

A large-scale photograph of an offshore wind farm. In the foreground, a large white wind turbine is partially visible, with its blades extending towards the center. The sea is a deep blue-grey, and the sky is overcast with soft, grey clouds. In the distance, a long line of similar wind turbines stretches across the horizon, creating a sense of depth. The overall tone is professional and clean.

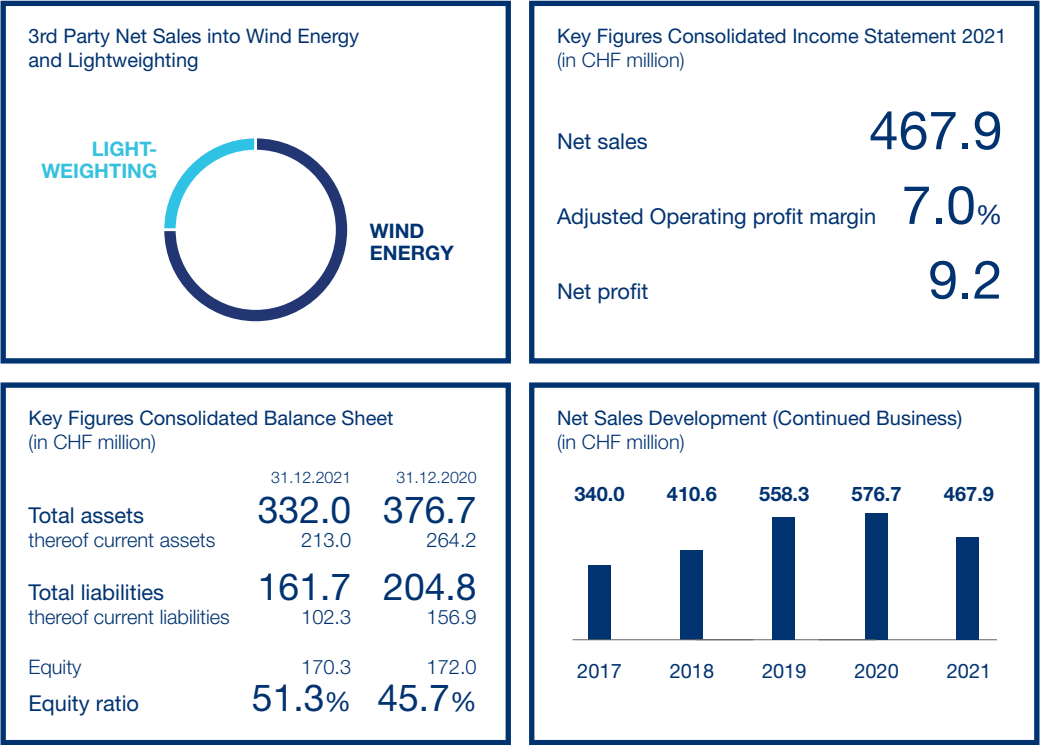
ANNUAL REPORT 2021

KEY FACTS

Gurit saw its net sales decline by -19.8% at constant exchange rates or -18.9% in reported CHF versus prior year. Gurit reached an Operating Profit of CHF 23.4 million with a margin of 5.0% of net sales, which includes expenses of CHF 9.6 million to adjust the balsa footprint and consolidate the kitting operation for America in Mexico. Adjusted for these “one-time” items the operating profit margin was 7.0%. In addition, the company faced significant start-up costs for its new PET extruder facilities. This compares with a 11.2% margin reached in the previous year. Gurit achieved a Net Cash Flow from operating activities of CHF 20.9 million (2020: CHF 70.2 million). Capital expenditures amounted to CHF 23.8 million in 2021 compared to CHF 26.7 million in the previous year.

The Wind markets were impacted by a globally reduced demand for wind blades and by a decreasing demand and price of balsa, compared to a very strong previous year. The Marine and Industrial markets have picked up double digit growth rates in the second half-year, compared to prior year.

We restructured our Wind Systems Business Unit by combining the former Kitting and Composite Materials business units into one. Furthermore, investments were made to establish a new facility in Ahmedabad, Northern India. A second facility is under construction in the South of India, and our operations in Mexico were strengthened in order to serve the North American markets.



A photograph of several offshore wind turbines in the ocean under a clear blue sky. The turbines are white with three blades each, and their towers are visible in the water. The text 'TABLE OF CONTENTS' is overlaid on the left side of the image.

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BUSINESS AND FINANCIAL REVIEW

➤ GRI 102-14 Statement from most senior decision maker

The GRI footnotes throughout this report refer to the Global Reporting Initiative (GRI) and are part of Gurit's commitment to sustainability reporting. The GRI framework aims to enable third parties to assess a company's sustainability performance.

DEAR SHAREHOLDERS,

We look back on an eventful and challenging year that our team nevertheless managed competently. We secured long-term contracts with our major wind customers and won new customers in our Marine & Industrial business, thanks to our sales and customer support teams who adapted themselves well to the market environment. The pandemic continued to present obstacles on many fronts. Restrictions in travel for technicians, sales staff and business meetings, reductions in networking opportunities at trade shows, and the issues arising in transportation and supply chains affected us as well as customers around the world.

2021 was a difficult year for the wind energy industry in particular, at least when you compare it with the record high demand in the previous year; however, less so when you look back at the demand levels over the three prior years. The market saw a reduction in demand for blades in China due to the expiration of government subsidies, and there were consequent reductions in demand for balsa wood. The situation in China is expected to be temporary, and in preparation for this we restructured, streamlining our Wind Systems Business Unit by combining the former Kitting and Composite Materials Business Units into one. We have taken the opportunity over this past year to establish our new facility in Ahmedabad, Northern India, and strengthened our operations in Mexico to serve the North American markets. Together with our plants and facilities in Europe, China and South America, we are in a strong position to move forward once the wind market picks up again and support our customers globally.

Sales in the Marine & Industrial sector have developed strongly with double-digit growth rates, and we have started to see sales recover in the Aerospace sector. We successfully introduced recycled PET to new and established customers in the Marine & Industrial markets and we believe that these markets will offer sustainable growth opportunities for Gurit.

Our bottom line results were impacted by the market situation, raw material and logistics prices, the pandemic in general, higher than expected ramp-up costs in Mexico and restructuring expenses.

STRATEGY 2025 – ONE WINNING GURIT

In 2021, we introduced our updated Strategy 2025. The motto “One Winning Gurit” underpins our actions and plans, which focus on technology leadership and innovation, strong customer orientation and regional proximity as well as sustainability and health and safety. Each of these areas is integral to the success of our business and guides us in our day-to-day decision-making process at all levels throughout the organisation.

We continuously build our position as a solution provider for our customers, with specific focus on both onshore and offshore wind energy blade manufacturers. We have a full service offering of innovative systems and engineering solutions. Developing regional proximity to our customers has been a key part of our strategy this past year and will remain so going forward. We also strengthened our approach to innovation, and strengthened our global Technology & Innovation team to reposition ourselves as a future-oriented solution provider for highly competitive composites manufacturing solutions.

In our lightweighting sectors, we continue to be a leading partner to the industry, through new product innovations and technical solutions. We launched a new fire-resistant version of our PET structural core – Kerdyn™ Green FR – in response to the growing demand in industrial applications for structural core with good fire, smoke and toxicity behaviour, opening up new market opportunities in the Marine and Industrial market segments.

At Gurit, our employees continue to be crucial to our success and with the change and uncertainty we have had to live with over the past two years, we believe companies have a responsibility to step up for their staff. We have put in place several programmes to support our team through what continues to be challenging times. We have established employee development and leadership programs, introduced mental health initiatives, and new communication channels. In 2022 we are launching innovation culture and employee engagement initiatives, as well as encouraging our Sites to become involved in local community projects as part of our commitment to social responsibility. We aim to grow a team of talented, engaged and supported staff who together build One Winning Gurit.

MARKETS SHOW MIXED GROWTH

Gurit finished the year with net sales impacted by a globally reduced demand for wind blades and a decreasing demand for and price of balsa, compared with a very strong previous year. Both the Marine and Industrial markets as well as Aerospace have picked up growth compared with the prior year.

Composite Materials reported net sales of CHF 221.8 million for 2021. This is a decline of -21.1% at constant rates compared to 2020. The decrease is due to lower Wind demand and globally reduced volumes and prices in balsa. Sales and profitability were also impacted by delays in the ramp-up of the new PET extrusion facility in Tamaulipas, Mexico. The Wind energy market was negatively impacted in 2021 due to the expiration of government subsidies in both China and the US. Nonetheless, we saw progress in both our India facilities coming online as well as the Tamaulipas plant improving production capability, and the relocation of our kitting operation

from the US to Mexico in the third quarter of the year. The Marine and Industrial markets have performed strongly and saw double digit growth rates. Marine markets have exceeded expectations, having recovered to above pre-COVID levels, and we see a continued trend for industrial segments to offer new growth potential as companies look to replace conventional materials with advanced composites.

Kitting recorded net sales of CHF 185.5 million for 2021. This is a decrease of -17.8% at constant exchange rates compared to 2020. Kitting net sales were also negatively impacted by the slowdown in wind blade manufacturing.

The Business Unit **Manufacturing Solutions** (Tooling) reported net sales of CHF 73.2 million, which represents a decrease of -28.3% at constant exchange rates compared to 2020. A strong first half was followed by a weaker Q3 and Q4. The second half of 2021 saw a weaker tooling market in general and particularly in China.

Aerospace reported net sales of CHF 30.1 million for 2021. This represents a decrease of -5.3% at constant exchange rates compared to 2020. While the Business Unit faced a sharp decline compared to pre-COVID-19 levels, sales trends continue to head in a positive direction with global aircraft OEMs increasing build rates. The Business Unit had been hit hard by the pandemic, but the now consolidated production site in Kassel, complete with modernised equipment, saw positive signs from the market, with build rates in the global passenger aircraft industry increasing.

During 2021, Gurit reduced its employment by 11.4% to an average number of full-time equivalents of 2609, compared to 2944 in 2020. This reduction is due to organisational changes mainly in the balsa and kitting operations. At the end of the year, 42.4% of the employees worked for Gurit in the Asia-Pacific region, 32.3% in the EMEA region and 25.3% in the Americas region.

ORGANISATIONAL DEVELOPMENT

As announced in 2020, Mitja Schulz joined the Gurit Group as CEO in January 2021, replacing Rudolf Hadorn who retired from the role after 13 years to become a member of the Board of Directors.

Effective July 2021, Gurit merged the BU Kitting and BU Wind Materials into one customer-focused organisation, BU Wind Systems. Andreas Kipker, former Head of BU Kitting, took over the lead of this Business Unit. With this organisational adjustment, Gurit has tightened its alignment along its value chain and emphasised its customer-focus towards wind blade manufacturers.

Also in July, former Head of BU Wind Materials, Dr. Ernst Lutz, was appointed Chief Technology Officer, with a remit to strengthen technology and development across the company.

The former BU Tooling has been renamed BU Manufacturing Solutions, reflecting its position as a versatile solution provider for wind turbine blade manufacturers.

At the Annual General Meeting in April 2022, the board will propose decisions on further organisational changes. In line with the long-term succession plan announced in April 2020, Board Member Rudolf Hadorn will stand for election as Chairman of the Board of Directors, following the departure of Peter Leupp, current Chair. It is also proposed that Andreas Evertz will join the Board of Directors, thereby the number of Board Members will remain unchanged at six.

ON TRACK WITH GLOBAL FOOTPRINT EXPANSIONS

In the year under review, we opened our new PET extrusion facility in Mexico, and also took the opportunity to consolidate all our North American kitting operations at this Site, thereby closing our operations at Allentown. We have faced some ramp up challenges at the new Site, due to COVID-19 travel restrictions amongst other factors, and as reported, this has generated delays and additional costs.

We successfully inaugurated a new core kitting site in Ahmedabad in the North of India, and the team delivered its first core kit to a wind turbine OEM customer in September. The construction of Gurit's additional kitting, tooling and PET extrusion plant in Chennai, India, has also been progressing well; notwithstanding COVID challenges, it is scheduled to be opened in the first half of 2022.

Our balsa operations have been rightsized through ceasing our production in Indonesia and focusing our activities in Ecuador. On the one hand this has been a reaction to short-term market changes but is also a measure to adjust for a technology change, as we believe future generations of wind blades will make increased use of PET and reduced use of balsa. Balsa will remain a relevant core material for the foreseeable future, so our new consolidated setup in Ecuador in combination with technological advancements will strengthen Gurit's market position.

Today we serve 100% of Western wind OEMs and 90% of all wind turbine blade makers. Our footprint expansions will enable us to continue to play a leading role as a solution provider to the Wind turbine industry, as well as other industries such as Marine, Building and Transportation.

INNOVATION EMBEDDED IN OUR CULTURE

Innovation came to the fore in 2021, taking a leading role in our company culture and as one of our key values. Encapsulating new product developments as well as process development, innovation is at the core of what we do.

In 2021, we continued to invest in the research and development of bio-based feedstocks and chemistries in response to a growing demand for more sustainable products which continues to grow, for example, in the Marine sector. We responded with the release of AMPROTM BIO, a low toxicity multipurpose epoxy system

with 40-60% bio content. We have applied this technology to other formulated and prepreg product ranges, improving our environmental footprint without negatively impacting either product performance or economics, both previous barriers to sustainable chemistry.

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 can also consider elimination of waste, by improving reliability and longevity of the parts through more robust materials and efficient repair solutions. Many existing wind turbines are approaching an advanced age in their service life and in need of more frequent maintenance.

The Gurit Wind Systems technology centre at our site in Ringkøbing, Denmark, has plans to expand to around 2 500 m², becoming a fully-fledged Wind Application Centre that offers a range of testing capabilities, from coupon-sized samples to full scale panels in a full-sized blade mould.

Innovation doesn't stand still and at Gurit we encourage all employees to take an innovative and forward-thinking approach, whether it's in their own day to day tasks, their departments' processes, or if they see an opportunity for us to better serve our customers.

PROFITABILITY

Gurit reached an Operating Profit of CHF 23.4 million with a margin of 5.0% of net sales, which includes expenses of CHF 9.6 million to adjust the balsa footprint and consolidate the kitting operation for America in Mexico. Adjusted for these "one-time" items the operating profit margin was 7.0%. In addition, the company faced significant start-up costs for its new PET extruder facilities. This compares with a 11.2% margin reached in the previous year. Net profit for the year 2021 amounted to CHF 9.2 million. This equals to earnings per listed bearer share of CHF 24.29 in 2021 (2020: CHF 100.31).

CASH FLOW AND BALANCE SHEET

Gurit achieved a Net Cash Flow from operating activities of CHF 20.9 million (2020: CHF 70.2 million). Capital expenditures amounted to CHF 23.8 million in 2021 compared to CHF 26.7 million in the previous year. We continued to invest mainly into PET extrusion capacities in Composite Materials, the extension of our global footprint as well as Automation of Manufacturing lines and Industry 4.0 capabilities of our plants.

RISK MANAGEMENT

Risk management represents an integral part of the Group’s conduct of business and is therefore an important element of daily business conduct. A formal risk management review and subsequently an update of the risk profiles are performed semi-annually by Management and 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 prioritised according to their financial impact and the likelihood of their occurrence. The Executive Committee ensures that appropriate measures are taken to mitigate the risks. The Board of Directors is regularly updated of the Group’s risk profile and the corresponding mitigating action plans and their respective changes.

WITH PASSION FOR A SUSTAINABLE FUTURE

This is not only our vision but our daily commitment. In 2020 we set a bold target to achieve climate neutrality by the end of 2021 and we are proud to say we have achieved this for now by sourcing all our electrical power from 100% renewable energy and compensating the emissions under our direct control with a certified wind farm project in India.

We also set ourselves the goal of setting up a comprehensive structure and framework to manage our sustainability path. We have defined 8 workstreams to drive our actions towards the achievement of our annual sustainability targets. We see tangible and measurable initiatives across the focus areas, and we are confident this framework will strengthen our commitment to sustainability in the coming years, enabling us to meet the high expectations from our customers, in particular but not only in the renewable energy sector.

In 2021 we laid the groundwork for our diversity, equality, and inclusion goals, and this year we plan to release new policy statements, a management system and training, to ensure we can truly call ourselves an equal opportunity employer.

An area in which we look forward to making further progress is resource utilisation. Today Gurit has a vertically integrated value chain for recycling: our PET Kerdyn™ Green structural core material was made with 1 156 million recycled bottles in 2021. We process recycled bottles into flakes and further to granulate, then extrude structural foam for wind turbine blades, thus renewable energy – and many more applications such as boats, buildings or transportation. We rolled out new Water Management Guidelines towards the end of the year; and have undertaken several steps to reduce our product packaging to optimize transport and reduce waste.

Of further note is our significant progress in eliminating Substances of Very High Concern (SVHCs) from our standard and essential product ranges with a large reduction in the number affected – from 65% in 2017 to currently 0% of products. This is a major task given that the European Chemicals Agency are designating more SVHCs every year.

As a consequence of our comprehensive sustainability efforts, we have improved our ESG performance in 2021, as illustrated by our MSCI ESG Rating having increased from B to BBB – a >20% improvement over this reporting period.

CHANGES TO OUR SHARE STRUCTURE

As announced on January 31, 2022, the Board of Directors of Gurit Holding AG is proposing to the Annual General Assembly a share split and the introduction of a single share structure, as a measure to further strengthen the company’s Corporate Governance and ESG performance.

By introducing a single registered share structure, Gurit would adopt the ‘One Share, One Vote’ principle. The proposed new share structure will further strengthen the Corporate Governance of Gurit and provide equal voting rights for all shareholders.

Current significant registered shareholders have indicated their agreement to waive their voting rights privileges in favour of a new single share structure, without compensation. The voting rights of current registered shareholders together would change from 36.4% to 10.3% after the introduction of the single registered share.

The listed bearer shares of Gurit have seen a significant price increase over recent years. To facilitate trading for private investors, the Board of Directors will propose a 1:10 share split at the Annual General Meeting scheduled for April 20, 2022. This affects 420 000 Gurit bearer shares with a nominal value of CHF 50.00 each (Swiss security No. 801223, ISIN CH0008012236, symbol GUR) listed on SIX Swiss Exchange. At the same time the Board will propose a 1:2 share split of the currently unlisted registered shares of Gurit Holding AG. Provided the Annual General Meeting approves these proposals, the share splits would become effective at the beginning of May 2022.

The share split of the bearer shares would become effective at the same time as the implementation of the single share structure. Gurit’s share capital would remain at CHF 23 400 000, but now comprising 4 680 000 registered shares with a nominal value of CHF 5.00 each, of which all would be listed on SIX Swiss Exchange.

We see these proposed changes as another step towards achieving best-in class Corporate Governance and further improvement of its ESG performance. Further information will be communicated at the end of March as part of the invitation to the Annual General Meeting.



Peter Leupp, Chairman of the Board of Directors (left), Mitja Schulz, Chief Executive Officer (right).

OUTLOOK

An uncertain wind market outlook, recent geopolitical developments and potentially continued disruptions of global supply chains influence our FY 2022 guidance. Gurit expects a revenue of around CHF 440-480 million, and an operating profit margin between 5.5% and 8.0%.

We thank our employees for their incredible efforts during this time of global uncertainty and are grateful for their teamwork that allows us to be successful together.

Our appreciation is also extended to our many loyal customers and distributors, without whom we would not be able to achieve our goals. We also thank our shareholders for continuing to put their trust in us in 2021.

Your sincerely, Gurit Holding AG

Peter Leupp

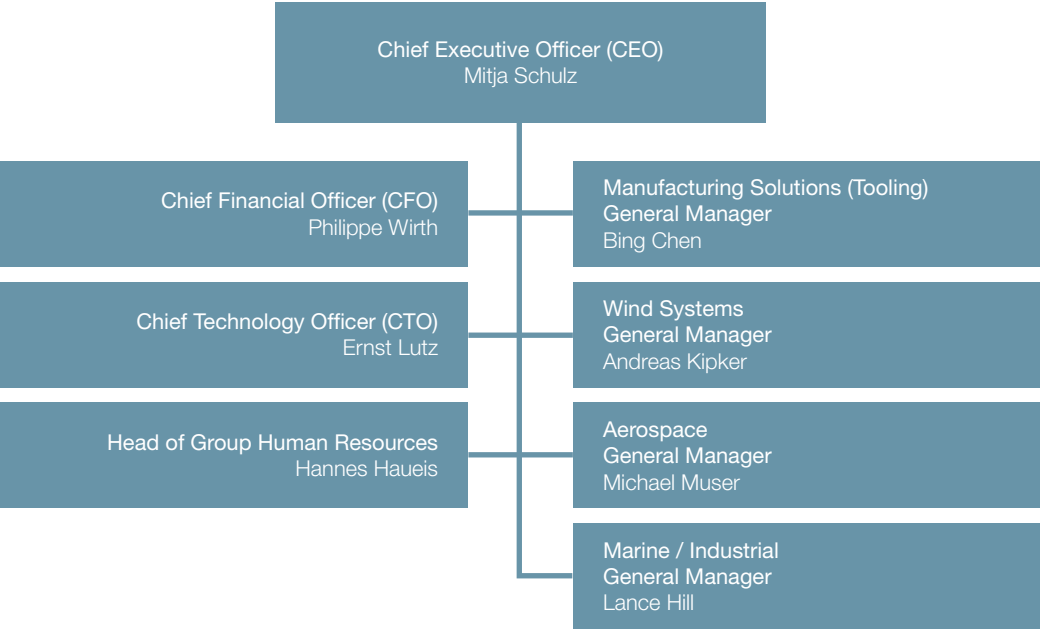
Mitja Schulz

Zurich, February 2022

ORGANISATION

BOARD AND GROUP MANAGEMENT

Board of Directors of Gurit Holding AG	Peter Leupp, 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 Rudolf Hadorn, Member Nick Huber, Member Philippe Royer, Member
Group Management	Mitja Schulz, CEO Philippe Wirth, CFO Bing Chen, General Manager BU Manufacturing Solutions Hannes Haueis, Head of Group Human Resources Lance Hill, General Manager BU Marine / Industrial Andreas Kipker, General Manager BU Wind Systems Ernst Lutz, Chief Technology Officer Michael Muser, General Manager BU Aerospace
Auditors	PricewaterhouseCoopers AG, Zurich



As of December 31, 2021

INVESTOR RELATIONS

SHARE CAPITAL

The share capital of Gurit Holding AG is divided into:

240 000 registered shares at CHF 10.00 par value	Securities no. 185 039
420 000 bearer shares at CHF 50.00 par value	Securities no. 801 223

Par value adjusted to CHF 50.00, this results, purely arithmetically, in a total of 468 000 shares.

STOCK MARKET TRADING

The bearer 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	GUR.S
Telekurs	GUR
Securities no.	801 223
ISIN	CH0008012236

IMPORTANT DATES

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

April 20, 2022 Annual General Meeting 2022 Press release on Q1 2022 net sales	January 30, 2023 Press release on FY 2022 net sales
August 17, 2022 Half-Year Report 2022 Analyst/Media Conference	March 1, 2023 Presentation full-year results 2022 Analyst/Media Conference Publication of Annual Report 2022
October 21, 2022 Press release on Q3 2022 net sales	April 2023 Annual General Meeting 2023

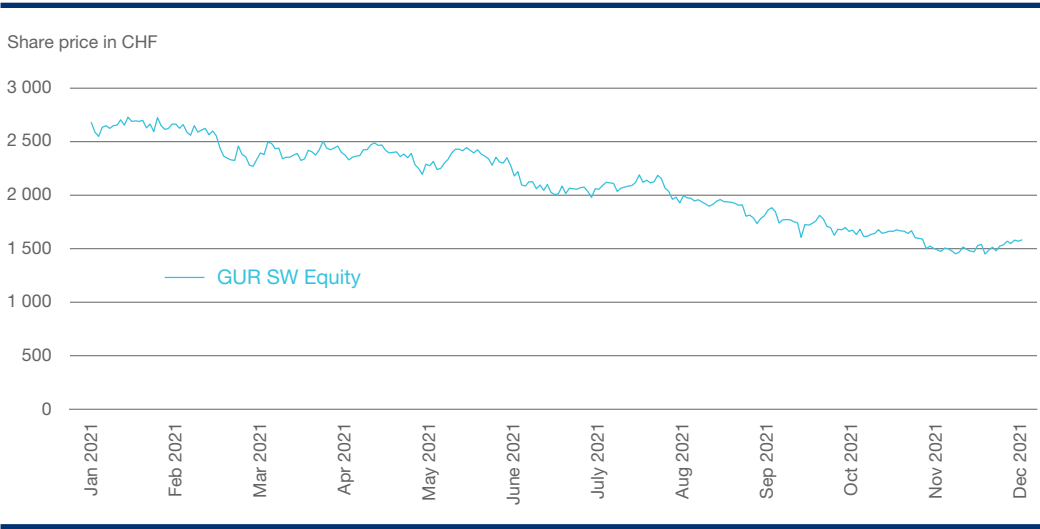
The key dates are continuously updated at www.gurit.com/Investors/Events

INTERNET/EMAIL ALERTS

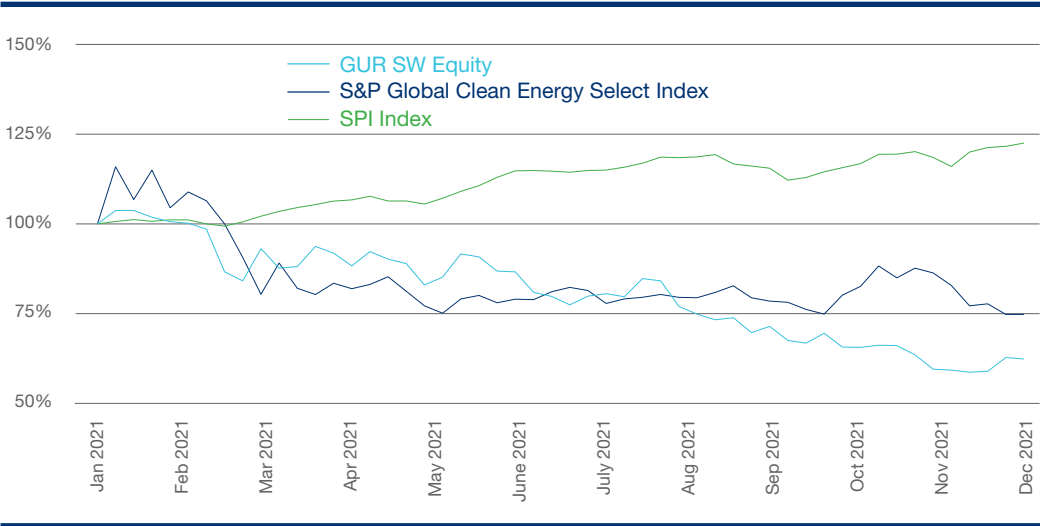
For additional information, please visit the Gurit website at www.gurit.com/Investors
Sign-up for e-mail alerts on Gurit is available at www.gurit.com/en/investors/news-subscription

STOCK PRICE CHART

GURIT SHARE PRICE DEVELOPMENT



GURIT BEARER SHARES AND RESPECTIVE INDICES



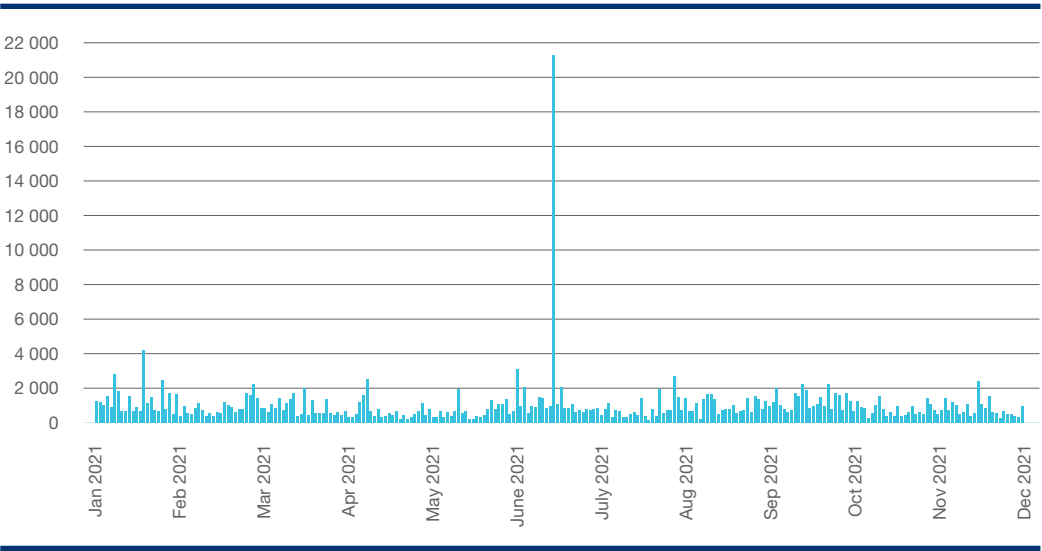
KEY FIGURES PER BEARER SHARE

	2021	2020	2019	2018	2017
Price at year-end	CHF 1 556.00	CHF 2 480.00	CHF 1 494.00	CHF 867.00	CHF 1 053.00
Highest price	CHF 2 800.00	CHF 2 520.00	CHF 1 494.00	CHF 1 066.00	CHF 1 216.00
Date	12.01.2021	28.12.2020	30.12.2019	26.01.2018	20.07.2017
Lowest price	CHF 1 420.00	CHF 980.00	CHF 859.00	CHF 748.00	CHF 758.50
Date	03.12.2021	16.03.2020	03.01.2019	04.04.2018	31.01.2017
Earnings per bearer share	CHF 24.29	CHF 100.31	CHF 76.06	CHF 42.96	CHF 53.32
Distribution out of reserves from capital contributions	-	-	-	CHF 3.75	CHF 20.00
Gross dividend paid	CHF 30.00	CHF 25.00	CHF 20.00	CHF 16.25	-

TAXABLE VALUES OF TRADED SECURITIES

	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Bearer shares CHF 50.00	CHF 1 556.00	CHF 2 480.00	CHF 1 494.00	CHF 867.00	CHF 1 053.00

TRADING VOLUMES IN GURIT BEARER SHARES



CORPORATE GOVERNANCE

This 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 2021 fiscal year ending on December 31, 2021. The key principles and rules on Corporate Governance for Gurit are defined in the Articles of Association and the Organisational 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 102-18 Governance structure
- GRI 102-22 Composition of the highest governance body and its committees
- GRI 102-23 Chair of the highest governance body
- GRI 102-24 Nominating and selecting the highest governance body
- GRI 102-25 Conflicts of interest
- GRI 102-27 Collective knowledge of highest governance body

GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

1.1.1 OPERATIONAL GROUP STRUCTURE

The Gurit Group is an international industrial group specialising in the development, production, supply, and marketing of advanced composite materials, as well as tooling, kitting and engineering. An organisational chart depicting the Group organisation for the 2021 fiscal year can be found on page 12.

