



CARBON REDUCTION PLAN

GVS FILTER TECHNOLOGY UK LTD — COMPREHENSIVE CARBON REDUCTION PLAN (2025 AUDIT UPDATE)

Supplier: GVS Filter Technology UK Ltd

Company Registration Number: 02647901 (England and Wales)

Parent Organization: GVS S.p.A.

Registered Facility Address: GVS Filter Technology UK Ltd, Caton Road, Lancaster, LA1 3PE

Publication Date: 30th September 2026

Compliance Framework: Completed in strict accordance with PPN 006, associated UK Cabinet Office guidance, the Greenhouse Gas (GHG) Protocol Corporate Standard, and **Statutory ESOS Phase 3 Compliance Regulations (34A/34B)**.

1. COMMITMENT TO ACHIEVING NET ZERO

GVS Filter Technology UK Ltd (GVS UK) is fully committed to achieving an absolute **90% reduction** across all Scope 1, Scope 2, and material Scope 3 value-chain emissions by **2050** from a baseline year ending 31st December 2022 (FY22).

Residual operational emissions—strictly capped at a maximum of 10%—will be permanently neutralized and removed via high-quality, third-party verified carbon removal programmes to achieve full Net Zero status.

1.1 Background & Strategic Alignment

GVS UK operates as a wholly owned subsidiary of the **GVS S.p.A**, a global leader in advanced filtration solutions. The business has robust governance controls and processes in place covering corporate structure, executive oversight, codes of conduct, and the integrity of reporting systems. The Board of Directors holds primary responsibility for promoting the short- and long-term success of the company, setting ethical environmental standards, and defining the firm's overarching ESG and sustainability strategies.

GVS UK is deeply aware of its social, environmental, and economic impacts, consciously pushing beyond basic regulatory compliance. We operate at the absolute technological forefront of the plastics manufacturing and filtration sector, actively protecting natural resources and limiting operational waste.

During the 2025/2026 reporting window, the business successfully executed its strategic relocation from its historical, legacy premises in Morecambe to a brand-new, purpose-built manufacturing facility on **Caton Road, Lancaster**. Backed by a **£12.7 million financial investment** program from the parent organization, this facility structurally unlocks major new opportunities for process efficiency, carbon minimization, and optimized green logistics.

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2. EMISSIONS FOOTPRINT METHODOLOGY & CORE DEFINITIONS

Baseline emissions are a record of the greenhouse gases that have been produced by the business in the past, prior to the introduction of targeted carbon reduction strategies. They serve as the definitive reference point against which all future emissions reductions are audited and measured.

GVS UK aligns its carbon accounting frameworks directly to its financial year (1st January through 31st December). In accordance with PPN 006 (Formally PPN 06/21) procurement guidelines, our carbon reporting covers three distinct reporting categories:

