

NON-FINANCIAL DISCLOSURE



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Zola Predosa (BO), 19 March 2021.

Dear Stakeholders,

We are pleased to publish the first Non-Financial Disclosure (NFD) of GVS Group, which testifies the strong sense of responsibility of the company on strategic and crucial issues for future development. The ability to do business in an innovative and sustainable way, to facilitate the ecological transition and to enhance the value of people, are in fact the pillars of GVS Group's strategy.

As of this year, GVS Group meets the minimum requirements imposed by Legislative Decree 254/16. The Company has therefore taken immediate steps to ensure that its commitment to environmental, social and economic sustainability, now consolidated over the years, is formalised in this document, drawn up in accordance with the GRI international standard (*Global Reporting Initiative*).

The Non-Financial Disclosure, relating to the 2020 financial year, is the first step in a structured medium-term path initiated by the Group. Starting from 2021, the company has decided to adopt a **sustainability policy** and to **extend the risk assessment model to ESG (Environmental, Social and Governance)** issues, such as risks related to climate change, the impact of which is now a scenario to be measured by anticipating the signs and defining the related actions with which to combat and adapt to it.

The company is in the process of defining a **strategic sustainability plan** that includes macro-objectives and detailed objectives in order to draw up a *roadmap* that will make it possible to measure commitments and results achieved from year to year. To do this, company management was first involved in identifying, assessing and prioritising material issues that affect the Group's ability to create value in the short, medium and long term.

GVS's commitment to sustainability must include reference to what was accomplished in 2020 to **address the Covid-19 pandemic**. The Group adopted safety measures right from the outset, even before a national protocol was defined to deal with the emergency, providing employees with masks and sanitising gel, adopting **smart working** as a form of protection against contagion (**139,373 hours** totalled in 2020) and **donating more than 58,000 masks to the community**.

Since the early stages of the epidemic, GVS has provided concrete support to deal with the emergency, **expanding its production capacity** to produce personal protective equipment and allocating most of the production of masks to the Civil Defence and a portion to donations to local communities. The masks produced are FFP3 type, Biohazard certified, and were already part of the Group's production abroad.

To meet the need to expand production and assembly, including manual assembly, of personal protective equipment (PPE), GVS has increased its workforce, **hiring over 800 new resources**, and has started 41 new production lines, for an investment of several million euros, in Italy, Romania, China, Mexico and the USA.

The GVS Non-Financial Disclosure 2020 contains all the elements that distinguish the company's attention and strategy towards environmental and social issues: from the code of ethics, to the requirements requested of suppliers, from certifications, to the use of correct practices from the point of view of environmental protection, both at business level and in the company organisation, concluding with the attention paid to the territory and personnel, not only in respect of the regulations for the protection of health and safety, but also through the enhancement and training of employees.

We are a key player in the health and safety of people and environments, and this first document is intended as a tangible sign of GVS's ability to combine our core business with environmental protection and attention to social aspects. Sustainability, flexibility and adaptability to the demands of the market and society are the key words that guide our business actions.



Massimo Scagliarini
Chief Executive Officer of GVS



1 / NOTE ON METHODOLOGY



1 Note on Methodology

The purpose of this document is to report the first Consolidated Non-Financial Disclosure (hereinafter also referred to as "NFD" or "Disclosure") 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 issues, respect for human rights and the fight against active and passive corruption.

GVS Group has identified the issues 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.

As of this year, GVS Group meets the minimum requirements imposed by Legislative Decree 254/16, therefore, since this is the first year of drafting the NFD, the indicators reported are for the reporting year from 1 January to 31 December 2020; where available and reliable, data for the 2019 financial year are reported for comparison purposes only and have not been subject to third-party verification.

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 Disclosure 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.

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 issues, respect for human rights and the fight against active and passive corruption; issues 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 Disclosure, namely: *Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity* and *Reliability*, as reported in *GRI Standard 101: Foundation 2016*.

This Disclosure sets out the non-financial information relating to the issues considered material for the Group, the stakeholder analysis and the business model, which have been defined and prepared by an internal Working Group, coordinated by the Group administration

and finance department and the key representatives of the different corporate departments 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 NFD 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 2020.

The following is a summary overview of the Group 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

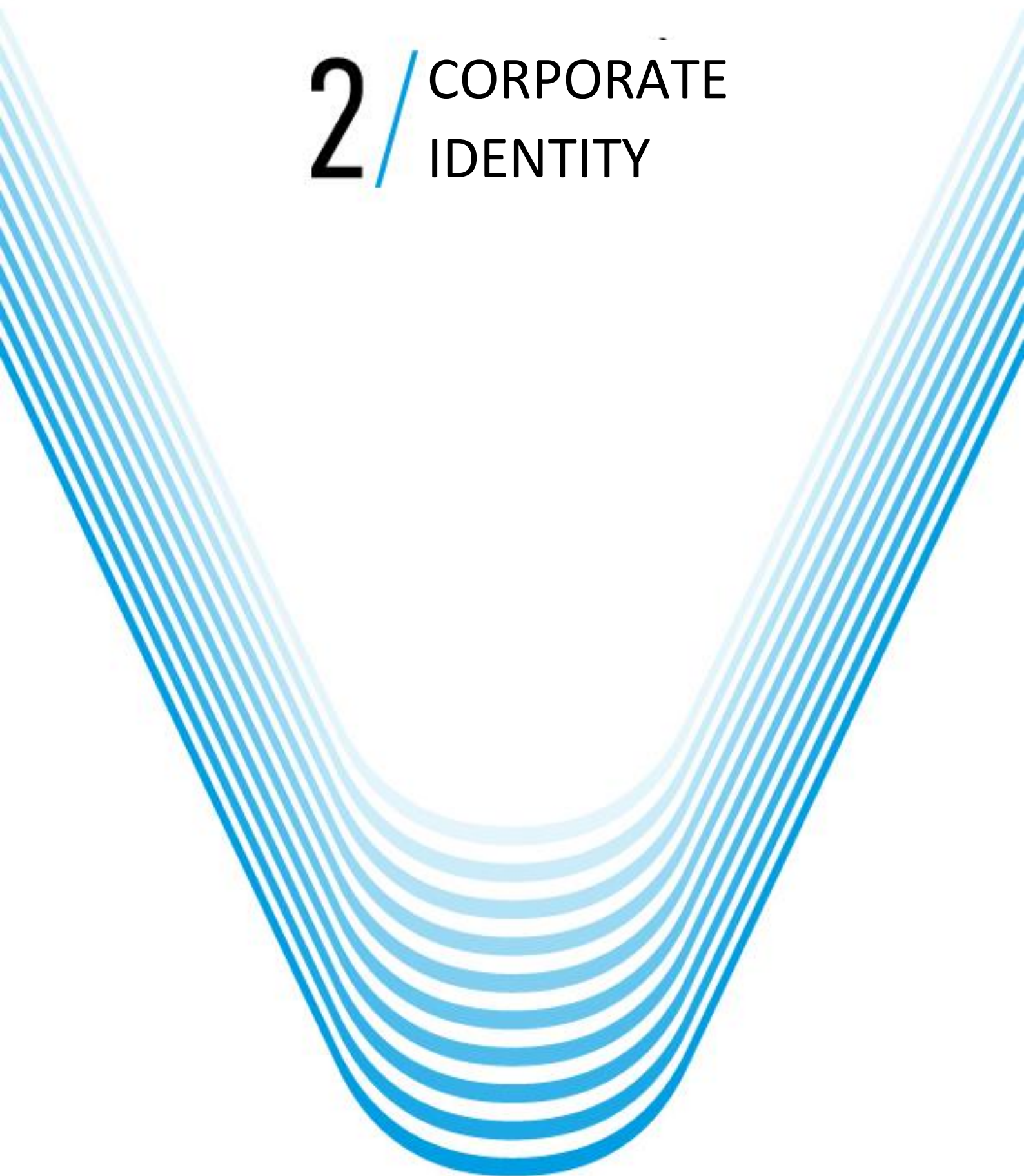
The document shows the risks generated and suffered by the entire GVS Group.

This document was approved by the Board of Directors of GVS S.p.A., on 19 March 2021, in accordance with the provisions of Legislative Decree 254/2016.

The independent audit of the Non-Financial Disclosure 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 Disclosure 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.

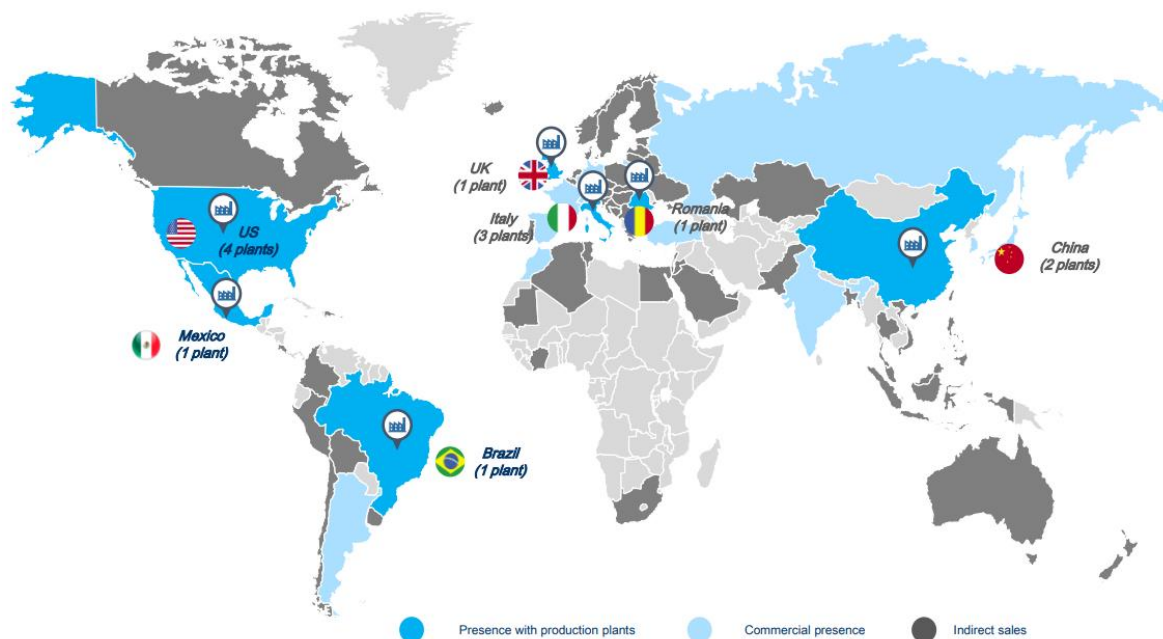


2 / CORPORATE IDENTITY



2 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*.



