

ANNUAL REPORT 2023

INCL. SUSTAINABILITY REPORT

WITH PASSION FOR A
SUSTAINABLE FUTURE

KEY FACTS

Gurit saw its net sales increase by 0.5% at constant exchange rates versus prior year. Net sales of continued operations were CHF 459.9m (+2.7% at constant exchange rates or -5.9% in reported CHF). Excluding acquisition effects, total Group Sales grew by 2.6% at constant exchange rates.

For 2023, Gurit reached an operating profit of CHF 20.3 million and an operating profit margin of 4.4%. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit margin is 4.5%. Gurit achieved an operating cash flow of CHF 37.7 million (2022: CHF 16.2 million). Capital expenditures amounted to CHF 11.3 million in 2023 compared to CHF 15.2 million in the previous year.

After a rather difficult 2022 strongly impacted by inflation and market uncertainties, wind energy customers in 2023 have been cautiously investing again and winning new orders for future projects both onshore and offshore. Western OEMs have taken actions towards improving their financial performances with several returning to profitability during the year. The addressable markets for wind energy showed different trends, limited growth but higher order intake in Europe and the Americas, steady growth in India and South-East Asia, and a return in China to the strong volumes seen in 2021. The marine and industrial business had another good year and continued with profitable growth. We were able to win the first significant orders with major European boat builders. We also successfully won business for recycled PET panels for multiple industrial applications in the US.

As previously communicated, Gurit signed a share purchase agreement with the Thorning family for the remaining 40% of the Fiberline business shares in August 2023. The Fiberline business, now called Business Unit Structural Profiles, was still loss-making in 2023, improving in the second half thanks to the ramp-up of the Indian production lines.

Sales in CHF million

459.9

+2.7%¹⁾ vs 2022

Free cash flow in CHF million

27.2

3.5 in 2022

Adjusted operating profit margin

4.5%

2.3% in 2022

Net debt in CHF million

59.9

84.0 in December 2022

1) Net sales growth of continued operation at constant exchange rates.

For explanation of financial terms used, see pages 266-267.

KEY FIGURES

AMOUNTS IN CHF MILLION	2023	2022	+/- %
NET SALES	459.9	499.5	- 7.9%
Thereof continued operations	459.9	488.6	- 5.9%
Thereof discontinued operations	-	10.8	- 100.0%
EBITDA	34.6	39.8	- 13.0%
EBITDA margin	7.5%	8.0%	
Operating profit	20.3	22.3	- 9.0%
Operating profit margin	4.4%	4.5%	
Adjusted operating profit	20.6	11.2	83.5%
Adjusted operating profit margin	4.5%	2.3%	
Profit for the year	4.0	9.1	- 56.2%
Net cash flow from operating activities	37.7	16.2	131.9%
Capital expenditures	11.3	15.2	- 25.4%
Net debt	59.9	84.0	- 28.7%
Equity in % of total assets	28.3%	31.0%	
Gross debt/EBITDA ratio	2.09	2.80	
Number of employees at December 31	2 343	2 480	- 5.5%
Average number of full-time equivalents	2 434	2 495	- 2.4%
Earnings per share	CHF 1.59	CHF 1.98	
Dividend per share (proposed/resolved)	CHF 0.35	CHF 0.00	
Market capitalization at December 31	381.9	421.2	- 9.3%

For explanation of financial terms used, see pages 266-267.

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Footnotes starting with "GRI" refer to the GRI global sustainability reporting standard → www.globalreporting.org

ABOUT US

ACTIVITIES AND MARKETS SERVED

Gurit is a leading manufacturer and supplier of advanced composite materials (kitted core materials, prepregs, formulated products), manufacturing solutions (tooling automation) as well as composite structural engineering services. Gurit is uniquely positioned to serve global growth markets with advanced composite solutions for the wind energy, marine, transportation, and many other industries. We conduct business with passion for a sustainable future. In the renewable energy market, we are a partner for global wind energy customers, with a focus on the wind turbine blade. We have an in-depth understanding of the value chain and strive to help increase wind energy competitiveness and promote its sustainable growth. In the marine and industrial markets, we drive lightweighting, enabling our customers to achieve their goals, and contributing to a sustainable economy through our knowledge and expertise in high performance materials and engineering.



In August 2023, Gurit acquired the remaining 40% share of Fiberline Composites A/S, a technology-leading manufacturer of pultruded carbon and glass fiber products used in wind blade production. With the addition of Fiberline, Gurit has successfully enhanced and strengthened its product offering for the wind energy market.

Gurit was founded in Switzerland in 1835 and to date the headquarters of Gurit Holding AG is in Switzerland where the company is listed as GURN on the SIX Swiss stock exchange.

More information about our activity:

→ www.gurit.com

→ www.gurit.com/imagevideo



100%

**WESTERN WIND OEM
SERVED, 90% of wind
turbine blade makers**



**LIGHTWEIGHTING
EXCELLENCE**

High-performance materials and engineering for advanced composite applications in the marine and many other industries



**TECHNICAL
EXPERTISE**

Foundation
in Switzerland

1835

>30 YEARS
ADVANCED COMPOSITES

-
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 - GRI 2-6 Activities, value chain and other business relationships
 - GRI 2-23 Policy commitments

GURIT AT A GLANCE



2 343
EMPLOYEES



460 Million
CHF NET SALES (2023)

3



GLOBAL R&D
APPLICATION CENTERS

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- GRI 2-1 Organizational details
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BUSINESS AND FINANCIAL REVIEW

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DEAR SHAREHOLDERS,

The year 2023 was full of important milestones for Gurit.

After a rather difficult 2022 strongly impacted by inflation and market uncertainties, wind energy customers in 2023 have been cautiously investing again and winning new orders for future projects both onshore and offshore. Western OEMs have taken actions towards improving their financial performances with several returning to profitability during the year. Outside of China, where the fierce competition continues, the average wind turbine selling price has shown a global improvement. Still, quality issues and inflation-related cancellations of major offshore projects in the US and the UK have postponed the expected strong market recovery.

The addressable markets for wind energy showed different trends, limited growth but higher order intake in Europe and the Americas, steady growth in India and South-East Asia, and a return in China to the strong volumes seen in 2021. Thanks to its global footprint, with large plants in India and Mexico now fully operational, Gurit improved its supply position across the regions, but was more selective in China. We successfully secured major long-term global agreements with our largest customers, manifesting our market-leading position for PET foam core, core kitting and wind blade molds.

The Fiberline business, now called the Structural Profiles Business Unit, was still loss-making in 2023, improving in the second half thanks to the ramp-up of the Indian lines. To drive the business towards profitability, we concluded the full acquisition of Fiberline Composites. As previously communicated, Gurit signed a share purchase agreement with the Thorning family over the remaining 40% of the shares in August 2023, with the aim of simplifying the management, accelerating the necessary measures for turn-around and leveraging synergies.

The marine and industrial business had another good year and continued with profitable growth. We were able to win the first significant orders with major European boat builders. We also successfully won business for recycled PET panels for multiple industrial applications in the US – a market we think offers tremendous future growth opportunities for Gurit. Lastly, we developed and built the first rotor sails, allowing a reduced environmental impact for shipping: this technology enables vessels to save up to 20% of fuel on their trips across the oceans, and perfectly fits with our ambition to provide our customers with solutions that assist with making their products more energy efficient.

Overall, Gurit delivered an improved financial result on the previous year. Sales were impacted by a strong Swiss Franc, higher volumes to the Western world and lower volumes in China in an effort to improve margins. The adjusted operating profit is improved vs. 2022, and Gurit has been able to return with dividend payout for 2023. The year 2023 reinforced the company's resilience in challenging market conditions and was an enabler for more profitable growth and improved profitability of our businesses. Supplying molds and the related installation equipment, core materials and pultruded sheets from multiple locations, Gurit provides the most complete offering and is ready to deliver on the industry's expected growth.

MARINE AND INDUSTRIAL BUSINESS CONTINUES ON GROWTH PATH

Reinforcing previous years' trends, Gurit's marine and industrial business delivered a strong performance in 2023, improving sales by 7.1% at constant exchange rates. The combination of a strong position in marine in the first half of the year and collecting on new industrial market development in the second half of the year resulted in a consistent performance across FY 2023. Traditional products like prepreg and Corecell™ are maintaining a strong position in the market as well as generating new sales in developing areas like subsea; likewise, our recycled PET foam is both gaining shares in existing markets while growing in recognition as a superior material in new applications, helping customers to improve the energy efficiency of their products through lightweighting and improved insulation properties. While we anticipate a slowdown in some marine segments in 2024, industrial opportunities are expanding, for example through the promotion of PET panel solutions in transportation and construction applications.

DIFFERENT REGIONAL TRENDS IN THE WIND MARKET IN 2023

In 2023, the wind market has seen the various regions evolving in different ways.

EMEA, Americas and APAC without China installed the same onshore power as in 2022, with the only noticeable growth happening in India. Offshore installations in these regions increased to reach 20% of the installed wind power in 2023, still largely below investments needed to match country defined targets. The large direct subsidy program launched in the USA, and the European Repower plan, did not trigger more core material consumption, but allowed most OEMs to replenish their order book and, especially in the first half of the year, encouraged customers to invest in new production lines, with the corresponding mold orders.

China could in 2023 strongly recover in terms of onshore installations, after a subdued 2022, while the offshore activity remained at the low level which followed the ending of state subsidies in 2021. But the huge production capacity built at turbine producers as well as in the supply chain drove prices to unprecedented low levels, requiring us to be selective in the opportunities we pursued, in particular for kitting and manufacturing solutions. Gurit has successfully achieved some specific cost-out programs to balance the price pressure in this region.

The strong growth that has been expected for some years in the offshore market has been postponed by higher materials and financing costs. Offshore blades are strong consumers of carbon fiber-based pultruded sheets, indispensable for strong mechanical characteristics and low weight despite their increased length. This market postponement is delaying our growth ambitions of the acquired structural profiles business.

In the manufacturing solutions business, the year, particularly the first half, has seen Western customers releasing more investments in incremental blade manufacturing capacities. Selectivity was applied in the Chinese market to keep capacity for projects with higher added value. Innovative applications as ship rotors emerged nicely. We manufactured the first wind blade mold in the new Chennai plant and are now able to offer an alternative solution to our customers.

FOOTPRINT ADJUSTMENTS AND GLOBAL EXPANSION CLOSE TO CUSTOMERS

In 2023, Gurit continued to re-enforce its global footprint by further developing the Chennai, India campus which now hosts a fully integrated PET extrusion and kitting process, production and kitting of structural profiles, and a vertically integrated tooling department including fully scaled CNC capabilities. We also opened a new Tech Center there to strengthen our global R&D capabilities. The Chennai site can now offer the full range of the Group's capabilities for wind blade customers.

Equipment improvement and process know-how from our global operations have been deployed in our Mexican site to allow continuous production at nominal capacity, needed for the order ramp-up in the North American market.

ON THE ROAD TO SUSTAINABILITY

As a supplier to the renewable energy sector and true to the company's vision "with passion for a sustainable future", Gurit has formed a sustainability framework with seven dedicated work streams, involving experts and representatives from across the organization. During 2023 we successfully engaged many of our employees in different sustainability projects worldwide, via meaningful initiatives of our sustainability work streams, ranging from health & safety, resource utilization, local community and employee engagement to equality and diversity, circularity, and good governance.

As a vertically integrated supplier to the wind energy industry, we are actively researching solutions to address end of life concerns. Whilst we often think of recycling, we also consider elimination of waste, smarter packaging, or improving reliability and longevity of the parts through more robust materials and efficient repair solutions. Collaboration with suppliers, industry partners and our customers are of the utmost importance when looking at circularity and end of life issues, and we're proud to be involved in several research programs. We are also running our own data collection and research initiatives, to better understand where effective improvements can be made. This is evidenced by the introduction of a new supply chain risk management platform which helps us more easily assess the ESG performance, commitment, and risks of our suppliers. As well as setting annual targets for Sustainability, we also set longer term targets, looking towards 2030. This helps our seven sustainability work streams to think bigger and set even more ambitious goals.

SUSTAINABILITY PERFORMANCE RECOGNIZED BY RATING AGENCIES

Gurit continues to make significant progress in its sustainability efforts, evidenced by the results of assessments from various leading rating agencies.

The company has been awarded a gold medal by EcoVadis, one of the world's largest sustainability rating agencies, which places Gurit in the top 5% of all EcoVadis-rated companies. Their assessment evaluates 21 sustainability criteria across four core themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement, and is based on global standards such as the Ten Principles of the UN Global Compact, the

International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standards and the ISO 26000 standard.

Gurit has earned an A rating from MSCI, who rates companies according to exposure to industry specific ESG risks and the ability to manage those risks relative to peers. This rating puts Gurit within the top tier of all rated companies in the specialty chemicals sector. Since June 2020 the company has moved up three rating levels.

Furthermore, in Inrate's Z Rating Study 2023 on Corporate Governance, Gurit has achieved a rating of 74/100. Inrate is an independent Swiss sustainability rating agency whose focus is on the impact of companies on the environment and society through their products & services and management & operations, as well as critical business practices.

We are pleased that our consistent efforts in this area are being recognized, and we will continue to assume our role as good corporate citizen, striving for a responsible sustainable business performance throughout our operations and supply chain.

KEEPING SAFETY IN MIND

A Safety First culture is truly embedded at Gurit, with strong foundations in the way of policies, systems, audits and engagement across all areas of safety, from operational safety and chemical safety to physical and mental wellbeing and cyber safety. Commitment and focus at all levels of the organization were required to achieve this, and we have seen this same dedication to keeping our employees and customers safe throughout 2023. Highlights include: the implementation of our new chemical safety management system at all main production sites, we are on track with our goal to have our production sites ISO 45001 certified, we have maintained <0.1% SVHCs (substances of very high concern) in our price-listed products, and we continue to maintain a high level of regular safety communication and training throughout the organization. We are very pleased to report that we have once again met our accident reduction targets.

INNOVATION EMBEDDED IN OUR CULTURE

Through 2023, we continued our journey of innovation and agility with technology and innovation teams fully embedded within each Business Unit, while continuing to collaborate across product and service areas.

Recycled PET remains a leading product range for Gurit with significant progress made with manufacturing technology and ambitious programs in relation to enhanced material performance adapting to our future customer needs. In parallel, we are progressing with our kitting technology, supporting our customers' efficiency and ultimately reducing their unit total cost of ownership (TCO).

The Business Unit Marine and Industrial added new capabilities to our operations leading to an enriched product portfolio with automated tape laying products for prepreg, improvement in tolling capabilities for formulated products and the ability to customize product dimensions and tolerances in the PET product range.

Manufacturing solutions released the 'modular molds' concept and is working with the industry on this both challenging and promising alternative to incumbent wind asset management, while also delivering connected data analytics tools and solutions assisting our customers with their challenge of manufacturing wind blades with increasing sizes.

The Structural Profiles team released and delivered a critical mix and match approach to carbon pultrusion planks – a key factor was maintaining the mechanical performance and overall quality, while sourcing fibers and resins from different suppliers: offering several fibers is a key competitive advantage either when raw materials are in short supply or when different regions offer different prices for raw materials.

A strong project management function has enabled us to progress on our longer-term innovation culture initiatives, assisted by a dedicated collaboration platform used by all technology and innovation staff globally.

ORGANIZATIONAL DEVELOPMENT

In January 2023, Daniel Dahlqvist started in his role as General Manager of the Wind Systems Business Unit. Daniel joined us from DIAB, bringing many years of operations leadership experience in multiple international companies.

In August 2023, Rudolf Hadorn stepped down as Chairman of the Board of Directors. He was succeeded by Philippe Royer, a Board Member since April 2019, with extensive industrial experience.

Hannes Haueis, Head of Group Human Resources, left the company in November 2023. He was succeeded by Karen Glauser in February 2024.

PROFITABILITY

For the calendar year 2023, Gurit reached an operating profit margin of 4.4%. Excluding divestment effects, restructuring and impairment charges, the adjusted operating profit margin is 4.5%. This compares to an operating profit margin of 4.5% (helped by the sale of the Aerospace division) and an adjusted operating profit margin of 2.3% in the calendar year 2022.

Net profit for the year 2023 amounted to CHF 4.0 million. This equals earnings per listed share of CHF 1.59 (2022: CHF 1.98).



Mitja Schulz, Chief Executive Officer (left), Philippe Royer, Chairman of the Board of Directors (right)

CASH FLOW AND BALANCE SHEET

Gurit achieved a net cash flow from operating activities of CHF 37.7 million (2022: CHF 16.2 million). Capital expenditures amounted to CHF 11.3 million in 2023 compared to CHF 15.2 million in the previous year. We continued to invest mainly into PET extrusion capacity as well as a new plant for carbon fiber profiles in India. The equity ratio reduced to 28.3%, from 31.0% in previous year, mainly due to the offsetting in equity of Goodwill resulting from the Fiberline acquisition, according to the Swiss GAAP FER Gurit accounting policy. Net debt decreased by CHF 24.1 million due to the improved cash flow generation. In addition, improved cash management reduced gross debt further, which is now CHF 38.8 million below the previous year.

PROPOSAL OF DIVIDEND PAYOUT

The Board of Directors recommends to the AGM to pay out a dividend of CHF 0.35 per share for the year 2023.

RISK MANAGEMENT

Risk management is an important element of daily business conduct. A formal risk management review and subsequent update of the risk profiles are performed bi-annually by the Management and the Board of Directors. Gurit groups the risks into the following three categories: strategy execution risks, operational risks, and financial risks. The different business risks are assessed and prioritized according to their financial impact and the likelihood of their occurrence. Furthermore, in 2023, we have assessed ESG risks (or sustainability-related risks) within our operations and our supply chain and introduced the most material topics to our Group Risk map. The Executive Committee ensures that appropriate measures are taken to mitigate these risks. The Board of Directors is regularly updated on the Group's risk profile and the corresponding mitigation action plans.

OUTLOOK

Gurit pursues its strategy in the wind industry to increase market shares with Western customers, thanks to its global footprint, and to be more selective in China. In 2024, Western markets are foreseen to grow slowly, still we expect a steady sales growth with Western customers. This increase will be mostly offset first by lower costs of input materials - like carbon fibers - transferred to customers, and second by a stricter margin approach in China. Altogether this strategic change will have a very positive impact on profitability.

For our marine activities, we expect medium to large projects to maintain their position, while smaller projects are expected to soften slightly. In the industrial segments we are confident that growth will accelerate driven by the increasing demand for recycled PET foam.

Considering the above, we expect a back end loaded 2024 with net sales between CHF 435 - 485 million and an adjusted operating profit margin of 5% - 8% (respectively CHF 460 million and 4.5% in 2023).

We at Gurit are thrilled by the commitments from global governments during COP28 aiming to triple the global renewable power capacity by 2030 and double the rate of energy efficiency improvements. We expect those initiatives to impact sales very significantly from 2025, as they started to translate into major turbine orders for our wind customers in recent months. So, we will continue to prepare our global manufacturing footprint for the announced growth.

A WORD OF THANKS

We express our heartfelt gratitude to the numerous loyal customers and distributors who play a vital role in our success. Their partnership is invaluable, and we appreciate their business, collaboration, and support. Our focused team at Gurit, with their talent and commitment, is a cornerstone of our achievements. Their ongoing dedication makes us a unified force as One Winning Gurit, contributing to our shared success. We take pride in the contributions and hard work of our global staff. Additionally, we extend our thanks to shareholders for their continued trust and support.

Yours sincerely,
Gurit Holding AG



Philippe Royer
Chairman



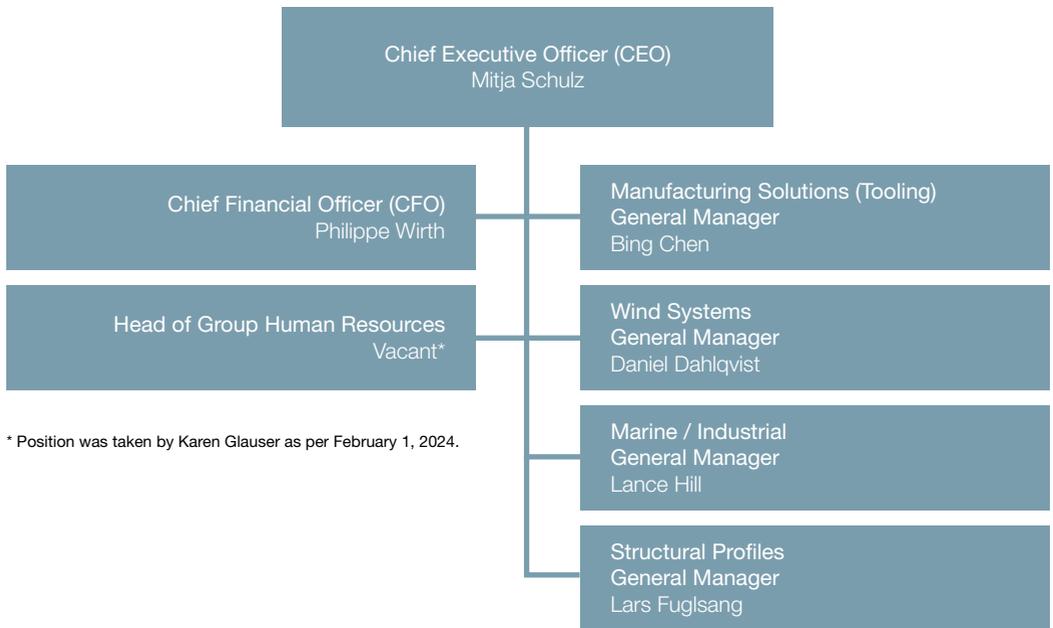
Mitja Schulz
CEO

Zurich, February 2024

ORGANIZATION

BOARD AND GROUP MANAGEMENT

Board of Directors of Gurit Holding AG	Philippe Royer, Member and Chairman of the Board of Directors Stefan Breitenstein, Chairman of the Audit and Corporate Governance Committee Dr. Bettina Gerharz-Kalte, Chairwoman of the Nomination and Compensation Committee Andreas Evertz, Member Nick Huber, Member
Group Management	Mitja Schulz, CEO Philippe Wirth, CFO Bing Chen, General Manager BU Manufacturing Solutions Daniel Dahlqvist General Manager BU Wind Systems Lars Fuglsang, General Manager BU Structural Profiles (Fiberline Composites) Lance Hill, General Manager BU Marine / Industrial
Auditors	PricewaterhouseCoopers AG, Zurich



As of December 31, 2023

➤ GRI 2-1 Organizational details
➤ GRI 2-11 Chair of the highest governance body

INVESTOR RELATIONS

SHARE CAPITAL

The share capital of Gurit Holding AG is divided into:

4 680 000 registered shares at CHF 5.00 par value

Securities no. 117 356 711

Share register and address changes: share.register@computershare.ch

STOCK MARKET TRADING

The registered shares are listed on SIX Swiss Exchange. Prices are published in the Swiss daily and financial press as well as in electronic price information systems under the following symbols or numbers:

Reuters

GURN.SW

Ticker symbol

GURN

Valor

117 356 711

ISIN

CH1173567111

IMPORTANT DATES

The most important dates for publications this year and next are shown below:

April 18, 2024

Annual General Meeting 2024

Press release on Q1 2024 net sales

October 31, 2024

Press release on Q3 2024 net sales

August 19, 2024

Analyst / Media Conference half-year results 2024

Publication of the half-year Report 2024

Beginning / Mid March 2025

Presentation full-year results 2024

Analyst/Media Conference

Publication of Integrated Annual Report 2024

October 9, 2024

Capital Markets Day

April 2025

Annual General Meeting 2025

The key dates are kept up-to-date at → www.gurit.com/financial-calendar

INTERNET/EMAIL ALERTS

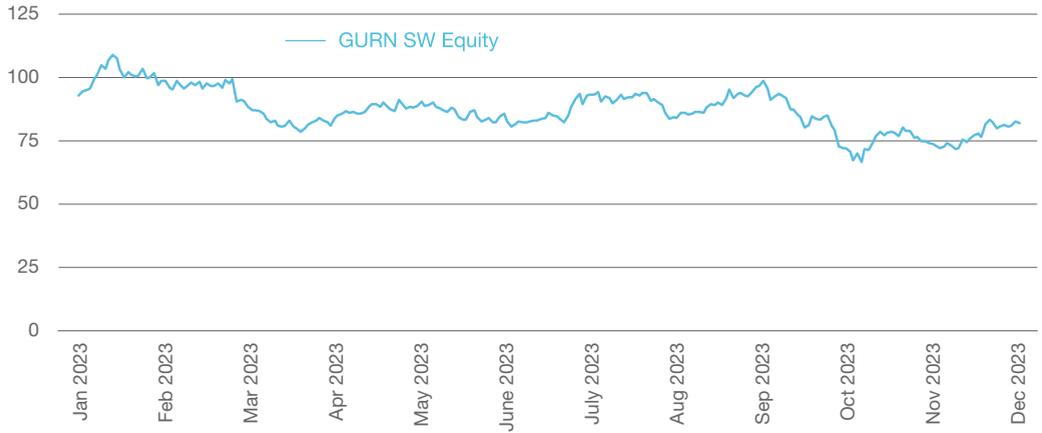
For additional information, please visit the Gurit website at → www.gurit.com/Investors

Sign up for email alerts on Gurit is available at → www.gurit.com/ad-hoc-news-subscription

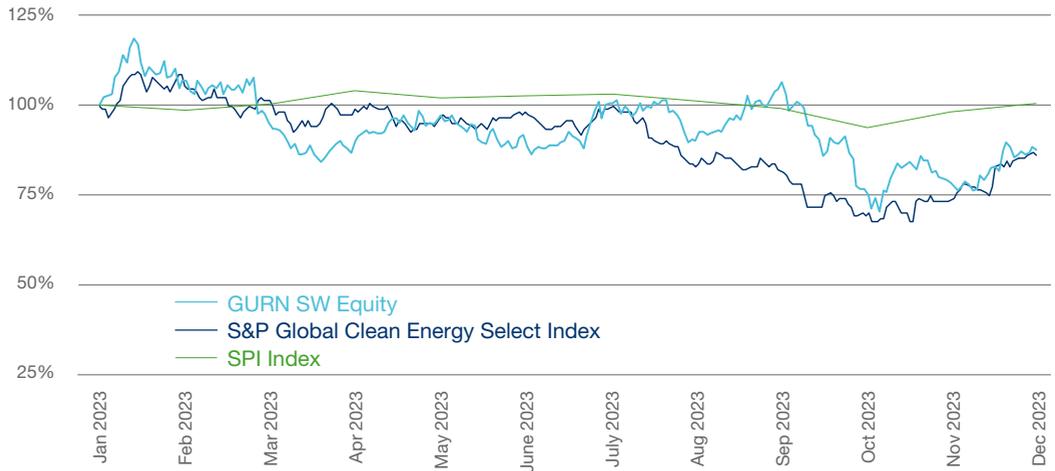
STOCK PRICE CHART

GURIT SHARE PRICE DEVELOPMENT

Share price in CHF



GURIT SHARES AND RESPECTIVE INDICES



KEY FIGURES PER SHARE

	2023	2022	2021*	2020	2019
Price at year-end	CHF 81.60	CHF 90.00	CHF 155.60	CHF 248.00	CHF 149.40
Highest price	CHF 112.60	CHF 161.40	CHF 280.00	CHF 252.00	CHF 149.40
Date	17.1.2023	4.1.2022	12.01.2021	28.12.2020	30.12.2019
Lowest price	CHF 65.60	CHF 70.00	CHF 142.00	CHF 98.00	CHF 85.90
Date	26.10.2023	29.9.2022	03.12.2021	16.03.2020	03.01.2019
Earnings per share	CHF 1.59	CHF 1.98	CHF 2.43	CHF 10.03	CHF 7.61
Distribution out of reserves from capital contributions	-	-	-	-	-
Gross dividend paid	CHF 0.00	CHF 0.70	CHF 3.00	CHF 2.50	CHF 2.00

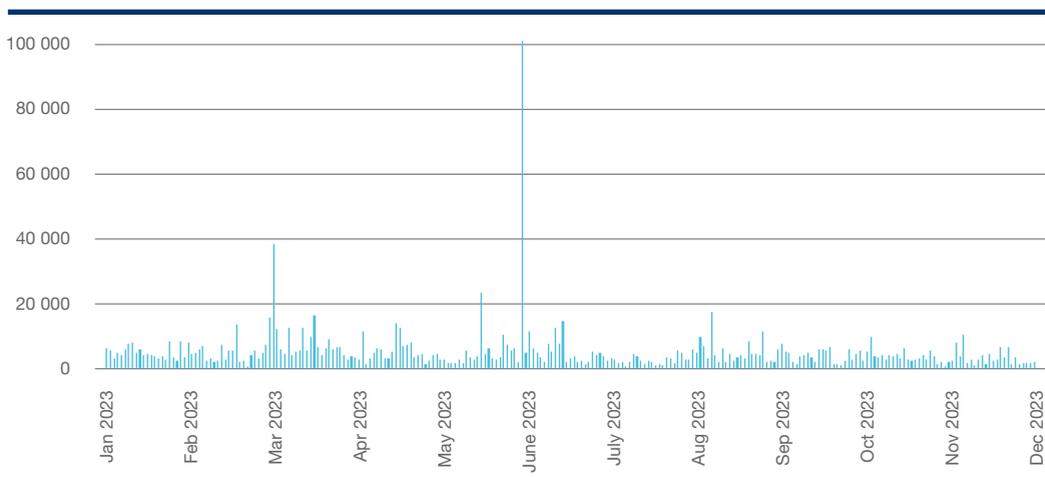
* For comparative reasons, numbers from 2021 and before are presented in this table as if the single share structure had already been in place in all previously presented years.

TAXABLE VALUES OF TRADED SECURITIES

	31.12.2023	31.12.2022*	31.12.2021	31.12.2020	31.12.2019
Registered shares CHF 5.00	CHF 81.60	CHF 90.00	CHF 1 556.00	CHF 2 480.00	CHF 1 494.00

* On 20.04.2022 the shareholders approved a new single share structure as well as a 1:10 share split, this change became effective May 2, 2022.

TRADING VOLUMES IN GURIT SHARES



CORPORATE GOVERNANCE

The following chapter describes the principles of Corporate Governance applied at the Board and Senior Management level at Gurit in accordance with the “Directive on Information Relating to Corporate Governance” published by SIX Swiss Exchange.

Unless otherwise indicated, all information refers to the 2023 fiscal year ending on December 31, 2023. The key principles and rules on Corporate Governance for Gurit are defined in the Articles of Association and the Organizational Regulations; they are based on the recommendations set out in the “Swiss Code of Best Practice for Corporate Governance” published by economiesuisse – the federation of Swiss business. Significant changes that occurred between year-end and the copy deadline are duly disclosed. Gurit also publishes a Compensation Report, included as a separate chapter in this Annual Report.

-
- GRI 2-1 Organizational details
 - GRI 2-9 Governance structure and composition
 - GRI 2-10 Nomination and selection of the highest governance body
 - GRI 2-11 Chair of the highest governance body
 - GRI 2-12 Role of the highest governance body in overseeing the management of impacts
 - GRI 2-13 Delegation of responsibility for managing impacts
 - GRI 2-14 Role of the highest governance body in sustainability reporting
 - GRI 2-15 Conflicts of interest
 - GRI 2-16 Communication of critical concerns
 - GRI 2-17 Collective knowledge of the highest governance body
 - GRI 2-18 Evaluation of the performance of the highest governance body
 - GRI 2-19 Remuneration policies

GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

1.1.1 OPERATIONAL GROUP STRUCTURE

The Gurit Group is an international industrial Group specializing in the development, production, supply, and marketing of advanced composite materials, as well as tooling, core kitting services and engineering. An organizational chart depicting the Group organization for the 2023 fiscal year can be found on page 14.

1.1.2 LEGAL STRUCTURE OF SUBSIDIARIES

Of all the companies consolidated, Gurit Holding AG (the Gurit Group's holding company) is the only one listed on a stock exchange. Gurit Holding AG is domiciled in Wattwil, Switzerland. Gurit shares (security No. 117356711, ISIN CH1173567111, symbol GURN) are listed on SIX Swiss Exchange.

Based on the shares' year-end closing price of CHF 81.60 the market capitalization on December 31, 2023 amounted to CHF 382 million.

1.1.3 INFORMATION ABOUT THE NON-LISTED GURIT GROUP COMPANIES CAN BE FOUND IN THE OVERVIEW ON PAGES 248 TO 251 OF THE FINANCIAL REPORT.

1.2 SIGNIFICANT SHAREHOLDERS

As of December 31, 2023, the company had received notification of the following significant shareholders whose voting rights reached at least 3%:

- Martin Bisang who held 25% of the voting rights pursuant to the notification to SIX via Whale Holding AG*.
- The families of Ruedi Huber, Helene Huber, Nick Huber, Luc Hubeli, Tim Hubeli, Nicklaus Hans Huber, Thiebault Huber, Gian Huber and Erik Daniel Huber, which held 10.29% of the voting rights pursuant to the notification to SIX via Huwa Finanz- und Beteiligungs AG*. The relationship of the families is governed by a shareholders' agreement*.
- Credit Suisse Funds AG which held 6.53% of the voting rights pursuant to the notification to SIX, 4.22% of the voting rights reported by Credit Suisse Funds AG are held by Migros AST Fonds II Aktien Schweiz.
- Hansjorg Graf who held 5.06% of the voting rights pursuant to the notification to SIX via GRAPAL Holding AG*.
- Schroders plc which held 4.98% of the voting rights pursuant to the notification to SIX*.
- Robert Heberlein who held 4.75% of the voting rights pursuant to the notification to SIX, some of the shares are held by Robert Heberlein through Burix Beteiligungen AG.
- J. Safra Sarasin Investmentfonds AG which held 4.45% of the voting rights pursuant to the notification to SIX*, the shares are held by Saraselect.

The notifications marked with an asterisk have been received by the company during the relevant reporting period. These notifications as well as the notifications of the other shareholders listed above can be found on the SIX Swiss Exchange website in the significant shareholders database:

→ www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

SHARE REGISTER

Effective December 31, 2023, the share register recorded the following information:

- Number of registered shareholders: 2 547 shareholders with a minimum holding of 1 share.
- Percentage of registered shares: 78.54%.
- Percentage of not registered shares: 21.46%.

For share register entries or address changes contact: share.register@computershare.ch

1.3 CROSS-SHAREHOLDING

Gurit Holding AG has no cross-shareholding arrangements with other companies, suppliers or other stakeholders.

2. CAPITAL STRUCTURE

Information about the capital structure can be found in Gurit Holding AG's Articles of Association, in the Financial Report and the statements on Gurit Holding AG as well as in the Investor Relations section on pp. 15 of this Report. The Articles of Association are available on the company's website:

→ www.gurit.com/corporate-governance

2.1 CAPITAL

Details on the capital are included in the Notes to Gurit Holding AG's Financial Statements on pp. 258.

2.2 CAPITAL BAND AND CONTINGENT CAPITAL IN PARTICULAR

On April 20, 2022, the shareholders approved the creation of authorized share capital in paragraph 3a of the Articles of Association, which authorizes the Board of Directors to increase the share capital in an amount not exceeding CHF 1 170 000 at any time until March 31, 2024 by way of issuance of up to 234 000 registered shares with a nominal value of CHF 5.00 each, to be fully paid-up. Increases in partial amounts shall be permitted.

The Board of Directors is authorized to exclude the shareholders' subscription right regarding shares to be issued and to allocate such rights to individual shareholders, third parties, the Company or any of its group companies, in particular:

- a) if the issue price of the new shares is determined by reference to the market price; or
- b) for the acquisition of companies, part(s) of companies or participations, or for the financing or refinancing of any of such transactions or the financing of new investment projects of the company or any of its group companies, including the acquisition of products, intellectual properties, or licenses; or
- c) for purposes of broadening the shareholder constituency of the company in certain geographic, financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new shares on domestic or foreign stock exchanges; or
- d) for raising capital in a fast and flexible manner, which would not be possible, or might only be possible with great difficulty or delays or at significantly less favorable conditions, without the exclusion of the preemptive rights of existing shareholders.

The Board of Directors did not make use of this authorization in FY 2023.

Gurit Holding AG has no contingent capital.

2.3 CHANGES IN EQUITY OF GURIT HOLDING AG

In the past three years the following changes in equity have occurred:

IN CHF 1000	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2021
Share capital	23 400	23 400	23 400
Legal reserves			
Reserves from capital contributions	81	81	81
Other legal reserves	4 680	4 680	4 680
Retained earnings	221 037	216 374	211 524
Treasury shares	- 579	- 579	- 608
TOTAL EQUITY	248 619	243 956	239 077

2.4 SHARES AND PARTICIPATION CERTIFICATES

The company's share capital consists of 4 680 000 registered shares with a par value of CHF 5.00 each. All shares are traded in the domestic segment of the SIX Swiss Exchange (security No. 117356711, ISIN CH1173567111, symbol GURN). All shares are fully paid up and entitled to dividends. All shares are entitled to one vote.

Gurit Holding AG has not issued any participation certificates.

2.5 PROFIT-SHARING CERTIFICATES

Gurit Holding AG has not issued any profit-sharing certificates.

2.6 LIMITATIONS ON TRANSFERABILITY OF SHARES AND NOMINEE REGISTRATIONS

According to paragraph 4 of the Articles of Association, only individuals who are entered in the share register may be recognized as the owners or beneficiaries of non-traded registered shares. Registration of ownership may be refused only in cases where the purchaser does not expressly declare that he or she acquired the registered shares for his or her own account. Shares listed on the stock market are freely transferable.

Persons, who do not expressly declare in the registration application to hold the shares on their own account (Nominees) shall be registered as shareholders with voting rights in the share register up to a maximum of 3% of the share capital set forth in the commercial register. For any shares in excess of this registration threshold, Nominees shall be registered as shareholders with voting rights in the share register, if the concerned Nominee declares the names, addresses, nationalities and shareholdings of such beneficial owners for whose account it holds 0.5% or more of the share capital set forth in the commercial register and if the notification duties according to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA) (as amended from time to time) are met.

Changes in the statutory regulations restricting the transferability of registered shares require at least two-thirds of the votes represented at the Annual General Meeting and an absolute majority of the nominal value of the shares.

2.7 CONVERTIBLE BONDS AND OPTIONS

Gurit Holding AG has no outstanding convertible bonds nor stock options.

3. BOARD OF DIRECTORS

On December 31, 2023, the Board of Directors of Gurit Holding AG consisted of five members.

3.1 MEMBERS OF THE BOARD OF DIRECTORS

Professional background, other activities and vested interests.

PHILIPPE ROYER*

Chairman of the Board of Directors (*since August 16, 2023)
Business Administration degree, ICG Paris, 1993
Engineer, Ecole Centrale de Lyon, 1984
Swiss and French citizen, 1961
Non-executive member



Professional background (main stages)

1985 – 1987	IT Manager, Lee Cooper, France
1988 – 1990	Supply chain and IT Manager, Devanlay, France
1991 – 1999	Various leading positions, then Managing Director, Eurofoil, Luxembourg
2000 – 2001	Senior Vice President, VAW Business Unit Foil, Germany
2002 – 2006	Business Unit President, Alcoa, Switzerland
2007 – 2013	Chairman & CEO, Manoir Industries, France
2014 – 2018	CEO, Metalor, Switzerland
2019 – 2023	Member of the Board of Directors of Gurit Holding AG
Since 2023	Chairman of the Board of Directors of Gurit Holding AG

STEFAN BREITENSTEIN*

Member of the Board of Directors
 Attorney at Law, Dr. iur. University Zurich
 LL.M. Harvard Law School
 Diplôme des Hautes Etudes Européennes, College of Europe, Bruges
 Swiss citizen, 1957
 Non-executive member

**Professional background (main stages)**

1989 – 1993	Associate at Lenz & Staehelin
1994 – 2022	Partner at Lenz & Staehelin
2015 – 2021	Managing Partner of Lenz & Staehelin
Since 2023	Senior Counsel at Lenz & Staehelin

Other important activities and vested interests

EPIC Suisse AG, Zürich, Chairman of the Nomination and Remuneration Committee
 Brink's International Holdings AG, Zug, Vice-Chairman of the Board
 Brink's Schweiz AG, Kloten, Board Member
 MAN Truck & Bus Schweiz AG, Otelfingen, Board Member
 Kar-Tess Holding Sàrl, Luxembourg, Board Member
 The A.G. Leventis Foundation, Vaduz, Liechtenstein, Foundation Board Member
 Vorwerk International AG, Wollerau, Chairman of the Board
 Julius Bar Family Office & Trust AG, Zurich, Chairman of the Board
 Alpheus Administration Services AG, Zurich, Chairman of the Board
 Bata Schuh Stiftung, St. Moritz, Foundation Board Member
 Bata Stiftung, Vaduz, Liechtenstein, Foundation Board Member
 Pariter Services AG, Zurich, Chairman of the Board
 Schroder Stiftung, Zurich, Chairman of the Foundation Board
 Tegro AG, Schwerzenbach, Board Member
 Truad Verwaltungs AG, Zurich, Chairman of the Board

* Further information can be found in the Compensation Report

ANDREAS EVERTZ

Member of the Board of Directors
 Mech. Eng. Degree, University of the German Federal Armed Forces, Hamburg
 Senior Executive Management Training, IMD Lausanne
 German citizen, 1969
 Non-executive member

**Professional background (main stages)**

2002 – 2007	CEO of Flender Tübingen GmbH
2008 – 2010	Executive Vice President at Walter AG
2010 – 2011	CEO & President of Walter AG
2012 – 2013	President of Sandvik Machining Solutions
Since 2013	Industrial Advisor for various Private Equity Companies
2014 – 2019	CEO and President at Schenck Process Holding GmbH
Since 2020	Group CEO of Flender

Other important activities and vested interests

ProXES GmbH, Board member
 VDMA Power Transmission Engineering Association, Board Member
 Hannover Messe, Member of the Exhibitor Advisory Board

BETTINA GERHARZ-KALTE

Member of the Board of Directors
Ph.D. in Chemistry, Max-Planck Institute Polymer Science,
Johannes Gutenberg University Mainz, Germany
German citizen, 1964
Non-executive member



Professional background (main stages)

1992 – 2002	Various Management positions in Germany and Switzerland at HOECHST AG and Clariant AG within the field of specialty chemicals
2003 – 2005	BL head Emulsion Powder at Celanese GmbH
2005 – 2012	Managing Director Elotex Frankfurt, Germany and Member of the Management Team in Switzerland responsible for Marketing globally, belonging to the group's National Starch and Chemicals, ICI and AkzoNobel
2012 – 2014	Purchasing Director AkzoNobel Functional Chemicals, Netherlands
2014 – 2022	Vice President New Growth Business Thermal Insulation at Evonik
Since 2023	Vice President New Growth Area Circularity at Evonik Operations GmbH

Other important activities and vested interests

Lay judge at the labor court in Wiesbaden, Germany since June 2017

NICK HUBER

Member of the Board of Directors
Businessman
Stanford Executive Program, Stanford University
Swiss citizen, 1964
Non-executive member



Professional background (main stages)

1990 – 1995	Account Manager, IBM (Schweiz) AG, Switzerland
1995 – 2016	Different Management positions within the SFS Group, Heerbrugg, Switzerland

Other important activities and vested interests

COLTENE Holding AG, Altstätten, Switzerland, Chairman of the Board of Directors
SFS Group AG, Heerbrugg, Switzerland, Member of the Board of Directors
Huwa Finanz- und Beteiligungs AG, Heerbrugg, Switzerland, Member of the Board of Directors
DGS Druckguss Systeme AG, St. Gallen, Switzerland, Member of the Board of Directors
stürmsfs ag, Goldach, Switzerland, Member of the Board of Directors
Inventx AG, Chur, Switzerland, Member of the Board of Directors
Inhaus Handels GmbH, Hohenems, Austria, Member of the Board of Directors
Rauch Schweiz AG und Rauch Trading AG, Widnau, Switzerland, Member of the Board of Directors
Mettler Entwickler AG, St. Gallen, Switzerland, Member of the Board of Directors

Rudolf Hadorn was member and Chairman of the Board of Directors until 15.08.2023. See → www.gurit.com/wp-content/uploads/2023/03/Gurit-AnnualReport-2022-single-pages.pdf for more information.
He was succeeded by Philippe Royer as per 16.08.2023.

BOARD OF DIRECTORS INDEPENDENCE

Gurit's Board of Director's independence definition is based on the 'Swiss Code of best practice for Corporate Governance' issued by 'economiesuisse', a Swiss Corporate union, and is complemented by additional criteria of independence by Gurit. In order to be considered as independent at Gurit, a member of the Board of Directors must not:

- Have been an employee of the Gurit Executive Committee or the Extended Executive Committee within the last 3 years.
- Be affiliated with a significant customer or supplier of Gurit.
- Have been a partner or employee of the company's external audit firm during the past 3 years.
- Have any other status which the Board of Directors in its fair judgement considers incompatible with independence.

Based on the above independence criteria, all current members of the Gurit Board of Directors (BoD) are independent.

→ www.economiesuisse.ch/en/publications/swiss-code-best-practice-corporate-governance

3.2 STATUTORY NUMBER OF PERMITTED ACTIVITIES

According to paragraph 27 of the Articles of Association, a member of the Board of Directors may hold:

- A maximum of three mandates as member of a top governing or administrative body of other listed companies outside the Gurit Group.
- A maximum of ten mandates as member of a top governing or administrative body of listed and non-listed legal entities outside the Gurit Group.
- A maximum of five mandates in non-profit associations and foundations as well as pension funds outside the Gurit Group.

Mandates in non-operative companies, domiciliary companies and trusts which a non-executive member of the Board of Directors of the company assumes in connection with its main professional activity as trustee, attorney or advisor may be carried out without limitation, provided that the time availability of the respective member permits such mandate.

3.3 ELECTIONS AND TERMS OF OFFICE

NAME	BORN	POSITION IN BOD	FIRST ELECTION TO BOD
Philippe Royer	1961	Chairman since August 16, 2023*	09.04.2019
Rudolf Hadorn	1963	Chairman until August 15, 2023*	14.04.2021
Stefan Breitenstein	1957	Member	10.04.2014
Andreas Evertz	1969	Member	20.04.2022
Bettina Gerharz-Kalte	1964	Member	09.04.2019
Nick Huber	1964	Member	15.06.1995

* The Chairman's position being left vacant following Mr. Hadorn's resignation, the Board of Directors appointed Mr. Royer as Chairman for the remaining term of office as per paragraph 16-1 of the Articles of Association.

All members of the Board of Directors and the Chairman of the Board of Directors are elected individually by the Annual General Meeting of Shareholders (AGM) for a term of office of one year (i.e., until the following Annual General Meeting). Members may be re-elected. There is no statutory limit to the maximum period of office for members of the Board of Directors. But the period of office is limited to the AGM following the completion of the age of 72 years.

3.4 INTERNAL ORGANIZATION

3.4.1 ALLOCATION OF TASKS WITHIN THE BOARD OF DIRECTORS

The Board of Directors acts as a joint body. Decisions are taken based on the majority of the votes submitted.

The Chairman of the Board organizes and leads the work of the Board of Directors. In cooperation with the CEO, he makes sure that the other members of the Board receive the necessary information for their decision-making as well as the supervisory functions. He is the formal representative of the Group to the outside world. He may be assisted by one or two additional members defined by the Board.

3.4.2 MEMBERSHIP OF THE BOARD'S COMMITTEES, THEIR DUTIES AND RESPONSIBILITIES

The Board has formed two permanent committees:

Audit and Corporate Governance Committee

Chairman: Stefan Breitenstein

Members: Rudolf Hadorn until August 15, 2023; Philippe Royer until February 2023, and from August 16, 2023; Andreas Evertz from April 24, 2023.

The Audit and Corporate Governance Committee consists of non-executive members of the Board of Directors. It assists the Board of Directors in its supervisory financial duties and checks the effectiveness, performance, and compensation of the external auditors. The Audit and Corporate Governance Committee also oversees the financial reporting processes within the Group. The Audit and Corporate Governance Committee is also kept regularly informed on the company's compliance program and oversees the Report-a-Concern process.

Nomination and Compensation Committee

Chairwoman: Bettina Gerharz-Kalte

Members: Nick Huber; Rudolf Hadorn until 15.08.2023, Philippe Royer

The Nomination and Compensation Committee prepares all relevant decisions of the Board of Directors with respect to the compensation of members of the Board of Directors and the Group Management and submits the respective proposals and recommendations to the Board of Directors. It defines the guidelines for the selection and election of potential new members of the Board of Directors as well as the function of the Group's CEO. The committee approves appointments to the Group Management made by the CEO, the compensation system for the Group, with respect to employee share option plans and performance-based remuneration plans, and the general principles of the Group's human resource policy.

To consult and execute specific and short-term projects or issues, special ad-hoc committees can be nominated.

3.4.3 WORKING METHODS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors meets annually for at least four ordinary meetings, generally one in each quarter.

In 2023, the Board of Directors met eight times and held two extraordinary calls. The attendance and durations are detailed in the following tables:

Board of Directors meetings in person or virtual

DATE	DURATION IN HOURS	PARTICI- PANTS	ROYER	BREITENSTEIN	GERHARZ- KALTE	HUBER	EVERTZ	HADORN*
27.01.2023	4.5	6/6	x	x ¹	x ¹	x ¹	x ¹	x
28.02.2023	8	6/6	x	x	x	x	x	x
24.04.2023	7.5	6/6	x	x	x	x	x	x
05.07.2023	3	6/6	x	x	x	x	x	x
05./06.07.2023	15	6/6	x	x	x	x	x	x
15.08.2023	4	6/6	x	x	x	x	x	x
17.10.2023	5.5	5/5	x	x	x	x	x	
14.12.2023	7	5/5	x	x	x	x	x ¹	
Total	54.5							

¹ via Teams video call

* BoD member until 15.08.2023

Board of Directors extraordinary calls

DATE	DURATION IN HOURS	PARTICIPANTS	ROYER	BREITENSTEIN	GERHARZ-KALTE	HUBER	EVERTZ	HADORN*
10.05.2023	0.5	5/6	x	x	x	x		x
26.06.2023	1	5/6	x	x		x	x	x
Total	11							

* BoD member until 15.08.2023

There were the following changes in the Board of Directors and its committees during 2023. Rudolf Hadorn has left the Board of Directors and the Nomination and Compensation Committee as well as the Audit and Corporate Governance Committee. He was succeeded by Philippe Royer.

Only committee members attend the committee meetings rather than the entire Board of Directors.