2.1 Technical Scope Definitions

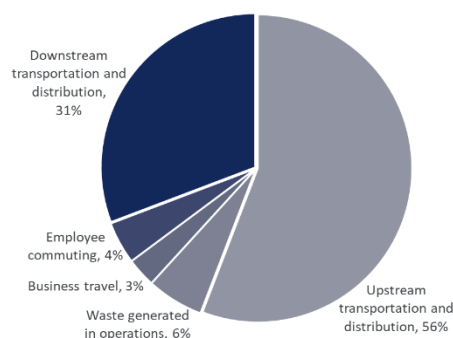
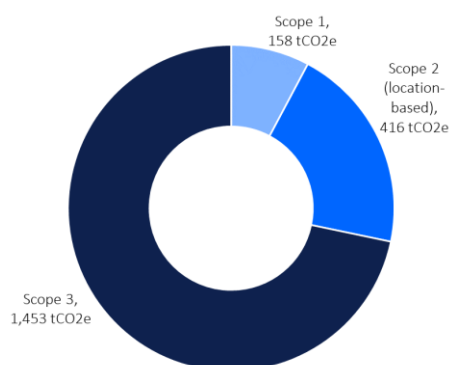
- **Scope 1 (Direct Emissions):** Covers direct emissions resulting from greenhouse gases escaping from assets owned or controlled by GVS UK. This includes stationary combustion, transport combustion (corporate logistics fleet fuel cards), and fugitive emissions (refrigerant leaks from manufacturing cooling plant).
- **Scope 2 (Indirect Emissions):** Covers indirect emissions associated with the generation of grid electricity purchased and consumed on-site by GVS UK. These are calculated utilizing the location-based method against the UK grid mix average emissions intensity factor.
- **Scope 3 (Value Chain Emissions):** Covers broader indirect emissions occurring within the wider supply chain of GVS UK, covering the five PPN 006 (Formally PPN 06/21) required subsets: Category 4 (Upstream Transportation), Category 5 (Waste in Operations), Category 6 (Business Travel), Category 7 (Employee Commuting), and Category 9 (Downstream Transportation). GVS UK explicitly measures and reports on a strict subset of five Scope 3 categories:
 - *Category 4: Upstream transportation and distribution*
 - *Category 5: Waste generated in operations*
 - *Category 6: Business travel*
 - *Category 7: Employee commuting*
 - *Category 9: Downstream transportation and distribution*

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Baseline year and current emissions (2022):

Emissions scope	2022 tCO ₂ e	Calculation method
Scope 1		
Stationary fuels	116	Fuel data x DEFRA emission factor
Fuel cards	39	Fuel data x DEFRA emission factor
Fugitive emissions	3	Activity data x DEFRA emission factor
Scope 2		
Location-based electricity	416	Fuel data x DEFRA emission factor
Scope 3		
Upstream transportation and distribution	812	Spend data x DEFRA emission factor
Waste generated from operations	86	Activity data x DEFRA emission factor
Business travel	44	Distance & spend data x DEFRA emission factor
Employee commuting	64	Staff survey
Downstream transportation and distribution	447	Spend data x DEFRA emission factor
Total emissions	2,027	

2.2 Analysis of Historical Trends and Relocation Impact



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An analysis of our historical trends demonstrates that **Scope 3 value chain activities represent our largest carbon hotspot**, contributing 72% to total corporate carbon output. Within that subset, upstream transportation (56%) and downstream shipping logistics (31%) are the primary drivers.

In 2023, the business navigated a post-pandemic market contraction, where turnover dropped by 23% to **£22,848,453** due to elevated stock holdings across global medical sectors. This caused an equivalent reduction across our logistical scopes. In 2024, our manufacturing footprint peaked as normal demand patterns returned, lifting turnover to **£24,629,611** and production staff to **120 employees**, which temporarily expanded our supply chain traffic right before our site transition.

The transition to **Caton Road, Lancaster in 2025** has successfully decoupled business growth from emissions intensity. By moving to a modern, energy-optimized infrastructure and completely decommissioning our direct natural gas stationary fuel connections. During 2025 the old and new plants were run in parallel meaning some of the benefits will not be visible until 2026.