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 14 production facilities located in Italy (3), the United Kingdom (1), Brazil (1), the United States (4), China (2), Mexico (1), Romania (1) and Puerto Rico (1), 6 sales offices located in Argentina, Russia, Turkey, Japan, Korea and China, with about 3,764 employees, including temporary staff.

For over 35 years, GVS has 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 3,764 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.

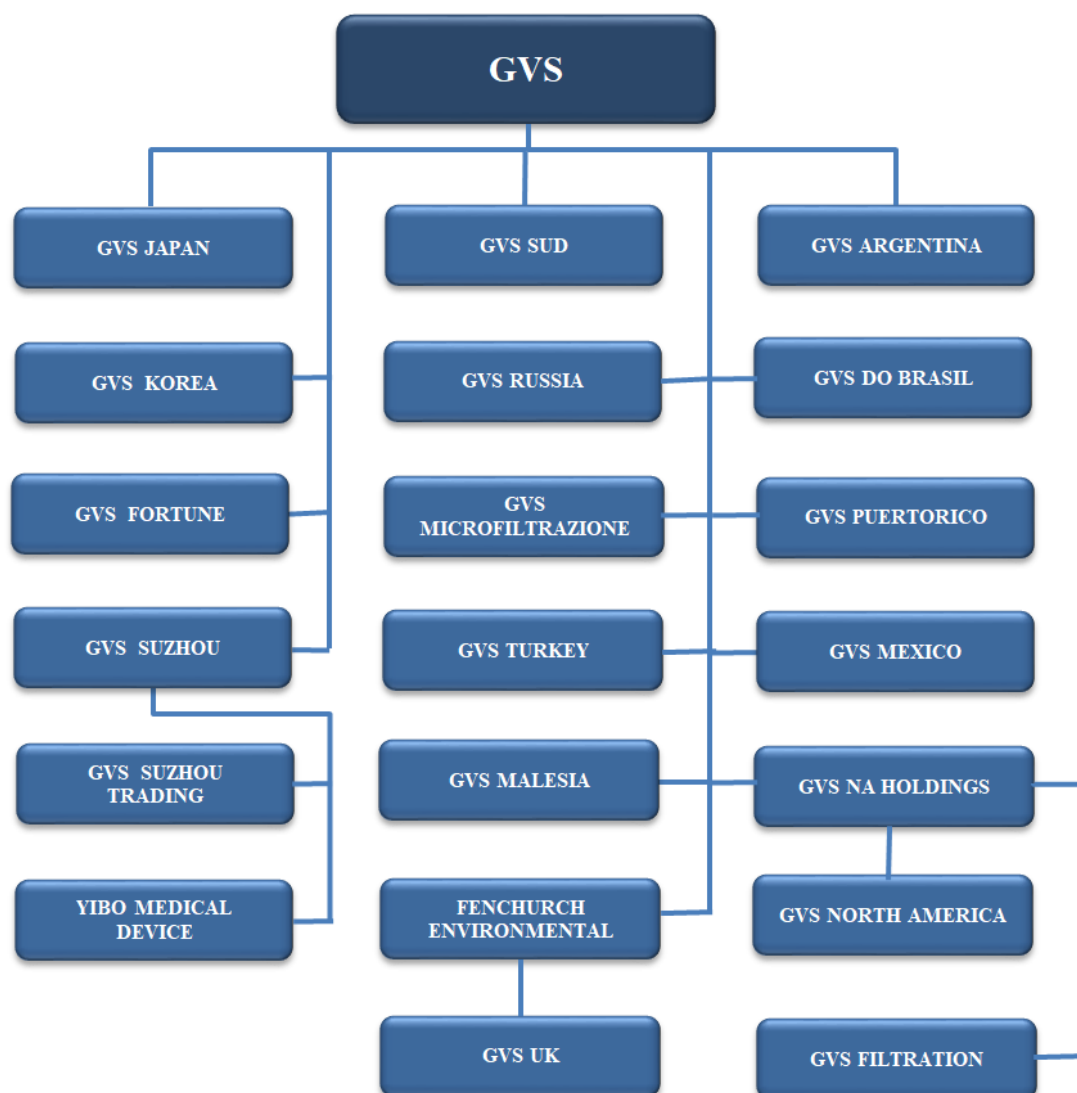
The origins of GVS

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.

- 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;
- Between 1983 and 1990 the *Energy & Mobility* division was created and the Group opened two more plants in Monteveglio and Zola Predosa (Bologna);
- 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;
- The second phase of internationalization 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.

- 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).
- 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.
- 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.
- 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.
- 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.
- 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.

Below is GVS Group's corporate organisation chart as at 31 December 2020.



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, to develop the best solution internally, combined with a “Local-for-Local” approach to strengthen customer relationships through proximity and continuity of supply.

The Group's valuable know-how is the result of a synergy of three business lines:

- 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 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.

Group's fiscal approach

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:

- Italy
- United States of America
- China
- Romania
- Mexico
- United Kingdom
- Brazil
- Puerto Rico
- Argentina
- Japan
- Turkey
- Korea

- Russia

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 financial year 2019 and 2020, from which derives the tax-advantaged income as provided for by the Patent box regulations.

Responsibility for and control over tax matters rests primarily with the Board of Directors, supported by the Administration and Finance 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, recently supplemented in view of the introduction of tax offences. 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.

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 issues with the support of external consultants.

Country	Number of employees (excluding interims)	Revenues from sales to third parties	Revenues from intra-group transactions with other tax jurisdictions	Pre-tax profit/loss	Property, plant and equipment other than cash and cash equivalents	Corporate income taxes paid on a cash basis	Corporate income taxes accrued on profits/losses
Italy	364	€ 125,464,781.39	€ 50,231,532.25	€ 40,715,205.45	€ 20,670,518.27	€ 2,007,346.00	€ 10,093,858.56
United States	552	€ 66,011,991.85	€ 10,852,539.51	€ 24,184,338.91	€ 10,765,017.83	€ 203,948.52	€ 987,666.45
Japan	8	€ 4,186,681.37	- €	€ 1,512,837.36	€ 34,518.53	€ 173,539.41	€ 535,739.54
Brazil	214	€ 12,336,674.35	€ 296,960.11	€ 3,872,128.63	€ 2,877,137.65	€ 457,913.04	€ 552,256.02
United Kingdom	304	€ 72,206,406.46	€ 10,094,502.54	€ 24,701,538.72	€ 6,495,819.24	€ 4,864,550.68	€ 4,696,348.21
Argentina	3	€ 843,298.23	- €	€ 321,421.28	€ 19,247.53	€ 22,897.54	€ 79,048.98
Mexico	363	€ 18,963,349.97	€ 4,501,943.83	€ 10,768,211.85	€ 8,351,414.70	- €	€ 3,230,463.55
China	237	€ 43,440,336.60	€ 4,885,176.13	€ 18,402,581.77	€ 6,781,649.09	€ 3,893,314.82	€ 4,638,682.61
Romania	646	€ 13,055,491.34	€ 23,103,880.81	€ 7,180,232.72	€ 8,397,478.21	€ 373,920.05	€ 988,588.73
Turkey	6	€ 2,666,894.98	€ 545.44	€ 870,456.58	€ 13,952.47	€ 97,077.12	€ 197,949.95
Puerto Rico	196	€ 12,780,586.76	- €	- € 109,246.79	€ 4,897,197.20	€ 213,919.00	- €
Korea	8	€ 5,558,728.21	€ 185.98	€ 2,062,044.69	€ 81,673.89	€ 308,134.34	€ 440,805.81
Russia	6	€ 32,366.65	€ 905.24	€ 10,659.31	€ 4,339.66	- €	€ 1,238.99

Research and Development

R&D activities are at the heart of GVS's business model, with research expenses reaching 5.5% of revenues in 2020 and 7.8% of revenues in 2019, equally divided in order to improve processes and products. The Group has 7 research centres around the world, with 105 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.

