Sustainability Policy

January 2021
1. Our commitment: Guiding principles
2. Sustainability management Framework & planning cycle
3. Key action areas for a sustainable future
4. Achievements and Ambitions
5. Responsibilities & implementation within organization
6. Sustainability controlling
OUR COMMITMENT TO SUSTAINABILITY

Guiding principles

Our vision:
With passion for a sustainable future

Our target:
We want to achieve climate neutrality in 2021 primarily through operative measures and resourceful support of compensation projects.

Further commitments:

- **Compliance:** we comply with laws and regulations and are committed to the principles of the UN Global Compact.
- **Safety first:** we want to reduce accidents in the workplace by 50% in the 2020 – 2023 period.
- **Innovation:** we foster the use of clean technologies.
- **We apply a precautionary approach** to environmental challenges.
- **Effective resource utilization:** we minimize waste, increase recycling; we also minimize the use of natural resources and reduce emissions.
- **Accountability:** we set clear targets and report achievement in our annual Sustainability Report.
Sustainability management framework

Illustration based on © Johannes Rüegg-Stürm & Simon Grand; Managing in a Complex World, 2019, p. 41
Sustainability process

Plan

Materiality assessments
Previous commitments
Regulatory requirements

Action plans

Values & culture
Communication & Involvement

Structure
Governance

Common standards, targets & KPI
Internal & external reporting

Workstreams

Correct

Renewal / confirmation
Optimization

Gurit Sustainability Policy
### Key action areas for a sustainable future

#### SAFETY FIRST
- Foster a safety culture, manage risks and reduce accidents

#### ENVIRONMENT
- Climate neutrality
- Effective resource utilisation
- Precautionary approach to environmental challenges

#### SOCIAL RESPONSIBILITY
- Equality & diversity
- Human rights,
- No child labor,
- No forced labor
- Be a good corporate citizen in our local communities

#### GOOD GOVERNANCE
- Code of Conduct
- Best practice
- Corporate Governance
- Strictly apply anti-corruption & bribery policies

#### ECONOMIC PERFORMANCE
- Sustainable economic performance
- Risk Management
- Quality
- Innovation

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**Sustainable Gurit: five pillars**

<table>
<thead>
<tr>
<th>Mission, Vision and Values</th>
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<tbody>
<tr>
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<td>Quality</td>
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<td>Innovation</td>
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Sustainability improvement workstreams

**SAFETY FIRST**
- Safety (CHRO)

**ENVIRONMENT**
- Climate neutrality (CEO)
- Resource utilisation
  - Recycling, Waste, Water, Effluents, Green chemistry, Energy consumption (BU GM)
- End of Life Recyclability (BU GM)

**SOCIAL RESPONSIBILITY**
- Equality & diversity (CHRO)
- Responsible supply chain / Procurement standards:
  - Human rights, No Child Labor (BU GM)
- Local community (Site Manager)

**GOOD GOVERNANCE**
- Code of Conduct (Chairman AC)
- Corporate Governance (BoD)
- Anti-corruption & bribery (CEO / Chairman AC)

**ECONOMIC PERFORMANCE**
- Financial performance
- Risk Management (CEO/CFO)
- Quality (BU GM)
- Innovation (BU GM / CTO)

**Sustainable Gurit**
Environmental policy statement

Environmental impacts: we avoid or reduce emissions; we measure our performance, and we aim for best practice in our industry. In particular, we minimize toxic and greenhouse gas emissions, as well as process emissions, fugitive emissions.

Effective resource utilization: We make use of natural resources responsibly. We look at minimizing transport emissions and promote the co-location of our core materials and core kitting operations. We reduce or avoid waste and promote recycling. We conserve water.

Green chemistry: we reduce or eliminate the use of chemicals of concern.

Clean technology: we evaluate options for cleaner technologies in all our operations. We encourage the development and use of environmentally friendly technologies.

Precautionary approach: we systematically assess, manage and communicate risks. When there is reasonable suspicion of harm, we apply precaution in terms of health and safety and the environment.
Our commitment to climate neutrality

Gurit approach to climate neutrality

1. Reduce emissions
   Optimize production

2. 100% renewable electricity

3. Finance additional climate action:
   renewable energy projects that avoid emissions
Reducing our greenhouse gas emissions
Our commitment to renewable energy

100%

Starting 2021 our electrical power will be sourced from renewable energy
Offsetting our greenhouse gas emissions

In 2021 we finance a renewable wind energy project replacing fossil-fuel generated electricity
### Social policy statement

**Human rights:** we respect the protection of human rights. We require the same from our suppliers and avoid any complicity in human rights abuses.

**Labour:** we uphold the principle of equal pay for equal work; we do not tolerate any form of forced and compulsory labour or child labour. We do not tolerate discrimination with respect to respect of employment and occupation.

**Procurement:** we commit to responsible procurement practices, evaluate regional or local sourcing options and also commit to dual-sourcing to protect our business continuity. Sustainability criteria are an integral part of supplier standards and supplier audits.