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 bearer shares (security No. 801223, ISIN CH0008012236, symbol GUR) are listed on SIX Swiss Exchange; the registered shares of Gurit Holding AG are not listed.

Based on the bearer shares' year-end closing price of CHF 1 556.00 and equally valuating the par-value-adjusted registered shares, the market capitalisation on December 31, 2021 amounted to CHF 728.2 million.

1.1.3 INFORMATION ABOUT THE NON-LISTED GURIT GROUP COMPANIES CAN BE FOUND IN THE OVERVIEW ON PP. 254 OF THE FINANCIAL REPORT.

1.2 SIGNIFICANT SHAREHOLDERS

On December 31, 2021, the Company knew of the following shareholders holding more than 3% of the voting rights in Gurit Holding AG:

- Huwa Finanz- und Beteiligungs AG, Bahnhofstrasse 2, 9435 Heerbrugg, Switzerland, holds 220 000 registered shares. This equals 33.33% of all voting rights in Gurit Holding AG. The shares of Huwa Finanz- und Beteiligungs AG are held by the families of Ruedi Huber, Balgach/Switzerland, Helene Huber, Balgach/Switzerland, and Nick Huber, Balgach/Switzerland, and are governed by a shareholder agreement. Further details on the disclosure of shareholdings are available on the SIX Swiss Exchange website mentioned at the end of this section.
- Martin Bisang, 8700 Küsnacht, Switzerland, holds through Whale Holding AG Baarerstrasse 2, 6300 Zug, 110 000 bearer shares equalling 16.66% of all voting rights in Gurit Holding AG.
- Robert Heberlein, 8126 Zumikon, Switzerland, holds directly and indirectly via Burix Beteiligungen AG, c/o Fidura Immobilien AG, Gotthardstrasse 20, 6300 Zug, 4.75% of all voting rights in Gurit Holding AG. 2.96 percentage points stem from the ownership of 19 545 registered shares and 1.79 percentage points from 11 790 bearer shares.
- Credit Suisse Funds AG, Zurich, Switzerland holds 20 628 bearer shares and 3.13% of voting rights.
- J Safra Sarasin Investmentfonds AG, Basel, Switzerland holds 20'825 bearer shares and 3.16% of voting rights.

Disclosures related to significant shareholders and their shareholdings reported in 2021 as well as updated information on major shareholders are available on the SIX Swiss Exchange website at:
<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=GURIT>

1.3 CROSS-SHAREHOLDING

Gurit Holding AG has no cross-shareholding arrangements with other companies.

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 page 13 of this report. The Articles of Association are available on the Company’s website:
<http://www.gurit.com/About/Corporate-Governance>

2.1 CAPITAL

Details on the capital are included in the Notes to Gurit Holding AG’s Financial Statements on pp. 264.

2.2 AUTHORISED OR CONTINGENT CAPITAL IN PARTICULAR

Gurit Holding AG has no authorised or 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, 2021	DECEMBER 31, 2020	DECEMBER 31, 2019
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	211 524	193 139	147 969
Treasury shares	– 608	– 263	– 232
TOTAL EQUITY	239 077	221 037	175 898

2.4 SHARES AND PARTICIPATION CERTIFICATES

The Company’s share capital consists of 240 000 registered shares with a par value of CHF 10.00 each and 420 000 bearer shares with a par value of CHF 50.00 each. Bearer shares are traded in the domestic segment of the SIX Swiss Exchange (security No. 801223, ISIN CH0008012236, symbol GUR). All shares are fully paid up and entitled to dividends. All registered shares and bearer shares, regardless of their nominal value, 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 recognised 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. Bearer shares listed on the stock market are freely transferable. There are no regulations to any other effect regarding nominee registrations. 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, 2021, the Board of Directors of Gurit Holding AG consisted of six members.

3.1 MEMBERS OF THE BOARD OF DIRECTORS

The personal details together with the other activities and vested interests of individual members of the Board of Directors are listed on the next pages:

PETER LEUPP

Chairman of the Board of Directors
El.-Ing., ETH Zurich
Swiss citizen, 1951
Non-executive member



Professional Background (Main Stages)

1977 – 1988 Various functions at BBC (now ABB) in High Voltage Development
1988 – 1989 CEO, Technochemie AG, Switzerland
1989 – 1999 Various leading positions at High and Medium Voltage, ABB, Switzerland
1999 – 2000 Local Head of Power Transmissions and Distribution division at ABB, Switzerland
2001 – 2006 Country Manager in China; Chairman and President of ABB (China) Ltd
2005 – 2006 Region Manager North Asia, ABB Ltd, Switzerland
2007 – 2012 Head Power Systems division, Member of the Group Executive Committee of ABB Ltd, Switzerland
2012 – 2017 Executive Advisor to the Group Executive Committee of ABB Ltd, Switzerland

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)

Since 1994 Partner at Lenz & Staehelin

Other Important Activities and Vested Interests

Vice-Chairman of the Board of Directors, Brink's International Holdings AG, Zug, Switzerland
Member of the Board of Directors, EPIC Swiss AG, Zurich, Switzerland
Member of the Board of Directors, MAN Truck & Bus Schweiz AG, Otelfingen, Switzerland
Member of the Board of Directors, Kar-Tess Holding S.à.r.l., Luxembourg
Member of the Board of Directors, The A.G. Leventis Foundation, Liechtenstein
Vice-Chairman of the Board of Directors L&S Trust Services S.A., Geneva, Switzerland

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
Since 2014 Vice President New Growth Business Thermal Insulation at Evonik Resource Efficiency GmbH, Germany
Since 2021 Vice President New Growth Area Thermal Insulation, Evonik Operations GmbH

RUDOLF HADORN

Member of the Board of Directors
lic. oec. HSG
Swiss citizen, 1963
Non-executive member



Professional Background (Main Stages)

1989 – 2000 Management and Executive positions with GM in Europe
2000 – 2002 CEO, Krone GmbH, Berlin, Germany CFO, Krone Group
2002 – 2004 CFO, Ascom Group, Berne, Switzerland
2004 – 2007 CEO, Ascom Group, Berne, Switzerland
2007 – 2021 CEO, Gurit, Zurich, Switzerland
Since 2016 Owner, Hadorn Industries AG, Kilchberg, Switzerland

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

Chairman of the Board of Directors, COLTENE Holding AG, Altstätten, Switzerland
Member of the Board of Directors, SFS Group AG, Heerbrugg, Switzerland
Member of the Board of Directors, Huwa Finanz- und Beteiligungs AG, Heerbrugg, Switzerland

PHILIPPE ROYER

Member of the Board of Directors
Business Administration degree, ICG Paris, 1993
Engineer, Ecole Centrale de Lyon, 1984
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

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 five mandates as member of a top governing or administrative body of other listed companies outside the Gurit Group
- additionally a maximum of 20 mandates as member of a top governing or administrative body of non-listed legal entities outside the Gurit Group
- additionally a maximum of five mandates in non-profit associations and foundations as well as pension funds outside the Gurit Group

3.3 ELECTIONS AND TERMS OF OFFICE

NAME	BORN	POSITION IN BOD	FIRST ELECTION TO BOD
Peter Leupp	1951	Chairman	23.04.2010
Stefan Breitenstein	1957	Member	10.04.2014
Bettina Gerharz-Kalte	1964	Member	09.04.2019
Rudolf Hadorn	1963	Member	14.04.2021
Nick Huber	1964	Member	15.06.1995
Philippe Royer	1961	Member	09.04.2019

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 ORGANISATION

3.4.1 ALLOCATION OF TASKS WITHIN THE BOARD OF DIRECTORS

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

The Chairman of the Board organises 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, Peter Leupp, Philippe Royer

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 Chairman of the Audit and Corporate Governance Committee furthermore acts as an independent contact for any concerns or advice on the Gurit Code of Conduct.

Nomination and Compensation Committee

Chairwoman: Bettina Gerharz-Kalte
Members: Nick Huber; Peter Leupp

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, in particular 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 2021, the Board of Directors met seven times and held four extraordinary calls. The attendance and durations are detailed in the following tables:

Board of Directors meetings in person

DATE	DURATION IN HOURS	PARTICI- PANTS	LEUPP	BREITENSTEIN	GERHARZ- KALTE	HADORN*	HUBER	KAUFMANN**	ROYER
28.01.2021	1	6/6	x	x	x		x	x	x
26.02.2021	6.75	6/6	x	x	x		x	x	x
14.04.2021	5	6/6	x	x	x		x	x	x
22.06.2021	5	6/6	x	x	x	x	x		x
12.08.2021	5	6/6	x	x	x	x	x		x
14.10.2021	6	6/6	x	x	x	x	x		x
14.12.2021	10	6/6	x	x	x	x	x		x
Total	52,75								

* BoD member from 14.4.2021
** BoD member until 14.4.2021

Board of Directors extraordinary calls

DATE	DURATION IN HOURS	PARTICI- PANTS	LEUPP	BREITENSTEIN	GERHARZ- KALTE	HADORN*	HUBER	KAUFMANN**	ROYER
31.03.2021	1.5	5/6	x	x	x		x		x
19.04.2021	1	6/6	x	x	x	x	x		x
04.05.2021	1.5	4/6	x	x		x			x
27.08.2021	1.5	6/6	x	x	x	x	x		x
Total	5.5								

* BoD member from 14.4.2021
** BoD member until 14.4.2021

There were the following changes in the Board of Directors during 2021: Urs Kaufmann has left the Board of Directors. He was succeeded by Rudolf Hadorn.

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

The Audit and Corporate Governance Committee met three times in 2021. Further details are outlined in the following table:

Audit and Corporate Governance Committee meetings

DATE	DURATION IN HOURS	PARTICI- PANTS	LEUPP	BREITENSTEIN	HADORN	ROYER
26.02.2021	2	3/3	x	x	x*	x
12.08.2021	2	4/4	x	x	x	x
13.12.2021	2	4/4	x	x	x	x
Total	6					

* Transition phase – present as former CEO

The Nomination and Compensation Committee met twice in 2021. Further details are outlined in the following table:

Nomination and Compensation Committee meetings

DATE	DURATION IN HOURS	PARTICI- PANTS	KAUFMANN*	GERHARZ- KALTE**	HUBER	LEUPP	SCHULZ (EC/CEO)	HADORN***	HAUEIS (EC/CHRO)
16.02.2021	2	4/3	x	x	x	x	x	x	
12.12.2021	2.5	6/6		x	x	x	x		x
Total	4.5								

* Chairman until 14.4.2021
** Chairwoman from 14.4.2021
*** Transition phase – present as former CEO

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. In order 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 are in agreement. The Board’s decisions are taken on the basis of 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 Directors’ main duties are the following:

- To formulate general Group strategies, policies and the industrial concept of Gurit as a whole
- To decide on acquisitions, divestments, foundation or liquidation of subsidiaries and to approve capital investment decisions exceeding CHF 500 000
- To define the Group’s organisational structure and its organisational regulations
- To 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
- To appoint or dismiss Group Management members and people entrusted with representation functions
- To oversee the Sustainability Strategy and its deployment in the Group

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

3.6 INFORMATION AND CONTROL INSTRUMENTS
VIS-À-VIS 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, 2021, Gurit Holding AG's Group Management consisted of the CEO and the CFO as well as six 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, Zurich
Since October 21, 2019	Chief Financial Officer, Gurit

HANNES HAUER

Head of Group Human Resources
Degree in Electrical Engineering
Austrian citizen, 1962



Professional Background (Main Stages)

1997 – 2004	Head of Global Training & Development, Unaxis AG, Switzerland
2004 – 2009	VP Human Resources / Corporate People Development, OC Oerlikon, Switzerland
2009 – 2012	VP Human Resources / Learning & Development, SR Technics AG, Switzerland
2012 – 2014	VP Human Resources, Kaba Holding AG / Division ADS EMEA / AP, Switzerland
Since October 1, 2014	Head of Group Human Resources, Gurit

ERNST LUTZ

General Manager BU Wind Materials
Ph.D. in Material Science, Virginia Tech, Blacksburg, VA, USA
MBA, University at Albany, NY, USA
M.S. in Mechanical Engineering, ETH, Zurich, Switzerland
Swiss citizen, 1966



Professional Background (Main Stages)

1995 – 2011	Various leadership roles in Business Development and Technology, RioTinto / Alcan / Alusuisse in CH/JP/CA/FR/CN
2011 – 2015	Chief Technology Officer, Sulzer, Winterthur, Switzerland
2015 – 2016	CEO, European Institute for Innovation and Technology (EIT), Raw Materials, Berlin, Germany
2016 – 2019	Member of the Executive Board, Business Development and Technology, Grundfos, Denmark
Since September 1, 2020	General Manager Wind Materials, Gurit

LANCE HILL

General Manager 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

MICHAEL MUSER

General Manager Gurit Aero
Dipl.-Ing (aer), Technical University Stuttgart
German & US citizen, 1973



Professional Background (Main Stages)

2001 – 2008	Management positions with EADS in Germany
2009 – 2017	Head of Business Unit, Ingersoll Machine Tools, USA
2018	Head of Production Organisation, Dornier Seawings, Germany
Since January 1, 2019	General Manager Aero, Gurit

ANDREAS KIPKER

General Manager Gurit Kitting (JSB)
Copenhagen Business School
Danish citizen, 1986



Professional Background (Main Stages)

2008 – 2012	Business Controller, 7-Eleven Denmark
2013 – 2015	Finance Manager, JSB Group, Ringkøbing, Denmark
2016 – 2019	CFO, JSB Group, Ringkøbing, Denmark
Since Mai 1, 2020	General Manager, BU Wind Systems (until 06/2021 BU Kitting), Ringkøbing, Denmark

BINJIANG CHEN

General Manager Gurit 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)

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 three mandates in listed legal entities outside the Gurit Group, and
- a maximum of 10 mandates in non-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 36 to 50.

5.2 STATUTORY PROVISIONS ON COMPENSATION, SHAREHOLDINGS AND LOANS

The statutory provisions on compensation, shareholding and loans are outlined in the paragraphs 21, 22, 23, 25 and 28 of the Articles of Association, available on the Gurit website at:
www.gurit.com/About/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/About/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/About/Corporate-Governance

6.1 VOTING RIGHT RESTRICTIONS AND REPRESENTATION

The Articles of Association contain no restrictions on voting rights. Every registered or bearer share represented at the General Meeting is entitled to one vote. A shareholder may be represented at the General Meeting only by the independent proxy holder or by another shareholder attending the General Meeting.

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 a tenth of the Company capital 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

The Articles of Association contain no regulations relating to agendas that differ from those set forth by the law. Accordingly, shareholders representing shares of a par value of CHF 1 million 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 set to 49% of the total votes.

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 538 488 (2020: CHF 512 839). Additional audit fees charged during the year by other audit firms amounted to CHF 58 212 (2020: CHF 54 241).

8.3 ADDITIONAL FEES

Fees for additional services supplied by PricewaterhouseCoopers during the year under review amounted to CHF 32 416 (2020: CHF 70 107). These fees in 2021 related mainly to internal audit support and tax advisory services. The additional fees represent 6% (2020: 14%) of the auditing fees.

FEES IN CHF	2021	2020
PwC Audit fees	538 488	512 839
PwC Other services fees	32 416	70 107
Total	570 904	582 946

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

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 analysed and explained. In the year under review, the auditors participated in all of 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/Investors/Reports

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, a signup form is available at:

www.gurit.com/Investors/News-Subscription

Information related to the Annual General Meeting of Shareholders is published on the Company website at:

www.gurit.com/en/investors/agm

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, as well as
 - 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.).

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

-
- GRI 102-35 Remuneration policies
 - GRI 102-36 Process for determining remuneration
 - GRI 102-37 Stakeholders' involvement in remuneration

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 long-term goals of the Company and the interests of the shareholders. Gurit is a globally operating industrial group functioning in a competitive marketplace. The compensation system is therefore intended to enhance Gurit's ability to recruit and retain a talented and 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 and 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, 2021. This report follows article 13 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies 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.

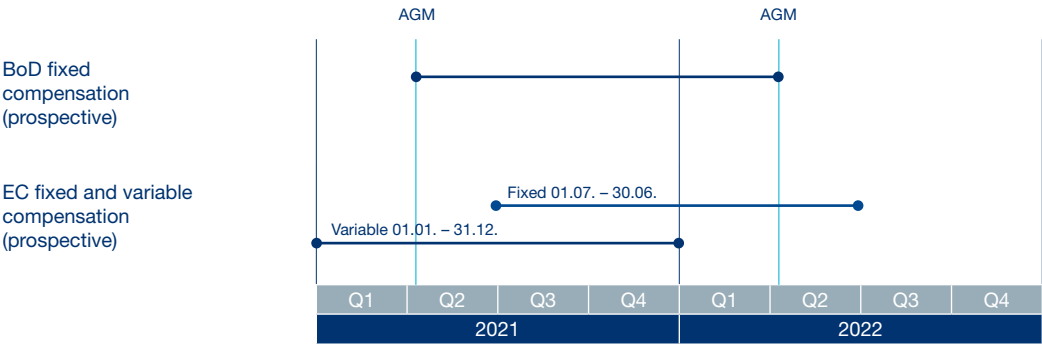
3. COMPENSATION GOVERNANCE

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 = CEO, CFO and Head of Group HR) 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 summarised 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, Schweiter 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 the majority of 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, taking into account 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 performance-related variable compensation elements of Gurit's compensation system consist of the following:

- Performance-related cash payments as defined by Gurit's Performance Incentive Scheme
- Gurit's Share Participation Plan for Management (SPPM)
- In exceptional cases: limited individual bonuses for special achievements (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 three-quarters are linked to the achievement of the sales budget and one-quarter to the achievement of individual qualitative objectives. 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 Head.

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 plus an individual performance element.

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.

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 considering typically all of the following KPI's or the Operation Profit only: 1) Net sales, 2) Operating profit and 3) Net working capital per Business Unit/Sub-Unit or Group.

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 2021, the minimum levels of objectives achievement were in general between 8% and 20% below the target levels, and the cap levels exceeded the target levels of objectives achievement in general by between 8% and 20%. No bonus is paid if the minimum objective level has not been achieved.

5.3.2 INDIVIDUAL BONUS COMPONENT

The fulfillment level of the individual and/or factory-related objectives are assessed on an annual basis by the line manager for each person, based on objectives and targets defined in the first quarter of each business year. The individual bonus element represents between 20% to 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	INDIVIDUAL OBJECTIVES	TOTAL BONUS
CEO	80%	–	80%	20%	100%
Business Unit / Sub-Unit Manager	50%	30%	80%	20%	100%
CFO & Corporate Functions	60%	–	60%	40%	100%
Business Unit Functions	30%	30%	60%	40%	100%

Corporate and BU functions with no direct reports:

- a) Corporate functions: Group Performance 100% / no individual bonus component
- b) Business Unit functions: Group 30% / BU 70% / no individual bonus component

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 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 amount 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: 200 shares
- Executive Committee members: 50 shares
- Managers or senior staff members: between 10 and 50 shares, depending on the management level.

The shares are blocked for a period of three years and are transferred to the share plan participants 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.

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 40).

The CEO benefits from a pension scheme of which half of the premiums are financed by him/her. 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. 20% of the performance-related bonus depends on the achievement of individual targets set by the Nomination and Compensation Committee and approved by the Board of Directors. The remaining 80% depends on the achievement of the general Group Performance Bonus 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 300 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 annual amount of shares granted varies between 0 and 75 shares per annum.

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 40% of their bonus depends on the achievement of individual targets set by the CEO, reviewed by the Nomination and Compensation Committee and approved by the Board of Directors. The remaining 60% to 80% 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.

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. 48).

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

8. MANAGEMENT COMPENSATION 2021/2020

The following tables show the compensation for the Board of Directors and the Executive Committee in 2021 and 2020. 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.

The amount of the share-based compensation for 2021 was calculated based on a share price of CHF 1 455 per share. This corresponds to the average closing share price in January 2022. Due to the share price fluctuation, the effective settlement value may be higher or lower on the settlement date in March 2022. In 2020, the share-based compensation was calculated based on a share price of CHF 2 633, based on the average closing share price January in 2021.

The Total Management Compensation 2021 is CHF 1 480 000 lower than 2020. This is mainly related to the lower variable compensation as a consequence of the lower share price. Details are disclosed on page 48.

The achievement of the financial objectives set for the variable cash bonus in 2021 was negatively affected by the globally reduced demand for wind blades and by a decreasing demand and price of balsa, compared to a very strong previous year period. As a result no bonus has been paid out for the categories sales and operating profit. The net working capital objective has been reached at the lower end of the bonus pay out range. In summary, for the entire Management the bonus achievement of the financial objectives was significantly below target and prior year.

MANAGEMENT COMPENSATION 2021

IN CHF 1000	AUDITED					2021
	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						
Peter Leupp (Chairman)	250	73	–	–	–	323
Stefan Breitenstein (member)	80	36	–	–	–	116
Bettina Gerharz-Kalte (member)	80	36	–	–	–	116
Rudolf Hadorn (member)	80	36	15	–	–	131
Nick Huber (member)	80	36	15	–	–	131
Philippe Royer (member)	80	36	15	–	–	131
Total Board of Directors	650	253	45	–	–	948
	69%	27%	5%	0%	0%	100%
Executive Committee*						
Mitja Schulz (CEO)	500	–	244	122	311	1 177
Other members	1 959	–	358	463	563	3 343
Total Executive Committee	2 459	–	602	585	874	4 520
	54%	0%	13%	13%	19%	100%
Total Management compensation	3 109	253	647	585	874	5 468
	57%	5%	12%	11%	16%	100%

* The annual average number of Executive Committee Members in 2021 was 8.5

The Variable cash Compensation (financial and individual objectives achievement combined) was lower by 46% in 2021 as compared to 2020.

In 2021, the total performance-related compensation for the members of the Executive Committee varied from 26% to 49% (2020: 5% to 58%) of the individual total compensation.

MANAGEMENT COMPENSATION 2020

IN CHF 1000	AUDITED					2020
	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						
Peter Leupp (Chairman)	250	132	–	–	–	382
Stefan Breitenstein (member)	80	66	–	–	–	146
Bettina Gerharz-Kalte (member)	80	66	–	–	–	146
Nick Huber (member)	80	66	18	–	–	164
Urs Kaufmann (member)	80	66	18	–	–	164
Philippe Royer (member)	80	66	18	–	–	164
Total Board of Directors	650	462	54	–	–	1 166
	55%	40%	5%	0%	0%	100%
Executive Committee*						
Rudolf Hadorn (CEO)	680	–	151	403	763	1 997
Other members	1 903	–	351	469	1 062	3 785
Total Executive Committee	2 583	–	502	872	1 825	5 782
	45%	0%	9%	15%	31%	100%
Total Management compensation	3 233	462	556	872	1 825	6 948
	46%	7%	8%	13%	26%	100%

* The annual average number of Executive Committee Members in 2020 was 8.5

In addition, the new CEO of the Group received a one-off fixed share-based compensation of 90 shares in 2021 amounting to a fair value of CHF 147 000, valued at a share price of CHF 1 628, representing the closing trading price on August 14, 2020, the date when the employment contract was signed.

Two former Executive Committee (EC) members received their bonus payments as well as salaries during the three respectively six months between leaving the EC and the end of their respective notice periods. Apart from this, there was no remuneration paid to former members of governing bodies during the year under review. Gurit does not pay any exit bonuses or make any severance payments to executive committee members. There were no transactions with current or former members of the Board of Directors or the Executive Committee (or parties closely linked to them) at conditions that were not at arm's length.

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, 2021, 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.

	FIXED COMPENSATION BOARD OF DIRECTORS APRIL 15, 2021 - APRIL 20, 2022		FIXED COMPENSATION EXECUTIVE COMMITTEE JULY 1, 2020 - JUNE 30, 2021		VARIABLE COMPENSATION EXECUTIVE COMMITTEE JANUARY 1, 2021 - DECEMBER 31, 2021	
	APPROVED MAXIMUM	ACTUAL	APPROVED MAXIMUM	ACTUAL*	APPROVED MAXIMUM	ACTUAL
Cash, in CHF 1000	650	650	2 600	2 568	1 454	532
Number of shares	175	175	–	–	900	550
Shares value at current price in CHF 1000	253	253	–	–	1 309	800
Social security and pension in CHF 1000	70	45	650	638	365	127
TOTAL	973	948	3 250	3 206	3 128	1 459

* the amount includes the value of the one-off fixed share-based compenstion of 90 shares of the new CEO

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

We have audited the accompanying compensation report of Gurit Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labelled ‘audited’ on pages 48 to 49 of the compensation report.

BOARD OF DIRECTORS’ RESPONSIBILITY

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material mis-statements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

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

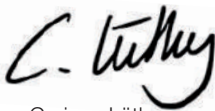
OPINION

In our opinion, the compensation report of Gurit Holding AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Thomas Wallmer
Audit expert
Auditor in charge



Corinne Lüthy
Audit expert



Zurich, February 24, 2022

SUSTAINABILITY REPORT

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This Sustainability Report is an integral part of the Gurit Annual Report 2021 which can be downloaded at www.gurit.com/en/investors/reports



CREATING A STRONG SUSTAINABILITY PLATFORM



FOREWORD BY
MITJA SCHULZ
CEO

Gurit is in a unique position globally, as a vertically integrated solution provider to the wind energy industry, to deliver on sustainability targets that impact the full supply chain. Critical to achieving this is a strong – and indeed sustainable – platform from which we can launch our initiatives, ensuring that sustainability is fully integrated throughout the business and now also an integral part of our Strategy 2025.

One of our goals in 2021 therefore was to set up a comprehensive structure and framework to manage our sustainability actions and continue to move forward in this area with conviction. We now have 5 pillars of sustainability, with 8 workstreams to drive our actions towards the achievement of our annual targets. As we communicate this approach to our stakeholders and we see tangible and measurable action-taking across the focus areas, I am confident this framework will strengthen our commitment to sustainability in the coming year, and we will see our vision 'With passion for a sustainable future' come to life across our organisation and beyond.

Safety First continues not only to be a motto at Gurit, but an integral part of the culture we are creating. Whether an employee, a customer, a supplier – safety always comes first and I am proud of the numerous accident prevention initiatives over the past 12 months, such as safety walks, site evaluations, training programmes and more, which have led to noteworthy results such as 1000 days without an accident at our Ecuador site.

What is clear throughout this report is how critical our staff are to our success. With the change and uncertainty we have all had to live with over the past two years, companies have a responsibility to step up and stand up for their staff in these ever-challenging times. Last year, in the context of the pandemic, Gurit launched a mental health initiative to support our employees and educate our leaders on this topic, and I am pleased we are continuing with this into 2022. We also laid the groundwork for our diversity, equality, and inclusion goals, and this year we plan to release new policy statements, a management system and training, to ensure we can truly call ourselves an equal opportunity employer.

In 2020 we set a bold target to achieve climate neutrality by the end of 2021 and I am delighted to say we have achieved this scope 1, 2 and partial scope 3 under the Greenhouse Gas Protocol. These concern those areas of business over which we have direct control (scope 1), the sourcing of all our electrical power from 100% renewable energy (scope 2), plus the part of our indirect (scope 3) emissions where we have some control. This has been achieved through significant work by our staff and is testament to the level of commitment to sustainability throughout the company.

An area in which we look forward to making further progress is resource utilisation. Today Gurit has a vertically integrated value chain for recycling: our PET Kerdyn Green structural core material was made with 1 156 million recycled bottles in 2021. We process recycled bottles into flakes and then into granulate, then produce structural foam for wind turbine blades, thus renewable energy – and many more applications such as boats, buildings or transportation. We take it as an ongoing sustainability challenge to further

optimise our material usage and reduce our consumption of electricity and fuels, and our Technology & Innovation teams are also developing next generation sustainable materials. We rolled out our Water Management Guidelines towards the end of the year and have undertaken several steps to reduce our product packaging. I am excited to see what we achieve in this area in the coming 12 months.

We still have work to do, but we also now have the framework and structure in place to look further afield into our sphere of influence and work on greenhouse gas emission reduction opportunities and circularity/end-of-life projects with our supply chain and industry partners (scope 3 of our carbon neutrality strategy). We are encouraging our staff, supported by our culture of innovation and engagement, to identify and bring to our attention such opportunities. There is no doubt that having each one of us take responsibility and successfully working together is the way we can best impact this urgent issue.

Gurit reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Our annual communication on progress is part of this 2021 Gurit Sustainability Report in which we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

I would like to take the opportunity to thank our employees and corporate partners for participating in our sustainability journey to date. We are making progress and the work we are doing does have an impact. I am looking forward to seeing what we can achieve together in 2022.

Yours sincerely,



Mitja Schulz, CEO

Zurich, February 2022

ABOUT US

ACTIVITIES AND MARKETS SERVED

Gurit is a leading manufacturer and supplier of advanced composite materials (kitted core materials, prepregs, formulated products), tooling automation and wind blade manufacturing systems as well as composite structural engineering services. Gurit is uniquely positioned to serve global growth markets with advanced composite solutions for the wind energy, aerospace, marine, transportation and many other industries.



We conduct business with a passion for a sustainable future. In the renewable energy market, we are a system 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 Aerospace, 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 providing high performance materials and engineering.

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 GUR on the SIX Swiss stock exchange.

More information about our activity:
www.gurit.com or youtu.be/KPPXNVf2-2g

- GRI 102-1 Name of organization
- GRI 102-2 Activities, brands, products and services
- GRI 102-3 Location of headquarters
- GRI 102-6 Market served
- GRI 102-7 Scale of organisation



100%
WESTERN WIND OEM
SERVED, 90% of wind
turbine blade makers



LIGHTWEIGHTING
EXCELLENCE

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



TECHNICAL
EXPERTISE

Foundation in Switzerland
30 YEARS ADVANCED COMPOSITES **1835**

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.