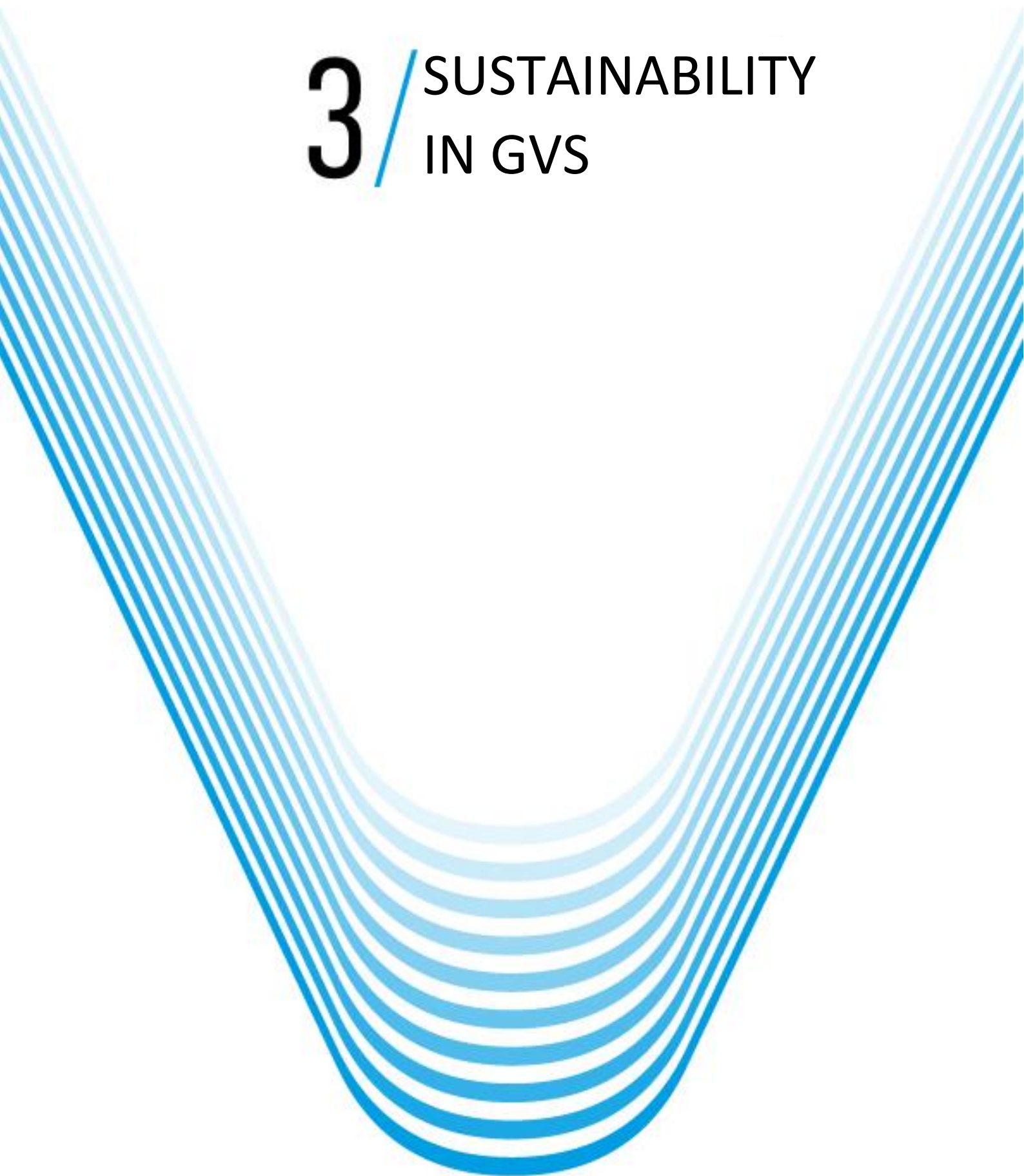
- The quotation consists in the conception of the product, the collection of essential information such as its specifications, the reference market and the target price;
- Feasibility includes technical analysis of materials, *benchmark competitors* and identification of potential raw materials. In this 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.

Eclipse is a perfect example of a GVS research and development project. In recent years, it has been decided to invest in the development of the *Eclipse* masks already on the market in the medium/small configuration with P3/P100, OV, A1P3, B1P3, FFA1P3 and BBB1P3 filters. Compact, lightweight and flexible design that allows it to fit perfectly around the face, providing a wide view, without interfering with any eye or ear protection that the user intends to wear. Large central non-return valve, minimises user breathing resistance and moisture build-up inside the mask.

Another example of an R&D process is vinylidene fluoride (PVDF) membranes, polymeric filtration media used for various applications, such as water treatment, membrane distillation, gas separation and pollutant removal. GVS develops and manufactures PVDF membranes used in filtration devices, but at the same time research and product development has increased their application fields, efficiency and value, both as a finished product and as a filtration medium in products.



3 / SUSTAINABILITY IN GVS



3 Sustainability in GVS

The Group is attentive to its social, environmental and economic impacts and operates with an eye on these issues, 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 is in the process of defining 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 issues 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. For this reason, all GVS companies guarantee transparency on the structure of

Corporate Governance, on the strategy and long-term objectives, on the work of the management, on the company's performance, with reference also to environmental and social performance.

- **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 *Fondazione il Bene Onlus*.

- **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.

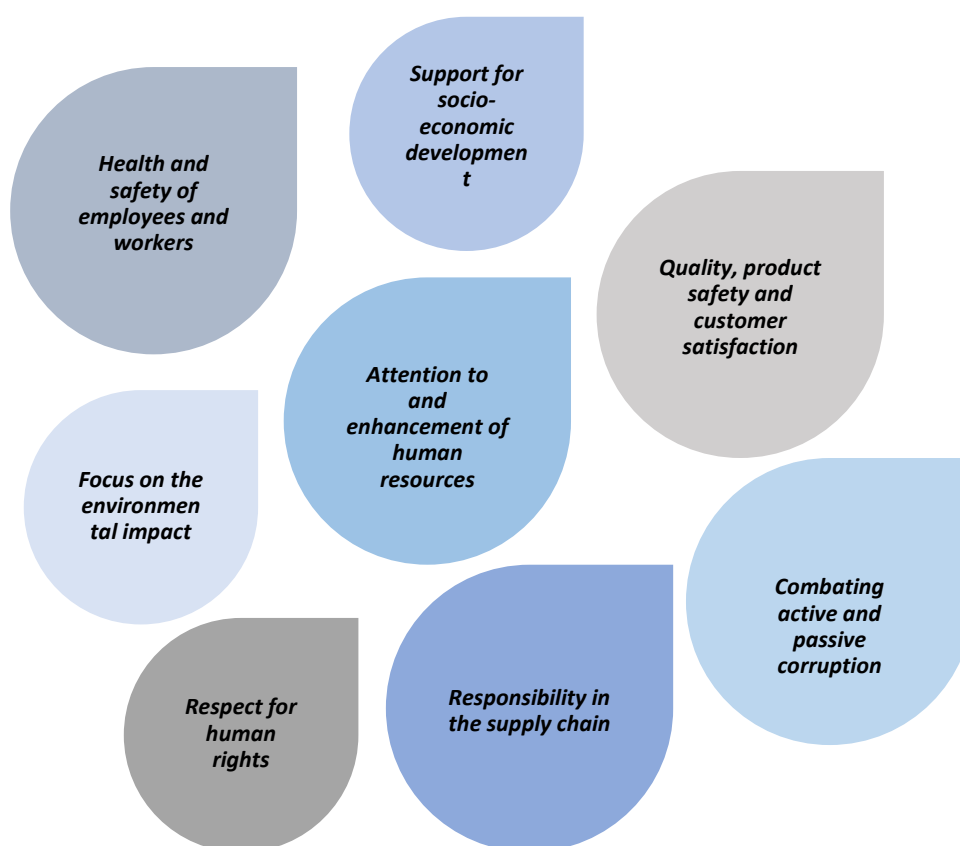
Material issues

The identification of material issues is the result of a process of identification, evaluation and classification of the issues 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 in the process of integrating sustainability into its business, the determination of material issues is the result of a process carried out internally without the direct involvement of external stakeholders. A structured method of involving them is being considered for the next updates of the identification of material issues.

For the purposes of identifying and defining the material issues, 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), 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 issues 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).