The Audit and Corporate Governance Committee met three times in 2023. Further details are outlined in the following table:

Audit and Corporate Governance Committee meetings

DATE	DURATION IN HOURS	PARTICIPANTS	ROYER ***	BREITENSTEIN	EVERTZ **	HADORN *
28.02.2023	2.5	3/3	x	x		x
15.08.2023	2	3/3		x	x	x
13.12.2023	4	3/3	x	x	x	
Total	8.5					

* BoD member until 15.08.2023

** AC member from 24.04.2023

*** Non AC member April – August 2023

The Nomination and Compensation Committee met twice in 2023. Further details are outlined in the following table:

Nomination and Compensation Committee meetings

DATE	DURATION IN HOURS	PARTICI- PANTS	ROYER	GERHARZ- KALTE	HUBER	HADORN*	SCHULZ (EC/CEO)	HAUEIS (EC/CHRO)**
27.02.2023	2.5	3/3		x	x	x	x	x
13.12.2023	2.5	3/3	x	x	x			
Total	5							

* BoD member until 15.08.2023

** EC member until 30.11.2023

Board meetings are summoned in writing by the Chairman. An invitation, along with a detailed agenda and documentation, is sent to all participants at least five days ahead of the meeting date.

As a rule, the Chief Executive Officer attends all meetings of the Board of Directors and the Committees. The Chief Financial Officer attends meetings of the Board of Directors and the Audit and Corporate Governance Committee meetings. To ensure that the Board has sufficient information to take decisions, other members of staff or third parties may also be invited to attend on specific topics or general business discussions.

The Board meets quorum if all members have been duly invited and the majority of its members take part in the decision-making process. Members may participate in deliberations and the passing of resolutions by telephone or other suitable electronic media if all participants agree. The Board's decisions are taken based on the votes submitted. In the event of a tie, the Chairman has the casting vote. Decisions may also be made in writing.

Proposals are sent to all members, and they are regarded as passed if the majority of members agree unconditionally and no member insists on discussion of the issues in question within an agreed period of time.

Members of the Board of Directors are obliged to leave meetings when issues are discussed that affect their own interests or the interests of persons close to them.

All proposals and decisions are entered in the minutes to the meeting.

3.5 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Director's main duties are the following:

- Formulate general Group strategies, policies, and the industrial concept of Gurit as a whole.
- Decide on acquisitions, divestments, foundation, or liquidation of subsidiaries and to approve capital investment decisions exceeding CHF 500 000.
- Define the Group's organizational structure and its organizational regulations.
- Define the Group's financing strategy; decide on collective means of financing; to determine accounting, financial control and financial planning policies and their adherence; and to approve the financial statements.
- Appoint or dismiss Group Management members and people entrusted with representation functions.
- Oversee the Sustainability Strategy and its deployment in the Group. Approval of the Annual Sustainability Report.

Apart from this, management is generally delegated to the CEO.

3.6 INFORMATION AND CONTROL PRINCIPLES OF THE EXECUTIVE COMMITTEE

As a rule, Group Management updates the Board of Directors, and especially the Audit and Corporate Governance Committee, on operations and the Group's financial position every month. In addition, the CEO and CFO report back on business and all matters of relevance to the Group at each Board meeting or ad-hoc. Risk management forms an integral part of the Group's conduct of business. A formal risk management review and subsequently an update of the risk profiles is performed by the Business Units and the Executive Committee. The Executive Committee ensures that appropriate measures are taken to mitigate risks. The Board of Directors is informed in the Board of Directors' meetings of the Group's risk profile and mitigating action plans. If the Group is exposed to major new risks, the Chief Executive Officer or his deputy will inform the Chairman of the Board of Directors immediately after he became aware of the risk. Further detail regarding Gurit's Risk Management is provided in the Group Business and Financial Review of this Annual Report.

Every member of the Board of Directors also has the right to ask any member of Group Management for information about matters within his remit, also outside of meetings held.

The Chairman of the Board of Directors is also informed by the Chief Executive Officer about all business and issues of a fundamental nature or of special importance.

4. EXECUTIVE COMMITTEE

On December 31, 2023, Gurit Holding AG's Group Management consisted of the CEO and the CFO as well as four other members of the Executive Committee. The personal details together with other activities and vested interests of the individual members of the Executive Committee are listed below:

4.1 MEMBERS OF THE EXECUTIVE COMMITTEE

MITJA SCHULZ

Chief Executive Officer
Business Administration & Economics, University of Stuttgart
German citizen, 1977



Professional background (main stages)

2002 – 2009	Purchasing Management positions with Porsche AG
2009 – 2015	Purchasing & Supply Chain Management positions with ZF Group, Germany
2016 – 2018	SVP & GM with ZF TRW, USA
2019 – 2020	SVP & CEO of ZF Wind Power Antwerpen NV, Belgium
Since Jan. 4, 2021	CEO, Gurit

PHILIPPE WIRTH

Chief Financial Officer
lic. oec. publ.
Swiss citizen, 1972



Professional background (main stages)

2000 – 2017	Senior Finance Positions and Director of Global Business Transformation Program at METTLER TOLEDO
2017 – 2019	Chief Financial Officer at Crealogix
Since Oct. 21, 2019	Chief Financial Officer, Gurit

BINJIANG CHEN

General Manager BU Manufacturing Solutions (Tooling)

Ph.D. in Ceramic Science and Engineering, Alfred University, Alfred, NY, USA

M.S. in Materials Science, Changchun Inst. of Optics and Fine Mechanics, Changchun, China

US citizen, 1961



Professional background (main stages)

1998 – 2004	Various Management positions in USA and China at Philips Electronics
2004 – 2009	General Manager Metaldyne, Automotive Components Co. Ltd. Suzhou, China
2009 – 2011	General Manager and VP of Asia Pacific, VSG China, Dover Corp.
Since July 1, 2011	General Manager BU Manufacturing Solutions (former BU Tooling)

DANIEL DAHLQVIST

General Manager BU Wind Systems

Degree in Marine Biology and Technical Engineering

Swedish citizen, 1976



Professional background (main stages)

1997 – 2003	Leader, Saab Automobile AB Trollhättan, Sweden
2004 – 2008	Plant Manager, VP Nitatir AB, Hyltebruk, Sweden
2008 – 2019	Director, Cargotec Corporatio, Kalmer, Lidhult, Sweden
2013 – 2018	VP Global Operations & Managing Director, Bromma Ipoh, Malaysia
2019 – 2022	COO Diab International, Helsingborg, Sweden
Since Jan. 2023	General Manager, BU Wind Systems, Gurit

LARS FUGLSANG

General Manager BU Structural Profiles

Ph.D. in Structural Mechanics, Technical University of Denmark

MSc in Mechanical Engineering, Technical University of Denmark

Danish citizen, 1971



Professional background (main stages)

2001 - 2008	Various positions within materials research, blade design, technical sales, LM Wind Power, Denmark
2008 - 2010	Global Research and Design Leader, LM Wind Power, Denmark
2010 - 2011	Vice President & Managing Director, Composites Division, Skykon A/S, Denmark
2011 - 2019	Various Executive Management positions, LM Wind Power, Denmark
2019 - 2021	General Manager and Onshore Supply Chain leader, GE Renewable Energy, Paris, France
2021 – Aug. 2023	CEO, Fiberline Composites A/S, Denmark
Since Aug. 2023	General Manager Gurit BU Structural Profiles

Other important activities and vested interests

East Metal Holding A/S, Kolding, Denmark, Board member

East Metal Trade A/S Kolding, Denmark, Board member

LANCE HILL

General Manager BU Marine & Industrial Materials
 MBA
 British citizen, 1966

**Professional background (main stages)**

1990 – 1996	Sales and Marketing Director RK Carbon Fibers Ltd, UK
1997 – 2001	Sales Director SGL Technic Inc, USA
2002 – 2009	Sales Director SGL Carbon Fibers Ltd, UK
2009 – 2012	Head of Sales Gurit Wind Energy, UK
2013 – 2020	Regional Sales Director Gurit USA Inc, USA
Since May 1, 2020	General Manager Business Unit Marine & Industrial Materials, Gurit

Hannes Haueis, Head of Group Human Resources and EC member, left the company in November 2023. See → www.gurit.com/wp-content/uploads/2023/03/Gurit-AnnualReport-2022-single-pages.pdf for more information.

4.2 STATUTORY NUMBER OF PERMITTED ACTIVITIES

According to paragraph 27 of the Articles of Association, a member of the Executive Committee may hold a maximum of two mandates in listed legal entities outside the Gurit Group. Provided that availability of time of the respective member permits such mandate and the Board of Directors has granted its prior consent thereto.

4.3 MANAGEMENT CONTRACTS

No agreements pertaining to the provision of managerial services exist between Gurit Holding AG and other companies or natural persons outside the Gurit Group.

5. COMPENSATION, SHAREHOLDINGS, AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING COMPENSATION AND SHAREHOLDINGS

The information on compensation, shareholdings and loans regarding members of the Board of Directors and Group Management are presented in the Compensation Report as a separate chapter of this Annual Report on pages 40 to 59.

5.2 STATUTORY PROVISIONS ON COMPENSATION, SHAREHOLDINGS AND LOANS

The statutory provisions on compensation, shareholding and loans are outlined in the paragraphs 19, 20, 21,23, and 27 of the Articles of Association, available on the Gurit website at:

→ www.gurit.com/corporate-governance

5.3 STATUTORY PROVISIONS ON COMPENSATION VOTE BY THE GENERAL MEETING OF SHAREHOLDERS

The statutory provisions on the vote on pay at the general meeting of shareholders are outlined in paragraph 24 of the Articles of Association, available on the Gurit website at:

→ www.gurit.com/corporate-governance

6. SHAREHOLDERS' PARTICIPATION RIGHTS

Details of shareholders' participation rights can be found in the Articles of Association of Gurit Holding AG on the Gurit website at:

→ www.gurit.com/corporate-governance

6.1 VOTING RIGHT RESTRICTIONS AND REPRESENTATION

The Articles of Association contain no restrictions on voting rights. Every share represented at the General Meeting is entitled to one vote. A shareholder may be represented at the General Meeting by the independent proxy holder or by a representative of their choice.

6.2 STATUTORY QUORUM

Unless otherwise determined by law or the Articles of Association, a General Meeting convened in accordance with the Articles of Association meets quorum regardless of the number of shareholders attending or the number of votes represented. To be valid, resolutions require an absolute majority of the votes submitted. In the event of a tie, the Chairman, who is always entitled to vote, makes the casting vote.

Important decisions of the General Meeting, as defined in article 704 paragraph 1 of the Swiss Code of Obligations, require at least two-thirds of the votes present and the absolute majority of the nominal value of the shares represented to pass.

6.3 CONVOCAION OF THE GENERAL MEETING

The ordinary General Meeting takes place annually within six months of the end of the company's fiscal year. Extraordinary General Meetings can be called by decision of the General Meeting, by the Board of Directors, at the request of the auditors or in the case that shareholders representing at least 5% of the company capital or voting rights, submit a request in writing, stating their purpose, to the Board of Directors.

The convocation is announced at least 20 days before the date of the meeting in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt). Registered shareholders are also informed in writing.

6.4 AGENDA

Shareholders representing 0.5% of share capital or voting rights may request items to be included in the agenda.

6.5 ENTRIES IN THE SHARE REGISTER

The names and addresses of owners and beneficiaries of registered shares are entered in the share register. Shareholders and/or beneficiaries of registered shares are entitled to vote if they are already entered in the share register at the time when invitations are sent out to the General Meeting.

7. CHANGES OF CONTROL AND DEFENSE MEASURES

7.1 PUBLIC PURCHASE OFFERS

The threshold at which a shareholder is obliged to make an offer for all Gurit Holding AG's stock pursuant to the applicable provisions of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA, Art. 135 para.1) is 33 $\frac{1}{3}$ % of the voting rights. Gurit has not elected to change or opt out of this rule.

7.2 CLAUSES ON CHANGES OF CONTROL

Gurit Holding AG has no agreements containing clauses of this type.

8. AUDITORS

8.1 DURATION OF MANDATE AND LEAD AUDITOR'S TERM OF OFFICE

If its predecessors are included, PricewaterhouseCoopers AG, Zurich, has been Gurit Holding's statutory auditors since 1984 and Group auditors since 1994.

Rotation of the lead auditor is undertaken every seven years and corresponds to the maximum statutory period for rotation. Thomas Wallmer is the lead auditor since 2021.

8.2 AUDIT FEES

The total sum charged during the year under review by PricewaterhouseCoopers in its capacity as auditor amounted to CHF 541 219 (2022: CHF 635 423). Additional audit fees charged during the year by other audit firms amounted to CHF 75 313 (2022: CHF 61 885).

8.3 ADDITIONAL FEES

Fees for additional services supplied by PricewaterhouseCoopers during the year under review amounted to CHF 11 224 (2022: 93 503). These fees in 2023 related mainly to tax advisory services. The additional fees represent 2% (2022: 15%) of the auditing fees.

FEES IN CHF	2023	2022
PwC audit fees	541 219	635 423
PwC other services fees	11 224	93 503
TOTAL PWC FEES	552 443	728 926

8.4 INFORMATION INSTRUMENTS PERTAINING TO THE EXTERNAL AUDITORS

The supervision and verification of the external audit is exercised by the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee, together with Group Management, evaluates the performance of the auditors and recommends the independent external auditor to the Board of Directors for election by the General Meeting of Shareholders.

The Audit and Corporate Governance Committee approves the audit plans and meets at least once a year with the auditors. The auditors prepare a Report for the Audit and Corporate Governance Committee regarding the findings of the audit, the financial statement, and the internal control. In collaboration with Group Management, the independence of the auditors is evaluated annually. In particular and for this purpose, the worldwide fees of the audit are presented; discrepancies with the estimated costs are analyzed and explained. In the year under review, the auditors participated in all the three meetings of the Audit and Corporate Governance Committee.

9. INFORMATION POLICY

Gurit Holding AG maintains regular contact with the financial community in general and with important investors. This abides with the legally prescribed principles of equal treatment of shareholders with regards to shareholder information. Relevant new facts are published openly and are available to all interested parties.

Gurit Holding AG provides its shareholders with information in the form of the Annual Report and a Half-Year Report. These documents are available on the company website at:

→ www.gurit.com/financial-reports-and-presentations

Important events are published immediately through press releases and/or letters to shareholders (push). To register for the latest financial information from Gurit Holding AG distributed by email, sign up is available at:

→ www.gurit.com/ad-hoc-news-subscription

Shareholders and other interested parties can also obtain information about the Group on the Internet (pull) at
→ www.gurit.com/ad-hoc-releases

Information related to the Annual General Meeting of Shareholders is published on the company website at:
→ www.gurit.com/agm-shareholders

10. GENERAL BLACKOUT PERIODS

Gurit Group individuals are subject to a general blocking period for transactions in Securities of Gurit:

- During the time between **December 31 of each year and one day after the publication of the respective annual results** of Gurit or of the Gurit Group.
- During the time between **June 30 of each year and one day after the publication of the respective semi-annual figures** of Gurit or of the Gurit Group.

This General Blocking Period applies irrespective if the Gurit Group Individuals have access to Insider Information.

Furthermore, the internal Directive of Gurit Holding AG regarding Insider Trading sets out rules for special blocking periods.

The Chairman of the Board of Directors, the Chief Executive Officer or the Chief Financial Officer shall issue a special blocking period, if and as long as Insiders have access to Insider Information.

The person ordering the special blocking period shall appropriately inform the Insiders of the specific dates and the scope of the special blocking period and shall take the necessary measures to ensure the compliance with the blocking period (e.g., establishing lists of Insiders, determination of the communication procedure in case of an information leak, etc.).

11. MATERIAL CHANGES SINCE THE BALANCE SHEET DATE

As communicated in the media release on February 13, 2024, Philippe Wirth, CFO, will leave the company end of March 2024. He will be succeeded by Javier Perez Freije as of May 1, 2024.

Lars Fuglsang, General Manager Business Unit Structural Profiles, has left the company effective February 27, 2024.

COMPENSATION REPORT

This Report describes the principles, policies, and practices as well as the governance and architectural framework of the compensation system for all employees and the members of the Board of Directors of Gurit. This Report discloses information regarding variable, performance-based compensation and fixed, performance-independent compensation.

It also includes the share participation schemes of the members of the Executive Committee and the members of the Board of Directors.

-
- GRI 2-19 Remuneration policies
 - GRI 2-20 Process for determining remuneration
 - GRI 2-21 Annual total compensation ratio

1. COMPENSATION PHILOSOPHY

Gurit's compensation system is designed to align the interests of the Board of Directors, the Executive Committee, additional key managers and all other employees across the whole Group with the goals of the company and its shareholders. Gurit is a globally operating industrial Group in a competitive marketplace. The compensation system is therefore intended to enhance Gurit's ability to recruit and retain a talented and high performing workforce. The system also seeks to motivate Gurit employees at all levels to adopt an entrepreneurial stance; to strive for above-market-average performance, accountability, value creation, and to reward individuals according to pre-defined targets and objectives.

Gurit maintains a compensation system in accordance with the employment practices relevant in the various countries in which the company operates. In the context of Gurit's compensation system, the total compensation for an individual employee generally reflects the required qualifications, the scope and complexity of a person's role, national legal requirements and employment conditions in the relevant countries, the overall business performance, and the person's individual performance.

Gurit is convinced that a well-balanced compensation system, which includes a sound mix of fixed elements as well as performance-related compensation, supports a sustainable business, employee loyalty and entrepreneurship.

2. COMPENSATION REPORTING STANDARDS

Unless otherwise indicated, all information disclosed in this Report refers to the fiscal year ending on December 31, 2023. This Report follows articles 734-734f of the Swiss Code of Obligations and the Swiss Code of Best Practice for Corporate Governance published by *economiesuisse*. It also complies with chapter 5 of the Annex to SIX Swiss Exchange's Directive on information relating to Corporate Governance and the Swiss Code of Obligations. In addition, the compensation system is coherent with Gurit's Code of Conduct, which establishes comprehensive guidance of business principles applicable throughout the Group.

3. COMPENSATION GOVERNANCE

RESPONSIBILITIES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting approves all compensation paid to the members of the Board of Directors as a Group prospectively for the period from the date of the ordinary Annual General Meeting until the next ordinary Annual General Meeting.

It furthermore approves the maximum fixed compensation paid to the members of the Executive Committee for the period from July 1 following the date of the ordinary Annual General Meeting to June 30 the year after, as well as the maximum variable compensation paid to the same employees for the period from January 1 to December 31 of the year in which the Annual General Meeting takes place (see graphic "Compensation Vote at the AGM").

COMPENSATION VOTE AT THE AGM



RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is ultimately responsible for the compensation system and the formulation of the proposals to the Annual General Meeting regarding compensation.

RESPONSIBILITIES OF THE NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee (NCC) is responsible for the design and maintenance of the compensation systems for members of the Board of Directors, the Executive Committee, and all other Gurit employees.

The Nomination and Compensation Committee proposes the fixed compensation (in cash, benefits, and shares) for members of the Board of Directors, the CEO and the other members of the Executive Committee to the Board of Directors and the ordinary Annual General Meeting of Shareholders.

The Nomination and Compensation Committee reviews the allocation of shares to Gurit employees under the Share Participation Plan for Management.

The Nomination and Compensation Committee furthermore reviews the Executive Committee's proposals regarding Group- or Business Unit-related performance objectives for the Group-wide bonus plan. It also reviews the resulting bonus payments within the limits approved by the ordinary Annual General Meeting of Shareholders, based on target achievement ratios as calculated by the CFO.

The Committee reserves the right to propose amendments to the Group or Business Unit performance targets and the required achievement levels to take major changes in the economic environment into consideration.

Furthermore, the Articles of Association define the additional responsibilities of the Nomination and Compensation Committee.

RESPONSIBILITIES OF THE CEO

The CEO proposes the compensation for the members of the Executive Committee to the Nomination and Compensation Committee.

RESPONSIBILITIES OF THE EXECUTIVE COMPENSATION COMMITTEE

The Business Unit managers and the CEO approve the objectives of the Performance Incentive Schemes for production and sales employees and the evaluation of the achievement of these objectives.

Furthermore, the Executive Compensation Committee (ECC) is composed of CEO, CFO and Head of Group HR and proposes the Group or Business Unit performance-related objectives for the Performance Incentive Scheme for other employees to the Nomination and Compensation Committee. The compensation governance can be summarized as shown in the table "Overview Compensation Governance".

OVERVIEW COMPENSATION GOVERNANCE

RECIPIENT	COMPENSATION SYSTEM DESIGN	BONUS PLAN OBJECTIVES	COMPENSATION PROPOSAL
Production employees	NCC BoD	Line Mgr BU Mgr and CEO	Line Mgr BU Mgr and CEO
Sales employees	NCC BoD	Line Mgr BU Mgr and CEO	Line Mgr BU Mgr ECC
Share Plan Participants	NCC BoD	NCC BoD	ECC NCC and BoD AGM for EC
Senior Management and other employees	NCC BoD	ECC NCC BoD	Line Mgr BU Mgr ECC
Members of the Executive Committee	NCC BoD	CEO NCC BoD	CEO NCC and BoD AGM
CEO	NCC BoD	NCC BoD	NCC BoD AGM
BoD members	NCC BoD	n.a.	NCC BoD AGM

Body which recommends

Body which decides (reviews EC relevant governance elements)

Body which approves

NCC = Nomination and Compensation Committee; BoD = Board of Directors; AGM = Annual General Meeting; EC = Executive Committee;

ECC = Executive Compensation Committee (CEO, CFO and Group HR); Mgr = Managers

To ensure market competitive compensation, Gurit benchmarks the Board of Directors and the Executive Management compensation with 12 comparable Swiss-based industry companies also listed on the SIX Swiss Exchange's Swiss Performance Index (SPI).

Some of the companies included in the benchmark are: Rieter Holding AG, Burckhardt Compression AG; Feintool International Holding AG, Interroll Holding AG, Huber & Suhner AG, Belimo Holding AG, Bossard Holding AG, CPH Chemie + Papier Holding AG, Kardex Holding AG, Komax Holding AG, Phoenix Mecano AG, Schweizer Technologies AG.

In addition, Gurit collaborates with an international consultancy firm which supports Gurit in benchmarking the compensation system and salary levels in comparison to industry standards relative to the respective countries, regions, and skill levels. This collaboration aims to increase transparency, to ensure appropriateness of Senior Management compensation and to further improve the company's career development paths.

4. COMPENSATION POLICY AND KEY ELEMENTS

The total compensation for most Gurit employees consists of a fixed salary component and a variable, performance-related bonus element. These two elements together form the target market salary for a given position.

4.1 FIXED SALARY COMPONENTS

The fixed compensation elements at Gurit consist of the following elements:

- Fixed cash compensation (base salary).
- Pension plans and social security cost according to the applicable jurisdiction of the respective employee.
- Fringe benefits such as company car and parking allowances for certain employees.
- A share-based compensation for the members of the Board of Directors. These shares are subject to a blocking period of three years from the date of the grant. During the blocking period the members of the Board of Directors cannot sell the shares. The shares are considered at the value of the date they are granted.

The fixed cash compensation is reviewed annually, considering inflation and the situation of the employment markets in the countries where the respective employees are employed, as well as individual performance and changes in responsibilities.

	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	SENIOR MANAGERS	OTHER EMPLOYEES	SALES	PRODUCTION EMPLOYEES
Variable performance related salary components		Gurit Share Participation Plan (6)				
		Gurit Performance Incentive Scheme (5.3)			Gurit Sales Incentive Scheme (5.2)	Shop Floor Bonus (5.1)
Fixed salary components	Fixed granted shares					
	Fixed cash	Fixed cash (base salary)				

4.2 PERFORMANCE-RELATED VARIABLE SALARY COMPONENTS

The variable compensation elements of Gurit's compensation system consist of the following:

- Cash payments as defined by Gurit's Remuneration Policy.
- Gurit's Share Participation Plan for Management (SPPM).
- In exceptional cases: an extraordinary bonus (not for the CEO or members of the Executive Committee).

5. CASH-BASED PERFORMANCE INCENTIVE SCHEMES

Gurit's cash-based Performance Incentive Scheme defines performance-related payments and covers all Gurit employees. It is essentially made up of the following three elements:

5.1 PERFORMANCE INCENTIVE SCHEME FOR PRODUCTION EMPLOYEES

As defined by the Performance Incentive Scheme, for those sites participating on the Gurit Shop Floor program for production employees (Shop Floor Bonus), the cash bonus of production staff can range from 0% to 5% of a person's fixed annual salary at target goal achievement. If the target is outperformed, it can reach a maximum of 8%. The objectives for this bonus are defined at site level by the site management and approved by the respective Business Unit manager and the CEO. The key performance indicators (KPI's) include objectives for health and safety, quality, productivity, and individual attendance. The achievement of these objectives is assessed with all operations employees four times per year, or in certain cases monthly, and the bonus is generally paid on a quarterly basis, reflecting the need for operational flexibility. The bonus payments are calculated by the local site management and approved by the respective Business Unit manager and the CEO.

5.2 PERFORMANCE INCENTIVE SCHEME FOR SALES EMPLOYEES

As defined by the Performance Incentive Scheme for sales employees (Sales Incentive Scheme), the cash bonus of sales employees can range up to 50% of a person's fixed salary of which 70% are linked to the achievement of the sales budget and 30% to the achievement of individual quantitative objectives (account receivable overdue). The sales targets are defined in the context of the Group's budgeting process and are approved in their entirety as part of the Group's budget by the Executive Committee and the Board of Directors. The individual targets are set and evaluated by the line manager of the respective sales employee and approved by the Business Unit manager.

5.3 PERFORMANCE INCENTIVE SCHEME FOR OTHER EMPLOYEES

As defined by the Performance Incentive Scheme for those employees participating on the Gurit Performance Incentive Scheme, the cash bonus for all other employees consists of a general performance element related to the relevant Business Unit, Sub-Unit or the total Group.

The total bonus achievable for an employee under this scheme may vary between a maximum of 8% and a maximum of 90% of the respective fixed salary, depending on the employee's level of responsibility:

- CEO: up to 90% of the annual base salary
- Executive Committee members: up to 50% of the annual base salary
- Managers or senior staff members: up to 15% or 30% of the annual base salary, depending on the management level
- Other employees: up to 8% of the base salary

In the Structural Profiles Business Unit (part of segment composite materials), the achievable bonus for the Business Unit manager is up to 75% of the respective fixed salary. For employees who participate in the bonus program at Structural Profiles, the bonus can amount to up to 2 months' salary, provided that the financial targets are achieved.

5.3.1 BUSINESS UNIT, SUB-UNIT, AND GROUP GENERAL PERFORMANCE BONUS COMPONENT

The Business Unit, Sub-Unit, and Group general performance bonus goals are defined annually typically considering all the following KPI's or the Operation profit only: 1) Net sales (30% weight), 2) Operating profit (30% weight) and 3) Free cash flow (40% weight) per Business Unit / Sub-Unit or Group. The KPI's for the manufacturing sites are 70% based on the days sales of inventory (DSI) and 30% on Safety (Lost Time Accident Ratio).

The respective minimum objective levels, target levels and cap levels are proposed by the ECC, reviewed by the Nomination and Compensation Committee, and approved by the Board of Directors.

At the end of the fiscal year, the Business Unit, Sub-Unit, and Group general performance bonus achievements are calculated by the CFO and proposed by the Nomination and Compensation Committee for approval to the Board of Directors. Bonus payment starts with the achievement of the minimum objective level, increases linearly to a 66.7% payout (of the maximum bonus) at achievement of the target level and then rises again linearly up to the maximum payout at achievement of the cap level. During the year 2023, the minimum levels of objectives achievement were in general between 8% and 30% below the target levels, and the cap levels exceeded the target levels of objectives achievement in general by between 8% and 30%. No bonus is paid if the minimum objective level has not been achieved.

With effect as of 2024 financial year, to strengthen the Group's focus on the importance of sustainability, the Board of Directors has amended the Short Term Incentive program (STI) by adding the following Environmental Social Governance (ESG) target criteria:

- Environmental KPI: related to scope 1 tCo2/MCHF sales intensity (direct greenhouse gas emissions from operations) and scope 2 tCo2/MCHF sales intensity (greenhouse gas emissions from purchased electricity, excluding renewable electricity).
- Health and safety KPI: related to lost time accident rate (LTAR).

The ESG targets apply to the remuneration of all Gurit employees subject to STI program worldwide, and are weighted between 10% at Group and Business Unit level (5%LTAR/5%Environmental) and 30% at Site level (20% LTAR/10% Environmental).

5.3.2 INDIVIDUAL BONUS COMPONENT

The fulfillment level of the factory-related objectives is assessed on an annual basis by the line manager, based on objectives and targets defined in the first quarter of each business year. The site bonus element represents 40% of the total maximum bonus as shown in the table "Summary Bonus Components".

Bonuses under the Performance Incentive Scheme are paid out, directly after publication of the annual results.

5.3.3 LIMITED INDIVIDUAL BONUS FOR SPECIAL ACHIEVEMENTS

In exceptional cases some limited, individual bonuses for special achievements may be granted. Upon proposal by the respective superior, the ECC may approve the granting of such special bonuses. Such limited, individual bonuses may not be granted to the CEO and the other members of the Executive Committee.

BONUS CATEGORIES

RECIPIENT	GROUP FINANCIAL GOALS	BUSINESS UNIT OR SUB-UNIT FINANCIAL GOALS	SUBTOTAL OF FINANCIAL GOALS	SITE OBJECTIVES	TOTAL BONUS
CEO	100%	–	100%	–	100%
Business Unit* / Sub-Unit manager	30%	70%	100%	–	100%
CFO & Corporate Functions	100%	–	100%	–	100%
Business Unit Functions	20%	40%	60%	40%	100%

* In the BU Structural Profiles (part of segment composite materials), the bonus category for the Business Unit manager is measured as follows: 60% related to BU financial goals and operational quantitative business targets.

6. SHARE-BASED COMPENSATION FOR SELECTED CATEGORIES OF MANAGEMENT

The Group's Share Participation Plan for Management (SPPM) aims at providing to the Executive Committee and the next level of management a part of their performance-related compensation in the form of Gurit bearer shares, to build their long-term commitment to Gurit and to align their interests with the interests of Gurit shareholders. The share-based compensation amount of the various management levels is determined every year by the Nomination and Compensation Committee and approved by the Board of Directors. It does not form part of the employment contract. The shares granted under this plan are blocked for a period of three years, during which the employee cannot sell the shares.

Shares granted under this plan form part of the variable compensation, as the number of shares granted is subject to the achievement of the following main performance criteria:

- a) Market environment, includes:
 - Market demand development
 - Competitive situation
 - Main cost factor impacts
 - Statutory environment
 - Currency swings
- b) Strategy deployment, includes:
 - Group strategy deployment and achievement
- c) Prospective cash development and financial results relative to competition:
 - Prospective cash development
 - Results in perspective to competition

The level to which these criteria are achieved is assessed early in the year following the year under review by the Nomination and Compensation Committee. Depending on the level of achievement, the number of shares granted varies between 0% and 150% of the target number of shares fixed for each level of management as follows:

Share-based compensation at 100% target achievement:

- CEO: 2 000 shares
- Executive Committee members: 500 shares
- Managers or senior staff members: between 100 and 300 shares, depending on the management level

The shares are blocked for a period of three years and are transferred to the participant's share plan some 15-20 days after the Annual Result media release. Therefore, the closing price on the day on which the shares are actually transferred might vary from the closing price on the day (allocation day) on which the total number of shares was determined and allocated by the Nomination and Compensation Committee and approved by the Board of Directors. This might deviate from the maximum amount of share-based compensation if the share price has increased in the period between these dates.

6.1 TREATMENT OF JOINERS AND LEAVERS

If a participant joins or leaves the LTI plan during the course of a bonus period, the LTI shares to be effectively allocated to such participant will be calculated on a pro rata basis unless the Board of Directors decides otherwise.

In the event that the participant is dismissed for cause or poor performance, the company has the right to reduce or withdraw any LTI share granted with respects to such participants.

7. COMPENSATION FOR MEMBERS OF THE EXECUTIVE COMMITTEE AND THE BOARD OF DIRECTORS

7.1 CEO

The fixed compensation for the CEO (base salary) is based on what the Nomination and Compensation Committee assessed and benchmarked as the industry standard for comparable, listed Swiss industrial companies of a similar size in terms of net sales (around CHF 500 million) and complexity, based on the Nomination and Compensation Committee's members' experience as well as on collaboration with an international consultancy company which supports Gurit in benchmark compensation and salary levels (as indicated on page 44).

The CEO benefits from a pension scheme of which half of the premiums are financed by him. The part financed by Gurit is disclosed as part of the other compensation in article 8 of this Report.

The CEO is entitled to performance-related cash compensation according to the Performance Incentive Scheme described above. He/she is entitled to a performance-related cash bonus payment of a maximum of 90% of her/his base salary. 100% of the performance-related bonus depends on the achievement of the general Group Performance Bonus components, set by the Nomination and Compensation Committee and approved by the Board of Directors. These targets include an ESG (sustainability) component.

The CEO is entitled to receive shares as part of the Group's Share Participation Plan for Management (SPPM). The amount of shares granted will vary between 0 and 3 000 shares per annum. The total variable compensation (shares and cash bonus) is capped and is not to exceed 65% of the CEO's total compensation.

7.2 OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

The fixed compensation for the other members of the Executive Committee (base salary) is based on the market and employment conditions in the relevant country as gathered from various sources; it also reflects the individual qualifications and requirements needed for the specific position.

A supplementary pension scheme exists for certain members of the Executive Committee according to the practices of the countries in which the person is employed. Half of the pension premiums are financed by the members themselves. The part financed by Gurit is disclosed as part of the other compensation in article 8 of this Report.

The other members of the Executive Committee are also entitled to shares granted according to the Group's Share Participation Plan for Management (SPPM). The granting of such shares is subject to certain performance criteria as described above under article 6 and is considered part of the variable compensation.

The other members of the Executive Committee are furthermore entitled to a performance-related cash compensation based on the Performance Incentive Scheme described above. As such, they are entitled to a performance-related cash bonus of a maximum of 50% of their base salary. 20% to 30% of their bonus depends on the achievement of the Group financial KPI's, reviewed by the Nomination and Compensation Committee and approved by the Board of Directors. The remaining 40% to 70% depend on the achievement of the Business Unit and Group bonus components. The total variable compensation for other members of the Executive Committee (shares and cash bonus) is capped at 65% of the total compensation.

ESG targets as described in chapter 5.3.1 and applicable from 2024 are also directly included as part of the STI for all Executive Committee members.

7.3 MEMBERS OF THE BOARD OF DIRECTORS

The fixed compensation for the members of the Board of Directors is based on what has been assessed by the Nomination and Compensation Committee as the industry standard for comparable, listed Swiss industrial companies of a similar size in terms of net sales (around CHF 500 million) and complexity, based on the Nomination and Compensation Committee's members' experience. It includes an element of fixed cash compensation and an element of fixed share-based compensation (as indicated on pp. 45).

A performance-based incentive scheme does not exist for the members of the Board of Directors.

7.4 BOARD AND EXECUTIVE SHAREHOLDINGS

IN NUMBER OF SHARES	AUDITED	2023
	REGISTERED SHARES HELD AT YEAR-END	REGISTERED SHARES ALLOCATED DURING THE YEAR
Philippe Royer (Chairman since August 16, 2023, member before)	750	
Rudolf Hadorn (Chairman until August 15, 2023, member)	4 000	
Stefan Breitenstein (member)	2 660	
Andreas Evertz (member)	–	
Bettina Gerharz-Kalte (member)	750	
Nick Huber (member)	5 260	
TOTAL BOARD OF DIRECTORS	13 420	
Mitja Schulz (CEO)	2 400	
Bing Chen (member)	2 160	
Daniel Dahlqvist (member)	–	
Lars Fuglsang (member)	–	
Hannes Haueis (member until November 30, 2023)	1 500	
Lance Hill (member)	460	
Philippe Wirth (member)	1 000	
TOTAL EXECUTIVE COMMITTEE	7 520	
TOTAL MANAGEMENT PARTICIPATION	20 940	

8. MANAGEMENT COMPENSATION 2023/2022

The following tables show the compensation for the Board of Directors and the Executive Committee in 2023 and 2022. Fixed other compensation includes pension contributions and social benefits relating to the fixed compensation. Variable compensation contains the accrued variable compensation (including related accrued social benefits), which are paid out in the calendar year following the calendar year under review.

MANAGEMENT COMPENSATION 2023

IN CHF 1000	AUDITED					2023
	FIXED CASH COM- PENSATION	FIXED SHARE-BASED COM- PENSATION	FIXED OTHER COM- PENSATION	VARIABLE CASH COM- PENSATION	VARIABLE SHARE-BASED COM- PENSATION	TOTAL COM- PENSATION
Board of Directors						
Philippe Royer (Chairman since August 16, 2023)	144	26	27	–	–	197
Rudolf Hadorn (Chairman until August 15, 2023)	156	24	22	–	–	202
Stefan Breitenstein (member)	80	19	15	–	–	114
Andreas Evertz (member)	80	19	–	–	–	99
Bettina Gerharz-Kalte (member)	80	19	–	–	–	99
Nick Huber (member)	80	19	15	–	–	114
Total Board of Directors	620	126	79	–	–	825
	75%	15%	10%	–	–	100%
Executive Committee*						
Mitja Schulz (CEO)	500	–	95	400	151	1 146
Other members	1 894	–	312	643	156	3 005
Total Executive Committee	2 394	–	407	1 043	307	4 151
	58%	–	10%	25%	7%	100%
Total Management compensation	3 014	–	486	1 043	307	4 976
Percentage of total compensation	61%	–	10%	21%	6%	100%

* The annual average number of Executive Committee members in 2023 was 7,3

** For one member who stepped down from the Executive Committee in 2022, his pro-rata compensation is included from the date he stepped down from the Executive Committee to 31 May 2023

The amount of the share-based compensation for 2023 was calculated based on a share price of CHF 76 per share. This corresponds to the average closing share price in January 2024. Due to the share price fluctuation, the effective settlement value may be higher or lower on the settlement date in March 2024. In 2022, the share-based compensation was calculated based on a share price of CHF 100 (this share price corresponds to the single registered share structure introduced at the the Ordinary Annual General Meeting of Shareholders in April 2023), based on the average closing share price in January 2023.

MANAGEMENT COMPENSATION 2022

IN CHF 1000	AUDITED					2022
	FIXED CASH COM- PENSATION	FIXED SHARE-BASED COM- PENSATION	FIXED OTHER COM- PENSATION	VARIABLE CASH COM- PENSATION	VARIABLE SHARE-BASED COM- PENSATION	TOTAL COM- PENSATION
Board of Directors						
Rudolf Hadorn (Chairman)	250	–	33	–	–	283
Stefan Breitenstein (member)	80	–	11	–	–	91
Andreas Evertz (member)	80	–	–	–	–	80
Bettina Gerharz-Kalte (member)	80	–	–	–	–	80
Nick Huber (member)	80	–	11	–	–	91
Philippe Royer (member)	80	–	11	–	–	91
Total Board of Directors	650	–	66	–	–	716
	91%	–	9%	–	–	100%
Executive Committee*						
Mitja Schulz (CEO)	500	–	97	89	–	686
Other members	1 845	–	344	361	–	2 550
Total Executive Committee	2 345	–	441	450	–	3 236
	72%	–	14%	14%	–	100%
Total Management compensation	2 995	–	507	450	–	3 952
Percentage of total compensation	76%	–	13%	11%	–	100%

* The annual average number of Executive Committee members in 2022 was 7.5

The Total Management Compensation 2023 is 25% higher than 2022. This is mainly related to the achievement of the Group performance targets and the decision to award the Group's Share Participation Plan for Management (SPPM) in 2023. Details are disclosed on page 53.

In 2023 the Group was able to achieve or even exceed its budgeted targets, defined as per prevailing market conditions. As a result, bonus has been paid out for all bonus criteria, which was not the case in the previous year.

The variable cash compensation (financial achievement combined) was higher by 125% in 2023 as compared to 2022.

In 2023, the total performance-related compensation for the members of the Executive Committee varied from 0% to 136% (2022: 0% to 30%) of the individual total compensation.

On August 25, 2023, Gurit entered into a consultancy agreement with Rudolf Hadorn, a former Director of the company, to provide consulting services. During the year 2023, so far no services were taken and therefore there was no charge.

There were no other transactions with current or former members of the Board of Directors or the Executive Committee (or parties closely linked to them) which relate to their former activities as member of these Corporate bodies.

No loans, securities, advances, or credits were granted to members of the Board of Directors or the Executive Committee (or parties closely linked to them). There are no options issued on Gurit bearer shares on December 31, 2023, in the context of a participation program.

9. MANAGEMENT COMPENSATION COMPARED TO AMOUNTS APPROVED BY THE ANNUAL GENERAL MEETING

The below table provides a comparison of the actual compensation amounts in the reporting year to the respective amounts approved by the Annual General Meeting.

AUDITED	FIXED COMPENSATION BOARD OF DIRECTORS APRIL 19, 2023 - APRIL 18, 2024		FIXED COMPENSATION EXECUTIVE COMMITTEE JULY 1, 2022 - JUNE 30, 2023		VARIABLE COMPENSATION EXECUTIVE COMMITTEE JANUARY 1, 2023 - DECEMBER 31, 2023	
	APPROVED MAXIMUM	ACTUAL	APPROVED MAXIMUM	ACTUAL	APPROVED MAXIMUM	ACTUAL
Cash, in CHF 1 000	650	620	2 600	2 326	1 437	965
Number of shares	1 750	1 657	–	–	6 750	3 720
Shares value at current price in CHF 1 000	175	126	–	–	675	372
Social security and pension in CHF 1 000	95	79	650	422	199	103
TOTAL	920	825	3 250	2 748	2 311	1 440

10. FUNCTIONS HELD BY MEMBERS OF THE BoD AND MEMBERS OF THE EC IN OTHER COMPANIES

In accordance with Art. 734e of the Swiss Code of Obligations, the table below lists the mandates as Board members or managers in other companies of the Board and EC members.

NAME	INTERESTS AND MANDATES	AUDITED
BOARD OF DIRECTORS		
STEFAN BREITENSTEIN		
<p>Other important activities and vested interests</p>	<p>EPIC Suisse AG, Zürich, Chairman of the Nomination and Remuneration Committee Brink's International Holdings AG, Zug, Vice-Chairman of the Board Brink's Schweiz AG, Kloten, Board Member MAN Truck & Bus Schweiz AG, Otelfingen, Board Member Kar-Tess Holding Sàrl, Luxembourg, Board Member The A.G. Leventis Foundation, Vaduz, Liechtenstein, Foundation Board Member Vorwerk International AG, Wollerau, Chairman of the Board Julius Bar Family Office & Trust AG, Zurich, Chairman of the Board Alpheus Administration Services AG, Zurich, Chairman of the Board Bata Schuh Stiftung, St. Moritz, Foundation Board Member Bata Stiftung, Vaduz, Liechtenstein, Foundation Board Member Pariter Services AG, Zurich, Chairman of the Board Schroder Stiftung, Zurich, Chairman of the Foundation Board Tegro AG, Schwerzenbach, Board Member Truad Verwaltungs AG, Zurich, Chairman of the Board</p>	
<p>As part of his legal and trust practice, Mr Breitenstein holds the following additional board functions:</p>	<p>L&S Trust Services SA, Geneva, Zurich, Vice Chairman of the Board Anderson & Sheppard Holdings Limited, Isle of Man, Board Member Coleen Trust Services Ltd., St. Vincent, Chairman of the Board Compass Holdco Limited, Bermuda, Board Member Dena Capital Holdings Inc., BVI, Board Member Halliburton Anstalt, Vaduz, Liechtenstein, Board Member Halliburton Industries AG, Vaduz, Liechtenstein, Board Member Honor Trustees Limited, Guernsey, Board Member Ildesheim Family Foundation, Vaduz, Liechtenstein, Foundation Board Member Redan Capital Ltd., BVI, Board Member SAGEN (BVI) Ltd., BVI, Board Member Sagen International Ltd., BVI, Board Member Sarsura Directors Limited, Guernsey, Board Member Shuttlecock Holdings Ltd., BVI, Board Member Stamag Trustee Company Ltd., UK, Board Member Sunciera Holdings Corp., Panama, Board Member Tzohar Foundation, Vaduz, Liechtenstein, Foundation Board Member</p>	

NAME	INTERESTS AND MANDATES	AUDITED
PHILIPPE ROYER		
Other important activities and vested interests	Philippe Royer Consulting Services, Genolier, Switzerland, Owner	
ANDREAS EVERTZ		
Other important activities and vested interests	ProXES GmbH, Board Member VDMA Power Transmission Engineering Association, Board Member Hannover Messe, Member of the Exhibitor Advisory Board	
NICK HUBER		
Other important activities and vested interests	COLTENE Holding AG, Altstätten, Switzerland, Chairman of the Board of Directors, SFS Group AG, Heerbrugg, Switzerland, Member of the Board of Directors Huwa Finanz- und Beteiligungs AG, Heerbrugg, Switzerland, Member of the Board of Directors DGS Druckguss Systeme AG, St. Gallen, Switzerland, Member of the Board of Directors stürmsfs ag, Goldach, Switzerland, Member of the Board of Directors Inventx AG, Chur, Switzerland, Member of the Board of Directors Inhaus Handels GmbH, Hohenems, Austria, Member of the Board of Directors Rauch Schweiz AG und Rauch Trading AG, Widnau, Switzerland, Member of the Board of Directors Mettler Entwickler AG, St. Gallen, Switzerland, Member of the Board of Directors	
RUDOLF HADORN		
Other important activities and vested interests	Owner of Hadorn Industries AG, Kilchberg, Switzerland Chairman and co-owner of Helvetika Industriebeteiligungen AG, Thalwil, Switzerland	
EXECUTIVE COMMITTEE		
LARS FUGLSANG		
Other important activities and vested interests	East Metal Holding A/S, Kolding, Denmark, Board Member East Metal Trade A/S Kolding, Denmark, Board Member	

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF GURIT HOLDING AG WATTWIL

REPORT ON THE AUDIT OF THE COMPENSATION REPORT

OPINION

We have audited the Compensation Report of Gurit Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 52 to 57 of the Compensation Report.

In our opinion, the information pursuant to article 734a-734f CO in the Compensation Report (pages 41 to 57) complies with Swiss law and the Company's articles of incorporation.

BASIS FOR OPINION

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the Compensation Report section of our Report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the tables marked 'audited' in the Compensation Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE COMPENSATION REPORT

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE COMPENSATION REPORT

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Corinne Lüthy
Licensed audit expert



Zurich, February 29, 2024

SUSTAINABILITY REPORT

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This Sustainability Report is an integral part of the Gurit Annual Report 2023
which can be downloaded at → www.gurit.com/financial-reports-and-presentations



SPONGE CITIES

Sponge cities, which use nature rather than concrete to slow down heavy rain, are helping countries around the world tackle urban flooding. The "sponge city" concept proposes that nature can act as a giant sponge to absorb flood water and channel it under the ground. As the planet warms, intense rainfall and flash flooding is predicted to significantly increase. The spongier a city is, the more resilient it will be in the face of those threats. Read more: → www.bbc.com/future/article/20220823-how-auckland-worlds-most-spongy-city-tackles-floods

ACHIEVING YEAR-ON-YEAR PROGRESS



FOREWORD BY
MITJA SCHULZ
CEO

We are proud to report significant progress across all areas of sustainability this year, validated by the year-on-year improvement in our external sustainability ratings. This progress wouldn't be possible without the Gurit teams working diligently around the world on either site initiatives or on cross-border, cross-functional projects.

This Report is full of examples of how our people are making tangible change which has led to us achieving, among other things, our safety target of LTAR <3.0, 33% reduction of waste sent to landfill since 2020, 22% reduction in scope 1 greenhouse gas emissions since 2020, and 82% of our sites were involved in at least one local community project over the last 12 months.

This year we wanted to recognize the efforts and commitment of our teams, so we launched the Gurit Sustainability Awards, with Resource Utilization and Local Community categories. Our staff voted for their favorite projects, and we celebrated the winners at the start of 2024. We hope this inspires further action across our teams so we can continue the work to achieve our longer-term goals, which are outlined in the first chapter of our Report.

Our teams do not work in isolation. Working collaboratively within our industry – with customers, suppliers, industry associations and research bodies – is becoming increasingly important as efforts to address circularity and end-of-life start to take center stage. We accept this is a long-term goal and continue to engage with research projects and look for new opportunities to bring our practical technical expertise and materials knowledge to the table.

As seen in this Report, our workstreams have this year strengthened our management systems, tools, and policies, ensuring that we build efficiency and greater accuracy into our data collection, that we are all working in a common way towards common goals, with transparency and two-way communication playing a central role. To support this, we launched the Report-a-Concern platform which gives all stakeholders a channel to anonymously report suspected misconduct or wrongdoing without fear of reprisal.

Gurit reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this Sustainability Report 2023, we describe what we're doing to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

This year our sustainability effort was recognized by several rating organizations: we received a Gold Award from EcoVadis, placing us in the top 5% of companies rated by them; and MSCI awarded us an A rating, putting Gurit within the top tier of the specialty chemicals sector.

These recognitions highlight the sustainability activities of all our employees and trading partners, and I would like to thank them all for their continued dedication to ensure that Gurit makes a positive impact on our planet and people.

Yours sincerely,



Mitja Schulz, CEO

Zurich, February 2024

WE SUPPORT



VISION, MISSION, VALUES

Our vision

WITH PASSION FOR A SUSTAINABLE FUTURE

Our mission is in wind energy and lightweighting.

We are a system partner for wind energy customers globally, with focus on the wind turbine blade. With our unique offerings and in-depth understanding of the value chain we help to increase wind energy competitiveness and promote its sustainable growth. For lightweighting applications we use our knowledge and expertise to provide high-performance materials and engineering.