SAFETY
FIRST

CUSTOMER
FOCUS

SUCCESSFUL
TOGETHER

INNOVATION

SUSTAINABILITY

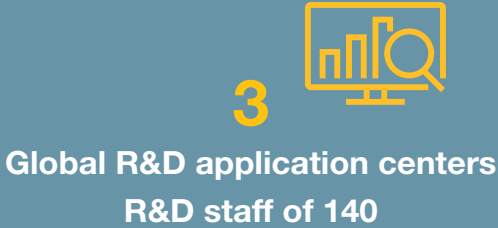
COST
LEADERSHIP

OUR VALUES

More information: www.gurit.com/en/about/vision-mission--values

➤ GRI 102-16 Values, principles, standards and norms of behavior

GURIT AT A GLANCE



CONTINENTS



➤ GRI 102-4 Location of operation
➤ GRI 102-7 Scale of organisation

#GuritCares

Our Sustainability Strategy & Targets

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



ACHIEVEMENTS 2021



ESG Rating with MSCI
improved 2 marks out of 7



41

Sustainability Commitments
and Targets

set for 2022, structured
by 5 pillars and 8 workstreams

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Material Sustainability Topics

identified, covering economic,
environmental, social
and governance impacts



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)
CONTRIBUTIONS



OVERARCHING STRATEGIC FRAMEWORK TARGETS FOR 2022

- Sustainability is an integral part of Gurit's long-term business strategy: 'Strategy 2025'
- Comply with ethical, legal and reporting obligations
- Improve ESG ratings



STRATEGIC FRAMEWORK SET UP ACTIONS 2022

- Monitor and evaluate sustainability standards
- Publish annual Sustainability Report and calculate GHG emissions
- Set in motion the 8 sustainability workstreams that were established in 2021 and get measurable traction
- Further increase awareness of sustainability with internal campaigns to communicate sustainability to all employees
- Keep reporting sustainability in line with GRI and GHG standards and UNGC commitment
- Adopt framework for measuring SDG contributions by 03/2023



MEASUREMENT

- Achieve/ maintain above average sustainability ratings (ESG ratings): MSCI, InRate, Ecovadis
- Frequency and reach of sustainability communication per year (to employees, suppliers)

As part of Gurit's commitment to sustainability, we monitor our own performance, trends, as well as stakeholder expectations. The materiality analysis conducted during 2021 (read more in chapter Reporting Scope and Materiality Matrix) illustrates the expectations of stakeholders and their alignment with both global sustainability trends and the sustainability targets and ambitions we have set. Our current efforts are therefore focused on further improving sustainability management across the company and engaging our stakeholders on this journey, so together we can continue to build Gurit into a responsible, accountable and sustainable business.

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, as well as 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 contributing to these targets through our own sustainability ambitions, strategy and targets.

United Nations
Global Goals



Governmental
Priorities

The United Nations Sustainable Development Goals (SDG) is a framework of actions addressing major global sustainability challenges. It aims to end poverty, protect the planet, and supports the vision that by 2030 all people enjoy peace and prosperity. The United Nations Global Compact (UNGC) – of which Gurit is a signatory – supports these goals and encourages businesses to adopt sustainable and socially responsible policies, and to report on their implementation.



The main governmental sustainability targets and responsibilities include the mitigation of the imminent risks related to climate change and the achievement of climate neutrality to limit global warming and enable future generations to continue to live on this planet.

UN Paris Agreement
ec.europa.eu/clima/policies/international/negotiations/paris_en

- Global framework to mitigate climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C
- Aims to strengthen countries’ ability to deal with the impacts of climate change and support them in their efforts

The Paris Agreement was signed at the 21st Conference of the Parties (COP) of the UN Framework Convention of Climate Change (UNFCCC) in 2015. At the 26th annual COP in November 2021, all countries agreed to the Glasgow Climate Pact, which works towards limiting global temperature rises to 1.5°C.

Governmental
Priorities
(continued,
illustrative
examples)



Industry Sector
Focus



Gurit
Sustainability
Strategy

European Union (EU)
ec.europa.eu/clima/policies/ets_en

- Achieve climate neutrality in the EU by 2050
- Through the European Green Deal, the net greenhouse gas emissions reductions target increased to at least 55% by 2030

China
climateactiontracker.org/countries/china/targets

- Reach peak emissions before 2030
- Achieve carbon neutrality by 2060

Switzerland
www.admin.ch/gov/en/start/documentation/media-releases.msg-id-76206.html

- Net emissions reduced to zero by 2050

Sustainability in the wind industry
windeurope.org/policy/topics/sustainability

- Act in a socially and environmentally responsible way, using the best available technology and work within sustainable supply chains
- Keep environmental impacts and carbon footprint to a minimum
- Accelerate wind turbine circularity

Sustainability in the marine industry
www.metstrade.com/news/sustainability
marineshift360.org
www.nmma.org/advocacy/federal-advocacy/conservation

- Adopt green products, sustainable building methods and recyclability of the materials
- Bring more circularity to the boating world
- Reduce environmental impact, particularly on the marine ecosystem

Sustainability in aerospace
www.asd-europe.org/environment

- Continually search for more environmentally-friendly technologies for engines, aircraft design and sustainable fuels
- Reduce environmental impact with respect to noise, emissions and fuel burn.
- Increase sustainability awareness, technical innovation and responsible disposal and recycling of aircraft

We monitor stakeholder expectations, global frameworks and legislative requirements and sets annual sustainability ambitions, targets and action plans within the framework of our Sustainability Policy outlined overleaf.

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MATERIALITY ANALYSIS AND PRIORITY TOPICS

We have assessed the materiality of sustainability issues with consideration to our business purpose, operational footprint, as well as our commitment to the UN Global Compact and the GRI Standards. In 2021, we conducted a materiality analysis, involving the company’s Executive Committee, employees, customers, investors and the Sustainability Core Team. More information on this process is explained in the chapter Reporting Scope and Materiality Matrix.

	SAFETY FIRST	ENVIRONMENT
PRIORITY TOPICS	Health and safety Chemical safety	Climate neutrality Emissions to air Waste management Circular economy Innovation Resource and materials utilization Energy management Clean technology

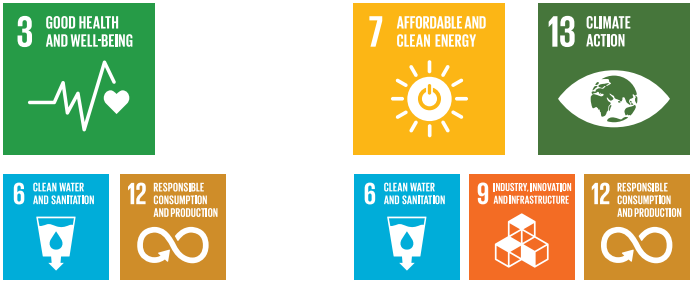
Material topics are sustainability topics which, as a result of the materiality process, are deemed most important for Gurit’s stakeholders and have a higher significance in terms of economic, environmental and social impacts. Through the materiality analysis conducted in 2021, we selected 23 sustainability topics considered to be material, and assigned each one to one of our 5 pillars. We have also aligned these with the SDGs.

SOCIAL RESPONSIBILITY	GOOD GOVERNANCE	ECONOMIC PERFORMANCE
Responsible procurement practices Equality, diversity and inclusion Responsible employment practices Work-life balance Participation and consultation of employees Social risk assessment	Transparency Legal compliance Business ethics Anticorruption and bribery	Product quality and solutions Customer satisfaction Economic performance

CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)

Gurit supports the SDG and has identified the following 10 priority goals.

To read more:
<https://sdgs.un.org/goals>



➤ GRI 102-21 Consulting stakeholders on economic, environmental and social topics
➤ GRI 102-29 Identifying and managing economic, environmental and social impacts
➤ GRI 102-31 Review of economic, environmental and social topics
➤ GRI 102-32 Highest governance body's role in sustainability reporting
➤ GRI 102-46 Defining report content and topic boundaries
➤ GRI 102-47 List of material topics

GURIT SUSTAINABILITY TARGETS AND AMBITIONS

Gurit is committed to sustainability and responsible business management. Sustainability ambitions and targets are reviewed annually by the Executive Committee. The execution of these targets is delegated to eight dedicated workstreams each with a workstream lead a member of the executive Committee as sponsor. The Sustainability Coordination team facilitates cross-workstream collaboration, monitoring and reporting.

In December 2021, the Gurit Executive Committee has committed itself to the targets listed below.



Mitja Schulz
Chief Executive Officer (CEO)



Philippe Wirth
Chief Financial Officer (CFO)



Ernst Lutz
Chief Technology Officer (CTO)



Hannes Haueis
Head of Group Human Resources



Michael Muser
Aerospace General Manager



Bing Chen
Manufacturing Solutions General Manager



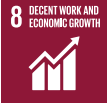
Andreas Kipker
Wind Systems General Manager



Lance Hill
Marine/Industrial General Manager



	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
SAFETY FIRST	Elimination of Substances of Very High Concern in standard product ranges	Safety first 1. Health and safety onboarding training roadmap for all new employees by 12/2022 2. Certify all our production sites with the ISO Standard for occupational health and safety by 12/2023 3. Refresher and next level on Mental Health employee trainings by 12/2022 Chemical safety 1. Reduce and maintain <5% of all Gurit standard and essential products containing Substances of very high concern (SVHC) according to European REACH regulation 2. Assess and set targets and corrective actions for all chemical uses at Gurit sites by 03/2023	
	Introduction of a new safety management assessment system at all company sites Launch of the Health & safety onboard training roadmap		 

	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
ENVIRONMENT	Climate neutrality for scope 1, scope 2 and partial scope 3 100% renewable electricity ESG Management Systems implemented ISO-certifications	Climate neutrality and resource utilisation 1. Maintain climate neutrality for GHG scope 1 and scope 2 2. Reduction of direct and indirect greenhouse gas emissions 3. Introduce an internal CO2/GHG valuation method by 11/2022 4. Design operational program to reduce emissions, waste, material use, energy consumption 5. Water risk assessment implemented by 12/2022 Circularity and related workstream / end of life 1. Integrate circularity and related workstream as integral part of Technology & Innovation and product strategy 2. Identify engagement opportunities in industry discussions and initiatives around circularity and end of life challenges by Q2/2022 3. Collate ideas for products with improved ecological footprint (ongoing) 4. Assess the environmental impact of products/concepts. Systematically apply Life Cycle Assessment by 12/2022	    
SOCIAL RESPONSIBILITY	Sustainability organisation set-up, dedicated workstreams established: "Equality and Diversity" as well as "Local community engagement" Social Policy drafted Online training for Global Senior Management team on Human Rights for Business	Local community 1. Set up a group-wide scheme of local initiatives covering employee and community engagement around sustainability topics such as the environment, diversity or inclusion, starting Q1/2022 2. Issue local community and employee engagement guidelines 3. Implement local community initiative as per issued guidelines and within SDG / Sustainability framework, starting 06/2022 Equality and diversity 1. Equal Opportunity Recruitment Policy implemented by 12/2022 2. Create a management system to measure gender representation levels in our applicant sourcing approach by 12/2022 3. Ensure equal opportunities for people with disabilities and audit all sites for accessibility by 12/2022 4. Provide unconscious bias and stereotyping training to all Managers from 2022 onwards 5. Provide a checklist of equal opportunities requirements by 06/2022 6. Promote awareness and added value of diverse work groups by 12/2022 7. Roll-out Global Hybrid Working Policy by 12/2022	   

	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
SUPPLY CHAIN	Supplier Code of Conduct adopted and communicated to suppliers	1. Set greenhouse gas reduction targets across the supply chain 2. Identify social and environmental risks across our supply chain 3. Propose ESG risk Management System adapted to new Swiss legislation on Corporate Responsibility. Implement tool to evaluate & manage suppliers' ESG risks, identify key risks (Q3/2022) 4. Communicate Gurit's sustainability commitments and Supplier Code of Conduct to all suppliers 5. Issue sustainability questionnaires to the remaining suppliers (remaining 70% of \$) 6. Request LCA / EPD / GHG footprint reports from all suppliers (starting Q3/22) 7. Identify transportation footprint reduction opportunities in supply chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
GOOD GOVERNANCE	1070 employees completed the Code of Conduct training program in 2021	1. Audits of Ethical Standards (Code of Conduct) and Sustainability Policy (bi-annual) 2. Create a policy on bribery, anti-corruption and anti-money laundering by 12/2022 3. Include part-time employees and contractors in training programs on ethical standards (Code of Conduct) starting Q3/2022	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
ECONOMIC PERFORMANCE		1. Define criteria and ambition for a sustainable financial performance (by Q3/2022) 2. Review risk mapping and risk management and include sustainability / ESG risks (by Q3/2022)	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
SUSTAINABILITY MANAGEMENT FRAMEWORK	Sustainability responsibilities assigned through our company-wide sustainability organisation, with dedicated workstreams, a Sustainability Coordination Team and allocating specific sustainability-related responsibilities to members of the Executive Committee ESG rating improved Ongoing commitment to United Nations Global Compact (UNGC) including annual communication on progress vs. 10 principles Sustainability reporting in line with GRI standard	1. Communicate sustainability mission and workstream programs to all employees 2. Keep reporting sustainability in line with GRI and GHG standards and UNGC commitments 3. Publish annual Sustainability Report and calculate GHG emissions 4. Monitor and evaluate sustainability standards 5. Achieve/maintain above average sustainability ratings with selected ratings agencies with relevance for key stakeholders 6. Implement sustainability communication campaigns	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Progress on achievement of these targets will be reported in the Sustainability Report 2022 and on our website www.gurit.com/sustainability

Questions regarding the targets may be submitted to sustainability@gurit.com

➤ GRI 102-15 Key impacts, risks and opportunities

UN GLOBAL COMPACT

GURIT IS A SIGNATORY OF THE UNITED NATIONS GLOBAL COMPACT (UNGC)



- PRINCIPLE 1**

Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence
- PRINCIPLE 2**

Businesses should make sure that they are not complicit in human rights abuses
- PRINCIPLE 3**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- PRINCIPLE 4**

Businesses should uphold the elimination of all forms of forced and compulsory labour
- PRINCIPLE 5**

Businesses should uphold the abolition of child labour
- PRINCIPLE 6**

Businesses should uphold the elimination of discrimination in respect of employment and occupation
- PRINCIPLE 7**

Businesses should support a precautionary approach to environmental challenges
- PRINCIPLE 8**

Businesses should undertake initiatives to promote greater environmental responsibility
- PRINCIPLE 9**

Businesses should encourage the development and diffusion of environmentally friendly technologies
- PRINCIPLE 10**

Businesses should work against corruption in all its forms, including extortion and bribery



UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

Gurit reaffirms its support of the Ten Principles of the United Nations Global Compact by reporting annually on our progress. We share the actions we have taken and set new goals to ensure we are continuously improving the integration of the Global Compact and its principles into our business strategy and daily operations.

	GURIT'S COMMUNICATION ON PROGRESS 2021		GURIT'S LONG-TERM AMBITIONS AND OBJECTIVES FOR 2022
HUMAN RIGHTS	1 Support and respect the protection of internationally proclaimed human rights	– Procurement standards & training – Internal audit checklist – Internal awareness	Gurit undertakes to protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. These areas are covered in Gurit's Code of Conduct and a new Social Policy that has been drafted during 2021. The Gurit Supplier Code of Conduct was published in 2021 on our website www.gurit.com/sustainability and communicated to key suppliers. The Supplier Code covers ethical, legal, social and environmental standards that we expect our suppliers to follow. In training of all staff, Gurit includes an introduction to the Code of Conduct, which sets out the ethical standards and principles to guide decision-making and behaviour in daily operations.
	2 No complicity in human rights abuses	– Training for senior managers	
LABOUR STANDARDS	3 Uphold the freedom of association and the effective recognition of the right to collective bargaining	– Procurement standards & training – Internal audit checklist – Internal awareness	In 2021, Gurit established a Social Policy to reaffirm our support of human rights, community engagement, right of association and collective bargaining, respect of our employees and our opposition to child and forced labour. The policy defines measurements and an implementation process. During 2021, key suppliers were assessed by means of a Supplier Sustainability Questionnaire. In addition, an internal sustainability audit checklist was drafted during 2021 for review, adoption and implementation in 2022. A Human Rights for Business training session was facilitated for Senior Managers, which includes an introduction to human rights, labour standards and corruption, all in alignment with the UN Guiding Principles.
	4 Elimination of all forms of forced and compulsory labour	– Training for senior managers	
	5 Effective abolition of child labour		
	6 Elimination of discrimination in respect of employment and occupation	– Monitoring & benchmarking	
		In 2021, Gurit created a dashboard to measure and analyse any gaps, patterns or other discrimination across the company. This process will allow us to commence a deeper analysis by site and, if it is needed, start a compensation process.	– Awareness raising for Human Rights: communication to Managers and employees as well as to our suppliers – Include Human Rights related risks in our Internal Audit questionnaire – Identify key suppliers with sustainability risks and issue sustainability questionnaires to the remaining suppliers – Communicate to all our suppliers our Supplier Code of Conduct, Sustainability Policy and our adherence to the UNGC – Identification of the social and environmental risks across our supply chain – Identify key suppliers with sustainability risks and issue sustainability questionnaires to the remaining suppliers – Update Group Purchasing Policy and include Sustainability KPI into evaluation – Communicate to all our suppliers our Supplier Code of Conduct, Sustainability Policy and our adherence to the UNGC – Certify all our production sites with the ISO Standard for occupational health and safety by 12/2023 – Implement an Equal Opportunity Recruitment policy – Create a management system to measure gender representation levels in our applicant sourcing approach – Provide Unconscious Bias and Stereotyping training to all Managers from 2022 – Roll-out Global Hybrid Working Policy – Audit all sites for accessibility – Promote awareness and added value of diverse work groups – Provide a checklist of equal opportunities requirements



GURIT’S COMMUNICATION ON PROGRESS 2021

GURIT’S LONG-TERM AMBITIONS
AND OBJECTIVES FOR 2022

ENVIRONMENT

7 Precautionary approach to environmental challenges	Climate neutrality in 2021 for GHG scope 1, 2 and partial scope 3	Gurit has implemented actions across the business to reduce GHG emissions. For instance, we have switched our operations to be powered fully by renewable energy. For any electricity consumption not yet renewably sourced, we have purchased Energy Attribution Certificates (EAC). More information about our climate neutrality approach can be found in the Environmental chapter of this report.	- Maintain climate neutrality for GHG scope 1, direct greenhouse gas emissions, and scope 2 emissions associated with electricity - Externally commit to greenhouse gas reduction targets - Design an operational program to reduce emissions, waste, material use, energy consumption
8 Undertake initiatives to promote greater environmental responsibility	- GHG footprint monitoring & improvement - Use of recycled raw material and further implement co-location strategy to prevent and recycle waste - Green chemistry targets - Dedicated workstreams	During 2021, Gurit implemented a Sustainability Data Collection tool across the company and provided training to all sites. This process will allow us to further improve our footprint monitoring. We work with Suppliers to ensure the most harmful substances are not added to new product developments, which allows us to transition our customers to safer, sustainable alternatives. We have set new targets to further improve our green chemistry management. The dedicated workstreams formed at the beginning of 2021 are working towards a sustainable future, quarterly updates are internally reported for each workstream, and sustainability targets have been set for 2022.	- Introduce an internal CO₂ / GHG valuation method - Circularity as integral part of the Technology & Innovation department mission and Gurit product strategy - Assess the environmental impact of products/concepts - Systematically apply Life Cycle Assessments (LCA) by 12/2022
9 Encourage the development and diffusion of environmentally friendly technologies	- Continue to replace SVHC with safer alternatives and achieve REACH targets - Use of bio-based chemistry	Throughout 2021 Gurit has continued to reduce its use of SVHC-containing materials. In 2020, Gurit reduced the number of SVHC-containing materials by 17% to 11% (from 2019) of standard and essential products and is on track to reduce to <5% by the end of 2022. We have continued to make progress sourcing bio-based epoxy materials and have been able to launch the PRIME 37 Resin product range which contains ≥15% bio-based material as standard. An increased use of bio-based ingredients remains an ambition within the formulated and prepreg product ranges. The Technology & Innovation department has taken up circularity and bio-based product ingredients as priority areas for strategic product development. Our sustainable panel solution, which combines AMPRO BIO with flax fibres and balsa core, already shows that biobased ingredients are a viable alternative for many applications.	- Reduce and maintain <5% of all Gurit standard and essential products containing Substances of very high concern (SVHC) according to European REACH regulation - Assess and set targets and corrective actions for all chemical uses at Gurit sites

ANTI-CORRUPTION

10 Businesses should work against corruption in all its forms, including extortion and bribery	- Internal audit checklist - Procurement standards	An anti-corruption audit checklist is under development for review, adoption and roll-out during 2022. The Gurit Supplier Code of Conduct was published in 2021. This document collects ethical, legal, social and environmental standards that we expect our suppliers of goods and services, their employees and subcontractors (“Suppliers”) to follow. Read more in the Governance chapter in this report.	- Create a policy around bribery, anti-corruption and anti-money laundering - Include part-time employees and contractors in training programs on Ethical Standards - Internal audit of compliance with ethical standards (Code of Conduct) and the Gurit Sustainability Policy, as well as biannual self-assessments by Gurit Group Sites
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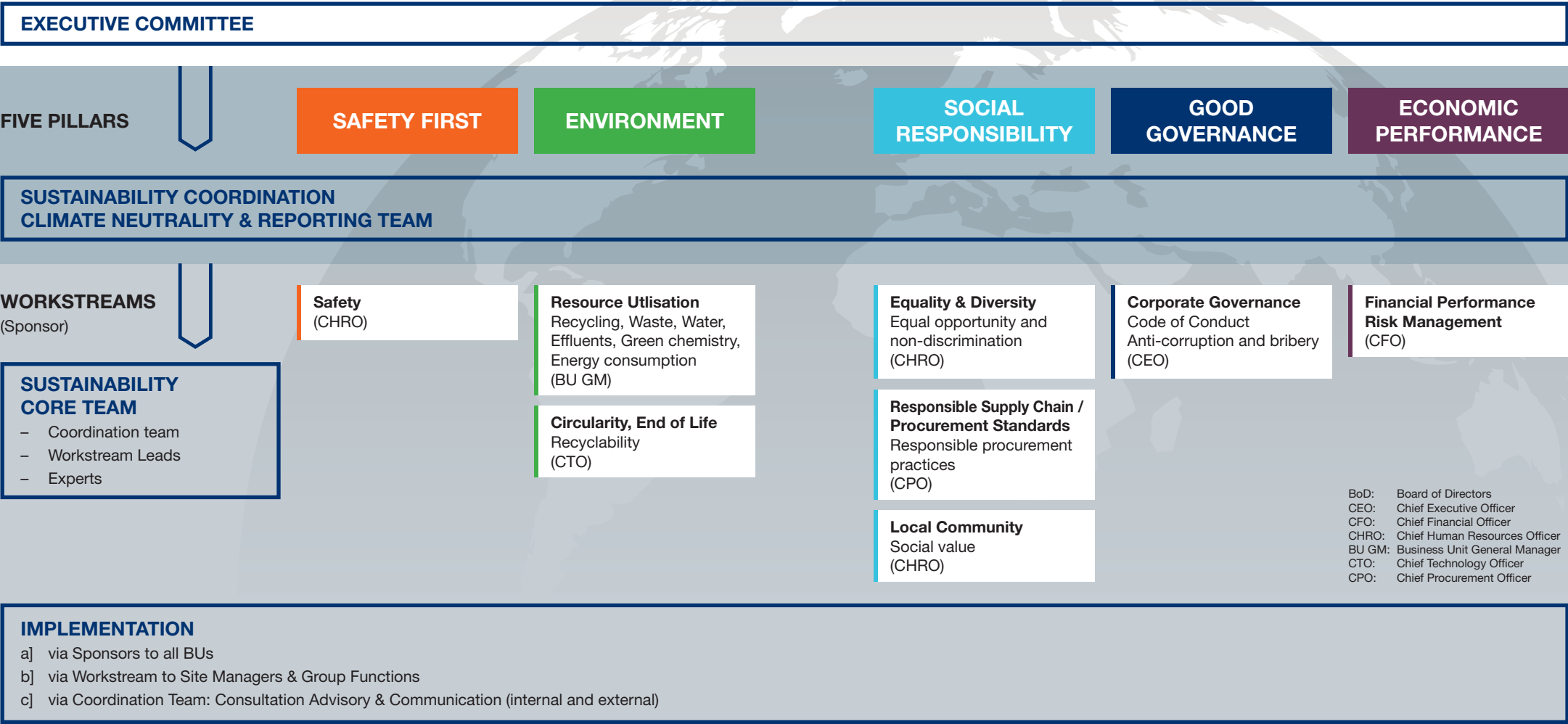
GURIT'S SUSTAINABILITY STRATEGY

Gurit's vision is "With passion for a sustainable future". During 2021, we set up a Sustainability Organization and assigned responsibilities for sustainability to various Members of the Executive Committee. A newly set-up Sustainability Coordination team manages actions, commitments, workstreams, data collection and reporting. There is an annual targets review process. Our Sustainability Strategy is organised by five sustainability pillars: Safety, Environment, Social Responsibility, Governance and Economic Performance.

Dedicated workstreams implement the strategy across the organisation and are sponsored by a member of the Executive Committee with quarterly and annual progress reviews. The Sustainability Policy was rolled out in 2021 and is available online at www.gurit.com/sustainability

Furthermore, Gurit is a signatory of the United Nations Global Compact (UNGC) and reports annually on UNGC Communication progress.

SUSTAINABLE GURIT ORGANISATION



BoD: Board of Directors
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CHRO: Chief Human Resources Officer
BU GM: Business Unit General Manager
CTO: Chief Technology Officer
CPO: Chief Procurement Officer

SAFETY FIRST

SAFETY FIRST POLICY STATEMENT

PRIORITY

Safety is our first priority. The health and safety of our employees, customers and suppliers must never be compromised.

AMBITION

We aim to eliminate work-related accidents, injuries and illnesses, and we strive to achieve a zero-accident environment.

IMPLEMENTATION

Our Incident Investigation & Reporting and Safety Walk standards improve safety in our operations.

CULTURE

We take a holistic approach to safety, and work hard to foster a sustainable and permanent safety culture in everything we do.

CERTIFICATION

We will certify all our production sites with the ISO Standard for occupational health and safety by 2023.

We prioritise health and safety, recognise and correct potential hazards, and follow best practice protocols and procedures.

We speak up and stop work if safety is compromised.



ACHIEVEMENTS 2021



Elimination of Substances of Very High Concern in all our products*



Introduction of a new Safety Management Assessment System at all company sites



Launch of the Health and Safety Onboarding Training Roadmap



9% reduction of accidents and 10% reduction of incidents rate (2020-2021)



45% of our production sites certified by ISO 45001

* For standard and essential product ranges



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG) CONTRIBUTIONS



SAFETY FIRST TARGETS 2022

- Reduction of accidents and incidents
- Maintain a healthy and safe work environment
- Further reduce Substances of Very High Concern (SVHC)



SAFETY FIRST ACTIONS 2022

1. Implement **Health and Safety Onboarding Training Roadmap** for all new employees by 12/2022
2. **Certify** all our production sites with the ISO 45001 **standard for occupational health and safety** by 12/2023
3. Refresher and next level **mental health employee trainings** by 12/2022
4. **Assess and set targets and corrective actions** for all chemical uses at Gurit sites by 03/2023



MEASUREMENTS

- **Number** of accidents and incidents LTAR 4.0 (Group)
Reduction of 23% of Group LTAR by 2022
- Maintain <5% of all Gurit standard and essential products **containing Substances of Very High Concern (SVHC)**

OCCUPATIONAL HEALTH AND SAFETY

In January 2020, following an annual management meeting at which Group Senior Management determined safety to be a priority, Gurit reinforced its commitment to employees with the introduction of a new Safety First occupational health and safety initiative.

A Safety First Core Team, comprising Business Unit Health and Safety representatives, Marketing and Communication and Corporate Health and Safety, was introduced to the organisational structure, which resulted in a variety of issues and perspectives being brought to the table, thereby ensuring all new protocols and actions are relevant. The new group has established a strong foundation throughout the organisation which, with the support of an external consultant, has led to the successful implementation of the Safety First initiative across all Sites and operations.

A global Safety First platform, which records health and safety data from all Sites, allows us to manage the Safety First initiative across the company.

Gurit has introduced internal health and safety audits, with the plan for all Sites to be internally audited once every 3 years.

In addition, we introduced a new Safety Management Assessment System, which allows individual Sites to carry out their own health and safety self-assessments, enabling us to be proactive with our continuous improvement actions.

We are always looking for ways to improve our Health and Safety Management System. Therefore, one of our Safety First targets is to certify all our production sites to ISO 45001 by 12/2023. This is an international health and safety standard that drives continuous improvement of a company's systems and processes, and requires internal and external audits.



“Through our Safety First management organisation, we have implemented strategies, process and actions which have enabled us to set ambitious goals. I am very proud of how the team has come onboard and the results we’ve achieved so far.”

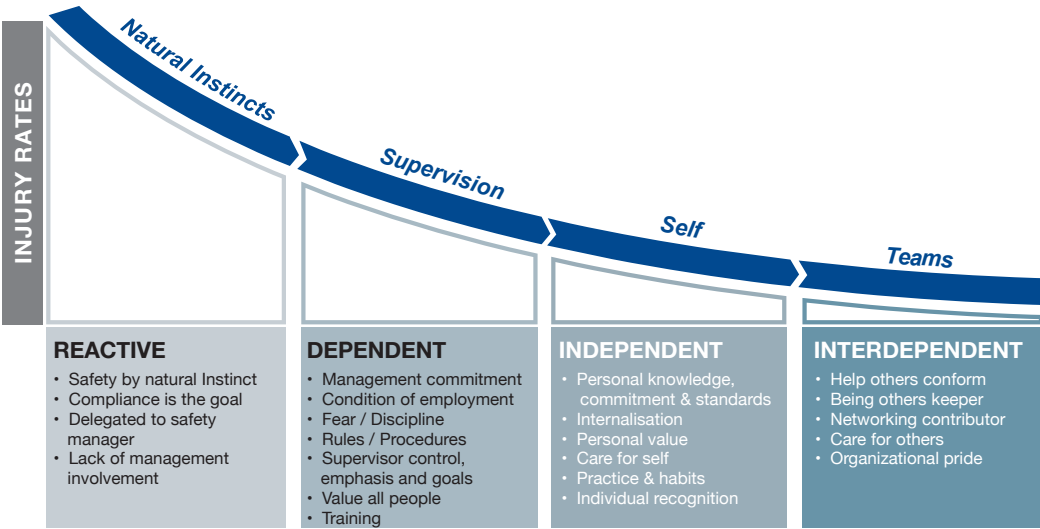
Hannes Haueis, Head of Group Human Resources

- GRI 403-1 Occupational health and safety management system
- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- GRI 403-8 Workers covered by an OH&S management system
- GRI 403-10 Work related ill health

ENGAGEMENT IN THE SAFETY FIRST INITIATIVE

The safety of our employees is a priority to Gurit and all employees have been involved in the Safety First initiative. Initially this was through a safety perception survey in 2020, which was conducted in local languages and available both electronically and on paper. We were supported by external specialist, DSS DuPont Sustainable Solutions, and used the DuPont Bradley Curve™ to analyse the subjective views of all participating staff members before identifying initial priority areas.