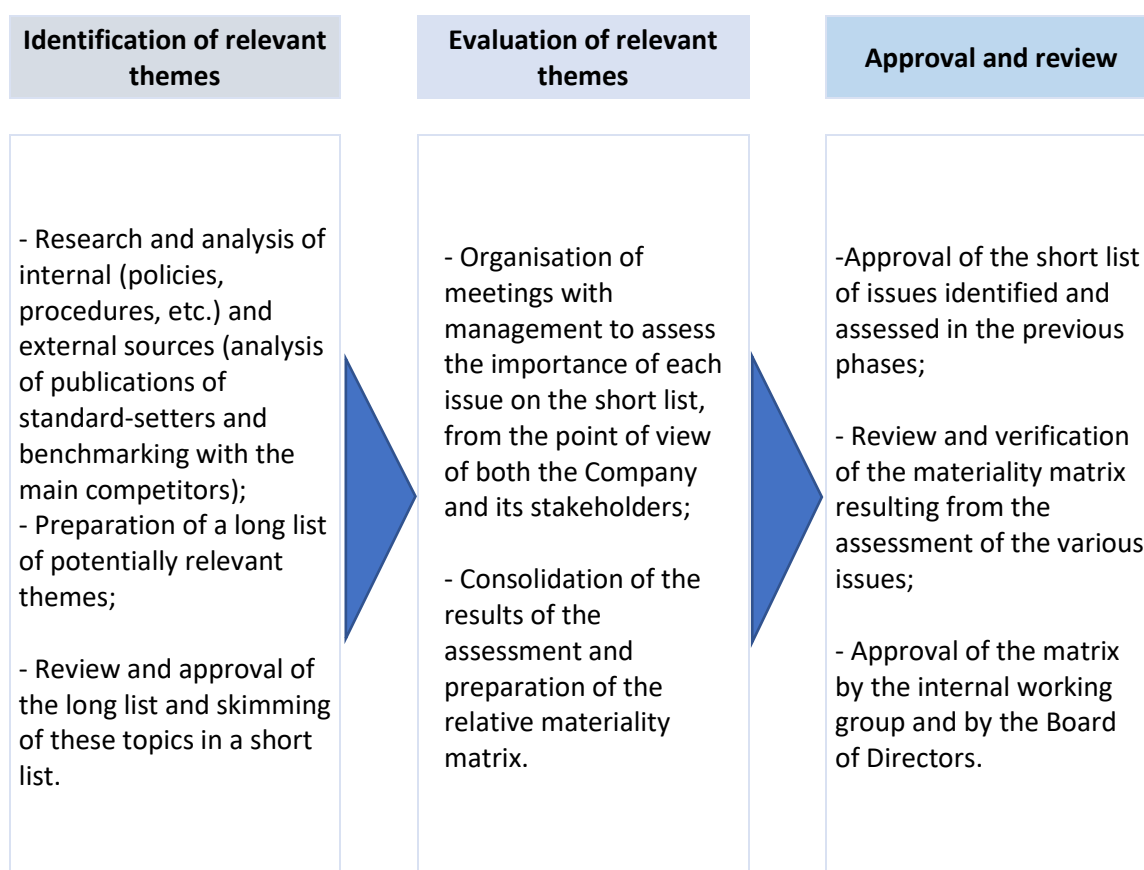


Legislative Decree 254/16	Material topic	Description
Fight against corruption	Combating active and passive corruption	The theme refers to the Group's commitment to fight active and passive corruption, fraud, monopolistic practices and anti-competitive behaviour. This issue also refers to compliance with 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	<p>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.</p> <p>The theme refers to the responsible management of the following aspects:</p> <ul style="list-style-type: none"> - materials used in core business activities; - energy consumption, in order to reduce it and consequently also the emissions produced; - water consumption, with a view to efficient management of the quantity of water withdrawn; - waste and water discharges from business activities.
Staff	Health and safety of employees and partners	<p>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 issue concerns the implementation of adequate tools to monitor accidents and of prevention, education and training measures in the field of health and safety.</p>
Staff	Attention to and enhancement of human resources	<p>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.</p>
Social	Support for socio-economic development	<p>The theme 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.</p>
Human Rights	Respect for human rights	<p>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.</p> <p>Furthermore, the Company strongly condemns slavery, human trafficking and the exploitation of labour, whether child, forced or under threat of corporal punishment.</p>

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.
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The materiality analysis process was structured as follows:



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.

Analisi di materialità



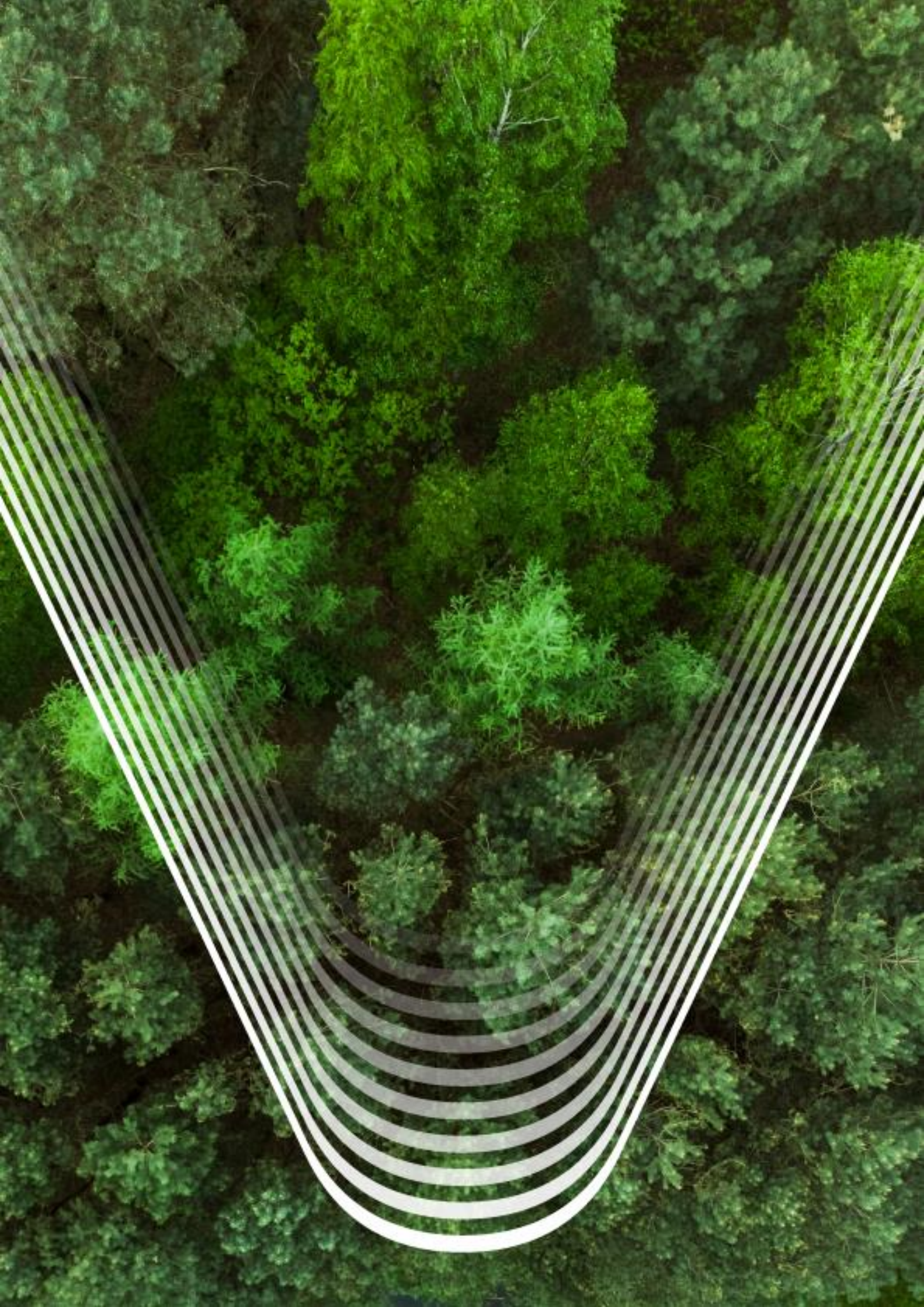
Temi rilevanti identificati e proposti per la valutazione

- Attenzione all'impatto ambientale
- Attenzione e valorizzazione delle risorse umane
- Lotta alla corruzione attiva e passiva
- Qualità, sicurezza dei prodotti e soddisfazione dei clienti
- Responsabilità nella catena di fornitura
- Rispetto dei diritti umani
- Salute e sicurezza dei dipendenti e dei collaboratori
- Supporto allo sviluppo socio-economico

