

Water Management Guidelines

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Table of Contents

0. General principles
1. Introduction
2. Water at Gurit
3. Compliance
4. Water management systems
5. Product development
6. Reporting & Stakeholder engagement
7. Implementation and updates

Gurit water management principles

- We value water as a vital natural resource. We measure and analyse its use within our operations.
- Whenever we use water we do so in the most efficient manner, reducing its consumption in our production, but also for sanitary, cleaning as well as landscaping / gardening purposes throughout the locations we operate.
- Where applicable and feasible we clean and recycle the water we consume by using state-of-the art technologies and/or utilize grey water resources such as rainwater tanks.
- We identify and manage risks related to water and put measures in place to mitigate them.
- We raise awareness for the responsible use of water within our operations, amongst our staff, as well as with our suppliers and customers.

1. Introduction

Water is a natural resource where demand is expected to increase significantly as global population and industry increases. A shortfall of 40% in global water supply is expected by 2030 (<https://www.cdp.net/en/water>). While the group's overall impact on water resource utilisation is relatively low, Gurit has applied the principle of materiality and prioritises its water management efforts on the operations with the highest impact and in the countries of operation where water is rated a scarce resource.

Gurit's overall production footprint does not require a significant amount of water. However, a small number of operations do make use of water as part of their production process. The responsible management of this vital resource is of high importance to Gurit.

This document outlines the measures Gurit takes in order to reduce water consumption and to help to reduce the risks of water shortage in the locations in which it operates. Also considered are the risks to human health, the environment and reputation through potential contamination of water sources.

2. Water at Gurit

Gurit considers water throughout the product and production lifecycle; in terms of sourcing, use and disposal. The uses of water at Gurit vary by site depending on the activities carried out and can range from office-based sites where sanitation and consumption are main uses to some production environments where water is integral to the manufacture of a product as a cooling medium. Any process carried out by Gurit that uses water or has the potential to affect water systems is within scope.

- Under this global policy, each site must consider its own uses, issues and mitigation measures as suitable for its location and the environment.
- All sites must ensure that freshwater at a good quality is available to all those working on Gurit sites.
- The overall water consumption is considered: this may help Gurit to discover further improvement areas, such as cleaning, washing or irrigation of surrounding areas.

a) Water Sourcing

Water is always sourced locally from sustainable sources that do not negatively impact the environment. These sources may vary from local mains supply, natural springs/wells or rainwater run-off. The source of water used must be clarified in order to understand the impact that Gurit processes are having on the environment.

- Water reporting for each site includes the volume of water from each source.

b) Water use and risk assessments

Water is typically used at each site by workers for consumption and sanitation, water cooling systems during product manufacture and during materials manufacturing processes for a limited number of products.

- Each site identifies where water is used in order to carry out a full analysis of the risks that water has to the site's operations, workers and environment.

c) Water reuse and disposal

Waste water requiring disposal is identified in each water usage process at site level and disposed of in a suitable manner including at specialist waste handling sites appropriate to local legislation if necessary.

- Sites with manufacturing processes making use of water develop methods for reuse and recycling of water used for example in cooling operations, preferably onsite to reduce emissions generated from the transportation of water.
- Consideration is given to processes where waste water from one process can be incorporated into other site processes.
- The volume of water disposed of is recorded along-side the volume of water reused/recycled before disposal.
- The temperature of water at point of disposal is considered as is and any sources of potential water pollution are identified.

3. Compliance

Different legislation across the world means that obligations vary by region. Gurit always ensures compliance with local environmental legislation. Furthermore, Gurit has a responsibility to

- ensure that minimum water safety standards are met at the sites in which Gurit operates to protect flora and fauna, and in particular inland waterways and the marine environment to the best of its abilities.

4. Water management systems

a) Description of management systems

Gurit implements management programmes to mitigate water related risks, investigate innovations and engage all stakeholders. These programmes aim to identify sources, uses, reduce waste and manage disposal of all water used by Gurit, as described above.

At the core is a programme of monitoring and measuring water usage across all sites in combination with identifying areas of local water stress in order to promote improvements in the most significant areas. As a main reference serves the ISO 14001 standard for water management in industry, a certification required by all Gurit production sites. Furthermore, Gurit orientates its water management improvement initiatives in line with recommendations of the Global Alliance for Water Stewardship (AWS). Improvements to water management consider water volumes and also take into account cost and treatment, capital equipment costs, handling and use of hazardous chemicals as well as carbon footprint considerations associated with water treatment and distribution. The true cost of water with regards to energy and chemicals required to treat it are considered. Therefore, by reducing water used by each site, even in areas where drought and water availability is not an issue, can reduce energy demands on water treatment plants and use of chemicals in such processes

- Each production site monitors, measures and reports water usage.
- Internal auditing aligned with ISO 14001 standards ensures that water management is continuously improved and considered.

b) Water risk assessment

Priority for implementation of risk management measures is given to those sites with a baseline water stress considered as High or Extremely high (according to the World Resource Institute's *Aqueduct country rankings*). Details of site-specific risk identification are available in Appendix B - Water Stress by Site.