In 2021 we continued to focus on employees’ safety awareness, enabling us to progress through the Bradley Curve. We also continued to receive support from DSS DuPont Sustainable Solutions with specialised training on incident investigation and mental health.



The Bradley Curve © 2020 DSS Sustainable Solutions. All rights reserved.

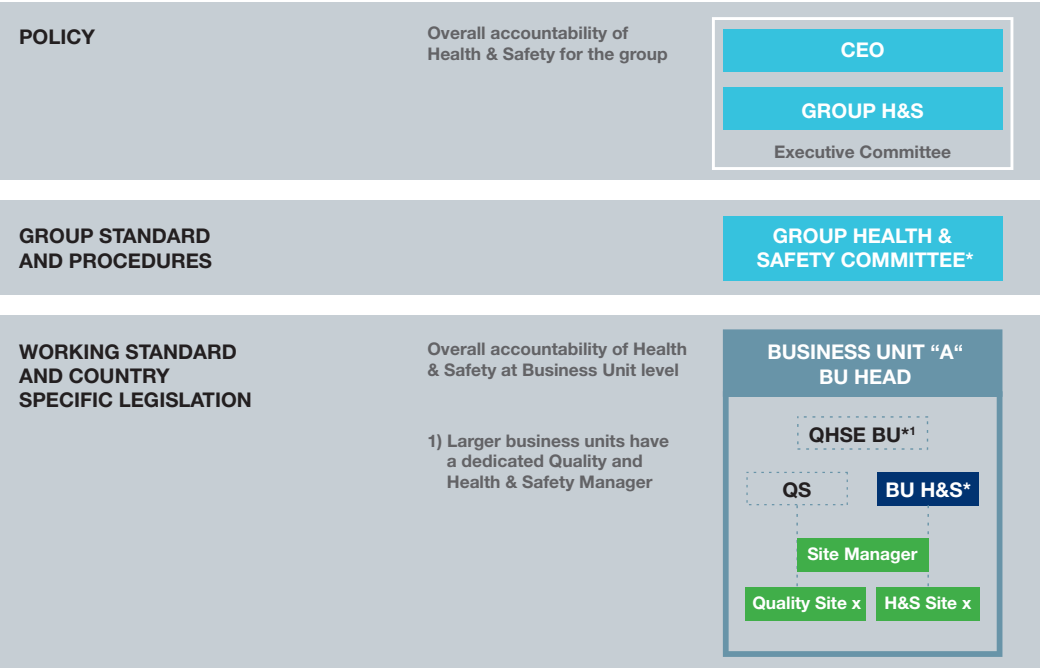
The Bradley Curve serves as a reference for Gurit, allowing us to understand the effectiveness of a successful safety culture from an early stage through maturity, while aligning with our drive for a zero-accident environment.

- GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

SAFETY MANAGEMENT SYSTEM AND PROCESSES

We have developed a comprehensive occupational Health and Safety Management System to include all Gurit Group sites. To start with, a dedicated health & safety organisational structure was established, with defined responsibilities at Group, Business Unit and Site level. These responsibilities are complemented by dedicated Health & Safety Officers at Site level, an extensive training program, a monthly tracking system, and a review of defined KPIs on accidents and incidents (LTAR, LTIR) at monthly Business Unit and Executive Committee meetings.

The Gurit Health and Safety Management System comprises a global policy, as well as standards and procedures, which are adapted for local health and safety legislation requirements.



Safety First Organisation 2020

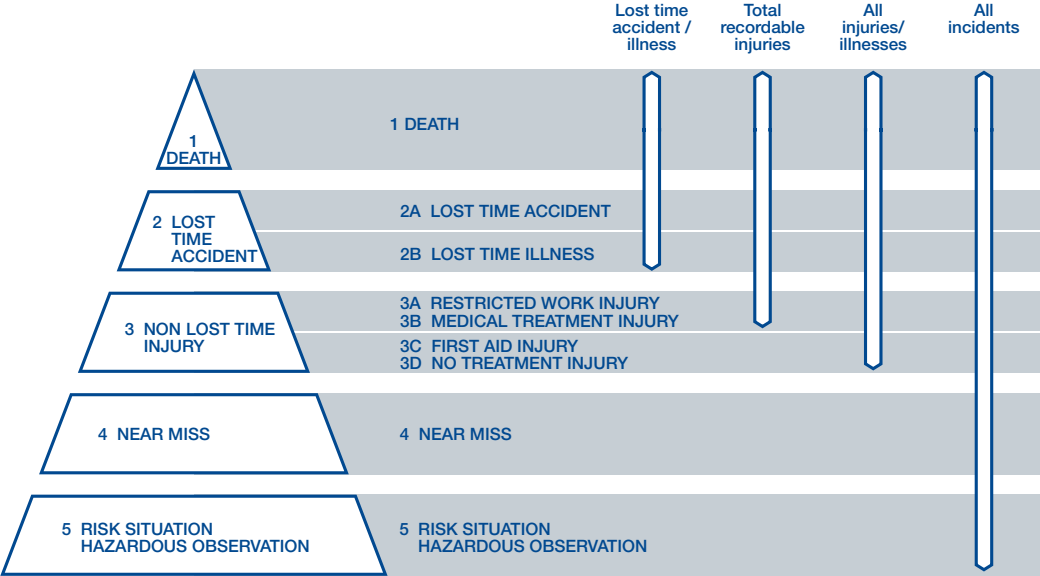
* Member of the H&S committee

➤ GRI 403-1 Occupational health and safety management system
➤ GRI 403-8 Workers covered by an occupational health and safety management system

THE SAFETY PYRAMID

Gurit introduced the Safety Pyramid as a strategy to reduce accidents within the workplace. The base of the pyramid, and keystone to Safety First trainings, is the observation of risks and hazards. Proactively looking for potential dangers throughout our operations, conducting systematic reviews of the workplace, and analysing 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

➤ GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

INCIDENT INVESTIGATION & REPORTING

The Incident Investigation & Reporting Standard, developed and rolled out in 2020, provides requirements and 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. This 8 step process encourages our teams to make safety an integral part of our operations.

To facilitate the implementation of the 8 step process, Gurit provided training on incident investigation methodologies to the Site Managers, Human Resources Managers and Health and Safety Managers throughout the company, with a particular focus on Step 4 which is “Determine Key Factors / Causes”.

-  **Make Initial Response & Report**
-  **Form Investigation Team**
-  **Determine the Facts**
-  **Determine Key Factors / Causes**
-  **Determine Systems to be Strengthened**
-  **Determine Corrective & Preventive Actions**
-  **Document & Communicate Findings**
-  **Follow Up**

8-Step Incident Investigation Process

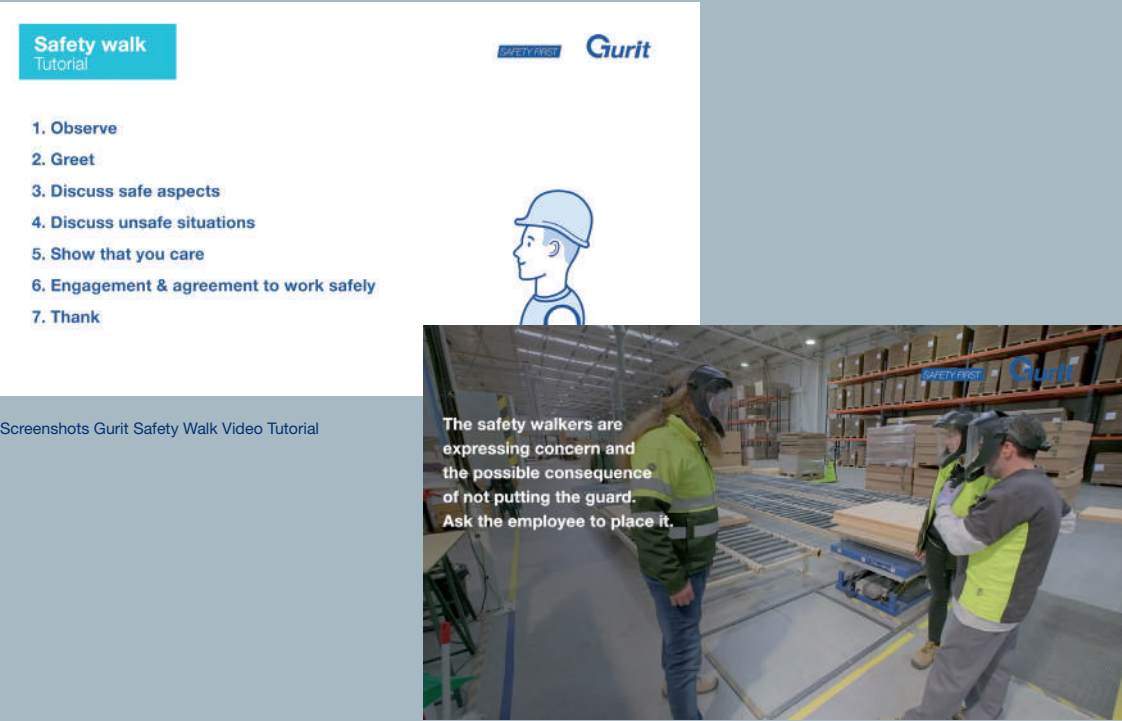
➤ GRI 403-2 Hazard identification
➤ GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

SAFETY WALK STANDARD

We hope to improve habitual Safety First behaviour and prevent injuries and property loss through promoting open dialogue, increasing awareness, by applying established standards in day-to-day operations, as well as training employees to actively observe and identify both unsafe and safe procedures. The Gurit Safety Walk is designed to help deliver this, and the Safety Walk Standard describes how to perform Safety Walks in our facilities.

The Safety Walk Standard was introduced in 2020 at all production sites, and this year the Safety Walk Tutorial was launched. The tutorial is a short instruction illustrating the essential steps of the Safety Walk procedure. By encouraging employees to share their perspective of a situation, we can mitigate and eliminate both immediate and long term risks in the working environment.

The observations from the Safety Walks are collected in the Safety First Platform, and the Executive Committee monitors the Safety Walk performance by site on a monthly basis.



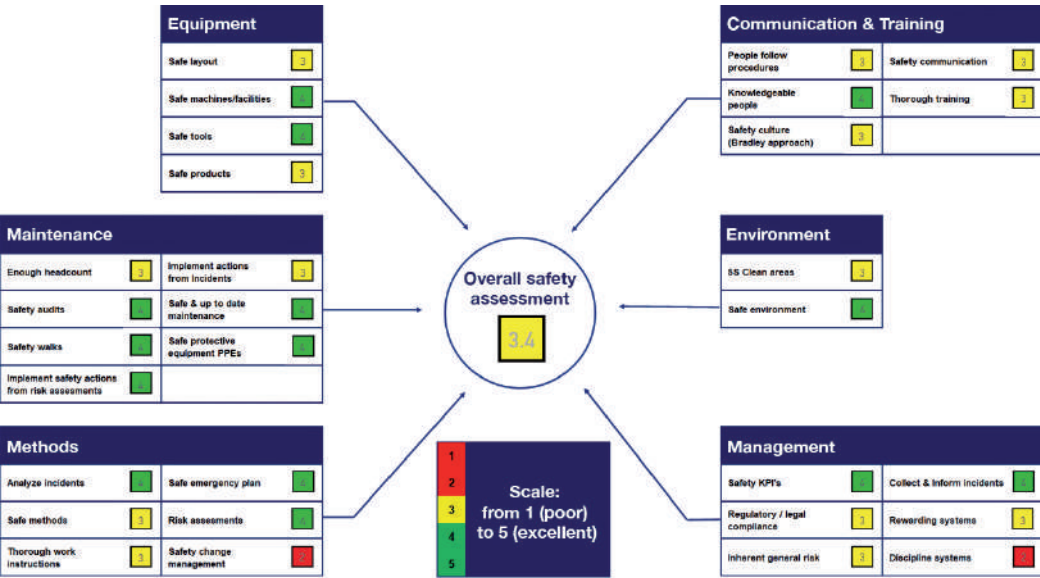
Screenshots Gurit Safety Walk Video Tutorial

➤ GRI 403-2 Hazard identification
➤ GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

SAFETY MANAGEMENT ASSESSMENT SYSTEM FOR OUR SITES

Gurit's Safety First Core Team has created a system that supports Site Managers in identifying and evaluating all areas that influence a site's safety performance, and establishing priority areas to be addressed. This metric, which was drafted in 2020 and rolled out in 2021, guides management to focus on and suitably resource the relevant areas, and supports the follow up of the resulting actions.

The first step is the completion of a standardised self-assessment questionnaire by each Site, which is reviewed biannually at a Site and Business Unit level. The local Site Management conducts the self-assessment, jointly with Site Operations, Maintenance and Safety Managers to ensure consistency and agreement across the functions.

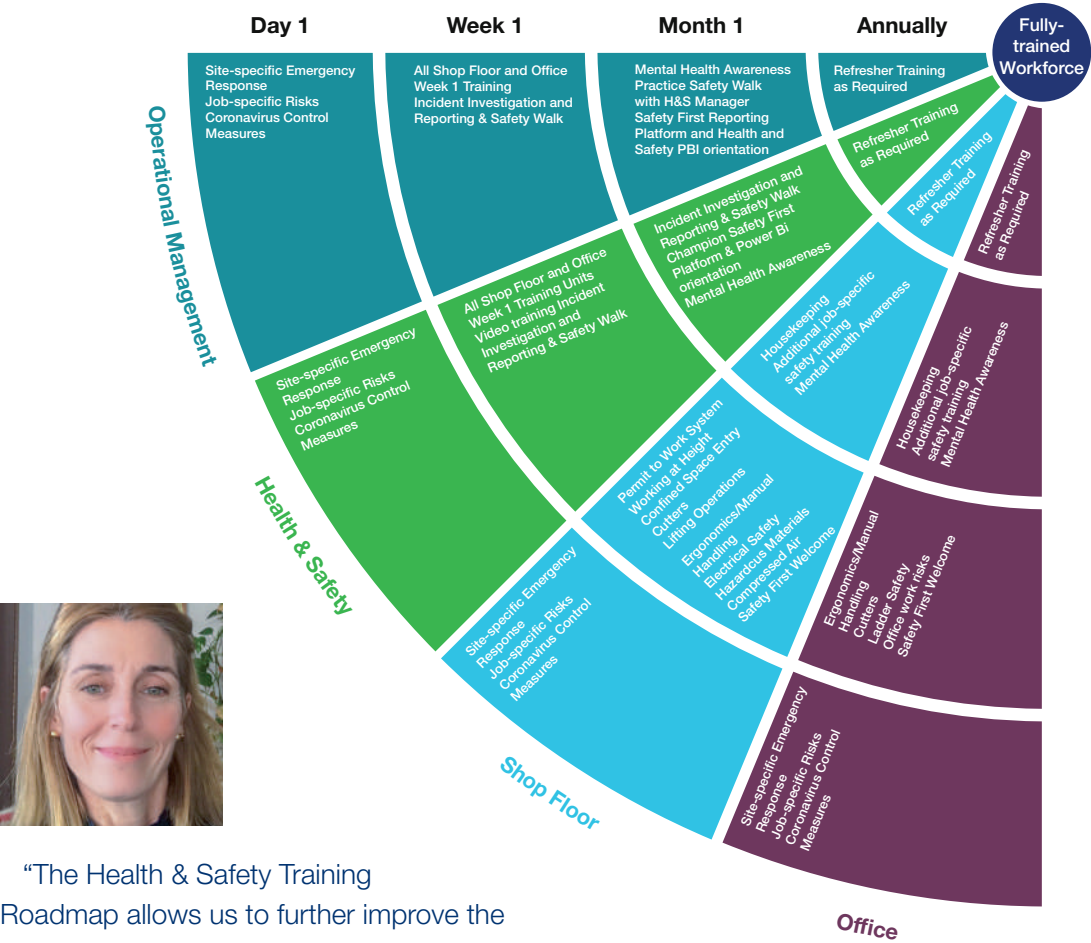


Health and Safety Assessment

➤ GRI 403-1 Occupational health and safety management system
➤ GRI 403-2 Hazard identification, risk assessment

HEALTH & SAFETY TRAINING ROADMAP

Although safety training to date has primarily focussed on two standards, namely Incident Investigation & Reporting and Safety Walk, this year Gurit launched an initiative to deliver broader health and safety training across the company. The result is a Health & Safety Training Roadmap, which allows us to better understand the training requirements of our employees and manage the fulfilment of internal training. To assist further, we have clearly defined the purpose of each course and developed content guides for them within the training units.



“The Health & Safety Training Roadmap allows us to further improve the health and safety management at Gurit, establishing a general framework inside which each Site can develop specific guides according to its needs.”

Begoña Fernández, People Development Program Manager

➤ GRI 403-5 Worker training on occupational health and safety

MENTAL HEALTH INITIATIVE

As a part of the Safety First training in 2021, Gurit launched a mental health initiative, with the goal of supporting employees and educating leaders about mental health in the workplace. The program aims to increase awareness, enable identification of early symptoms, as well as improve the practical skillset among managers. The initiative is supported by the specialised consultancy DuPont Sustainable Solutions DSS.



“We’ve started creating spaces for mental health issues to be discussed in an open way, reducing any stigma surrounding it and providing tools and resources for those colleagues who may find themselves needing external help. Cultivating a workplace environment in which employees feel supported and comfortable when discussing mental health issues is important, because most individuals struggling with their mental health often do not seek help or easily express their feelings. Creating a safe space for them to focus on their health is critical.”

Josep Fàbregas, Head of Project Management, Wind Systems

TRAIN THE TRAINER

Significant employee involvement is a key success factor in the development of an effective safety culture, and is therefore central to the Safety First initiative at Gurit. To both firmly establish health and safety standards and strengthen a safety culture throughout the organisation, we have adopted the “train the trainer” concept. Safety Representatives are designated employees who attend training programmes and later pass on their knowledge by training other groups of colleagues. This creates a functional cascade and increases engagement and understanding of the Safety First concepts as defined at Corporate level. The Safety Representatives are equipped with the necessary tools and expertise to roll out the Incident Investigation & Reporting and the Safety Walk Standard, conduct trainings and ensure local implementation on site. Every employee is urged to take responsibility for the adherence of the standards, rules and regulations, to make the working environment as safe as it can possibly be, for themselves and each other.

OCCUPATIONAL HEALTH AND SAFETY COMMUNICATION

As part of the roll-out of the Safety First initiative, Gurit has strengthened its internal communication at Corporate and Site levels. Measures include an employee safety perception survey, which was sent to all staff members (translated into local languages), a safety newsletter available in translation, and the implementation of regular safety meetings at Site level, either with all staff or established Safety Committees. During these meetings, employees receive information and can raise concerns or share safety observations. Safety briefings have been implemented as a standard procedure at shift changes, and weekly, fortnightly or quarterly meetings (depending on the Site) have been set up. The meetings commence with a safety observation and then continue with the sharing of best-practice observations, and learnings from accidents, incidents or near-misses.



Safety Training in Mexico

It is important at Gurit that all employees are regularly reminded to put Safety First. For this reason, Safety First posters were provided to Sites this year, to decorate the walls of work areas, corridors and offices and to keep it front of mind.



Safety Poster Campaign

The Gurit Safety Rangers were introduced to many of our Sites this year. The goal of the Gurit Safety Ranger character is to display how many days the Site has achieved without lost time accident, and to remind employees about the importance of keeping safe every day.



Zurich office introducing the Safety Ranger displaying the number of accident-free days

HIGH AMBITIONS PUTTING SAFETY FIRST

To achieve our zero work-related injuries and illnesses objective, commitment and determination at all levels of the organisation is required. We truly believe every accident is avoidable. A number of sites celebrated 365 days and more without a Lost Time Accident, an achievement we are proud of and which demonstrates the effectiveness of the program.



Balsaflex production team in Ecuador in a safety training

➤ GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

WORK-RELATED INJURIES AND ILL HEALTH

The safety of our employees is a priority at Gurit and we proactively identify and minimise hazards through the Safety Walks and in the self-assessment process. If an incident takes place, it is reported, with type of injury, main cause and consequence of the injury recorded in our Safety First platform. 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.

	2021		2020		2019*	
	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURES (NLTI)	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURES (NLTI)	LOST TIME ACCIDENT (LTA)	NON-LOST TIME INJURES (NLTI)
Aerospace	0	10	3	5	9	30
Wind Systems	17	68	16	83	21	94
Marine / Industrial	11	136	13	153	18	99
Manufacturing Systems	4	15	1	13	5	6
Total	32	229	33	254	53	229

* Data "2019": 1.11.2018 - 31.10.2019; widened scope now includes accidents/incidents on direct way to/from work.

The number of work-related accidents and incidents decreased in 2021. The main causes of work related injury at Gurit Sites are falling over due to an object on the floor and being hit by an object. We recorded two accidents and ten incidents among contractors.

The following table provides additional details of the types of accidents, as defined by the GRI Standard:

	2021			2020		
	FATALITIES	HIGH-CONSEQUENCE WORK-RELATED INJURIES	RECORDABLE WORK-RELATED INJURIES	FATALITIES	HIGH-CONSEQUENCE WORK-RELATED INJURIES	RECORDABLE WORK-RELATED INJURIES
Aerospace	0	0	0	0	0	0
Wind Systems	0	1	22	0	0	19
Marine / Industrial	0	0	33	0	1	32
Manufacturing Systems	0	0	11	0	0	11
Total	0	1	66	0	1	68

Gurit recorded no fatalities among workers or contractors, and five recordable work-related injuries among contractors in 2021.

In 2021 the Lost Time Incident Rate (LTIR) was 37.65 per million hours worked, and the Lost Time Accident Rate (LTAR) was 5.04, which have increased slightly compared to 2020. The higher rates can be attributed to better reporting of Safety First data and the opening of additional Sites.

RATE PER MILLION HOURS WORKED	2021	2020	2019
Lost Time Accident Rate (LTAR)	5.04	4.57	8.68
Lost Time Incident Rate (LTIR)	37.65	35.13	36.61

During the reporting period, two cases of work-related ill health, attributed to stress and musculoskeletal disorders, have been reported at the Safety First platform.

We have a number of initiatives and systems in place to help us to further improve the health and safety management across the company and proactively work to minimise work-related ill health.

➤ GRI 403-9 Work-related injuries
➤ GRI 403-10 Work-related ill health

ACHIEVING OUR GOAL OF ZERO ACCIDENTS

1000 DAYS WITHOUT AN ACCIDENT AT GURIT ECUADOR

In 2021 Gurit's Team in Ecuador celebrated 1,000 days without incurring a lost time accident (LTA). This kind of success could only be achieved with discipline, awareness, effective supervision by the team leaders, control systems, training and regular risk assessments.



365 SAFE DAYS CELEBRATION AT GURIT AHMEDABAD

Our site in Ahmedabad, India, celebrated 365 safe days without accidents on December 2021. This type of celebration encourages all employees to step up and help make Gurit a safe place to work, as well as to ensure safety is integrated not only in the workplace but also into everyday life.



CELEBRATING 1000 DAYS WITHOUT LTA AT GURIT MONTREAL

In June 2021, employees at our Site in Montreal, Canada, celebrated 1000 days without a Lost Time Accident (LTA).



“I am proud of the team’s efforts in our Safety First program. It requires everyone to contribute for it to be successful. We see our focus on safety as an opportunity to bring about positive change that impacts everyone. This day was for the team!”

Soren Groth, Site Manager – Montreal, Canada



ON THE ROAD TOWARDS ISO CERTIFICATION

At Gurit, we never compromise the safety of our employees, customers or partners, nor the quality of our products and services. We aim for the highest standards in what we deliver as well as how we deliver it. In 2020 we launched a company-wide initiative to certify all our sites with ISO 14001 and ISO 45001 by 2023. These management systems support us to run our operations in the safest and most effective way.

ISO 9001 is a set of criteria for quality management systems and is based on a selection of quality management principles including a strong customer focus, the involvement and leadership of top management, the process approach and continual improvement.

ISO 14001 sets out the criteria for an environmental management system and provides a framework that can be followed to set up an effective environmental management system and assures that environmental impact is being measured and improved.

ISO 45001 is an international standard to improve occupational health and safety standards by reducing risks in the workplace as well as creating better and safer working conditions. 10 of our sites are already ISO 45001 certified – including our Girona and Ecuador sites who received ISO 45001:2018 certification in September 2021.

STATUS OF ISO CERTIFICATION

CERTIFICATION	# OF SITES CERTIFIED (AS OF 31.12.2021)	# OF SITES CERTIFIED (AS OF 31.12.2020)	# OF SITES PLANNED / IN PROGRESS (2022/2023)	% OF SITES CERTIFIED / PLANNING TO BE CERTIFIED (2022/2023)		% OF EMPLOYEES COVERED
				% OF ALL SITES (OFFICES AND PRODUCTION)	% OF PRODUCTION SITES	
ISO 9001	20 (91%)	18 (94%)	3	77%	100%	97%
ISO 14001	10 (45%)	9 (47%)	12	73%	100%	79%
ISO 45001	10 (45%)	4 (21%)	12	73%	100%	92%

2020: Total number of sites: 29 (also including non-production sites) Total number of production sites: 19
2021: Total number of sites: 30 (also including non-production sites) Total number of production sites: 22

“Achieving ISO 45001:2018 certification in Ecuador and Girona was possible due to the engaged and dedicated teams at the sites, along with a strong Safety First commitment from management who provided all resources and training needed. Now we strive for all our sites to be ISO 45001:2018 certified, ensuring all our employees can stay safe and our work environment is as good as it can be.”

Mara Ferrari, Sustainability & Environmental Manager, Wind Systems



CHEMICAL SAFETY

At Gurit, safety always comes first, and this includes not only the safety of the work environment but also the chemicals used in our products. Therefore, we actively monitor the chemical safety and regulatory landscape for new data generation and emergent regulations affecting chemicals. This proactive monitoring process ensures we have the agility to act on changes in chemical hazard legislative processes in a timely and informed manner.

To manage chemical safety across the business in a responsible way, Gurit has developed its hazardous chemicals management policy which sets out the framework to reduce or eliminate the use of chemicals of concern. We have two goals for 2022 regarding chemical safety:

- Reduce and maintain < 5% of all Gurit standard and essential products containing Substances of Very High Concern (SVHC) according to European REACH regulation
- Assess and set targets for all chemical uses at Gurit Sites

PHASING OUT CHEMICALS OF CONCERN BY 2022

Since the advent of REACH in 2008, the European Chemicals Agency has designated a total of 219 Substances of Very High Concern (SVHC) to date. Of specific note to the composites industry was the inclusion of Bisphenol A and Nonyl Phenol. These substances are present in many epoxy-hardeners and, although they can provide very effective technical benefits, the hazard profiles of endocrine disruption and bio-persistence mean that removal of such substances is of paramount importance. A key target set out by Gurit in 2017 was to remove all SVHCs from all our standard and essential products by 2022. This is a major task given that the European Chemicals Agency are designating more SVHCs every year. The removal of such substances not only eliminates these harmful chemicals from the supply chain, but also reduces reporting requirements for our customers such as those under new European waste reporting schemes in force from 2021. In addition to phasing out EU designated SVHCs, Gurit endeavours to go further and remove all carcinogens, mutagens and reprotoxic (CMR) chemicals from its products.

We have made significant progress in eliminating SVHCs from our standard and essential product ranges with a large reduction in the number affected – from 65% in 2017 to currently 0% of products (in standard and essential ranges within the Formulated, Prepreg, including Aerospace and Core product offering).

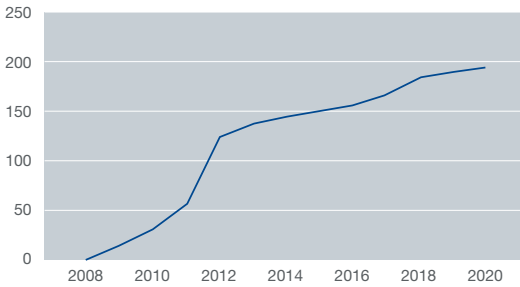
The set target of achieving < 10% by 2022 has been met successfully and Gurit is also on track to maintain <5% SVHC containing products another target that Gurit has set itself from 2022 to 2025. The number of SVHCs used in Gurit standard and essential products has been reduced from a maximum of 10 substances in 2019 to none by the end of 2021. The graph illustrates the situation as of December 31, 2021. At this time 219 substances are designated as SVHCs by the European Chemicals Agency (ECHA).

➤ GRI 403-8 Workers covered by an OH&S management system

SUBSTANCES OF VERY HIGH CONCERN IDENTIFICATION

The European Chemicals Agency has worked since 2013 with the European Commission and Member State Authorities to identify Substances of Very High Concern (SVHC). The SVHC roadmap ran from 2013 to 2020, more SVHC's are expected to be identified as data gaps in hazard profiles are closed. The graph shows the increase in SVHCs since the advent of REACH in 2006.

CUMULATIVE NUMBER OF CANDIDATE LIST SUBSTANCES



Source: SVHC Roadmap 2020 – achievements and extended aims

PRODUCT DEVELOPMENT OPPORTUNITIES

Gurit sees new product development as an opportunity to assess and remove the most harmful chemicals from its product range. Each new product development undergoes a rigorous regulatory risk assessment process to ensure the right chemical selection is achieved.

Gurit's drive to reduce the hazard profile of products has resulted in re-engineered formulated and prepreg product developments such as SE 90 and SE 75 prepreps, the Spabond™ 800 and 400 ranges, and the Am-preg™ 3X laminating range. Some of these products also incorporate Gurit's unique Light Reflecting Technology (LRT), allowing the user to detect the presence of contamination on clothing and around the work environment to monitor exposure with the support of a simple UV light. This is a useful tool to reduce exposure to chemicals with hazardous properties such as sensitization where repeated contact must be kept to a minimum. All these measures are part of Gurit's commitment to provide customers with products compliant with best-in-class health and safety standards.