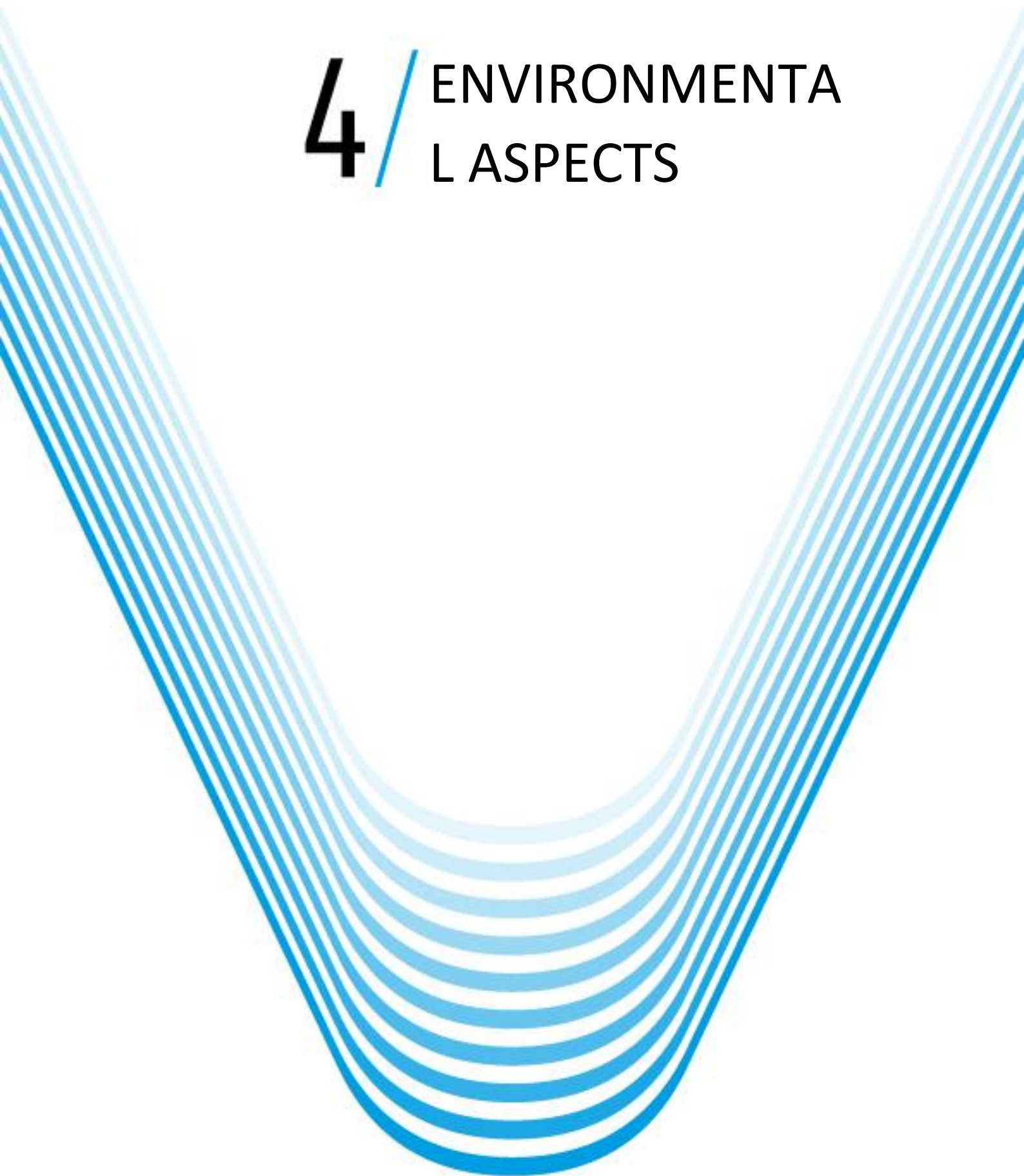
Certification

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

ITALY		
ENVIRONMENT	QUALITY	SSL
ECOVADIS AWARD 2019 - GVS S.p.A. and GVS Sud	IATF 16949 2016 - GVS S.p.A.	ISO 45001 2018 - GVS Sud
EMAS 2019 - GVS Sud	IATF 16949 2016 - GVS Sud	
ISO 14001 2015 - GVS S.p.A.	ISO 9001 2015	
ISO 14001 2015 - GVS Sud	ISO 13485 Med	
UK		
ENVIRONMENT	QUALITY	SSL
ISO 50001:2018	ISO 9001 2015	Safe Contractor Accreditation
	ISO 13485:2016	
USA		
ENVIRONMENT	QUALITY	SSL
ISO 14001: 2015 GVS North America - Sanford, ME	IATF 16949:2016 GVS North America - Sanford, ME	
ISO 14001:2015 GVS Filtration - Findlay, OH	IATF 16949:2016 GVS Filtration - Findlay, OH	
ISO 14001:2015 GVS Filtration - Bloomer, WI	ISO 9001:2015 GVS Filtration - Findlay, OH	
	ISO TS 16949:2016 GVS Filtration - Bloomer, WI	
	ISO 9001:2015 GVS Filtration - Bloomer, WI	
	ISO 13485:2016	
CHINA		
ENVIRONMENT	QUALITY	SSL
ISO 14001 2015	IATF 16949:2016	
	ISO 9001 2015	
	ISO 13485 2016	
BRAZIL		
ENVIRONMENT	QUALITY	SSL
ISO 14001	NBR ISO 9001	
	IATF 16949:2016	
ROMANIA AND MEXICO		
ENVIRONMENT	QUALITY	SSL
ISO 14001	ISO 9001 2015	OHSAS 18001
	IATF 16949 2016	



4 / ENVIRONMENTAL ASPECTS



4 Environmental aspects

GVS Group is one of the world's leading manufacturers of insert-moulded plastic filters, for applications in the Energy & Mobility, Healthcare & Life Sciences 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 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 Authorization 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.

- Management of waste disposed of outside (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 14001-2004 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.

Among the initiatives to reduce the environmental impact of its products, in the face of the Coronavirus emergency, GVS has launched an innovative device for the sterilisation of individual protection masks through UV rays, tested on the F31000 masks produced by GVS and on the *Elipse* P3 filters.

In fact, GVS designs and manufactures security products in several locations around the world to meet the most stringent controls to ensure that the products meet the required standards worldwide.

The new device, called the “*Face Mask Sterilizer*” allows you to:

- decontaminate the masks used by removing any bacteria or viruses present on the surface;
- reduce waste and therefore the pollution caused by the use of disposable masks;
- save money.

The device made by GVS can also be used to sterilize other everyday objects such as mobile phones or keys, helping us to keep ourselves and our loved ones safe, especially during this period.

The use of ultraviolet rays removes bacteria, viruses, etc. from various surfaces. A dose of UV light applied for 10 minutes can inactivate MS 2 bacteriophage, *Escherichia coli*, *Tritirachium album*, *Staphylococcus aureus* and other common microorganisms. The sterilization process is 99% effective. UV radiation is indeed a safe and widely used sterilization method in many fields, such as the food industry, medicine, pharmaceutical industry, chemical engineering, electronics, etc.

GVS, as well as producing FFP3 masks with a longer usage time than others on the market, with this device, rightly considered an environmentally friendly project, is committed to reducing the impact that the Covid-19 pandemic has on environmental pollution.

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	2020	2019
<i>Plastic Filter Media</i>	53%	25%
<i>Plastic Granules</i>	15%	25%
<i>Packaging</i>	7%	8%
<i>Microporous Membrane Rolls</i>	6%	8%
<i>Mesh</i>	5%	8%
<i>Metal</i>	3%	7%
<i>Glue & Polyurethane</i>	3%	7%
<i>Membranes</i>	2%	3%
<i>Chemicals for Membrane production</i>	1%	2%
<i>Other</i>	5%	7%

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 sources¹.

GRI 302-1 ²	UoM	2020	2019
Natural gas	GJ	33,775	36,915

¹ Billing data was used to calculate the figure.

² For the calculation of 2019 and 2020 energy consumption are the conversion factors published by the Department for Environment Food & Rural Affairs (DEFRA 2020).

Diesel fuel for generators	GJ	519	68
LPG	GJ	1,705	2,252
Diesel ³	GJ	6,034	8,054
Petrol	GJ	2,677	2,506
Kerosene	GJ	629	1,027
Electricity ⁴	GJ	163,135	133,051
<i>of which is from non-renewable sources</i>	GJ	124,919	93,954
<i>of which is from renewable sources</i>	GJ	38,216	39,097
Total energy consumed	GJ	208,474	183,873
Self-produced electricity	GJ	0	0
from which is electricity sold	GJ	0	0

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	2020	2019
Total energy consumed	GJ	208,474	183,873
Total number of hours worked	N.	7,922,861	5,517,444
Energy intensity	GJ/N.	0.03	0.03

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

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 organization, 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 replaced the air conditioning system with better performing equipment during 2019.

³ The data have been estimated for the companies: GVS Filtre Teknolojileri, GVS Korea Ltd, GVS Japan KK, GVS Russia LLC, GVS Argentina S.A.

⁴ Ibidem

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 from water stressed and non-water stressed areas.

GRI 303-3	UoM	2020	2019
		Freshwater (≤1,000 mg/l total dissolved solids)	Freshwater (≤1,000 mg/l total dissolved solids)
Surface waters	m ³	0	0
Groundwater	m ³	8,174	7,508
Sea water	m ³	0	0
Water produced	m ³	0	0
Third-party water resources ⁵	m ³	64,659	64,106
Total water withdrawal⁶	m ³	72,833	71,614

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

The Group reports direct and indirect GHG emissions. The first ones (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 ⁷	UoM	2020	2019
Direct emissions (Scope 1)			
Natural gas	tCO ₂ eq	1,910	2,088
Diesel fuel for generators	tCO ₂ eq	37	5
LPG	tCO ₂ eq	109	144
Diesel	tCO ₂ eq	429	572
Petrol	tCO ₂ eq	180	168
Kerosene	tCO ₂ eq	43	70
Total direct emissions	tCO ₂ eq	2,708	3,047
Indirect emissions (Scope 2) - location based			
Electricity purchased from the grid for consumption	tCO ₂ eq	16,665	12,293

⁵ The data was estimated for the companies GVS Filter Technology UK, GVS Filtre Teknolojileri, GVS Japan KK, GVS Russia LLC, GVS Argentina S.A.

⁶ GVS Korea Ltd data are for water stressed area

⁷ For the calculation of 2019 and 2020 greenhouse gas emissions, the conversion and emission factors published by Terna S.p.A. 2019 and by the Department for Environment Food & Rural Affairs (DEFRA 2020) are used.

Total indirect emissions	tCO ₂ eq	16,665	12,293
Total emissions	tCO ₂ eq	19,373	15,340

Fuel consumption of cars decreased in 2020 due to the pandemic which led the company to reduce travel by its employees.

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. Below is the trend in the incidence of special transport of the entire group on revenues, which in 2020 shows a decrease as a percentage of revenues.

€/000	2020	2019
Total cost of extraordinary transport	491	389
Total Group revenues	363,296	230,585
Incidence of special transport costs on revenues	0.14%	0.17%

GRI 305-4 Intensity of GHG emissions

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

GRI 302-4	UoM	2020	2019
Total GHG emissions	tCO ₂ eq	19,373	15,340
Total number of hours worked	N.	7,922,861	5,517,444
Emission intensity	tCO ₂ eq / N.	0.002	0.003

GRI 302-4	UoM	2020	2019
Total GHG emissions	tCO ₂ eq	19,373	15,340
Total Group revenue	€ 000	363,296	230,585
Emission intensity	tCO ₂ eq / €000	0.05	0.07

GRI 306-2 Waste by type and disposal method

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

GRI 306-2[1]	UoM	2020
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		Reuse	Recycling	Composting	Recovery, including energy recovery	Incineration (thermal destruction)	Injection into deep wells	Landfill	Other	Total
Hazardous waste	t	-	3	-	617	49	-	-	15	684
Non-hazardous waste	t	357	839	15	890	216	-	812	201	3,330
Total waste	t	357	842	15	1,507	265	-	812	216	3,798
Percentage of total	%	9%	22%	0%	40%	7%	0%	21%	6%	100%

GRI 306-2[2]	UoM	2019								
		Reuse	Recycling	Composting	Recovery, including energy recovery	Incineration (thermal destruction)	Injection into deep wells	Landfill	Other	Total
Hazardous waste	t	0	4	0	418	39	0	0	19	480
Non-hazardous waste	t	380	738	12	760	160	-	768	36	2,854
Total waste	t	380	742	12	1,178	199	-	768	55	3,334
Percentage of total	%	11%	22%	0%	35%	6%	0%	23%	2%	100%

[1] The data have been estimated for the companies: GVS Korea Ltd, GVS Japan KK, GVS Russia LLC, GVS Argentina S.A.

[2] Ibidem

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. In 2019, GVS SpA had a monetary sanction of € 2,000 for incorrect placement of an outlet for sampling of atmospheric emissions, and a non-monetary sanction as it was not possible to find an inspection well for civil discharges. This non-compliance was remedied in a timely manner resulting in no penalties for the 2020 financial year.