- GRI 2-1 Organizational details
- GRI 2-6 Activities, value chain and other business relationships
- GRI 2-23 Policy commitments

**SAFETY
FIRST**

SUSTAINABILITY

**CUSTOMER
FOCUS**

INNOVATION

**SUCCESSFUL
TOGETHER**

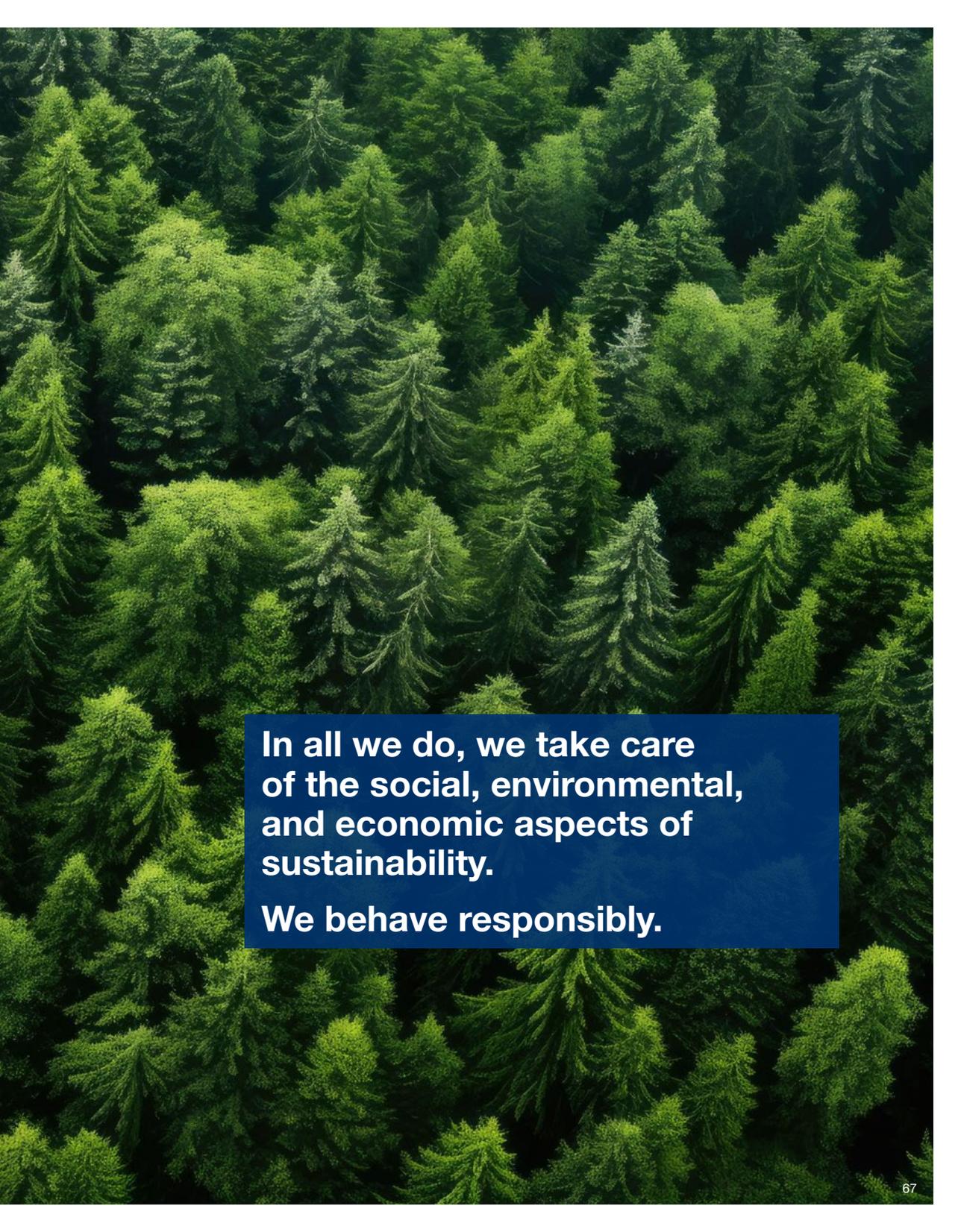
**COST
LEADERSHIP**

OUR VALUES

More information: → www.gurit.com/vision-and-mission

#GuritCares

Our Sustainability Strategy & Targets

An aerial photograph of a dense forest of tall evergreen trees, likely spruce or fir, with a rich green canopy. The trees are packed closely together, creating a textured, layered appearance. The lighting is bright, highlighting the vibrant green of the needles.

**In all we do, we take care
of the social, environmental,
and economic aspects of
sustainability.
We behave responsibly.**

THE SUSTAINABILITY STRATEGY OF GURIT

In line with Gurit's vision "with passion for a sustainable future" the company has organized its sustainability ambitions and actions into five pillars: safety first, environment, social responsibility, good governance and economic performance.

Sustainable Gurit: five pillars



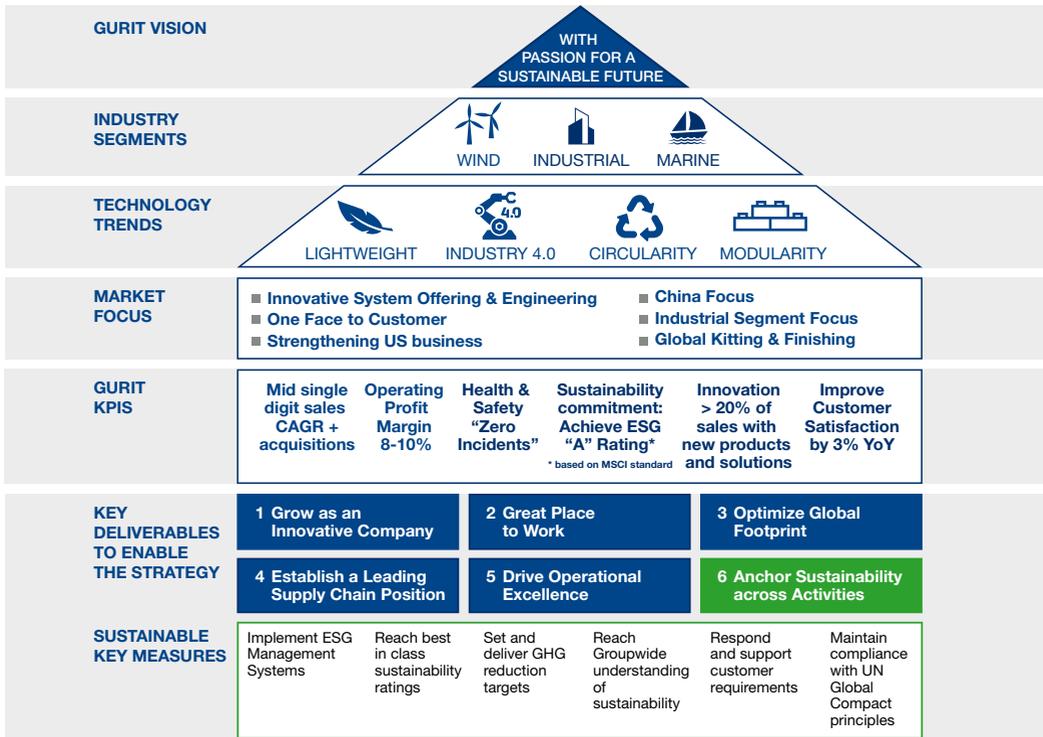
We consider our sustainability strategy as a prioritized set of actions within our business purpose, vision and mission. We have set up a framework that allows us to have meaningful engagements with internal and external stakeholders and concentrate our resources and investments in the most effective way, addressing the topics identified as material with the main goal of ensuring a long-term sustainable business.

We are committed to achieving sustainability targets within our own operations as well as supporting our customers to meet their targets: for example, in terms of reductions of greenhouse gas emissions, waste and electricity consumption.

Consequently, sustainability is an integral part of Gurit's long-term strategy.

➤ GRI 2-22 Statement on sustainable development strategy

➤ GRI 2-24 Embedding policy commitments



Sustainability is fully embedded in Gurit's long term business strategy

HOW WE IMPLEMENT AND MANAGE OUR STRATEGY

We have set up cross-functional workstreams, who work across the business units and support sites and the line organization with the implementation of sustainability initiatives and actions. The workstreams are coordinated by a corporate sustainability team that also takes care of reporting. With the help of this sustainability organization, Gurit engages many staff members across the business in meaningful action and receives timely feedback on relevance and materiality.

The Sustainability Policy and several related specific policies and guidelines define our approach to the management of sustainability-related topics. The following are among the related policies and guidelines (**bold denotes new in 2023**):

- Code of Conduct (updated 2023)
- Environmental Policy
- Water Management Guidelines
- Social Policy Statement
- Supplier Code of Conduct (updated 2023)
- Chemical Safety Policy
- Anti-Corruption and Bribery Guidelines
- Modern Slavery Statement (updated 2023)
- Sustainability Strategy and Policy
- **Anti-trust and Fair competition Guidelines**
- **Waste Management Guidelines**
- **Hazardous Chemical Management Policy**
- **Gurit Report-a-Concern Policy**
- **Conflict Minerals Policy**



STRATEGY, MGMT SYSTEMS, POLICIES, DUE DILIGENCE

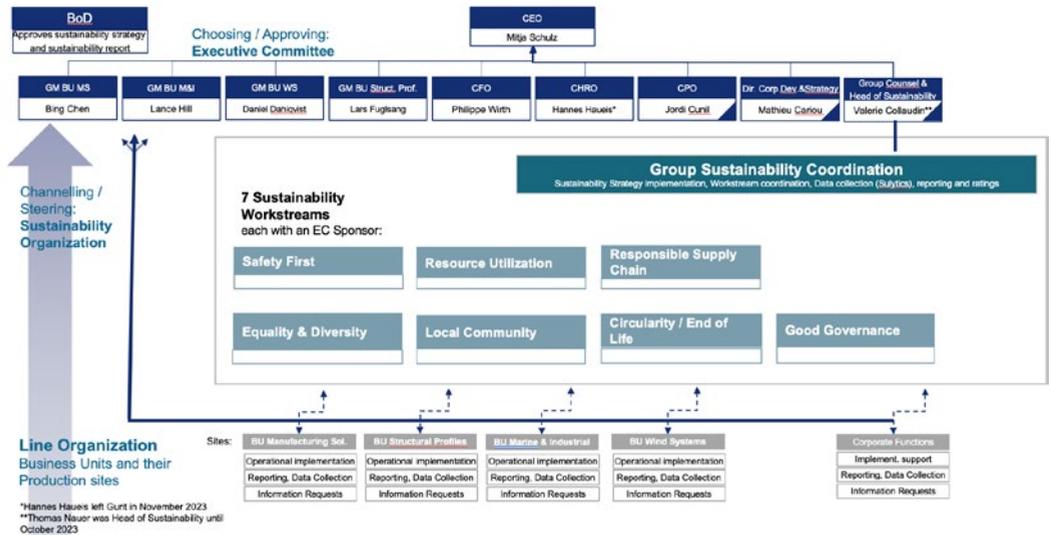
GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES FOR SUSTAINABILITY

Gurit has a process which includes annually defining and reviewing targets, clearly assigned roles and responsibilities and details of how to implement this within the organization.

The Board of Directors is responsible for reviewing the sustainability strategy and performance on an annual basis. The Board also approves the annual Sustainability Report. The Executive Committee (EC) executes our sustainability strategy primarily through the line organization with the support of a sustainability coordination team. Dedicated workstreams implement actions and recommend targets within their respective focus areas that were found material. The EC Sponsor of a workstream coaches the respective workstream lead and is ultimately responsible for the workstream performance against the mission and KPIs, the workstream actions, and for ensuring alignment with our strategy and standards.

Dedicated staff members across the company support the local implementation of specific topics such as health & safety, environment, and data protection.

SUSTAINABILITY ORGANIZATION



MANAGEMENT SYSTEMS

Our various management systems are described in the respective chapters of this Report. As well as ISO certifications, we have data collection and monitoring tools (e.g. Sulytics), a chemical safety platform (GoldFFX) and a supply chain risk identification and monitoring system (Sedex). As part of our management approach, we continuously review these systems, as well as provide communication and training for our staff.

HOW WE COLLECT DATA, SET TARGETS AND MONITOR OUR PERFORMANCE

As part of Gurit's commitment to sustainability, we collect data, monitor our own performance, trends, as well as stakeholder expectations. This happens via a number of tools, questionnaires, databases and management systems, such as our Sulytics sustainability data collection tool, our Safety First monitoring and tracking system and further systems described in the different chapters of this Report.

The Executive Committee holds sustainability review meetings every two months with the Head of Sustainability and meets with the sustainability workstream leaders and the sustainability coordination team every six months, when performance against targets are assessed. The most recent EC review meeting took place on 12 December 2023, whereas the last workstreams review was on 6 September 2023.

Targets are confirmed and adjusted yearly by the EC, based upon recommendations of the workstreams and sustainability coordination team. Progress is reported each year in our Sustainability Report.

➤ GRI 2-9	Governance structure and composition
➤ GRI 2-12	Role of the highest governance body in overseeing the management of impacts
➤ GRI 2-13	Delegation of responsibility for managing impacts
➤ GRI 2-14	Role of the highest governance in sustainability reporting
➤ GRI 2-18	Evaluation of the performance of the highest governance body
➤ GRI 2-23	Policy commitments
➤ GRI 2-24	Embedding policy commitments
➤ GRI 2-25	Processes to remediate negative impacts

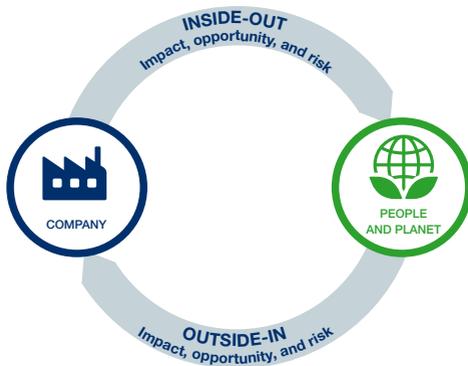
IDENTIFYING AND MANAGING RISKS AND OPPORTUNITIES



RISK MANAGEMENT

Sustainability-related ESG risk identification pilot workshops were held with a team representing various company functions in Q4 2022. This preliminary work was completed with the materiality analysis process, where the risks were further identified, assessed, and prioritized. **The main sustainability-related risks were then fully embedded in the company’s risk assessment process in 2023, which included a double materiality analysis.**

Also, in each chapter of this Report, we have outlined how we identify and manage risks within each of our workstream areas.



DOUBLE MATERIALITY

In 2023, Gurit conducted a double materiality analysis, a process that evaluates a) the impacts of the company’s operations on the environment, the economy and society (inside-out) and b) external climate-related, economic and social risks and opportunities that affect the company (outside-in).

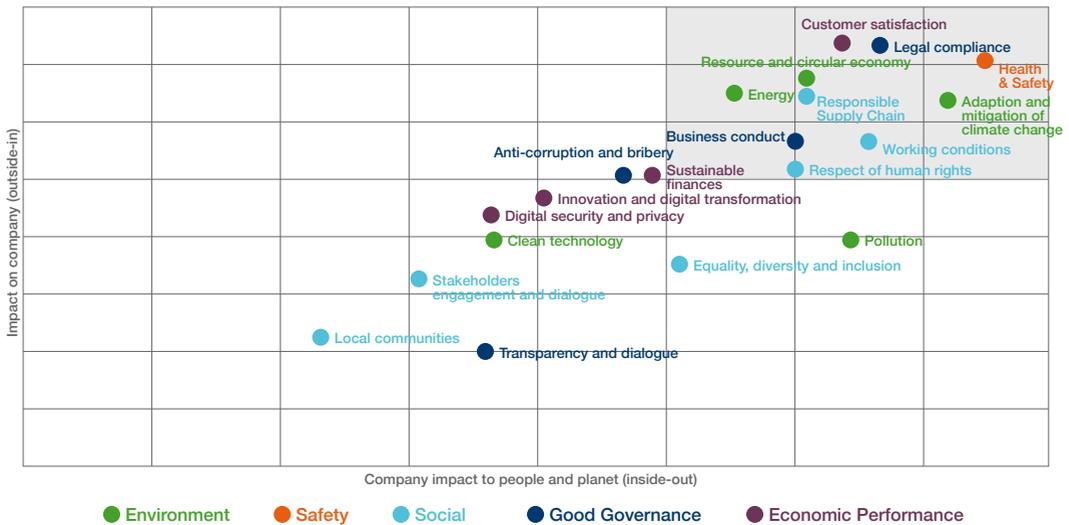
By considering both external and internal materiality, the double materiality approach aims to provide a more comprehensive understanding of a company’s sustainability impacts and helps to align corporate strategies with the expectations and needs of external stakeholders as well as the broader sustainability context.

Gurit identified ESG-related risks based on global standards, regulations, desk research and benchmarking. We then engaged with internal and external stakeholders, through workshops and surveys, to assess the significance of the impacts.

As a result of this analysis and consultation process, we identified the material topics below within the five sustainability areas of Environment (including climate), Safety, Social, Good Governance, and Economic. This process has also determined the main topics covered by this Report.

The higher weighted risks have been included in the company’s risk map. Further details of the 2023 double materiality analysis can be found in the Appendix at the back of the Report.

DOUBLE MATERIALITY MATRIX



- GRI 2-14 Role of the highest governance body in sustainability reporting
- GRI 2-18 Evaluation of the performance of the highest governance body
- GRI 2-25 Processes to remediate negative impacts
- GRI 2-29 Approach to stakeholder engagement
- GRI 201-2 Financial implications and other risks and opportunities due to climate change
- GRI 3-1 Process to determine material topics
- GRI 3-2 List of material topics

THE GLOBAL SUSTAINABILITY CONTEXT

At Gurit, we align our sustainability ambitions with two major global frameworks: the United Nations Global Compact (UNGC) and its ten principles, and the Global Reporting Initiative (GRI). Several international entities, global conventions and governments have established targets in response to climate change and other sustainability challenges. Gurit is subject to the Swiss non-financial reporting obligations of art.964a et seqq. of the Swiss Code of Obligations (CO). In line with the Swiss Ordinance on Climate Disclosures entering into force on 1 January 2024, we have aligned our sustainability management and reporting with the Taskforce for Climate-related Financial Disclosures (TCFD), which is deemed suitable for fulfilling the reporting obligations of companies under art.964a et seqq. CO.

➤ GRI 2-23 Policy commitments

SUSTAINABILITY RATINGS IN 2023



EcoVadis, one of the world's largest sustainability rating agencies, awarded Gurit with a Gold medal, placing us in the top 5% of all EcoVadis-rated companies. Their assessment evaluates 21 sustainability criteria across four core themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.

MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA

Gurit has earned an A rating from MSCI, who rate companies according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. This rating puts Gurit within the top tier of all rated companies in the specialty chemicals sector.

Inrate gave Gurit a rating of 74/100 in their Z Rating Study 2023 on Corporate Governance. Inrate is an independent Swiss sustainability rating agency whose focus is on the impact of companies on the environment and society.

This year, for the first time, Gurit submitted information to CDP, a not-for-profit global disclosure system for investors, companies, cities and regions to manage their environmental impacts. The results will help us to continuously improve our climate change governance and environmental stewardship.

SUSTAINABILITY ENGAGEMENT ACROSS GURIT SITES: LAUNCH OF GURIT SUSTAINABILITY AWARDS

In 2023, we launched our inaugural Sustainability Awards, for Resource Utilization and Local Community initiatives, in line with our workstream targets. The principal aim of the Awards is to engage our employees with our sustainability work, celebrate achievements and offer recognition for the efforts of our staff and sites, and encourage further participation across all business areas and levels. All initiatives submitted to the workstream leads over the last three years were included. They were shortlisted by the workstream leads and the sustainability coordinator, and all employees were able to vote for their favorites over a three-week period at the end of 2023. A marketing campaign promoted the Awards to employees on internal channels.



GURIT SUSTAINABILITY AWARDS

CONGRATULATIONS TO OUR TWO WINNING SITES FOR 2023!



Gurit Dafeng (China) was presented with Gurit's Sustainability Award 2023 for Local Community, for their campaign to increase awareness of water conservation. Employees took part in activities and workshops that broadened their knowledge of the importance of water conservation, and learned how they can take action.



Gurit Carmignano (Italy) was presented with Gurit's Sustainability Award 2023 for Resource Utilization, for the installation of a new steam generator which runs at 93% efficiency, reducing methane consumption by about 105 000 m³ and energy consumption by nearly 140 000 kWh per year.

GURIT'S SUSTAINABILITY AMBITIONS FOR THE LONG RUN

GURIT PILLARS & SDGS	WORKSTREAM	AMBITIONS FOR 2030	PROGRESS
CORPORATE FRAMEWORK	SUSTAINABILITY COORDINATION We implement Sustainability as an integral part of Gurit and develop it across the company according to reporting obligations and leading standards.	Annual review of Sustainability targets and bi-monthly follow up with workstreams.	
		Sustainability organization and governance in place involving Executive Committee, Board of Directors and Workstreams in the Sustainability strategy and approval process.	
		Sustainability integrated as part of the annual risk mapping and risk management.	
		Comply with non-financial reporting obligations and leading standard (GRI, GHG protocol, Swiss RBI, TCFD).	
		We strive to achieve the highest scores in the ESG ratings (ECOVADIS, CDP, MSCI).	
		We aim to foster Sustainability culture of awareness and employee engagement based on trainings, recognitions of sustainability efforts (sustainability awards) as well as sharing internal sustainability communications.	
		We strive to achieve the highest scores in the ESG ratings (ECOVADIS, CDP, MSCI).	
SAFETY FIRST 	SAFETY We prioritise health and safety, recognize and correct potential hazards, and follow best practice protocols and procedures.	Set health and safety management tools and certifications across the sites to maintain a healthy and safe work environment.	 63% of Gurit production sites certified with ISO 45001
		Further reduce the number of accidents and incidents and maintain a Lost-Time-Accident-Rate (LTAR) of no higher than 3.00 at Group level and Total-Recordable-Incident-Rate (TRIR) of no higher than 7.00 at Group level.	 2.75 LTAR (Lost Time Accident Rate) 6.00 TRIR (Total Recordable Incident Rate)
		Zero SVHC (Substances of Very High Concern) in price listed products by 2030 and maintain below 10% the number of finished products on our price lists classified as Carcinogenic, Mutagenic or Reprotoxic (CMR) according to EU classification CLP by 2030.	 11% of all price-listed products classified as CMR 0% of all price-listed products containing SVHC
		Reduce chemical products in use at production sites with ILO hazard rating of 4 or 4+ to <15% and reduce the number of chemical products in use at production sites containing SVHCs to <5%.	 100% of Gurit production sites with Chemical Safety System implemented

GURIT PILLARS & SDGS

WORKSTREAM

AMBITIONS FOR 2030

PROGRESS

ENVIRONMENT



CLIMATE & RESOURCE UTILIZATION

We want to become a net-zero company by 2050 and reduce our scope 1 emissions by 42%, scope 2 by 95% and scope 3 by 25% for the period 2020-2030.

We carry out site-specific reduction initiatives to decrease our environmental impact (aligned with climate change ambitions).

Reduce absolute scope 1 GHG emissions by 42% by 2030 vs. 2020.



22% reduction of scope 1 GHG emissions since 2020

Reduce absolute scope 2 GHG emissions by 95% (by 2030 vs. 2020) and a switch to 100% renewable electricity.



A reduction of 25% of our indirect GHG partial scope 3 emissions – with the clear ambition to reach a 42% reduction needed to achieve the +1.5°C target with the support of suppliers and customers.



7% reduction of partial scope 3 GHG emissions since 2020

Implementation of initiatives focused on process emissions reduction in all our sites.



Reduce our impact in terms of energy consumption: switch to 100% renewable electricity by 2030, monitor our energy consumption and perform energy audits and action plans every 4 years in all our production sites.



28% renewable electricity consumption in 2023
78% of production sites energy audited last 4 years

Reduce waste generation to landfill by 80% by 2030 vs 2020.



33% reduction of landfill waste generation since 2020

Reduce water withdrawal by 25% by 2030 vs 2020.



19% reduction of water withdrawal since 2020

Foster a Climate Change and Resource Utilization culture across the sites based on best practices sharing, carbon emissions programs implementation, environmental and climate assessments, and monitor data/projects annually.



87% of the sites have environmental risk assessment implemented

We assess biodiversity impact in our production sites.



CIRCULARITY

We promote circularity in all product ranges. We identify and promote sustainable end of life and circularity solutions through product development.

We foster circularity as an integral part of innovation, setting circularity plans, and implementing sustainability by design processes for all our products, as well as and product strategy, focused on its waste impact reduction and searching for bio alternatives.



Engage in initiatives / projects where Gurit can be contributor and partner to solve circularity challenges.



GURIT PILLARS & SDGS	WORKSTREAM	AMBITIONS FOR 2030	PROGRESS
<p>SOCIAL RESPONSIBILITY</p>     	<p>EQUALITY & DIVERSITY</p> <p>We aim for an equal, diverse and inclusive workforce.</p>	<p>Leadership commitment and support to gender equality.</p> <p>Foster human rights awareness and knowledge within Gurit workforce.</p> <p>Requirement for non-discrimination, as well as a diverse workforce with equal opportunity in professional development and promotion processes.</p> <p>Ensure well-being of all Gurit employees (e.g. work/life balance, living wage, mental health, etc.).</p>	<p>ON TRACK </p> <p>ON TRACK </p> <p>ON TRACK </p> <p>ON TRACK </p>
	<p>RESPONSIBLE SUPPLY CHAIN</p> <p>Responsible procurement and engagement practices in terms of social, environmental, governance and economic aspects.</p>	<p>Implementation of Supply Chain monitoring & ESG risk management system based on due diligence process and according to our sustainability criteria.</p> <p>A reduction of 25% of our indirect GHG partial scope 3 emissions – with the clear ambition to reach a 42% reduction needed to achieve the +1.5°C target with the support of suppliers and customers.</p> <p>Foster sustainability engagement and transparency with suppliers (e.g. corrective actions, supplier social and environmental clauses, communications, trainings, awards).</p> <p>Procurement team certification & awareness.</p>	<p>ON TRACK </p> <p>ON TRACK </p> <p>7% reduction of partial scope 3 GHG emissions since 2020</p> <p>ON TRACK </p> <p>ON TRACK </p>
	<p>LOCAL COMMUNITY</p> <p>We strive to be a good corporate citizen.</p>	<p>Foster Local Communities' initiatives in all Gurit Sites.</p> <p>Foster the engagement with the sites to follow the process to raise proposal and implement actions.</p> <p>Report the social impact of local community initiatives.</p>	<p>ON TRACK </p> <p>82% of sites with LC initiative implemented</p> <p>ON TRACK </p> <p>ON TRACK </p>

GURIT PILLARS & SDGS

GOOD GOVERNANCE



WORKSTREAM

GOVERNANCE

We foster a sustainability culture across Gurit based on transparency, respect, compliance and ethical management.

AMBITIONS FOR 2030

Ensure all Gurit employees and contractors are familiar with the company's good governance and ethics policies and guidelines.

Good governance risk management system in place covering all the company operations (risk identification and integration in the Gurit risk mapping, internal audit, and corrective actions implementation).

Reporting System and Anti-Retaliation.

PROGRESS

ON TRACK

68% of workforce received business ethics, anti-corruption & bribery issues training LMS

100% of sites communicate business ethics, anti-corruption & bribery using Gurit TV

ON TRACK

ON TRACK

SAFETY FIRST



SAFETY FIRST OVERVIEW 2023

MANTAIN A HEALTHY AND SAFE WORK ENVIRONMENT AND FURTHER REDUCE SUBSTANCES OF VERY HIGH CONCERN (SVHC)

- ✓ Implementation at all sites of our comprehensive chemical safety management system.
- ✓ 63% of our production sites are ISO 45001 certified.
- ✓ All sites are internally audited in health and safety every 3 years.
- ✓ Strengthened our internal communication at Group and site levels.
- ✓ Achieved target Group LTAR of < 3.0 and TRIR < 7.0.

Challenges and Opportunities

- Regulations continue to develop and become more stringent for the most harmful chemicals; in particular, the EU REACH and SVHC regulations are continuously updated, with additional substances being added to the SVHC list annually.
- Enhanced hazard classification data reveal previously unrealized hazard profiles for technically established chemicals.

We prioritize health and safety, recognize and correct potential hazards, and follow best practice protocols and procedures.

We speak up and stop work if safety is compromised.



Contributing to the United Nations SDGs

**FOR HEALTH & SAFETY RELATED DATA AND INDICATORS
PLEASE REFER TO THE CORRESPONDING METRICS SECTION IN THE APPENDIX PP. 186**

KEEPING SAFETY FRONT OF MIND

The prevention of accidents and incidents within our operations, employee and customer health and safety, and in particular chemical safety, have been identified as priorities and material topics for Gurit. To achieve our goals, commitment and focus at all levels of the organization are required. Every year we set annual targets and reinforce our safety commitment to our employees, external workers and service providers, customers and partners.

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES

The Safety First core team coordinates the implementation of the Safety First initiative across the organization. The core team comprises representatives from each Business Unit, as well as Marketing Communications and Human Resources, and is sponsored by a member of the Executive Committee. Compliance with legislation, anticipation of upcoming legislation and the implementation of best practice standards is supported by a dedicated Chemical Regulatory Compliance Manager. Each Business Unit manager is accountable for the safety performance within their area of responsibility; and each site manager is responsible for implementing the safety initiative and related standards, as well as establishing a safety culture within the local site.



Safety First Organization

Performance indicators are reviewed either weekly or monthly at management meetings at all levels, including the Executive Committee, and at least yearly at Board level. Safety indicators such as Lost Time Accident Rates are part of management performance reviews and are an element influencing the variable performance compensation of site managers.

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- GRI 2-13 Delegation of responsibility for managing impacts
 - GRI 2-23 Policy commitments
 - GRI 2-24 Embedding policy commitments
 - GRI 3-3 Management of material topics
 - GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

SAFETY MANAGEMENT SYSTEM AND PROCESSES

The implementation and maintenance of a Safety First culture has been driven by the core team and is supported by dedicated Health & Safety Officers at site level, extensive training programs, an online monthly tracking system and monthly reviews of defined KPIs on accidents and incidents (LTAR, TRIR) at Business Unit and Executive Committee management meetings (Safety First metrics can be found in the Appendix of this Report).



Gurit has developed a comprehensive occupational Health and Safety Management System. All Gurit employees, contractors and onsite external workers are covered by our health and safety systems and processes.

The Gurit Health and Safety Management System comprises global standards and procedures which are adapted for local and national health and safety legislation requirements where necessary. We have also established a global Chemical Safety Management System, using the GoldFFX platform.

The primary Group-wide standards and systems applied for health and safety are:

- The Safety Pyramid
- Incident Investigation & Reporting
- Safety First Platform
- Safety Walk
- Chemical Safety Management System
- ISO certifications

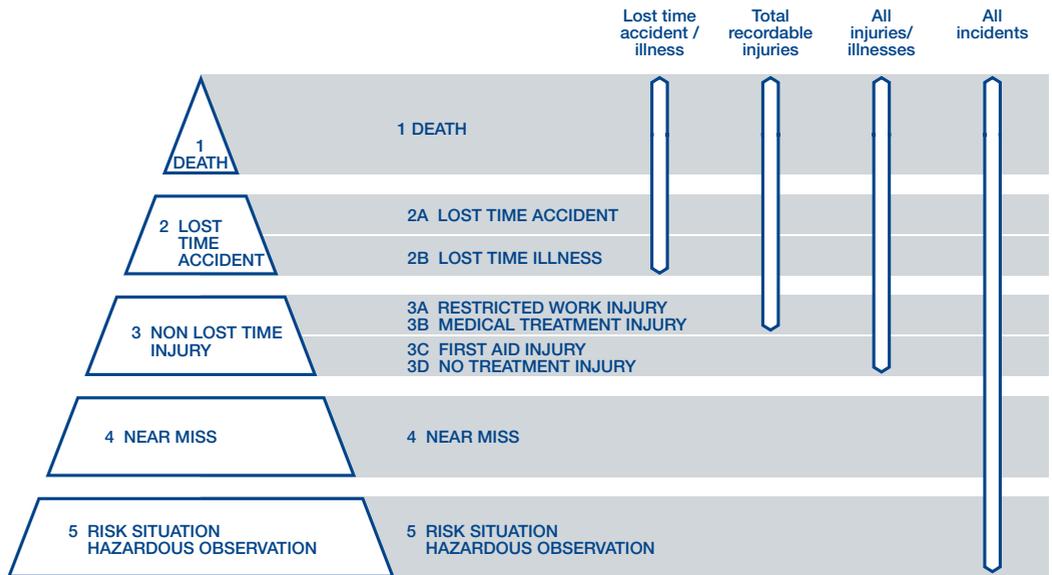
These are described over the page.

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- GRI 2-9 Governance structure and composition
 - GRI 2-23 Policy commitments
 - GRI 3-3 Management of material topics
 - GRI 403-1 Occupational health and safety management system
 - GRI 403-2 Hazard identification, risk assessment, and incident investigation
 - GRI 403-4 Worker participation, consultation and communication on occupational health and safety
 - GRI 403-8 Workers covered by an occupational health and safety management system

THE SAFETY PYRAMID

Gurit uses the Safety Pyramid as a strategy to reduce accidents within the workplace. The base of the pyramid is the observation of risks and hazards. Proactively looking for potential dangers throughout our operations, conducting systematic reviews of the workplace, and analyzing lost-time injury data are the first steps towards reducing serious injuries.

By ingraining the evaluation of hazardous situations into the habits of all employees, the Safety Pyramid becomes a self-supporting tool that is likely to contribute to the reduction of near-misses and minor injuries, and then proportionally reduce severe injuries and deaths.



Gurit Safety Pyramid

INCIDENT INVESTIGATION & REPORTING

The Incident Investigation & Reporting Standard provides guidance for a methodical and in-depth approach to health and safety incident investigations. This Standard includes an 8-step process which focuses on practical implementation and on building an awareness culture in all parts of the operations. Site managers, Human Resources managers and Health & Safety managers are trained on this annually. In 2023, the incident investigation rate increased by 6 points over 2022. More details can be found in the Safety First Metrics in the Appendix.

HEALTH & SAFETY PLATFORM: TRAINING AND DATA COLLECTION

Gurit tracks and records health & safety data from all its sites through the global Safety First platform. All sites report monthly on Safety First KPIs and incidents and the workforce is directly involved in reporting the data.

Furthermore, the platform provides training resources for all sites and users. This is complemented by mandatory and voluntary courses on the corporate Learning Management System (LMS) platform, to which all Gurit employees with a company e-mail address have access.

SAFETY WALK STANDARD



The Safety Walk Standard was introduced in 2020 at all production sites to improve habitual Safety First behavior. A training program is available for all employees and observations are collated in the Safety First Platform and monitored monthly. The standard focuses on competent observation, learning from observations, and establishing a culture of putting Safety First.

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- GRI 403-1 Occupational health and safety management system
 - GRI 403-2 Hazard identification, risk assessment, and incident investigation
 - GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
 - GRI 403-5 Worker training on occupational health and safety
 - GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
 - GRI 3-3 Management of material topics

CHEMICAL SAFETY MANAGEMENT SYSTEM

At Gurit, safety always comes first, and this includes the safe use of chemicals at our sites and in our products. **In 2023 we completed implementation at all sites of our comprehensive chemical safety management system.** In parallel, we continue to actively monitor the chemical safety and regulatory landscape for new data generation and emergent regulations affecting chemicals.

Chemicals throughout Gurit facilities must be continually evaluated and managed to ensure our employee and customer safety. Our system allows us to understand the chemicals used at Gurit, identify areas where the most harmful chemicals are used and target their elimination. We use the platform GoldFFX, available on desktop or as a mobile app, which encompasses over 80,000 supplier and Gurit safety datasheets, chemical risk assessments and accessibility to data in the event of emergency situations. Over 100 users have been trained to use the system, and initial risk assessments for each site are currently in progress.



“The GoldFFX system has allowed us to assess all chemical products, from raw materials to cleaning products, used on the Newport site and ensure we have effective control measures in place to use them safely and without risk to our team members. This system is easy to use, and the assessments require minimal input to generate detailed, easy to read reports that can be understood by all employees without requiring extra training.”

Lee Jacobs, Health and Safety Coordinator Newport

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- GRI 403-1 Occupational health and safety management system
 - GRI 403-2 Hazard identification, risk assessment, and incident investigation
 - GRI 403-8 Workers covered by an occupational health and safety management system
 - GRI 3-3 Management of material topics

ISO-CERTIFIED MANAGEMENT SYSTEMS AT SITE LEVEL

Over the past three years we have been working towards the following certifications:

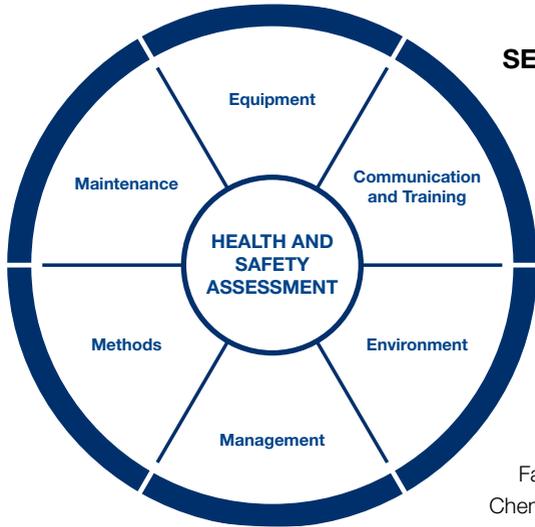
- **ISO 9001** quality management system
- **ISO 14001** environmental management system
- **ISO 45001** to improve occupational health and safety standards

We set a target last year to have 100% of our production sites certified with all three ISO management systems by the end of 2024, and as of December 2023 we are at 63%. For further details please see the metrics section in the Appendix.

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- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
 - GRI 403-1 Occupational health and safety management system
 - GRI 403-8 Workers covered by an occupational health and safety management system

SAFETY FIRST – MANAGING RISKS

Gurit has set up a system that supports site managers in identifying risks and evaluating all areas that influence a site’s safety performance, establishing priority areas to be addressed, and supports the follow up of the resulting actions.



SELF-ASSESSMENT

A standardized self-assessment questionnaire is completed by each site, then reviewed biannually at a site and Business Unit level. The local site management conducts the self-assessment, jointly with site operations, maintenance, and safety teams.

SAFETY AUDITS

Since 2021 we have carried out internal health and safety audits, with every site to be internally audited every 3 years. The following twelve sites have already undertaken safety audits: Volpiano, Falces, Newport, Carmignano, Matamoros, Magog, Montreal, Izmir, Chennai, Zurich, Girona, Ringkøbing.

RISK REPORTING

In 2023, Gurit implemented several improvements to our internal Safety First platform. These updates ensure that the tool aligns with our organizational structure and ISO standards, provide a clearer reporting format, and enable site representatives to more easily record product-related health and safety incidents reported by our customers.

We focus on involving all employees and production sites in the Safety First initiative and every year this employee involvement increases, as demonstrated by the increased number of risk situations reported by shopfloor workers, as well as management demonstrating a strong culture of safety first, without fear of reprisal.

- GRI 2-25 Process to remediate negative chapters
- GRI 403-1 Occupational health and safety management system
- GRI 403-2 Hazard identification, risk assessment, and incident investigation
- GRI 403-4 Worker participation consultation and communication on occupational health and safety
- GRI 403-5 Worker training on occupational health and safety
- GRI 403-8 Workers covered by an occupational health and safety management system
- GRI 403-9 Work-related injuries

MANAGING THE RISKS OF CHEMICALS IN USE AT OUR SITES

Gurit has continued its program of proactively monitoring the safety and regulatory landscape of chemicals in its products and at its sites through implementation of the Hazardous Chemicals Management Policy.

We use the platform GoldFFX to help us assess chemical risks according to the International Labor Organization (ILO) model, looking at the latest hazard profile and exposure risk, as well as the impact on these if we were to make changes. This is used for chemicals used in the manufacture of our products as well as those used around our sites. A full risk assessment is generated, encompassing all safety concerns and controls required. All risk assessments must obtain approval from line managers to ensure controls are appropriate and adequate. Chemical products classified as High Hazard must receive a two-stage approval to ensure that they are handled correctly and that alternatives are considered.



RISK RATING OF CHEMICAL PRODUCTS USED

13% of all chemical products used at Gurit sites received a risk rating of 4 or 4+, i.e. they are classified as highly or critically hazardous to health

Chemical products were also assessed for the presence of substances on lists of undesirable chemicals. 25% or 262 of all chemical products in use at Gurit sites contain SIN-listed chemicals, and 7% or 73 products contain EU SVHC's.

We have set targets for 2024 to reduce the risk profile of chemicals in use at our sites, focusing on reducing those products containing SVHCs and/or with a risk rating >4.

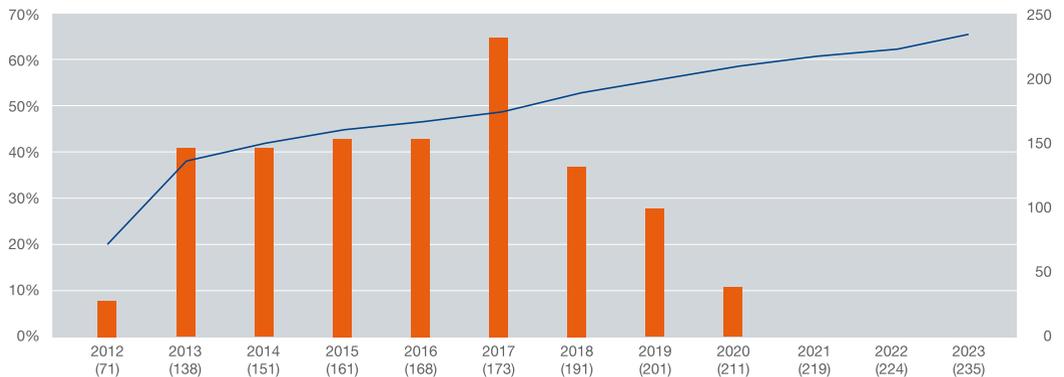
CHEMICALS IN GURIT-MANUFACTURED PRODUCTS

Following the assessment, and to help target products for reformulation, each finished product Gurit manufactures receives an internally generated High Priority Chemical (HPC) score. The scoring system aims to identify those products not only with SVHCs present but also with high hazards. Products are categorized into 4 classes based on severity of hazards:

- Red** Re-formulate as soon as feasible.
- Orange** Undesirable, target for reformulation.
- Blue** Use with caution, potential for hazard reclassification expected.
- Green** Low hazard rating.

The system takes into consideration not only regulatory restrictive hazard classifications, but also those chemicals that may have unacceptable human and environmental impacts, such as Persistent Bio accumulative Toxicants (PBTs) and Endocrine Disruptors. Since 2017 Gurit has worked to remove high hazard products from its range. **In 2023, we reduced the number of red category products in our standard and essential range from 10% (2022) to 6%. In addition, in 2023 we targeted orange category products and reduced these from 32% (2021) to 18%.**

Since the advent of the European Union's REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) in 2008, the European Chemicals Agency has designated an increasing number of Substances of Very High Concern (SVHC). In 2023, 235 substances were designated SVHCs. Recent developments under the European Commission's Chemical Strategy for Sustainability have resulted in the widening of criteria for SVHCs to include endocrine disruptors and chemicals that persist in the environment. Considering the increased SVHC scope, Gurit has broadened its goal to now include all price listed products in the SVHC reduction targets. **In 2023, despite an increasing number of SVHCs on the REACH list, none of Gurit price listed products contain >0.1% SVHCs.**



Gurit price listed products containing more than 0.1% SVHCs (orange bars) vs ECHA designated SVHCs (blue line); number of chemicals designated SVHCs by ECHA in brackets

Further developments in frameworks such as Product Design for Safety and Sustainability (see the Circularity chapter for more information) place importance on removing not only those chemicals regarded as SVHC's but also any chemical with a CMR classification (Carcinogenic, Mutagenic or Reprotoxic). Gurit has been working for some time on removing such chemicals from its product ranges and as a result currently maintains less than 10% standard and essential products with a CMR class 1 or 2 classification.

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- GRI 2-25 Process to remediate negative impacts
 - GRI 2-27 Compliance with laws and regulations
 - GRI 3-3 Management of materials topics
 - GRI 403-2 Hazard identification, risk assessment, and incident investigation
 - GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
 - GRI 403-9 Work related injuries

SAFETY TRAINING

Gurit has a Health & Safety Training Roadmap for both employees and contractors, as well as a Safety First awareness training program for employees directly linked to a manufacturing function. Training sessions are provided in local languages, rolled out using a train-the-trainer approach.

MITIGATING PHYSICAL AND MENTAL HEALTH RELATED RISKS

Gurit wants its employees to feel safe and well, not only physically but also mentally, and we continue to expand our support of staff. We share best practice examples from our sites, host local workshops, bring in external professional services when required, and regularly provide practical tips for employees to implement.



Gurit employees at our site in Ecuador received information about diabetes, how to prevent it and were offered glucose testing



Our colleagues in Mexico took part in a breast cancer awareness day at their site, with workshops and check-ups

EMPLOYEE ENGAGEMENT TO BETTER MANAGE SAFETY RISKS

As part of ongoing support to the Safety First initiative, Gurit has strengthened its internal communication at Group and site levels.

- Monthly Safety Newsletter, translated into local languages, electronic and print
- Safety meetings and briefings at a site level at shift change
- Intranet news updates
- Gurit TV internal signage system, to reach staff and shopfloor worldwide
- Safety First Portal on the Intranet
- Learning Management System
- Group and local Townhall Meetings
- Training initiatives
- Site visits and audits
- OneGurit magazine
- Employee Engagement Initiative and focus groups



“At Gurit, we believe it is important to celebrate key milestones with staff. Everyone has a part to play in meeting our safety targets, and when we do, we like to mark the occasion, often with the whole team taking a break to share coffee and cake. We’re all in this together.”

Begoña Fernández, Safety First Sustainability workstream lead

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- GRI 403-2 Hazard identification, risk assessment and incident investigation
 - GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
 - GRI 403-5 Worker training on occupational health and safety

BEING PROACTIVE WITH CUSTOMER HEALTH & SAFETY

Although Gurit endeavors to remove the most harmful chemicals from its products, due to the nature of the chemicals used, some hazards are unavoidable. To ensure effective communication around the safe use of such products, we have several systems in place:

1. SAFETY DATA SHEETS

Customers receive product Safety Data Sheets (“SDS”) electronically through an automated delivery system linked to the ERP ordering process. They therefore have time to plan for safe and effective handling and storage before the product arrives on site. Updated documents are distributed by the same automated system and each customer receives a unique login to the online system where they can retrieve the latest copies of their Gurit product SDSs.

2. WEBSITE

The Gurit website has a section devoted to handling our products in a safe manner. Here customers can view general guidelines on handling formulated, prepreg and core products as well as a direct link to request SDS by email. Information on relevant legislation and Gurit’s current Hazardous Chemicals Management Policy are also accessible: → www.gurit.com/product-stewardship

3. CHEMICAL SAFETY INCIDENT REPORTING

All data and information about chemical safety incidents reported by our customers are collated and monitored on our Safety First platform. In this way, we can monitor the common issues facing our customers and we can work towards managing these in new product developments. Chemical exposure incident information is collated from the following sources:

- Calls to the Gurit’s third party chemical emergency response line (NCEC).
 - Direct contact from customers experiencing difficulties (i.e. email to tech support, customer support or the regulatory email address).
 - Direct contact from official bodies such as medical professionals or poison centres to the SDS contact.
- Confidentiality of individuals is maintained as the data is gathered to monitor general trends in exposure incidents rather than specific details.

➤ GRI 3-3 Management of material topics
➤ GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
➤ GRI 417-1 Requirements for product and service information and labeling

ENVIRONMENT





We take care of the environment by minimizing power consumption, waste, emissions and use of resources.

We set ambitious reduction targets to achieve climate neutrality.

We behave responsibly.

6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	17 PARTNERSHIPS FOR THE GOALS 
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Contributing to the United Nations SDGs

TAKING CARE OF OUR ENVIRONMENT

The efficient use of resources and minimizing the impact on our natural environment in terms of emissions to air, water and land, remains a key priority for Gurit. We cater to the renewable energy industry – among others – and see it as our responsibility to be a leading example, actively minimizing our footprint. We have made further progress in widening the scope of our actions and improving the quality of data collected. However, the complexity of our business, supply chain and acquisitions and divestments poses additional challenges.

Material topics identified as most significant include adaptation and mitigation of climate change, pollution, resource use and circular economy, energy and waste.

We discuss these concerns in three sections within this chapter:

1. Reduction of greenhouse gas emissions
2. Resource utilization
3. Circularity

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES FOR ENVIRONMENTAL CONCERNS

Environmental concerns are addressed in several workstreams of Gurit's sustainability organization (see Strategy & Targets chapter). The Resource Utilization workstream coordinates and supports initiatives such as energy saving and emissions, water management, waste and packaging reduction at our production sites. The Circularity workstream addresses product development aspects, including the use of bio-based ingredients, the use of recycled materials and the recyclability of our products. And, the Responsible Supply Chain workstream manages environmental aspects within our supply chain.

Compliance with legislation, anticipation of upcoming legislation and the implementation of best practice standards is supported by a dedicated Chemical Compliance Manager & Sustainable Products Lead, as well as the Group General Counsel & Head of Sustainability. The workstreams are coordinated by the sustainability team and the sustainability performance of Gurit is reviewed every two months at the Executive Committee level, with annual KPIs in place. The Board of Directors annually reviews performance and provides direction for targets.

Climate-related issues, targets, and monitoring are aligned with Sustainability governance described in the #GuritCares chapter.

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- GRI 2-13 Delegation of responsibility for managing impacts
 - GRI 2-24 Embedding policy commitments
 - GRI 2-27 Compliance with laws and regulations
 - GRI 3-3 Management of material topics



MATERIALITY



GOVERNANCE

ENVIRONMENTAL MANAGEMENT SYSTEMS & STRATEGY

Gurit's environmental management systems rely on policies, certifications, training and learning, and tools to collect, manage and analyse data. Our strategies and actions are outlined in this Report, as well as in the Gurit Sustainability Policy.

ENVIRONMENTAL POLICY

Our Environmental Policy is the foundation for the avoidance, minimization or mitigation of possible impact on the environment, by efficiently utilizing resources, deploying clean technology, mitigating our impact on climate change and preventing any form of pollution. Compliance is achieved by deploying annual qualitative and quantitative targets, facilitated by the Resource Utilization and Circularity sustainability workstreams, as well as our focus on innovation and fostering clean technologies, all with a spirit of continuous improvement.

The Environmental Policy sits alongside the Gurit Water Management Guidelines, Hazardous Chemicals Management Policy, and Waste Management Guidelines, and forms part of our Group Sustainability Policy. It complements our commitments to the United Nations Global Compact (UNGC) and its environmental principles.

The related documents can be downloaded here:

→ www.gurit.com/policies

CHEMICAL MANAGEMENT

In 2023, Gurit completed the implementation of a comprehensive global chemical safety management system which helps us assess chemical risks, considering the latest hazard profile and exposure risk, as well as the impact on these if we were to make changes. **For this purpose, a new software platform (GoldFFX) has been introduced and rolled out at all production sites.**

We have also continued our programme of monitoring the safety and regulatory landscape of chemicals in our products through implementation of the Hazardous Chemicals Management Policy, which includes the management of chemicals that may have unacceptable human and environmental impacts.

More information can be found in the Safety First chapter.