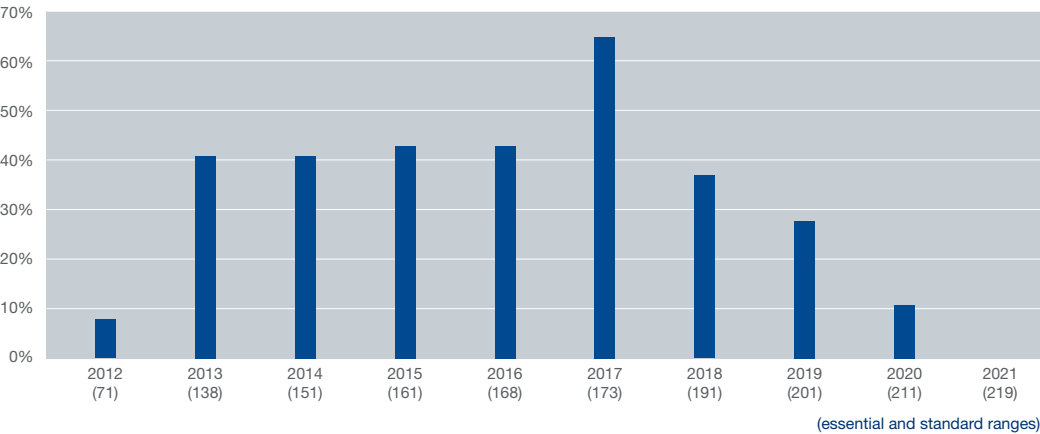
As well as new product developments, simplification of product ranges such as using the multifunctional Am-preg™ 3X laminating hardeners range with the PRIME 37 resin system, allows a broader use of lower toxicity products as well as simplifies the product range for customers and enables less waste generation.

GURIT'S REGULATORY RISK MANAGEMENT OF CHEMICALS

One of our risk management areas of focus is the risks of chemicals, in terms of their potential effects on human and environmental health but also in terms of the supply chain and regulatory risks. Such risks are monitored and mitigated where required. Compliance is constantly reviewed by a dedicated Chemical Compliance Manager, and relevant projects are developed and implemented in a timely manner for our product range.

The effective management of chemicals ensures that Gurit materials are compliant with global legislation. such as the Toxic Substances Control Act (TSCA) and the European Union's Registration, the Evaluation, Authorisation, and Restriction of Chemicals (REACH) Regulation, as well as the Globally Harmonised System of Classification

GURIT FINISHED PRODUCTS WITH SVHCS > 0.1%



and Labelling of Chemicals (GHS). Changes to legislation and chemical hazard profiles are continually monitored through tracking software, attendance at relevant conferences, forums and being a member of industry relevant societies, ensuring action is taken where appropriate.

The role of chemical regulatory management looks at the entire lifecycle of the product, ensuring that wider issues of sustainability such as water use and recyclability are also considered in chemical use and risk management. Chemical management is integrated throughout the business, within the technology, innovation, safety and sustainability core teams.

Gurit provides education and technical support relating to chemical regulatory compliance to the sales teams, distributors and customers. Currently, several established management systems are in place: databases, change management, and development gateways. They ensure the effective management of data and capturing of chemical compliance, along with full documentation around decision making and change management processes.

“We proactively work with suppliers to ensure new product developments are free from the most harmful substances, allowing us to maintain a sustainable supply chain for our customers and enabling them to transition to safer, sustainable alternative products.”

Amy Moram, Chemical Regulatory Compliance Manager



INFORMATION AND SUPPORT

Information and training are also part of Gurit's commitment to safer chemicals. We inform our Sites and customers about the availability of a round-the-clock emergency hotline for use in the event of any chemical-related incident such as fire, spillage or exposure. The emergency contact details are given out on all product Safety Data Sheets and dangerous goods notes where required. The details are also displayed on the website and technical data sheets. Carechem 24 is a service provided by the United Kingdom's National Chemical Emergency Centre (NCEC) and provides a global service, with emergency contact telephone numbers for each and relevant language.

Carechem 24 emergency contacts: the-ncec.com/en/emergency-response/24-7-chemical-helpline

GRI 416 Customer health and safety

INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

There were no reported calls of severe incidents in 2021. One incident of an earlier reporting period (2019) is still pending and may result in a fine of the equivalent of CHF 4500. It concerns a safety audit by a local labour inspector related to epoxy-allergies and improvement action plan.

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

The Regulatory Compliance Officer 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. Bio-based formulated products are accredited to TUV Austria OK Biobased initiative and labelled in accordance with the requirements of this accreditation. In 2021, no complaints or violations regarding product marketing and labelling were brought forward in the reporting period. 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 2021, apart from one Site which received a warning regarding one shipment due to the lack of visibility of the labels on the merchandise.

GRI 417-2 Incidents of non-compliance concerning product / service information and labelling



Gurit Light Reflective Technology (LRT) is an optional additive that has been introduced in order to reduce workers' exposure to hazardous chemicals by means of a simple UV-lamp. The additive to the resin matrix can be applied to any laminating and adhesive system without changing their mixing and handling properties or cured resin performance.

ENVIRONMENT

OPERATING ON
100%
RENEWABLE
ELECTRICITY
SINCE 2021

ENVIRONMENTAL POLICY STATEMENT

ENVIRONMENTAL IMPACTS

We avoid or reduce emissions; we measure our performance; and we aim for best practice in our industry. In particular we minimise toxic and greenhouse gas emissions, remedy causes of fugitive emissions, and properly process other emissions.

EFFECTIVE RESOURCE UTILISATION

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

GREEN CHEMISTRY

We reduce or eliminate the use of chemicals of concern and work with our suppliers to source more sustainable raw materials.

CLEAN TECHNOLOGY

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

PRECAUTIONARY APPROACH

We systematically assess, manage and communicate risks. When there is reasonable suspicion of harm, we apply precaution in terms of health and safety and the environment.

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

We set ambitious reduction targets to achieve climate neutrality.

We behave responsibly.



ACHIEVEMENTS 2021



**Climate
Neutrality**
for scope 1 & 2
and partial scope 3



**Water Management
Guidelines and
Risk Assessment**
adopted and rolled-out to all
production sites



**100%
Renewable Electricity**



**Post-Consumer
PET Bottles recycled**
into structural PET foam



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)
CONTRIBUTIONS



ENVIRONMENT TARGETS 2022

Climate neutrality and resource utilisation

- **Maintain climate neutrality** for scope 1 (direct emissions) and scope 2 (100% Renewable electricity)
- **Reduction of direct and indirect greenhouse gas emissions**
- **Responsible use of resources**

Circularity / End of Life

- **Circularity as integral part of Technology & Innovation and Product Strategy Q2/2022**
- **By end 2022, engage in initiatives/projects where Gurit can be a contributor and partner to solve circularity challenges**



ENVIRONMENT ACTIONS 2022

Climate neutrality and resource utilisation

1. **Design an operational program** to reduce emissions, waste, material use, and energy consumption. Prioritise the top10 emitters.
2. **Externally commit to** greenhouse gas reduction **targets** by 07/2022
3. **Sustainability investments** have the option to extend investment payback period, for all sites, starting 2022, with regular CAPEX process
4. **Introduce greenhouse gas valuation method** by 11/2022
5. **Implementation of Water Management** Guidelines by all sites by 12/2022
6. Purchase renewable electricity

Circularity / End of Life

1. **Collate ideas for products** with improved ecological footprint (ongoing)
2. **Assess** the environmental impact of products/concepts. Systematically apply Life Cycle Assessment by 12/2022
3. **Identify engagement opportunities** in industry discussions and initiatives around circularity and end of life challenges by end 2022 for a) wind blades b) marine and industrial sectors



MEASUREMENTS

- **KPI for efficient use of resources:**
Emissions in kg / Raw material use in kg / Waste in kg or t / Electrical power in kWh (absolute values and relative efficiency)
- **Water risk assessment** implemented by each production site by 12/2022
- **Green Products Roadmap available** by 12/2022 for selected, by 12/2023 for all product segments
- **Complete Life Cycle Analysis (LCA)** by 12/2022 for all core materials and adhesives

CLIMATE NEUTRAL IN 2021

As a supplier to the renewable energy industry, Gurit maintains its commitment to economical manufacturing with minimal ecological impact.

In 2021, we achieved climate neutrality for emissions under our direct control. For direct emissions from our own operations (scope 1) we set up a workstream to reduce our emissions, and compensated the emissions we generated but could not yet avoid by financing a VERRA certified carbon avoidance project, a wind farm in India. This also compensates for an important part of our indirect (scope 3) emissions where we have some control. As for our electricity-related emissions (scope 2) we are now powered by 100% renewable energy; where some sites were unable to access renewable energy sources directly via their local utility supplier, we purchased Energy Attribute Certificates (EAC), converting our operations to be fully powered by renewables.

In 2022, we aim to continue this progress and now look forward to working with our supply chain and industry partners, to continue to reduce greenhouse gas emissions and to proactively address circularity and end of life challenges.

The main vectors of our environmental efforts are minimising our impacts by avoiding or reducing emissions, and by making use of natural resources effectively and responsibly.



“We have achieved climate neutrality for scope 1, 2 and partial scope 3. I’m very proud of the significant work undertaken by our staff and their commitment to sustainability.”

Mitja Schulz, CEO



In 2021, we took four major steps to tackle our greenhouse gas footprint. Firstly, we have set-up a comprehensive sustainability organisation. In addition, the newly created Resource Utilisation workstream will by the end of 2022 design an operational program to reduce emissions and introduce efficiency measures throughout our organisation. This will ensure we are committing to quantitative reduction targets that are realistic and fully supported by our operations. As a third measure we have set the target to introduce an internal CO₂/GHG valuation method by the end of 2022. Knowing what our greenhouse gas footprint is will help with our product and business development decision making. And fourth, we have introduced a data collection tool which allows us to further improve GHG monitoring across the company. All Group Sites are now able to add, review and update their data through this platform.

OUR GREENHOUSE GAS FOOTPRINT

We report our emissions for the Greenhouse Gas (GHG) scope 1 (direct emissions), scope 2 (purchased electricity), and a part of scope 3 (indirect up- and downstream emissions).

We have achieved a substantial reduction of our scope 2 emissions to almost zero due to the successful switch to 100% renewable electricity of our entire electricity consumption. Our direct emissions (scope 1) have decreased by 5.5% compared to the previous year. The largest share of our emissions are the ones occurring outside our premises, our indirect emissions (scope 3) where we see an increase of 8% that we attribute to improved and extended data (transportation of raw materials). Otherwise our partial scope 3 emissions would have decreased by roughly 12%.

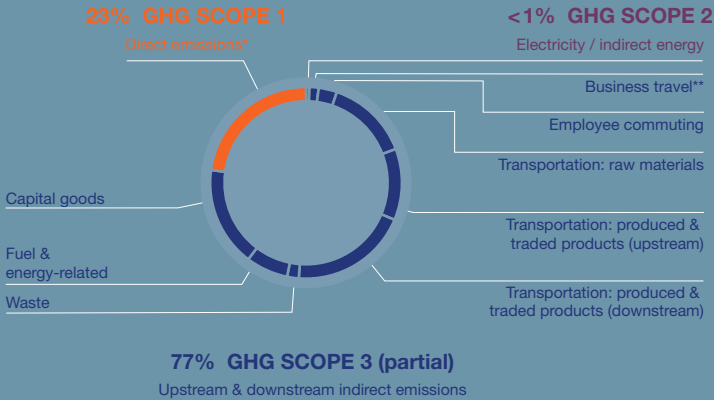
We see a positive trend of direct emission reduction across many categories. Some initial measures we implemented have already contributed to this, such as the much increased share of waste recycled; however we must also note that there was a reduction in our net sales and related production activity in some product ranges, which lead to lower transportation-related emissions. Some data from previous years’ reporting has been re-stated, due to an update of emission factors and improved data quality.

In some categories we also noticed emission increases. They can be partly explained by the addition of new sites, for example affecting capital goods, but also improved data collection in general or by taking into consideration for the first time upstream transportation of raw materials.



OVERVIEW OF GREENHOUSE GAS EMISSIONS

IN TCO _{2e}	2021 AFTER COMPENSATION	2021*	2020**
SCOPE 1: DIRECT EMISSIONS	0	21 334	22 578
Stationary combustion		9 921	10 598
Mobile combustion		746	1 090
Process emissions		10 271	10 108
Fugitive emissions		396	782
SCOPE 2: ELECTRICITY	0	532	22 706
Electricity		0	22 153
Heating and cooling		532	553
SCOPE 3 (PARTIAL): INDIRECT EMISSIONS	0	71 446	66 150
Business travel		1 450	1 273
Employees commuting		2 885	3 673
Transportation of raw materials (upstream)		13 111	–
Transportation of produced and traded products (upstream)		11 241	14 447
Transportation of produced and traded products (downstream)		18 574	22 317
Waste generated in operations		1 834	3 745
Fuel- and energy-related activities		6 638	8 019
Capital goods		15 713	12 676



* 2021 corresponds to the sustainability reporting period 1.11.2020 to 31.10.2021.
** 2020 corresponds to the reporting period 1.11.2019 to 31.10.2020.
For detailed explanation of our greenhouse gas reporting, factors applied and corrections made, please refer to the Technical Statement on p. 124 as well as to the the chapter "Reporting Scope" at the end of this report.

- 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

GHG EMISSIONS INTENSITY

Our greenhouse gas emissions’ intensity ratios have decreased to zero if we consider our conversion to 100% renewable energy via EAC certificates and the certified compensation. Without the certified compensation measures our intensity would be as low as 43 tons of CO2e per million USD sales.

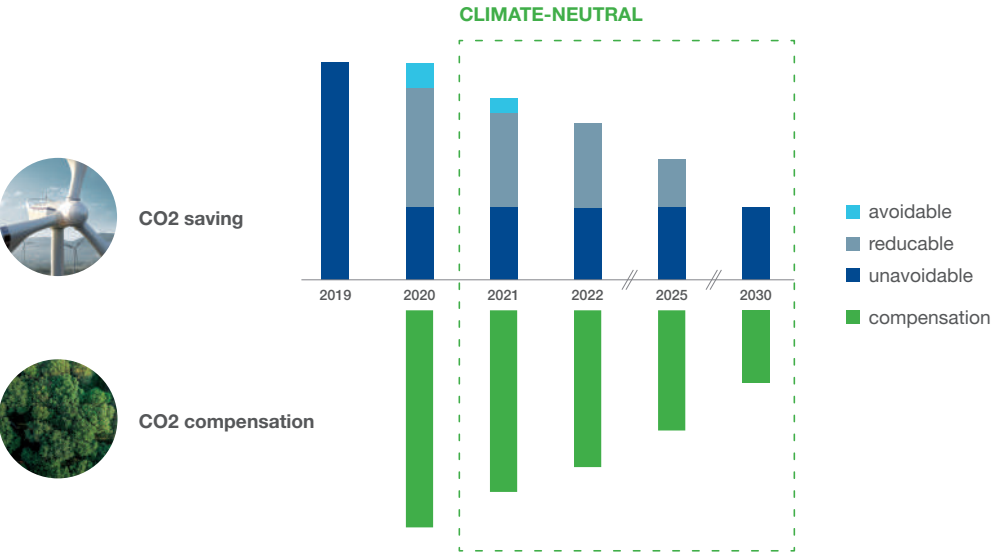
CARBON INTENSITY (SCOPE 1, 2)

EMISSIONS IN TONS OF CO2e	2021 AFTER COMPENSATION	2021	2020
per million USD sales	0	43	73
per million CHF sales	0	47	78
per employee	0	8	14
per square meter of plant surface	0	0.04	0.09

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.

GRI 305-4 GHG emissions intensity

GURIT’S APPROACH TO CLIMATE NEUTRALITY



AREAS OF ACTION FOR EMISSION REDUCTION

DIRECT OWN EMISSIONS (SCOPE 1)	EMISSIONS OWN ENERGY CONSUMPTION (SCOPE 2)	EMISSIONS UPSTREAM SUPPLY CHAIN (SCOPE 3)	EMISSIONS PRODUCT USE (SCOPE 3)
 - Reducing the emissions of our own locations (ambition: - 5% annually) - Reduction of all emission categories according to Greenhouse Gas Protocol - Offsetting of emissions via compensation while we reduce emissions	 - Energy efficiency measures - Own power generation (solar power rooftop) - Purchase of green electricity (directly from local utility, if not available via purchase of EAC certificates)	 - Reduction of emissions in purchased products and services - Reduce transportation related emissions: regional procurement, routes optimisation. - Reduce / optimise packaging	 - 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

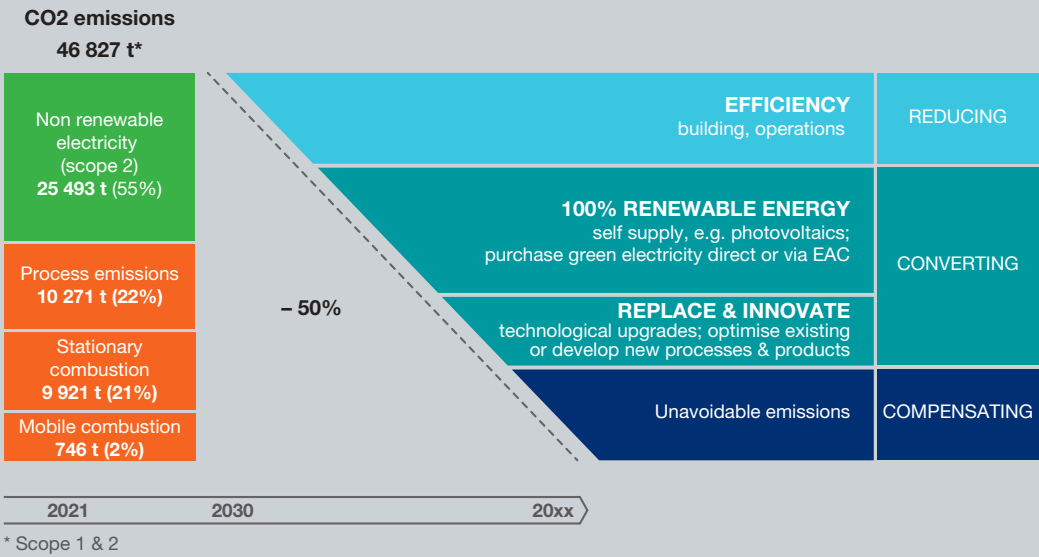
ECO-EFFICIENCY AS AN OPERATIONAL DUTY

In 2021 we set up a sustainability organisation and workstreams to address our greenhouse gas footprint at the operational level. Among the measures for reducing scope 1 and 2 GHG emissions are the improvement of the energy efficiency of our sites. Our goal is also to go further and identify conversion measures, through innovation and optimisation, that will allow us to reduce our consumption and emissions. The Tianjin case study in this report is an illustrative example for this strategy.

Our Global Procurement department will support our sites to source renewable energy locally or via EAC certificates. Furthermore, as in 2021, for direct emissions that cannot yet be reduced or converted we will evaluate suitable compensation projects.

We are committed to reduce our GHG emissions across the company and will continue to do so, starting 2022 with the help of the newly formed sustainability workstreams “Resource Utilisation”, “Responsible Supply Chain” and “Circularity” who will focus their efforts on the areas of actions illustrated above.

OUR STRATEGY FOR REDUCING OUR GREENHOUSE GAS FOOTPRINT



SAIPURAM WIND, INDIA: OUR COMPENSATION PROJECT THAT SUPPORTS THE CLEAN-ENERGY TRANSITION TOWARDS A LOW-CARBON FUTURE



Gurit has financed part of an onshore wind park in Saipuram in the Indian state of Andhra Pradesh to achieve carbon neutrality in 2021 for its scope 1 and partial scope 3 emissions that today cannot yet be avoided or reduced within our operations.

By harnessing strong prevailing winds, carefully located wind turbines generate clean electricity for the state grid. This helps to reduce the need for fossil-fuel generated electricity and increase energy security in India. The project provides green electricity to support India's growing economy, and also brings benefits, such as jobs and infrastructure, to underdeveloped regions.

The Certificates of Verified Carbon Unit (VCU) Retirement of 66 984 plus 73 516 Verified Carbon Units has been issued on behalf of Gurit Holding AG on January 21, 2021. The VCU Retirement serial numbers are: 9334-80963563-81030546-VCS-VCU997-VER-IN-1-1788-040822018-31122018-0 and 9335-81030547-81104062-VCS-VCU-997-VER-IN-1-1788-01012019-03102019-0. This supports the Renewable Power Project by Saipuram Wind Energies Private Limited and is governed by the VERRA Verified Carbon Standard.

➤ 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 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

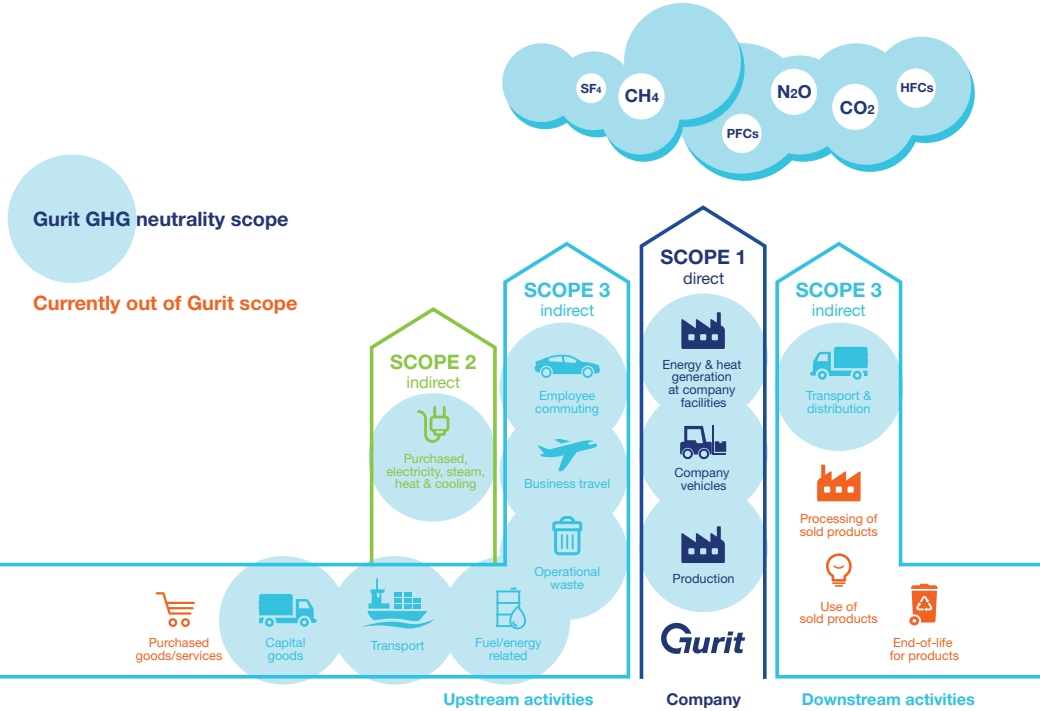


“Sulytics has supported Gurit with the implementation of a dedicated software to calculate the Greenhouse Gas emissions for scopes 1,2 and 3, collecting relevant data from all Sites. I have also supported Gurit with the correct calculation of the carbon footprint. Acknowledging that the quality and availability of data will still evolve over the years, in particular for scope 3, I am impressed with the rigour and comprehensiveness Gurit has approached this task and I am confident that the data presented today is a fair representation of the carbon footprint that will support 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



- 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

ENERGY CONSUMPTION

Energy consumption reduction is one of Gurit's priorities in terms of environmental impact. Therefore, we foster initiatives which focus on the reduction of energy at all our Sites. The energy consumption in gigajoules (GJ) is based on data reported by the Group's Sites through the data collection tool and includes: non-renewable fuel consumed, renewable fuel consumed, electricity, and other types of energy such as district heating or steam purchased for cooling or heating.

SUCCESSFUL SWITCH TO 100% RENEWABLE ELECTRICITY

During 2021, Gurit switched its operations to be powered fully by renewable energy. For part of some of our Sites' electricity consumption not yet coming from renewable sources, we have purchased Energy Attribute Certificates (EAC) – the official documentation to prove renewable energy consumption. The amount of greenhouse gas emissions avoided by switching to renewable energy is equivalent to the emissions caused by driving 6 698 times around the globe in an average car, or flying 2 233 times around the globe in economy class.

SWITCHING TO RENEWABLE ENERGY IN TAICANG, CHINA



In April 2021 our tooling factory in Taicang, China installed solar panels on their rooftop. Between installation and December 2021, this system has allowed us to generate 0.97M kWh of renewable electricity, saving 390.56 tons of coal, and reducing CO2 emissions by 1 050 tons.

➤ GRI 305-5 Reduction of GHG emissions
➤ GRI 302-4 Reduction of energy consumption

ENERGY CONSUMPTION WITHIN THE ORGANISATION

IN GJ	2021*	2020*	2019*
Stationary combustion	169 000	181 000**	195 000
Mobile combustion	10 000	15 000**	16 000
Electricity	301 000	274 000	242 000
Renewable sources	95 000	81 000	71 000
Grid-power (non-renewable) ***	206 000	193 000	171 000
Heating and cooling	11 000	12 000	8 000
TOTAL	491 000	482 000**	461 000

* 2021 corresponds to the reporting period 1.11.2020 to 31.10.2021, 2020: 1.11.2019 to 31.10.2020 and 2019: 1.11.2018 to 31.10.2019.
** restated due to measurement unit errors in data collected for one site concerning stationary combustion, and due to misunderstanding for one site that has included the energy consumption of employees commuting in mobile combustion.
*** renewable electricity purchased via EAC certificates for 2021.

For first time, we have used an internal data collection tool across the business that has allowed us to improve the monitoring of sustainability data from our Sites. Therefore, any variance year-on-year may be related to improving data quality, rather than actual performance. The total energy consumption within the organisation has been calculated by our external partner Sulytics as part of a mandate to analyse Gurit's greenhouse gas emissions.

SHARE OF RENEWABLE ENERGY

TYPE OF RENEWABLE ENERGY	2021*		2020**	
	IN MWH	IN GJ	IN MWH	IN GJ
Hydroelectric	18 450	66 350	16 950	61 050
Solar	1 150	4 180	850	3 100
Wind power	3 850	13 850	2 800	10 000
Other	2 850	10 300	1 850	6 650

* 2021 corresponds to the reporting period 1.11.2020 to 31.10.2021
** 2020 corresponds to the reporting period 1.11.2019 to 31.10.2020. Data restated due to improving of data quality by using in 2021 a Sustainability Data Collection Tool.

➤ GRI 302-1 Energy consumption within the organisation

ENERGY INTENSITY

The energy intensity of electricity consumption (kWh) versus sales (continued business) has been calculated to be 0.12 for 2019, 0.13 for 2020 and 0.18 for 2021.

➤ GRI 302-3 Energy intensity

INITIATIVES CONTRIBUTING TO THE REDUCTION OF ENERGY CONSUMPTION AT GURIT SITES

As part of a general roll-out of our Sustainability Strategy, various sites have started to look at initiatives to reduce their energy consumption. During 2022 this process will be systematically supported by the dedicated “Resource utilisation” workstream set up under the new sustainability organisation. Sites will be prioritized according to emissions and an emission reduction and efficiency program will be developed.

MEASURES AND INITIATIVES BY GURIT SITES AIMED AT REDUCING OUR ENERGY CONSUMPTION (2021)

Measurements and management

- Monitoring the consumption of electricity every month
- Using renewable energy onsite where possible

Office initiatives

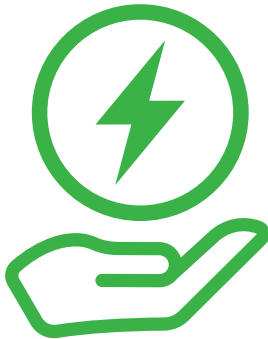
- Keeping the indoor temperature of air conditioning at 25° Celsius during office hours
- Switching off or unplugging electrical appliances/equipment which are not in use
- Switching to LED lights and automatic lights

Operation initiatives

- Increasing production speed and minimising changeover time to optimise the operation of prepreg machine and reducing the energy requirement
- Energy audit to understand which equipment consumes most energy
- Reducing energy consumption of main equipment: efficiency improved with new inverter motors
- Insulating cooled or heated equipment
- Buying energy efficient equipment rather than the lowest initial cost
- Signage to encourage switching off equipment, raise awareness

Not all sites were able to report detailed data of emission-, energy- and cost-savings of these measures in 2021. As an illustrative and representative example see the case study of our site in Tianjin within this report.

➤ GRI 302-4 Reduction of energy consumption



ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

To fully understand our greenhouse gas footprint, Gurit has started to evaluate the energy consumption outside the organisation 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 of CO2 equivalents, as reported in our overview of greenhouse gas emissions on p. 117.

- 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 302-2 Energy consumption outside the organisation



CASE STUDY: TIANJIN, CHINA
REDUCING WASTE, ELECTRICITY CONSUMPTION, COST AND
GREENHOUSE GAS EMISSIONS



Our site in Tianjin, China, implemented comprehensive efficiency and emission reductions measures in 2021. Among other products and services, the sites focus is the operation of three major PET extrusion lines.

The results of the initiative are impressive:

- 4 191 tons of PET material were re-used
- electricity savings of 438 000 kWh / year
- water saving of 10 000 tons / year
- waste reduction of 800 tons / year
- extruder output efficiency increase of 3 000 tons / year
- cost savings of 54 000 EUR / year



INSULATION FOR ELECTRICITY SAVINGS

An initiative implemented at the Tianjin Site is the insulation of the extruder barrel. Quilted sleeves installed on the barrels and homogenizers have saved 275 520 kWh/year by reducing heat loss.



TRADITIONAL LIGHTS REPLACED BY LED LAMPS

Exchanging the illumination with energy-saving LED lights makes it possible to save another 156 000 kWh electricity per year. The lights are powered by a solar system which saves 6 600 kWh per year previously taken from the non-renewable energy public grid.



FLUSHING SENSORS AND RAIN WATER STORAGE

The installation of flushing sensors in the toilets along with a rain water storage system for watering the plant allows the saving of 10 million litres of water every year.