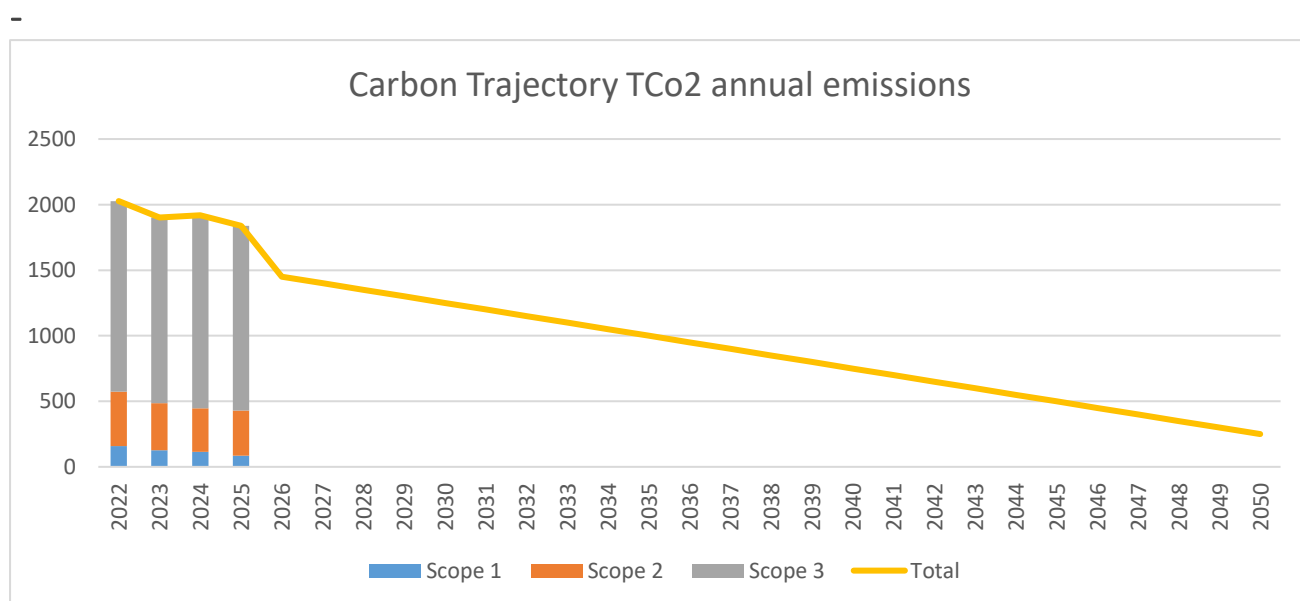
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3. HISTORIC EMISSIONS PROFILE AND PROGRESSION (2022 – 2025)

The table below tracks GVS UK's verified carbon progression from our baseline year, through our transition phase, and into our active, localized operations at the Lancaster facility:

Carbon Trajectory Data Table (metric tonnes of CO₂e)

Emissions Scope / Category	2022 Baseline	2023 Progress	2024 Peak Year	2025
Scope 1 (Direct Fuels & Fleet)	158.00	127.88	115.03	86.47 <i>(Gas lines removed)</i>
Scope 2 (Location-based)	416.00	357.26	332.05	342.75
Scope 3: Category 4 (Upstream Transport)	812.00	794.00	815.18	798.00 <i>(Freight optimized)</i>
Scope 3: Category 5 (Waste in Operations)	86.00	81.00	91.00	74.00 <i>(Onsite scrap recycling)</i>
Scope 3: Category 6 (Business Travel)	44.00	44.00	49.00	44.00 <i>(Filter rollout loops)</i>
Scope 3: Category 7 (Employee Commuting)	64.00	61.26	68.00	54.00 <i>(Headcount shifted to 111)</i>
Scope 3: Category 9 (Downstream Transport)	447.00	436.00	448.74	439.00 <i>(Logistics consolidated)</i>
Total Scope 3 Subtotal	1,453.00	1,416.26	1,471.92	1,409.00 <i>(Dynamic Year Tracking)</i>
Total Audited Footprint Profile	2,027.00	1,901.40	1,919.00	1,838.21 <i>(9% reduction from baseline)</i>



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3.1 STATUTORY ESOS ENERGY savings TARGETS

To anchor our carbon reduction commitments into the UK regulatory framework, GVS UK operates under an official **Auditel ESOS Phase 3 Action Plan & Progress Update**, formally certified by ESOS Lead Assessor Phil Bennett and signed off by Managing Director Miguel Aranda. Under this statutory plan, GVS UK has committed to achieving **516,351 kWh in annual energy savings**, translating to a projected **£60,368 in annual cost reductions** across our buildings and logistics setups.