STRATEGY,
MGMT SYSTEMS,
POLICIES,
DUE DILIGENCE

TOOL FOR DATA COLLECTION AND ANALYSIS

For the past three years, Gurit has been using the Sulytics platform for the collection of data across all sites. This provides an accessible way for our teams to input their local data, enables us to analyse performance and increases the consistency and accuracy of the data across the Group. While in 2023 only a few sites collected monthly data, we will roll out this monthly frequency to all Gurit sites for stationary and mobile combustion, electricity and heating, waste quantity, type and disposal, water withdrawal and discharge, and product quantities sold. This will help us to further understand the results of the sustainability initiatives implemented at the sites, detect any new challenges and have access to detailed data regarding the sustainability goals' progress.

ISO 14001 CERTIFICATION

ISO 14001 sets out the criteria for an environmental management system, provides a framework for effective environmental management and assures that environmental impact is being measured and improved. **At the end of 2023 68% of our production sites were ISO 14001 certified: Albacete, Carmignano, Chennai (Wind), Dafeng, Quevedo, Falces, Izmir, Magog, Newport, Taicang, Tianjin, Volpiano, Zhuozhou.** ISO-certification is already being planned for the remaining 3 production sites: Chennai (Structural Profiles), Tamaulipas (Kitting), Tamaulipas (PET production).

-
- GRI 2-23 Policy commitments
 - GRI 2-24 Embedding policy commitments
 - GRI 201-2 Financial implications and other risks and opportunities due to climate change
 - GRI 3-3 Management of material topics

CLEANTECH

Gurit, as a long-term technical leader in the composites industry, and a major supplier to the wind energy sector, is using its technical knowhow and expertise to make improvements across the business which aim to reduce the company's – and our customers' – impact on the environment.

We use innovation to reduce emissions, make better use of our resources and use our technologies and processes responsibly to contribute to recycling and circularity.

Our CleanTech approach involves Gurit's technology and product development teams across all Business Units. These teams work alongside the cross-functional Resource Utilization, Circularity and Responsible Supply Chain sustainability workstreams.

The opportunities to reduce our environmental impact using clean technology are vast – which means it can also be a challenge to prioritize. We have used our memberships of industry associations as well as discussions with select customers to establish where our technical developments can have the biggest impact in terms of ours and our customers' sustainability.



Further evidence of our use of CleanTech to reduce our impact on the environment can be seen in Resource Utilization and Circularity chapters of this Report, where you see this icon.



MANAGING ENVIRONMENTAL RISK

Three of our sustainability workstreams contribute significantly to the management and mitigation of environmental risk: Resource Utilization, Circularity, and Safety First (for all aspects related to chemical safety). In addition, environmental risk is assessed as part of our supply chain risk management process.

Further information can be found in the following chapters: Greenhouse Gas Reduction, Resource Utilization, Circularity, Safety First and Responsible Supply Chain.

The finance team introduced, for operational capex requirements, a possible extension of sustainable investment payback period. They also drafted and introduced a carbon pricing model for internal evaluations.

For environmental data and KPI metrics please see the Appendix.

ENVIRONMENTAL IMPACT ASSESSMENT

In 2023 most production sites conducted Environmental Impact Assessments (risks, impacts, opportunities) to identify and assess the environmental aspects of the activities related to all Gurit manufacturing process. The identification of environmental aspects is carried out with consideration to its origin, operating conditions, and character. Once aspects have been identified, associated environmental impacts are assessed and rated to determine their level of significance.

We have continued with our annual site water risk assessments, focused on high-impact water sites.

Regular ISO 14001 audits continue to form a significant part of our environmental risk management strategy at Gurit.

DOUBLE MATERIALITY ANALYSIS

In 2023 Gurit conducted a double materiality analysis to identify Gurit's impact on the environment, as well as the risk and opportunities environmental factors present to our company, such as climate change. A further step has been taken to prioritize all these impacts and factors. For the higher priority topics, we have carried out a financial risk analysis. The results of the materiality analysis inform our targets and actions planned for 2024. Further details of the 2023 double materiality analysis can be found in the Appendix at the back of the Report.

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- GRI 201-2 Financial implications and other risks and opportunities due to climate change
 - GRI 2-25 Process to remediate negative impacts
 - GRI 3-1 Process to determine material topics
 - GRI 3-3 Management of material topics

GREENHOUSE GAS REDUCTION

GREENHOUSE GAS REDUCTION OVERVIEW 2023

REDUCTION OF DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

- ✓ Scope 1 GHG emissions reduced for a third consecutive year with a reduction of 22% from 2020 (base year).
- ✓ 7% reduction in our partial scope 3 GHG emissions compared with 2020 (base year).
- ✓ Greenhouse gas reduction-related bonus scheme developed, with implementation in 2024.
- ✓ Concrete Scope 2 actions set to reduce our GHG emissions related to electricity.

Challenges and Opportunities

- We are working to grow the reliability and accuracy of the data, both internally and in collaboration with external parties.
- New initiatives such as the Sustainability Awards are effective in increasing the engagement of our staff across our sites and we will continue to focus on similar activities.
- Plans are in progress that will allow us to meet our 2030 scope 2 target through conversion of sites to renewable energy, rather than compensating or offsetting.

Setting GHG reduction targets in a growing industry requires flexibility and adaptation to evolving circumstances. Gurit is still working to determine the best disclosing format that will lead to better standardization and comparability.

We are committed to reducing emissions and increasing efficiency.

We have set ambitious reduction targets to achieve climate neutrality.



Contributing to the United Nations SDGs

GURIT'S GREENHOUSE GAS FOOTPRINT

We report our emissions for the Greenhouse Gas (GHG) Protocol **scope 1** (direct emissions), **scope 2** (purchased electricity), and a part of **scope 3** (indirect up- and downstream emissions). **In 2023, we implemented some improvements in the GHG data collection process.** However, the availability of reliable and comparable data is still a challenge for the teams and external parties involved. Our assessment of data quality is discussed in the methodology section of this chapter.

ABSOLUTE EMISSIONS

IN TCO _{2e}	2023	DATA QUALITY	DEVIATION FROM 2020 BASE YEAR	2022 AFTER COMPENSATION		2021 AFTER COMPENSATION & EAC		
				2022	2021	2021	2020	
SCOPE 1: DIRECT EMISSIONS	9 534		- 22%	0	10 021	0	10 337	12 249
Stationary combustion	7 173	●	- 26%		7 980		8 457	9 748
Mobile combustion	630	●	- 44%		679		808	1 122
Process emissions	1 428	●	+ 131%		1 151		814	618
Fugitive emissions	303	●	- 60%		210		258	762
SCOPE 2: ELECTRICITY	28 655		+ 22%	0	28 788	0	26 688	23 550
Electricity	28 460	●	+ 24%		28 226		26 165	22 920
District heating	195	●	- 69%		562		523	630
SUBTOTAL SCOPE 1+2	38 198		+ 7%	0	38 809	0	37 025	35 799
SCOPE 3 (PARTIAL): INDIRECT EMISSIONS	63 081		- 7%	50 884	67 526	0	76 024	68 166
Business travel	1 721	●	+ 19%		1 678		1 652	1 450
Employees commuting	3 553	●	- 22%		3 809		3 799	4 557
Transportation: raw materials ⁴	10 823	●			13 602		15 937	-
Transportation: produced and traded products (upstream)	7 161	●	- 51%		9 312		11 337	14 544
Transportation: produced and traded products (downstream)	24 735	●	+ 18%		19 056		19 795	21 051
Waste generated in operations	1 828	●	- 56%		2 131		2 221	4 132
Fuel- and energy-related activities	6 680	●	- 18%		8 721		6 747	8 111
Capital goods	6 581	●	- 54%		9 217		14 536	14 321

Note 1: Each year corresponds to the sustainability reporting period 1.11. to 31.10.

Note 2: For detailed explanation of our greenhouse gas reporting, restatements required, factors applied, base year chosen and corrections made, please refer to "Technical statement on Greenhouse gas accounting" part of this chapter, and to "Scope of Sustainability data and reporting practice" in the Appendix.

Note 3: Based on the methods and tools we have to collect the data, as well as on the difficulties encountered, we have estimated the quality of the data collected in 2023: green (considered reliable) to red (data may be unreliable).

Note 4: For raw materials transportation, comparison done with 2021 as no data available for 2020 base year.

EMISSIONS INTENSITY

In 2023 our scope 1 and 2 intensity was 75 tons of CO2e per million USD sales.

CARBON INTENSITY (SCOPE 1, 2)

EMISSIONS IN TONS OF CO2e	2023	2022	2021	2020
per million USD sales	75	74	74	58
per million CHF sales	83	78	79	62
per employee	14.35	13.9	12.63	10.27
per square meter of plant surface	0.06	0.05	0.06	0.06

Greenhouse gas emissions are calculated for the period of November to October while financial reporting and sales figure cover the period of January to December. Carbon intensity (tCO2e / employee) was restated because 2 employees from Gurit Tooling (Hong Kong) were included by mistake (site defined out of scope as not relevant for footprint assessment). 2022 carbon intensity was recalculated after 2022 footprint restatement.

- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions
- GRI 305-4 GHG emissions intensity
- GRI 305-5 Reduction of GHG emissions
- GRI 3-3 Management of material topics

In 2023, we have focused our climate change strategy on implementing GHG reduction initiatives across the company which would have a direct result on the annual footprint without any compensation or EAC purchasing.

For the third consecutive year, Gurit reduced scope 1 emissions, resulting in 22% reduction in 2023 compared with the base year of 2020. These reductions are mainly related to stationary combustion, mobile combustion, and fugitive emissions.

In 2023, our scope 2 emissions were comparable with the prior year. The ramp-up of our production in Mexico and our Chennai campus in India, which hosts a PET extrusion and kitting process production as well as production and kitting of structural profiles, contributed to this stagnation. We are still working on various measures on the reduction of our scope 2 emissions, fostering green energy purchasing and direct generation of renewable energy at our sites so that we can achieve our targets.

Most of our emissions fall into the scope 3 category, which have also reduced compared with the previous year and the base year. Waste initiatives implemented at our sites have played a big part in reducing our scope 3 emissions, while additional initiatives have also reduced the emissions of capital goods categories.

- GRI 305-5 Reduction of GHG emissions

GURIT GREENHOUSE GAS REDUCTION TARGETS

BECOMING NET ZERO IS A CORPORATE RESPONSIBILITY

Gurit is committed to reducing its greenhouse gas footprint and as a major supplier to the wind turbine industry, we want to become a net-zero company by 2050.

Taking 2020 as the base year, Gurit should achieve a 42% reduction in scope 1 and 2 emissions to be aligned with the IPCC Paris agreement to limit global warming to +1.5 °C.

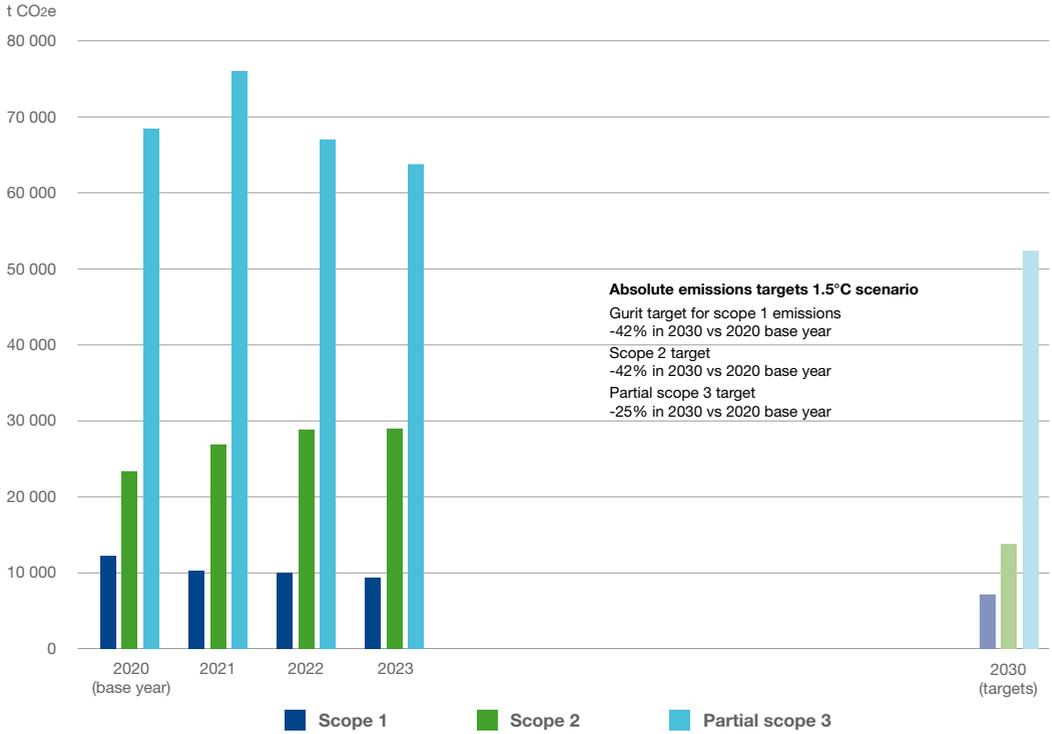
For the period 2020-2030 Gurit pledges to reduce its greenhouse gas emissions as follows:

- **Scope 1 emissions:** 42% reduction compared to base year by 2030, in line with the +1.5°C scenario.
- **Scope 2 emissions:** 42% reduction compared to base year by 2030, in line with the +1.5°C scenario, with the ambition to go further and reach a 95% reduction and 100% switch to renewable electricity if commercially viable.
- **Scope 3 emissions:** 25% reduction compared to base year by 2030, with the ambition to reach a 42% reduction needed to stay within the +1.5°C target with the support of suppliers and customers as well as the regulatory framework.

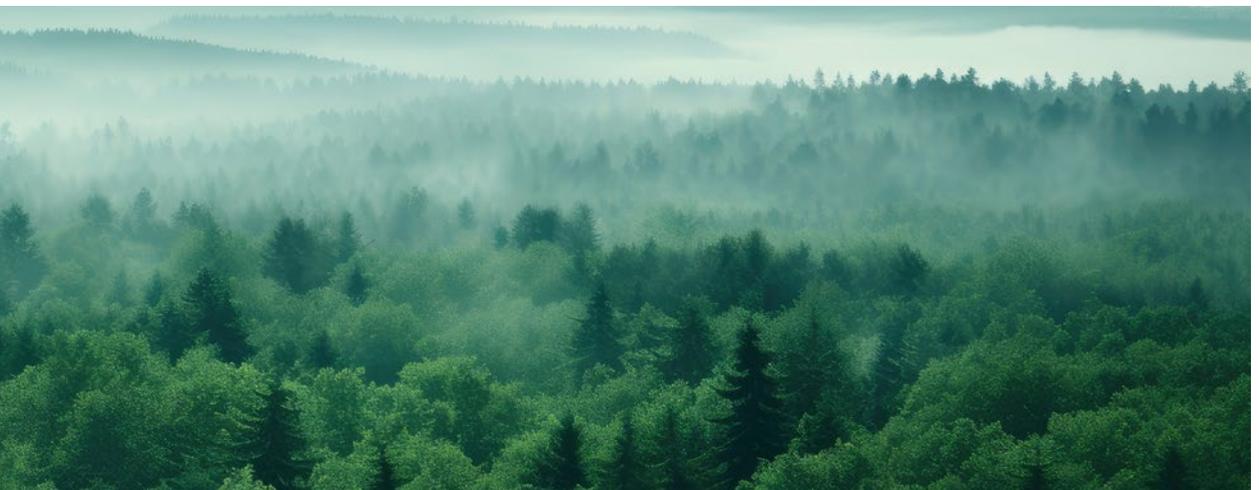
➤ GRI 305-5 Reduction of GHG emissions



GREENHOUSE GAS REDUCTION – PROGRESS AGAINST TARGETS

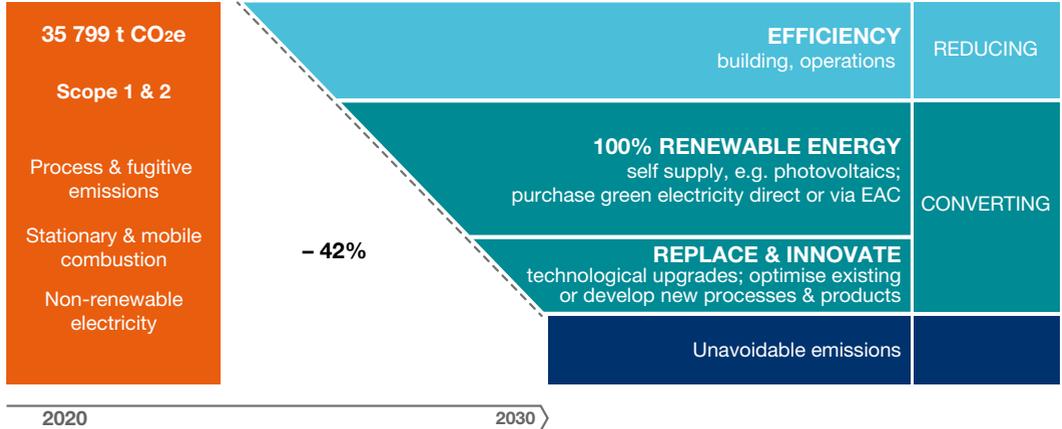


➤ GRI 3-3 Management of material topics



GURIT GREENHOUSE GAS REDUCTION STRATEGY

OUR STRATEGY



KEY AREAS OF ACTION FOR EMISSION REDUCTION

In 2023, Gurit has not continued with the purchase of compensation certificates or EAC certificates, instead we fostered the implementation of reduction measures for scope 1 and 2 emissions. The Resource Utilization workstream supports our production sites in the reduction of their own emissions. An overview of these initiatives is below and detailed in the Resource Utilization chapter.

DIRECT OWN EMISSIONS (SCOPE 1)	EMISSIONS FROM OWN ENERGY CONSUMPTION (SCOPE 2)	EMISSIONS FROM UPSTREAM SUPPLY CHAIN (SCOPE 3)	EMISSIONS FROM PRODUCT USE (SCOPE 3)
 <ul style="list-style-type: none"> - Reducing the emissions of our own locations - Reduction of all emission categories according to Greenhouse Gas Protocol 	 <ul style="list-style-type: none"> - Energy efficiency measures - Own power generation (solar power rooftop) - Purchase of green electricity 	 <ul style="list-style-type: none"> - Reduction of emissions in purchased products and services - Reduce transportation related emissions: regional procurement, routes optimization. - Reduce / optimize packaging 	 <ul style="list-style-type: none"> - Circularity workstream: innovation, research into fossil-free, fully recyclable end-products (zero waste turbine components) - Engagement in industry-wide initiatives (wind, marine)

#GuritCares we are committed to Greenhouse Gas emission reductions towards climate neutrality

FURTHER ACTIONS TAKEN TO MITIGATE GHG EMISSIONS

Our efforts to reduce greenhouse gas emissions can be summarized as follows and are discussed in various chapters of this Report:

- A sustainability organization with targets and dedicated sustainability workstreams, e.g. Resource Utilization and Circularity, integrated at all levels and across all functions of the business.
- Sustainability principles and progress reviews are fully integrated into management meetings with monthly and twice-yearly reviews.
- Collection and analysis of emissions-related data with a qualified tool and supported by an external expert.
- Increased frequency of data collection from our sites for more accurate and real-time monitoring.
- Engagement with customers and industry partners: our procurement and product development teams work with our supply chain and industry partners to continue to reduce greenhouse gas emissions and to proactively address circularity and end of life challenges.
- Concrete actions include energy audits, energy tracking and monitoring of the highest scope 2 emitters and fostering specific reductions initiatives related to process emissions.

ADDITIONAL DRIVERS TO ACHIEVE OUR GHG REDUCTION TARGETS IN 2030:

■ **Extension of sustainable investment payback period**

Since 2022, our operations are granted longer pay-back periods when considering and calculating investments that support the achievement of our sustainability targets.

■ **Carbon pricing model**

Our Resource Utilization sustainability workstream has set up a model to consider greenhouse gas and notably CO₂ emissions for future investments and acquisition projects. The purpose of this model is to serve as an internal evaluation tool to review investments also from their greenhouse gas impact perspective. This internal model values a ton of CO₂e with CHF 100.-

In 2024 we will set specific measures to implement the carbon pricing model in the CAPEX approval process.

■ **Greenhouse gas reduction related bonus**

In 2023, Gurit made the decision to introduce KPIs into its incentive systems related to greenhouse gas emissions scope 1 and 2. This will be applied for the first time for the year 2024.

This incentive has been set as a measure to motivate the implementation of GHG reduction initiatives across the company.

➤ GRI 2-25 Process to remediate negative impact
➤ GRI 3-3 Management of material topics
➤ GRI 305-5 Reduction of GHG emissions

TECHNICAL STATEMENT ON GREENHOUSE GAS ACCOUNTING

GREENHOUSE GAS PROTOCOL

The GHG accounting and reporting procedure for Gurit Holding AG is based on the 'The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition' (GHG Protocol) and the complementary 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' – the most widely used international accounting tools for government and business leaders to understand, quantify and manage GHG emissions. The standards were developed in partnership between the World Resources Institute and the World Business Council for Sustainable Development. The accounting was based on the principles of the 'GHG Protocol': Relevance, Completeness, Consistency, Transparency and Accuracy.

GHG ACCOUNTING

The accounting and footprint calculations were done with the support of an external consultant, the Swiss-based Sulytics company. The data inventory was based on data provided by Gurit. Data was collected by each site and entered directly into the Sulytics Tool, for which they received training. Data from the global procurement and human resources departments was centrally uploaded to the tool. The data itself underwent internal plausibility checks and advisory from a qualified external expert, however it has not been audited or verified by a third party. If no primary data was available, secondary data was considered, such as industry or national averages, expenditure, extrapolations based on information from other sites, or data from the GHG accounting of the previous year. Where inventory data was lacking, extrapolations and estimations were made by either Sulytics or Gurit experts such as the Head of Product Development, Product Managers, Site Managers or the Head of Operations of the production site concerned. This was undertaken according to their best knowledge, but such estimates cannot completely compensate for the absence of true data. Therefore, future variances in year-on-year data may or may not reflect an improvement of data quality, rather than a change in performance.

EMISSION FACTORS

The emission factors for the different categories are based on renowned databases such as: Ecoinvent, the world's leading lifecycle inventory (LCI) database; the Department for Business, Energy & Industrial Strategy (BEIS) UK; the United States Environmental Protection Agency; and the International Energy Agency. Overall, the data inventory, emission factors and assumptions are in line with the GHG Protocol. The choice of assumptions and emission factors follow a conservative approach. Unless otherwise specified, all emission values in the greenhouse gas report are given in metric tons of carbon dioxide equivalent (tCO₂e). We have therefore not only included CO₂, but also the other greenhouse gases mentioned in the Kyoto Protocol, e.g., methane (CH₄) and nitrous oxide (N₂O). Global Warming Potential (GWP) is a measure of the climate impact of a GHG compared to carbon dioxide over a time period, and is necessary in order to apply one unit to all the different GHG. GHG emissions have different GWP values depending on their efficiency to absorb longwave radiation and the atmospheric lifetime of the gas. The GWP values used in GHG accounting considers the six GHGs covered by the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol. These are the GWP used by BEIS and are based on the 'Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4)'.

→ ghgprotocol.org/corporate-standard

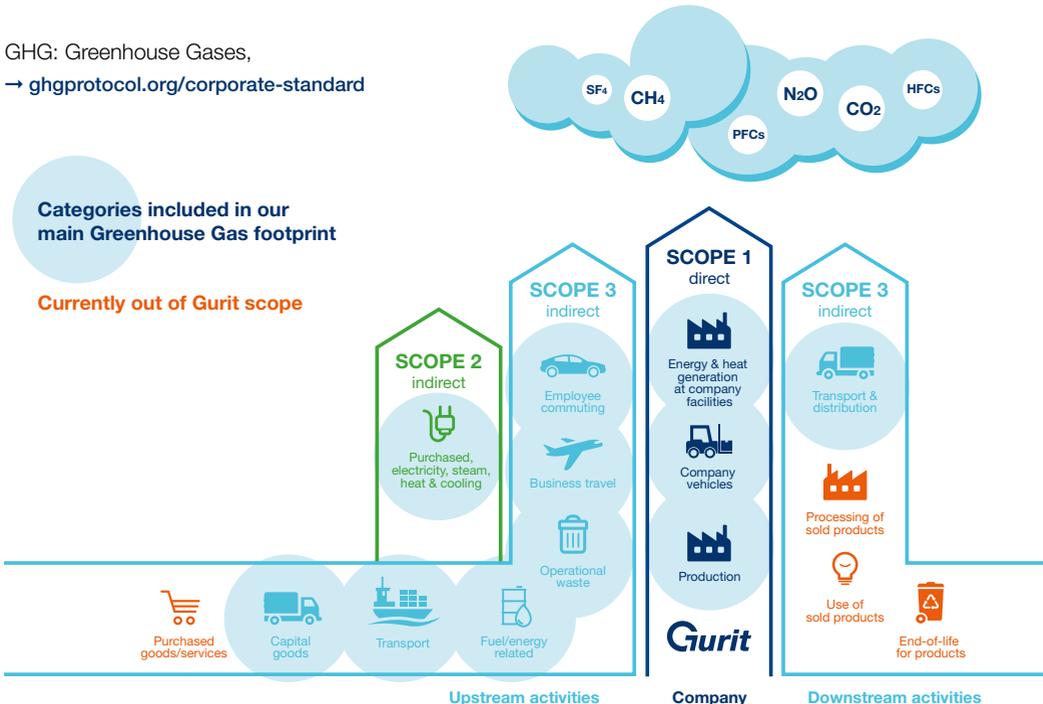
“For the third consecutive year, Sulytics has supported Gurit with a dedicated software to calculate the Greenhouse Gas emissions for scopes 1, 2 and 3, collecting relevant data from all sites. We have also supported Gurit with the correct calculation of the carbon footprint. Acknowledging that the quality and availability of data is a continuous process and will still evolve over the years, in particular for scope 3, I am confident that the data presented today is a fair representation of the carbon footprint that supports Gurit on its emission reduction ambitions.”



Adrian Siegrist, Carbon footprinting expert, MSc Environmental Sciences & Atmospheric Physics, ETH Zurich, Founder and Managing Partner at Sulytics GmbH

METHODOLOGY: THE GHG PROTOCOL

GHG: Greenhouse Gases,
→ ghgprotocol.org/corporate-standard



Our greenhouse gas footprint data is available on our website in a machine-readable format:

→ www.gurit.com/ghg

- GRI 2-5 External assurance
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions

RESOURCE UTILIZATION



RESOURCE UTILIZATION OVERVIEW 2023

EFFECTIVE RESOURCE UTILIZATION, MINIMIZE WASTE AND INCREASE RECYCLING

- ✓ Water risk assessments carried out for sites in high stress regions.
- ✓ Energy audits were carried out at the majority of production facilities and learnings replicated at other sites.
- ✓ Environmental impact assessments were completed by the majority of production sites.
- ✓ Gurit joined the Operation Clean Sweep® program.
- ✓ Sustainability Award launched to raise awareness of initiatives around Gurit sites.
- ✓ Most energy, waste and water initiatives implemented at a site level were underpinned by technology improvements, reinforcing our commitment to a CleanTech approach.

Challenges and Opportunities

- We acknowledge there are gaps in our sites' quantitative data and are working to address this.
- Monitoring the resource utilization initiatives and their progress due to the lack of specific data. Periodic reporting will be set in 2024 to address this challenge.
- It is both a challenge and an opportunity to foster a strong culture and increase employee engagement around climate change and resource utilization.

We operate efficiently by minimizing power consumption, waste, emissions and use of resources.



Contributing to the United Nations SDGs

**FOR RESOURCE UTILIZATION METRICS RELATED TO THIS CHAPTER
(ENERGY, WASTE, WATER AND MORE)
PLEASE REFER TO THE CORRESPONDING METRICS SECTION IN THE APPENDIX**

PURPOSEFUL USE OF RESOURCES

Efficient raw material use and the management of other resources, alongside strong and effective waste, energy and water management, are material to our footprint and the achievement of our sustainability targets. As such, 2023 has seen further focus and action in these areas.

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES

The Resource Utilization sustainability workstream brings together representatives from all business units and sites, guided by a workstream lead, sponsored by a member of the Executive Committee, and working closely with the sustainability core team. They meet monthly to monitor progress towards their targets and share best practice ideas; and provide updates to the Executive Committee at their monthly sustainability review. The Executive Committee also reviews targets and progress annually.

MANAGEMENT SYSTEMS FOR EFFICIENT RESOURCE UTILIZATION

Each Gurit site is responsible for playing its part in effective and efficient resource utilization, and the workstream has set up the following tools, policies and management systems to support Group and site efforts.

1. **Environmental Policy**
An environmental policy setting Group-wide standards and commitments has been rolled out to all sites.
2. **Water Risk Management Guidelines**
All sites have implemented the Water Management Guidelines.
3. **Hazardous Chemicals Management Policy**
As outlined in the Safety First chapter, Gurit has a Hazardous Chemicals Management Policy and related standards implemented at all relevant sites.
4. **Waste Management Guidelines**
Guidelines published in 2023 with the aim of avoiding, minimizing or mitigating the possible impact that waste generation has on the environment.
5. **Data collection platform**
The Sulytics data collection platform is used by all sites to track resource utilization, environmental and other sustainability data on a monthly, quarterly or annual basis.
6. **Chemicals Management Database**
During 2023, Gurit completed the roll-out of the GoldFFX chemicals management database to all sites.
7. **Best practice library**
In 2023, we started collating examples of best practice at our sites in a central online portal and sharing them at our monthly meetings.



MATERIALITY



GOVERNANCE

STRATEGY,
MGMT SYSTEMS,
POLICIES,
DUE DILIGENCE

8. Training and communication

To train employees in new tools, trends and standards, the content of our internal Learning Management System is complemented by webinar training and monthly internal communication channels.

-
- GRI 2-23 Policy commitments
 - GRI 3-3 Management of material topics
 - GRI 306-1 Waste generation and significant waste-related impacts
 - GRI 306-2 Management of significant waste-related impacts
 - GRI 306-3 Waste generated

IDENTIFYING IMPACTS AND MANAGING ENVIRONMENTAL RISKS

Regular audits form a significant part of our sustainability strategy at Gurit. These are self-audits, internal audits, and external audits by specialists or certification bodies.

In 2023, we carried out detailed water risk assessments for those sites in high stress regions (according to the water stress level estimated by the World Resources Institute Aqueduct 4.0 / Water Risk Atlas).

In 2022, we designed **an environmental impact assessment, which most of the production sites completed by the end of 2023**. The assessment allows us to evaluate the environmental impact of our actions both in our production processes and across our sites. For 2024 we have set a target to use the information gathered to identify risks and define mitigation actions.

ISO CERTIFICATION

The certification of our sites with ISO 14001 has further progressed. The newly set-up or acquired sites have been added to the roll-out plan 2023-2024. Please see the Environmental Management chapter for details.

CLEANTECH AT GURIT

We use innovation to reduce emissions, make better use of our resources, and use our technologies and processes responsibly to contribute to recycling and circularity. See more information in the Environmental Management chapter.

You will see this icon where a CleanTech approach has been used.



-
- GRI 2-13 Delegation of responsibility for managing impacts
 - GRI 2-25 Process to remediate negative impacts
 - GRI 3-3 Management of material topics



RISK
MANAGEMENT

ENERGY SAVING INITIATIVES WITHIN GURIT

Work continues at our sites to reduce our energy consumption both in our production processes and across all our sites' locations. All these actions have contributed to 10% reduction of energy consumption within the organization between 2020 and 2023.



Replacing old lights with LED lights at several sites



Installation of E-car chargers for staff to use during the working day



Upgrading heat exchange units to reduce energy consumption

In 2023, our scope 2 emissions were comparable with the base year. We are pleased to have been able to maintain this rate while ramping up two sizable production sites.

We have identified opportunities in 2024 to get on track with the conversion of our sites to renewable energy, addressing our scope 2 emissions. We plan to do this through new electricity supply contracts at several sites whose current contracts end this year; working with our biggest emitting sites on a detailed plan of action to reduce their emissions; and requiring all sites to implement at least one electricity reduction initiative this year.

The energy audits that we carried out at all main production facilities in 2023 will be used to inform the energy reduction plans. The learnings from the audits will be used to generate plans for the sites that were not audited. Our target is to carry out energy audits every four years.

See the Resource Utilization Metrics in the Appendix for more details on our year on year progress.

-
- GRI 302-1 Energy consumption within the organization
 - GRI 302-4 Reduction of energy consumption
 - GRI 305-5 Reduction of GHG emissions
 - GRI 3-3 Management of material topics



SUCCESSFUL REDUCTION OF WASTE GENERATED

When it comes to waste, at Gurit we not only focus on the materials we dispose of but aim to reduce the environmental impact throughout our whole production process. This includes the efficient use of resources, re-designing packaging to reduce transportation requirements, and the recovery of materials so we can recycle, re-use or re-introduce them to the production cycle (see also the Circularity chapter).



From November 2022 to October 2023, the total weight of waste generated and reported by Gurit sites was 12 660 metric tons, which is a 7% decrease from last year. 50% of this waste has been recycled during the reporting year.

POLLUTION PREVENTION PROGRAMME: OPERATION CLEAN SWEEP®



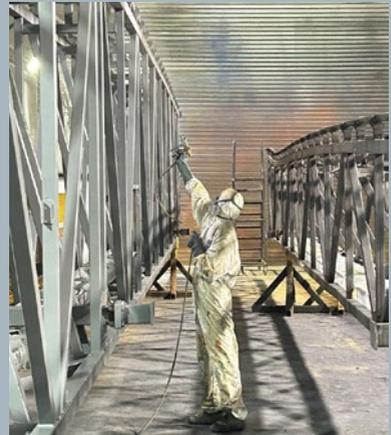
In 2023, Gurit joined the Operation Clean Sweep® program, designed to prevent resin pellet loss to the environment. Gurit has started to implement its housekeeping and containment practices in line with this international program.

Read more: → www.opcleansweep.org

- GRI 305-5 Reduction of GHG emissions
- GRI 306-1 Waste generation and significant waste related impacts
- GRI 306-2 Management of significant waste-related impacts
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 3-3 Management of material topics



Too thin for most applications, the foam core skims leftover after processing are highly suitable for wingfoil board production (New Zealand)



A local company takes bobbin ends of unused carbon fiber and uses our waste to produce a thin carbon textile (Spain)

Airless painting is now used to protect the steel structure and frames, reducing pollutants, material use and waste (China)

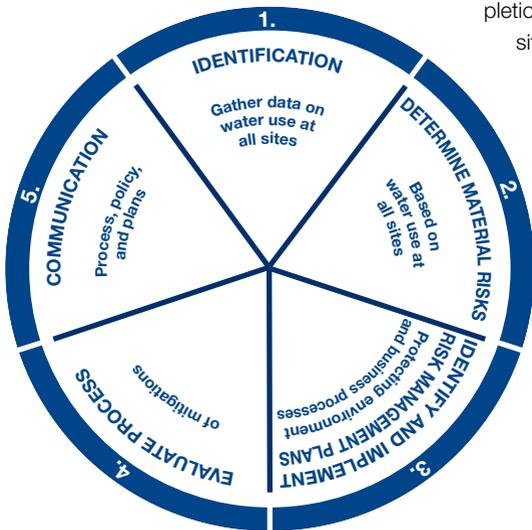
WATER AS A SCARCE RESOURCE

Gurit recognizes that water is a scarce resource, and that water management is essential for the effective functioning of our sites and for maintaining a healthy environment and workforce.

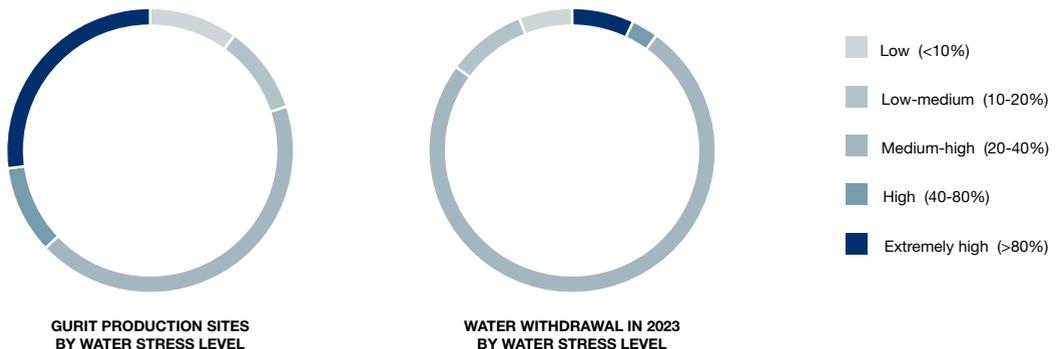
HOW GURIT RESPONSIBLY MANAGES WATER

Following the introduction of Water Management Guidelines and the completion of a water management risk assessment by our production sites, **this year we have undertaken more detailed water risk assessments for those sites in high stress regions** (according to the water stress level estimated by the World Resources Institute Aqueduct 4.0 / Water Risk Atlas – Read more: → www.wri.org/applications/aqueduct/)

In 2024, risk mitigation measures will be identified, and a plan developed. The effectiveness of mitigations will be evaluated through reduction in water use, reduction in specialist waste or more efficient processes.



AQUEDUCT WATER STRESS ANALYSIS FOR GURIT SITES IN 2023

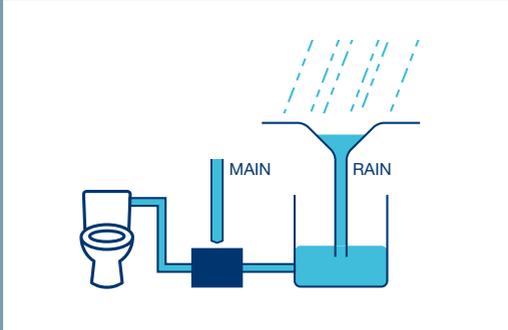


Note: Water withdrawal includes Tap water (municipal water supplies) and Groundwater (drawn directly from well), excludes Grey Water, Sewage and Water recycled or reused on site. Based on Aqueduct 4.0 / Water Risk Atlas, the water stress level of Gurit sites has been updated. Compared to 2022 evaluation, 5 sites have a higher level in 2023 and 3 sites a lower level.

MONITORING OUR CONSUMPTION AND PREVENTING SPILLS



Our production facilities use water responsibly and take water consumption into account when designing processes. **Water withdrawal has again decreased in 2023 (-18% compared to 2022), with alternative supplies (rainwater, recycled water, grey water) representing 14% of the total water withdrawal in 2023.** See the Metrics in the Appendix for more details.



As part of an overhaul to the existing building rainwater system, Gurit Auckland (New Zealand) now uses rainwater for the toilet system at the site



Gurit Carmignano (Italy) installed a new steam generator which achieved a saving of up to 3m³ heated water per day, also reducing energy use

Local regulations on maintaining the quality of waterways and discharge of harmful substances to the local environment are strictly adhered to. In addition to local regulatory requirements, potential risks are evaluated through water management risk evaluations.

Gurit sites have not registered any significant spills during this reporting period, except for a diesel tank pipe leakage. An estimated 23.5 liters of diesel entered the water drainage system and spilled into the river. Isolation belts were laid in the river to prevent diesel from spreading, until the leakage point was found and repaired. The diesel in the rainwater pipe was cleaned out and enhanced checks were implemented for major hazards.

GURIT SUSTAINABILITY AWARDS

In 2023 Gurit launched its inaugural Sustainability Awards with two categories, one of which was **Resource Utilization**. More information can be found in the #GuritCares – Our Sustainability Strategy & Targets chapter.

- GRI 303-1 Interactions with water as a shared resource
- GRI 303-2 Management of water discharge related impacts
- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 303-5 Water consumption
- GRI 3-3 Management of material topics

**CASE STUDY: MAGOG, CANADA
WORKING WITH LOCAL PARTNERS TO REDUCE, REUSE AND RECYCLE**



“We began our sustainability journey at Magog by getting some basic support from Synergie Estrie. Following a successful program of recycling tempered glass, we gained some positive momentum and we have now successfully completed a number of sustainability projects, especially around resource utilization, where we work with several local partners and follow an approach of Reduce, Reuse, Recycle.”

Philippe Cyr, Continuous Improvement & Environment Engineer

Gurit’s site in Magog, Canada, specializes in the production of Corecell™ structural foam core. The site is one of Gurit’s most established locations and is where the story of Corecell began, nearly 30 years ago. This legacy of innovation carries through to the culture and philosophy of the site today, where sustainability has become integrated into daily activities and is a key driver for change.



COMPACTING WASTE TO REDUCE VOLUMES FOR TRANSPORT

Waste resulting from foam core production is bulky and light. To reduce the volume of waste, Gurit uses the Bin Masters compacting service. This has resulted in the reduction of the required container transportation by 40%, reduced costs, and improved the cleanliness of the exterior courtyard.



RECYCLING OF EMPTY PLASTIC CONTAINERS

About 1 ton of plastic per year is diverted from landfill through the recycling of empty plastic containers. The Plastimum company, a recycler located near Magog, crushes and pelletizes this plastic which will be sold and reused.





RECYCLING TEMPERED GLASS PLATES

Tempered glass plates are used for assembling the molds for the production of Corecell. The plates often break during the production process or during polymerization. Gurit first assessed the manufacturing process and then put in place measures to reduce the breakage rate. Any plates that are broken are now recycled by 2 suppliers: Groupe Bellemare and 2M Ressources, resulting in around 30 tons per year diverted from landfill. Both companies convert the glass to be used as an industrial sandblasting material or as filtration glass in swimming pools.



LOCAL COMPANIES REUSE OUR WASTE PACKAGING

Gurit Magog supports two local artisanal businesses who advocate for sustainable development. Once a month, they collect packaging waste (cardboard boxes, bubble wrap and wrapping paper) that Gurit employees have put aside. This prioritizes reuse rather than recycling, and our employees feel a sense of pride as they support wider sustainability initiatives in the region.



PROJECT FOR THE RECOVERY OF WASTE FROM OUR FOAM

Working with specialists Investissements Quebec, we have carried out a characterization of our structural foam core waste and have identified potential reuse by hot compression mold. We will investigate the possibilities further in 2024.



WATER MANAGEMENT PROJECT FOR WATER TANKS

Wastewater at our Magog site must be treated by an accredited supplier due to the acrylonitrile content. To improve our onsite water management, Gurit Magog received funding for a research project with an external expert looking for alternatives to reduce or reuse the wastewater which contributes to good governance and aligns with our social responsibility commitments and water management guidelines.



CHANGING TO LED LIGHTING

Having moved to LED lighting across most of the site in late 2022 (resulting in savings of 456 282 kWh per year), in 2023 our Magog team started work on phase 2, which was to update the weak non-LED lighting in the chemical area. An electrical compliance assessment was first carried out by certified external contractor, GCM Consultants, to ensure that the improvements lead not only to a brighter, but also a safer and more energy-efficient area on our site.



RECOGNITION FOR SUSTAINABILITY

At the Gala for the 29th Awards for Environmental Excellence in the Eastern Townships, Gurit Magog was awarded with Distinction in the large company category for its sustainability achievements through the partnership with Synergie Estrie.



(L-R): Gurit Magog team members: Jean-François Bernier, Sylvie Desjardins, Kellen De Souza, Philippe Cyr, Hakim Rahma

CIRCULARITY

CIRCULARITY OVERVIEW 2023

CIRCULARITY AND END OF LIFE AS PART OF PRODUCT STRATEGY

- ✓ Introduction of the Gurit Product Design for Safety and Sustainability (PDSS) guiding principles that provide a framework for new product developments.
- ✓ Assessment of circularity implementation across Gurit sites, using the Circulytics tool.
- ✓ Engagement with over 25 organizations and a member of four funded projects to investigate and increase innovation around circularity and the end-of-life challenges.
- ✓ Implementation and evolution of a green products roadmap.
- ✓ Undertaken technology projects to recycle waste PET from customers.
- ✓ Expanded our post-consumer recycled PET feedstocks by processing a broader range of colored plastic.

Challenges and Opportunities

- Lack of data within the industry supply chain limits the current scope of LCA process.
- Low maturity of infrastructure and supply chain creates challenges with end-of-life processing.

We promote circularity in all Gurit product ranges.

We identify and promote sustainable end of life and circularity solutions through product development.



Contributing to the United Nations SDGs

CIRCULARITY AS A FOUNDATIONAL PRINCIPLE

Our planet has finite resources and circularity is an essential concept to mitigate this fact. Our customers in the wind turbine sector and other advanced composites markets, such as boatbuilding, are keen to develop fully circular products. At Gurit, circularity is a material topic, and we want to play an active role by providing solutions and support for both our customers and, in turn, their customers to achieve this. Advanced composites are made to last for decades, so decommissioning of these composites at the end of their useful product life, in the most efficient and ecological way, is a task the entire composites industry has started to address systematically.

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES

The Gurit Circularity workstream aims to increase the circular approach within Gurit and establish relevant supporting capabilities. The workstream lead is the Head of Technology. Periodic updates to the Executive Committee and an annual review ensure alignment with both our business and sustainability strategies. Gurit has its own teams of dedicated specialists and experts in product development, application centers and laboratories. Sustainability and circularity are integrated into their daily routines and approach to work.

- GRI 3-3 Management of material topics
- GRI 306-2 Management of significant waste-related impacts
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal

OUR MANAGEMENT PROCESSES & STRATEGIES TO ADVANCE CIRCULARITY

The circular economy is a complex challenge that impacts companies and activities throughout the supply and value chain. Gurit strives to act within its sphere of influence and to work together with partners to promote the goals of the circular economy.

We have developed several processes and strategies to help us progress our circularity work:

KEY PROCESSES

- Product design for safety & sustainability
- Life cycle analysis
- Circulytics assessment

KEY STRATEGIES

- Increasing recycled and bio-based materials in our products
- Developing end of life solutions
- Engaging with industry on circularity projects
- Implementing CleanTech initiatives where appropriate

CLEANTECH AT GURIT

We use innovation to reduce emissions, make better use of our resources, and use our technologies and processes responsibly to contribute to recycling and circularity. See more information in the Environmental Management chapter.

You will see this icon where a CleanTech approach has been used.



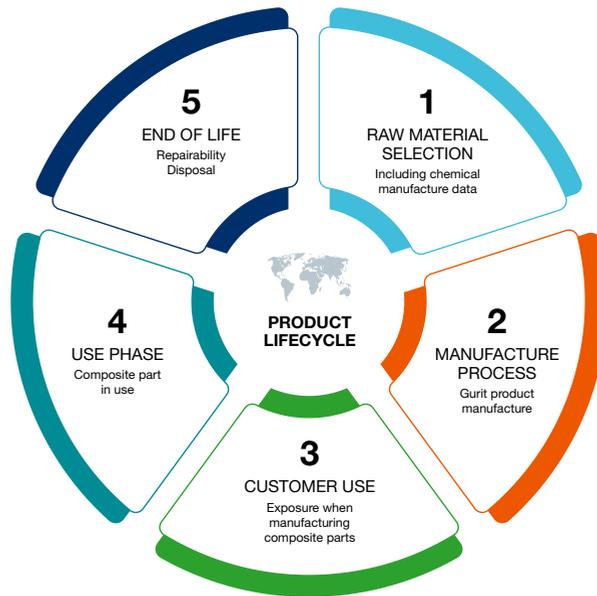
MATERIALITY



GOVERNANCE



STRATEGY, MGMT SYSTEMS, POLICIES, DUE DILIGENCE



Evolution of strategies for a more sustainable future such as the EU Green Deal and the EU Chemical strategy for sustainability have led to the development of a variety of frameworks and legislative changes that support the innovation of Safe and Sustainable by Design (SSbD). Frameworks such as SSbD and Product Environmental Footprint (PEF) methods promote a harmonized approach to sustainability metrics and measures.

The principles of these frameworks have been used **in 2023 to develop the Gurit Product Design for Safety and Sustainability (PDSS) as a set of guiding principles that provide a framework for all new product developments, or product improvements, within Gurit.**

The PDSS encompasses the product lifecycle within Gurit's sphere of influence including purchased products, product manufacture and processes, and product application. The PDSS evaluates a product in three key areas:

1. Human health assessment
2. Environmental safety assessment
3. Social and economic sustainability assessment

Each point in the product lifecycle may be assessed by a variety of tools and metrics, and recommendations for these can be found alongside the guidelines. Each data point may act as a comparison to the previous product iteration or against industry standard products. Whilst ensuring that the new product development is either equal to or (preferably) better than the incumbent product, the framework can aid in decision making when carrying out product development as well as highlight critical data gaps with the aim of closing them.

Gurit is clear that identified data gaps should not hinder efforts to create a more sustainable product offering and it is anticipated that this process develops over time as more data becomes available. For example, chemical safety and LCA data are becoming mandatory requirements, so the availability of such data is expected to increase in the coming years. In the meantime, the PDSS takes into consideration the limited availability of LCA scope and data.

In 2024 we plan to run two new product development pilot programs using the guidelines.



“Implementation of the PDSS allows us to consider new product developments from a holistic, whole-product viewpoint, ensuring that it’s not only the technical requirements that are met, but also ensuring that all aspects of the product’s lifecycle are as sustainable as possible. Allowing us to ultimately develop a more sustainable product portfolio.”

Amy Moram Chemical Compliance Manager and Sustainable Products Lead

LIFE CYCLE ANALYSIS

Life Cycle Analysis (LCA) is a methodology that allows us to assess the impact our products, processes and activities have on the environment from conception, through use, to end of life.

The LCA process involves calculations based on a range of factors, such as raw materials purchased, transportation, energy use in our plants, packaging, and waste. We use the data internally to understand and minimize the environmental impacts of our products and to drive changes.

There are however challenges with the LCA process such as a lack of data within the industry supply chain, which limits the current scope. Disruptions and inflation leading to possible frequent changes of both suppliers, transportation means and distances, as well as certain product components, add further complexity to the task.

CIRCULYTICS

Circulytics is a tool, developed by the Ellen MacArthur Foundation, to measure a company’s circular economy performance. It measures enablers (such as strategy and planning) and outcomes (providing a snapshot of how circular a company is in terms of material flows, product design, energy use, and more), helping companies set and track progress against targets in order to become more circular. **Gurit used Circulytics in 2023 to assess the circularity of its organization.** Strengths were seen in strategy, planning, products and materials. The gaps identified include operations and asset management, which will be examined and addressed in 2024.



↗ GRI 3-3 Management of material topics

↗ GRI 306-2 Management of significant waste-related impacts

ACTIONS TO MANAGE RISKS AND OPPORTUNITIES RELATED TO CIRCULARITY

In 2023 we took the following actions to ensure alignment and relevance of our circularity work within our business and within the industry.



