

UN Sustainable Development Goals

Since 2021, the Group has been committed to making the UN Global Compact and its principles part of the company's strategy, culture and day-to-day operations and to engaging in collaborative projects that promote the broader sustainable development goals of the United Nations.

"Using science to promote people's safety and well-being, bringing innovation to the health sector and contributing to clean energy production and sustainable mobility are our commitments to ensure, through industrial innovation, health and safety as universal rights.

With this spirit, to contribute to the United Nations Climate Action, we aim to be carbon neutral by 2040.

We believe that improving awareness of diversity, mutual respect and inclusion in the workplace is an integral part of our commitment to value People."

Massimo Scagliarini
GVS Chief Executive Officer



The three pillars of the GVS sustainable strategy are:



Strategic Pillars



Responsible Innovation

With our products, used in applications where Safety and Well-being are key factors, GVS contributes to a future where Good Health is a target that is universally accessible.

While innovating, we are committed to respecting the environment and offering people an inclusive workspace where ideas are born from diversity.



Ecological transition

We are convinced that corporate sustainability stems from the respectful use of natural resources and the transition to renewable energy as a means of combating climate change.

Our entire team is committed to taking synergic actions to achieve Zero Emissions.



Enhancing people


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

GVS has identified five priority goals within the seventeen identified by the United Nations: Industry, innovation, and infrastructure (SDG9); Responsible consumption and production (SDG12); Climate action (SDG13); Good health and well-being (SDG3); Decent work and economic growth (SDG8).



- 3 - Good health and well-being SDG3**

Promoting safety and wellness, innovating healthcare through science, and combining reliability with tomorrow's technology are GVS's commitments to sustainable industry innovation and good health as a universal right. GVS promotes and guarantees a serene and safe working environment, based on respect for people, solidarity, non-discrimination of any kind and careful observance of the law and regulations.



- 8 - Decent work and economic growth**

GVS is firmly convinced of the value of human resources for the development of the entire Group. In defining the organisational development and empowerment of the different corporate functions, we designed and implemented an incentive system based on shared objectives and individual evaluation. The entire process aims to create a business environment, in which employees maintain a high level of motivation and satisfaction.




- 9 - Industry, innovation and infrastructure**

GVS considers innovation one of the pillars of its strategy. Continuous process improvement, with a focus on energy consumption, and waste minimisation are key success factors for GVS.



- 12 - Responsible consumption and production**

GVS takes care of the natural resources used in its production process, favouring renewable energy and minimising the consumption of water and non-recyclable waste.



- 13 - Climate action**

The environmental policy defined by GVS is the guideline for improving the environmental impacts of its activities. It aims to reduce and mitigate all forms of pollution and provides a reference for setting and evaluating environmental objectives and targets. GVS is very active in raising the awareness of its employees to reduce the environmental impact of CO₂ emissions, and a gradual conversion of the company fleet to only electric or hybrid cars started in 2022.

Taxation (GRI 207-1; 207-2; 207-3)

Approach to tax

The GVS Group is aware of its responsibilities 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 social contexts in which it develops its business.

In each of the jurisdictions in which the Group operates (listed below), the local company is always supported by tax advisors:

- Italy, USA, China, Romania, Mexico, UK, Brazil, Puerto Rico, Argentina, Japan, Turkey, Korea, Russia, Malaysia, India, Thailand, New Zealand and Vietnam.

Tax governance, control and risk management

The Group is oriented towards making choices on tax matters as a direct consequence of strategic business decisions. The objective of the tax approach is to minimise the tax burden of the group, while fully respecting the regulations of the various jurisdictions. We note in this regard that the taxes paid by the Group in the periods prior to the listing have been audited by an external party, as required by the IPO procedure.

With a view to reducing the tax burden, in compliance with current regulations, GVS SpA has submitted an application for access to the preliminary agreement procedure, related to the determination of the income generated by tax-advantaged intangible assets as provided for by the Patent Box regulations; the agreement in question, which has not yet been finalised, is expected to take effect for FY 2019 and the following 4 tax periods.