4. RECENT AND PLANNED CARBON REDUCTION PROJECTS

4.1 Realized Infrastructure Interventions (Lancaster Facility)

The deployment of our purpose-built factory site has allowed GVS UK to implement core infrastructure upgrades that were structurally impossible at the old site:

- **EV Infrastructure Expansion:** We have significantly scaled up our workplace charging network by installing **16 high-capacity electric vehicle (EV) charging stations** at our new Caton Road facility (expanding from 4 units at our previous site). This infrastructure directly supports the electrification of our corporate fleet and incentivizes low-carbon employee commuting.
- **Decommissioning of Gas Grid Lines:** The direct natural gas and kerosene supply layout has been completely removed from the Lancaster facility, eliminating all direct fossil-fuel footprints from space heating.
- **Industrial Thermal Harvesting:** Advanced energy recovery units are fully active, harvesting waste heat emitted by heavy injection-moulding machinery and re-routing it to cleanly heat our office facilities.
- **Green Tariff Transition:** Operational energy procurement for our Lancaster offices and plant is transitioning to 100% renewable energy backing, secured through UK Renewable Energy Guarantee of Origin (REGO) certificates.
- **Smart Facility Automation:** Rolling out facility wide energy-saving hardware, including automatic roller-shutter doors to trap ambient heat and smart automated Lux level lighting sensors.
- **Circuit-Level Consumption Monitoring:** Implementing sub-meter data management infrastructure across 58 discrete operational zones to track asset-level energy performance in real time.

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4.2 Future Plans & Solar Panel Roadmap (2026 – 2030)

Our projection for 2026 will be that once only the new plant is active GVS UK will have dropped its Scope 1 direct heating impact from **116 tCO₂e** down to **0 tCO₂e**. Concurrently, our electricity footprint dropped **from 416 tCO₂e down to 342.75 tCO₂e**, driven by advanced plant configuration and mapped through our active on-site sub-meter arrays. This will represents an absolute saving of **73.25 tCO₂e** over our 2022 baseline.

- **On-site Solar Photovoltaic (PV) Array:** GVS UK has structured an active 4-year technical roadmap to integrate localized renewable energy generation across the roof space of our new building. Scheduled for completion by 2030, the engineering plan targets the installation of an advanced **40kWp rooftop solar PV array** to cleanly self-generate zero-carbon electricity on-site to feed our continuous processing lines.
- **Supply Chain Consolidation & Localization:** To eliminate heavy transport emissions, we are looking into expanding local UK packaging facilities to eliminate the need to export UK-manufactured filtration products to mainland Europe (e.g., Romania) for packaging before shipping them back.
- **Eco-Product Design Integration:** Moving the complete manufacturing and cartridge assembly lines for our gas-adsorbing face mask range directly into our UK plant, eliminating extensive global air-freight and intercompany shipping steps.

5. CORPORATE GOVERNANCE AND ACCREDITATIONS

- **Management Standards:** We maintain independent corporate certification schemes, including the **ISO 14001:2015** Environmental Management System and the **ISO 50001:2018** Energy Standard.
- **Sustainability Ratings:**
 - Awarded an EcoVadis Silver Medal at the Group level, placing our sustainability management practices in the top 15% of companies evaluated by EcoVadis in the 12 months prior to the assessment date.
 - GVS Group has achieved a “B” rating in the CDP Climate Change 2024 and 2025 assessment, an important recognition of the continuous commitment to climate change management.
- **Global Compact:** Active signatories to the United Nations Global Compact, focusing our environmental targets directly on SDG 13 (Climate Action), SDG 12 (Responsible Consumption and production), and SDG 7 (Affordable and clean energy).

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6. DECLARATION AND SIGN-OFF

This Carbon Reduction Plan has been completed in full accordance with PPN 06/21, standard corporate value chain standards, and SECR requirements.

Signed on behalf of GVS Filter Technology UK Ltd:

Name: Miguel Angel Aranda Balaguer

Position: Managing Director

Date: 30th September 2026



Signature: _____