RISK
MANAGEMENT

- 1. Data-driven decision-making approach, using tools and processes such as Circulytics and LCA.**
- 2. Implementation and evolution of a green products roadmap** to better coordinate work across all product ranges and ensure alignment with business strategy.
- 3. Worked with an increased number of industry partners** to ensure our efforts are aligned with the market direction, to ensure the best use of our expertise in developing circularity initiatives, and leverage diverse expertise from key stakeholders throughout the supply chain to develop circularity technologies and relevant solutions.
- 4. Developed technology projects to recycle waste PET from customers,** however the logistical challenge of returning the waste remains. Our next step is to establish the supply chain and business model to manage this.

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- GRI 2-25 Process to remediate negative impacts
 - GRI 3-3 Management of material topics
 - GRI 306-2 Management of significant waste-related impacts

INCREASING RECYCLED AND BIO-BASED MATERIALS IN OUR PRODUCTS

Gurit aims to increase the proportion of recycled and low-footprint bio-based raw materials used in Gurit's standard product ranges.

BIO BASED CHEMISTRY

Sustainable chemistry at Gurit means developing product ranges with lower hazards to protect employee and customer health (see the Chemical Safety section in the Safety First chapter), utilizing lower carbon supply chains (see Responsible Supply Chain chapter), and increasing the share of bio-based products within our range.

Bio-based materials supply chains do not always equate to more sustainable products and Gurit has been careful to balance such approaches with ensuring product toxicity levels and performance are best in-class. The bio-based supply chains are only selected where they lower the carbon footprint and environmental impact of petroleum-based incumbents. Life Cycle Analysis and the PDSS guidelines will help us with the decision-making around this.



Additionally, Gurit considers biodiversity and social impact as important factors, and we uphold SDGs 14 and 15 while developing new products and improving existing products and processes. Our product development teams avoid choosing bio-based raw materials that would compete with food production or generate an incentive for monocultures detrimental for biodiversity.

We have the ambition of ‘bio based as standard’ and we estimate the volume of bio-based raw material was around 1% in 2021, 5% in 2022 and 6% in 2023. Gurit resins that are now available as standard products with guaranteed bio content are: Ampro Bio, Prime 37, Ampreg 30 and Ampreg 31.

RECYCLED PET STRUCTURAL FOAM

PET is an extruded thermoplastic structural foam that offers great benefits in terms of the balance of thermal resistance mechanical performance and cost.

Gurit's Kerdyn™ PET is made from up to 100% recycled PET, mainly sourced from post-consumer bottles, for which there is a well-developed and resilient supply chain. Gurit both internally recycles the waste PET post-consumer bottles and externally sources recycled PET, which is converted into PET foam then used by our customers as a lightweight structural material or energy saving insulation in a wide range of end products such as wind turbine blades, boats, vehicles and buildings.

In addition, the Gurit process allows for waste from production to be recycled back into the extruder to produce fresh foam core material, this reused PET represented 31.3% of the total PET used in our plants in 2023.



IN 2023, WE RECYCLED

**920
MILLION**



POST-CONSUMER PET DRINKING BOTTLES
INTO PET STRUCTURAL FOAM CORE

In sites where we co-locate PET extrusion and kitting, Gurit can recycle kitting waste for customers directly, efficiently and with no impact from transportation due to our co-located plant design.

We are committed to playing a part in reducing PET bottle waste on at least 3 continents globally. **In 2023 we expanded our recycling feedstock options for Kerdyn PET structural foam, to include a broader range of colored plastics.**

-
- GRI 3-3 Management of material topics
 - GRI 306-2 Management of significant waste related impacts
 - GRI 306-3 Waste generated
 - GRI 306-4 Waste diverted from disposal
 - GRI 301-3 Reclaimed products and their packaging materials

NATURAL FIBRES AS SUSTAINABLE REINFORCEMENTS

Along with traditional glass, carbon and hybrid fiber fabrics, Gurit also offers natural flax fiber products. Flax is a sustainable natural fiber that offers significant environmental benefits, including a CO2 footprint reduced by up to 75% compared with carbon fiber. It can be grown as a rotational crop, enriches the soil and requires significantly less water and energy during its production when compared with carbon.



Flax does not have the same properties as carbon fiber and cannot fully replace it at this point in time, despite its compelling environmental benefits. However, it can be used in combination with traditional reinforcements, depending on the application and properties required, and in a variety of weaves and formats. It can be used by itself as a single skin or as a sandwich laminate with other sustainable materials.

Examples of flax fiber materials distributed by Gurit are two lines developed by the Swiss partner company Bcomp: ampliTex™, a flax fiber fabric; and powerRibs™, a solution for stiffening thin-walled structures inspired by the veins on a plant leaf.

The combination of our low toxicity bio resin with natural fiber solutions is another step towards a bio-based composite panel solution suitable for use in multiple industries.

END OF LIFE

At Gurit, our product development teams keep the end of the product life in mind and try to anticipate what solutions will exist when the final product may reach this point after a few decades. Options currently considered for composite components at the end of their useful life include:

- Life extension
- Re-life
- Repair
- Recycle
- Reuse

LIFETIME EXTENSION & REPAIR SOLUTIONS



Gurit offers repair solutions to extend the service life of wind turbine blades which is typically around 20 - 25 years. Gurit has a range of OEM-qualified and certified low-toxicity epoxy materials for in-field repairs as well as in-factory blade finishing and repairs, including laminating and infusion resins, fillers, adhesives and gelcoats. Our efficient repair solutions extend life cycles and contribute to minimizing downtime, with repair time reduced from approximately two days to four hours.



REUSE

Repurposing wind turbine blades for other applications such as pedestrian bridges, roadbuilding or the construction industry is an option that is well supported by Gurit's extensive database of material properties and engineering expertise.

RECYCLING

Gurit continues to investigate and contribute to research into the recycling of composites. It is not straight forward – composite structures are inherently mixed material structures, which have been designed to withstand harsh environmental conditions over decades of use and are therefore not easily recycled. Although several different recycling approaches currently exist, there is a trade-off between the economic cost of processing waste, the environmental impact, and the value of the reclaimed material.

In 2023, Gurit continued to work with industry and academic partners to advance composite recycling technologies.

➤ GRI 3-3 Management of material topics

ENGAGING WITH INDUSTRY STAKEHOLDERS

In 2023, Gurit engaged with over 25 entities to investigate and increase innovation around circularity and the end-of-life challenges that exist for composites and composite components.

Some examples include:

- **Repoxyble** – one year into a three-year European Horizon program with the aim of creating closed-loop recyclable bio epoxy composites, to which Gurit provides resin and formulation technology.
- A European funded program to develop industrial scalable recycling processes for wind turbine rotor blades. Gurit provides expertise in materials recycling, PET, pultrusion and thermoset composite knowhow.

In addition, in 2023 Gurit collaborated on six customer or supplier end of life projects. These are ongoing and further information will be released in due course.



➤ GRI 3-3 Management of material topics

SOCIAL PERFORMANCE



To be successful together we take ownership and accept the related responsibilities.

We cultivate mutual respect, acceptance and personal growth.

We act honestly and we walk the talk.

4 QUALITY EDUCATION 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 	13 CLIMATE ACTION
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Contributing to the United Nations SDGs

SOCIAL PERFORMANCE OVERVIEW 2023

FOSTER AND STRENGTHEN EQUALITY, DIVERSITY & INCLUSION WITHIN GURIT

- ✓ Issued public commitment to gender equality, aligning with the Women's Empowerment Principles and The 5 Standards of Conduct.
- ✓ Gender pay-gap audit conducted at all Gurit sites.
- ✓ Created and rolled out training on 'human rights and forced labor'.
- ✓ Offered training on 'zero tolerance of all forms of discrimination and violence' to all employees.
- ✓ Gurit Burn Bright mental health initiative implemented to support work/life balance.

Challenges and Opportunities

- Must ensure we consider a wide range of perspectives when developing general statements regarding work / life balance for men and women for all sites, as we have specific requirements for each site and job profile.
- As we have a presence in several countries, with varying remuneration situations, it is not possible to report a global pay gap result. However, we have conducted a pay gap analysis per site.
- It is a challenge to ensure training on these topics has sufficient uptake so we must better understand the obstacles and address them.

DEVELOP A GROUP-WIDE APPROACH TO LOCAL COMMUNITY AND EMPLOYEE ENGAGEMENT

- ✓ Periodic and ad-hoc calls conducted to encourage sites to submit their Local Community initiatives.
- ✓ Over 80% of our sites implemented local community initiatives.
- ✓ 549 employees took part in at least one local community initiative.

Challenges and Opportunities

- Tracking the impact of local community programmes is both a challenge and an opportunity to demonstrate the value added and focus our actions.

**FOR SOCIAL PERFORMANCE METRICS RELATED TO THIS CHAPTER
PLEASE REFER TO THE CORRESPONDING METRICS SECTION IN THE APPENDIX**

STRIVING TO BE A GOOD CORPORATE CITIZEN



MATERIALITY

At Gurit we adhere to fundamental rights, and we strive to translate our social policy and values into good practices, maintaining high business ethics and social standards. Attracting, training and retaining a highly skilled, motivated, and high performing workforce is key to the Group's current and future success. This means we must offer an outstanding and inclusive work environment for all our employees, with consideration to location of work, culture of our teams, opportunities to train and grow, and understand how our business fits into and supports the local communities in which we are based. The social performance within our supply chain is equally important and discussed within the Responsible Supply Chain chapter.

Our labor practices and social impact, both locally within our production sites and further afield through our supply chains, have been recognized as priority and material areas for Gurit. Our social performance strategy therefore focuses on these areas:

- Equality, diversity & inclusion
- Training & education
- Human rights
- Associations & sponsorships
- Local community
- Employee engagement



GOVERNANCE

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES

The Social Responsibility pillar of Gurit's sustainable organization is split into three workstreams: Equality & Diversity, Local Community and Responsible Supply Chain. Each workstream implements the strategy across the organization to achieve the annually defined targets and is sponsored by a member of the Executive Committee.

↗ GRI 2-13 Delegation of responsibility for managing impacts

↗ GRI 3-3 Management of material topics

SOCIAL PERFORMANCE MANAGEMENT SYSTEMS AND POLICIES

Gurit has several established systems and policies which provide the foundation for our social performance. These are regularly reviewed to establish where improvements can be made.



SOCIAL PERFORMANCE STANDARDS

We are committed to fair and equal employment for all our employees regardless of gender, sexual orientation, age or origin, and do not tolerate any discrimination with respect to employment and occupation. These commitments are covered in our → [Code of Conduct](#) and → [Social Policy](#).

HUMAN RESOURCES SYSTEM

The “MyGurit” HR database is the backbone of Gurit’s human resources and social performance management. The employment data collated in this Report was submitted by our sites via the MyGurit database. The data is professionally handled and analyzed by our trained Group Human Resources team.

LEARNING MANAGEMENT SYSTEM

Gurit’s Learning Management System (LMS) is available to the indirect (non-shopfloor) workforce at all sites and offers training on a wide range of topics.

2023 is the second year that Gurit is working with a new LMS platform, so the improved stability and higher engagement levels have led to an increase in the numbers of courses available and higher participation by users (see Social Performance metrics for more detail about the data related to LMS training).

In 2023, employees completed a total of 2676 courses in the LMS, almost 50% more than 2022, with each employee receiving an average of 1.54 hours of training via the platform compared with 0.75 hours in 2022 (average amount of training received by employees outside the LMS is reported in the Training and Education section later in this chapter).

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Career development and performance reviews are cornerstones of Gurit’s Human Resources strategy. At most sites, employees have a performance and career development review at least once a year, reviewing the job description, main goals, job requirements and training opportunities, evaluating the employee’s performance, and completing a competence matrix.

From November 1, 2022, to October 31, 2023, **81% employees with access to MyGurit were part of a performance and career development review.** These employees represent a 32% of all Gurit workforce.

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- GRI 2-23 Policy commitments
 - GRI 2-24 Embedding policy commitments
 - GRI 3-3 Management of material topics
 - GRI 404-3 Percentage of employees receiving regular performance and career development reviews

EQUALITY, DIVERSITY & INCLUSION

The Equality and Diversity workstream defines annual targets that allow us to continue to enhance diversity at Gurit, to promote this in our hiring approach, provide equitable opportunities in management functions regardless of gender, and to better identify any discrimination in respect of employment and occupation.

In 2023 we publicly committed to gender equality with support for Women’s Empowerment Principles (WEPs), which provide guidance for advancing gender equality and women’s empowerment in the workplace, marketplace and community, **and also to The 5 Standards of Conduct,** which supports the business community in tackling discrimination against LGBTQ+ people.



“At Gurit, we believe that to be successful, we must cultivate mutual respect, acceptance, and personal growth; and it is our responsibility as leaders, managers, and colleagues to take ownership of equality, diversity and inclusion within our company. It must become integral to our everyday work. A diverse workplace that does not discriminate brings more creativity and broader perspectives, allowing us to become better problem solvers, develop better products and services, and ultimately create a work environment that allows all our employees to flourish. As a company that aligns with the United Nations SDGs, it makes sense for Gurit to align with the WEPs and join a global community that together strives to learn more, become better employers, and supports the empowerment of women across our organizations.”

Mitja Schulz, CEO

EQUAL OPPORTUNITY RECRUITMENT

Equal employment opportunity is supported through Gurit's Code of Conduct.

To avoid gender discrimination in our hiring process, Gurit does not require applicants to state their gender. Our gender data is based on information we hold on new hires and promoted employees.

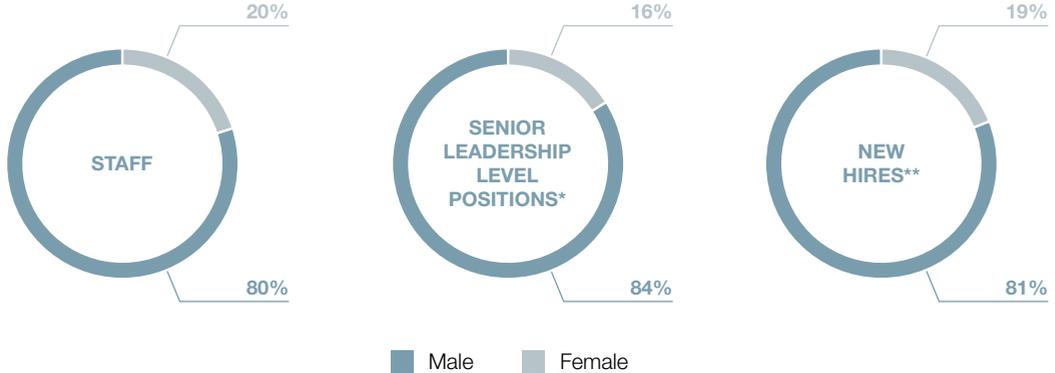
GENDER REPRESENTATION AT GURIT

We continue to engage in opportunities where we can influence and inspire girls and young women to explore opportunities in science and engineering careers.

One of our 2030 ambitions is to ensure a diverse workforce with equity in professional development. For this reason, we are setting targets around mentoring and participation in professional networks with specific support for women.

In 2023, 53% of participants on our internal talent program were women.

GENDER REPRESENTATION GURIT IN A GLANCE



* Including: Executive Committee, Senior Management, Extended Senior Management

** Excludes apprentices, trainees, interns and agency workers/contractors

In 2023, women represented 20 percent of the staff, which is similar to 2022.

SALARY GAP IDENTIFICATION

In 2023, Gurit introduced tools and set up a system to help identify gender pay gaps across the company. An initial analysis has been undertaken by site.

LIVING WAGE

Living wage is a new topic under consideration by Gurit. **In 2023, we identified the most suitable option to evaluate the company's living wage status.** In 2024 we will continue by defining the living wage process and conduct a living wage maturity assessment.

ZERO TOLERANCE OF ALL FORMS OF DISCRIMINATION AND VIOLENCE TRAINING

With the goal of increasing awareness and education around discrimination and violence in the workplace, **Gurit launched a 'zero tolerance of all forms of discrimination and violence' training course in 2023 for all the employees** who have access to the Gurit Learning Management System.

The training is aligned with United Nations Global Compact Academy and provides information on different kinds of discrimination and violence, frameworks and processes to deal with it, and details of how Gurit is managing its approach to zero tolerance of discrimination and violence. We will continue to promote the training course to staff throughout 2024 and encourage engagement with it.

WORK/LIFE BALANCE

As a part of our 2030 ambition to **support the work/life balance of all Gurit employees, we have implemented a new mental health initiative in 2023, called Gurit Burn Bright.** It is a leadership program that serves to encourage good management of work/life balance to avoid burnout. The programme was rolled out with the aim of sharing experiences, ideas and views around high performance and sustainable wellbeing. Furthermore, a live video session was organized to dive deeper into the topics discussed in the forum, within a safe and non-judgemental space.

Flexible/hybrid working is being assessed by Gurit. A survey to understand the expectations and wishes of our workforce was sent to all Gurit employees.

INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

Incidents can be reported via the local management, human resources department, internal audit or to the Chairman of the Audit Committee as published in the Corporate Governance section of the Annual Report.

In 2023, Gurit implemented a Report-a-Concern platform, providing additional channels to share concerns regarding incidents of discrimination.

No incidents of discrimination have been reported by our sites in 2023.

- GRI 3-3 Management of material topics
- GRI 403-2 Hazard identification, risk assessment, and incident investigation
- GRI 405-1 Diversity of governance bodies and employees
- GRI 405-2 Ratio of basic salary and remuneration of women to men
- GRI 406-1 Incidents of discrimination and corrective actions taken

PROMOTING WOMEN IN ENGINEERING



Gurit production manager Irene Lozoya López took part in the 'round table' discussion as part of the conference 'Women and Engineering: Transforming the invisible challenges of society into visible and sustainable achievements'.

The conference, which was held in Albacete, Spain, and organized by the UNED Schools of Engineering and the Royal Academy of Engineering of Spain, aims to highlight the importance of the roles of women in a sector which is a driving force for social innovation and sustainability.

The round table discussion focused on the professional and life experiences of the female participants: the diversity in their careers, their objectives and the projects they have been involved in. They also talked about the variety of career opportunities in the engineering field.

“Conferences like this add a valuable perspective and show commitment to promoting diversity and gender equality in the engineering field. I am very thankful to be able to use my experience and have a positive impact in this important area.”

Irene Lozoya López, Production Manager



TRAINING AND EDUCATION

Training and continued education ensure that employees have the skills required for their specific jobs and can grow and take advantage of opportunities as they arise. A range of topics are covered by our training programmes, many of which help employees identify and manage risks they are exposed to while doing their job or help us with social risk management. For example: the Gurit Code of Conduct, strategy, cybersecurity, data protection, leadership, diversity, as well as safety training, specific product training and many more task-specific programmes.

The average hours of training in 2023 per employee was 19.05 compared with 25.00 in 2022. This figure does not include LMS training, which has increased in 2023, as described earlier in this chapter.

See Social Performance Metrics for more detail about data related to training.

↗ GRI 404-1 Average hours of training per year per employee

HUMAN RIGHTS

Gurit is committed to respecting the human rights of all stakeholders in Gurit's own operations and business activities and to avoiding any contribution to adverse human rights impact that occurs through our value chain.

GURIT COMMITMENT AND POLICIES

Our approach to human rights is to support and align our commitments and processes with International Human Rights Frameworks, which include the United Nations Global Compact principles, the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights (UDHR), the OECD Guidelines for Multinational Enterprises, and the Core Labor Conventions of the International Labour Organization (ILO).

Our Code of Conduct, Social Policy and Sustainability Policy lay out our commitments to human rights, extending to all individuals through Gurit's entire upstream and downstream value chain. **In 2023, Gurit revised its Supplier Code of Conduct** to further detail its expectations of suppliers in terms of human rights, and annually issues a Modern Slavery Statement. All these policies are approved at the most senior level and published on our website, documenting our commitment to human rights and the support of International Human Rights Frameworks. We communicate and raise awareness of these issues with employees and suppliers, encouraging them to share suggestions and observations with managers, site managers or the global sustainability team.

All policies regarding Human Rights are published on our website at → www.gurit.com/policies

ASSESSMENT OF POTENTIAL IMPACTS

The human rights risks and impact along the value chain have been identified at a top level based on our materiality analysis, ESG rating feedback, and the inherent risks of the locations where we operate. This will be further assessed and updated in 2024. For our Suppliers, the assessment is made in the risk assessment process using the Sedex tool. More information can be found in the Responsible Supply Chain chapter.

	 SOURCING AND PURCHASING	 OWN OPERATIONS MANUFACTURING AND OFFICES	 STORAGE AND TRANSPORT	 USE AND END-OF LIFE OF GURIT PRODUCTS AND SERVICES
	UPSTREAM		DOWNSTREAM	
RISKS	Working conditions, child/forced labor, environmental pollution, fair wages, freedom of association	Working conditions, child/forced labor, environmental pollution, fair wages, freedom of association	Working conditions, environmental pollution, fair wages, freedom of association	Health of users, environmental pollution
PREVENTION / REMEDIATION	See Responsible Supply Chain chapter for actions and due diligence process	See Social Performance chapter	See Responsible Supply Chain for actions and due diligence process	See Safety First and Circularity chapter

RISK BASED MEASURES

You can find the preventive actions and risk-based measures taken at the different stages of our value chain in the respective chapter as indicated in the chart above.

For instance, the Sedex questionnaire for our suppliers serves to evaluate the risks and prioritize audits.

As far as our own operations are concerned, Gurit's Internal Audit checklist contains ESG criteria, including that related to human rights, working conditions and child and/or forced labor.

Our Product Design for Safety and Sustainability (PDSS) guidelines are aimed at mitigating the impact of Gurit's products on our customers' health and safety.

EMBEDDING HUMAN RIGHTS IN THE COMPANY

Aspects of human rights are covered by several Sustainability workstreams and integrated in Human Resources processes through the company.

Tailored training is being offered on human rights. **In 2023 Gurit rolled out Human Rights and Child Labor training for all the employees** who have access to the internal Learning Management System platform. The training is aligned with the United Nations Compact Academy, building awareness, and sharing knowledge about human rights, communicating our due diligence process and how Gurit is committed to this topic. We will continue to promote this training course to staff and encourage engagement with it.

In addition, three employees have joined the UN Global Compact Human Rights Accelerator programme.

As occupational health and safety is a material topic for Gurit, safety indicators such as Lost Time Accident Rates have been an element influencing the variable performance compensation of site managers and Business Unit managers. The Board of Directors has decided to extend this incentive to all employees in 2024.

MONITORING AND COMMUNICATION

We monitor the effectiveness of our actions with KPIs (e.g. safety) and through internal audits. We commit to report transparently, in our annual Sustainability Report, on our efforts and progress around how human rights issues are addressed.

GRIEVANCE AND REMEDY

We aim to identify conflicts at an early stage and eliminate the root cause. Our Report-a-Concern policy and platform is accessible to all stakeholders along the value chain in several languages. Gurit informed its suppliers about this grievance mechanism via a newsletter and Gurit's revised Purchasing Terms and Conditions includes the link to the Report-a-Concern page.

PREVENTION OF CHILD LABOR

Gurit is subject to the new art. 964j seqq. of the Swiss Code of Obligations (CO) setting due diligence obligations in relation to child labor applicable as of 1 January 2023. Gurit has decided to opt for the compliance with internationally recognized regulations in relation to human rights in general in accordance with art. 964j-4 of the CO. The internationally recognized equivalent regulations are the ILO Conventions nos. 138 and 182 and the ILO-IOE Child Labor Guidance Tool for Business of 15 December 2015, the OECD Due Diligence Guidance for Responsible Business of 30 May 2018 and the UN Guiding Principles on Business and Human Rights.

Gurit takes responsibility for the prevention of child labor and has committed to the above-mentioned frameworks, policies and standards. While Gurit considers the risk of child labor practices within its own organization

as low, the sustainability and procurement teams undertook an initial analysis of areas where there could be potential risks of child labor within our supply chain. Human rights training has been provided to the procurement team and it has been adopted as an essential topic, integrated in the due diligence process implemented across the supply chain.

Child labor risk management relating to the supply chain is discussed further in the Responsible Supply Chain chapter.

No complaints regarding infringements of human rights or issues related to child labor were brought forward to the Chairman of the Audit or via the Report-a-Concern platform in the reporting period.

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- GRI 2-23 Policy commitments
 - GRI 2-25 Process to remediate negative impacts
 - GRI 2-24 Embedding policy commitments
 - GRI 3-3 Management of material topics
 - GRI 408-1 Operations and suppliers at significant risk for incidents of child labor
 - GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

RIGHTS TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Gurit grants its employees freedom of association and recognizes this as an international human right. Gurit complies with all relevant local rules and legislations regarding employees' freedom of association and the right to collective negotiation.

Gurit sites report to have maintained or newly entered ten collective bargaining agreements. In 2023, 1192 Gurit employees were covered by collective bargaining agreements which represents 51% of our workforce; in 2022 1455 employees were covered, which was 62% of Gurit employees. The local legislation of some operations in Asia may limit the legally accepted forms of collective bargaining.

1407 of Gurit employees are covered in 2023 by a formally elected employee representative (union, works council or other agency or representative body), which represents 60%.

No concerns or violations of collective bargaining were reported in 2023.

The working conditions and terms of employment for those employees not covered by a collective bargaining agreement are not influenced or determined by any collective bargaining agreements.

More information about human rights can be found in our Responsible Supply Chain chapter.

-
- GRI 2-30 Collective bargaining agreements
 - GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

ASSOCIATIONS & SPONSORSHIPS

MEMBERSHIP OF ASSOCIATIONS

Gurit participates in local and national organizations as well as industry associations. Our involvement, however, does not constitute strategic memberships or imply substantial funding beyond routine membership fees. Our sites reported a total of 28 memberships of associations in 2023. The main categories were composites industry associations, national employer associations and memberships in local or regional Chambers of Commerce.

Our most significant membership in terms of cost and size is the WindEurope wind industry association, where we contribute a regular annual membership fee.

Our principal new membership in 2023 was Swiss Cleantech, a business association committed to creating framework conditions so that climate-friendly business is worthwhile and the whole of Switzerland benefits.



➤ GRI 2-28 Membership associations

SPONSORSHIPS

The focus of Gurit's general sponsorship commitments is the support of research and development in the advanced composites industry, mainly via sustainable ventures, academic institutions and composites-related student projects, as well as supporting industry events within the Group's target markets.

In 2023, Gurit was also involved in local community sponsorship. Eight sites reported giving financial assistance to their local communities, including local health and environmental organizations, assistance and support to people affected by climate situations, educational and Red Cross institutions.

For 2023, Gurit sites reported CHF 26 000 in donations. Additionally, Gurit has sponsored educational institutions teams with materials and funds with a total value of approximately CHF 3 500.

➤ GRI 2-29 Approach to stakeholders engagement

➤ GRI 201-1 Direct economic value generated and distributed

GURIT TOGETHER – ENGAGING OUR EMPLOYEES

We began our employee engagement program, branded ‘Gurit Together’, in 2022.

The aim was to encourage open and honest dialogue between employer and employees and to provide an opportunity for direct communication about our successes and where change or support is required. The most important part of this is that our employees know they have a voice, and we are listening.

Towards the end of the year 2022, we ran our first global employee engagement survey, following which Business Units and sites identified their key drivers, areas to be improved and subsequent actions. **All sites have a**

Gurit Together Forum, a small group of local employees who have spent 2023 working through these actions with local site management. Actions include holding off-site team building events, family days, celebration days, and regular cross-functional meetings.



Gurit Together



Employees at Gurit Albacete (Spain) and Ahmedabad (India) took part in teambuilding days

COMMITTED TO OUR LOCAL COMMUNITIES

In its second year, the Gurit Local Community Initiative fosters the development of local communities where we operate, adding long term social value, increasing stakeholder engagement on Gurit’s journey towards sustainability, and actively contributing to SDGs.

In 2023, we encouraged our sites to implement local community initiatives, with the support of the Local Community workstream, including:

- Periodic group calls with the sites, sharing ideas and encouraging submissions of initiatives.
- Ad-hoc calls with individual sites.
- Guidelines and other tools to help with implementation and tracking the impact.

In 2023, 82% of our sites and 549 employees took part in at least one local community initiative and we are on track to achieve our goal.

-
- GRI 413-1 Operations with local community engagements, impact assessments, and development programmes
 - GRI 2-29 Approach to stakeholders engagement



GURIT SUSTAINABILITY AWARDS

GURIT SUSTAINABILITY AWARDS

In 2023 Gurit launched its inaugural Sustainability Awards with two categories, one of which was **Local Community**. More information can be found in the #GuritCares – Our Sustainability Strategy & Targets chapter.



Cleaning up the waterways

Our NZ and Australian teams each spent a day with community restoration organizations, Sea Cleaners and Ocean Crusaders, preserving the rivers, coastlines and marine life of our communities by collecting and sorting rubbish on mudflats, wetlands and the beaches.



Campaign to increase awareness of water conservation

Employees in Dafeng, China, took part in activities that enabled them to understand more about the importance of water conservation, and learned new actions they could personally take to conserve water and protect mother nature.



Encouraging the next generation of STEM careers

Gurit's UK team helped a group of school students to build their knowledge of engineering, design, and manufacturing so they could apply it to their 3D print projects. They also had the opportunity to have their 3D printed samples stress tested in our mechanical testing laboratory.



Clean-up of local natural protection zones

Our Zurich office spent time cleaning up natural protection areas and learning about local biodiversity. Removing invasive, non-native plants; clearing fast-growing hedges to allow light to reach other species; spotting wildlife and uncovering rare water plants.

RESPONSIBLE SUPPLY CHAIN

RESPONSIBLE SUPPLY CHAIN OVERVIEW 2023

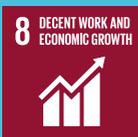
IDENTIFY AND MANAGE SOCIAL AND ENVIRONMENTAL RISKS AS WELL AS GREENHOUSE GAS REDUCTION TARGETS ACROSS THE SUPPLY CHAIN

- ✓ Due diligence process in place.
- ✓ Sustainability supplier engagement initiated.
- ✓ Performed annual pre-screening risk assessment for the top spend suppliers.
- ✓ Supply chain sustainability newsletter first published in Q3 2023 to our top spend and strategic suppliers.
- ✓ Responsible Supply Chain training provided in 2023, focused on Human Rights and Child Labor.
- ✓ Compliance and Social Responsibility clause included in General Terms and Conditions, will be rolled out in 2024.
- ✓ Identification of CO2 reduction opportunities/initiatives.

Challenges and Opportunities

- Diversity of supplier profiles makes sustainability engagement quite challenging. However, this is an opportunity to open new communication channels.
- Find an efficient way of managing the risk of the medium and small suppliers that represent a low percentage of our spend and are not included in our supplier risk system assessment.
- Due diligence is an ongoing process that is continually reviewed, with business changes integrated where required. Communication of our Supplier Code of Conduct and the Corporate Social Responsibility clauses included in our Terms and Conditions must be continuous to ensure engagement.
- Due to the complexity of achieving greenhouse gas reductions in a multi-tiered supply chain there remains a risk of low supplier engagement, especially smaller or medium-sized suppliers not yet subject to regulatory or stock market's ESG requirements.

We establish responsible procurement practices in terms of social, environmental, governance, and economic aspects.



Contributing to the United Nations SDGs

SUSTAINABILITY AT THE HEART OF OUR SUPPLY CHAIN

Our supply chains are vital to Gurit and impact our environmental, social and financial performance. Sustainability must therefore be a central consideration in our supply chain activities.

Responsible procurement practices have been identified as a material area for Gurit. In terms of the environment, greenhouse gas emissions, transportation, prevention of pollution and waste, and circularity are particularly important. In the social domain, human rights, in particular the prevention of child labor, health & safety and social risks are key considerations, alongside an ethical conduct of business in line with our Code of Conduct.

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES

Responsible Supply Chain is one of the workstreams of Gurit’s sustainability organization and is sponsored by the Chief Procurement Officer. As our supply chain touches various areas of our operations, some supply chain-related topics and standards are covered by other Gurit sustainability workstreams, such as Resource Utilization, Equality & Diversity and Good Governance. The workstream has periodic meetings with its sponsor and sustainability coordinator to discuss the status of initiatives implemented, progress towards goals and resolve roadblocks. The workstream leader also holds regular meetings with the procurement team to discuss, inform and track the status of each goal.

➤ GRI 3-3 Management of material topics



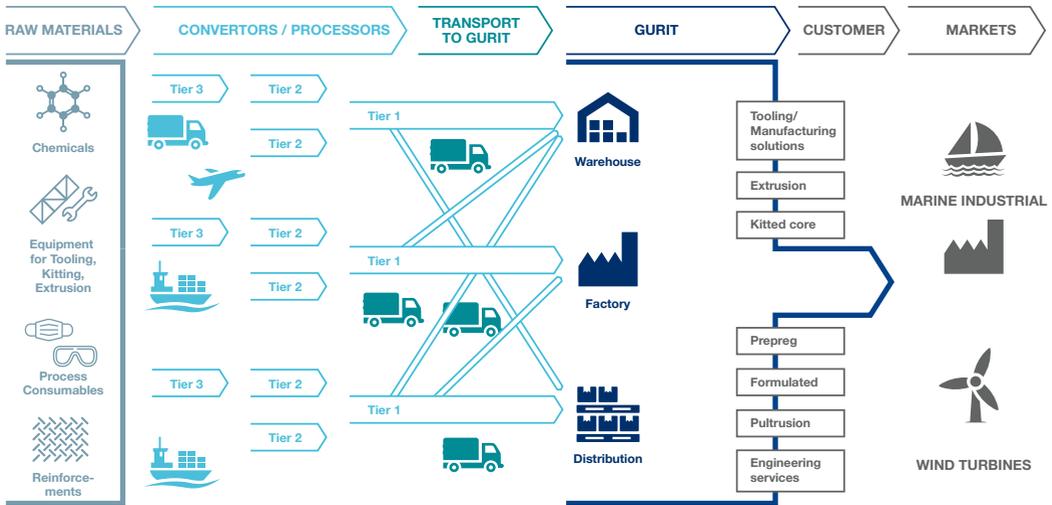
SUPPLY CHAIN STRATEGY AND MANAGEMENT SYSTEMS

STRATEGY, MGMT SYSTEMS, POLICIES, DUE DILIGENCE

Gurit fosters responsible procurement across all areas of the supply chain, including raw materials, transportation, production processes and services. We determine priorities based on our sustainability strategy and materiality analysis. Furthermore, we consider the regulations in Switzerland, where the company is headquartered and publicly listed, as well as regulations at our production sites which consume or process the procured items and services.

Gurit purchases raw materials, semi-finished products and equipment from suppliers. These include chemicals, fibers, fabrics, and equipment, which are converted into advanced composite products and manufacturing solutions for the wind energy, marine and other industrial sectors. Our customers are usually composite component manufacturers, either building in-house to be integrated into a final product (such as wind blades for a wind turbine), or an independent composite specialist who supplies components to a range of customers (such as supplying hatches and masts to boatbuilders).

OUR SUPPLY CHAIN MAP



In 2023, our procurement team established the foundations of the due diligence process and started to collect information from the long-term strategic suppliers who use the Sedex platform. **The communication channels we have built in 2023 have proven essential to fostering engagement** in the process, and we will continue with further engagement initiatives in 2024.



“Establishing sustainability within our supply chain is complex. The Gurit procurement team has been determined to tackle this head-on, further develop relationships to get our suppliers on board and engage them where possible. We are pleased with the start we have made, and look forward to making further progress in 2024, while accounting for business changes, new suppliers and sustainability requirements.”

Jordi Cunill, Chief Procurement Officer

SUPPLIER STANDARDS

Our suppliers are required to comply with social and environmental best practices, regulatory requirements and the supplier standards of the Gurit Group. They are formalised in Gurit's → [General Terms and Conditions](#) and our → [Supplier Code of Conduct](#).

An updated version of the Gurit Supplier Code of Conduct was published in 2023, specifying norms of behavior in all our activities related to: human rights, labor rights, employee health and safety, environment, and business ethics and integrity.

In 2023, the Responsible Supply Chain workstream and the Gurit Legal department incorporated Corporate Social Responsibility clauses in the General Terms and Conditions. These included measures to minimize environmental impact, requirements to answer a due diligence/risk assessment questionnaire, and reference to the Supplier Code of Conduct. These Terms and Conditions will be rolled out in 2024.

The standards mentioned are aligned with our due diligence process, are essential for engagement with suppliers and are actively communicated to them.

A Modern Slavery Statement is available on the Gurit website → www.gurit.com/policies

During 2023, Gurit has not found any exposure to modern slavery or human trafficking in our supply chain.

OUR DUE DILIGENCE PROCESS

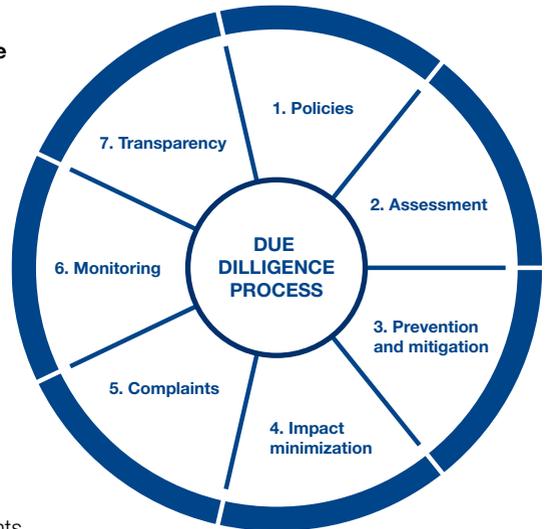
In 2023, the Group Procurement team developed a due diligence process as a basis for responsible sourcing and global supply chain management of raw materials and services.

The Gurit supplier due diligence process is part of the risk management system across the supply chain. It aims to establish risk-based measures and key performance indicators for the evaluation and monitoring of our suppliers' compliance. It also provides a framework to identify, prevent, mitigate, and address actual and potential adverse impacts in our supply chain.

Our supplier due diligence process is aligned with and considers all human rights contained in international frameworks: OECD, UN Guiding Principles on Business and Human Rights, UNGC principles, as well as ILO conventions and Child Labor Guidance tool.

Additional tools and resources that allow us to fulfil the due diligence process include the Supplier Code of Conduct, the Report-a-Concern process, General Terms and Conditions, and the Sedex platform.

It is a circular process, which we expect to continually improve.



PROCUREMENT TEAM TRAINING AND ENGAGEMENT

Procurement team engagement with sustainability has been one of our priorities this year. **In 2023, sustainability training has been focused on the due diligence process, human rights and child labor.** Training remains an annual target.

-
- GRI 2-6 Activities, value chain and other business relationships
 - GRI 2-23 Policy commitments
 - GRI 2-24 Embedding policy commitments
 - GRI 2-25 Processes to remediate negative impacts
 - GRI 3-3 Management of material topics

SUPPLY CHAIN RISK ASSESSMENT PROCESS

RISK
MANAGEMENT

Gurit is committed to extending its supply chain risk management systems, ensuring that they cover not only economic, but also environmental, social and good governance-related aspects in line with our sustainability policy.

In 2023 we initiated a supply chain risk assessment process based on the due diligence process, which considers our stakeholders, ESG ratings and standards. This enables us to better evaluate and manage our key supply chain risks and has been an opportunity to further engage with our suppliers and communicate Gurit's sustainability ambitions and commitments.

This will also help us comply with new ESG legislation requirements, for instance those included in new Swiss legislation on corporate responsibility, as well as the upcoming legislation related to climate-related disclosures.



Gurit's supply chain risk assessment process

The Gurit suppliers who are assessed for the level of the risk that they may bring to the company are those who make up 80% of our total spend, strategic suppliers and occasionally additional suppliers.

The first step is to collect and analyze data from and about our suppliers so they can be categorized, and we can build an overall picture of our supply chain. This is based on gathering comprehensive information about suppliers, their products, and their adherence to ethical, social, and environmental standards.

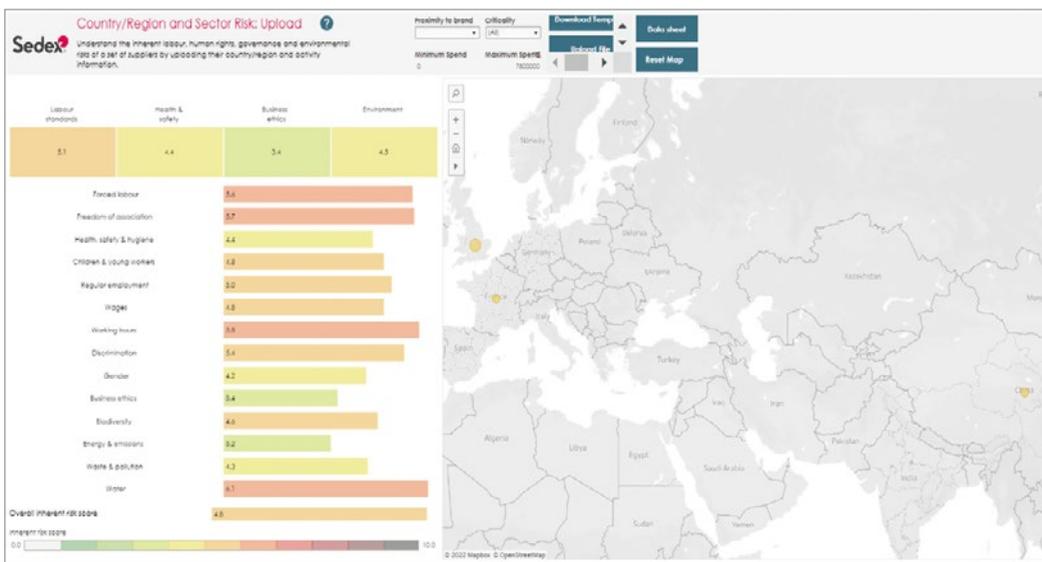
We do this in two ways: firstly, using the pre-screening tool in the Sedex platform, where country and sector risks are assessed. Secondly, we ask the suppliers to complete a full supplier ESG questionnaire within Sedex, which includes health and safety information, environmental, social, business ethics and labor criteria, specific to their business and its activities.

81 Gurit suppliers were included in the supply chain risk assessment process in 2023.

“Sustainability is our responsibility as an individual but also as Gurit employees. Whenever I meet with suppliers, I ask them what they are currently doing to reduce their carbon footprint - this is both to evaluate them and to discover new ideas that might also be relevant to Gurit. We take a collaborative approach to sustainability in our supply chain.”



Francisco Cano, Category Manager Indirect Spend Purchasing and Responsible Supply Chain workstream lead



Screenshot of Sedex platform that supports us in determining the ESG risk of our suppliers

The ESG assessment, along with other general information, specific KPIs and financial data, will determine the severity of risk posed to Gurit by the supplier, their activities and behaviors. In 2024 we will continue to develop this process, working with suppliers to gather further information if required, and developing action plans to mitigate and prevent risk within the supply chain. The ESG assessment is repeated annually alongside the pre-screening.

Effective use of the new supply chain risk assessment process and the Sedex platform forms part of the procurement team's KPIs.

SUPPLIER PERFORMANCE AND NON-COMPLIANCE MONITORING

Supplier performance is managed by the Category Manager and is based on the due diligence process. The evaluation of suppliers is continuous; at least once a year, Gurit assesses suppliers across three areas: general information/KPI's, financials, and sustainability. The expertise of the Category Manager is crucial in ensuring the accuracy and reliability of these evaluations.

SUPPLIER ENGAGEMENT

Engagement with suppliers has been a challenging area for us, especially in relation to completion of the ESG risk assessment. For this reason, **from mid-2023 Gurit adopted a communication strategy to help raise engagement.**

One initiative is the Responsible Supply Chain newsletter which was first distributed in Q3 2023. This quarterly communication aims to inform to our top spend suppliers about our sustainability actions and other relevant initiatives.

The procurement team actively speaks with suppliers about sustainability, with the topic tabled whenever a meeting is held.

The updated General Terms and Conditions, which includes a clause relating to Corporate Social Responsibility, also aims to foster engagement with suppliers around sustainability.

➤ GRI 2-6	Activities, value chain and other business relationships
➤ GRI 2-25	Processes to remediate negative impacts
➤ GRI 308-1	New suppliers that were screened using environmental criteria
➤ GRI 308-2	Negative environmental impacts in the supply chain and actions taken
➤ GRI 3-3	Management of material topics
➤ GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
➤ GRI 414-1	New suppliers that were screened using social criteria
➤ GRI 414-2	Negative social impacts in the supply chain and actions taken

HUMAN RIGHTS AND PREVENTION OF CHILD LABOR IN OUR SUPPLY CHAIN

A human rights and child labor assessment was included as a part of the ESG risk questionnaire in 2022, and this has continued in 2023.

No human rights, child labor or forced labor incidents were reported or identified in 2023.

As part of our sustainability strategy implementation, we have so far identified very few areas where we see potential risks of infringements within our supply chain.

However, two areas we monitor are the sourcing of recycled PET and balsa raw materials. They come from marketplaces with many small and medium sized suppliers with a low likelihood of guaranteed origin traceability.



-
- GRI 2-23 Policy Commitments
 - GRI 3-3 Management of material topics
 - GRI 408-1 Operations and suppliers at significant risk of child labor
 - GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
 - GRI 414-1 New suppliers that were screened using social criteria
 - GRI 414-2 Negative social impacts in the supply chain and actions taken

CONFLICT MINERALS

Gurit does not use or intentionally introduce any products containing potential conflict minerals into its products. Minerals such as tin, tungsten, tantalum and gold (3TG) are not normally necessary to the functionality of Gurit products.

Gurit is not subject to the new art. 964j seqq. of the Swiss Code of Obligations (CO), which sets out due diligence obligations in relation to conflict minerals applicable as of 1 January 2023, as Gurit does not import or process in Switzerland minerals containing tin, tantalum, tungsten or gold or metals from conflict-affected and high-risk areas.

Likewise, Gurit is not subject to EU Regulation 2017/821, as Gurit does not import tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.

Recognizing the importance of addressing the issue of conflict minerals globally, Gurit has proactively implemented voluntary measures, such as the → **Conflict Minerals Policy** and requests our material suppliers' cooperation in confirming that the materials they provide do not contain conflict minerals.

↗ GRI 3-3 Management of material topics

SUPPLY CHAIN GREENHOUSE GAS EMISSIONS

Our supply chain has an important impact on our greenhouse gas footprint. While we do not yet have detailed and reliable data for all aspects of our supply chain, we currently estimate that it generates more than two thirds of our footprint, both in terms of materials and the related transportation.

GREENHOUSE GAS DATA COLLECTION

Data collection along the supply chain is a complex task due to the absence of standards and the unavailability of certain data. Gurit strives to extend both the coverage and quality of scope 3 related data from the supply chain with the introduction of the Sedex supply chain risk management system, supplier questionnaires and the use of available industry databases and internal estimates.

We plan to:

- Further analyse scope 3 by category.
- Prioritize suppliers for review and engagement (based on their GHG emissions impact and risk).
- Increase collaboration on sourcing between product development and supply chain teams.



GREENHOUSE GAS REDUCTION INITIATIVES

Scope 3 emissions under the Greenhouse Gas Protocol (GHGP) are related to supply chain activities and their impact. **Therefore, in 2023 we identified potential greenhouse gas reduction initiatives, which are mainly linked to transportation, chemicals and packaging,** and have used this to set further targets:

- Adopt a multimodal transportation approach, enabling us to reduce transport-related greenhouse gas emissions and save costs.
- Implementation of Industry 4.0 targeted sites which will reduce our emissions thanks to online/remote support for our machinery.
- Search for more sustainable alternatives to chemicals we are buying.
- Monitor packaging and set a reduction target by end of 2024.

Further greenhouse gas reduction initiatives will be identified in 2024 and added to the list above.

➤ GRI 308-1 New suppliers that were screened using environmental criteria

GOOD GOVERNANCE



GOOD GOVERNANCE OVERVIEW 2023

EMPLOYEE TRAINING AND ENGAGEMENT WITH COMPANY'S GOVERNANCE POLICIES AND ESTABLISHMENT OF A GOVERNANCE RISK MANAGEMENT SYSTEM

- ✓ Fostered and monitored participation of business ethics trainings, including part-time employees and contractors.
 - 83% Code of Conduct completion rate.
 - 68% Anti-Corruption and Bribery completion rate.
 - 894 shopfloor employees without digital access took part in a face to face information session on Gurit Code of Conduct and Report-a-Concern platform.
- ✓ Anti-corruption topic included in the supply chain due diligence process and framework (see Responsible Supply Chain chapter).
- ✓ Anti-competitive and corruption-related risk considered as part of the ESG risk mapping exercise, and linked with the double materiality analysis.
- ✓ Anti-competitive and corruption-related risk assessment initiated.
- ✓ Identification of ESG impacts, opportunities, and material risk as part of the double materiality analysis conducted.
- ✓ Report-a-Concern platform and policy established, communicated and available online internally and externally.
- ✓ Ethical standards and sustainability internal audit checklist simplified based on return of experience. Pilot phase implemented at two Gurit sites.

Best practices in Corporate Governance.

We foster a sustainability culture across Gurit based on transparency, respect, compliance and ethical management.



Contributing to the United Nations SDGs

GOOD CORPORATE GOVERNANCE

Good corporate governance is a material component of Gurit's sustainability performance. We adhere to best practice standards and uphold governance values such as accountability, transparency, diversity and meaningful participation, as well as risk management and effective compliance. Sustainability is becoming a mandatory part of any company's licence to operate and, as a Swiss-headquartered company listed on the Swiss stock exchange, Gurit complies with Swiss ESG legislation.

Important note: this chapter of our Sustainability Report is complementary to the Corporate Governance and Compensation Report chapters of our Annual Report and to be consulted in parallel.

GOVERNANCE AND ORGANIZATIONAL RESPONSIBILITIES

Good Governance is one of Gurit's sustainability workstreams, addressing this topic across the organization while monitoring for new legislation and best practices. The workstream is led by the Group General Counsel, who is a member of the extended Executive Committee, and sponsored by the CEO.

The key principles and regulations regarding Corporate Governance at Gurit are defined in the Articles of Association of Gurit Holding AG as well as in the Organizational Regulations, which are reviewed by our Board of Directors on a regular basis. Both documents are based on recommendations set out in the Swiss Code of Best Practice for Corporate Governance published by *economiesuisse*, the national federation of the Swiss business community. For information about Gurit's corporate governance structure and practice, please refer to the Corporate Governance chapter of the Gurit Annual Report 2023, available at [→ www.gurit.com/corporate-governance](https://www.gurit.com/corporate-governance)

Furthermore, within the same Annual Report, the Compensation Report provides accountability for the company's remuneration policies and processes for determining remuneration of Senior Management.

The governance framework of our ESG strategy and performance is described in the Strategy chapter in the first part of this Sustainability Report.