Responsibility for and control over tax matters rests primarily with the Board of Directors, supported by the Group Tax Department and external consultants, which defines activities to comply with regulatory

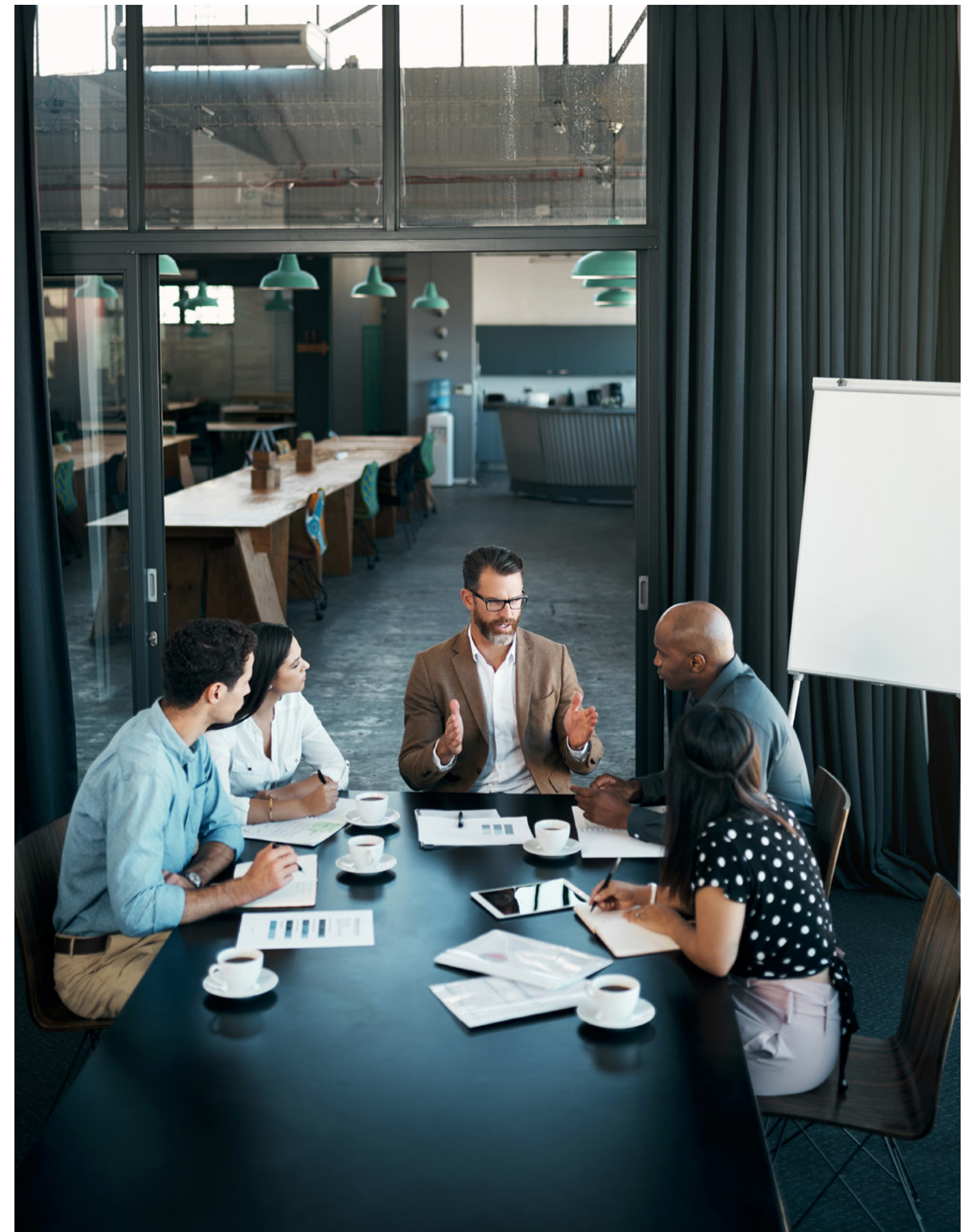
requirements. In fact, the process of determining taxes derives from a true and fair view of the financial statements, in accordance with the relevant accounting standards.

In order to ensure that tax risks are adequately monitored, roles and responsibilities assigned to the various sectors of the organisation have been defined, including by means of specific safeguards included in the Organisation and Management Model pursuant to Legislative Decree 231/01. The Supervisory Body, for the companies in which it is in charge, periodically verifies the correct application of the procedures prepared and the correct and consistent conservation of the documentation of the operations, through periodic meetings with the Managers.

Stakeholder engagement and addressing tax concerns

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;
- the mapping and updating the chart of accounts and setting it up according to the tax rules applicable to individual cases;
- the 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;
- the signing of tax declarations by the legal representative for group companies and filing of such declarations;
- the periodic verification between taxes paid and taxes accounted for;
- the preparation of a specific document for the management of transfer pricing topics with the support of external consultants.