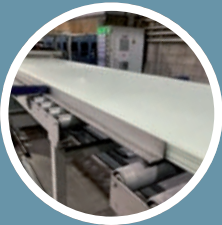
WASTE REDUCTION ON THE EXTRUDER LINES

Collecting the PET off-cuts from core kitters and recycling them in the extruder leads to an average saving of 120 tons per year, equalling 900 m³ of recycled waste.



TECHNOLOGICAL INNOVATION

Using side callibrators directly on the extruder lines increases precision and therefore reduces waste before the subsequent cutting process.



The efforts and actions of our Tianjin team contribute to waste reduction, lower energy consumption, and Greenhouse Gas Emission decrease, as well as cost savings. The employee feedback is positive and the projects demonstrate our company philosophy of continuous improvement.

EFFICIENCY ENHANCEMENT

Innovative technology improvements on the three extruder lines lead to an output increase of

+ 3 000 tons in 2021

Tianjin team leading the eco-efficiency improvement program:
Chris Yang, Carter Zhang, Hantle Zhou, Terry Guo, Amy Gong, Michael Luo



WASTE

Developing an operational program to reduce waste is a priority for us at Gurit. We focus not only 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 re-introduce them to the production cycle.

From November 2020 to October 2021, the total weight of waste generated and reported by Gurit Sites was 20 357 metric tons. Quantities of almost all types of waste decreased in 2021 over 2020. The increase of commercial and industrial waste is due to a PET production line in China; this waste is recycled back into the production process.

IN METRIC TONS	2021*	2020*
Chemical	57	121
Commercial and industrial	13 107	5 554**
Hazardous	265	943**
Household residual	153	130
Metal	421	336
Paper / paperboard	405	468
Plastic	4 415	7 223
Solvent mixtures	42	49**
Wood	904	1 593
Other	588	726
TOTAL	20 357	17 143**

* 2021 corresponds to the reporting period 1.11.2020 to 31.10.2021 and 2020 from 1.11.2019 to 31.10.2020
** restated due to unit of measurement errors and wrong type of waste in previous data collection.

➤ GRI 306-3 Waste generated

WASTE QUANTITIES BY DISPOSAL TYPE

Between 2020 and 2021, the share of recycled waste has increased significantly and represents 58% of total waste. This result is driven by operational improvements, switching of packaging types, changes in sales activity, but also supported by actions implemented locally with employee's involvement: coffee pod and plastics recycling, gardening trimmings sent for mulching, separation of components by type of waste to improve recycling.

As part of Gurit's co-location strategy, PET waste and dust from our kitting operations is systematically recovered and recycled back into the adjacent extruder. Currently this data is not yet available but is being considered for future reporting cycles.

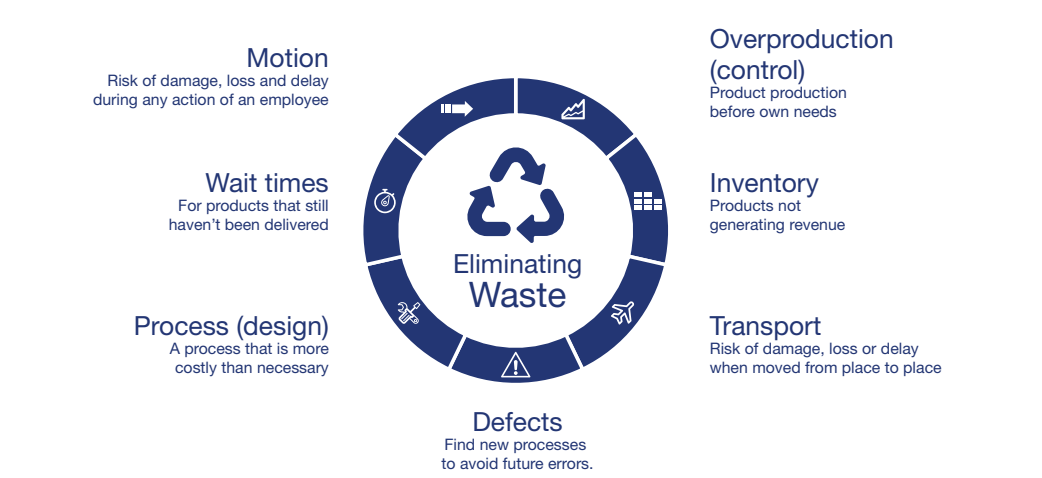
WASTE QUANTITY BY TYPE OF DISPOSAL

	2021*		2020*
IN METRIC TONS	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	
TOTAL WASTE DIRECTED TO DISPOSAL	265	8 221	10 946
Landfill	134	3 926	4 295
Special treatment	51	62	823
Incineration	80	4 233	5 828**
TOTAL WASTE DIVERTED FROM DISPOSAL	0	11 871	6 197
Recycling	0	11 871	6 197

* 2021 corresponds to the reporting period 1.11.2020 to 31.10.2021 and 2020 from 1.11.2019 to 31.10.2020
** restated due to unit of measurement errors in previous data collection.

➤ GRI 306-4 Waste diverted from disposal
➤ GRI 306-5 Waste directed to disposal

ILLUSTRATIVE EXAMPLE OF ELIMINATING WASTE AS AN AREA OF ACTION FOR GREENHOUSE GAS EMISSIONS AND SUSTAINABILITY WHILE IMPROVING QUALITY AND EFFICIENCY



MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS

Gurit undertakes significant efforts to reduce our waste footprint and related impacts in all our operations. We have adopted a co-location strategy which involves locating our PET core material manufacturing sites close to our kitting operations. This allows us to reclaim waste core material generated during the kitting operation and reuse it in the extrusion process.

In addition to the Core kitting packaging optimisation case study discussed in this report, the packaging of the formulated product range has been improved and optimised for less waste and easier-to-recycle materials.

As part of its sustainability initiative, Gurit established workgroups addressing resource utilisation and waste reduction in the production phase, as well as end-of-life and circularity concerns in 2021. This group reviewed the current state of the art approaches to composite recycling and set-up research projects as well as external participation in industry research programmes.

RECYCLING OF PET PRODUCTS IN USE BY OUR CUSTOMERS

As part of a sustainability-focused customer engagement initiative, we have identified a potential to recycle and reuse PET structural foam from Marine and Industrial customers. This would be in addition to the internal recycling and reuse of Kitting waste from global locations which are being integrated as part of our co-location strategy. As Gurit is a world leader in the use of recycled PET for its Kerdyn Green product range, the feasibility of this additional recycling and reuse stream is extremely high and will be further explored during 2022.

CONVERSION OF CORECELL WASTE INTO RECYCLABLE PANELS

Gurit has identified new methods to reprocess Corecell waste from our production, but potentially also materials at the end of their usable product life. The resulting recycled flat high-density panels have the potential to replace some existing wood solutions for various Marine and Industrial applications and fit well into our circular recyclability vision. Both the PET and Corecell circularity streams will be further investigated and are expected to deliver some viable recycling and re-use examples with key customers within 2022. The potential waste saving volumes are considered to be several ten thousand tonnes per year.

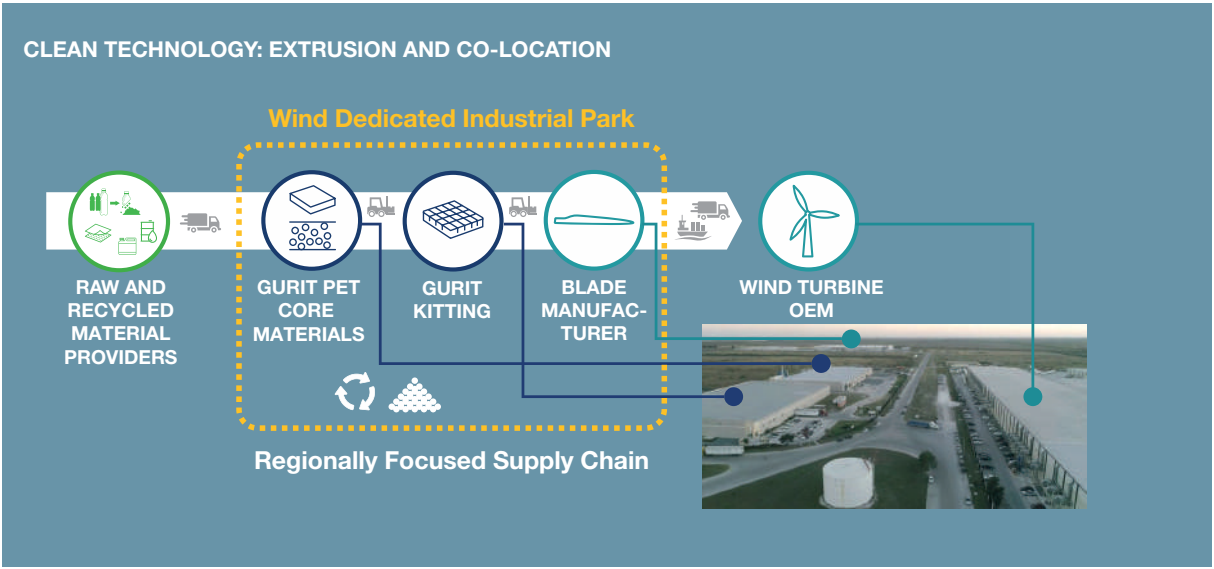
RECYCLING OF WASTE IN WIND TURBINE BLADE PRODUCTION

A further initiative started in 2021 is the recycling of plastics and composites waste generated during blade production. The pilot project at one of our Chinese sites uses shredding technology to convert post-production waste into building materials. While no further details can be disclosed at this stage, we will provide more information on this clean technology development in our next sustainability report.

CO-LOCATION FOR GREENER OPERATIONS

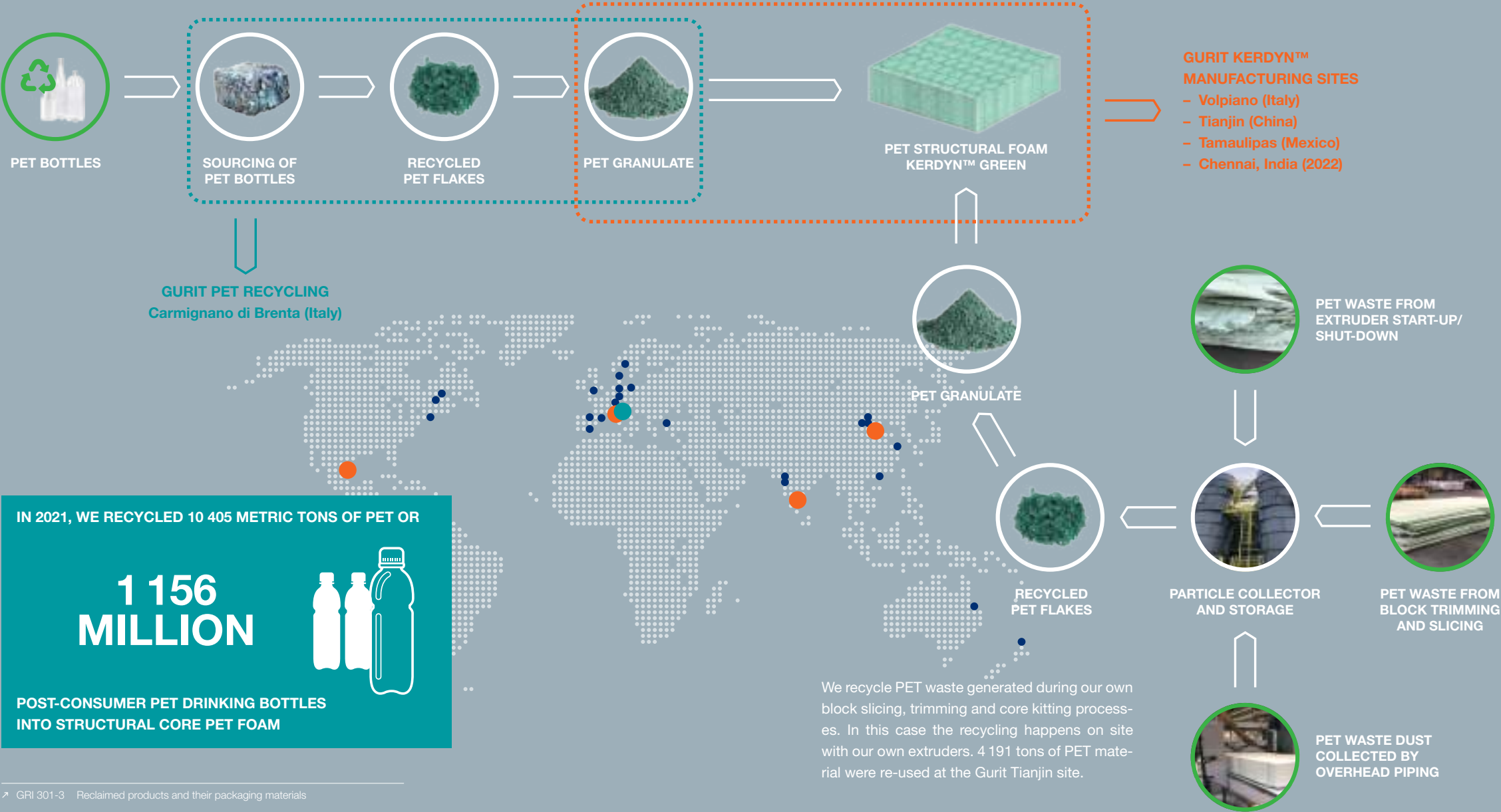
LESS TRANSPORT, LESS WASTE, MORE CUSTOMER PROXIMITY

Gurit’s co-location strategy is about reducing transport emissions, storage space required, transportation time and allowing for significant recycling of raw materials. The recipe is simple and effective: PET core material production sites with extruders are established in the vicinity of our kitting operations. Instead of weeks of sea-freight or long truck journeys, the locally produced Kerdyn™ Green PET structural foam core is transported to the kitting factory next door – a five-minute journey using a forklift. This represents a huge reduction in transport emissions and time, the material can be processed much faster, speeding up the entire supply chain. Furthermore, waste from kitting operations can now be recycled more easily back into the extruder, instead of transporting it to landfill or incinerating it. Also, instead of keeping large stocks at two sites, they can be optimised and managed more dynamically, with a reduction in stock levels overall. The product properties remain the same at all sites globally, so in the event of a local shortage, the material can be sourced flexibly from another site. This also contributes to reduce the overall cost for renewable wind energy.



A VALUE CHAIN FOR RECYCLED POST-CONSUMER WASTE

Our site in Carmignano, Italy, recycles post-consumer waste PET bottles and produces recycled PET flakes and granules later used for extrusion of recycled PET core. This allows Gurit to secure quality and cost-effective raw material supplies for its PET strategy, and link the value chain elements starting from the recycled bottle down to a finished quality core material, Kerdyn™ Green.



➤ GRI 301-3 Reclaimed products and their packaging materials

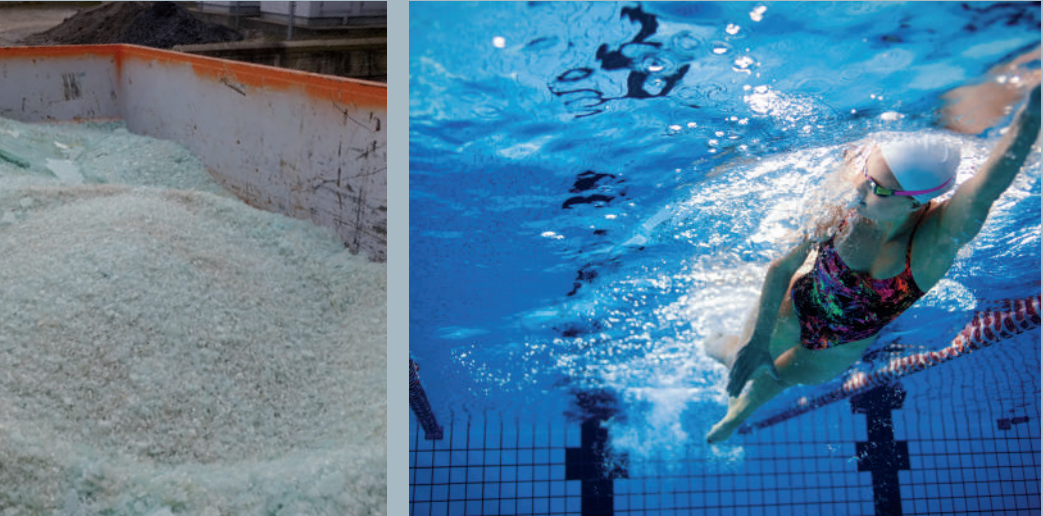
CASE STUDY
RECYCLING TEMPERED GLASS PLATES

The Gurit site in Magog recycles the tempered glass plates used for assembling the molds in production for SAN structural core foam. These glass windows break during the production process-handling and during the polymerization-, creating scrap that was, until recently, sent to landfill.

In order to reduce the amount of waste, the first step was to review the manufacturing processes and improve preventive maintenance on critical equipment, standardize the application of the release agent on the glass, and offer better training for the production process.

Then, it was possible to find an outlet for the 40 tons of tempered glass released during the manufacturing processes. A specialized recycler now converts this material into an abrasive for sanding and to be used in the filtration systems for swimming pools.

This improvement strongly contributes to a local circular economy and was made possible through active participation in various networks.



In 2021, 40 tons of tempered glass from SAN production waste were recycled for use in swimming pool filters

MANAGING OUR WATER CONSUMPTION

Gurit recognises the importance of water management in the effective functioning of our Sites, and as an essential part of maintaining a healthy environment and workforce.

We source water for our Production Sites from measured public utility networks. To date, we have not been advised that the water we draw significantly impacts these networks, therefore we believe we are not causing high levels of water stress in our communities. Our Production Sites use water responsibly and consider water usage in the process design. Gurit Sites have not registered any significant spills during this reporting period.

By the end of 2022 all our production sites have to complete a water management risk assessment. In combination with the Aqueduct database this will allow us to prioritize any potential mitigation measures. Furthermore, as part of our Resource Utilization workstreams' emission reduction and efficiency program, sites will be encouraged to set quantitative targets for reducing their water consumption.

Water consumption from November 2020 to October 2021 was 154 906 073 litres for Gurit Group Sites world-wide. For two Sites, we do not have water consumption data as the cost for water is included in the leasing agreement and is not metered. One of these Sites is a sales office and the second is a Production Site that does not use any water as part of its production process. In the previous year, the comparable figure was 151 670 340 litres. Water consumption can be considered relatively stable between 2020 and 2021. Water consumption in 2019 was lower. This is due to the opening of a new site in 2020 and the acquisition of a site in the second half-year of 2019 which has currently the most water-intensive production process of all sites.

	2021*	2020	2019
Water consumption (in litres)	154 906 073	151 670 340**	92 445 027**
Water consumption vs. sales (in CHF)	0.33	0.26	0.17**
Water consumption vs. sales (in USD)	0.31	0.25	—

* 2021 corresponds to the reporting period 1.11.2020 to 31.10.2021, 2020 from 1.11.2019 to 31.10.2020, and 2019 from 1.11.2018 to 31.10.2019.
** restated due to unit of measurement errors in previous data collections

- GRI 303-1 Interactions with water as a shared resource
- GRI 303-5 Water consumption
- GRI 303-4 Water discharge

GURIT WATER MANAGEMENT GUIDELINES ROLLED OUT IN 2021

During 2021, we developed the Gurit Water Management Guidelines which provide a framework for all our Sites to audit and manage their water use as well as share best practice. We carried out a water risk assessment by Site, to identify areas with high water stress and to help prioritise actions for 2022. In addition, we undertook education of our staff to highlight the importance of water within our business. By the end of 2022 all water management risks will be identified and mitigations put in place for the areas of highest water stress.

GURIT’S PRINCIPLES OF WATER MANAGEMENT

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

➤ GRI 303-1 Interactions with water as a shared resource
➤ GRI 303-2 Management of water discharge-related impact.

CASE STUDY
WATER TREATMENT PLANT INSTALLATION IN ECUADOR

Gurit’s Balsaflex Ecuador site has installed a water treatment plant to foster an efficient and sustainable management of the sanitation water. This initiative allows us to reduce the cost and CO₂ emissions generated by transporting this grey water to an external treatment plant, and, in future, reuse the treated water to irrigate plants and fruit orchards. In 2022, we are planning a project that will allow us to reuse 40% of the treated water for the balsa wood drying process, reducing the site’s water consumption.

“There was a need to implement a sustainable and efficient system that treated the wastewater generated at the Site. The previous system generated an unpleasant odour, but we don’t have this with the new system. Another upside to managing our water effectively.”

Carlos Fernandez Rodriguez, Wood Reception Manager, Balsaflex Ecuador



CASE STUDY
TECHNOLOGICAL INNOVATION TO REDUCE WATER CONSUMPTION
IN CARMIGNANO

Gurit’s Carmignano Site is working to reduce its water consumption and water pollution. One of the initiatives involves the PET recycling process as detailed below.

To extrude the molten plastic into fine strands (stage 7), the vacuum pumps of the extruder use water. At the end of the process, the water, which has interacted with contaminated air, needs to be treated as hazardous waste. These vacuum pumps are being replaced by new ones which won’t require water consumption to work and therefore won’t produce polluted water.

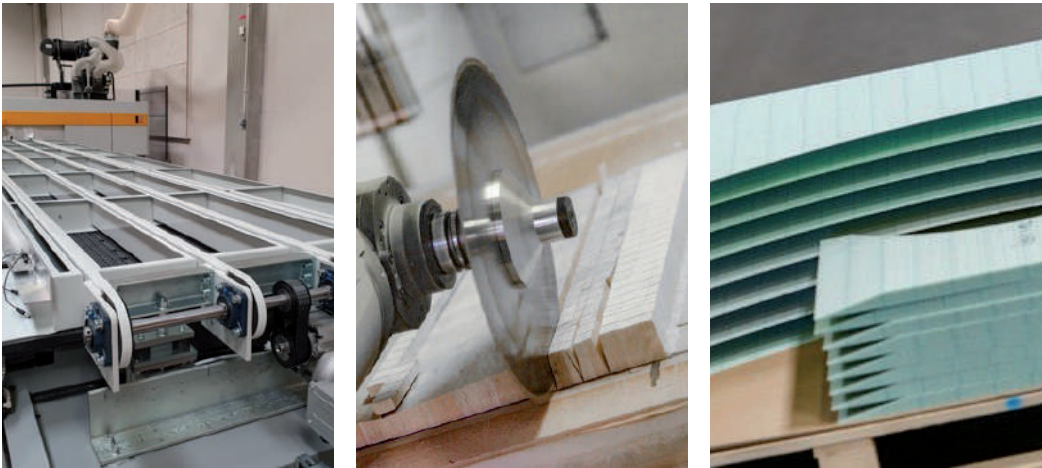
The new vacuum pumps will save 208 000 litres of water per year (4 000 litres per week) and reduce hazardous waste by the same amount.



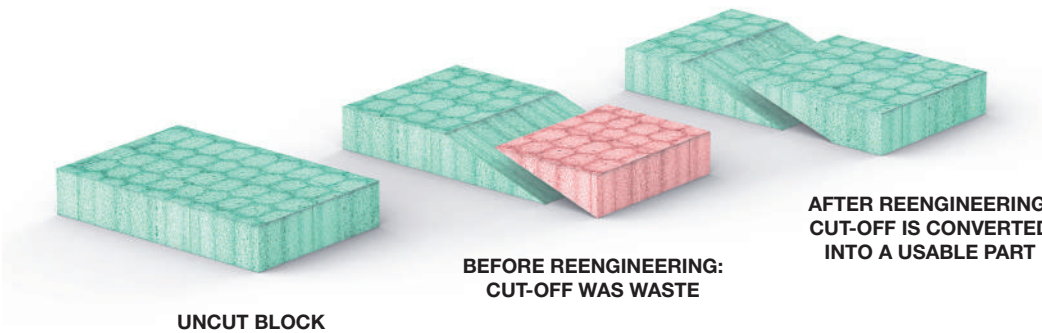
Replacing the old pumps by new ones which won’t require water to work and therefore won’t produce polluted water

SMART DESIGN FOR ECO-EFFICIENCY

EMISSION REDUCTION THROUGH SMART ENGINEERING



Through smart engineering, we have developed standard chamfers into our kitting designs. Not only does this benefit the customer and their build process, but also reduces waste and the amount of PET needed for the kit, plus enables us to package the kits more efficiently. This innovative improvement allows to transport a larger number of kits in the same space.



REDUCING ENVIRONMENTAL IMPACT THROUGH REDESIGN OF PACKAGING

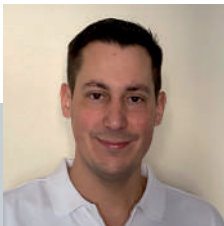
One of the ways to reduce transport emissions is to optimise each of our shipments. For this reason, Gurit works with the aim to continuously improve the packaging of our products, reducing the resources and materials used, and transport the maximum products within the minimum shipments. Various Gurit Sites have over the last few years begun programmes to improve the environmental footprint of the packaging they use.

In 2020, our site in Falces, Spain redesigned their packaging of core kits that are delivered by truck to wind turbine blade manufacturers. The redesigned packaging allows us to fit more kits onto one truck, saving 61 truck journeys per year. During 2021, we improved on this and have reduced what was 2kg of plastic packaging per kit to almost 0kg plastic per kit: 6 600 kg/year of plastic wrap have been replaced with a simple strap.

YEAR	PACKAGING IMPROVEMENTS	REDUCTIONS
2020	Packaging redesigned increasing the kits per truck	61 truck journeys/year
2021	Reduction of the plastic usage in the packaging to almost 0	6 600 kg plastic/year



Reducing plastics by redesigning the packaging design



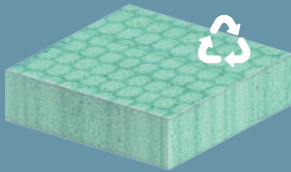
“Redesigning the core kits packaging in 2020 allowed us to reduce truck journeys. And in 2021 we reduced the plastic packaging used per kit to almost zero. Reducing transport and material emissions in all our processes is a clear target for us and we are pleased with progress so far.”

Aitor Sanjuanes, HSEQ Manager Falces, Spain

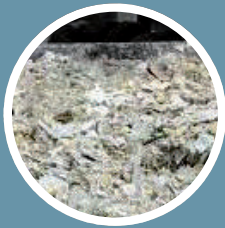
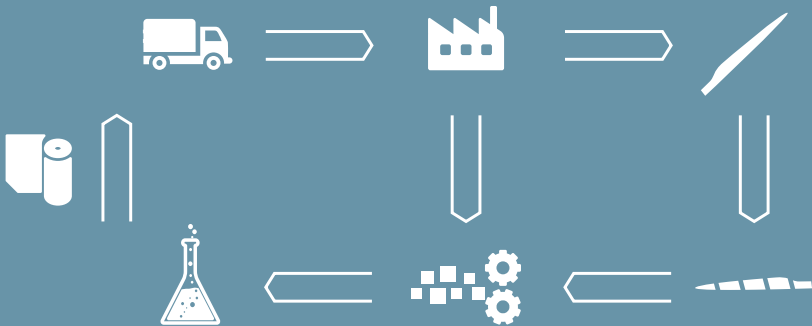
OUR CONTRIBUTIONS TOWARDS CIRCULARITY



Develop and support industry initiatives and new recycling value streams



Increase recycled contents as well as the recyclability of our own products

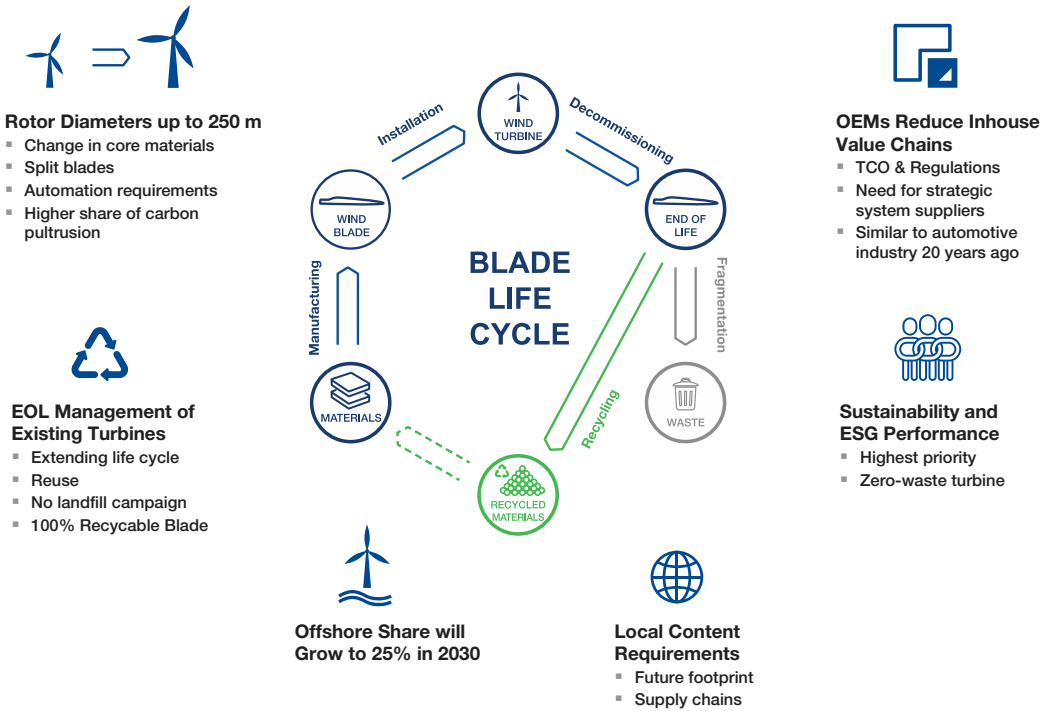


Innovation for circularity and eco-efficient end-of-life solutions for advanced composites

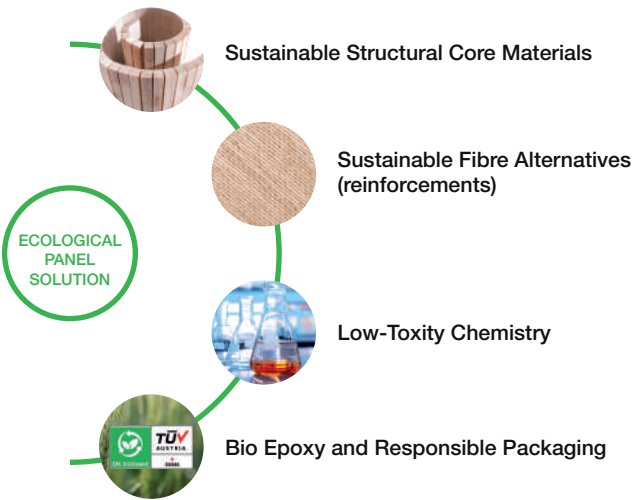
ADDRESSING END OF LIFE CHALLENGES

The topic of Circularity and the related sustainability workstream has become an integral part of our Technology & Innovation and product strategy. Our experts commit to identify initiatives and projects where Gurit can be a contributor and partner in selected industry-specific initiatives that facilitate Circularity and End-of-Product Life management through developing a Green Products Roadmap. Furthermore, a complete Life Cycle Analysis (LCA) will be performed for all core materials and adhesives by December 2022.