- Risk management to reduce both business and environmental risks is carried out by each site involving an assessment and processes for risk mitigation that considers the process of sourcing, use and disposal. Any potential conflicts in the local area such as conflicts of use and competition for use are considered. The following key topics are considered part of each site-specific risk assessment:
 - Water source
 - Water process
 - Water disposal
 - Risks and mitigations
 - Efficiency and reuse
 - Risks and mitigations

c) Freshwater availability

In order to mitigate against risks of freshwater availability, operations and further stakeholders are encouraged to initiate water saving projects:

- Awareness training to both internal and external stakeholders.
- Rainwater collection.
- Install water recycling and reuse systems at manufacturing sites.
- Effective maintenance of sanitation systems on each site to ensure that clean water is available to workers and effluents are treated and discharged appropriately.
- Water saving devices for employee washing and toilet facilities.
- Investigate new developments in technology, which may help to increase the efficiency of water use.
- Participation in community initiatives to support water management projects particularly where water scarcity is a regional issue.

d) Uncontrolled chemical and water releases

Any uncontrolled releases of water or liquid waste may present a risk to the local environment as well as a safety or reputational business risk.

- Potential pollution routes are identified, and mitigations put in place by each production site.
- Spills are reported according to GRI standards in the group's annual sustainability report.

- Potential health and safety related risks are identified and managed under the Health & Safety program.

Additional Measures at each production site handling liquid wastes or chemicals:

- Preventive measures in warehouse and production areas, containing potential spills.
- Monitoring and emergency procedures in place for chemical spills and leakages.
- Monitoring and emergency procedures in place for waste water discharges and leakages.
- Appropriate disposal of water from manufacturing processes including release of high temperature water.

e) Excessive waste water

Leakages in water infrastructure can lead to excessive and unnecessary water loss and procedures must be in place to ensure any such events are dealt with as swiftly as possible to mitigate against excessive loss and potential spread to the surrounding environment.

Measures to be put in place at each applicable production site:

- Monitoring consumption and potential water leakages.
- Emergency procedures for water leakages.
- Work with landowners to ensure maintenance of water infrastructure is maintained.

5. Product development

Gurit considers water usage as part of all new product developments. Measures in place at all Research & Product Development departments as well as each production site:

- Water consumption identified as part of product and process development.
- Where water is identified as essential for new product developments, recycling and reuse technologies are implemented alongside product and process implementation.

Product use and end-of-life considerations

The use of Gurit created products may impact water use for customers and the environment. This should be considered for all existing and new product developments. Topics such as cooling systems customers may require and potential leaching of high hazard chemicals into the environment must be considered for products Gurit produces. The presence of high hazard chemicals in products is also addressed in the Hazardous Chemicals Management Policy. Measures at all Research & Product Development departments as well as each relevant production site:

- Water demand for customers while using Gurit products is considered during product development.
- Specific chemical leachate is considered during product development, especially considering chemicals deemed to be PBT (Persistent, Bio accumulative and Toxic), vPvB (very Persistent, very Bio accumulative) including the locations at which the product is to be used.

6. Reporting & Stakeholder engagement

Gurit publicly reports on its water consumption, sustainable water management, as well as related boundaries and materiality analysis made in its annual sustainability report, prepared in accordance with the Global Reporting Initiative (GRI) Standard.

For its materiality analysis Gurit refers to international resources such as the Aqueduct tool used by the World Resource Institute. For operational reasons there may be a delay between updated public standards and the version Gurit refers to.

Appropriate engagement practices will be put in place to inform stakeholders about the importance of water management, share best practices and Gurit standards and discuss mutual expectations. The most important stakeholders for this topic are the Gurit employees, subcontractors, as well as suppliers, landlords and customers. Water Management is considered as a formal part of Gurit's supplier initial assessment and supplier audits thereafter. Stakeholders are encouraged to share concerns or observations with either local Management of the production site concerned or with the Global Sustainability Team (marcom@gurit.com).

7. Implementation and updates

The Water Management Guidelines apply to all Gurit operations and form part of the Gurit Sustainability Policy.