GVS obtained the first certifications in 1995 and today the Group and its plants hold numerous certifications globally.

Compliance with laws and regulations (GRI 2-7)

Laws and regulations may be issued by various local, regional and national bodies, such as governments, regulatory authorities and public agencies. Compliance and adherence to laws and regulations is a fundamental aspect of running a business and has a direct effect on the Group's ability to maximise its results.

In 2022, there were no significant cases of non-compliance with laws and regulations and no fines were paid during the period from 1 January 2022 to 31 December 2022.

Certifications and awards

Quality, Environment, Health and Safety Certifications

Acknowledgements








GVS GROUP			
	ENVIRONMENT	QUALITY'	HEALTH AND SAFETY
ITALY	EMAS 2019 - GVS Sud ISO 14001 2015 - GVS S.p.A. ISO 14001 2015 - GVS Sud	IATF 16949 2016 - GVS S.p.A. IATF 16949 2016 - GVS Sud ISO 9001 2015 ISO 13485 Med	ISO 45001 2018 - GVS S.p.A. ISO 45001 2018 - GVS Sud
UK	ISO 50001:2018 ISO 14001:2015	ISO 9001 2015 ISO 13485:2016	Safe Contractor Accreditation ISO 45001:2018
ROMANIA	ISO 14001	ISO 9001 2015 ISO 13485:2016 IATF 16949 2016	ISO 45001:2018
USA	ISO 14001: 2015 GVS North America - Sanford, ME ISO 14001:2015 GVS Filtration - Findlay, OH ISO 14001:2015 GVS Filtration - Bloomer, WI	IATF 16949:2016 GVS North America - Sanford, ME ISO 13485:2016 GVS North America - Sanford, ME IATF 16949:2016 GVS Filtration - Findlay, OH ISO 9001:2015 GVS Filtration - Findlay, OH ISO 13485:2016 GVS Filtration - Findlay, OH ISO TS 16949:2016 GVS Filtration - Bloomer, WI ISO 9001:2015 GVS Filtration - Bloomer, WI ISO 13485:2016 GVS Puerto Rico, PR ISO 9001, GVS North America - Sanford, ME ISO 9001, GVS RPB, MI	
CHINA	ISO 14001 2015	IATF 16949:2016 ISO 9001 2015 ISO 13485 2016	ISO 45001:2018
MEXICO		ISO 9001 2015 ISO 13485:2016 IATF 16949 2016	
BRAZIL	ISO 14001	NBR ISO 9001 IATF 16949:2016	









Stakeholder Engagement (GRI 2-29; 3)

Stakeholder

In 2022, GVS updated the definition of stakeholders in light of the GRI standard issued in 2021 and below: "Stakeholder is an individual or group that is or could be affected positively or negatively by the organisation's activities".

We have reclassified our stakeholders into 14 Classes.

	1) Public Administration 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.
	2) Regulatory Bodies 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 active collaboration and ensuring the utmost transparency. Likewise, with regard to its product portfolio, the Group is in continuous dialogue with the relevant sectoral regulators.
	3) Suppliers GVS bases its relationship with suppliers 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) and adhesion to our "Supplier Code of Conduct" .
	4) Shareholders and investors The Group's interest coincides with that of its shareholders and investors: the growth of corporate value and the concrete commitment to sustainability goals. GVS intends to encourage the utmost transparency towards investors and the financial community, by building, maintaining and developing an active relationship of trust with them, which will bring benefits both to investors and to the Company. Dialogue with Shareholders and investors is entrusted to the Investor Relations Department and guaranteed by the "Policy for the management of dialogue with the general public and other interested parties" , which governs the methods by which GVS S.p.A. intends to manage dialogue with current and potential Shareholders and with other interested parties, in order to implement Recommendation 3 of the Code of Corporate Governance, also taking into account the engagement policies adopted by institutional investors and asset managers.
	5) Financial institutions The treasury department is entrusted with the relationship with financial institutions, which support the Group in day-to-day operations and extraordinary projects. Communication with financial institutions is characterised by maximum transparency in order to ensure a correct assessment of the risks inherent in their activities and maximise cooperation with the Group.