GRI 308-1 New suppliers assessed 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	2020	2019
New suppliers	N.	1165	1002
New suppliers selected using environmental criteria	N.	129	90
Percentage of new suppliers selected using environmental criteria	%	11	9





5 / SOCIAL ASPECTS AND SUPPLY CHAIN

5 Social aspects and the 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 Organization 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 **over 58,000 masks** 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. The masks produced are FFP3, Biohazard certified, and were already part of the Group's production abroad.

To cope with the production and assembly, including manual assembly, of personal protective equipment (PPE), GVS has increased its workforce, hiring over 800 new resources, and has started up several new production lines, for an investment of several million euros, in Italy, Romania, China, Mexico and the USA.

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 responsible supply chain management

The most important of these is the risk of suppliers' failure to comply with sustainability issues 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 CO2 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. has chosen to assist 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.

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:

- Minimize 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

As already mentioned, all the companies of GVS Group privilege the use of local suppliers. As shown by the data in the table.

GRI 204-1	UoM	2020	2019
Total goods and services purchased*	(€/000)	139,594.53	90,076.94
Goods and services purchased from local suppliers	(€/000)	106,373.77	62,101.06
Goods and services purchased from local suppliers	%	76%	69%

*data from purchase orders issued

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 who have been assessed through the use of 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	2020	2019
New suppliers	N.	1165	1002
New suppliers selected using social criteria	N.	106	91
Percentage of new suppliers selected using social criteria	%	9	9

GRI 419-1 Non-compliance with social and economic laws and regulations

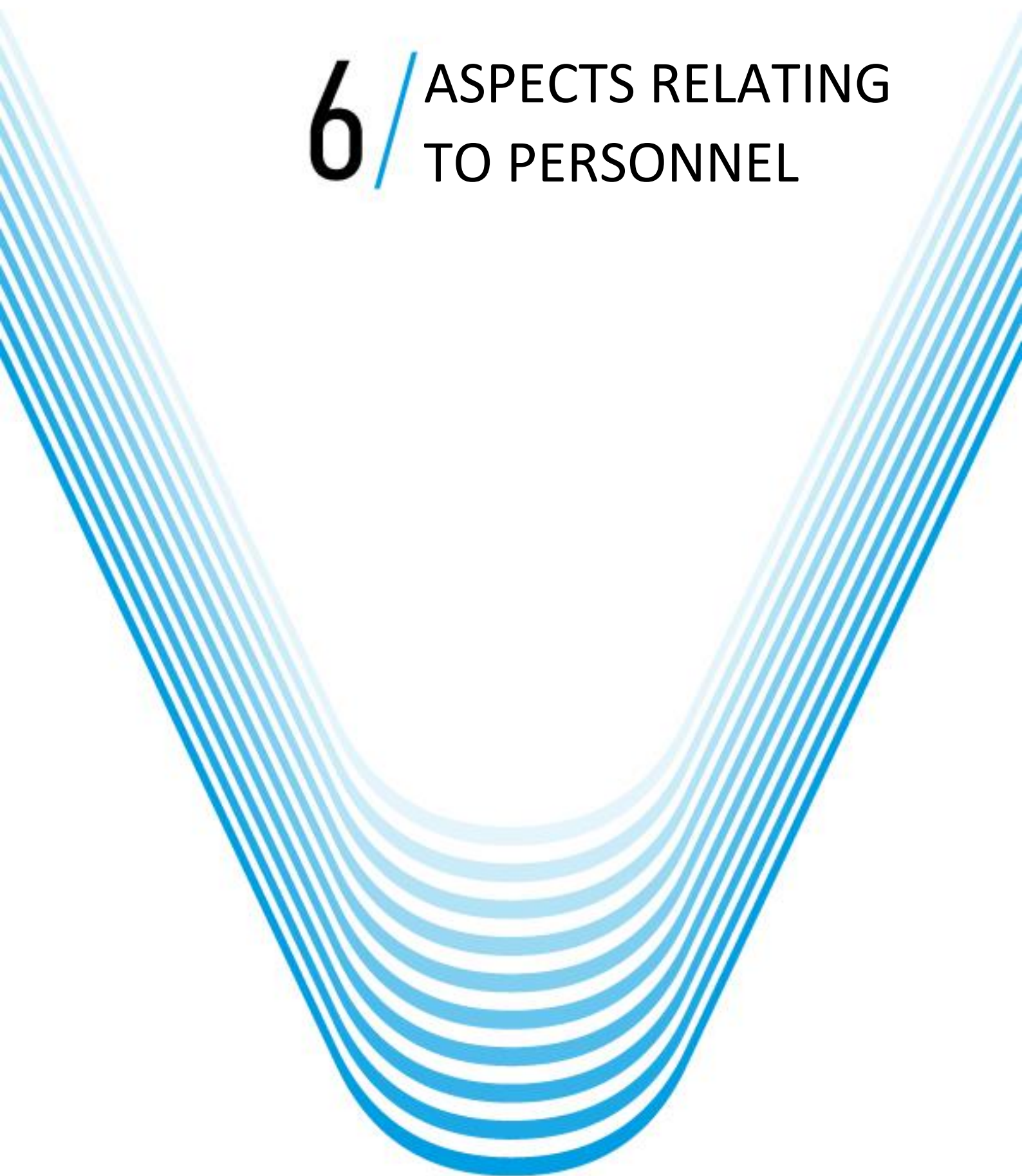
The Group is aware that compliance with the regulations currently in force in the various countries in which it operates is an essential principle and is therefore committed to preventing violations of any form. As a confirmation of its commitment, in fact, to date the organisation has not identified 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.

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 which for 2020 is 62 p.p.m.



6 / ASPECTS RELATING TO PERSONNEL



6 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.

Group employees collected **139,373 hours of smart work during 2020**.

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	2020			2019		
	Men	Women	Total	Men	Women	Total
Italy	281	340	621	204	163	367
Permanent	201	152	353	191	144	335
Fixed-term	80	188	268	13	19	32
<i>Of which are GVS employees</i>	8	3	11	5	3	8
<i>Of which are temporary staff</i>	72	185	257	8	16	24
Europe (excluding Italy)	333	761	1094	251	633	884
Permanent	224	494	718	222	411	633
Fixed-term	109	267	376	29	222	251
<i>Of which are GVS employees</i>	14	230	244	13	212	225
<i>Of which are temporary staff</i>	95	37	132	16	10	26
America	705	796	1501	396	361	757
Permanent	628	667	1295	380	329	709
Fixed-term	77	129	206	16	32	48
<i>Of which are GVS employees</i>	9	24	33	2	7	9
<i>Of which are temporary staff</i>	68	105	173	14	25	39
Asia	185	363	548	121	297	418
Permanent	100	153	253	89	156	245
Fixed-term	85	210	295	32	141	173
<i>Of which are temporary staff</i>	85	210	295	32	141	173
Total	1,504	2,260	3,764	972	1,454	2,426

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

GRI 102-8	2020			2019		
	Men	Women	Total	Men	Women	Total
Full-time	1,502	2,234	3,736	969	1,428	2,397
Part-time	2	26	28	3	26	29
Total	1,504	2,260	3,764	972	1,454	2,426

GRI 401-1 New hires and turnover

The Group reports the total number and rate of new hires (excluding temporary staff), as well as the total number and rate of turnover in the reporting period, broken down by age group, gender and geographical area.

GRI 401-1	Employees hired					
	2020			2019		
	Men	Women	Total	Men	Women	Total
Italy	21	12	33	22	13	35
<30	8	5	13	13	5	18
30-50	13	6	19	9	6	15
>50	0	1	1	0	2	2
Europe (excluding Italy)	68	277	345	62	190	252
<30	24	72	96	31	52	83
30-50	32	152	184	25	119	144
>50	12	53	65	6	19	25
America	447	689	1136	79	99	178
<30	257	339	596	19	22	41
30-50	164	309	473	45	70	115
>50	26	41	67	15	7	22
Asia	128	261	389	29	63	92
<30	83	134	217	14	23	37
30-50	45	127	172	15	40	55
>50	0	0	0	0	0	0
Total	664	1,239	1,903	192	365	557

GRI 401-1	Employees made redundant					
	2020			2019		
	Men	Women	Total	Men	Women	Total
Italy	8	4	12	16	2	18
<30	2	1	3	4	2	6
30-50	5	2	7	9	0	9
>50	1	1	2	3	0	3
Europe (excluding Italy)	65	176	241	101	239	340
<30	28	49	77	68	69	137

30-50	26	94	120	20	151	171
>50	11	33	44	13	19	32
America	276	442	718	83	84	167
<30	150	212	362	26	22	48
30-50	109	206	315	42	46	88
>50	17	24	41	15	16	31
Asia	72	195	267	38	162	200
<30	49	100	149	17	96	113
30-50	22	95	117	21	66	87
>50	1	0	1	0	0	0
Total	421	817	1,238	238	487	725

The trend in the number of GVS employees, which shows a considerable increase between 2019 and 2020, especially for fixed-term resources, deserves special in-depth examination that must take into account the global socio-economic situation and the business choices resulting from the pandemic.

Following the worsening of the global situation, GVS, which for several years has been operating in the *Personal Safety* business concerning the production of PPE (FFP3 and FFP2 masks), has decided, in a sudden, to expand its production capacity, starting up new plants in different locations.

This choice was the consequence of the strong will, on the part of the Management, to play a leading role in supporting its community in the fight against *Sars-Covid 19*, as well as the desire to seize the significant business opportunity. GVS, in the midst of the pandemic, which saw the closure of PPE exports by various countries, wanted to and morally had to step forward, expanding and relocating to other countries the production of masks that it had already been producing for some time in the UK factory, in compliance with the highest standards of quality and certification; so much so that it was able to make a real contribution by positioning itself as the only producer of FFP3 masks in Italy.