➤ GRI 2-9	Governance structure and composition
➤ GRI 2-10	Nominating and selecting the highest governance body
➤ GRI 2-11	Chair of the highest governance body
➤ GRI 2-12	Role of the highest governance body in overseeing the management of impacts
➤ GRI 2-13	Delegation of responsibility for managing impacts
➤ GRI 2-14	Role of the highest governance body in sustainability reporting
➤ GRI 2-15	Conflicts of interest
➤ GRI 2-19	Remuneration policies
➤ GRI 2-20	Process to determine remuneration
➤ GRI 2-24	Embedding Policy commitments
➤ GRI 3-3	Management of material topics

MANAGEMENT SYSTEMS FOR GOOD GOVERNANCE

Gurit Governance and compliance management systems operate on a cyclical principle encompassing four key phases: prevention, detection, reporting, and response.

PREVENT: POLICIES AND EMPLOYEE AWARENESS

GURIT CODE OF CONDUCT

The Gurit Code of Conduct sets the ethical standards and principles to guide decision-making and behavior in daily operations and concerns the following areas: conflict of interest, anti-corruption and bribery, anti-money laundering, antitrust, fair employment practices, health & safety and data privacy, and is available in 9 languages. **In 2023, the Board of Directors approved a revision of the Code of Conduct**, updating the Company's values, anchoring our commitment to sustainability and adding information on how to report a concern.

All new employees are required to complete an e-learning course or face to face training on our Code of Conduct, and refresher courses were provided in 2023. The training explains the context of the Code of Conduct and how to report potential violations. **By the end of 2023, 83% of the targeted employees completed this training.**

The Code of Conduct and further information on Corporate Governance at Gurit are available in the Corporate Governance chapter of the Gurit Annual Report, which can be found on our website.

→ www.gurit.com/corporate-governance

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- GRI 2-23 Policy commitments
 - GRI 2-15 Conflicts of interest
 - GRI 2-19 Remuneration policies



STRATEGY,
MGMT SYSTEMS,
POLICIES,
DUE DILIGENCE

SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct was updated in 2023 to reaffirm and further detail our commitment to ethical, legal, social and environmental standards; it is expected that all suppliers will adhere to the code.

Where applicable, such good governance and sustainability-related principles are also reflected in our Terms and Conditions or in our contractual documents.

On our website you can find → [Code of Conduct](#) and → [Supplier Code of Conduct](#)

- GRI 2-23 Policy commitments
- GRI 2-15 Conflicts of interest
- GRI 2-19 Remuneration policies
- GRI 3-3 Management of material topics

ANTIBRIBERY AND ANTI-CORRUPTION

Gurit has zero tolerance for bribery and corruption, which have negative consequences for everyone. Despite Gurit operating in countries with high rankings on Transparency International's corruption index, the company faces only moderate to low exposure to corruption risks, primarily due to two key factors. Firstly, Gurit predominantly engages with private sector entities as business partners, limiting interactions with the public sector, which is more susceptible to corruption. Secondly, Gurit operates in an industry that has lower exposure to corruption risks compared to industries such as extractive or construction.

However, it is important to note that Gurit has implemented targeted measures, which include a firm zero-tolerance stance against corruption outlined in its Code of Conduct, clearly defined Gift & Entertainment Policies, and regular anti-corruption training for all employees at risk.

Also, since 2022, practical guidelines support employees with tools and knowledge to prevent, detect and report the risk of corruption.

An anticorruption and antibribery course was released to all employees in 2022 through the Learning Management System. The course contains parts of an e-learning tool provided by the UN Global Compact. **Since November 2022, 687 employees successfully completed the anticorruption and antibribery training course (reaching a 68% completion rate by November 2023).**



Throughout 2023, we increased communication of our guidelines to all employees using internal information channels such as the intranet, TV screens and posters.

ANTITRUST AND FAIR COMPETITION

Gurit competes fairly and legally. To prevent anti-competitive behavior, **Gurit issued Antitrust and Fair Competition Guidelines in 2023** and prepared an e-learning course that was rolled out in January 2024 to risk-exposed employees.

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- GRI 205-1 Operations assessed for risk related to corruption
 - GRI 205-2 Communication and training about anti-corruption policies and procedures
 - GRI 3-3 Management of material topics

DETECT: RISK MANAGEMENT

INTERNAL AUDITS OF COMPLIANCE WITH ETHICAL STANDARDS OF GURIT SUSTAINABILITY POLICY

The Legal & Compliance and Internal Audit teams work closely together to uncover instances of bribery, unfair competition, or fraud. Investigations into these matters are typically spearheaded and coordinated by the Legal & Compliance team.

In 2023, to improve detection, Gurit revised ethical standards and sustainability internal audit checklists to facilitate the process with the sites and ensure a better rollout. The revised questionnaire has been tested through a pilot phase. Two Gurit sites have answered the questionnaire and carried out the internal audit with support from the sustainability team, to identify any issues or improvements in the questionnaire. In 2024, we intend to increase the number of audits at other Gurit sites and to reconduct them biannually.

ESG RISKS INCLUDED IN THE COMPANY RISK MAP

The identification of ESG risks was conducted in 2023 and aligns with the results of the double materiality analysis and the identification of the impacts, risks, and opportunities of the ESG financial material topics. Anti-competitive and corruption-related risks, together with other governance, labor, social, environment and economic topics have been considered for the ESG mapping exercise.

Assigning a likelihood and financial impact to the financial material topics has allowed us to determine the significance of each ESG and climate-related risk and consider the priorities as a part of the company risk map like any other risk.

-
- GRI 205-1 Operations assessed for risk related to corruption



RISK
MANAGEMENT

REPORT

SEEKING ADVICE AND RAISING CONCERNS

Where they require advice on the Code, would like to raise concerns about suspected violations with the Code of Conduct, or have questions about our sustainability policies or applicable laws in place, Gurit employees are encouraged to seek guidance from their direct managers, Group management or the Audit and Corporate Governance Committee of the Gurit Board of Directors.

In addition, certain Gurit locations have implemented local grievance mechanisms under the supervision of the respective local HR Departments.

In 2023 Gurit issued a “Report-a-Concern” policy and introduced an additional reporting channel, with the goal of fostering a transparent business climate and a high level of (business) ethics.

The Report-a-Concern service provides all employees, as well as external stakeholders, with a means of reporting suspicions of misconduct, and to alert us about serious risks of wrongdoing affecting people, our organization, society, or the environment.

Gurit’s Report-a-Concern process allows anonymous communication on a platform which is operated by an external partner. Reported issues are handled by our Legal & Compliance function, who process concerns professionally, with external specialists where required. All requests are treated confidentially.

To ensure company-wide awareness, we launched a Report-a-Concern communications campaign in 2023 which included: a local language communications kit for the management team to roll out, local language posters with QR codes directing to the Gurit Report-a-Concern webpage, as well as information through internal news channels, townhall meetings, plus in-person training in local languages for employees without digital access.

The reporting channel and policy are publicly available, at the following web address:

→ www.gurit.com/report-a-concern

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- ↗ GRI 2-15 Conflicts of interest
 - ↗ GRI 2-16 Communication of critical concerns
 - ↗ GRI 2-23 Policy Commitments
 - ↗ GRI 2-26 Mechanisms for advice and concerns about ethics
 - ↗ GRI 205-1 Operations assessed for risk related to corruption

“Our Report-a-Concern channel is not just a mechanism; it’s a lifeline for transparency, accountability, and the collective strength of our ethical foundation. By encouraging an environment where voices are heard without fear, we not only safeguard our legal standing but also fortify the trust that binds us as a resilient and responsible community.”

Valérie Collaudin, Gurit Group General Counsel & Head of Sustainability



RESPOND

In 2023, two concerns were raised via our global Report-a-Concern platform and 4 concerns were reported to the local HR. All the concerns were addressed.

There was no confirmed case of violation of the Gurit Code of Conduct in 2023.

No non-compliance of social or economic laws and regulations was identified in 2023.

One incident of non-compliance with environmental laws and regulations was reported for one Gurit site due to a diesel leakage; the issue was immediately corrected, several actions were applied to mitigate and clean up the impact. As a result of this incident the site was fined with a penalty of CHF 24 660.

No legal proceedings were undertaken or are pending, and no fines or non-financial penalties related to non-compliance with any anti-corruption, anti-competitive behavior, antitrust and monopoly practices were imposed in 2023.

We regularly review and update our processes and policies in response to internal audit findings or concerns.

-
- GRI 2-16 Communication of critical concerns
 - GRI 2-25 Processes to remediate negative impacts
 - GRI 2-26 Mechanisms for seeking advice and raising concerns
 - GRI 2-27 Compliance with laws and regulations
 - GRI 205-3 Confirmed incidents of corruption and actions taken
 - GRI 3-3 Management of material topics

GURIT AND FINANCE GOVERNANCE

APPROACH TO TAX

Gurit has documented internal procedures and handbooks on how to handle tax matters correctly and in line with the relevant legislations, as well as the applicable OECD standards. This documentation is used for local tax audits, and applies to transfer pricing of cross-border, intra-firm transactions. Gurit is listed on the Swiss stock exchange and reports its financial figures according to Swiss GAAP FER accounting standards. These standards provide a true and fair view of the results of operations, cash flows and the financial situation.

➤ GRI 207-1 Approach to tax

TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT

A tax governance and control framework exists in the form of internal guidelines and accounting manuals that are also used for tax audits with authorities.

Gurit's Audit and Corporate Governance Committee consists of non-executive members of the Board of Directors. It assists the Board in its supervisory financial duties and checks the effectiveness and performance of the external auditors. It also oversees the financial reporting processes within the Group, including taxes.

➤ GRI 207-2 Tax governance, control and risk management

POLITICAL DONATIONS AND LOBBYING

The company makes no political donations and does not support any political party, neither directly nor indirectly or with in-kind contributions. Gurit has not engaged in lobbying activities and has not paid third-party intermediaries to engage in lobbying activities to influence public policy on behalf of Gurit, beyond regular membership fees in industry associations.

➤ GRI 415-1 Political contributions

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

During the reporting period (1/1/2022 - 10/2023), the financial assistance received from governments amounted to CHF 1.2 million in total (2022 CHF 2.4 million) from the governments from New Zealand, United Kingdom, Canada, Italy Spain and China. The financial assistance received was mainly for electricity prices, innovation, funds or tax credits for research & development, a fund for regional headquarter, a subsidy for regional development and a scholarship for an industrial PhD.

➤ GRI 201-4 Financial assistance received from government

CUSTOMER SATISFACTION

Customer focus is one of our core values at Gurit, and bringing the best value to our customers has been a priority from the outset. We support our customers by helping them transform components into lightweight and durable structures while helping them achieve performance and cost-reduction targets. Customer satisfaction is a material topic for Gurit.



SAFETY AND TRAINING

Onsite technical support, as well as product and process training related to the safe handling, and best practice use of our products form an essential part of customer support offered by Gurit. In many regions where Gurit is not represented by a sales and technical office, we cooperate with distributors and offer them appropriate training and support. More information around customer product safety can be found in the Safety First chapter.

COMMUNICATIONS

We encourage open, two-way dialogue between Gurit and our customers/distributors, regularly seeking feedback and input to ensure both our products and services are aligned with the market. This is carried out in the form of surveys and in-person meetings. We keep our customers up to date by providing news and information about our business performance, products, technical developments and our sustainability journey through accepted channels such as media releases, social media, newsletters, email, events and our website www.gurit.com. We also have an effective sales and account management structure within which regular direct, in-person contact is available.

CUSTOMER INFORMATION AND DATA MANAGEMENT

Overall management of customer data, and specifically for the distribution of newsletters, complies with relevant legal requirements related to data protection and security. Customers can opt out of all push-communication activities at any time. **No data leaks were identified and no complaints from customers regarding infringements of privacy were received in 2023.**

Gurit complies with the General Data Protection Regulation (GDPR), the Swiss Data Protection Act and other applicable local data privacy laws and regulations and we have a designated GDPR data officer who conducts audits. The 2016/679 regulation is part of an EU law on data protection and privacy in the European Union and the European Economic Area. Gurit Group staff members are trained via a mandatory online course in its online Learning Management System (LMS).

Contact at Gurit regarding data protection: dataprotectionoffice@gurit.com

➤ GRI 3-3 Management of material topics
➤ GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

APPENDIX

- MATERIAL TOPICS
- REPORTING SCOPE
- EU TAXONOMY
- ESG METRICS & KPI DATA



MATERIAL TOPICS

In this chapter we provide information on our processes and approach to determine materiality, and on which topics we have identified as material.

LIST OF MATERIAL TOPICS

In 2023 Gurit conducted a double materiality analysis that considered our organization’s actual and potential impacts on the economy, environment (including climate related topics) and people, and their potential impact on us. This analysis allows Gurit to understand sustainability trends and align our sustainability targets and ambitions with our stakeholders’ expectations, as well as identify our financial risk and opportunities in terms of ESG.



The first phase of the double materiality analysis comprised an internal preliminary risk identification workshop which we held in 2022, with participation by several internal experts from different departments. In addition, we reviewed sustainability research papers and took part in workshops provided by the Swiss chapter of the United Nations Global Compact. Finally, we analyzed the sustainability context of Gurit, considering resources such as the SASB materiality maps, ESG rating and standards trends, and legislation requirements.

Taking into account all the resulting information, we identified a list of topics, their impacts, risks and opportunities. We consulted on their significance with the company's stakeholders, including the Executive Committee, employees, customers, investors, suppliers, and the Sustainability Core Team. We also assessed the list of sustainability topics with consideration to our business purpose, operational footprint, as well as our commitment to the UN Global Compact and the GRI Standards.

The double materiality analysis carried out in 2023 considered both Financial Materiality and Impact Materiality. As a result of the analysis, consultation and prioritization processes detailed above, and with reference to GRI requirements, we selected 14 material sustainability topics from the Impact Materiality Analysis and assigned each of them to one of our 5 sustainability strategy pillars. (It should be noted that the shorter list of priority topics resulting from the Financial Materiality analysis is also covered by the list below).

ENVIRONMENT

Material topics	<p>Adaptation and mitigation of climate change: Efforts taken to limit the greenhouse gas emissions with the aim of minimizing the increase in the global average temperature, as well as adapting to actual and expected climate change consequences.</p> <p>Pollution: Emissions to air, water and soil and their prevention, control and reduction.</p> <p>Resource use and circular economy: Efforts to implement a system where the value of products, materials and other resources is maintained for as long as possible. Foster the recyclability of products and materials and commit to responsible production using sustainable materials, managing effective resource utilization, using green chemistry, and collecting and recycling waste to create new materials.</p> <p>Energy: Reduce energy consumption.</p> <p>Waste: Reduce waste generation.</p>
Non material topics	<p>Water: Reduce freshwater consumption.</p> <p>Clean technology: Innovation to reduce emissions and better manage resource utilization.</p> <p>Biodiversity and ecosystems: Protect the biological diversity and natural ecosystems.</p>

SAFETY

Material topics	<p>Health and Safety: Ensure the health and safety of employees, customers, and suppliers.</p>
Non material topics	<p>Chemical safety: Reduce or eliminate the use of chemicals of concern.</p>

SOCIAL

Material topics

Responsible Supply Chain: Encourage and request suppliers that they comply with social and environmental best practices which includes policies, risk assessments and corrective actions in cases of non-compliance and the identification of suppliers' water and carbon footprints.

Respect of human rights: Procedures implemented to guarantee the respect of human rights, and abolition of child labor and forced labor across the supply chain.

Working conditions: Measures that guarantee job security which include secure employment, working time, adequate wages, social dialogue, work-life balance.

Equality, diversity, and inclusion: Non-discrimination and equal access to opportunities and resources for all employees including gender equality and equal pay for work of equal value, training and skills development, employment, and inclusion of persons with disabilities, and measures against violence and harassment in the workplace.

Non material topics

Economic sustainability for the communities: Have a good impact on the wellbeing of communities and stakeholders.

Stakeholders' engagement and dialogue: Foster dialogue and engagement of stakeholders such as customers, suppliers, employees, authorities, neighbours, as well as share learnings and offer training.

Local communities: Get involved with the local community, respect their rights and collaborate with local associations / entities.

Talent development: Improve employee performance, capabilities and resources.

Freedom of association and collective bargaining: Guarantee the freedom of association and collective agreements with the existence of works councils and the information, consultation, and participation, and guarantee the rights of workers.

GOOD GOVERNANCE

Material topics

Legal compliance: Comply with laws and regulations in place.

Business conduct: Run the business according to highest ethical and moral standards.

Non material topics

Anti-competitive practices: Ensure a well-functioning market. Avoid any practices that can result in collusion with potential competitors.

Transparency and dialogue: Proactive communication and access to information.

Anti-corruption and bribery: Prevent corruption in all its forms, including extortion and bribery.

ECONOMIC PERFORMANCE

Material topics **Customer satisfaction:** Meet customers' expectations with the products and services provided.
Product quality and solutions: Provide the best product quality and solutions to the customers.

Non material topics **Sustainable finances:** Growth without negative impact on the environment, or social or cultural customs
Innovation and digital transformation: Foster and encourage innovation. Adopt digital technology into all areas to create new processes, develop the culture and customer experiences
Digital security and privacy: Guarantee the protection of company's strategic data and the privacy of customers.

Comparing the results of the materiality impact analysis conducted in 2021 and the one performed in 2023 there is a substantial reduction in the number of material topics identified. This is in part because some topics covered in 2021 have been merged for the 2023 analysis. For instance, in 2021 Circular Economy and Resource & Material Utilization were tackled as two separate topics, and in 2023 we merged them into one category, Resource Use & Circular Economy. The consultation process conducted in 2023 was structured differently, as well as being a double materiality analysis, we ensured we presented a clearer overview of the topics and that the topics of most significance to the company were weighted accordingly.

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- GRI 2-29 Approach to stakeholder engagement
 - GRI 3-1 Process to determine material topics
 - GRI 3-2 List of material topics

ESG AND CLIMATE-RELATED RISK IDENTIFICATION ASSESSMENT AND MANAGEMENT

The ESG risk assessment was carried out based on the results of the Financial Materiality analysis, where our stakeholders analyzed and prioritized the ESG topics based on their risks and opportunities from people and planet.

Further analysis of these financially material topics has been undertaken to identify their related ESG financial risks as well as their likelihood and financial impact. This information has allowed us to determine the significance of each ESG and climate-related risk.

The most significant ESG risks are now assessed alongside other risks as a normal part of the company risk mapping, which was approved by the audit committee. All the risks included in the risk mapping are monitored periodically.

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- GRI 2-14 Role of the highest governance body in sustainability reporting

STAKEHOLDER ENGAGEMENT

Customers, employees, investors, suppliers and regional authorities are the main stakeholders who significantly influence or are influenced by the company's business activities, products and services. Gurit fosters stakeholder engagement to understand their expectations, demands and concerns.

Dedicated external stakeholder engagement takes place with **shareholders** at the Annual General Meeting; communication continues through twice-yearly media and analyst conferences.

We gather **customer** needs and expectations through customer surveys and face-to-face meetings, which may include technical conferences, trade shows and participation in trade association events.

Engagement with **industry partners** takes place via local chambers of commerce, our membership of industry associations, as well as via conference participations and research partnerships, often centered on current industry challenges around circularity, sustainability or advanced composites at large. Gurit maintains regular dialogue with **suppliers**, complemented by online surveys.

The Gurit Executive team hosts a quarterly conference call with **employees** and additional conference calls with senior management, communicating organizational changes and Gurit strategy updates. Employees have the chance to make comments and ask questions, which are answered by the Executive Committee members. Furthermore, we run a global employee engagement initiative, which includes surveys in our employees' local languages, local focus groups and local townhall meetings.

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- GRI 2-12 Role of the highest governance body in overseeing the management of impacts
 - GRI 2-29 Approach to stakeholder engagement
 - GRI 3-3 Management of material topics

SCOPE OF SUSTAINABILITY DATA AND REPORTING PRACTICE

Gurit has adopted an annual reporting cycle and we publish our Sustainability Report at the same time as our financial statements, as part of an integrated Annual Report. The reporting period is the 2023 calendar year as well as the previous five years where such data is available. For operational reasons, the reporting period for sustainability indicators such as education and training, greenhouse gas emissions, electricity and waste has been set at November 1, 2022 – October 31, 2023. Unless otherwise specified, the data covers all locations of the Gurit Group, excluding any parts of the business listed as “discontinued” or “inactive” in Gurit’s financial statements. Some sustainability data is only available for production sites and not for our smaller office locations. The legal entities Xeltrusion S.R.L.,Gurit (Germany) GmbH, and Gurit Tooling (Hong Kong) Ltd. are currently not covered by our sustainability data collection and greenhouse gas accounting; these small sites are not considered as material at this time.

With regards to Fiberline Composites, which became 100% owned by Gurit Group in 2023, the main sites (Denmark, Chennai and Tianjin) are included in the sustainability data collection across almost all topics.

For greenhouse gas emissions reporting: where data was not available, extrapolations have been made based on the previous year’s data and the evolution of production and sales. Additionally, some data has been calculated based on assumptions that were deemed appropriate for the intended use of reported information, by either internal experts or the contracted external Sulytics greenhouse gas consultancy. Gurit has for the fourth year reported its greenhouse gas accounting on a best-effort basis.

Gurit’s Sustainability Report 2023 is published as a stand-alone document and in parallel as part of the Gurit Annual Report 2023, available on our website → www.gurit.com/Investors/Reports. Both the Annual Report and the Sustainability Report contain cross-references and should be consulted together.

RESTATEMENTS OF INFORMATION AND RESULTS

The greenhouse gas footprint figures for 2020, 2021 and 2022 were restated due to a change in the Capital goods data collection process. From 2020 to 2022, data was provided directly by Gurit sites. In 2023, we have requested data and analysis from Gurit’s Finance team, and in view of results, we decided to change the data collection process with a restatement of previous years. A few other restatements have been made. These concern process emissions related to cyclopentane processing in Tianjin, Volpiano and Chennai, emissions related to electricity consumption in Izmir (emission factor error), transportation (double counting in Volpiano and historical data for Fiberline), waste (measurement unit error in Magog) and employees commuting (error in Chennai, in Ahmedabad and missing historical data for Fiberline).

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- GRI 2-2 Entities included in the organization’s sustainability reporting
 - GRI 2-3 Reporting period, frequency and contact point
 - GRI 2-4 Restatements of information

SUSTAINABILITY DATA QUALITY

The data in the Sustainability Report has not been externally verified. The quality of data and reporting is expected to improve over time. Most of 2023's data has been collected through the Sulytics tool, a platform that improves the efficiency, quality and consistency of our data collection process (allowing all sites to directly upload their data) and helps us analyse our sustainability performance. This data collection and reporting system is periodically reviewed with each site.

SCOPE 1 (DIRECT EMISSIONS)

CATEGORY	HOW DATA IS COLLECTED*	RESULTS IN TCO2E**				% 2023 PARTIAL FOOT- PRINT***	DATA QUALITY
		2023 (ANNUAL DEVIATION)	2022 (ANNUAL DEVIATION)	2021 (ANNUAL DEVIATION)	2020		
STATIONARY COMBUSTION	– Consumption invoices – Extrapolation to cover 12 months (2 sites)	7 173 (– 10%)	7 980 (– 6%)	8 457 (– 13%)	9 748	7.1%	●
Natural gas, Heating oil, Methane, LPG, Diesel, Petrol, Wood (burned for stationary energy)							
MOBILE COMBUSTION	– Consumption invoices – Consumption assumption based on km (2 sites) or based on cost with average fuel price (2 sites)	630 (– 7%)	679 (– 16%)	808 (– 28%)	1 122	0.6%	●
Diesel, Petrol/ gasoline, Natural Gas, LPG							
PROCESS EMISSIONS	– Measurement by external supplier (Consulair) / lab (B.Veritas) (1 site) – Estimated / extrapolated (1 site)	1 428 (+ 24%)	1 151 (+ 41%)	814 (+ 32%)	618	1.4%	●
N2O, CO2, Cyclopentane, Others							
FUGITIVE EMISSIONS		303 (+ 44%)	210 (– 18%)	258 (– 66%)	762	0.3%	●
Acrylonitrile, HFC- 134, HFC-410A, R-22, Others							
TOTAL SCOPE 1 (Direct emissions)		9 534 (– 5%)	10 021 (– 3%)	10 337 (– 16%)	12 249	9.4%	

* Data collected in Sulytics tool.

If no data could be collected back to the base year for an acquired company, the data collected by Gurit for the most recent and complete year was used as a proxy.

** Calculation aligned with GHG Protocol, including 34 Gurit sites for fixed base year approach. Emissions from acquired companies in 2022 are included in the base year (2020) (even if the acquiring company didn't control these sources yet) to the current year (2023). Similarly, emission sources from divested facilities are excluded both with their emissions in the base year (when they were still controlled by the divesting company) and the current year.

*** Partial footprint = Scope 1, Scope2 and Partial Scope 3 (Capital goods, Transportation, Waste, Business travel, Employees commuting).

SCOPE 2 (ELECTRICITY CONSUMPTION)

CATEGORY	HOW DATA IS COLLECTED*	RESULTS IN TCO2E**				% 2023 PARTIAL FOOT- PRINT***	DATA QUALITY
		2023 (ANNUAL DEVIATION)	2022 (ANNUAL DEVIATION)	2021 (ANNUAL DEVIATION)	2020		
ELECTRICITY	<ul style="list-style-type: none"> – Electricity invoices – Extrapolation to cover 12 months (2 sites) – Electricity consumption based on previous years consumption (2 site) 	28 460 (+ 1%)	28 226 (+ 8%)	26 165 (+ 14%)	22 920	28.1%	●
DISTRICT HEATING	<ul style="list-style-type: none"> – Heating invoices – District heating consumption based on 2022 data (1 site) 	195 (– 65%)	562 (+ 7%)	523 (– 17%)	630	0.2%	●
TOTAL SCOPE 2 (Electricity consumption)		28 655 (– 0.5%)	28 788 (+ 8%)	26 688 (+ 13%)	23 550	28.3%	

PARTIAL SCOPE 3 (INDIRECT EMISSIONS)

CATEGORY	HOW DATA IS COLLECTED*	RESULTS IN TCO2E**				% 2023 PARTIAL FOOT- PRINT***	DATA QUALITY
		2023 (ANNUAL DEVIATION)	2022 (ANNUAL DEVIATION)	2021 (ANNUAL DEVIATION)	2020		
CAPITAL GOODS Machinery and equipment, computers, vehicles, other	– Capital goods data is provided by Finance	6 581 (– 29%)	9 217 (– 37%)	14 536 (+ 1%)	14 321	6.5%	●
FUEL AND ENERGY RELATED ACTIVITIES	– Calculated by Sulytics tool acc. data entered by sites for scopes 1 & 2	6 680 (– 23%)	8 721 (+ 29%)	6 747 (– 17%)	8 111	6.6%	●
TRANSPORTATION Raw materials	– Calculation based on weight and distance (assumption if data missing)	10 823 (– 20%)	13 602 (– 15%)	15 937 (–)	–	10.7%	●
TRANSPORTATION Produced and traded products (upstream)	– For raw materials, based on data received for	7 161 (– 23%)	9 312 (– 18%)	11 337 (– 22%)	14 544	7.1%	●
TRANSPORTATION Produced and traded products (downstream)	<ul style="list-style-type: none"> – Purchased goods, from Global Procurement – Transportation of raw materials not correctly assigned in 2020 – Transportation of produced and traded products: split to upstream or downstream depending if the site paid or not paid for the transportation – Cross-check for Gurit internal transportation (between 2 sites) 	24 735 (+ 30%)	19 056 (– 4%)	19 795 (– 6%)	21 051	24.4%	●

CATEGORY	HOW DATA IS COLLECTED*	RESULTS IN TCO2E**				% 2023 PARTIAL FOOT- PRINT***	DATA QUALITY
		2023 (ANNUAL DEVIATION)	2022 (ANNUAL DEVIATION)	2021 (ANNUAL DEVIATION)	2020		
WASTE Generated in operations	<ul style="list-style-type: none"> - Estimations applied due to a change of supplier to cover 12 months (2 sites) - Invoices for waste taken/ recycled by 3rd party - Estimation if the weight of the waste is not measurable - Waste generation based on previous years data (1 site) 	1 828 (- 14%)	2 131 (- 4%)	2 221 (- 46%)	4 132	1.8%	●
BUSINESS TRAVEL Flights, Accommo- dation nights	<ul style="list-style-type: none"> - Exported form Concur - Additional data provided by sites 	1 721 (+ 3%)	1 678 (+ 2%)	1 652 (+ 14%)	1 450	1.7%	●
EMPLOYEES COMMUTING	<ul style="list-style-type: none"> - Data collected via XLS questionnaire, not included in Sulytics tool - No data collected in 2023, taken 2022 data and apply a coefficient if we there were an important deviation in the number of employees. 	3 553 (- 7%)	3 809 (+ 0.3%)	3 799 (- 17%)	4 557	3.5%	●
TOTAL PARTIAL SCOPE 3 (Indirect emissions)		63 081 (- 7%)	67 526 (- 11%)	76 024 (+ 12%)	68 166	62.3%	

- ↗ GRI 305-1 Direct (Scope 1) GHG emissions
- ↗ GRI 305-2 Energy indirect (Scope 2) GHG emissions
- ↗ GRI 305-3 Other indirect (Scope 3) GHG emissions
- ↗ GRI 305-5 Reduction of GHG emissions

SIGNIFICANT CHANGES TO THE ORGANIZATION

In 2023, Gurit became the 100% owner of Fiberline Composites A/S, a manufacturer of pultruded carbon and glass fibre products used in wind blade production. Since we had already started the process of integrating Fiberline into our sustainability data collection when we acquired 60% of the business in 2022, the change to 100% ownership did not have a significant impact on the data in 2023.

In 2023, Gurit Wind Systems site in Langfang was closed, and production ceased at our Ringkobing site.

The list of Gurit Group subsidiaries covered by this Sustainability Report is contained in note 28 of Gurit's Financial Report 2023, pp. 248-251, except for sites listed as "inactive", "liquidated", or "Holding company".

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- GRI 2-2 Entities included in the organizations sustainability reporting
 - GRI 2-4 Restatements of information
 - GRI 2-6 Activities, value chain and other business relationships

NOTES REGARDING OUR GREENHOUSE GAS REPORTING

2023 corresponds to the sustainability reporting period 1.11.2022 to 31.10.2023.

2022 corresponds to the sustainability reporting period 1.11.2021 to 31.10.2022.

2021 corresponds to the sustainability reporting period 1.11.2020 to 31.10.2021.

2020 corresponds to the sustainability reporting period 1.11.2019 to 31.10.2020.

BASE YEAR

Gurit set 2020 as the base year as this is the first year with comprehensive data being available.

SCOPE 1 – DIRECT EMISSIONS

Under scope 1 we reported emissions related to Stationary combustion (Natural gas, Heating oil, Methane, LPG, Diesel, Petrol, Wood (burned for stationary energy), to Mobile combustion (Diesel, Petrol/gasoline, Natural Gas, LPG), to Process emissions (N₂O, CO₂, Cyclopentane, Others) and to Fugitive emissions (Acrylonitrile, HFC-134, HFC-410A, R-22, Others). Unlike 2022, no Compensation Certificates of Verified Carbon Unit (VCU) Retirement have been acquired for the 2023 calendar year.

SCOPE 2 – INDIRECT GHG EMISSIONS

The GHG accounting considers the purchased electricity, steam, heat and cooling. Emissions are calculated using the 'market-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. Unlike 2022, the emissions related to electricity consumption haven't been offset with Compensation Certificates.

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- GRI 2-2 Entities included in the organizations sustainability reporting
 - GRI 2-3 Reporting period, frequency and contact point
 - GRI 2-4 Restatements of information

SCOPE 3 – EMISSIONS FROM ACTIVITIES FROM ASSETS NOT OWNED OR CONTROLLED BY GURIT, BUT WITH AN IMPACT ON GURIT'S VALUE CHAIN

- Business travel includes flights and accommodation. Data are collected with an export from SAP Concur expense data tool and completed manually by Gurit sites for business travel not recorded in Concur.
- For employees commuting we have taken 245 working days as an average to simplify reporting. We have used the data collected in the previous year as it is safe to assume that no material changes occurred. Some estimations have been conducted in case of deviation from previous year related to the quantity of employees per site.
- Transportation and distribution: GHG emissions were calculated based on available transportation data from Gurit sites and from Global Procurement department. This includes data on weights, origin, and destinations as well as the main transport modes used, for raw material and produced product transportation. Parameters such as exact routing on vehicle types were normally not available and had to be estimated. Simplifications were made to reduce complexity e.g. road distances were calculated to the city level rather than actual street level. GHG emissions under the downstream transportation and distribution category were estimated based on available data. Depending on the incoterms applied, customers pick up the products at the Gurit factory gates. In these cases, it was not always possible to determine to where the products were transported. No estimations were made for these cases. The Guidelines to UK's GHG Conversion Factors for Company Reporting (GWP AR4) were used to convert activity data into GHG emissions. Emissions from airfreight were calculated by applying a radiative forcing factor to account for the non-CO2 warming effects of airplanes.
- Waste includes all waste types generated in operations by disposal type, including the waste reused internally (plastic and other types of non-hazardous waste).
- Emissions related to fuel and energy-related activities are calculated automatically by the Sulytics tool according to the data entered for Scope 1 (stationary combustion & mobile combustion) and Scope 2 (electricity consumption and heating).
- For capital goods, the Finance department has provided expenses related to fixed assets for the reporting period including: machinery and equipment, buildings and facilities, fixtures and fittings, office machinery and computers and vehicles.

See also the Technical statement on greenhouse gas accounting in the Environment chapter in this Report as well as the website → www.ghgprotocol.org/corporate-standard

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- ↗ GRI 305-1 Direct (Scope 1) GHG emissions
 - ↗ GRI 305-2 Energy indirect (Scope 2) GHG emissions
 - ↗ GRI 305-3 Other indirect (Scope 3) GHG emissions

FULL VIEW OF OUR GREENHOUSE GAS FOOTPRINT

In 2021, we started to collect Purchased Goods data. Data collected for 2022 underwent additional checks by the Global Procurement team and 2023 data was provided directly by Procurement. Even with reservations about the data quality, we decided to start reporting these preliminary results.

The emissions related to End-of-Life Treatment of Sold Products have been estimated based on data reported by the Gurit production sites for the key materials. Use of Sold Products has the potential to be a relevant Gurit scope 3 emissions source. It remains a challenge to estimate these emissions with a calculation model and implement this in our Sulytics data collection tool.

IN TCO _{2e}	2023	DATA QUALITY	2022 AFTER COMPENSATION	2022	2021 AFTER COMPENSATION & EAC	2021
SCOPE 1: DIRECT EMISSIONS	9 534	●	0	10 021	0	10 337
SCOPE 2: ELECTRICITY	28 655	●	0	28 788	0	26 688
SCOPE 3						
SCOPE 3 (PARTIAL): INDIRECT EMISSIONS*	63 081	●	50 884	67 526	0	76 024
PURCHASED GOODS	456 463	●	593 080	593 080	776 952	776 952
Raw materials (from virgin sources or unknown)	392 795	●	503 064	503 064	716 592	716 592
Raw materials (mainly from recycled sources)	63 508	●	89 389	89 389	56 105	56 105
Packaging materials	160	●	627	627	4 255	4 255
END-OF-LIFE TREATMENT OF SOLD PRODUCTS	4 799	●	6 133	6 133	6 811	6 811

* Scope 1, scope 2, partial scope 3: see details in Environment chapter

- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions
- GRI 305-5 Reduction of GHG emissions

Our greenhouse gas footprint data is available on our website in a machine-readable format:

→ www.gurit.com/ghg

Contact for questions regarding the scope of our data collection and methodologies applied:

sustainability@gurit.com

Gurit Services AG
Sustainability Department
Thurgauerstrasse 54
CH-8050 Zurich, Switzerland

Greenhouse Gas Accounting Advisory:
Sulytics GmbH



SUSTAINABILITY METRICS



SAFETY FIRST METRICS

WORK-RELATED INJURIES AND ILL HEALTH



KEY
PERFORMANCE
INDICATORS

If despite all prevention, training and risk management measures an incident takes place, it is reported in our Safety First platform, with details that include the type of injury, main cause and consequence of the injury. After every accident and incident, we carry out an investigation that allows us to develop an action plan to minimise the hazard in the future.

LOST TIME ACCIDENTS (LTA) AND NON-LOST TIME INJURIES (NLTI)

	2023		2022		2021		2020	
	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURIES (NLTI)	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURIES (NLTI)	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURIES (NLTI)	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURIES (NLTI)
Wind Systems	5	27	8	48	17	68	16	83
Marine / Industrial	6	67	6	92	11	136	13	153
Manufacturing Solutions	5	7	1	10	4	15	1	13
Structural Profiles*	2	2	–	–	–	–	–	–
Total	18	103	15	150	32	219	30	249

Note: 2022 data does not cover the new Structural Profiles business unit (Fiberline Composites A/S) as the company was acquired in the second half of the sustainability reporting period. It also excludes the divested Aerospace business unit.

* 2023 data includes the new Structural Profiles business unit (Fiberline Composites A/S) as 100% of the company acquisition was completed in 2023.

A dash means zero with the exception of Structural Profiles, for whom we don't have 2020 to 2022 data.

The number of work-related accidents slightly increased in 2023 while the incidents decreased. The main causes of work-related injury at Gurit sites are impacts against objects, cuts with tools or materials and chemical issues. We recorded no accident or incidents among contractors.

TYPES OF ACCIDENTS AS DEFINED BY GRI

The following table provides additional details of the types of accidents, as defined by the GRI Standard. High-consequence work-related injuries correspond to medical leaves longer than 6 months.

	2023	2022	2021	2020
FATALITIES				
Wind Systems	-	-	-	-
Marine / Industrial	-	-	-	-
Manufacturing Solutions	-	-	-	-
Structural Profiles*	-	-	-	-
Total Fatalities	-	-	-	-
HIGH-CONSEQUENCE WORK-RELATED INJURIES				
Wind Systems	-	-	1	-
Marine / Industrial	-	-	-	1
Manufacturing Solutions	-	-	-	-
Structural Profiles*	-	-	-	-
Total	-	-	1	1
RECORDABLE WORK-RELATED INJURIES				
Wind Systems	7	10	22	19
Marine / Industrial	19	23	33	32
Manufacturing Solutions	7	4	11	11
Structural Profiles*	3	-	-	-
Total	36	37	66	62

*A dash means zero with the exception of Structural Profiles, for whom we don't have 2020 to 2022 data.

Gurit recorded no high-consequence work-related injuries or fatalities among workers or contractors, and no recordable work-related injuries among contractors in 2023.

NLTIR & LTAR

In 2023 the Non-Lost Time Injuries Rate (NLTIR) was 16.62 per million hours worked, and the Lost Time Accident Rate (LTAR) was 2.91. NLTIR had decreased significantly compared to 2022, while LTAR slightly increased.

In order to homogenise comparable data reported by all sites, in 2022 we introduced a new safety indicator, the Total Recordable Injury Rate (TRIR) is defined as the number of fatalities, lost time injuries/illnesses, restricted work, and medical treatment per million hours worked.

RATE PER MILLION HOURS WORKED	2023	2022	2021	2020
Lost Time Accident Rate (LTAR)	2.91	2.61	5.04	4.57
Non-Lost Time Injuries Rate (NLTIR)	16.63	26.26	37.65	35.13
Total Recordable Incident Rate (TRIR)	5.81	6.44	11.66	–
Lost Time Injury Severity Rate	–	–	0.15	0.15

Note 1: all the Safety First rates are calculated based on million hours worked.

Note 2: 2022 data does not cover the new Structural Profiles business unit (Fiberline Composites A/S) as the company was acquired in the second half of the sustainability reporting period. It also excludes the divested Aerospace business unit.

Note 3: 2023 data includes the new Structural Profiles business unit (Fiberline Composites A/S) as 100% of the company acquisition was completed in 2023.

During the reporting period, two cases of work-related ill health attributed to allergies have been reported in our Safety First platform. Improving the health and safety management across the company and proactively working to minimize work-related ill health remain priorities in Gurit.

- GRI 403-2 Hazard identification, risk assessment, and incident investigation
- GRI 403-9 Work-related injuries
- GRI 403-10 Work-related ill health

INCIDENT INVESTIGATIONS



In 2023, investigations were conducted for 85% of incidents (including Lost Time Accidents and Non-Lost Time Injuries). Compared to 2022 (investigations conducted for 79% of incidents) the investigation rate has increased by 6 points.

This year-on-year increase in investigations has led to a greater understanding of the issues at hand, which we can share with colleagues and increase the possibility of prevention in the future.

- GRI 403-2 Hazard identification, risk assessment, and incident investigation

INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH & SAFETY IMPACTS OF PRODUCTS AND SERVICES

We have not identified any non-compliance with regulations and/or voluntary codes in 2023.

➤ GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT / SERVICE INFORMATION AND LABELLING

In 2023 we received a non-compliance warning due to lack of verification of the ingredients for a chemical imported into Australia. As a result, we had to cease importing and dispose of on-hand product. No fines were imposed, and the impact was less than AUD\$ 3000.

No legal actions were proceeded or pending, and no fines or non-financial penalties relating to non-compliance with product marketing and labelling regulations and standards were imposed in the previous year.

The Chemical Regulatory Compliance Manager together with members of the product development and purchasing teams ensure that all information is collated, recorded and available within the legal timescales as defined by country specific legislative schemes. Certified Bio-based formulated products are accredited to TUV Austria OK Biobased initiative and labelled in accordance with the requirements of this accreditation.

➤ GRI 417-1 Requirements for product and service information and labelling
➤ GRI 417-2 Incidents of non-compliance concerning product / service information and labelling

STATUS OF ISO CERTIFICATION

The status of ISO certification of our Health & Safety, Environmental and Quality Management Systems towards achieving 100% of our production sites being certified by the end of 2024 is as follows.

CERTI- FICATION	% OF PRODUCTION SITES CERTIFIED				# OF SITES PLANNED / IN PROGRESS (2024/2025)	% OF SITES CERTIFIED / PLANNING TO BE CERTIFIED (2024/2025)		% OF EMPLOYEES COVERED IN 2023
	AS OF 31.12.2023	AS OF 31.12.2022	AS OF 31.12.2021	AS OF 31.12.2020		% OF ALL SITES (OFFICES AND PRODUCTION)	% OF PRODUCTION SITES	
ISO 9001	19 (100%)	19 (95%)	20 (91%)	18 (94%)	–	63%	100%	95%
ISO 14001	13 (68%)	8 (40%)	10 (45%)	9 (47%)	3	53%	84%	64%
ISO 45001	12 (63%)	10 (50%)	10 (45%)	4 (21%)	4	53%	84%	60%

2020: Total number of sites: 29 (including non-production sites) Total number of production sites: 19

2021: Total number of sites: 30 (including non-production sites) Total number of production sites: 22

2022: Total number of sites: 30 (including non-production sites) Total number of production sites: 20

2023: For the purposes of this data, we have 30 total sites and 19 production sites, as our Chennai site is regarded as two separate sites for ISO certification

Structural Profiles sites have been included in the number and percentage of the sites certified. All our Structural Profiles sites are certified by ISO 9001 and the one located in Chennai is planning to be certified by ISO 14001 and 45001 in 2024-2025. Also, Kitting and PET sites located in Matamoros will be ISO 14001 and 45001 certified in 2024; and the site in Magog will be ISO 45001 certified during the same year.

↗ GRI 403-8 Workers covered by an occupational health and safety management system

GURIT RESOURCE UTILIZATION METRICS

ENERGY CONSUMPTION

The energy consumption in gigajoules (GJ) is based on data reported by the Group's sites through the Sulytics data collection tool and includes non-renewable fuel consumed, renewable fuel consumed, electricity, and other types of energy such as district heating (an infrastructure for distributing heat generated in a centralised location via insulated pipes for water or space heating) or steam purchased for cooling or heating. Each year corresponds to the sustainability reporting period 1.11. to 31.10.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

IN GJ	2023	2022	2021	2020
Stationary combustion	124 474	159 166	143 521	166 015
Mobile combustion	8 717	9 417	11 210	15 292
Electricity	293 104	312 185	317 556	291 959
Renewable sources	83 285	102 685	104 861	95 208
Grid-power (non-renewable)	209 819	209 500	212 695	196 751
Heating and cooling	10 353	11 849	11 023	13 288
TOTAL	436 648	492 617	483 310	486 554

DETAILS OF ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES

TYPE OF RENEWABLE ENERGY	2023		2022		2021		2020	
	IN GJ	IN %						
Hydroelectric	48 419	58%	60 360	59%	68 597	65%	63 295	66%
Solar	3 661	5%	6 976	7%	4 940	5%	3 856	4%
Wind power	5 284	6%	25 490	25%	21 824	21%	17 990	19%
Other renewables	25 922	31%	9 859	9%	9 501	9%	10 067	11%

ENERGY INTENSITY

The energy intensity of electricity consumption (MWh) versus sales (continued business / kCHF) has been calculated to be 0.14 for 2020, 0.19 for 2021, 0.17 for 2022 and 0.18 for 2023

REDUCTION IN ENERGY REQUIREMENTS OF PRODUCTS

Gurit has taken significant steps to improve its products to enable our customers to save energy while they process products we sell to them. There are three concrete areas that apply:

- Saving heating and electricity thanks to prepregs, adhesives and other formulated products curing at lower temperature.
- We have developed products with shorter curing times.
- Our manufacturing solutions business enables customers to shorten their cycle times, making more efficient use of large heated facilities, and saving energy in the different processes, as well as electricity required to move the molds.

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION

To fully understand our greenhouse gas footprint, Gurit has started to evaluate the energy consumption outside the organization relating to the upstream and downstream categories (scope 3). Most of this relates to suppliers, and high quality and accurate data is not yet available. We have therefore used an assumption-based approach to get a broad understanding and be able to prioritise focus areas for future action. The quality of the data is not suitable for external reporting purposes but will be used for related internal workstreams that will look at reducing greenhouse gas emissions within scope 3.

The data considered includes the following categories and is measured in tons:

- Business travel
- Employee commuting
- Transportation of raw materials (upstream)
- Transportation of produced and traded products (upstream)
- Transportation of produced and traded products (downstream)
- Waste
- Capital goods
- Fuel- and energy-related

-
- ↗ GRI 302-1 Energy consumption within the organization
 - ↗ GRI 302-2 Energy consumption outside the organization
 - ↗ GRI 302-3 Energy intensity
 - ↗ GRI 302-4 Reduction of energy consumption
 - ↗ GRI 302-5 Reductions in energy requirements of products and services

SIGNIFICANT AIR EMISSIONS

IN METRIC TONS	2023	2022	2021	2020
NOx (total nitrogen oxides), process gas	–	–	–	–
Sulfur oxides (SOX)	–	–	–	–
Volatile organic compounds (VOC), process gas	41	56	65	38

-
- ↗ GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

WASTE

From November 2022 to October 2023, the weight of waste generated by Gurit sites was 12 660 metric tons if we do not take in account the plastic waste reused internally (reported in the 'Recirculated waste from co-located kitting sites' line in the table below). This represents 7% reduction compared with last year. By taking in account the plastic waste directly reused internally, the total weight of waste generated by Gurit sites was 23 655 metric tons. The waste generation in tons is based on data reported by the Group's sites through the Sulytics data collection tool.

The share of recycled waste represents 74% of total waste. PET waste and dust from our operations is systematically recovered and recycled back into the adjacent extruder. Currently this data is available in the following table under the category 'Recirculated waste from co-located kitting sites'.

WASTE QUANTITY BY TYPE OF DISPOSAL

IN METRIC TONS	2023		2022		2021		2020
	HAZAR-DOUS WASTE	NON-HAZAR-DOUS WASTE	HAZAR-DOUS WASTE	NON-HAZAR-DOUS WASTE	HAZAR-DOUS WASTE	NON-HAZAR-DOUS WASTE	
TOTAL WASTE DIRECTED TO DISPOSAL	396	5 837	345	6 081	311	9 051	11 799
Landfill	138	3 303	124	3 754	134	4 731	5 100
Special treatment	55	40	59	66	51	62	823
Incineration	203	2 494	162	2 261	126	4 258	5 876
TOTAL WASTE DIVERTED FROM DISPOSAL	–	17 422	–	13 232	–	12 343	6 641
Recycling	–	6 293	–	7 189	–	12 343	6 641
<i>Recirculated waste from co-located kitting sites</i>	–	11 129	–	6 043	–	–	–
SHARE OF WASTE DIVERTED FROM DISPOSAL	74%		67%		57%		36%

Note 1: Each year corresponds to the sustainability reporting period 1.11. to 31.10.

Note 2: Gurit recycles a significant quantity of internal plastic waste from co-located kitting sites and its own PET foam production and finishing. In some co-locations globally Gurit is able to recycle kitting waste directly, efficiently and with no impact from transportation due to plant design. Sites concerned are Volpiano, Tamaulipas, Chennai and Tianjin.

Note 3: Hazardous waste for 2022 had to be restated due to a reporting unit measurement error detected.

Note 4: 10 995 metric tons of internal PET recirculated plastic waste (reported under Recirculated waste from co-located kitting sites category in the table above) is internally reused so not taken into account for the total the waste generated.

WASTE QUANTITY BY TYPE OF WASTE

IN METRIC TONS	2023	DATA TREND	2022	2021	2020
Chemical	40	↓	63	57	120
Commercial and industrial	4 754	↓	6 207	13 961	6 386
Household residual	68	↓	76	153	129
Metal	326	↑	274	421	337
Paper / paperboard	605	↓	692	686	746
Plastic	4 829	↑	4 153	4 425	7 224
<i>Plastic waste recycled internally / from co-located sites</i>	<i>10 995</i>	<i>↑</i>	<i>6 043</i>	<i>–</i>	<i>–</i>
Solvent mixtures	16	→	17	18	26
Wood	577	↓	726	1 084	1 757
Hazardous	396	↑	345	311	987
Other	1 049	↓	1 062	588	726
TOTAL	23 655	↑	19 658	21 704	18 438
HAZARDOUS WASTE IN %	1.7	↓	1.8	1.4	5.4

Note 1: Each year corresponds to the sustainability reporting period 1.11. to 31.10.