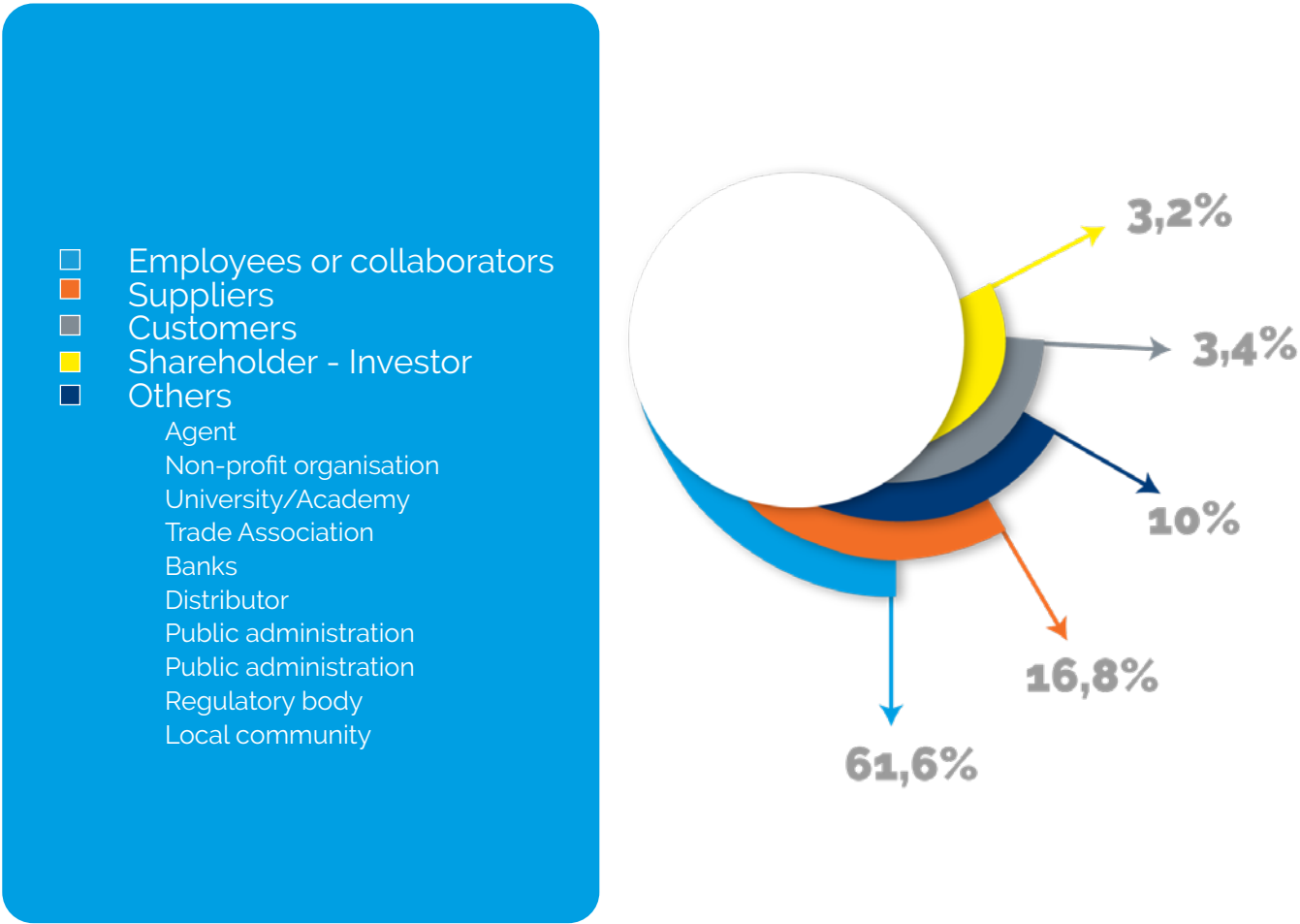
	6) Employees and partners The Group shows constant attention to the well-being and professional and personal fulfilment of its employees. There is a constant commitment on the part of the company to building employment stability for its employees, meritocratic remuneration policies and incentive systems. The company culture is based on the protection of the health and safety of employees, as well as the inclusion and enhancement of diversity.
	7) 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.
	8) Academic world Training and skills development paths within the Group are of paramount importance, which is why the relationship with the academic world holds an indispensable position in external relations. 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.
	9) 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 relationship with the community is made concrete on the one hand through dialogue with the local authorities and on the other through participation and promotion of projects and initiatives to support the territory.
	10) Non-profit organisations The Group supports various organisations and associations for scientific and social research, while also paying attention to local charitable and non-profit organisations.
	11) 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.
	12) Agents GVS works with a group of commercial agents, operating in compliance with and observing the Group's principles of loyalty, integrity, confidentiality, transparency and professionalism.
	13) Distributors GVS collaborates, mainly in the Health&Safety division and in the Life & Sciences sub-division, with the main distributors in the sector, operating in respect and observance of the Group's principles of loyalty, integrity, confidentiality, transparency and professionalism.
	14) Customers 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. The focus on the principles of fairness and honesty in market practices ensures a transparent and long-term relationship between the Group and its customer base.