Our Technology & Innovation Team is researching new products and materials that participate towards circular supply chains, beginning with participating in industry initiatives and engaging with customers to develop solutions. Product Development, Technical Support, Sales and Procurement specialists have initiated a process to look at waste-related impacts during the product use phase, processing at our direct customers, as well as end-of-life aspects of our semi-finished and finished products with customers. The example below illustrates the life cycle of a wind turbine blade and the different trends impacting the improvement journey.



USING SUSTAINABLE AND RESPONSIBLY DEVELOPED MATERIALS



BACKGROUND INFORMATION: WHAT ARE CORE MATERIALS?

Structural cores come in many forms and are used in sandwich construction. The “sandwich” consists of a face skin laminate, the core material, and the back skin laminate. The use of a core creates a laminate with greater elasticity (modulus) and stiffness with a minimum increase in weight.

Sandwich construction allows the skins to carry the load, while the core material maintains the orientation of the skins. This form of construction has been a basic component of the composites industry for nearly five decades and allows for exceptionally strong and light-weight structures for a variety of high-performance markets including wind energy, marine, transportation and aerospace, among others.

SUSTAINABLE STRUCTURAL CORE MATERIALS

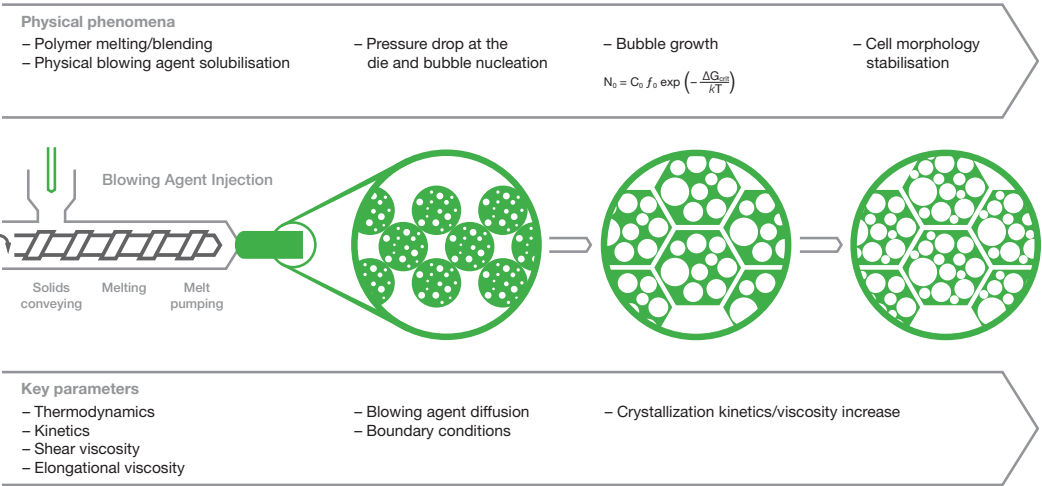
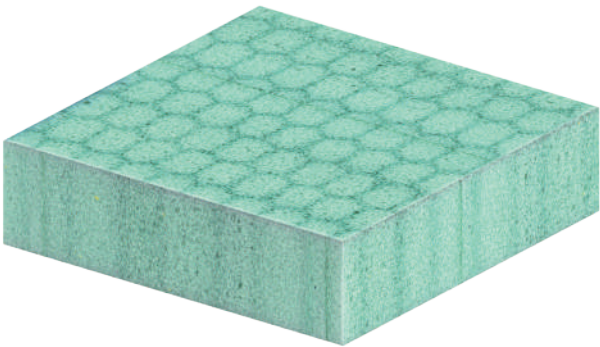
Given the importance of core materials in the wind turbine industry, as well as many other industrial applications, such as marine and aerospace, many synthetic cores have been considered by manufacturers over the years.

A modern solution for a scalable synthetic core technology came with the adoption of thermoplastic extruded foam. In this respect, PET is the polymer that offers the greatest benefits in terms of the balance of thermal resistance (to withstand the production process), mechanical performance (delivering the necessary stiffness and strength) and cost.

Moreover, PET offers a well-developed and resilient supply chain for recycled material, further improving the environmental credentials of a material and a production technology that already ensures great efficiency, allowing for any production waste to be recycled into fresh foam core material.

A SYNTHETIC CORE MATERIAL MADE FROM RECYCLED PET

PET is important to Gurit’s product portfolio, marketed under the name Gurit Kerdyn™ Green. It is a PET synthetic core material made from up to 100% recycled PET, mainly sourced from post-consumer bottles.



IDENTIFIED ECOLOGICAL CHALLENGES

- Energy required for the extrusion process (heat)
- Blowing agent
- Recycled instead of virgin raw materials
- Reduction of production waste and recycling

BALSA WOOD – A NATURALLY-GROWN CORE SOLUTION

Because balsa wood is low in density but high in strength, it is a preferred core material for some applications, most notably, wind turbine blades.



Balsa’s native range is from Central to South America. However, Ecuador’s location and unique climate create the perfect conditions to give Ecuadorian balsa the best physical and mechanical properties for the composite industry.

The production of balsa core follows the natural growth cycle of the trees, which is approximately four years, before reaching the point where the wood can be harvested. Thanks to this natural process, the trees can absorb carbon dioxide during their full growth cycle.

The wood waste from the production process is utilised as alternative fuel for the kiln drying process within Gurit’s factory in Ecuador, which reduces both waste and CO2. Balsa is a self-generating species which means that it renews itself quickly with a low risk of depletion.

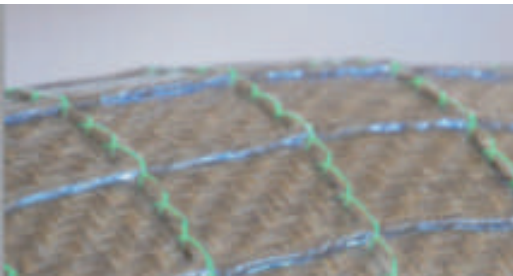
SUSTAINABLE FIBRE ALTERNATIVES

Gurit supplies a range of reinforcements suitable for composite component manufacture and repair. These materials are based on the most widely used fibre types and fibre orientations, and incorporate a variety of construction techniques in their manufacture. Fibre reinforced composite laminates typically consist of three components: the fibres, a resin matrix and an interface.

NATURAL FIBRES REDUCE THE CO2 FOOTPRINT BY 50-75%

Along with traditional glass, carbon and hybrid fibre fabrics, we also offer natural flax fibre products. Flax is a sustainable natural fibre that offers significant environmental benefits, including a CO2 footprint reduced by up to 75% compared with carbon fibre. 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.

It can be used in combination with traditional reinforcements such as carbon fibre, depending on the application and properties required, but also by itself as a single skin or as a sandwich laminate with other sustainable materials such as Gurit Kerdyn Green PET core material (made from up to 100% recycled materials), and bio-based epoxy resins and coatings, such as Gurit’s AMPRO BIO resin. In 2021 Gurit also developed a flax-based SPRINT™ product range.



powerRibs™ reinforcement grid



ampliTex™ technical fabrics

The combination of our low toxicity bio resin with natural fibre solutions now provides an important first step for a bio-based composite panel solution suitable for use in multiple industries.

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

CASE STUDY
SUSTAINABLE COMPOSITE WHEELCHAIR SEAT DESIGNED FOR DISABLED PEOPLE IN DEVELOPING COUNTRIES



One of the applications of Bcomp amplitex™ flax fibre is the sustainable composite wheelchair seat, a product designed by National Composites Centre (NCC) and the UK-based NGO Motivation.

The wheelchair seat pan is made entirely from sustainable, green composite materials that are not only better for the environment but could significantly improve the quality of life for disabled people in developing countries. The fibre composite wheelchair seat pan is lighter than the plywood equivalent and provides more durable, reliable, ‘built-in’ physical support and postural control. Biocomposite materials are also more durable for constant use in aqueous or dusty environments, improving sustainability through extended service life.

Bcomp ampliTex™ flax fibre supplied by Gurit was selected as one of the base materials to demonstrate the wheelchair seat design. The fibre does not require high cost manufacturing techniques often used in composite manufacture and requires a cure time and temperature that is suitable and sustainable within developing countries. The ampliTex™ solution can also easily be made with different natural fibres for different locations, such as jute for Asia or sisal for South America, bringing the manufacture to local areas which cuts down on shipping costs and upskills local people.



Wheelchair with advanced sustainable composites

REDUCING THE CARBON FOOTPRINT OF AN ECO-FRIENDLY YACHT

The high-performance Baltic 68 Café Racer was built using eco-friendly materials with 50% of the hull reinforced with Bcomp ampliTex flax, a naturally grown product which dramatically reduces the yacht's carbon footprint. Building on our collaboration with Bcomp, Gurit has converted the flax reinforcement into Gurit SPRINT prepreg material, saving labor and time during the build.

The outer hull skin laminate is a combination of flax and carbon fiber, utilizing Gurit's epoxy resins ST94 and ST95; the flax material is also used in the solid laminate of the hull bottom and structural bulkhead skins. On the luxuriously appointed finished interior, the product is also part of floorboards and other cosmetic finishes.



BIO-BASED CHEMISTRY: BIO-CONTENT WITHOUT COMPROMISING PERFORMANCE

Sustainable chemistry at Gurit encompasses developing product ranges with lower hazards to protect employee and customer health, and utilising lower carbon supply chains.

A key approach to producing low carbon footprint products not only focuses on the resources and energy used in their production and distribution, but also on using low-carbon footprint chemicals.

We have continued to invest in the research and development of bio-carbon based feedstocks and chemistries during 2021. Building on our accredited award-winning 40-60% bio-based AMPRO product ranges, we have applied this technology to other formulated and prepreg product ranges and initiated the incorporation of increased bio-carbon content in many standard product ranges. This represents a turning-point in the ability to offer lower carbon products through the use of bio-chemistry without negatively impacting either product performance or economics. Both previous barriers to sustainable chemistry.

Bio-carbon supply chains don't always equate to more sustainable products and Gurit has been careful to ensure that it balances such approaches with ensuring product toxicity levels and performance are best in-class and the bio-based supply chains are only selected where they lower the carbon foot print and environmental impact of petroleum-based incumbents. To facilitate this, in 2021 we invested in new life-cycle analysis tools and will use these to make data-driven decisions to lower the carbon foot print of existing and future products.

Gurit is also doing research and product development for a bio-based resin system for prepreps for aerospace applications.

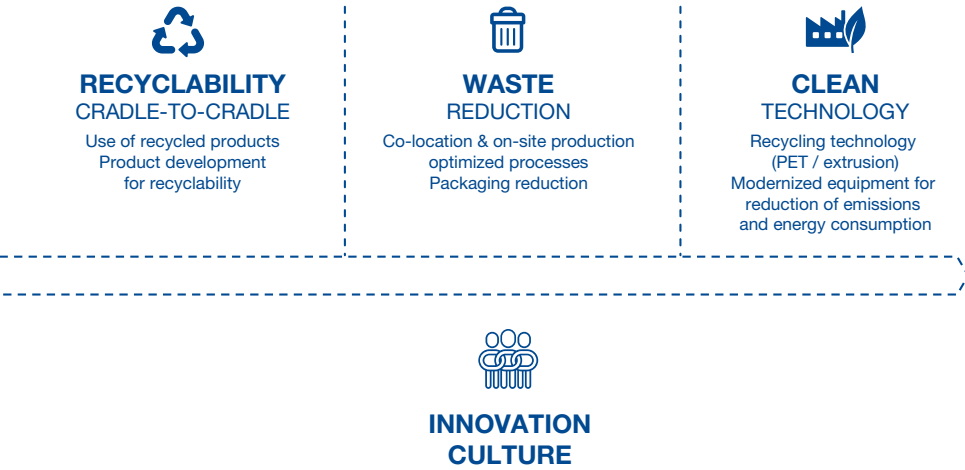
OUR AMBITION TO INCREASE THE SHARE OF BIO-BASED

We have the ambition to continuously increase the share of bio-based products we sell as part of our formulated product ranges. While we estimate this figure to be 1% for 2021, we expect to increase it to 5% in 2022 and 20% in 2023.



CIRCULARITY AND WHAT WE DO ABOUT IT

Gurit works to promote circularity in all its products, through the innovation and the sustainability of the materials used, fostering the approach of repairing to extend the life of the products, and providing recycling solutions.



LIFE CYCLE ASSESSMENT

Life Cycle Assessment (LCA) is a methodology that allows us to model the environmental impacts that occur at each stage of the lifecycle of a process, product or service. Gurit has set itself a target to undertake LCA for its core materials and adhesives by December 2022.

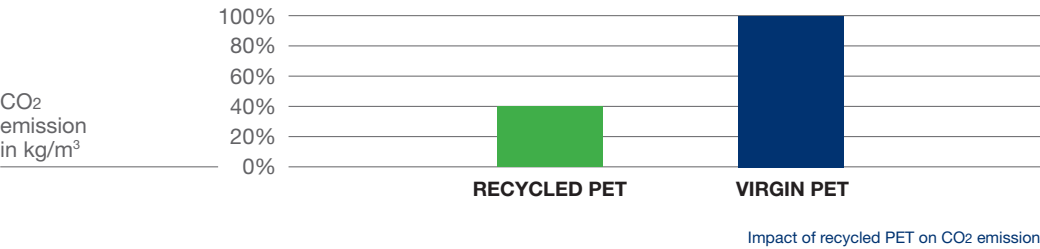
	PRODUCT STAGE			CONSTRUCTION PROCESS		USAGE STAGE	END OF LIFE		BENEFITS & LOADS BEYOND SYSTEM BOUNDARY
	RAW MATERIAL	TRANSPORTATION OF RAW MATERIAL	PRODUCT MANUFACTURING PROCESS	TRANSPORTATION OF PRODUCT TO CUSTOMER	CONSTRUCTION / INSTALLATION PROCESS		DECONSTRUCTION AND TRANSPORT	WASTE PROCESSING/ DISPOSAL	REUSE, RECOVERY, RECYCLING POTENTIAL
LCA TYPE	Cradle-to-Gate								
	Cradle-to-Site								
	Cradle-to-Grave								

LCA allows us to understand where the main environmental impacts of the products take place and improve the product development through the following phases:



Gurit performed a Cradle-to-Gate LCA to compare the environmental impact of using recycled versus virgin PET, focus on the product stage and consider the raw material, transportation of raw material and the product manufacturing process.

As a result of the assessment and comparing the CO2 emissions of the virgin PET foam versus the recycled PET foam, we can say that using recycled PET foam reduces CO2 emissions by up to 60%.



In order to further improve the LCA analysis and apply it to more products and processes, we are putting effort and resources into increasing internal LCA skills by training selected internal staff around LCA analysis and modelling.

“We have proven through Life Cycle Assessment that the use of recycled PET from plastic bottles is significantly reducing the CO2 footprint of Kerdyn. Sustainability is a key value for Gurit and I’m proud that we are proactively contributing to a Greener Future.”

Luisa Gaiero, Product Manager PET



TECHNOLOGY TO ADDRESS END-OF-LIFE WIND BLADE CONCERNS

Addressing end-of-life concerns is one of the key challenges facing composites today, not only in the wind energy industry but across all sectors. Many solutions proposed to date repurpose the original component (for example, turning old wind turbine blades into bridge parts) or recycle the component to create low value materials that have limited reuse.

To address this issue comprehensively, we need to take a circular approach. Which means not only looking at the finished product – for example the blade or other component – at the end of its life but considering the end of life already early on at the design stage of both the materials and the blade.

This relies on strong industry collaboration, data-driven decisions, and the development of standardised approaches to measuring the economic and environmental footprint of different solutions. From there, industry can adopt credible solutions that are truly sustainable for the future.

Therefore, two approaches are needed: one, to address the end of life of current blades in service, and two, to adopt circularity for blades of the future. Gurit is committed to working in both areas with its customers and industry partners.

ECO-EFFICIENT SUSTAINABLE END-OF-LIFE AND RE-PURPOSING SOLUTIONS INCLUDE

- life extension
- re-life
- repair
- recycle
- reuse

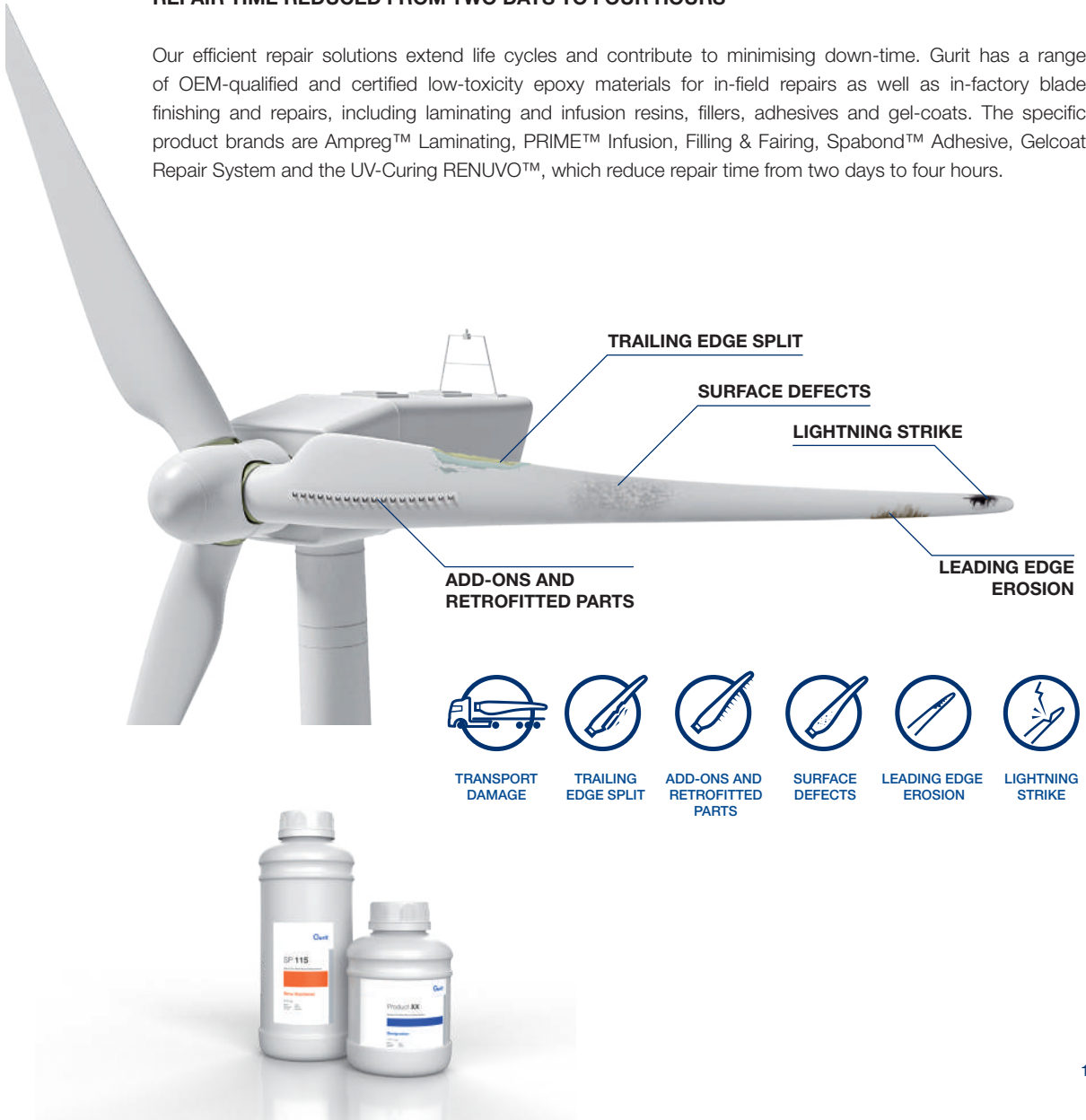


EFFICIENT WIND TURBINE REPAIRS TO EXTEND THE LIFESPAN

Gurit offers repair solutions to extend the service life of wind turbine blades which is typically around 20 - 25 years. It is vital that wind farms are kept in optimum working condition to ensure they are running at the highest energy generation capacity at optimal costs.

REPAIR TIME REDUCED FROM TWO DAYS TO FOUR HOURS

Our efficient repair solutions extend life cycles and contribute to minimising down-time. 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 gel-coats. The specific product brands are Ampreg™ Laminating, PRIME™ Infusion, Filling & Fairing, Spabond™ Adhesive, Gelcoat Repair System and the UV-Curing RENUVO™, which reduce repair time from two days to four hours.



STAGED SOLUTIONS FOR BLADES CURRENTLY IN-SERVICE

Repurposing 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 is another option that is being considered. There are however challenges with this, not least because composite materials used to manufacture wind turbine blades have been designed to be extremely durable, and able to withstand harsh environmental conditions over decades of use. Different areas of the blade require different material properties, so they are mixed material structures and 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. Typically, high cost recycling processes yield a higher value recycled material but it is critical to ensure that the net economic and environmental cost of the recycling process is positive relative to the value created.

In 2021, Gurit has continued to invest in research to utilise reclaimed material from mechanical recycling approaches, but it presents two main challenges. Firstly, that of quality control to ensure consistent quality in subsequently manufactured components. Secondly, ensuring that waste material is fully recycled and that supply chains employing recycled material are robust and sustainable.

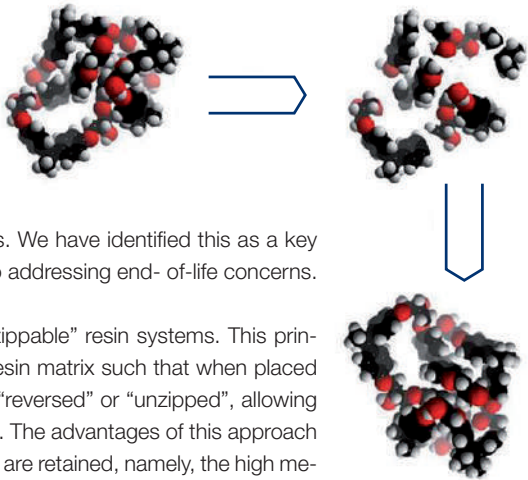


“Gurit has made significant progress to create new, lower environmental-footprint materials. In order to develop truly sustainable solutions to end-of-life concerns, investment has been made in developing environmental impact analysis capabilities so that such technology can be driven by data, ensuring that we invest in developing solutions which are both economically and environmentally sustainable both today and in decades time when structures built today reach end-of-life.”

Paul Spencer, Head of Materials: Technology & Innovation

RESEARCH IN REVERSIBLE RESIN SYSTEMS – ON THE ROAD TO CIRCULARITY

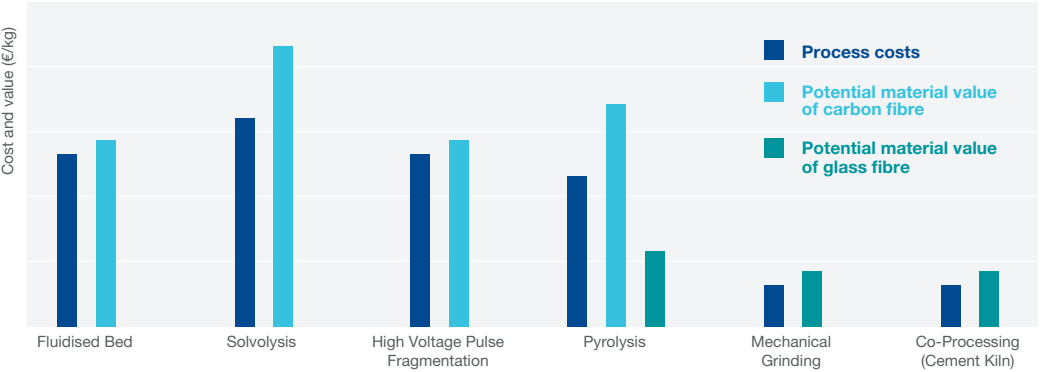
Designing smart materials which allow for easy separation and segregation of blade components into individual waste streams, and most importantly, only at the point of end of life, is integral into any blade recycling technology. It is of little benefit for example, to have an in-principle, recyclable glass fibre blade skin if the coating and adhesives it is connected to are either not recyclable themselves or require a different recycling process. We have identified this as a key part of the problem and it therefore forms part of our vision to addressing end- of-life concerns.



Gurit has been investing in research into “reversible” or “unzippable” resin systems. This principally involves developing the back-bone chemistry of the resin matrix such that when placed in specific conditions or stimuli, the cross-linked structure is “reversed” or “unzipped”, allowing separation of resin matrix and fibre reinforcement on demand. The advantages of this approach are that all the benefits of a cross-linked thermoset composite are retained, namely, the high mechanical properties, good environmental stability and resistance to creep, yet allows for recycling on demand without the need for very high temperature and pressure processes.

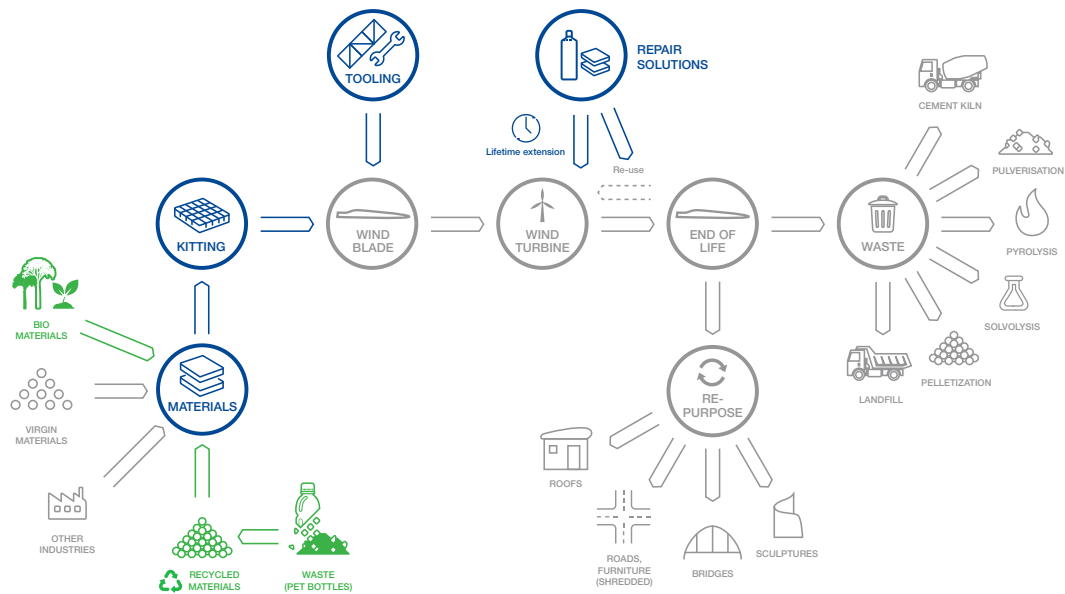
During 2021, the emergence of chemically recyclable epoxies has occurred. In order to recycle such materials, a preliminary mechanical grinding stage is required. Therefore, it’s critical that due to the additional energy and waste by-products created by chemically recyclable systems, sufficient additional value of reclaimed materials is obtained to offset the additional complexity and cost. At present, further work is required to lower the energy and environmental impact of chemical recyclable systems as well as, crucially, extracting higher value materials that facilitate more circular solutions.

COST VALUE COMPARISON OF DIFFERENT RECYCLING METHODS



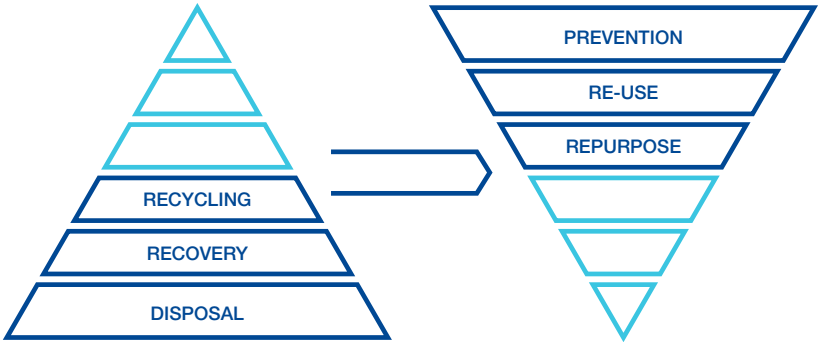
Source: Bax & Company and ETIPWind

END-OF-LIFE PERSPECTIVES FOR WIND TURBINE BLADES



LIMITATIONS OR CONCERNS WITH PRESENT END-OF-LIFE METHODS

- Difficult to de-compose composites that have to last and perform for decades under very challenging climatic conditions
- Lack of proven and robust methods
- Energy-intensive processes
- What is the most sustainable solution?
- Second life: repurposing materials for shelters, bridges, coastal protection, noise barriers...
- Landfills



SOCIAL PERFORMANCE

SOCIAL POLICY STATEMENT

HUMAN RIGHTS

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

LABOUR

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

PROCUREMENT

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

EMPLOYER BRANDING

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

CORPORATE SOCIAL RESPONSIBILITY

We encourage our operations to support and engage with the local community, according to pre-established and transparent criteria.

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.