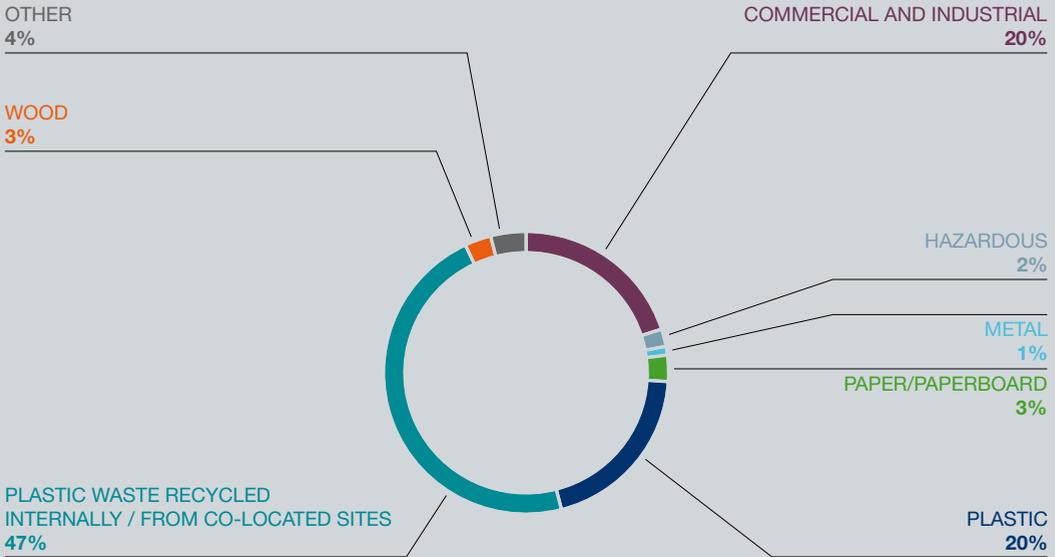
Note 2: Hazardous waste for 2022 had to be restated due to unit measurement error detected, and Plastic waste recycled internally / from co-located sites has been added for 2022 and 2023.

Note 3: "Other" is including the Non-hazardous waste reused internally (134 t).

Note 4: Plastic waste recycled internally / from co-located sites is internally reused so not taken into account for the total the waste generated.

↗ GRI 306-3 Waste generated

WASTE GENERATED BY TYPE OF WASTE



Note: reporting period 1.11.2022 to 31.10.2023

EMISSIONS TO SOIL AND WATER

Due to the nature of our operations and the systematic pollution prevention measures in place addressing remaining minor risks of spillages or accidental emissions to soil, water or air, Gurit sites normally do not contaminate the ground or water within or near their sites of operation. Process emissions to air are reported within this Report and are mainly linked to sites using fossil fuels as part of their production processes.

- GRI 306-2 Management of significant waste-related impacts
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 306-5 Waste directed to disposal

WATER

Water consumption is not a material topic for Gurit, although a small number of production sites have higher water consumption due to their production processes. Gurit water withdrawal continues to decrease year on year since 2021 because of water management initiatives implemented at the sites. Also, the percentage of alternative water sources has slightly increased since 2022.

In 2023 we report water discharge and water consumption for the first time; the data is estimated based on the water withdrawal reported from the production sites.

IN LITRES	2023	2022	2021	2020
TOTAL WATER WITHDRAWAL	123 437 023	149 679 641	157 047 590	151 608 192
Tap water (municipal water supplies)	48 681 026	65 721 641	95 308 790	86 544 192
Groundwater (drawn directly from well)	59 608 000	67 638 000	60 522 000	65 064 000
Surface water (e.g. taken directly from rivers and lakes)	–	–	–	–
Total alternative water sources	15 147 996	16 320 000	1 216 800	–
Rainwater	120 000	120 000	–	–
Water recycled or reused on site	7 722 000	5 302 000	1 216 800	–
Grey water	7 289 271	9 021 000	–	–
Sewage	16 725	1 877 000	–	–
PERCENTAGE ALTERNATIVE WATER SOURCES	13.99%	12.24%	0.78%	–
WATER DISCHARGE ESTIMATED	119 946 749	–	–	–
WATER CONSUMPTION ESTIMATED	3 490 274	–	–	–
Water withdrawal vs. sales (in CHF)	0.27	0.30	0.34	0.26
Water withdrawal vs. sales (in USD)	0.24	0.29	0.31	0.25

Note 1: each year corresponds to the sustainability reporting period 1.11. to 31.10. We have discovered few small errors in data reported in 2022 and 2021, and need to make a restatement. For a sales office, we do not have water withdrawn quantity as it is not metered and the cost for water is included in the leasing agreement.

Note 2: water discharge data was difficult to collect as most of the times there is no cost or just a fixed flat fee from the local municipality, and no metering. If we do not have any correct data, we assumed that for office sites, the water discharge is equal to the water withdrawal. For production site, as no water is used in any product itself, no heated water and evaporation, we assumed that the water discharge corresponds to 97% of the water withdrawal.

- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 303-5 Water consumption

GURIT CLEANTECH METRICS

R&D EXPENSES

	2023	2022	2021	2020
Actual CHF	8 525 000	8 617 948	8 648 182	7 794 499
As % of net sales	1.9	1.7	1.8	1.3

Since 2020, there has been a sizeable increase in Gurit's investment into CleanTech activities. The optimisation of existing processes and products in terms of their resource use and performance, as well as the development of new technologies, processes and materials has been recognized as a key path to increased sustainability at Gurit and so remains a focus heading into 2024.

R&D FOCUSED ON CLEANTECH APPLICATIONS

The following R&D focus areas during 2023 were clearly linked to clean technology applications:

- Improvements of existing products in terms of their process emissions and raw material footprint.
- Improvement of existing products in terms of the energy required to process them at our customers sites, e.g. lower curing temperatures or shorter curing times.
- Research and development of manufacturing solutions, with automation efficiency gains benefitting cycle times, reducing energy consumption.

SOCIAL PERFORMANCE METRICS

As of December 31, 2023, Gurit employed 2 343 staff members, compared with 2 113 in 2022 (excluding apprentices, trainees, interns and agency workers, contractors).

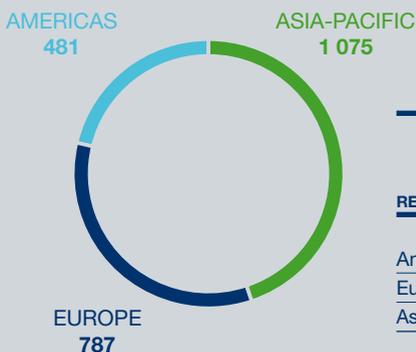
WORKFORCE BY EMPLOYMENT CONTRACT

	2023		2022		2021		2020
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Permanent contract	1 853	444	1 641	429	1 873	484	2 831
Temporary contract	35	11	30	13	73	20	120
GURIT TOTAL WORKFORCE*	1 888	455	1 671	442	1 946	504	2 951
Apprentices, Interns	13	4	3	2	10	5	15
Workers/Contractors**	274		259		220		174
Full-time	1 867	428	1 652	411	1 912	450	2 860
Part-time	21	27	19	31	34	54	91

* 2022 excl. Fiberline

** Methodology to collect data for Workers who are not employees: HR Managers at Gurit sites update agency worker team member data into the internal MyGurit database: hours worked, gender, FTE as per local definition. Data is reviewed monthly by Group HR and Finance.

EMPLOYEES BY REGION



REGION	2023		2022		2021	
	PERMANENT CONTRACT	TEMPORARY CONTRACT	PERMANENT CONTRACT	TEMPORARY CONTRACT	PERMANENT CONTRACT	TEMPORARY CONTRACT
Americas	476	5	399	–	611	8
Europe	762	25	628	32	757	34
Asia-Pacific	1 059	16	1 043	11	989	51

➤ GRI 2-7 Employees

➤ GRI 2-8 Workers who are not employees

EMPLOYEES BY NEW HIRES AND LEAVERS

From January 1 to December 31, 2023, Gurit has hired 685 new employees and 868 employees have left the company. Major changes have occurred in our Mexican site and in Chennai for hires. The details presented in the following tables do not include our Structural Profiles site in Tianjin which employed 62 people as of December 31, 2023.

	AGE			REGION			GENDER	
	UNDER 30 YEARS	30 TO 50 YEARS	ABOVE 50 YEARS	AMERICAS	ASIA-PACIFIC	EUROPE	MALE	FEMALE
New employee hires*	365	293	27	407	196	82	552	133
Employees left*	279	454	135	329	245	294	663	205

	AGE			REGION			GENDER	
	UNDER 30 YEARS	30 TO 50 YEARS	ABOVE 50 YEARS	AMERICAS	ASIA-PACIFIC	EUROPE	MALE	FEMALE
New employee hires*	273	210	27	106	237	167	416	94
Employees left*	203	463	95	394	215	152	612	149

	AGE			REGION			GENDER	
	UNDER 30 YEARS	30 TO 50 YEARS	ABOVE 50 YEARS	AMERICAS	ASIA-PACIFIC	EUROPE	MALE	FEMALE
New employee hires*	321	322	38	344	199	138	552	129
Employees left*	425	628	97	584	420	146	973	177

* excluding apprentices, trainees, interns and agency workers/contractors

Figures shown do not include our Structural Profiles site in Tianjin.

➤ GRI 401-1 New employee hires and employee turnover

EMPLOYEES BY GENDER

	2023	
	MALE	FEMALE
Executive Committee	6	–
Senior Management	32	4
Extended Senior Management*	14	6
Middle Management	194	52
Further Staff	1 588	385
TOTAL STAFF	1 834	447
In percent	80%	20%

	2022		2021		2020	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executive Committee	6	–	8	–	9	–
Senior Management	31	3	37	2	58	15
Extended Senior Management*	13	3	12	5		
Middle Management	180	57	209	62	130	44
Further Staff	1 441	379	1 680	434	2 189	506
TOTAL STAFF	1 671	442	1 947	503	2 386	565
In percent	79%	21%	79%	21%	81%	19%

* New management level created in 2021

Figures shown exclude apprentices, trainees, interns and agency workers/contractors.

Figures shown do not include our Structural Profiles site in Tianjin.

➤ GRI 405-1 Diversity of governance bodies and employees

EMPLOYEES BY AGE

	2023		
	AGE UNDER 30 YEARS	AGE 30 TO 50 YEARS	AGE ABOVE 50 YEARS
Executive Committee	–	2	4
Senior Management	–	25	11
Extended Senior Management*	–	14	6
Middle Management	12	178	56
Further Staff	523	1 179	271
TOTAL STAFF	535	1 398	348
In percent	24%	61%	15%

	2022			2021			2020		
	AGE UNDER 30 YEARS	AGE 30 TO 50 YEARS	AGE ABOVE 50 YEARS	AGE UNDER 30 YEARS	AGE 30 TO 50 YEARS	AGE ABOVE 50 YEARS	AGE UNDER 30 YEARS	AGE 30 TO 50 YEARS	AGE ABOVE 50 YEARS
Executive Committee	–	2	4	–	4	5	–	4	5
Senior Management	–	21	13	–	28	11	–	49	18
Extended Senior Management*	–	13	3	1	13	3	–	–	–
Middle Management	11	174	52	12	193	66	6	132	42
Further Staff	419	1 182	219	434	1 411	269	628	1 761	306
TOTAL STAFF	430	1 392	291	447	1 649	354	634	1 946	371
In percent	20%	66%	14%	18%	67%	15%	21%	66%	13%

* New management level created in 2021

Figures shown exclude apprentices, trainees, interns and agency workers/contractors.

Figures shown do not include our Structural Profiles site in Tianjin

➤ GRI 405-1 Diversity of governance bodies and employees

PERFORMANCE AND CAREER REVIEWS

In 2023, 25% of male and 60% of female employees at Gurit had a performance and career review (32% of all employees).

IN PERCENT	2023	2022	2021	2020
GENDER				
Male	25	29	23	47
Female	60	66	55	75
CATEGORY				
Executive Committee	100	100	100	67
Senior Management	100	97	87	93
Extended Senior Management*	100	100		
Middle Management	98	100	94	91
Other	22	26	21	49

* New management level created in 2021

Figures shown exclude apprentices, trainees, interns and agency workers/contractors

2021: does not include employees who left the company during the reporting period

2023: Structural Profiles business unit sites are not yet integrated in the Gurit Group performance and career review process

➤ GRI 404-3 Performance and career development review

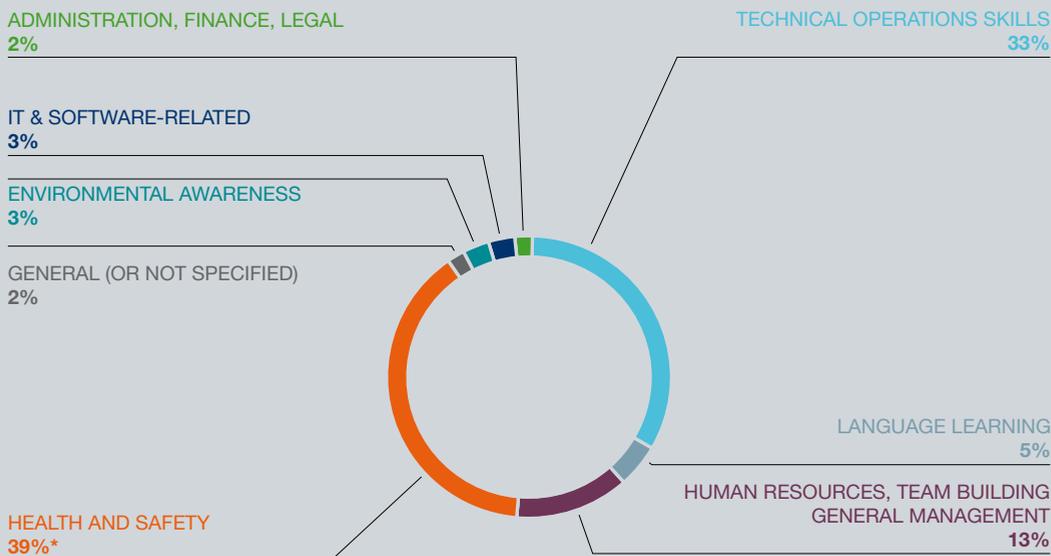
AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	2023	2022	2021	2020
GENDER				
Male	18.96	21.64	32.14	17.79
Female	19.39	28.36	30.14	14.67
CATEGORY				
Executive Management	20.80	3.00	4.33	2.13
Senior Management	28.03	74.35	41.83	10.43
Extended Senior Management*	72.91	17.00		
Middle Management	37.24	24.30	34.03	28.04
Other	16.49	23.85	31.33	16.19
TOTAL AVERAGE	19.05	25.00	31.72	16.70

* New management level created in 2021

Note: For 2022 data we have discovered that sites applied different definitions for training and identified some data errors that we rectified in part with common-sense assumptions. Some sites were affected by budget shortages and re-structurings, while others increased training activities as part of a ramp-up or an ongoing focus on health & safety with repeated trainings.

DISTRIBUTION OF TRAINING ACCORDING TO TYPE



* Includes health and safety training for workers who are not employees but whose work and/or workplace is controlled by Gurit Group

AVERAGE NUMBER OF TRAINING HOURS PROVIDED VIA LEARNING MANAGEMENT SYSTEM

	2023	2022	2021	2020
GENDER				
Male	1.49	0.76	2.91	3.19
Female	1.66	0.72	6.30	7.01
CATEGORY				
Executive Management	3.25	2.82	1.96	1.50
Senior Management	2.87	1.79	4.32	3.90
Senior Extended Management*	2.85	1.94		
Middle Management	1.65	1.56	9.38	4.00
Other	1.40	0.97	2.86	4.80

* New management level created in 2021

2023: Fiberline sites are not yet integrated in the Gurit Group Learning Management System.

COURSES COMPLETED IN LEARNING MANAGEMENT SYSTEM

	2023	2022	2021	2020
TOTAL NUMBER OF COURSES	2 676	1 801	8 711	2 930

The Learning Management System is an Intranet-based learning platform. One completed course refers to a learning unit on a specific topic that has been successfully completed by reading the content and in some cases answering a multiple-choice test questionnaire successfully. The completion of a course varies between 10 minutes to 3 hours. Fluctuations between years are related to the availability of new courses and the roll-out of certain programs or topics, as well as the implementation of a new platform in 2022 that has been stabilized in 2023.

In 2023 several courses were rolled out primarily related to antibribery, equality and diversity, data privacy and security office, resulting a higher number of completed trainings as well as higher average of training hours per gender and category compared to 2022 data.

↗ GRI 404-1 Average hours of training per year per employee

EXTERNAL ASSURANCE

This Sustainability Report has not been subject to external assurance. Gurit is setting up adequate data collection methods and processes and verifies this data on a best-effort basis in the most transparent manner, applying 4-eye principles, reviews and sanity checks of data by competent internal experts. Our greenhouse gas data is calculated by and reviewed with a trusted and competent external partner who has a profound and demonstrated track record in this domain, as explained in the Environment chapter of this Report. We are monitoring the legislative requirements and intend to call upon the support of our Internal Audit department as a first step.

➤ GRI 2-5 External Assurance

GRI REPORTING

This Report has been prepared in accordings with the Global Reporting Initiative (GRI) standard. GRI is an international independent standards organization that helps businesses understand and communicate their impacts on sustainability-related topics.



More information on the GRI Standards can be found on the standard's website at
→ www.globalreporting.org

CONTACT FOR SUSTAINABILITY REPORTING QUESTIONS, STAKEHOLDER FEEDBACK AND CONCERNS

Valérie Collaudin

Gurit Group General Counsel & Head of Sustainability

Aina Besalú

Sustainability Coordinator

PHOTO CREDITS

Jim Moore, Damen Shipyards, AdobeStock, iStock, Shutterstock, Gurit Archives

GURIT HOLDING AG

c/o GURIT SERVICES AG

Thurgauerstrasse 54

8050 Zurich, Switzerland

sustainability@gurit.com

➤ GRI 2-3 Reporting period, frequency and contact point

GRI CONTENT INDEX

STATEMENT OF USE

Gurit Holding AG has reported in accordance with the GRI Standards for the reporting period 2023. Reporting period is 1.1 - 31.12 for financial and some company data and 1.11 - 31.10 for sustainability data.

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
GRI 1: FOUNDATION 2021			
GRI 2: GENERAL DISCLOSURES 2021			Art. 964b (2)-1 CO is answered across all the Sustainability Report
THE ORGANIZATION AND ITS REPORTING PRACTICES			
2-1	Organizational details	2-5, 14, 19, 64-65, 248-251	Art. 964b (1) CO
2-2	Entities included in the organization's sustainability reporting	177, 181, 248-251	
2-3	Reporting period, frequency and contact point Note: Reporting frequency is annual. Reporting period is 1.1 - 31.12 for financial data and 1.11 - 31.10 for sustainability data.	177, 205	
2-4	Restatements of information	177, 181	
2-5	External assurance	108-109, 205	
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	2-5, 64-65, 151-156, 181	Art. 964b (1) CO Art. 964b (2)-2 CO
2-7	Employees Omission: Due to the parallel use of different systems some data is not yet available in full detail. We will adapt the systems and endeavour to report additional details in the future.	4, 198	Art. 964b (1) CO
2-8	Workers who are not employees	198	Art. 964b (1) CO
GOVERNANCE			
2-9	Governance structure and composition	18-39, 69-71, 83, 162	Art. 964b (1) CO
2-10	Nomination and selection of the highest governance body	23-27, 162	
2-11	Chair of the highest governance body	14, 19, 23, 162	
2-12	Role of the highest governance body in overseeing the management of impacts	31, 69-71, 162, 176	
2-13	Delegation of responsibility for managing impacts	27-31, 69-71, 82-83, 96, 113, 134, 162	Art. 964b (2)-2 CO
2-14	Role of the highest governance body in sustainability reporting	1, 31, 69-73, 162, 175	
2-15	Conflicts of interest	26-30, 162-164, 166	
2-16	Communication of critical concerns	31, 166-167	Art. 964b (2)-2 CO

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
2-17	Collective knowledge of the highest governance body	23-25	
2-18	Evaluation of the performance of the highest governance body	27-31, 69-73	
2-19	Remuneration policies	19, 41-55, 162-164	
2-20	Process to determine remuneration	41-55, 162	
2-21	Annual total compensation ratio	53-55, 218-219	
STRATEGY, POLICIES AND PRACTICES			
2-22	Statement on sustainable development strategy	7-13, 62-63, 68-69	Art. 964b (2)-2 CO
2-23	Policy commitments	2-3, 64-65, 69-71, 74, 82-83, 97-98, 112-113, 135-136, 140-143, 151-153, 157, 163-164, 166	Art. 964b (2)-2 CO
2-24	Embedding policy commitments	68-71, 82-83, 96-98, 135-136, 140-143, 151-153, 162	Art. 964b (2)-2 CO Art. 964b (2)-3 CO
2-25	Processes to remediate negative impacts	69-73, 88-91, 99, 106-107, 113, 127, 141, 151-156, 167	Art. 964b (2)-2 CO Art. 964b (2)-3 CO
2-26	Mechanisms for seeking advice and raising concerns	166-167	Art. 964b (2)-3 CO
2-27	Compliance with laws and regulations	90-91, 96, 167	
2-28	Membership associations	144	Art. 964b (1) CO
STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	72-73, 144-147, 172-176	Art. 964b (1) CO
2-30	Collective bargaining agreements	143	Art. 964b (1) CO
MATERIAL TOPICS			
GRI 3: MATERIAL TOPICS 2021			
3-1	Process to determine material topics	72-73, 99, 172-175	Art. 964b (1) CO Art. 964b(2)-4 CO
3-2	List of material topics	72-73, 172-175	Art. 964b (1) CO Art. 964b(2)-4 CO
HEALTH AND SAFETY			
3-3	Management of material topics	76-79, 81-86, 90-91, 93	Art. 964b (1) CO Art. 964b(2)-2 CO Art. 964b(2)-4 CO
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	83-88	
403-2	Hazard identification, risk assessment, and incident investigation	83-86, 88-93, 138, 186-188	
403-4	Worker participation, consultation, and communication on occupational health and safety	82-85, 88, 91-92	Art. 964b (1) CO
403-5	Worker training on occupational health and safety	84-85, 88, 91-92	

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships Note: Gurit considers health & safety as relevant to suppliers, and considers this in its supplier risk assessment process	84-85, 87, 90-93, 154-156	Art. 964b (2)-2 CO
403-8	Workers covered by an occupational health and safety management system Note: No workers are excluded from being covered by the Gurit safety management system, so the percentage of employees and workers covered is 100%	83, 86-89, 190	
403-9	Work-related injuries Omission: We do not at this stage state the total number of hours worked. Different legislations and national standards as well as data collection system make this a labor-intensive manual calculation. Possible to be extrapolated from the number of LTAs and NLTIs and the rate of both per million hours worked.	88-91, 188	
403-10	Work-related ill health	188	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	189	Art. 964b (2)-3 CO Art. 964b (2)-5 CO
ADAPTATION AND MITIGATION OF CLIMATE CHANGE AND POLLUTION			
3-3	Management of material topics	76-79, 97-99, 101, 104, 106-107	Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b(2)-4 CO
GRI 305: EMISSIONS 2016			
305-1	Direct (Scope 1) GHG emissions Note: Gurit's industrial activities are not contributing to any biogenic emissions. Gurit has set the base year as 2020 as this was the first year with comprehensive data available.	102-103, 108-109, 178, 181, 183	Art. 964b (1) CO Art. 964b (2)-5 CO
305-2	Energy indirect (Scope 2) GHG emissions Note: Gurit has set the base year as 2020 as this was the first year with comprehensive data available.	102-103, 108-109, 179, 181, 183	Art. 964b (1) CO Art. 964b (2)-5 CO
305-3	Other indirect (Scope 3) GHG emissions Note: Gurit has set the base year as 2020 as this was the first year with comprehensive data available.	102-103, 108-109, 179-180, 182-183	Art. 964b (1) CO Art. 964b (2)-5 CO
305-4	GHG emissions intensity	103	Art. 964b (1) CO Art 964b (2)-5 CO
305-5	Reduction of GHG emissions Note: Gurit has set the base year as 2020 as this was the first year with comprehensive data available.	102-103, 104, 106-107, 114-115, 116, 178-180	Art. 964b (1) CO Art. 964b (2)-5 CO
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	192	Art. 964b (1) CO Art. 964b (2)-5 CO

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
WASTE, RESOURCE USE AND CIRCULAR ECONOMY			
3-3	Management of material topics	76-79, 111-113, 114-115, 116, 118-119, 123-131	Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b(2)-4 CO
GRI 306: WASTE 2020			
306-1	Waste generation and significant waste-related impacts	112-113, 116	Art. 964b (1) CO Art. 964b (2)-5 CO
306-2	Management of significant waste-related impacts	112-113, 116, 124-129, 193-195	Art. 964b (1) CO Art. 964b (2)-2 CO
306-3	Waste generated	112-113, 116, 124, 127-129, 193-195	Art. 964b (1) CO Art. 964b (2)-5 CO
306-4	Waste diverted from disposal	116, 124, 127-129, 193-195	Art. 964b (1) CO Art. 964b (2)-5 CO
306-5	Waste directed to disposal	193-195	Art. 964b (1) CO Art. 964b (2)-5 CO
GRI 301: MATERIALS 2016			
301-3	Reclaimed products and their packaging materials	127-129	Art. 964b (1) CO Art. 964b (2)-5 CO
GRI 303: WATER AND EFFLUENTS 2018			
303-1	Interactions with water as a shared resource	118-119	Art. 964b (1) CO Art. 964b (2)-5 CO
303-2	Management of water discharge-related impacts	118-119	Art. 964b (1) CO Art. 964b (2)-2 CO
303-3	Water withdrawal Omission: We do not have a detailed breakdown of total water withdrawal from our sources by Freshwater and Other Water. Currently not considered material as the vast majority of our production is not using water. Data collection efforts for sites are already significant, therefore we prioritize material topics. We will consider to collect these details in future data collection efforts.	118-119, 196	Art. 964b (1) CO Art. 964b (2)-5 CO
303-4	Water discharge	118-119, 196	Art. 964b (1) CO Art. 964b (2)-5 CO
303-5	Water consumption	118-119, 196	Art. 964b (1) CO Art. 964b (2)-5 CO
ENERGY			
3-3	Management of material topics	76-79, 111-113, 114-115	Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b (2)-4 CO
GRI 302: ENERGY 2016			
302-1	Energy consumption within the organization	114-115, 191-192	Art. 964b (1) CO Art. 964b (2)-5 CO
302-2	Energy consumption outside of the organization	192	Art. 964b (1) CO Art. 964b (2)-5 CO

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
302-3	Energy intensity	191-192	Art. 964b (1) CO Art. 964b (2)-5 CO
302-4	Reduction of energy consumption	114-115, 191-192	Art. 964b (1) CO Art. 964b (2)-5 CO
302-5	Reductions in energy requirements of products and services	191-192	Art. 964b (1) CO Art. 964b (2)-2 CO
RESPONSIBLE SUPPLY CHAIN			
3-3	Management of material topics	76-79, 149-153	Art. 964b (2)-2 CO Art. 964b(2)-4 CO Art. 964k (1) (1-3) CO Art. 964k (2) CO Art. 964k (3) CO
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1	New suppliers that were screened using environmental criteria	154-156, 158-159	Art. 964b Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b (2)-5 CO
308-2	Negative environmental impacts in the supply chain and actions taken	154-156	Art. 964b Art. 964b (1) CO Art. 964b (2)-3 CO
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
414-1	New suppliers that were screened using social criteria	154-156, 157	Art. 964b Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b (2)-5 CO
414-2	Negative social impacts in the supply chain and actions taken	157	Art. 964b Art. 964b (1) CO Art. 964b (2)-3 CO
GRI 413: LOCAL COMMUNITIES 2016			
413-1	Operations with local community engagement, impact assessments, and development programs Omission: We do not have a detailed data regarding the local community impact. We focused on the implementation of the initiative in most of our Gurit sites and analysed the main impacts.	146-147	Art. 964b Art. 964b (1) CO Art. 964b (2)-5 CO
EQUALITY, DIVERSITY AND INCLUSION			
3-3	Management of material topics	76-79, 133-134, 135-136	Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b(2)-4 CO
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	136-137, 200-201	Art. 964b (1) CO Art. 964b (2)-5 CO

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
405-2	Ratio of basic salary and remuneration of women to men Omission: No data on ratios available at this time. Available data combines different job roles and skill levels that are concentrated in different geographical regions and locations with different cost of living and salary levels. This does not provide for a meaningful comparison. However, we have conducted a pay gap analysis per site.	138	Art. 964b (1) CO Art. 964b (2)-5 CO
WORKING CONDITIONS			
3-3	Management of material topics	76-79, 136-139	Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b(2)-4 CO
GRI 401: EMPLOYMENT 2016			
401-1	New employee hires and employee turnover Omission: Employee turnover not reported, we report leavers.	199	Art. 964b (1) CO Art 964b (2)-5 CO
GRI 404: TRAINING AND EDUCATION 2016			
404-1	Average hours of training per year per employee	140, 203-204	Art. 964b (1) CO Art. 964b (2)-5 CO
404-3	Percentage of employees receiving regular performance and career development reviews	135-136, 202	Art. 964b (1) CO Art. 964b (2)-5 CO
GRI 406: NON-DISCRIMINATION 2016			
406-1	Incidents of discrimination and corrective actions taken	139	Art. 964b (1) CO Art. 964b (2)-3 CO
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	143	Art. 964b (1) CO Art. 964b (1) CO
RESPECT OF HUMAN RIGHTS			
3-3	Management of material topics	76-79, 140-143, 157	Art. 964b (1) CO Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b(2)-4 CO
GRI 408: CHILD LABOR 2016			
408-1	Operations and suppliers at significant risk for incidents of child labour	140-143, 157	Art. 964b (1) CO Art. 964b (1) CO Art. 964b (2)-5 CO Art. 964k (1) (1-3) CO
GRI 409: FORCED OR COMPULSORY LABOR 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	140-143, 157	Art. 964b (1) CO Art. 964b (1) CO Art. 964b (2)-5 CO

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	SWISS LAW CONTRIBUTION
LEGAL COMPLIANCE			
3-3	Management of material topics	76-79, 161-162	
BUSINESS CONDUCT			
3-3	Management of material topics	76-79, 163-165	Art. 964b (1) CO Art. 964b (2)-2 CO Art. 964b (2)-4 CO
GRI 205: ANTI-CORRUPTION 2016			
205-1	Operations assessed for risk related to corruption Note: Selected operations were assessed as part of ordinary internal audit or due diligence procedures.	163-166	Art. 964b (1) CO
205-2	Communication and training about anti-corruption policies and procedures Note: A breakdown of our employee categories and regions can be found in the employee data in the Social Performance Metrics on pages 198, 200.	163-165	Art. 964b (1) CO Art. 964b (2)-5 CO
205-3	Confirmed incidents of corruption and actions taken	167	Art. 964b (1) CO Art. 964b (2)-5 CO
GRI 415: PUBLIC POLICY 2016			
415-1	Political contributions	168	Art. 964b (1) CO
GRI 201: ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated and distributed	4, 11, 144, 215-219, 228, 233	Art. 964b (1) CO
201-2	Financial implications and other risks and opportunities due to climate change	72-73, 97-98, 99	
201-4	Financial assistance received from government	168	
GRI 207: TAX 2019			
207-1	Approach to tax	168	
207-2	Tax governance, control, and risk management	168	
CUSTOMER SATISFACTION			
3-3	Management of material topics	76-79, 169, 176	
GRI 418: CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	169	Art. 964b (2)-3 CO
PRODUCT QUALITY AND SOLUTIONS			
3-3	Management of material topics	76-79, 90-91, 93, 169	
GRI 417: MARKETING AND LABELLING 2016			
417-1	Requirements for product and service information and labeling	93, 189	Art. 964b (2)-3 CO
417-2	Incidents of non-compliance concerning product and service information and labelling	189	



Damen Waterbus 2907 Hybrid, with full composite structural engineering by Gurit. This public ferry is efficient in terms of weight, hull design and systems, with interiors featuring natural and recycled materials.

FINANCIAL REPORT

GURIT GROUP

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➤ GRI 2-21 Annual total compensation ratio
➤ GRI 201-1 Direct economic value generated and distributed

CONSOLIDATED INCOME STATEMENT

IN CHF 1000	NOTE	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
NET SALES	3	459 852	499 454
Cost of goods sold		– 385 078	– 435 123
GROSS PROFIT		74 774	64 331
Research and development expense		– 8 525	– 8 618
Selling expense		– 12 384	– 14 056
Administrative expense		– 33 732	– 30 747
Other operating income	25	746	19 226
Other operating expense	5	– 575	– 7 809
OPERATING PROFIT		20 304	22 327
Finance expense	6	– 11 056	– 7 482
Finance income	7	1 223	1 555
PROFIT BEFORE TAX		10 471	16 400
Income tax expense	8	– 6 481	– 7 296
PROFIT FOR THE YEAR		3 990	9 104
Thereof attributable to shareholders of Gurit		7 456	9 248
Thereof attributable to minority interests		– 3 466	– 144
EARNINGS PER SHARE	9		
Basic earnings per share		CHF 1.59	CHF 1.98
Diluted earnings per share		CHF 1.59	CHF 1.98

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

IN CHF 1000	NOTE	AT DECEMBER 31, 2023	AT DECEMBER 31, 2022
ASSETS			
Cash and cash equivalents		12 518	27 189
Derivative financial instruments	11	410	243
Trade receivables	12	67 668	88 241
Other receivables	13	11 990	13 565
Prepayments and accrued income		12 463	17 826
Inventories	14	64 684	92 034
CURRENT ASSETS		169 733	239 098
Other receivables	13	1 149	1 674
Deferred income tax assets	19	7 453	7 759
Property, plant and equipment	15	93 877	107 845
Intangible assets	16	5 859	7 167
NON-CURRENT ASSETS		108 338	124 445
TOTAL ASSETS		278 071	363 543
LIABILITIES AND EQUITY			
Borrowings	17	16 082	8 441
Derivative financial instruments	11	342	285
Trade payables		58 967	85 456
Other payables		7 771	9 984
Accrued liabilities and deferred income	18	31 673	35 002
Provisions	20	7 999	3 221
CURRENT LIABILITIES		122 834	142 389
Borrowings	17	56 316	102 768
Deferred income tax liabilities	19	1 150	1 689
Other payables	24	4 013	–
Provisions	20	15 060	4 028
NON-CURRENT LIABILITIES		76 539	108 485
TOTAL LIABILITIES		199 373	250 874
Share capital		23 400	23 400
Capital reserve		330	330
Treasury shares		– 579	– 579
Retained earnings		54 571	89 807
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GURIT		77 722	112 958
Minority interests		976	– 289
TOTAL EQUITY	21	78 698	112 669
TOTAL LIABILITIES AND EQUITY		278 071	363 543

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

IN CHF 1000	NOTE	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
PROFIT FOR THE YEAR		3 990	9 104
Impairment	15, 16	- 260	2 127
Depreciation and amortization	15, 16	14 540	15 297
Finance income and expense, net	6, 7	9 833	5 927
Income tax expense	8	6 481	7 296
Net losses / (gains) from disposal of fixed assets		322	- 61
Losses from disposal of intangible assets		204	42
(Profit) on disposal of subsidiary	25	- 354	- 18 296
Other non-cash items		1 404	- 319
Change in trade receivables		12 174	- 9 518
Change in inventories		20 077	- 2 337
Change in other receivables and prepayments and accrued income		3 082	- 4 313
Change in trade payables		- 19 711	18 858
Change in other payables and accrued liabilities and deferred income		- 6 145	1 886
Change in provisions		3 181	1 919
Finance cost, net paid		- 7 638	- 3 501
Income tax paid		- 3 522	- 7 871
NET CASH FLOW FROM OPERATING ACTIVITIES		37 658	16 240
Purchase of property, plant and equipment	15	- 10 117	- 14 109
Proceeds from sale of property, plant and equipment		614	2 656
Purchase of intangible assets	16	- 948	- 1 310
Investments in loans receivable		- 48	- 331
Proceeds from repayments of loans receivable		-	214
Business acquisition	24	-	- 42 827
Proceeds from disposal of subsidiary	25	671	34 674
NET CASH FLOW FROM INVESTING ACTIVITIES		- 9 828	- 21 033
Changes in current borrowings, net		- 7 397	- 16 586
Changes in non-current borrowings, net		- 29 282	29 634
Distribution to shareholders		-	- 3 273
Purchase of treasury shares	21	-	- 2 115
Acquisition of minority interests	24	- 3 952	- 2 993
NET CASH FLOW FROM FINANCING ACTIVITIES		- 40 631	4 667
NET CHANGE IN CASH AND CASH EQUIVALENTS		- 12 801	- 126
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		27 189	29 013
Net change in cash and cash equivalents		- 12 801	- 126
Exchange losses on cash		- 1 870	- 1 698
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		12 518	27 189

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN CHF 1000	NOTE	SHARE CAPITAL	CAPITAL RESERVE	TREASURY SHARES
BALANCE AT JANUARY 1, 2022		23 400	270	– 608
Profit for the year		–	–	–
Currency translation adjustments		–	–	–
TOTAL INCOME AND EXPENSE FOR THE YEAR		–	–	–
Distribution to shareholders	10	–	–	–
Usage of treasury shares for share-based compensation		–	60	2 144
Purchase of treasury shares		–	–	– 2 115
TOTAL TRANSACTIONS WITH SHAREHOLDERS		–	60	29
MINORITY INTEREST ON ACQUISITION OF SUBSIDIARY	24	–	–	–
ACQUISITION OF MINORITY INTERESTS	24	–	–	–
GOODWILL DIRECTLY OFFSET WITH EQUITY	21,24	–	–	–
BALANCE AT DECEMBER 31, 2022		23 400	330	– 579
Profit for the year		–	–	–
Currency translation adjustments		–	–	–
TOTAL INCOME AND EXPENSE FOR THE YEAR		–	–	–
Share-based compensation		–	–	–
TOTAL TRANSACTIONS WITH SHAREHOLDERS		–	–	–
ACQUISITION OF MINORITY INTERESTS	21,24	–	–	–
DISPOSAL OF SUBSIDIARY	25	–	–	–
BALANCE AT DECEMBER 31, 2023		23 400	330	– 579

The accompanying notes form an integral part of these consolidated financial statements.

CURRENCY TRANSLATION ADJUSTMENTS	OFFSET GOODWILL	OTHER RETAINED EARNINGS	TOTAL RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GURIT	MINORITY INTERESTS	TOTAL EQUITY
- 54 643	- 118 123	322 615	149 849	172 911	- 2 629	170 282
-	-	9 248	9 248	9 248	- 144	9 104
- 9 172	-	-	- 9 172	- 9 172	- 515	- 9 687
- 9 172	-	9 248	76	76	- 659	- 583
-	-	- 3 273	- 3 273	- 3 273	-	- 3 273
-	-	- 2 300	- 2 300	- 96	-	- 96
-	-	-	-	- 2 115	-	- 2 115
-	-	- 5 573	- 5 573	- 5 484	-	- 5 484
-	-	-	-	-	5 866	5 866
-	-	- 126	- 126	- 126	- 2 867	- 2 993
-	- 54 419	-	- 54 419	- 54 419	-	- 54 419
- 63 815	- 172 542	326 164	89 807	112 958	- 289	112 669
-	-	7 456	7 456	7 456	- 3 466	3 990
- 18 075	-	-	- 18 075	- 18 075	- 281	- 18 356
- 18 075	-	7 456	- 10 619	- 10 619	- 3 747	- 14 366
-	-	926	926	926	-	926
-	-	926	926	926	-	926
-	- 26 100	-	- 26 100	- 26 100	4 824	- 21 276
360	197	-	557	557	188	745
- 81 530	- 198 445	334 546	54 571	77 722	976	78 698

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Gurit Holding AG, incorporated in Wattwil, Switzerland (“the Company”), and its subsidiaries (together “the Group”) are specialized in the development and manufacture of advanced composite materials, composite tooling equipment, and core kitting services. The product range comprises structural core materials, structural profiles, prepregs, formulated products such as adhesives and resins as well as structural composite engineering. Gurit supplies global growth markets such as the wind turbine industry, marine, building and many more.

The shares of Gurit Holding AG are listed on SIX Swiss Exchange.

These consolidated financial statements were signed off by the Board of Directors on February 29, 2024, for publication. The Annual General Meeting of Shareholders, scheduled for April 18, 2024, will vote on these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements of Gurit Holding AG have been prepared in accordance with the complete set of Swiss GAAP FER. They comply with the complementary recommendation for listed companies (Swiss GAAP FER 31) and are in conformity with the Swiss law and the requirements of the SIX Swiss Exchange. These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of securities (including derivative financial instruments) at fair value through profit or loss. All financial information included in the consolidated financial statements and notes to the consolidated financial statements are presented in Swiss francs and rounded to the nearest thousand, unless otherwise stated.

2.1.1 GROSS PROFIT

Gross profit represents net sales less cost of goods sold and is used internally as a key performance indicator for the Group.

2.2 CONSOLIDATION

2.2.1 CHANGES IN THE SCOPE OF CONSOLIDATION

On August 15, 2023, Gurit Holding AG acquired the remaining 40% of the shares of Fiberline Composites A/S from the minority shareholder. On November 24, 2023, Gurit Holding AG sold all of its shares in PT. Gurit Parta Balsa, Probolinggo Java.

On April 13, 2022, Gurit sold all of its shares in Gurit (Kassel) GmbH. On May 5, 2022, Gurit Holding AG acquired 60% of the shares of Fiberline Composites A/S, Denmark. This company owned directly or indirectly 100% of Advanced Carbon Pultrusion A/S, Denmark, 75.11% of Fiberline Asia Ltd., Hongkong, and 75.11% of Fiberline Pultrusion Tianjin Ltd., China. The following two subsidiaries were merged in 2022: Gurit (Italy) S.R.L., Volpiano and Gurit Italy PET Recycling S.r.l., Volpiano. Gurit (Germany) GmbH, Freiburg im Breisgau, was incorporated in 2022.

Further details on the business acquisitions and disposals and the Group's subsidiaries are disclosed in notes 24, 25 and 28.

2.2.2 SUBSIDIARIES

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the business acquisitions by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Intangible assets are only recognized if they were already recognized in the balance sheet of the acquired business at the acquisition date. The net assets taken over in an acquisition are measured initially at fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the Group's share of the newly valued net assets taken over is designated as goodwill.

At the date of the acquisition, the acquired goodwill is offset with equity. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is also offset in equity. Subsequent adjustments to any contingent purchase consideration are recorded as an adjustment to the acquisition's cost and to goodwill. Adjustments to the fair values of the acquired net assets are recorded in the income statement in subsequent periods. Intercompany transactions, balances, and unrealized gains and losses on transactions between Group companies are eliminated.

2.3 FOREIGN CURRENCY TRANSLATION

2.3.1 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swiss francs, which is the Company's functional and the Group's presentation currency.

2.3.2 TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.

2.3.3 GROUP COMPANIES

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate on the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates; and
- (c) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of, sold or shut down, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Fair value adjustments arising out of the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. For the purposes of disclosure of the effects of a theoretical capitalization, goodwill is treated as an asset of Gurit Holding AG and is carried in the Company's functional currency.

The principal exchange rates versus the Swiss franc were as follows:

	DECEMBER 31, 2023	Ø 2023	DECEMBER 31, 2022	Ø 2022
1 British pound	1.0655	1.1173	1.1102	1.1782
1 Canadian dollar	0.6325	0.6659	0.6819	0.7336
1 Chinese yuan renminbi	0.1180	0.1268	0.1338	0.1419
1 Danish Krone	0.1243	0.1304	0.1324	0.1350
1 Euro	0.9260	0.9718	0.9847	1.0047
100 Indian rupee	1.0076	1.0882	1.1168	1.2151
1 US dollar	0.8380	0.8987	0.9232	0.9541

2.4 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of advanced composite materials, wind energy core material kits, composite tooling equipment and pultruded structural profiles as well as engineering services. Revenue is shown net of value-added tax, returns, rebates, and discounts and after eliminating sales within the Group.

Revenue from the sale of advanced composite materials, wind energy core material kits and pultruded structural profiles is recognized when the goods have been delivered to the agreed place and when significant risks and rewards of ownership have transferred to the customer in accordance with the agreed Incoterms (International Commercial Terms). The related invoices are usually payable within 60 days on average.

Revenue recognition from the sale of composite tooling equipment is contract-dependent and typically recognized after the customer has inspected the goods at our premises, the so called Factory Acceptance test ("FAT") and upon receipt of such signed FAT acceptance document. Gurit thus applies the completed contract method of revenue recognition in the tooling business. Payment terms vary by customer and typically consist of several progress payments during the project duration with the majority of payments being received after successful completion of the FAT and the residual payments received after successful passing of the customer Site Acceptance Test ("SAT").

2.5 EMPLOYEE BENEFITS

2.5.1 PENSION OBLIGATIONS

The obligations of all Group companies in respect of retirement, death, and disability are based on local rules and regulations in the respective countries. With the exception of the Ecuadorian company, the obligation in respect of the pension plans of all Group companies is with a third party pension institution and not with the Group companies.

The Ecuadorian company is required by law to grant certain retirement benefits. The obligation is exclusively patronal and is provisioned by these companies without making contributions to any fund. The liability recognized in the balance sheet in respect of this obligation is the fair value of the obligation at the end of the reporting period and is calculated annually by independent actuaries using the projected unit credit method, in line with local law. Changes in the liabilities are recognized as personnel expense.

2.5.2 TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal termination date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognized termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the balance sheet date are discounted to present value. Provisions for termination benefits are recorded in the consolidated balance sheet within provisions.

2.5.3 SHARE-BASED COMPENSATION

The Group operates different equity-settled share-based compensation schemes, under which the entity receives services from directors and from employees for equity instruments of the Company. The fair value of the services received in exchange for the granting of equity instruments is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted.

2.6 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred income tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets relating to temporary differences and to tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2.7 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives on equity instruments of the company or on equity instruments on one of its subsidiaries are not recorded in the balance sheet. Other derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either: hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or hedges of variability in cash flow for a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge). The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 11. Movements on the “hedging reserve” in shareholders’ equity are shown in the consolidated statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months, and as a current asset or liability when the remaining maturity of the hedged item is less than twelve months. Trading derivatives are classified as a current asset or liability.

The Group’s recognized derivative financial instruments relate to foreign exchange instruments and interest rate swaps.

2.7.1 CASH FLOW HEDGES

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement.

2.7.2 DERIVATIVES ACCOUNTED FOR AT FAIR VALUE THROUGH PROFIT OR LOSS

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are recognized immediately in the income statement.

2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

2.9 TRADE RECEIVABLES

Trade receivables are valued at par value less impairment, if any. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Furthermore, the Group records a general provision on long overdue, not insured or otherwise secured receivables, that are not covered by specific provisions, as follows: 30% on all balances overdue more than 90 days, 60% on all balances overdue more than 180 days, 80% on all balances overdue more than 270 days and 100% on all balances overdue more than 360 days. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the income statement.

2.10 LOANS AND OTHER RECEIVABLES

Loans and other receivables are valued at par value less impairment, if any.

2.11 INVENTORIES

Inventories are stated at the lower of average cost price or manufacturing cost and net realizable value. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads (based on normal operating capacity). Early payment discounts are treated as a deduction of the purchase price. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Plant and equipment: 4 –15 years
- Buildings: 30 – 40 years
- Other tangible assets: 4 –10 years

Any property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.13 INTANGIBLE ASSETS

Intangible assets contain patents, land use rights, software, and other intangible assets. They are carried at historical cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives, which for patents, software, and other intangible assets normally do not exceed five years, but can extend to ten years in exceptional cases. Land use rights are amortised over 50 years, which represents the period of the use rights.

2.14 IMPAIRMENT OF ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Leases of property, plant and equipment, where the Group substantially has all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2.16 PAYABLES AND BORROWINGS

Payables and Borrowings are recognized at par value, net of transaction cost incurred.

2.17 PROVISIONS

Provisions for warranties, restructuring costs, environmental provision, legal cases, retirement benefits, indemnity, dilapidation, earn-out and others are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.18 EQUITY

2.18.1 TREASURY SHARES

Where any Group company purchases the Company's equity share capital ("treasury shares"), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

2.18.2 GOODWILL OFFSET IN EQUITY

Goodwill represents the excess of the cost of an acquisition over the Group's share of the newly valued net assets taken over. At the date of the acquisition, the acquired goodwill is offset with equity.

For purposes of the disclosure of the effects of a theoretical capitalization, acquired goodwill is amortized over five years and carried at cost less accumulated amortization and impairment losses. Impairment losses on goodwill are not reversed.

In case of a disposal, acquired goodwill offset with equity at an earlier date is considered at original cost to determine the profit or loss recognized in the income statement.

3. SEGMENT INFORMATION

IN CHF 1000	2023	2022
NET SALES BY SEGMENTS		
Wind Materials	307 091	330 630
Manufacturing Solutions	51 292	57 536
Marine and Industrial	101 628	100 487
Inter-segment elimination	– 159	– 33
TOTAL CONTINUED OPERATIONS	459 852	488 620
Aerospace	–	10 834
TOTAL GROUP	459 852	499 454

Gurit disclaims the disclosure of segment financial operating results as such disclosure would bear the risk of significant competitive disadvantages. The target markets in which all Business Units operate, are relatively confined market niches and the product offering of these units is relatively homogeneous. Most of the main direct competitors in the markets in which those segments operate are either not stock exchange-listed or do not disclose the relevant comparable segment information. As a result, disclosure of the performance of these segments would lead to significant competitive disadvantages.

The segments have been adjusted for financial year 2023 to align the external reporting with the market driven changes in the internal management structure and the future strategic direction of the Group. Prior period figures have been restated to conform to the new presentation.

IN CHF 1000	2023	2022
NET SALES BY REGIONS OF DESTINATION		
Europe	191 492	164 918
Asia	145 345	217 637
Americas	91 001	85 393
Rest of the world	32 014	31 506
TOTAL NET SALES	459 852	499 454

4. PERSONNEL EXPENSE

IN CHF 1000	2023	2022
Salaries and wages	76 658	78 397
Pension expense	3 016	3 528
Social security expense	12 304	14 402
Other personnel expenses	8 356	14 207
TOTAL PERSONNEL EXPENSE	100 334	110 534

Salaries and wages include share-based compensation in the aggregate amount of CHF 926 000 (2022: zero). The members of the Board of Directors receive a fixed number of shares of the Company as part of their total annual compensation. For 2023, the members of the Board of Directors will receive 1 657 shares. In 2022, the members of the Board of Directors renounced their share-based compensation. In accordance with the Group's Share Participation Plan for Management, members of the Executive Committee and the next level of management receive a part of their performance-related compensation in form of Gurit shares. For 2023, the members of the Executive Committee and other employees will receive 9 388 shares (2022: zero). All shares from the share-based compensation allocation are subject to a lock-up period of three years.

The share price used for the calculation of the share-based compensation of the members of the Board was CHF 100. This share price corresponds to the share price as indicated at the preceding Annual General Meeting for approval of the fixed compensation amount for the Board of Directors. The share price used for the calculation of the share-based compensation for the members of the Executive Committee and other employees was CHF 80. This share price corresponds to the rounded average traded closing prices on the last five days before and after December 31.