Dialogue

In its growth GVS has realised the importance of maintaining a continuous, open and dynamic dialogue with Stakeholders in order to enhance the common good and its competitiveness.

In 2022, GVS launched a sample survey of the 13 Stakeholder classes, excluding only the Competitor class. The survey was aimed at understanding the priority ESG topics for Stakeholders, starting with the material topics identified in 2021. All top management was involved in the identification of priority ESG topics for GVS to be evaluated by our Stakeholders. Subsequently, the survey questionnaire was drawn up and sent to the stakeholders.

Below is a breakdown of responses by class of Stakeholder:

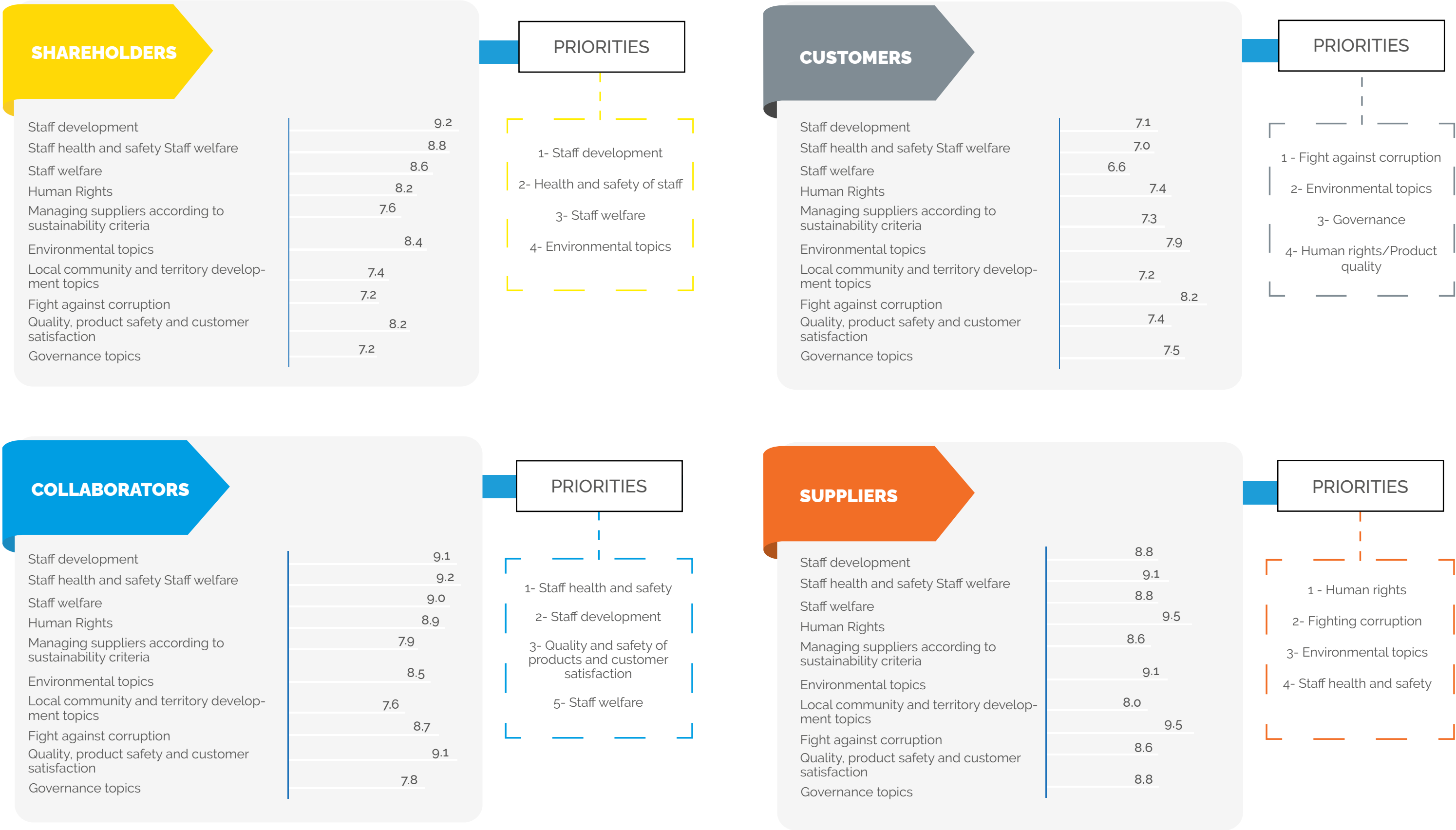


The breakdown by class of Stakeholder shows that the largest contribution is made by employees and collaborators, for whom sampling was by Region (EU/NAFTA/South America/China). The near future goal is to extend the survey to all production entities and business locations, promoting and encouraging participation in the survey.



The outcome of the dialogue

Below is the result broken down by Stakeholder class



It follows from the above findings that, for both shareholders and employees and collaborators, the main material topics are those relating to the development and welfare of human capital. For the Shareholders, environmental protection is also important, while for collaborators, the safety and quality of the products developed is paramount, reflecting the deep-rooted culture of quality assurance and customer satisfaction orientation.

In dialogue with suppliers, customers and other classes of Stakeholders, the topic of safeguarding our planet manifests itself as a priority, followed by the fight against corruption, respect for human rights and governance.

Overall, taking into account the contribution of all those who participated in the survey, the priority themes of the stakeholders are clearly identified, which are related to the UN Sustainable Development Goals, as outlined below.