**Employer branding:** we want to be an employer of first choice with satisfied, motivated employees. We uphold the benefits of having a diversified workforce and want to attract and employ the best talents, regardless of gender, age or background.

**Corporate Social Responsibility:** we encourage our operations to support and engage with the local community, according to pre-established and transparent criteria.
Economic sustainability: we understand economic sustainability as long-term economic growth without negatively impacting the environment, or social or cultural customs.

Financial targets: we set financial targets and report them in full transparency according to recognized standards and in line with the Swiss stock exchange regulations. We foster a solid long-term sustainable financial performance according to our strategies.

Risk management: we conduct risk assessments to analyse and evaluate financial, environmental, social, operational and reputational risks. We continuously monitor and reduce the probability and financial impact of our top ten business risks.

Quality: We apply quality management systems to maximise efficiency and productivity; minimise waste; ensure customer satisfaction and loyalty; and protect our brand reputation. We continuously monitor our quality performance and seek to improve our non-conformity requests (NCRs) annually.

Resourcefulness: we use all our resources in the most effective way to achieve objectives as outlined in our strategies. We make efficient use of resources, energy and capital.

Innovation: we foster innovation and encourage the development of intellectual property.
## The 10 principles of the United Nations Global Compact

### Human rights

1. Support and respect the protection of internationally proclaimed **human rights**.
2. No complicity in human rights abuses.

### Labour

3. Uphold the **freedom of association** and the effective recognition of the right to collective bargaining.
4. Elimination of all forms of **forced and compulsory labour**.
5. Effective abolition of **child labour**.
6. Elimination of **discrimination** in respect of employment and occupation.

### Environment

7. **Precautionary approach** to environmental challenges.
8. Undertake initiatives to promote greater **environmental responsibility**.
9. Encourage the development and diffusion of **environmentally friendly technologies**.

### Anti-Corruption

10. Businesses should work against **corruption** in all its forms, including extortion and bribery.
Implementation of sustainability within the organization

- Oversight: Board
  - Define & Control: Exec. Committee
  - Sustainability Management & Coordination
- 13 Sustainability Workstreams
- Implementation: Line Organisation

Primary Activities:
- Inbound Logistics
- Operations
- Outbound Logistics
- Sales / Marketing
- Service & Support

Support Activities:
- Corporate Services
- Human Resources
- Technology
- Procurement

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## Organizational responsibilities for sustainability

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
<th>Action</th>
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</thead>
<tbody>
<tr>
<td>Board</td>
<td>OVERSEES sustainability strategy</td>
<td>Annual review</td>
</tr>
<tr>
<td>CEO &amp; Executive Committee</td>
<td>DEFINES &amp; CONTROLS: Sustainability strategy, execution/implementation, target setting, measurement/controlling</td>
<td>Quarterly update Annual review Materiality assessment every 3 years</td>
</tr>
<tr>
<td>Business Unit Manager</td>
<td>IMPLEMENTATION of strategy</td>
<td></td>
</tr>
<tr>
<td>Site Manager</td>
<td>Local IMPLEMENTATION</td>
<td>Monthly reporting (KPI) Quarterly / annual reporting</td>
</tr>
<tr>
<td>Sustainability Manager</td>
<td>COORDINATION of implementation &amp; reporting</td>
<td>Sustainability Report (annual) ESG rating questionnaires</td>
</tr>
<tr>
<td>Sustainability workstream delegates</td>
<td>Cross-functional committees working on standards &amp; KPI setting, reporting; support BU’s/sites;</td>
<td>Quarterly progress reports &amp; recommendations to EC</td>
</tr>
<tr>
<td>Dedicated officers</td>
<td>• Health &amp; Safety</td>
<td>Based on site-specific job profiles &amp; Group standards &amp; ISO certification requirements</td>
</tr>
<tr>
<td></td>
<td>• Environment</td>
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<tr>
<td></td>
<td>• Data protection, …</td>
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Sustainability controlling

- **SAFETY FIRST**
- **ENVIRONMENT**
- **SOCIAL RESPONSIBILITY**
- **GOOD GOVERNANCE**
- **ECONOMIC PERFORMANCE**

**REPORT ON PROGRESS**
- Targets & Ambitions
- Action Plans

**FORMAL REVIEWS**
- Sustainable value
- Creation & materiality
- Analysis

**EXTERNAL REPORTING**
- GRI; UNGC
- ESG-RATINGS

**MANAGEMENT SYSTEMS**

**TOOLS & SOFTWARE**

**KEY PERFORMANCE INDICATORS & DATA ANALYSIS**

**MONITORING OF REGULATORY ENVIRONMENT & STAKEHOLDER EXPECTATIONS**

January 2020
Thank you for your attention

www.gurit.com/sustainability

WITH PASSION FOR A SUSTAINABLE FUTURE