and article 5 of CONSOB regulation no. 20267

To the Board of Directors of GVS S.p.A.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of GVS S.p.A. and its subsidiaries (the "Group") for the year ended 31.12.2021 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 22.03.2022 (the "NFS").

Our review does not extend to the information set out in the paragraph "The EU Taxonomy of Eco-Sustainable Activities" of the NFS, required by article 8 of European Regulation 2020/852.

### Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and subsequent versions, by the GRI - Global Reporting Initiative (the "GRI Standards"), with reference to a selection of GRI Standards, as described in the paragraph "Note on Methodology" of the NFS, identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

### Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and



professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

### Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. understanding of the following matters:
  - a. business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
  - b. policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - c. key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of GVS SpA and with the personnel of GVS FiltrationInc. and we performed limited analyses of documentary evidence, to





gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for the following companies, GVS SpA and GVS Filtration Inc. which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of GVS Group for the year ended 31 December 2021 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards, with reference to a selection of GRI Standards, as described in the paragraph “Note on Methodology” of the NFS.

Our conclusions on the NFS of GVS Group do not extend to the information set out in the paragraph “The EU Taxonomy of Eco-Sustainable Activities” of the NSF, required by article 8 of European Regulation 2020/852.

Bologna, 5 April 2022

PricewaterhouseCoopers SpA

*This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2021 translation.*

### GVS SPA

Via Roma 50 - 40069  
Zona Industriale, Zola Predosa (Bologna)  
VAT no. 00644831208

e-mail: gvs@gvs.com

---

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

---