GVS stakeholder perspective

PRIMARY

1

Staff health and safety

3

SALETTE E BENESSERE

8

LAVORO DIGNO E CONDIZIONI DI LAVORO

2

Staff development

4

ISTRUZIONE DI QUALITÀ

5

PARITÀ DI GENERI

8

LAVORO DIGNO E CONDIZIONI DI LAVORO

10

RIDURRE LE DISUGLIANZE

3

Human rights

1

CONSENSO E PARTECIPAZIONE

2

ENERGIA PULITA E ENERGIA

10

PARITÀ DI GENERI

11

CITÀ E COMUNITÀ RESILIENTI

4

Environmental topics

6

ACQUA POTABILE E IGIENE PERSONALE

7

ENERGIA PULITA E ENERGIA

13

LOTTA CONTRO IL RISCALDAMENTO GLOBALE

14

VITA SOTT'ACQUA

15

VITA SULLA TERRA

5

Quality and safety of products developed and customer satisfaction

3

SALETTE E BENESSERE

9

INDUSTRIE, INNOVAZIONE E INFRASTRUTTURE

12

CONSUMO E PRODUZIONE RESPONSABILI

SECONDARY

6

Fight against corruption

10

RIDURRE LE DISUGLIANZE

7

Staff welfare

8

LAVORO DIGNO E CONDIZIONI DI LAVORO

10

PARITÀ DI GENERI

16

PAZI, AZIONE E EQUILIBRIO

8

Supplier management according to sustainability criteria