The increase in production capacity, while the automation of the newly created lines was carried out, necessarily translated into an increase in the use of temporary resources: in 2020, 857 temporary workers were hired, whom GVS trained, qualified and integrated into the production process in record time; compared to the 262 workers in the previous year.

With the advancement of the automation process, the need to resort to temporary resources has decreased, returning to numbers closer to those before the health emergency, but at the same time the number of specialised technical staff employed on permanent contracts has increased.

GRI 401-2 Employee benefits

GVS Group implements a set of initiatives with the main aim of enabling employees to work to the best of their ability.

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.

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.

	Parental leave					
	2020			2019		
	Men	Women	Total	Men	Women	Total
Total number of employees entitled to parental leave	1,269	1,933	3,202	934	1,403	2,337
Total number of employees who took parental leave	14	47	61	11	39	50
Total number of employees who returned to work during the reporting period after taking parental leave	14	39	53	11	29	40
Rate of return to work of employees who took parental leave	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 OSH) conducted in 2019 and 2020 are shown below.

GRI 404-1 ⁸	2020			2019		
	Men	Women		Men	Women	
Direct	22.07	22.46		23.55	20.68	
Indirect	22.16	24.84		17.50	18.27	
of which are Management	8.64	8.61		12.81	13.13	

⁸ Data has been estimated for GVS Filter Technology UK Ltd, GVS do Brasil Ltda and GVS Russia LLC.

Total	22.11	23.65		20.53	19.48	
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GRI 404-3 Percentage of employees receiving regular performance and professional development reviews

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

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

GRI 405-1 Diversity in governance bodies and among 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	2020											
	<30			30 - 50			>50			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Members of the Board of Directors	0	0	0	2	3	5	3	1	4	5	4	9

GRI 405-1	2020					
	<30		30 - 50		>50	
	%M	%W	%M	%W	%M	%W
Members of the Board of Directors	0	0	40%	60%	75%	25%

GRI 405-1	2019											
	<30			30 - 50			>50			Group		
	M	W	Tot	M	W	Tot	M	W	Tot	M	W	Tot
Members of the Board of Directors	0	0	0	1	0	1	3	1	4	4	1	5

GRI 405-1	2019					
	<30		30 - 50		>50	
	%M	%W	%M	%W	%M	%W
Members of the Board of Directors	-	-	100%	0%	75%	25%

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

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	1014	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
Total	333	374	707	671	1,198	1,869	265	361	626	1,269	1,933	3,202

GRI 405-1	2020					
	<30		30 - 50		>50	
	%M	%W	%M	%W	%M	%W
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%
Total	47.1%	52.9%	35.9%	64.1%	42.3%	57.7%

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
Total	209	226	435	505	908	1,413	220	269	489	934	1,403	2,337

GRI 405-1	2019					
	<30		30 - 50		>50	
	%M	%W	%M	%W	%M	%W
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%	100.0%	64.2%	35.8%	92.9%	7.1%
Total	48.0%	52.0%	35.7%	64.3%	45.0%	55.0%

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 Occupational accidents

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

GRI 403-9 GVS employees	2020	2019
The number of deaths resulting from accidents at work	0	0
The number of accidents at work with serious consequences (excluding deaths)	2	2
The number of recordable occupational accidents	62	39
<i>ongoing</i>	6	4
<i>at work</i>	56	35
Hours worked	6,062,217	4,763,419
The rate of deaths as a result of work-related injuries	0.00	0.00
The rate of accidents at work with serious consequences (excluding deaths)	0.07	0.08
The rate of recordable occupational accidents	2.05	1.64

GRI 403-9 Non-employed workers (temporary contracts)	2020	2019
The number of deaths resulting from accidents at work	0	0
The number of accidents at work with serious consequences (excluding deaths)	0	0

The number of recordable occupational accidents	16	4
<i>ongoing</i>	1	0
<i>at work</i>	15	4
Hours worked	1,860,644	754,025
The rate of deaths as a result of work-related injuries	0.00	0.00
The rate of accidents at work with serious consequences (excluding deaths)	0.00	0.00
The rate of recordable occupational accidents	1.72	1.06

During 2020, the number of non-serious injuries increased for both employees and contractors as a direct result of the increase in the number of employees and hours worked as a result of the increased production capacity described above. Serious injuries, on the other hand, remained unchanged, accounting for a lower percentage of total injuries and total hours worked.

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 Occupational diseases

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

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

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.



7 / RESPECT FOR HUMAN RIGHTS



7 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 action 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.

412-2 Training employees on human rights policies or procedures

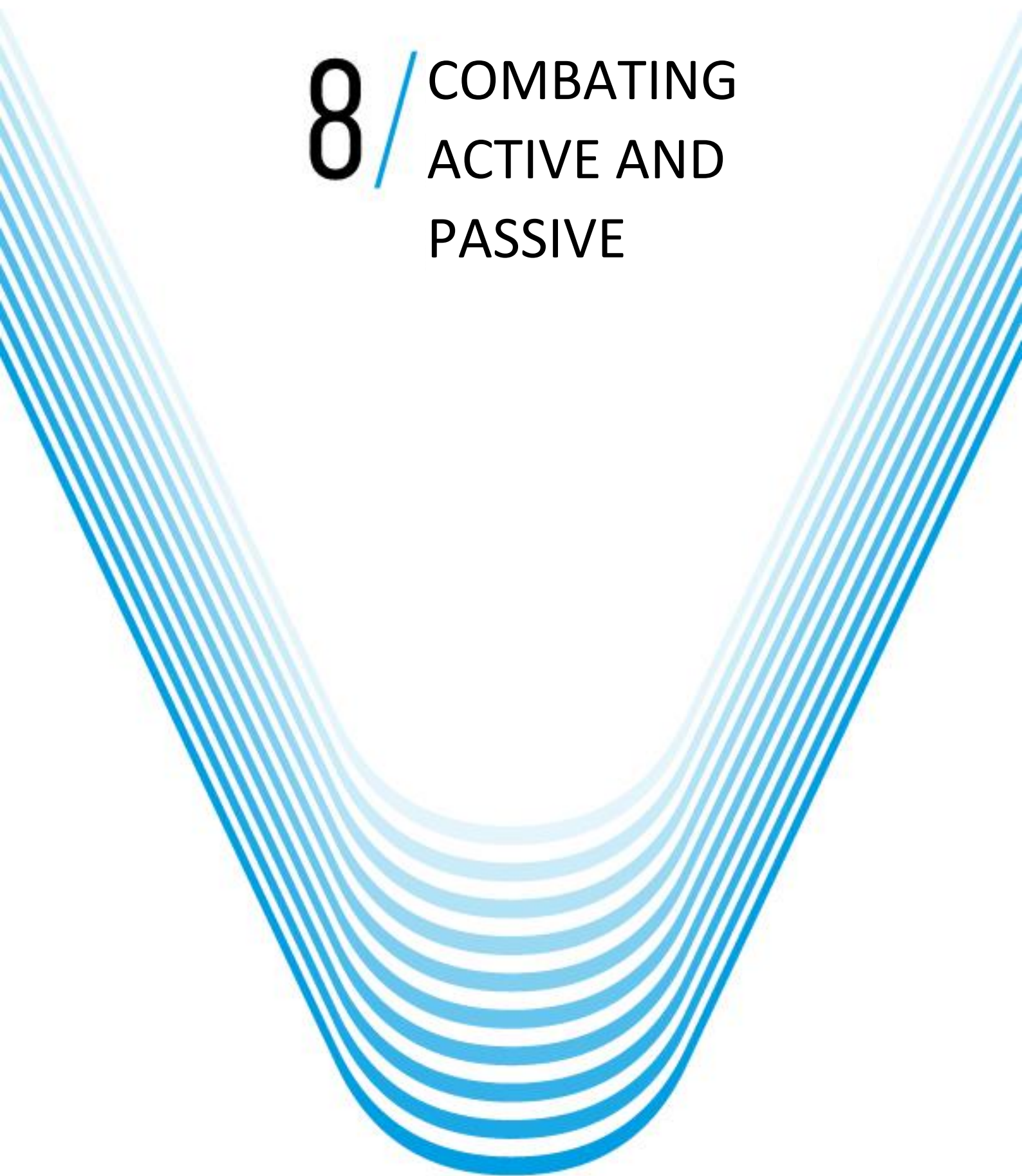
Employees are trained on policies and procedures concerning human rights' aspects relevant to the Group's activities.

GRI 412-2⁹	UoM	2020	2019
Total number of hours devoted to training on human rights policies or procedures that are relevant to activities	N.	914.09	523.5
Percentage of employees who have been trained on policies or procedures concerning human rights aspects relevant to their activities	%	59.71%	59.27%

⁹ Data has been estimated for GVS Filter Technology UK Ltd and GVS Russia LLC.



8 / COMBATING ACTIVE AND PASSIVE



8 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 issues are considered material issues, 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 OMC to report unlawful conduct to the detriment of the entity. The Code of Ethics also incorporates *Whistleblowing*, thus overcoming the national limitations of the 231 Model, 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 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 Established incidents of corruption and actions taken

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

GRI 206-1 Legal actions for anticompetitive behaviour, antitrust 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.