The pension expense is summarized as follows:

ECONOMICAL BENEFIT / OBLIGATION AND PENSION EXPENSES

IN CHF 1000	SURPLUS/ (DEFICIT)	ECONOMICAL SHARE OF THE GROUP		CHANGE TO PRIOR YEAR	CONTRIBU- TIONS ACCRUED	PENSION BENEFIT EXPENSES WITHIN PERSONNEL EXPENSE	
	DEC. 31, 2023	DEC. 31, 2023	DEC. 31, 2022			2023	2022
Patronage pension, unfunded	- 118	- 118	- 147	29	- 29	- 29	- 148
Pension institutions without surplus/ deficit	-	-	-	-	-	3 045	3 676
Pension institutions with surplus	-	-	-	-	-	-	-
Pension institutions with deficit	-	-	-	-	-	-	-
Pension institutions without own assets	-	-	-	-	-	-	-
TOTAL	- 118	- 118	- 147	29	- 29	3 016	3 528

During 2023 and 2022, the Group did not have any employer contribution reserves.

5. OTHER OPERATING EXPENSE

IN CHF 1000	NOTE	2023	2022
Change in provision for impairment of trade receivables	12	- 208	453
Restructuring expenses	20	879	5 085
Impairment charges	15, 16	- 260	2 127
Other operating expenses		164	144
TOTAL OTHER OPERATING EXPENSE		575	7 809

Restructuring expenses in 2023 relate mainly to the reduction in work force in the Danish pultruded structural profiles factory.

Restructuring and impairment charges in 2022 related to the right-sizing of the organization to the current demand in the wind market at various locations. Mostly affected were the sites in Denmark, China, Ecuador and in Indonesia.

6. FINANCE EXPENSE

IN CHF 1000	2023	2022
Interest expense	6 737	2 992
Exchange rate losses	3 265	3 399
Other finance expenses	1 054	1 091
TOTAL FINANCE EXPENSE	11 056	7 482

7. FINANCE INCOME

IN CHF 1000	2023	2022
Interest income	148	560
Exchange rate gains	1 070	978
Other finance income	5	17
TOTAL FINANCE INCOME	1 223	1 555

8. INCOME TAX EXPENSE

IN CHF 1000	NOTE	2023	2022
Deferred income tax (credit) / expense	19	- 743	57
Current income tax expense		7 224	7 239
TOTAL INCOME TAX EXPENSE		6 481	7 296

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

IN CHF 1000	2023	2022
Profit before tax	10 471	16 400
Tax expense at the weighted average tax rate of 21.9% (2022: 20.4%)	2 295	3 339
Utilization of previously unrecognized tax losses	– 450	– 494
Tax losses for which no deferred income tax asset was recognized	3 855	4 024
Not recoverable withholding taxes	1 693	1 781
Effect of income not subject to tax	– 62	– 2 653
Recognition of previously unrecognized deferred tax assets	– 593	– 360
Derecognition of previously recognized tax assets	201	2 227
Expenses not deductible for tax purposes	420	20
Adjustment in respect of prior years	– 714	48
Effect of tax concessions	– 430	– 305
Others	266	– 331
INCOME TAX EXPENSE RECOGNIZED IN PROFIT OR LOSS	6 481	7 296

9. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated on the basis of the profit for the year attributable to shareholders of Gurit and the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares. The Company does not have any categories of potentially dilutive ordinary shares.

	2023	2022
PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF GURIT (IN CHF 1000)	7 456	9 248
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE DURING THE YEAR		
Registered shares	4 676 260	4 675 854
BASIC AND ALSO DILUTED EARNINGS PER SHARE (IN CHF)		
Registered shares (par value of CHF 5)	1.59	1.98

10. DISTRIBUTION TO SHAREHOLDERS

In accordance with the resolution of the Annual General Meeting of Shareholders held on April 24, 2023, a dividend of zero has been distributed to the shareholders. In 2022, an amount of CHF 3 276 000 has been distributed to the shareholders (CHF 7.00 per bearer share and CHF 1.40 per registered share).

At the Annual General Meeting on April 18, 2024, a dividend of CHF 1 638 000 will be proposed (CHF 0.35 per registered share). These financial statements do not reflect this distribution payable.

11. DERIVATIVE FINANCIAL INSTRUMENTS

IN CHF 1000	2023		2022	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Cash flow hedges, categorized as derivatives used for hedging	-	-	-	-
Derivatives accounted for at fair value through profit and loss	410	- 342	243	- 285
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	410	- 342	243	- 285
Whereof				
Current portion	410	- 342	243	- 285
Non-current portion	-	-	-	-

12. TRADE RECEIVABLES

IN CHF 1000	2023	2022
Trade receivables	70 337	91 393
Less: provision for impairment	- 2 669	- 3 152
TRADE RECEIVABLES, NET	67 668	88 241

IN CHF 1000	2023	2022
AGING OF TRADE RECEIVABLES		
Not due	61 248	76 099
Overdue 1-15 days	2 739	6 903
Overdue 16-30 days	639	1 854
Overdue more than 30 days	5 711	6 537
TOTAL TRADE RECEIVABLES	70 337	91 393
Less: provision for impairment	- 2 669	- 3 152
TOTAL TRADE RECEIVABLES, NET	67 668	88 241

IN CHF 1000	2023	2022
MOVEMENTS ON THE PROVISION FOR IMPAIRMENT		
Balance at January 1	3 152	3 657
Provision for receivables impairment	480	515
Receivables written off as uncollectible	- 100	- 714
Unused amounts reversed	- 688	- 62
Exchange differences	- 175	- 244
BALANCE AT DECEMBER 31	2 669	3 152

IN CHF 1000	2023	2022
TRADE RECEIVABLES BY CURRENCY		
US dollar	12 429	14 949
Euro	26 045	42 943
Chinese yuan renminbi	14 588	23 140
Indian rupee	13 831	5 679
Others	775	1 530
TOTAL TRADE RECEIVABLES, NET	67 668	88 241

13. OTHER RECEIVABLES

IN CHF 1000	2023	2022
VAT receivables	7 902	10 865
Loans	1 387	1 497
Others	3 850	2 877
TOTAL OTHER RECEIVABLES	13 139	15 239
Whereof		
Current portion	11 990	13 565
Non-current portion	1 149	1 674

14. INVENTORIES

IN CHF 1000	2023	2022
Raw materials	37 018	54 607
Work in progress	3 249	3 370
Semi-finished goods	13 182	16 048
Finished goods	18 017	25 509
TOTAL INVENTORIES	71 466	99 534
Less: inventory provision	- 6 782	- 7 500
TOTAL INVENTORIES, NET	64 684	92 034

15. PROPERTY, PLANT AND EQUIPMENT

IN CHF 1000	NOTE	PLANT AND EQUIPMENT	LAND AND BUILDINGS	EQUIPMENT UNDER CONSTRUC- TION AND ADVANCE PAYMENTS	OTHER TANGIBLE ASSETS	TOTAL PROPERTY, PLANT AND EQUIPMENT
COST						
BALANCE AT JANUARY 1, 2022		148 410	54 975	15 766	3 557	222 708
Additions		4 225	–	9 426	191	13 842
Business acquisition	24	19 290	–	2 351	15	21 656
Business divestment	25	– 16 230	–	– 7	–	– 16 237
Disposals		– 11 053	– 12 575	–	– 355	– 23 983
Reclassifications		23 743	587	– 21 560	686	3 456
Exchange differences		– 9 434	– 2 456	– 613	– 208	– 12 711
BALANCE AT DECEMBER 31, 2022		158 951	40 531	5 363	3 886	208 731
Additions		3 111	70	6 976	200	10 357
Business divestment	25	– 1 346	– 1 987	–	– 56	– 3 389
Disposals		– 7 323	– 163	–	– 170	– 7 656
Reclassifications		3 642	36	– 3 861	183	–
Exchange differences		– 13 370	– 3 843	– 654	– 314	– 18 181
BALANCE AT DECEMBER 31, 2023		143 665	34 644	7 824	3 729	189 862
ACCUMULATED DEPRECIATION						
BALANCE AT JANUARY 1, 2022		88 818	25 903	–	2 624	117 345
Depreciation charges		12 047	1 341	–	517	13 905
Impairment charges	5	1 503	572	–	34	2 109
Business divestment	25	– 8 474	–	–	–	– 8 474
Disposals		– 10 929	– 10 123	–	– 336	– 21 388
Reclassifications		3 461	–	–	– 5	3 456
Exchange differences		– 4 919	– 1 014	–	– 134	– 6 067
BALANCE AT DECEMBER 31, 2022		81 507	16 679	–	2 700	100 886
Depreciation charges		11 188	1 259	–	489	12 936
Impairment charges	5	152	–	–	–	152
Impairment reversals	5	– 412	–	–	–	– 412
Business divestment	25	– 1 346	– 1 987	–	– 56	– 3 389
Disposals		– 5 257	– 158	–	– 142	– 5 557
Exchange differences		– 7 029	– 1 382	–	– 220	– 8 631
BALANCE AT DECEMBER 31, 2023		78 803	14 411	–	2 771	95 985
NET BOOK VALUES						
Balance at January 1, 2022		59 592	29 072	15 766	933	105 363
Balance at December 31, 2022		77 444	23 852	5 363	1 186	107 845
BALANCE AT DECEMBER 31, 2023		64 862	20 233	7 824	958	93 877

NON-CASH TRANSACTION

Additions in property, plant and equipment include purchases in the amount of CHF 1 235 000 (2022: CHF 995 000), which were not yet paid at the balance sheet date.

Disposal in property plant and equipment include proceeds from insurance in the amount of CHF 1 163 000 (2022: zero), which were not yet paid at the balance sheet date.

ASSETS UNDER FINANCE LEASE

Property, plant and equipment include assets under finance lease of CHF 2 676 000 (2022: CHF 3 126 000).

16. INTANGIBLE ASSETS

IN CHF 1000	NOTE	PATENTS AND TRADEMARKS	LAND USE RIGHTS	SOFTWARE	OTHER INTANGIBLES	TOTAL INTANGIBLE ASSETS
COST						
BALANCE AT JANUARY 1, 2022		2 774	2 714	10 485	1 065	17 038
Additions		–	48	1 232	30	1 310
Business acquisition	24	–	–	925	–	925
Business divestment	25	–	–	– 421	– 506	– 927
Disposals		– 192	–	– 118	–	– 310
Exchange differences		– 220	– 190	– 477	– 51	– 938
BALANCE AT DECEMBER 31, 2022		2 362	2 572	11 626	538	17 098
Additions		–	–	945	3	948
Disposals		– 213	–	– 199	– 197	– 609
Reclassifications		10	–	2	– 12	–
Exchange differences		– 116	– 300	– 668	– 22	– 1 106
BALANCE AT DECEMBER 31, 2023		2 043	2 272	11 706	310	16 331
ACCUMULATED AMORTIZATION						
BALANCE AT JANUARY 1, 2022		2 336	700	6 293	856	10 185
Amortization charges		100	72	1 135	85	1 392
Impairment charges	5	–	–	18	–	18
Business divestment	25	–	–	– 309	– 506	– 815
Disposals		– 151	–	– 117	–	– 268
Exchange differences		– 184	– 53	– 303	– 41	– 581
BALANCE AT DECEMBER 31, 2022		2 101	719	6 717	394	9 931
Amortization charges		71	68	1 447	18	1 604
Disposals		– 176	–	– 145	– 84	– 405
Exchange differences		– 111	– 89	– 440	– 18	– 658
BALANCE AT DECEMBER 31, 2023		1 885	698	7 579	310	10 472
NET BOOK VALUES						
Balance at January 1, 2022		438	2 014	4 192	209	6 853
Balance at December 31, 2022		261	1 853	4 909	144	7 167
BALANCE AT DECEMBER 31, 2023		158	1 574	4 127	–	5 859

17. BORROWINGS

IN CHF 1000	UP TO 1 YEAR	1 TO 5 YEARS	TOTAL	ANNUAL AVERAGE INTEREST RATES IN %
2023				
Bank loans	5 000	54 890	59 890	3.3
Other loans	10 719	–	10 719	3.0
Finance lease	363	1 426	1 789	5.3
TOTAL BORROWINGS	16 082	56 316	72 398	
2022				
Bank loans	7 000	89 792	96 792	1.7
Other loans	1 058	11 066	12 124	3.0
Finance lease	383	1 910	2 293	1.8
TOTAL BORROWINGS	8 441	102 768	111 209	

In 2023 and in 2022, there were no secured bank borrowings except for finance lease.

COMMITTED CREDIT FACILITIES

The vendors of Fiberline have granted Gurit an unsecured Euro-denominated loan in the equivalent amount of CHF 10 719 000, repayable on May 5, 2024. This loan balance is subordinated to all committed bank loans.

As at December 31, 2023, Gurit Holding AG has unsecured committed credit facilities in place, amounting to a total of CHF 160 000 000. Contractual semi-annual amortization amounts to CHF 10 000 000. The remaining balance matures on December 31, 2025.

At December 31, 2023 a total amount of CHF 59 890 000 was drawn under these facilities. These credit facilities are subject to compliance with agreed covenants regarding a minimum equity ratio and a maximum gross debt to EBITDA ratio. At December 31, 2023, Gurit complied with all financial covenants.

As at December 31, 2022, Gurit Holding AG had unsecured committed credit facilities in place, amounting to a total of CHF 180 000 000. Contractual semi-annual amortization amounted to CHF 10 000 000.

At December 31, 2022 a total amount of CHF 96 792 000 was drawn under these facilities. These credit facilities are subject to compliance with agreed covenants regarding a minimum equity ratio and a maximum gross debt to EBITDA ratio. At December 31, 2022, Gurit complied with all financial covenants.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

IN CHF 1000	2023	2022
CURRENCY		
Swiss franc	46 000	87 000
Euro	24 608	18 564
US dollar	–	3 351
Danish krone	1 790	2 294
TOTAL BORROWINGS	72 398	111 209

18. ACCRUED LIABILITIES AND DEFERRED INCOME

IN CHF 1000	2023	2022
Current income tax liabilities	3 346	1 216
Advance payments from customers	7 042	10 971
Accruals	21 285	22 815
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	31 673	35 002

Accruals include accrued sales rebates, accrued bonus, other payroll related costs and others.

19. DEFERRED INCOME TAX

IN CHF 1000	2023	2022
Deferred income tax assets	7 453	7 759
Deferred income tax (liabilities)	– 1 150	– 1 689
DEFERRED INCOME TAX ASSETS/(LIABILITIES), NET	6 303	6 070

In 2023, deferred tax assets and tax liabilities were recognized at a weighted average tax rate of 22% and 16%, respectively (2022: 20% and 17%).

The movement on the deferred income tax account is as follows:

IN CHF 1000	NOTE	2023	2022
BALANCE AT JANUARY 1		6 070	4 433
Deferred income tax (charge) / credit	8	743	– 57
Deferred tax assets from business acquisition	24	–	2 379
Deferred tax assets from business divestment	25	–	– 208
Exchange differences		– 510	– 477
BALANCE AT DECEMBER 31		6 303	6 070

Tax claims from tax losses carried forward are analyzed as follows:

IN CHF 1000	2023	2022
Recognized tax claims from tax losses carried forward	4 974	5 232
Unrecognized tax claims from tax losses carried forward	18 097	15 284
TOTAL TAX CLAIMS FROM TAX LOSSES CARRIED FORWARD	23 071	20 516

Tax losses carried forward not recognized expire as shown in the table below:

IN CHF 1000	2023	2022
0-3 years	661	5 407
4-6 years	4 230	4 044
Over 6 years	–	4 790
No expiry	77 677	55 329
TOTAL UNRECOGNIZED TAX LOSSES	82 568	69 570

20. PROVISIONS

IN CHF 1000	NOTE	WARRANTY	RESTRUC- TURING	ENVIRON- MENTAL- PROVISIONS	EARN-OUT PROVISION	OTHER	TOTAL PROVISIONS
BALANCE AT JANUARY 1, 2022		1 528	400	1 781	–	1 775	5 484
Additions		791	5 085	–	–	2 115	7 991
Utilized during the year		– 950	– 3 628	–	–	– 589	– 5 167
Business acquisition	24	–	–	–	–	70	70
Unused amounts reversed		– 24	–	– 371	–	– 510	– 905
Exchange differences		– 85	– 55	–	–	– 84	– 224
BALANCE AT DEC. 31, 2022		1 260	1 802	1 410	–	2 777	7 249
Additions		6 034	1 337	8	13 715	425	21 519
Utilized during the year		– 1 768	– 2 218	– 128	–	– 222	– 4 336
Unused amounts reversed		–	– 458	–	–	– 46	– 504
Unwinding of discount		–	–	–	217	–	217
Revaluation		–	–	–	– 474	–	– 474
Exchange differences		– 421	– 70	–	–	– 121	– 612
BALANCE AT DEC. 31, 2023		5 105	393	1 290	13 458	2 813	23 059
WHEREOF AT DEC. 31, 2022							
Current portion		754	1 802	430	–	235	3 221
Non-current portion		506	–	980	–	2 542	4 028
WHEREOF AT DEC. 31, 2023							
Current portion		4 461	393	310	2 327	508	7 999
Non-current portion		644	–	980	11 131	2 305	15 060

Other provisions include retirement benefits, indemnity provisions, dilapidation provisions and legal cases.

The earn-out provision is related to the acquisition of the remaining 40% of shares of Fiberline Composites A/S and consists of a revenue dependent consideration. The provision is discounted to the present value of the expenditure expected to settle the earn-out amount using a pretax discount rate of 4.5%. For further information on the earn-out consideration see note 24.

21. EQUITY

The issued share capital of the Company consists of 4 680 000 registered shares (2022: 4 680 000) with a nominal value of CHF 5.00 each, of which all are listed on SIX Swiss Exchange.

In 2022, a single registered share structure was implemented as well as a 1:10 share split of the former bearer shares and a 1:2 share split of the registered shares. Gurit's share capital remained at CHF 23 400 000, newly consisting of 4 680 000 registered shares with a nominal value of CHF 5.00 each, of which all are listed on SIX Swiss Exchange.

All issued shares are fully paid. The Company has no authorized or conditional capital.

The Company's statutory or legal reserves that may not be distributed amounted to CHF 5 259 000 at December 31, 2023 (2022: CHF 5 259 000).

Treasury shares:

IN NUMBER OF SHARES	2023	2022
REGISTERED SHARES		
Balance at January 1	3 740	205
Share Split / Single Share Structure	–	2 675
Additions at CHF 0 each (2022: CHF 151)	–	14 000
Disposals (used for share-based compensation)	–	– 13 140
BALANCE AT DECEMBER 31	3 740	3 740
BEARER SHARES		
Balance at January 1	–	247
Share Split / Single Share Structure	–	– 247
BALANCE AT DECEMBER 31	–	–

GOODWILL FROM ACQUISITIONS

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalization and amortization of the total goodwill is disclosed below:

IN CHF 1000	NOTE	COST	ACCUMULATED AMORTIZATION	THEORETICAL NET BOOK VALUE
BALANCE AT JANUARY 1, 2022		118 123	- 88 740	29 383
Additions	24	54 419	-	54 419
Amortization charge		-	- 23 522	- 23 522
Impairment charge		-	- 13 400	- 13 400
BALANCE AT DECEMBER 31, 2022		172 542	- 125 662	46 880
Additions	24	26 100	-	26 100
Recycling	25	- 197	197	-
Amortization charge		-	- 22 894	- 22 894
BALANCE AT DECEMBER 31, 2023		198 445	- 148 359	50 086

In 2022, the theoretical goodwill impairment charge of CHF 13 400 000 related to the acquired business of Fiberline Composites A/S and its subsidiaries. An impairment test revealed that the carrying amount of this cash-generating unit, including goodwill, exceeded the recoverable amount by CHF 13 400 000. Accordingly, a theoretical goodwill impairment charge of this amount had been identified. The recoverable amount was calculated on the basis of projected cash flows, discounted to net present value.

Impact on income statement:

IN CHF 1000	2023	2022
Profit for the year according to the consolidated income statement	3 990	9 104
Amortization of goodwill	- 22 894	- 23 522
Impairment of goodwill	-	- 13 400
THEORETICAL PROFIT FOR THE YEAR INCLUDING AMORTIZATION	- 18 904	- 27 818

Impact on balance sheet:

IN CHF 1000	2023	2022
Equity according to the balance sheet	78 698	112 669
Theoretical capitalization of goodwill (net book value)	50 086	46 880
THEORETICAL EQUITY INCLUDING NET BOOK VALUE OF GOODWILL	128 784	159 549
Equity according to balance sheet	78 698	112 669
Equity as % of total assets	28.3%	31.0%
Theoretical equity including net book value of goodwill	128 784	159 549
Theoretical equity including net book value of goodwill as % of total assets	39.2%	38.9%

22. CONTINGENT LIABILITIES

On October 12, 2022, a 1st instance court ordered one of the Group's subsidiaries to pay an amount equivalent to CHF 710 000 to a former supplier, despite non-execution of their obligations. Management finds the judgment to be flawed in many respects and filed a respective appeal on November 8, 2022. The appellate court hearing is expected to take place in the first quarter of 2024. Group Management is confident that the appellate court will rule in Gurit's favor, such that the case will be settled without any significant payments by the Group. Accordingly, no provision has been recognized.

On December 14, 2022, the tax authorities of the same subsidiary determined to adjust intragroup transfer prices relating to the fiscal year 2018. This resulted in a tax claim in an amount equivalent to CHF 810 000. On January 13, 2023, Gurit filed an objection against the determination, which was rejected on July 10, 2023. Gurit has filed a claim against this decision before the District Court on September 28, 2023, and expects a decision by the second quarter of 2024. Group Management is confident that the case will be settled without any significant payments by the Group. Accordingly, no provision has been recognized.

23. COMMITMENTS

Capital expenditures for the purchase of property, plant and equipment contracted for at the balance sheet date but not yet incurred amount to CHF 1 771 000 (2022: CHF 2 169 000).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

IN CHF 1000	2023	2022
No later than 1 year	8 909	11 214
Later than 1 year, no later than 5 years	22 076	27 633
Later than 5 years	11 829	13 344
TOTAL COMMITMENTS	42 814	52 191

24. BUSINESS ACQUISITION

On August 15, 2023, Gurit acquired the remaining 40% of the shares of Fiberline Composites A/S from the minority shareholder. The purchase price for the acquisition of the 40% is maximally EUR 28 150 000 (equivalent to CHF 26 100 000, at the exchange rate as of December 31, 2023). The transaction consists of three components.

A fix cash payment of EUR 4 000 000, which was paid at closing on August 15, 2023.

An additional fix cash payment of EUR 4 800 000 payable in April 2026. This deferred cash payment is discounted to present value using a discount rate of 4.5%. As of December 31, 2023, this amount is included in other payables (CHF 4 013 000).

A revenue dependent earn-out consideration of maximally EUR 19 350 000 over the coming six years or earlier if the maximum amount was reached earlier. This contingent purchase consideration is discounted to present value using a discount rate of 4.5% and is payable in quarterly instalments. Subsequent adjustments to the contingent purchase consideration are recorded as an adjustment to the acquisition's cost and goodwill. As of December 31, 2023, the amount is included in earn-out provision.

The transaction is summarized as follows:

IN CHF 1000	NOTE	2023
Purchase price consideration paid at closing		3 834
Deferred purchase consideration		4 083
Contingent purchase consideration	20	13 715
Revaluation	20	– 474
Direct costs related to the acquisition		118
Total purchase consideration		21 276
Less: net book value of net liabilities acquired		4 824
GOODWILL	21	26 100
Total purchase consideration		21 276
Less: deferred consideration and contingent consideration		– 17 324
CASH OUTFLOW ON ACQUISITION OF MINORITY INTERESTS ACQUIRED DURING THE YEAR		3 952

Total acquired goodwill of CHF 26 100 000 was offset with Equity. Total consideration paid for the acquisition of minority interests to date amounts to CHF 3 952 000. Therefore, the part of goodwill for which no cash payment has been executed as of December 31, 2023, amounts to CHF 22 148 000.

On May 5, 2022, Gurit Holding acquired 60% of the shares in Fiberline Composites A/S, Denmark. This company owned directly or indirectly 100% of Advanced Carbon Pultrusion A/S, Denmark. 75.11% of Fiberline Asia Ltd., Hongkong and 75.11% of Fiberline Pultrusion Tianjin Ltd., China.

The transaction is summarized as follows:

IN CHF 1000	NOTE	2022
Purchase price		58 070
Direct costs related to the acquisition		974
Total purchase consideration		59 044
less: Fair value of net assets acquired attributable to the shareholders of Gurit		– 4 625
GOODWILL	21	54 419
Cash and cash equivalents		4 798
Trade receivables		11 737
Other receivables		4 166
Inventories		18 884
Deferred income tax assets	19	2 379
Property, plant and equipment	15	21 656
Intangible assets	16	925
Borrowings		– 21 188
Trade payables		– 19 001
Other payables		– 13 795
Provisions	20	–70
TOTAL FAIR VALUE OF NET ASSETS ACQUIRED		10 491
Total purchase consideration		59 044
Less: vendor loan		– 11 419
Less: cash and cash equivalents in subsidiaries acquired		– 4 798
CASH OUTFLOW ON ACQUISITION DURING THE YEAR		42 827

On September 29, 2022 Fiberline Composites A/S, Denmark acquired the remaining 24.89% of the shares of Fiberline Asia Ltd., Hongkong and indirectly 24.89% of Fiberline Pultrusion Tianjin Ltd., China, thereby increasing its shareholding to 100%. Gurit indirectly holds 60% of these subsidiaries. The purchase price amounted to CHF 2 993 000.

25. BUSINESS DIVESTMENT

On November 24, 2023, Gurit Holding AG sold all its shares in PT. Gurit Parta Balsa, Probolinggo Java.

The transaction is summarized as follows:

IN CHF 1000	NOTE	2023
Cash received		725
Less: Direct costs related to disposal		– 45
Less: net liabilities disposed		231
Goodwill recycling	21	– 197
CTA recycling		– 360
GAIN ON SALE OF NET LIABILITIES		354
Cash received		725
Less: Direct costs related to disposal		– 45
Less: cash and cash equivalents disposed		– 9
CASH INFLOW ON DISPOSAL DURING THE YEAR		671

On April 13, 2022, Gurit sold all of its shares in Gurit (Kassel) GmbH. At the time, the aerospace prepreg production site in Kassel employed 80 people. In 2022, up to the date of disposal, the Aerospace business unit generated net sales of CHF 9 570 000 and an operating profit of 401 000.

At the date of the sale, Gurit (Kassel) GmbH contained the following balance sheet positions:

IN CHF 1000	NOTE	2022
Cash and cash equivalents		656
Trade receivables		5 159
Deferred tax assets	19	208
Inventories		4 419
Property, plant and equipment	15	7 763
Intangible assets	16	112
Trade payables		– 3 543
Other payables		– 1 444
NET ASSETS DISPOSED		13 330

The net gain from this transaction amounted to CHF 18 296 000 and is recorded in the income statement within Other operating income.

26. RELATED PARTY TRANSACTIONS

In 2023, services for legal consultation totaling CHF 22 000 (2022: 55 000) were provided by Lenz & Staehelin, a law firm closely related to Stefan Breitenstein, a member of the Board of Directors.

27. SUBSEQUENT EVENTS

No significant events occurred between the balance sheet date and February 29, 2024, the date on which these consolidated financial statements were signed off by the Board of Directors for publication.

28. SUBSIDIARIES

COMPANY	ACTIVITY
CANADA	
Gurit Americas Inc., Magog	Production and sales of composite materials
Gurit Tooling (Americas) Inc., Montreal	Production and sales of composite process equipment
CHINA	
Gurit Wind Systems (YDF) Co, Ltd, Dafeng	Production and sales of composite materials
Gurit Wind Systems (Zhuozhou) Co, Ltd, Zhuozhou	Production and sales of composite materials
Gurit Tooling (Hong Kong) Ltd., Hong Kong	Sales of composite process equipment
Gurit (Tianjin) Composite Material Co., Ltd., Tianjin	Production and sales of composite materials
Gurit Tooling (Taicang) Co., Ltd., Taicang	Production and sales of composite process equipment
Gurit Wind Systems (Langfang) Co., Ltd, Langfang**	Inactive
Fiberline Asia Ltd., Hong Kong***	Holding company
Fiberline Pultrusion (Tianjin) Ltd., Tianjin***	Production and sales of pultruded structural profiles
DENMARK	
Gurit Wind Systems A/S, Ringkoebing	Production and sales of composite materials
Fiberline Composites A/S, Middelfart***	Production and sales of pultruded structural profiles
Advanced Carbon Pultrusion A/S, Middelfart***	Inactive
ECUADOR	
Gurit Balsaflex, Cia. Ltda., Quevedo	Production of balsa wood core products
GERMANY	
Gurit (Germany) GmbH, Freiburg im Breisgau****	Providing internal services
INDIA	
Gurit (India) Pvt. Ltd., Pune	Sales of composite materials
Gurit Wind Pvt. Ltd., Pune	Production and sales of composite materials and composite process equipment
Fiberline Composites Pvt. Ltd., Chennai***	Inactive
INDONESIA	
PT. Gurit Parta Balsa, Probolinggo Java*****	Inactive
ITALY	
Gurit Italy S.R.L., Volpiano	Production and sales of composite materials
Xeltrusion S.R.L., Cirie	Production and sales of composite process equipment
MEXICO	
JSB Kitting Matamoros S.A. de C.V., Matamoros	Production of composite materials

	REGISTERED CAPITAL	GROUP OWNERSHIP AND VOTING RIGHTS	
		2023	2022
	CAD 38 626 898	100%	100%
	CAD 10 000 000	100%	100%
	CNY 20 197 635	100%	100%
	CNY 11 947 925	100%	100%
	HKD 3 000 000	100%	100%
	CNY 128 856 923	100%	100%
	CNY 68 559 206	100%	100%
	CNY 7 208 588	100%	100%
	HKD 24 500 705	100%	60%
	CNY 20 594 152	100%	60%
	DKK 10 000 000	100%	100%
	DKK 1 409 024	100%	60%
	EUR 1 000 000	100%	60%
	USD 2 500 000	99%*	99%*
	EUR 25 000	100%	100%
	INR 3 269 080	100%	100%
	INR 240 100 000	100%	100%
	INR 1 000 000	100%	60%
	-	0%	55%
	EUR 50 000	100%	100%
	EUR 200 000	50%	50%
	MXN 5 000 000	100%	100%

COMPANY	ACTIVITY
NEW ZEALAND	
Gurit (Asia Pacific) Ltd., Auckland	Structural engineering, production and sales of composite materials
POLAND	
Gurit (Poland) Sp.z.o.o., Szczecin	After sales service of composite process equipment
SPAIN	
Gurit Shared Services, S.L.U., Girona	Providing internal services
Gurit Spain S.A., Albacete	Production and sales of composite materials
Gurit Falces SL, Falces	Production and sales of composite materials
SWITZERLAND	
Gurit Composite Materials AG, Zurich	Trading of composite materials
Gurit Services AG, Zurich	Providing management services
Gurit (Zullwil) AG, Zullwil	Inactive
TURKEY	
Gurit Rüzgar Sistemleri Limited Sirketi, Izmir	Production and sales of composite materials
UNITED KINGDOM	
Gurit Material Systems (UK) Ltd., Newport	Holding company
Gurit (UK) Ltd., Newport	Production and sales of composite materials
USA	
Gurit (USA) Inc., Bristol	Sales of composite materials
Windkits LLC, Allentown	Production and sales of composite materials

* Minority interests are ignored due to immateriality

** Placed in voluntary liquidation in June 2023

*** 60% acquired in 2022, 40% acquired in 2023

**** Incorporated in 2022

***** Sold as of November 24, 2023

➤ GRI 2-1 Organizational details

➤ GRI 2-2 Entities included in the organization's sustainability reporting

REGISTERED CAPITAL	GROUP OWNERSHIP AND VOTING RIGHTS	
	2023	2022
NZD 6 830 085	100%	100%
PLN 2 120 000	100%	100%
EUR 1 000 000	100%	100%
EUR 1 552 744	100%	100%
EUR 682 000	100%	100%
CHF 500 000	100%	100%
CHF 500 000	100%	100%
CHF 500 000	100%	100%
TRY 26 150 000	100%	100%
GBP 34 305 957	100%	100%
GBP 142 571	100%	100%
USD 3 000	100%	100%
-	100%	100%

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF GURIT HOLDING AG

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Gurit Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ending 31 December 2023 and the consolidated balance sheet as at 31 December 2023, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 215 to 251) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

BASIS FOR OPINION

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



OUR AUDIT APPROACH

OVERVIEW

Overall Group materiality: CHF 2 700 000

We concluded full scope audit work on nine reporting units in six countries. Our audit scope addressed 70% of the Group's net sales and 66% of the Group's assets.

In addition, specified accounts/procedures were performed on a further three reporting units in three countries representing 11% of the Group's net sales and 5% of the Group's assets.

As key audit matter the following area of focus has been identified:
Impairment assessment of property, plant and equipment.

MATERIALITY

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 2 700 000
Benchmark applied	Net sales
Rationale for the materiality benchmark applied	We chose net sales as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured, and it is a generally accepted benchmark.

AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group financial statements are a consolidation of 36 reporting units. We identified nine reporting units that, in our view, required a full scope audit due to their size or risk characteristics. Specified procedures/audit of specific accounts were also carried out at a further three reporting entities to give appropriate coverage of material balances. In order to exercise appropriate direction and supervision of the work of the reporting units' auditors, the Group engagement team issued instructions to the component teams and conducted a series of conference calls with selected auditors performing full scope audits. These calls consisted of a detailed planning meeting and a clearance meeting.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Refer to Note 5 and 15: We focused on property, plant and equipment (PP&E) due to the size of this line item recognized in the balance sheet (CHF 93.9 million as at 31 December 2023) and because Group management's assessment of the future recoverability of these assets involves significant judgement regarding the development and financial results of the business.</p> <p>Impacted by the changes in demand in the wind market in various locations, management has identified triggering events in businesses in various countries. For these entities Group management performed a detailed impairment test using a value-in-use calculation based on discounted cash flow projections. Group management's impairment test did identify a need for impairment of the PP&E under review.</p>	<p>We performed an analysis of the Group companies to assess whether there are indicators of impairment. For selected entities, we compared the net assets with the cash flow projections of the cash-generating unit obtained from Group management. In addition, for the entity in question, we received explanations which supported Group management's conclusions. We also conducted interviews with Group management to corroborate these explanations and to obtain an understanding of the specific business and other future projects in order to allow us to independently assess whether the impairment assessment is appropriate and sufficient.</p> <p>We performed the following audit procedures on the detailed impairment tests:</p> <ul style="list-style-type: none"> – We have performed detailed discussions with Group management around the future cash flows used in the valuation models. – Further, we tested the mathematical accuracy, the consistency and integrity of the model and data used for the discounted cash flow calculation. – To determine the reliability of management's assumptions, we challenged management's estimates in this area by comparing previous income statement budgets with the actual results of the year. – We used internal valuation experts to assess the discount rate for the entity by comparing it with third-party information. <p>Through the procedures above, we have gained sufficient audit evidence on Group management's impairment assessment on PP&E.</p>

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, tables marked 'audited' in the Compensation Report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Corinne Lüthy
Licensed audit expert



Zurich, February 29, 2024

INCOME STATEMENT

IN CHF 1000	NOTE	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
Income from investments		14 882	24 148
Gain on sale of investments		680	15 887
Finance income		9 619	6 688
Other income		6 110	6 260
TOTAL INCOME		31 291	52 983
Finance expense		– 17 674	– 9 433
Change in provision for impairment of investments	2	– 4 927	– 29 787
Change in provision on loans to Group companies		1 215	– 826
Stewardship expense		– 3 609	– 3 479
Administration expense		– 1 620	– 1 332
TOTAL EXPENSES		– 26 615	– 44 857
PROFIT BEFORE TAX		4 676	8 126
Tax expense		– 13	–
PROFIT FOR THE YEAR		4 663	8 126

BALANCE SHEET

IN CHF 1000	NOTE	AT DECEMBER 31, 2023	AT DECEMBER 31, 2022
ASSETS			
Cash and cash equivalents		2 586	561
Other receivables from third parties		194	174
Other receivables from Group companies		4 449	2 444
Loans to Group companies		35 524	19 722
CURRENT ASSETS		42 753	22 901
Loans to Group companies		86 694	120 459
Investments	3	260 995	230 883
NON-CURRENT ASSETS		347 689	351 342
TOTAL ASSETS		390 442	374 243
LIABILITIES AND EQUITY			
Interest-bearing liabilities third parties		15 719	7 000
Interest-bearing liabilities Group companies		47 943	18 467
Other payables due to third parties		619	169
Other payables due to Group companies		94	–
Accrued expenses		1 330	711
Provisions		2 327	104
CURRENT LIABILITIES		68 032	26 451
Interest-bearing liabilities third parties		56 667	101 856
Other payables due to third parties		4 013	–
Provisions		13 111	1 980
NON-CURRENT LIABILITIES		73 791	103 836
TOTAL LIABILITIES		141 823	130 287
Share capital	4	23 400	23 400
Legal reserves:			
Reserves from capital contributions		81	81
Other legal reserves		4 680	4 680
Treasury shares	5	– 579	– 579
Retained earnings		221 037	216 374
TOTAL EQUITY		248 619	243 956
TOTAL LIABILITIES AND EQUITY		390 442	374 243

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements of Gurit Holding AG, Wattwil (the 'Company'), have been prepared in accordance with the provisions of Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

The annual average number of full-time equivalents for 2023 and 2022 did not exceed fifty people.

The Company has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER). In accordance with the Swiss Code of Obligations the Company decided to forgo presenting additional disclosures as well as a cash flow statement and management report.

1.2 VALUATION METHODS AND TRANSLATION OF FOREIGN CURRENCIES

All financial assets, including investments, are reported at cost less appropriate write-downs. Treasury shares are recognized at cost and deducted from equity at the time of purchase. If the treasury shares are sold, the gain or loss is recognized through the income statement.

Assets and liabilities denominated in foreign currencies are translated into Swiss francs using year-end rates of exchange, except investments, that are translated at historical rates. Transactions during the year which are denominated in foreign currencies are translated at the exchange rates effective at the relevant transaction dates. Resulting exchange gains and losses are recognized in the income statement with the exception of unrealized gains, which are deferred.

2. CHANGE IN PROVISION FOR IMPAIRMENT OF INVESTMENTS

In 2023, change in provision for impairment of investments contains a provision in the amount of CHF 13 400 000 (2022: CHF 26 300 000) related to the investment in Fiberline Composites A/S and its subsidiaries. The financial performance of this newly acquired business was significantly below expectations in 2023. The outlook for 2024 also remains below the original expectations. An impairment test revealed that the carrying amount of the investment exceeds the recoverable amount by CHF 13 400 000. Accordingly, an impairment charge of this amount was recognized. The recoverable amount was calculated on the basis of projected cash flows, discounted to net present value. Significant assumptions were required in respect to the future development of the demand of the market and the Fiberline Group's customers, its share in this demand, the future Operating Profit Margin of this business and the discount rate. These assumptions have a risk of causing a material adjustment to the carrying amount within the next financial year. Additionally, a provision in the amount of CHF 6 100 000 related to the investment in Gurit Shared Services S.L.U. was recognized. The investment is valued at the equity value, which decreased as a result of the dividend paid. As a result of the revaluation of the investment in Gurit Material Systems (UK) Ltd., a reversal of previously recognized provisions in the amount of CHF 15 000 000 was recognized.

3. INVESTMENTS

All direct and indirect investments of the Company are listed in note 28 to the Gurit Group's consolidated financial statements.

4. SHARE CAPITAL

The share capital at December 31 consisted of:

					2023
	NUMBER OF SHARES	IN % OF TOTAL	PAR VALUE IN CHF	SHARE CAPITAL IN CHF 1000	IN % OF TOTAL
Registered shares	4 680 000	100	5	23 400	100

					2022
	NUMBER OF SHARES	IN % OF TOTAL	PAR VALUE IN CHF	SHARE CAPITAL IN CHF 1000	IN % OF TOTAL
Registered shares	4 680 000	100	5	23 400	100

5. TREASURY SHARES

IN NUMBER OF SHARES	2023	2022
REGISTERED SHARES	3 740	–
BALANCE AT JANUARY 1	–	205
Share Split / Single Share Structure	–	2 675
Additions at CHF 0 each (2022: CHF: 151)	–	14 000
Disposals (used for share-based compensation)	–	– 13 140
BALANCE AT DECEMBER 31	3 740	3 740
BEARER SHARES		
BALANCE AT JANUARY 1	–	247
Share Split / Single Share Structure	–	– 247
BALANCE AT DECEMBER 31	–	–

6. CONTINGENT LIABILITIES

IN CHF 1000	2023	2022
Guarantees in favor of customers of subsidiaries, as warranty security	13 274	8 040
Guarantees in favor of banks of the Group, in respect to credit frame agreements of the Group	29 780	30 832

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF AVAILABLE EARNINGS

APPROPRIATION OF AVAILABLE EARNINGS AS PROPOSED BY THE BOARD OF DIRECTORS

IN CHF 1000	2023	2022
Retained earnings carried forward from previous year	216 374	208 248
Profit for the year	4 663	8 126
RETAINED EARNINGS AVAILABLE TO THE ANNUAL GENERAL MEETING	221 037	216 374
Dividend distribution	- 1 638	-
TO BE CARRIED FORWARD	219 399	216 374

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF GURIT HOLDING AG

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of Gurit Holding AG (the Company), which comprise the income statement for the year ending 31 December 2023, the balance sheet as at 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 256 to 260) comply with Swiss law and the Company's articles of incorporation.

BASIS FOR OPINION

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



OUR AUDIT APPROACH

OVERVIEW

Overall materiality: CHF 1 900 000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:
Measurement of investment in subsidiaries and intercompany loans.

MATERIALITY

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 1 900 000
Benchmark applied	Total Assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark amount because, in our view, it is the benchmark against which the performance of the Company is most commonly measured and is a generally accepted benchmark for holding companies.

AUDIT SCOPE

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MEASUREMENT OF INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY LOANS

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Refer to note 2: As at 31 December 2023, the Company had investments in subsidiaries of CHF 261.0 million (prior year: CHF 230.9 million) and intercompany loans of CHF 122.2 million (prior year: CHF 140.2 million). These financial statement line items are stated at cost less impairment charges. The Company performs a review, of whether indicators for impairment of investment and intercompany loans exist. If impairment indicators exist, the Company performs an impairment test based on a discounted cash flow model. They compare the investment value and intercompany loans with the equity and profits of the respective subsidiary. Where impairment indicators exist, the Company compares the investment and/or intercompany loans with the cash flow projections of the cash-generating unit obtained from management.</p> <p>Valuation of investments and intercompany loans was deemed a key audit matter due to their significance to the balance sheet.</p>	<p>We performed the following audit procedures on the detailed impairment tests:</p> <ul style="list-style-type: none"> – We have performed detailed discussions with management around the future cash flows used in the valuation models. – Further, we tested the mathematical accuracy, the consistency and integrity of the model and data used for the discounted cash flow calculations. – To determine the reliability of management’s assumptions, we challenged management’s estimates in this area by comparing previous budgets with the actual results of the year. – We used internal valuation experts to assess the discount rate for the entity by comparing it with third-party information. <p>Through the procedures above, we have gained sufficient audit evidence on management’s valuation assessment on investments and intercompany loans.</p>

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, tables marked 'audited' in the Compensation Report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERT-suisse's website: → www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Corinne Lüthy
Licensed audit expert



Zurich, February 29, 2024

EXPLANATION OF FINANCIAL TERMS USED

AMOUNTS IN CHF MILLION	REFERENCE	2023	2022
Operating profit	Consolidated Income Statement	20.3	22.3
+ Restructuring expenses	Note 5	0.9	5.1
+ Impairment charges	Note 5	- 0.3	2.1
- Gain on disposal of subsidiary	Note 25	- 0.4	- 18.3
= ADJUSTED OPERATING PROFIT (EXCLUDING ONE-OFF ITEMS)		20.6	11.2
÷ Net Sales	Consolidated Income Statement	459.9	499.5
= ADJUSTED OPERATING PROFIT % OF NET SALES		4.5%	2.3%
Operating profit	Consolidated Income Statement	20.3	22.3
- Depreciation	Note 15	12.9	13.9
- Amortization	Note 16	1.6	1.4
- Impairment	Note 15, 16	- 0.3	2.1
= EBITDA		34.6	39.8
Net cash flow from operating activities	Consolidated Cash Flow Statement	37.7	16.2
- Purchase of property, plant and equipment	Consolidated Cash Flow Statement	- 10.1	- 14.1
- Purchase of intangible assets	Consolidated Cash Flow Statement	- 0.9	- 1.3
+ Proceeds from sale of property, plant and equipment	Consolidated Cash Flow Statement	0.6	2.7
= FREE CASH FLOW		27.2	3.5
Additions to property, plant and equipment	Note 15	10.4	13.8
+ Additions to intangible assets	Note 16	0.9	1.3
= CAPITAL EXPENDITURES		11.3	15.2
Current borrowings	Consolidated Balance Sheet	16.1	8.4
+ Non-current borrowings	Consolidated Balance Sheet	56.3	102.8
= TOTAL GROSS DEBT		72.4	111.2
- Cash	Consolidated Balance Sheet	- 12.5	- 27.2
= NET DEBT		59.9	84.0
Total gross debt	as above	72.4	111.2
÷ EBITDA	as above	34.6	39.8
= GROSS DEBT / EBITDA RATIO		2.09	2.80
Equity	Consolidated Balance Sheet	78.7	112.7
÷ Total assets	Consolidated Balance Sheet	278.1	363.5
= EQUITY IN % OF TOTAL ASSETS		28.3%	31.0%
Number of registered shares	Note 21	4 680 000	4 680 000
x Share price at December 31, in CHF		81.60	90.00
= MARKET CAPITALIZATION AT DECEMBER 31		381.9	421.2

AMOUNTS IN CHF MILLION	2023 AT 2022 EXCHANGE RATES	2022	CURRENCY ADJUSTED GROWTH
Net Sales			
Wind Materials	337.1	330.6	1.9%
Manufacturing Solutions	57.4	57.5	- 0.3%
Marine and Industrial	107.6	100.5	7.1%
Inter-segment elimination	- 0.2	-	-
TOTAL CONTINUED OPERATIONS	501.9	488.6	2.7%
Aerospace	-	10.8	- 100.0%
TOTAL GROUP	501.9	499.5	0.5%

ABBREVIATIONS USED

AC	Audit Committee	kg/m³	kilogram per cubic meter
AGM	Annual General Meeting	KPI	Key Performance Indicator
APAC	Asia Pacific	kWh	kilowatt-hour
AR	Annual Report	LMS	Learning Management System
BoD	Board of Directors	LTAR	Lost Time Accident Rate
BU	Business Unit	LTi	Long Term Incentive
BU GM	Business Unit General Manager	LTIR	Lost Time Incident Rate
CAPEX	Capital expenditure	MWh	Mega Watt hour
CEO	Chief Executive Officer	NCC	Nomination and Compensation Committee
CFO	Chief Financial Officer	NCEC	National Chemical Emergency Centre
CHF	Swiss francs	NCR	Non-Conformity Request
CHRO	Chief Human Resources Officer	NWC	Net Working Capital
CMR	Carcinogenic, Mutagenic or Reprotoxic	OECD	Organization for Economic Co-operation and Development
CO₂	Carbon dioxide	OEM	Original Equipment Manufacturer
CO_{2e}	Carbon dioxide equivalent	OH&S	Occupational Health and Safety
COP28	UN Climate Change Conference Dubai 2023	OTIF	On-Time-In-Full
CNC	Computer Numerical Control	p.	page
CPO	Cost per order	pp.	multiple consecutive pages
CTO	Chief Technology Officer	PET	PolyEthylene Terephthalate
CVHC	Chemicals of Very High Concern	PhD	Doctor of Philosophy
DSI	Dealer Satisfaction Index	PMO	Project Management Office
EAC	Energy Attribution Certificate	PwC	PricewaterhouseCoopers
EC	Executive Committee	R&D	Research and Development
ECC	Executive Compensation Committee	REACH	Registration, Evaluation and Authorization of Chemicals
ECHA	European Chemicals Agency	RPET	Recycled PolyEthylene Terephthalate
EH&S	Environment, Health and Safety	SDG	United Nations Sustainable Development Goals (sdgs.un.org/goals)
EMEA	Europe, Middle-East and Africa	SPI	Swiss Performance Index
ESG	Environment Social Governance	SPPM	Social Protection Performance Monitor
EU	European Union	SR	Sustainability Report
FinMIA	Financial Market Infrastructure Act	SVHC	Substances of Very High Concern
FMIA	Financial Market Infrastructure Act	Swiss GAAP FER	Accounting and Reporting Recommendations (a Swiss Standard)
FY	Financial Year	TCO	Total Cost of Ownership
GDPR	General Data Protection Regulation	tCO_{2e}	Metric tons of carbon dioxide equivalent
GHG	Greenhouse Gas	TFCFD	Task Force on Climate-Related Financial Disclosures
GJ	Giga Joule	TM	Trade Mark
GM	General Manager	UNGC	United Nations Global Compact
GRI	Global Reporting Initiative	UNSDG	United Nations Sustainable Development Goals (sdgs.un.org/goals)
GSSB	Global Sustainability Standards Board	UV	Ultra Violet
GW	Giga Watt	WTG	Wind Turbine Generator
GWEC	Global Wind Energy Council	YE	Year End
H&S	Health and Safety		
HR	Human resources		
ILO	International Labour Organization		
IRENA	International Renewable Energy Agency		
ISO	International Organization for Standardization		

GURIT ADDRESSES

REGISTERED OFFICE

Gurit Holding AG
Ebnaterstrasse 79
CH-9630 Wattwil
Switzerland

GURIT GROUP MANAGEMENT

Gurit Services AG
CEO Office
Thurgauerstrasse 54
CH-8050 Zurich
Switzerland
Phone +41 (0)44 316 15 50

GURIT INVESTOR RELATIONS

Gurit Services AG
Mirela Birchmeier
Head of Group Marketing & Communication
Thurgauerstrasse 54
CH-8050 Zurich
Switzerland
Phone +41 (0)44 316 15 50

→ www.gurit.com

E-mail: investor@gurit.com

E-mail: sustainability@gurit.com

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IMPRINT

Gurit Holding AG, Wattwil, Switzerland
c/o Gurit Services AG, Thurgauerstrasse 54, CH-8050 Zurich
Mirela Birchmeier, Group Communications

This Annual Report contains forward-looking statements that include risks and uncertainties regarding the future global developments that cannot be influenced by the Company.