Within Gurit's Sustainability Organisation, the Resource Utilisation and Responsible Supply Chain workstreams support the implementation of the water management policy within all operations. Each site is assessed and reports data at least every 12 months. Unless otherwise specified, all Gurit sites are expected to implement these guidelines and any upcoming changes by the end of the subsequent calendar year.

Key accountability is given to the Executive Committee (EC) which annually reviews the implementation of this policy, related data and sets new targets. The Chemical Regulatory Compliance Officer is commissioned to review these guidelines annually and suggest any updates to these guidelines for discussion in the Sustainability Core Team and subsequent adoption by the EC.

Zurich, 14 September 2021

For the Executive Committee



Mitja Schulz
CEO



Dr. Ernst Lutz
CTO

Appendix A – Summary of terms

a. Baseline Water Stress Rating by country

Baseline water stress measures the ratio of total water withdrawals to available renewable water supplies. Water withdrawals include domestic, industrial, irrigation and livestock consumptive and non-consumptive uses. Available renewable water supplies include surface and groundwater supplies and considers the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

Low (0-1), Low-Med (1-2), Med-High (2-3), High (3-4), Extremely high (4-5).

Source: Aqueduct 2019 aggregated to a country and sub-national level using the methods described in Aqueduct 2013
<https://www.wri.org/applications/aqueduct/country-rankings/>

b. Site process

Each site is ranked either low, medium or high considering the processes carried out at that site.

- Low water stress; sanitation and consumption only.
- Medium water stress; some water usage during product manufacture, not critical to manufacture process.
- High water stress; water used during production, critical to manufacture process including cooling.

c. Business risk

The site's risk to business function based on country's water stress and site processes.

d. Environmental risk

The site's risk to the environment based on their site process and location (proximity to waterways, agriculture, protected environments).

Appendix B – Water stress by site

The below table provides a water stress rating per Gurit Group site in order to identify the importance of water at that site, where the focus for high water standards is required and targeting financial input.

Production Site	Water stress Country		Site process	Business Risk	Environmental risk	Overall risk
	Aqueduct score (region)	Risk				
Albacete, Spain	3.74 (4.32)	High (Ex-High)	High	High	Med-High	High
Auckland, NZ	0.05 (0.29)	Low (Low)	Low	Low	Low-Med	Low
Bristol, US	1.85 (2.29)	Low-Med (Med-High)	Low	Low	Med	Low-Med
Magog, Canada	0.88 (0.11)	Low (Low)	High	Med	Med	Med
Newport, UK	1.73 (1.73)	Med (Med)	High	Med	High	Med-High
Tianjin, China	2.4 (3.72)	Med-high (High)	Low	Low-Med	Low	Med-low
Volpiano, Italy	3.01 (4.18)	High (Ex-High)	Low	Med	Med	Med
Kassel, Germany	2.14 (3.46)	Med-High (High)	High	High	High	High
Quevedo, Ecuador	1.59 (1.29)	Low-Med (Low-Med)	Low	Low-Med	Low-Med	Low
Carmignano, Italy	3.01 (4.38)	High (Ex-High)	High	High	High	High
Girona, Spain	3.74 (3.06)	High (High)	Low	Med	Med	Med
Matamoros, Mexico	3.86 (4.11)	High (Ex-High)	Low	Med	Med	Med
Taicang, China	2.04 (1.04)	Med-High (Low-Med)	Low	Low-Med	Med	Med-low
Montreal, Canada	0.88 (0.11)	Low (Low)	Low	Low	Low-Med	Low
Szczecin, Poland	1.48 (0.29)	Low-Med (Low)	Low	low	low	Low
Dafeng, China	2.4 (1.85)	Med-High (Med)	Low	Low-med	Low	Low
Falces, Spain	3.01 (2.98)	High (med-High)	Low	Med	Med	Med-Low
Izmir, Turkey	3.56 (4.65)	High (Ex-high)	Low	Med-high	Med	Med
Matamoros, Mexico	3.86 (4.11)	High (Ex-high)	Low	Med-high	Med	Med
Ringkobing, Denmark	2.08 (1.98)	Med-High (Low-Med)	Low	Med-Low	Med	Med-Low
Zhouzhou, China	2.4 (0.12)	Med-High (Low)	Low	Medium	Med-Low	Med-Low
Wenan, China	2.4 (4.45)	Med-High (Ex-high)	Low	Med	Med	Med
Ahmedabad, India	4.12 (4.66)	Ex-high (Ex-high)	Low	High	High	High
Chennai, India	4.12 (3.14)	Ex-high (High)	Low	High	High	High

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