8

LAVORO DIGNO E CONDIZIONI DI LAVORO

10

PARITÀ DI GENERI

16

PAZI, AZIONE E EQUILIBRIO

9

Governance

8

LAVORO DIGNO E CONDIZIONI DI LAVORO

10

Local community development and territory

11

CITÀ E COMUNITÀ RESILIENTI

16

PAZI, AZIONE E EQUILIBRIO



Impact Analysis: Environmental and Social Materiality

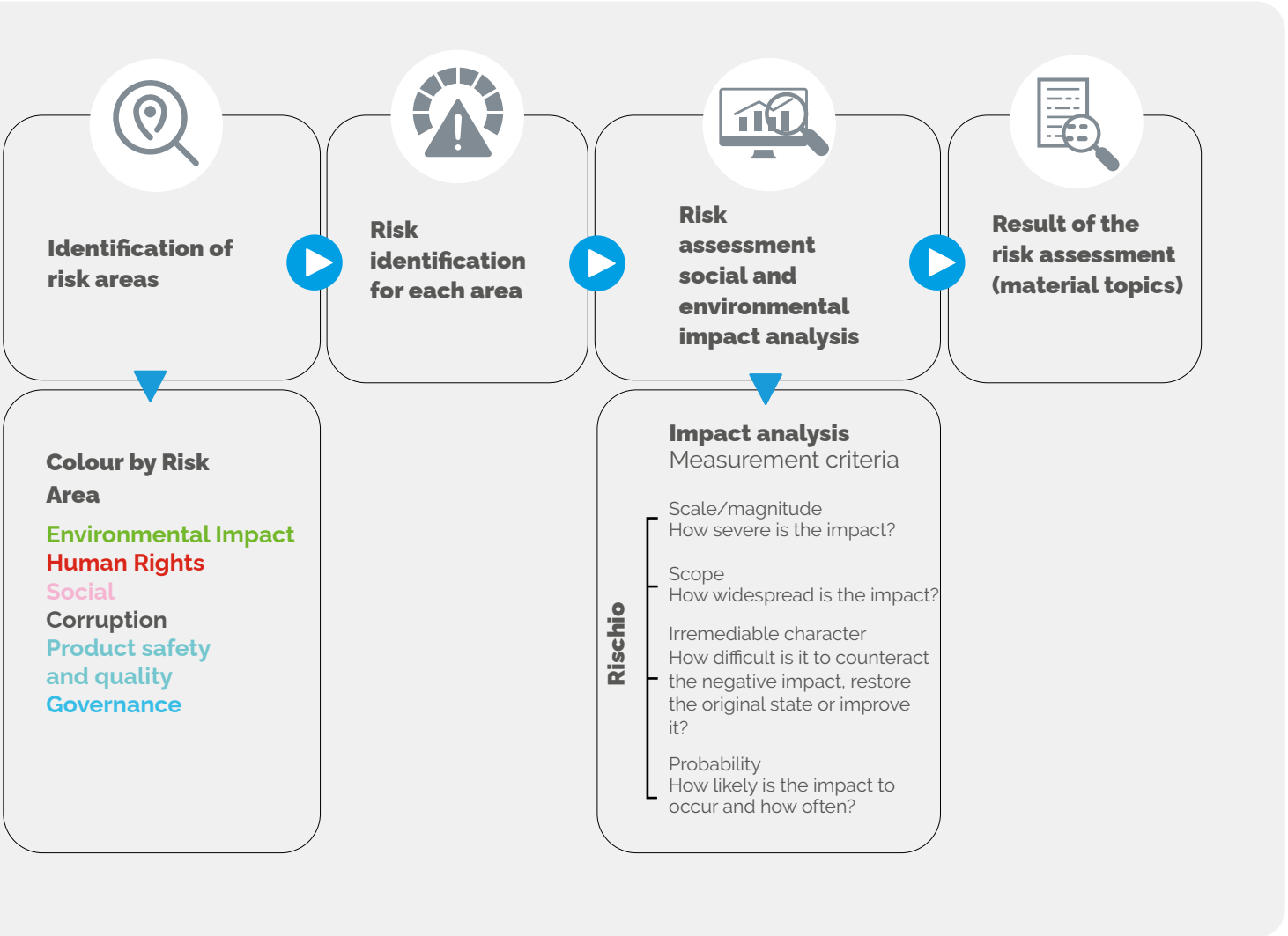
(GRI 3-1; 3-2; 3-3)

Impact analysis process

The analysis of impacts was conducted in order to clearly define, supported by evidence, which environmental and social aspects are relevant for GVS. The analysis covers the activities of GVS across the entire value chain.

Both the CEO and all top management were actively involved in the risk analysis, always considering human rights as a priority impact. For the sake of simplicity, the different risk areas have been classified with a specific colour code and the potential or actual external impacts generated by GVS have been associated with each of them.