Correlation table to Legislative Decree 254/2016

Topic of the Legislative Decree 254/2016	Material topic	Risks/management methods	General topic standard/disclosure	Topic specific standard/disclosure		Reporting perimeter	Notes
Environmental	Focus on the environmental impact	Please refer to Chapter 4	102-15 Risks, impacts and opportunities	301-1	Materials used by weight or volume	The companies of GVS Group as defined in the Note on Methodology	
			103 Management approach	302-1	Energy consumed within the organisation	The companies of GVS Group as defined in the Note on Methodology	
			207-1 Approach to taxation	302-3	Energy intensity	The companies of GVS Group as defined in the Note on Methodology	
			207-2 Tax governance, control and risk management	303-1	Interaction with water as a shared resource	The companies of GVS Group as defined in the Note on Methodology	
			207-3 Stakeholder engagement and addressing tax concerns	303-2	Management of impacts related to water discharge	The companies of GVS Group as defined in the Note on Methodology	
			207-4 Country-by-Country Reporting	303-3	Water withdrawal by source	The companies of GVS Group as defined in the Note on Methodology	
				305-1	Direct GHC emissions	The companies of GVS Group as defined in the Note on Methodology	

Topic of the Legislative Decree 254/2016	Material topic	Risks/management methods	General topic standard/disclosure	Topic specific standard/disclosure		Reporting perimeter	Notes
				305-2	Indirect GHG emissions	The companies of GVS Group as defined in the Note on Methodology	
				305-4	Intensity of GHG emissions	The companies of GVS Group as defined in the Note on Methodology	
				306-2	Waste by type and disposal method	The companies of GVS Group as defined in the Note on Methodology	
Social	Responsibility in the supply chain	Please refer to Chapter 5		102-9	Supply chain	The companies of GVS Group as defined in the Note on Methodology	
				204-1	Percentage of expenditure concentrated on local suppliers	The companies of GVS Group as defined in the Note on Methodology	
				308 - 1	New suppliers evaluated according to environmental criteria	The companies of GVS Group as defined in the Note on Methodology	
	Quality, product safety and customer satisfaction			103-1	Explanation of the material topic and its perimeter	The companies of GVS Group as defined in the Note on Methodology	
				103-2	The management mode and its components	The companies of GVS Group as defined in the Note on Methodology	
				103-3	Assessment of management modes	The companies of GVS Group as defined in the Note on Methodology	

Topic of the Legislative Decree 254/2016	Material topic	Risks/management methods	General topic standard/disclosure	Topic specific standard/disclosure		Reporting perimeter	Notes
	Socio-economic development			204-1	Percentage of expenditure concentrated on local suppliers	The companies of GVS Group as defined in the Note on Methodology	
				414-1	New suppliers evaluated according to 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	Newly hired employees and turnover	The companies of GVS Group as defined in the Note on Methodology	
				401-2	Benefits provided for full-time employees but not for part-time or fixed-term employees	The companies of GVS Group as defined in the Note on Methodology	
				404-1	Average hours of training per employee	The companies of GVS Group as defined in the Note on Methodology	
				404-3	Percentage of employees who receive 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.	
				405-1	Diversity in governing bodies and among employees	The companies of GVS Group as defined in the Note on Methodology	
				406-1	Discrimination incidents and corrective actions taken	The companies of GVS Group as defined in the Note on Methodology	
Staff	Attention to and enhancement of human resources	Please refer to Chapter 6					

Topic of the Legislative Decree 254/2016	Material topic	Risks/management methods	General topic standard/disclosure	Topic specific standard/disclosure		Reporting perimeter	Notes
	Health and safety of employees and partners			403-9	Accidents at work	The companies of GVS Group as defined in the Note on Methodology	
				403-10	Occupational diseases	The companies of GVS Group as defined in the Note on Methodology	
Human Rights	Respect for human rights	Please refer to Chapter 7		412-2	Training of employees on human rights policies or procedures	The companies of GVS Group as defined in the Note on Methodology	
Fight against corruption	Combating active and passive corruption	Please refer to Chapter 8		205-3	Substantiated 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, antitrust and monopolistic practices	The companies of GVS Group as defined in the Note on Methodology	
				307-1	Non-compliance with social and economic laws and regulations	The companies of GVS Group as defined in the Note on Methodology	
				419-1	Non-compliance with social and economic laws and regulations	The companies of GVS Group as defined in the Note on Methodology	

Relazione della società di revisione indipendente sulla dichiarazione consolidata di carattere non finanziario

ai sensi dell'art. 3, c. 10, D.Lgs. 254/2016 e dell'art. 5 Regolamento CONSOB adottato con delibera n. 20267 del gennaio 2018

Al Consiglio di Amministrazione di GVS SpA

Ai sensi dell'articolo 3, comma 10, del Decreto Legislativo 30 dicembre 2016, n. 254 (di seguito "Decreto") e dell'articolo 5 del Regolamento CONSOB n. 20267/2018, siamo stati incaricati di effettuare l'esame limitato ("*limited assurance engagement*") della dichiarazione consolidata di carattere non finanziario di GVS SpA e sue società controllate (di seguito il "Gruppo") relativa all'esercizio chiuso al 31 dicembre 2020 predisposta ex art. 4 del Decreto e approvata dal Consiglio di Amministrazione in data 19 marzo 2021 (di seguito "DNF").

Responsabilità degli Amministratori e del Collegio Sindacale per la DNF

Gli Amministratori sono responsabili per la redazione della DNF in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e dai GRI-Sustainability Reporting Standards definiti nel 2016 e versioni successive, (di seguito "GRI Standards") indicati nel paragrafo "Nota metodologica" della DNF, da essi individuati come standard di rendicontazione con riferimento alla selezione di GRI Standards in essa riportati.

Gli Amministratori sono altresì responsabili, nei termini previsti dalla legge, per quella parte del controllo interno da essi ritenuta necessaria al fine di consentire la redazione di una DNF che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili inoltre per l'individuazione del contenuto della DNF, nell'ambito dei temi menzionati nell'articolo 3, comma 1, del Decreto, tenuto conto delle attività e delle caratteristiche del Gruppo e nella misura necessaria ad assicurare la comprensione dell'attività del Gruppo, del suo andamento, dei suoi risultati e dell'impatto dallo stesso prodotti.

Gli Amministratori sono, infine, responsabili per la definizione del modello aziendale di gestione e organizzazione dell'attività del Gruppo, nonché, con riferimento ai temi individuati e riportati nella DNF, per le politiche praticate dal Gruppo e per l'individuazione e la gestione dei rischi generati o subito dallo stesso.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sull'osservanza delle disposizioni stabilite nel Decreto.

PricewaterhouseCoopers SpA

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Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza del *Code of Ethics for Professional Accountants* emesso dall'*International Ethics Standards Board for Accountants*, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale. La nostra società di revisione applica l'*International Standard on Quality Control 1 (ISQC Italia 1)* e, di conseguenza, mantiene un sistema di controllo qualità che include direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.

Responsabilità della società di revisione

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità della DNF rispetto a quanto richiesto dal Decreto e dai GRI Standards. Il nostro lavoro è stato svolto secondo quanto previsto dal principio "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (di seguito "*ISAE 3000 Revised*"), emanato dall'*International Auditing and Assurance Standards Board (IAASB)* per gli incarichi di *limited assurance*. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che la DNF non contenga errori significativi. Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'*ISAE 3000 Revised* ("*reasonable assurance engagement*") e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sulla DNF si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della società responsabile per la predisposizione delle informazioni presentate nella DNF, nonché analisi di documenti, ricalcoli ed altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

1. analisi dei temi rilevanti in relazione alle attività ed alle caratteristiche del Gruppo rendicontati nella DNF, al fine di valutare la ragionevolezza del processo di selezione seguito alla luce di quanto previsto dall'art. 3 del Decreto e tenendo presente lo standard di rendicontazione utilizzato;
2. analisi e valutazione dei criteri di identificazione del perimetro di consolidamento, al fine di riscontrarne la conformità a quanto previsto dal Decreto;
3. comparazione tra i dati e le informazioni di carattere economico-finanziario inclusi nella DNF ed i dati e le informazioni inclusi nel bilancio consolidato del Gruppo GVS al 31 dicembre 2020;
4. comprensione dei seguenti aspetti:
 - modello aziendale di gestione e organizzazione dell'attività del Gruppo, con riferimento alla gestione dei temi indicati nell'art. 3 del Decreto;
 - politiche praticate dall'impresa connesse ai temi indicati nell'art. 3 del Decreto, risultati conseguiti e relativi indicatori fondamentali di prestazione;
 - principali rischi, generati o subito connessi ai temi indicati nell'art. 3 del Decreto.

Relativamente a tali aspetti sono stati effettuati inoltre i riscontri con le informazioni contenute nella DNF e effettuate le verifiche descritte nel successivo punto 5, lett. a);

5. comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nella DNF.

In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione della GVS SpA e con il personale di GVS Filter Technology de Mexico S. de R.L. de C.V. e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione della DNF.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo:

- a livello di gruppo,
 - a) con riferimento alle informazioni qualitative contenute nella DNF, e in particolare a modello aziendale, politiche praticate e principali rischi, abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;
 - b) con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati;
- per le seguenti società, GVS SpA e GVS Filter Technology de Mexico S. de R.L. de C.V., che abbiamo selezionato sulla base delle loro attività e del loro contributo agli indicatori di prestazione a livello consolidato, abbiamo effettuato verifiche nel corso delle quali ci siamo confrontati con i responsabili e abbiamo acquisito riscontri documentali circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

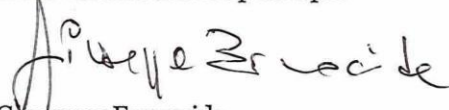
Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che la DNF del Gruppo GVS relativa all'esercizio chiuso al 31 dicembre 2020 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dagli articoli 3 e 4 del Decreto e dai GRI Standards con riferimento alla selezione di GRI Standards in essa riportati.

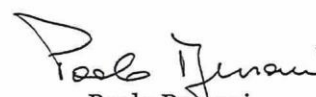
Altri aspetti

I dati comparativi presentati nella DNF in relazione all'esercizio chiuso il 31 dicembre 2019 non sono stati sottoposti a verifica.

Bologna, 25 marzo 2021

PricewaterhouseCoopers SpA


Giuseppe Ermocida
(Revisore Legale)


Paolo Bersani
(Procuratore)