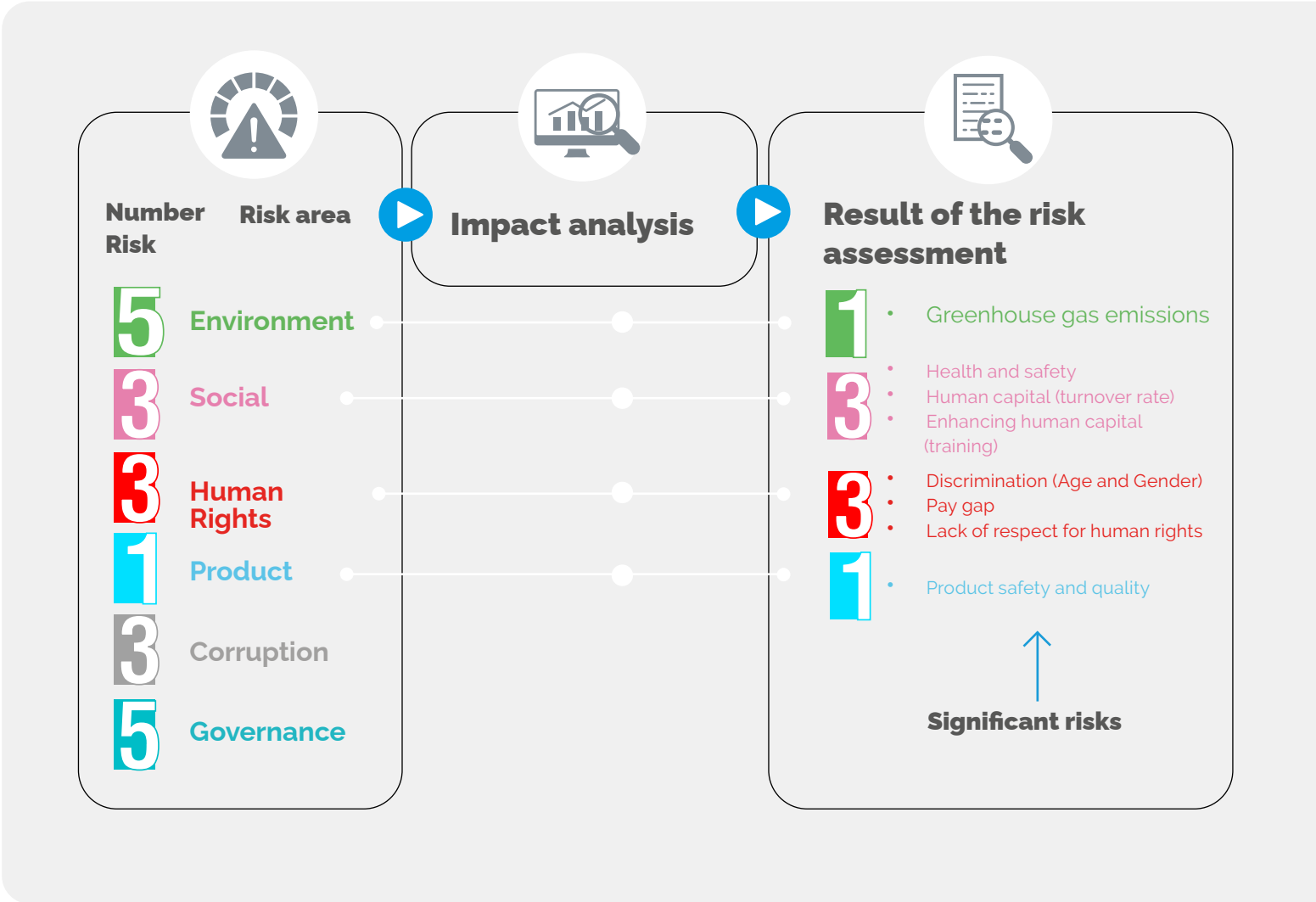
The evaluation criteria for impact analysis, also known as social and environmental risk analysis, were those of GRI 3, assessing risk as a product of the severity of the impact x the extent of the scope of the impact x the possibility of remedying the event that occurred x the probability of the risk occurring. The process is summarised in the diagram below.



The threshold for assessing the significance of the risk was set to be "medium impact", i.e. all impacts found to be "high", "medium-high" and "medium" were considered significant.

The process of risk identification and impact finding is illustrated in the figure below and shows that starting from the identification of (20) potential risks, we assessed in (8) the actual impacts, keeping each human rights risk always a high priority.

The actual (8) impacts are broken down as follows: (1) relating to the environment, (3) relating to health and safety and human capital development, (3) relating to human rights, (1) relating to product safety and quality and customer satisfaction.



List of material topics

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

It is a dynamic process involving GVS and all Stakeholders, and keeping this process effective and active is a priority objective for the Group.

It should be noted that in determining the material topics, external stakeholders only commented on the importance of the material topic and not on their impact. The impact analysis was carried out by internal stakeholders only.

The material topics identified through the dialogue with stakeholders are congruent with the topics arising from the social and environmental impact analysis.

Combining the result of the stakeholder dialogue with the social and environmental impact analysis, we obtain the list of material topics of GVS. The results of the process are illustrated in the figure below:

The material topics identified by the analysis do not differ from what was identified last year and were submitted for approval by the CEO, CCRS and the Board of Auditors.

Management of material topics

The material topics were related to GRIs, except those related to product quality and safety and customer satisfaction, which are instead linked to internal performance indicators (KPIs) in order to measure the effectiveness of actions taken to mitigate impacts over time.