ACHIEVEMENTS 2021



Human Rights for Business
training for Senior Managers



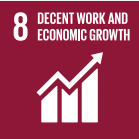
Participation in Initiatives focused on young women to promote Science, Technology, Engineering and Maths (STEM)



Analysis of Discrimination
across the company via
Gap Pattern Measurement



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG) CONTRIBUTIONS



SOCIAL PERFORMANCE TARGETS 2022

Foster and strengthen equality, diversity and inclusion within Gurit

- Equal opportunities
- Diversified workforce

Develop a Group-wide scheme for local community & employee engagement



SOCIAL PERFORMANCE ACTIONS 2022

Equality and diversity

1. Implement equal Opportunity Recruitment policy by 12/2022
2. Create a management system to measure gender representation levels in applicant sourcing approach by 12/2022
3. Provide Unconscious bias and Stereotyping training to all Managers from Q2/2022 onwards (Diversity, Equality and Inclusion awareness training)
4. Promote awareness and added value of diverse work groups by 12/2022
5. Provide a checklist of equal opportunities requirements by 06/2022
6. Audit all sites for accessibility by 12/2022
7. Global Hybrid Working Policy by 12/2022

Local community

1. Issue local community & employee engagement guidelines that help to position Gurit as a good corporate citizen
2. Implement local community initiatives as per issued guidelines and within SDG / Sustainability framework (all sites) starting 06/2022



MEASUREMENTS

Equality and diversity

- **80% of entire workforce trained** in the topics connected to diversity, equality & inclusion by 12/2023
- **% of women** as new hires and in leadership roles
- **Action plans developed** in response to site audits for accessibility

Local community

- **Guidelines completed** and communicated to all sites
- Achievement of at least **one initiative per site (by 12/2023)**
- **Communication of initiatives internally and externally** starting Q1/2022

SOCIAL RESPONSIBILITY, EQUALITY AND DIVERSITY

The strength of our company lies in our workforce. Attracting, training and retaining a highly skilled, motivated, and high performing workforce is key for the Group's current and future success. Gurit's Code of Conduct and Social Policy reaffirm our commitment to this area and to using ethical principles to guide decision-making and behavior in our daily operations.

Gurit also has an Equality and Diversity Workstream that sets annual goals, then initiates projects and drives actions to achieve them.

Employment data is collated from all Gurit Sites using the Human Resources System, which is monitored by Global Human Resources who are trained to identify and act on any anomaly.

In 2020, we launched an Employer Branding initiative with the aim of creating a truly diverse workforce, and employing the best talents regardless of gender, age, or background. We have continued this initiative through 2021, which involves improved internal and external communication of opportunities, as well as highlighting and giving credit to different work profiles and career paths. The initiative also includes the introduction of improved talent management software.

More information of the Employer Branding initiative:
www.gurit.com/Careers/Working-at-Gurit



WORKFORCE BY EMPLOYMENT CONTRACT

As of December 31, 2021, Gurit employed 2 450 staff members, as compared to 2 951 in 2020.

	2021		2020	2019
	MALE	FEMALE		
Permanent contract*	1 873	484	2 831	2 878
Temporary contract*	73	20	120	149
GURIT TOTAL WORKFORCE*	1 946	504	2 951	3 027
Apprentices, Interns	10	5	15	38
Workers/Contractors**	220		174	298
Full-time*	1 912	450	2 860	2 953
Part-time*	34	54	91	74

* excluding apprentices, trainees, interns and agency workers/contractors
** no gender information for workers and contractors

➤ GRI 102-8 Information on employees and other workers

NEW EMPLOYEE JOINERS AND LEAVERS

From January 1 to December 31, 2021, Gurit has hired 681 new employees and 1 150 employees have left the company.

	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

➤ GRI 401-1 New employee hires and employee turnover

EMPLOYEES BY GENDER

Gurit promotes gender diversity and strives to give employees equal opportunities in management functions regardless of gender. In 2020, a dedicated Employer Branding initiative supported this objective with the introduction of improved management software and enhanced internal and external communication around available career paths and job profiles. In 2021, women represented 21 percent of the staff compared to 19 percent in 2020. At the beginning of this chapter we have outlined the measures and targets set on how we will address our gender balance.

Senior Management data changed in 2021 due to the integration of the Kitting Sites (former Group company operating under the JSB brand) into the Wind Systems Business Unit. Seniority criteria has been unified across the Group. The new hierarchy level “Extended Senior Management” represents the workforce with responsibilities between Middle Management and Senior Management level.

	2021		2020		2019	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executive Committee	8	–	9	–	8	–
Senior Management	37	2	58	15	28	2
Extended Senior Management*	12	5				
Middle Management	209	62	130	44		
Further Staff	1 680	434	2 189	506	2 481	508
TOTAL STAFF	1 947	503	2 386	565	2 517	510
In percent	79%	21%	81%	19%	83%	17%

* New management level created in 2021
Figures shown exclude apprentices, trainees, interns and agency workers/contractors



EMPLOYEES BY AGE

	2021			2020			2019		
	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	–	4	5	–	4	5	–	3	5
Senior Management	–	28	11	–	49	18			
Extended Senior Management*	1	13	3						
Middle Management	12	193	66	6	132	42			
Further Staff	434	1 411	269	628	1 761	306**	743	1 922	354
TOTAL STAFF	447	1 649	354	634	1 946	371	743	1 925	359
In percent	18%	67%	15%	21%	66%	13%	25%	64%	11%

* new management level created in 2021
Figures shown exclude apprentices, trainees, interns and agency workers/contractors

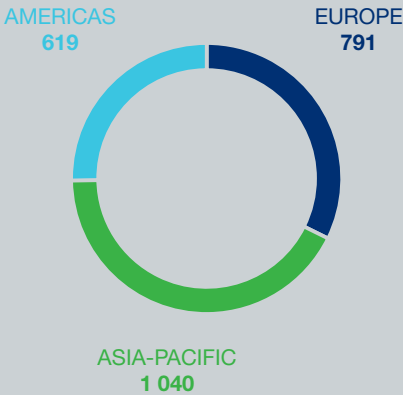
➤ GRI 405-1 Diversity of governance bodies and employees

EMPLOYEES BY REGION

REGION	2021	
	PERMANENT CONTRACT	TEMPORARY CONTRACT
Americas	611	8
Europe	757	34
Asia-Pacific	989	51

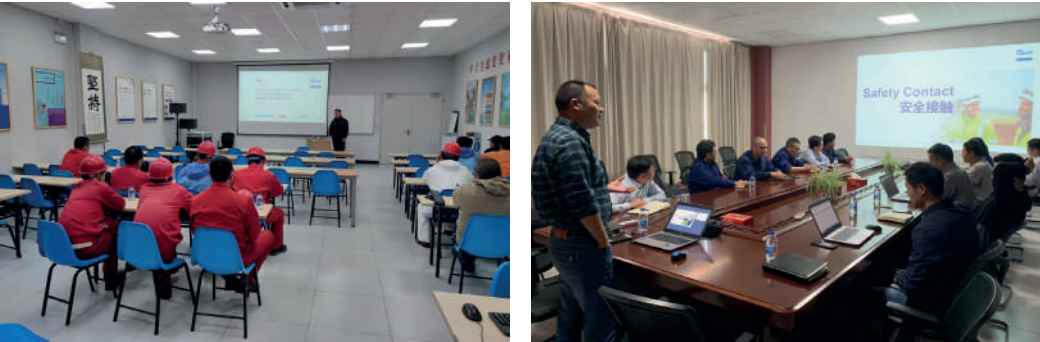
Figures exclude apprentices, trainees, interns and agency workers/contractors

➤ GRI 102-8 Information on employees and other workers



TRAINING AND EDUCATION

Training and continued education ensure employees have the skills required for their specific jobs and are offered development opportunities. Providing employees with access to training is a key part of the company's human resources strategy. A range of topics are covered by our training programmes including: the Gurit Code of Conduct, strategy, cybersecurity, data protection, leadership, as well as safety training, specific product training and many more specialist programmes.



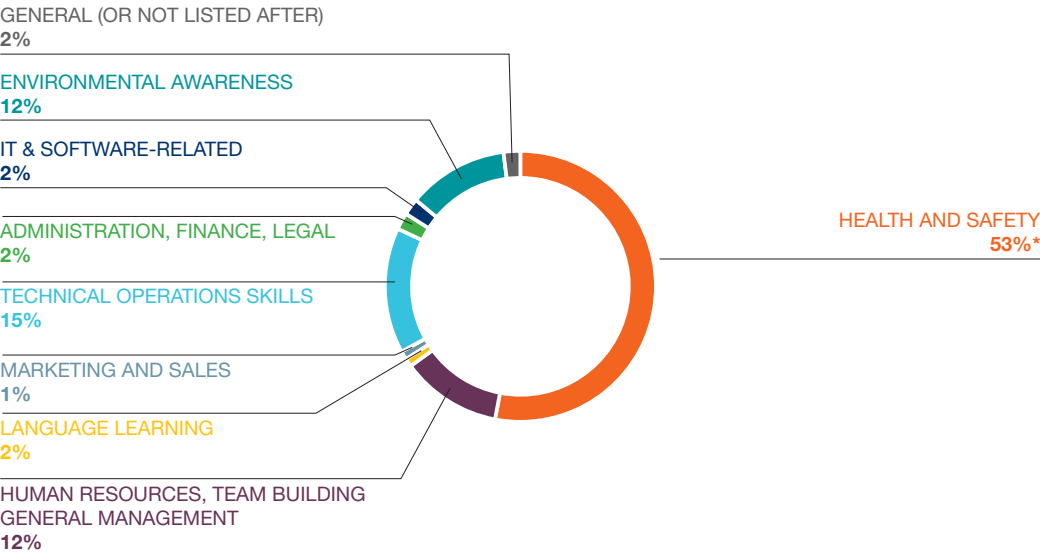
Data relating to training has been collated for the November 1, 2020 to October 31, 2021 period.

AVERAGE HOURS OF TRAINING BY GENDER AND EMPLOYEE CATEGORY

	2021	2020
GENDER		
Male	32.14	17.79
Female	30.14	14.67
CATEGORY		
Executive Management	4.33	2.13
Senior Executive Management	41.83	10.43
Middle Management	34.03	28.04
Other	31.33	16.19
TOTAL AVERAGE	31.72	16.70

The average annual training hours per employee is 31.72 compared with 16.70 in 2020. This significant increase is mostly related to the growth of the health and safety training hours, which amounted to an average of 13.81 per employee – compared with 7.79 in 2020. The roll out of mental health training, ISO 45001 certification, and the implementation of Safety Walk training have also contributed to this increase.

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

LEARNING MANAGEMENT SYSTEM

Gurit's Learning Management System is available to employees at all Sites and covers a wide range of topics. In 2021, we saw a significant increase in the number of courses completed in the Learning Management System: a total of 8711 courses, with each employee receiving an average of 3.6 hours of training via the platform. This increase is linked to the large number of new courses that were added to the platform in 2021; the system has also provided access to the recordings of the Gurit quarterly townhall meetings.

In 2021 we started to develop a new Learning Management System to better manage the courses offered, to report more effectively on its impact, as well as provide new functions such as a carousel which will be used to promote future events, new courses and so on.

AVERAGE NUMBER OF TRAINING HOURS PROVIDED VIA LEARNING MANAGEMENT SYSTEM

	2021	2020
GENDER		
Male	2.91	3.19
Female	6.30	7.01
CATEGORY		
Executive Management	1.96	1.50
Senior Executive Management	4.32	3.90
Middle Management	9.38	4.00
Other	2.86	4.80
TOTAL # OF COURSES COMPLETED IN LEARNING MANAGEMENT SYSTEM	8 711	2 930

PERFORMANCE AND CAREER DEVELOPMENT

Career development and performance reviews are further cornerstones of Gurit’s human resources strategy. Constantly advancing the talents and skills of the employees, listening to them and supporting their development is very important to us.

At some sites, all employees have a career development and performance review at least once a year. This is a regular point in time to review the job description, main goals, job requirements and training opportunities, and also to evaluate the employee’s performance and complete the competence matrix.

From November 1, 2020 to October 31, 2021, 35% of all employees were part of a Performance and Career Development Review. The percentage is higher for female employees (55%) and lower for male employees (23%). The numbers with previous years are not comparable as effective 2021 the criteria for seniority levels and career development have been changed Group-wide.

	2021*	2020
GENDER		
Male	23%	47%
Female	55%	75%
CATEGORY		
Executive Management	100%	67%
Senior Executive Management	87%	93%
Middle Management	94%	91%
Other	21%	49%

* does not include employees who left the company during the reporting period 2021

EQUALITY AND DIVERSITY

Gurit aims to be a first-choice employer, with satisfied, motivated employees and an attractive work environment. We are committed to fair and equal employment for all our employees regardless of gender, age or origin, and do not tolerate any discrimination with respect to employment and occupation.

During 2021, a dedicated workgroup for equality and diversity defined a mission, targets, and actions to enhance diversity at Gurit, and to better identify any discrimination in respect of employment and occupation. Our Diversity, Equality and Inclusion (DEI) mission is based on three pillars: continuous focus, embedding culture, and value creation.



“I’m proud to be part of a company that commits to understanding the behaviours that impact diversity, equality and inclusion, and uses modern systems and processes to identify opportunities for all employees to learn and improve.”

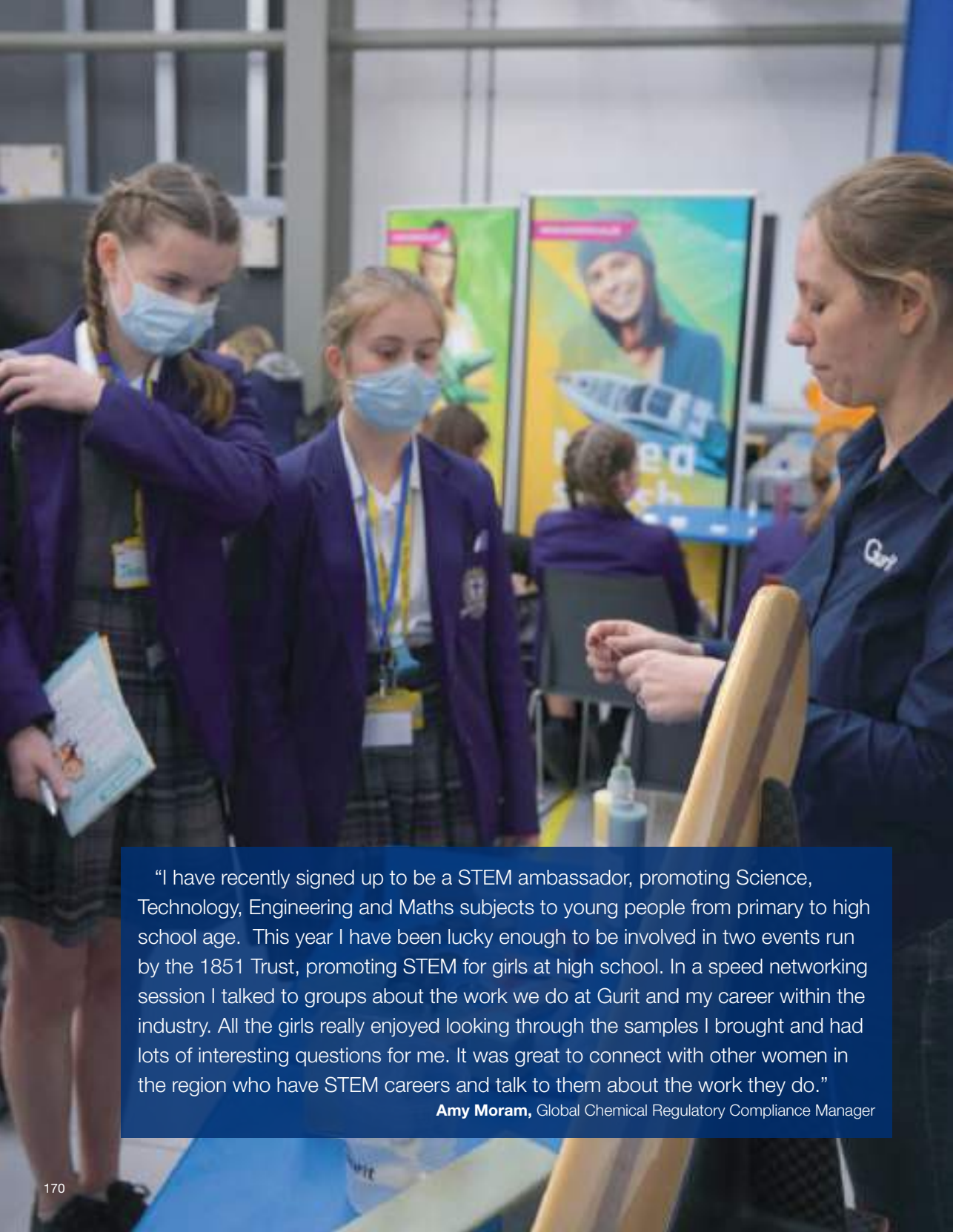
Adam Davison, Group HR Business Partner & Project Manager

We are delighted to proactively promote diversity in several working groups across the company. As an example, our Technology & Innovation team at our site in Magog, Canada, brings together the diverse perspectives of people from Brazil, Canada, Colombia, France, Guatemala, Switzerland and Venezuela.



“Diversity enhances creativity, especially in terms of problem solving where our different points of view add up to create brand new ways of efficiently reaching our goals. Be it cultural, ethnic, gender or something else, with a diversity of experience comes a diversity of perspectives that contribute to our ideas and solutions – whether it is a small improvement or a larger change.”

Kellen Souza, Director for Product Development



“I have recently signed up to be a STEM ambassador, promoting Science, Technology, Engineering and Maths subjects to young people from primary to high school age. This year I have been lucky enough to be involved in two events run by the 1851 Trust, promoting STEM for girls at high school. In a speed networking session I talked to groups about the work we do at Gurit and my career within the industry. All the girls really enjoyed looking through the samples I brought and had lots of interesting questions for me. It was great to connect with other women in the region who have STEM careers and talk to them about the work they do.”

Amy Moram, Global Chemical Regulatory Compliance Manager

SALARY GAP IDENTIFICATION

The benchmarking of salaries and grading, a process which was started in 2015 with the support of a respected external service provider, further progressed over the course of 2020 with the principal aims of creating transparency, benchmarking Gurit's compensation practice against industry standards, and further developing internal career paths. The Gurit Human Resources department assessed the organisational processes against twelve criteria for 'equal pay for equal work' compliance, and the results confirmed that Gurit fulfilled all criteria. All Gurit locations, which are required by law to provide an annual gender equality report, do so.

In 2021, the Gurit Human Resources team started to gather gender salary gap data in the Human Resources System. The next step is to analyse the data and undertake a thorough review to provide a status by site.

STEM INITIATIVES WITHIN GURIT

In 2021, some of Gurit's female leaders participated in various initiatives which promote STEM (Science Technology, Engineering and Maths) education and career opportunities, with a particular focus on young women.

The **1851 Trust (see left)** is a charity that runs a STEM Maritime Roadshow aimed at having a positive, long-term impact on the education and career aspirations of young women. The two events this year were run at the CECAMM composites centre in the UK, with each event involving around 90 girls aged 11-14.

#MUJERESTEAM (WOMENSTEAM)

Production Manager Irene Lozoya, based at Gurit in Albacete, Spain, recently participated in the regional MujeresTeam project to inspire young women to study technological subjects and join sectors with a traditionally low female participation.

The MujeresTeam is a project which aims to encourage women, and in particular young women, into the STEAM fields. The promotion of gender equality in the STEAM (Science, Technology, Engineering, Arts and Maths) sectors is a basic principle towards achieving real and effective equality, with professional guidance from an early age and the presence of female role-models fundamental to this.

mujeresteam.es

“I always loved mathematics and I opted for engineering because of the high demand at that time. I am delighted with my work, and I very much enjoy the projects and challenges that arise.”

Irene Lozoya, Gurit Production, Process and Planning Manager



INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

No incidents of discrimination have been reported by the Sites in 2021.

➤ GRI 406-1 Incidents of discrimination and corrective actions taken

HUMAN RIGHTS

Gurit strives to be a good corporate citizen in the local communities in which we are active.

No complaints regarding infringements of human rights or issues related to child labour were brought forward to the Chairman of the Audit and Corporate Governance Committee in the reporting period. No legal actions were taken or are pending, and no fines or non-financial penalties related to non-compliance were demanded.

Overall compliance with the company's commitments to human rights, as set out in the Code of Conduct and Sustainability Policy, is subject to selected internal audits. Furthermore, the Executive Committee submits an annual compliance report to the Board of Directors. General Terms and Conditions of contracts generally include a reference to Gurit's Code of Conduct and related commitments to human rights and the rejection of child labour. So far, the company has not identified material non-compliance risks within its own operations. Risks relating to the supply chain are discussed in the chapter "Responsible Supply Chain".

Aligned with the United Nations Global Compact commitment, Gurit supports and respects the protection of human rights, and we train employees on this as part of their online Code of Conduct training. In 2021, 1070 of Gurit employees completed the Code of Conduct training program. The company has also provided the 'Human Rights for business' training course to 50 of its Senior Managers. This introductory course is aligned with the Guiding Principles of the United Nation Global Compact and will be extended further over the coming year.

A Modern Slavery Statement is renewed annually and published on our website at:
www.gurit.com/sustainability

➤ GRI 412-1 Operations that have been subject to human rights reviews or impact assessments
➤ GRI 412-2 Employee training on human rights policies or procedures
➤ GRI 408-1 Operations and suppliers at significant risk for incidents of child labour
➤ GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

RIGHT OF ASSOCIATION AND COLLECTIVE BARGAINING

Gurit grants its employees freedom of association and recognises 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. No complaints, concerns or violations were reported at any of the Group's global sites or the Whistleblowing hotline in 2021. Gurit subsidiaries have reported to have maintained or entered into seven different collective bargaining agreements. 1 496 Gurit employees are covered by collective bargaining agreements. The local legislation of some operations in Asia may limit the legally accepted forms of collective bargaining. No concerns or violations of Collective bargaining were reported in 2021.

➤ GRI 407-1 Operations in which the right to freedom of association and collective bargaining may be at risk
➤ GRI 102-41 Collective bargaining agreements

MEMBERSHIP OF ASSOCIATIONS

Gurit and some of its subsidiaries participate in local and national organisations as well as industry associations. The individual involvements, however, do not constitute strategic memberships or imply substantial funding beyond routine membership fees. Our Sites reported a total of 32 memberships of associations in 2021. The main categories were composites industry associations, national employer associations and memberships in local or regional chambers of commerce.

MAIN NEW MEMBERSHIPS IN 2021

- **Wind Europe:** an organisation that promotes wind energy across Europe and worldwide.
- **Ellen MacArthur Foundation:** a community of thousands of organisations working to accelerate the transition to a circular economy.
- **European Industrial Research Management Association:** a European R&D and Innovation network encouraging open discussions around best practices in research, development and innovation for a sustainable world, reaching all industrial sectors.

➤ GRI 102-13 Membership of associations

LOCAL COMMUNITY INITIATIVE
BALSA PLANTS DONATION IN MUROCOMBA, ECUADOR



Balsa plant donation in Murocomba, a protected area in Los Rios, is one of the first initiatives launched under our Gurit Cares moniker



Manuel Antonio Arcos Aza (Coordinator UTEQ Technical University in Quevedo); Aldo Rivera (Forestry engineer, Gurit Ecuador)

Our balsa core material production site in Ecuador has engaged with a local community of Murocomba in the Los Rios province.

In cooperation with the Technical University UTEQ in Quevedo, Gurit Balsaflex has started a bioeconomy program, in which Gurit is donating balsa plants and empowering farmers with know-how on how to grow and manage balsa trees in a both profitable and sustainable manner. Balsa is planted together with other existing crops, such as bananas, cocoa, yucca, or on steep areas not suitable for other crops. Having access to balsa trees on their land, will prevent farmers from having the need to harvest from the forest.

In 2021, Gurit has donated plants to cover about 11 hectares and supported several families willing to start their balsa business.

“Murocomba, the only Tropical Humid Protected Forest in the Province of Los Ríos, which preserves native flora and fauna species. Bioeconomics activities are currently being promoted by donating Balsa (*Ochroma pyramidale*) seedlings that seek to prevent agricultural frontiers from being extended further and to help create a culture of reforestation and conservation of areas not suitable for short-cycle monocultures.”

Ramon Eguez, Representative of the Local Forestry Department

LOCAL COMMUNITY ENGAGEMENT

During 2021, a dedicated workgroup focused on local community involvement and has identified ambitions and actions to foster the development of local communities in which Gurit operates. The aim is to add long term social value, increase stakeholders’ engagement on Gurit’s journey towards sustainability, and actively contribute to SDG.

In 2021, 27 employees from different Gurit Sites have participated in local community initiatives via small events, environmental work, walks and charity projects.

Throughout 2022, the local community workgroup will implement a process to engage internal stakeholders at different levels within Gurit. This process will aim to minimise, mitigate or compensate for adverse social, environmental and economic impacts caused by our operations and/or identify opportunities to increase the positive impact of our initiatives on our local communities.

Next actions planned for 2022 will focus on the following:

- Corporate volunteering
- Balsa plant donation in Ecuador
- Gurit community engagement: walk together for a charitable purpose

SPONSORSHIPS

In 2021, Gurit Sites have been involved in their local communities in several ways, including local events, raffles, walks and charity projects. Five sites reported financial assistance given to local community hospitals, food banks, local health organisations, and Red Cross institutions.

The focus of Gurit’s general sponsorship commitments is the support of research and development activities 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. When deciding which projects and activities to support, emphasis is placed on sustainability as well as high ethical and moral standards. The amount of sponsorships provided in cash or in-kind in the form of composite materials amounted to CHF 102 449 during the November 1, 2020 to October 31, 2021 reporting period as compared to CHF 90 707 in 2020.

➤ GRI 102-12 External initiatives
➤ GRI 102-43 Approach to stakeholder engagement

RESPONSIBLE SUPPLY CHAIN

RESPONSIBLE SUPPLY CHAIN POLICY STATEMENT

ENVIRONMENTAL IMPACTS

We work with suppliers to reduce the environmental impact of our partnership, in particular on the reduction of toxic and greenhouse gas emissions. We expect them to take an innovative approach to sustainability, working to reduce their own environmental footprint and to actively monitor laws and regulations, ensuring the safety of their staff, local neighbourhoods and locations they are operating in.

HUMAN RIGHTS

We respect the protection of human rights and require the same from our suppliers, with the expectation that they have their own related policies and programs in place

COMPLIANCE

We adhere to a high standard of business ethics and expect the same from the suppliers we work with. We share our commitments with our suppliers and ask them to respect our values by adhering to the Supplier Code of Conduct.

SUCCESSFUL TOGETHER

We believe that we can have the biggest impact on ESG areas when we work together with partners across the supply chain. So we take the lead and participate in 'cradle-to-grave' initiatives and circularity discussions with our suppliers and customers.

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



ACHIEVEMENTS 2021



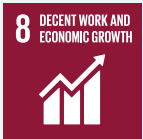
Adopted Supplier
Code of Conduct



Key suppliers that make up
30% of spend
completed our Supplier
Sustainability Questionnaire



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG) CONTRIBUTIONS



RESPONSIBLE SUPPLY CHAIN TARGETS 2022

- Identify and set greenhouse gas reduction targets across the supply chain by 12/2022
- Identify and manage social and environmental risks across the supply chain by 12/2022



RESPONSIBLE SUPPLY CHAIN ACTIONS 2022

1. Update **Group Purchasing Policy** (Q2 2022) and include **Sustainability KPI** into evaluation
2. Propose **ESG Risk Management System** adapted to new Swiss legislation on corporate responsibility. Implement tool to evaluate and manage suppliers' ESG risks, and identify key risks (Q3/2022)
3. **Communicate Gurit's sustainability commitments** to suppliers and have them formally sign our Supplier Code of Conduct
4. **Issue sustainability questionnaires** to the remaining suppliers (remaining 70% of \$) by 12/2022
5. **Request LCA / EPD / GHG footprint reports** from all suppliers (starting Q3/22)
6. **Identify transportation footprint reduction opportunities** in supply chain
7. **Responsible Supply Chain training** for local purchasing. Starting Q3/2022
8. **Identification of the CO₂ reduction initiatives** to be implemented across the supply chain based on LCA, EPD and GHG footprint results. By Q4/2022

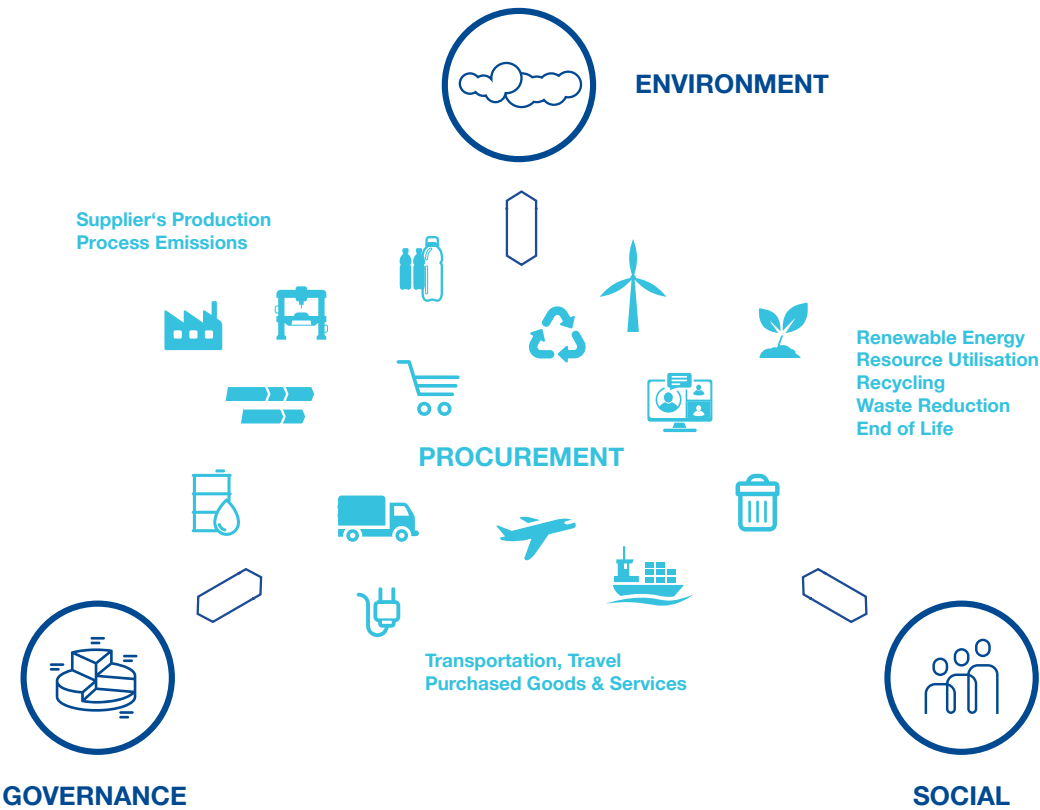


MEASUREMENTS

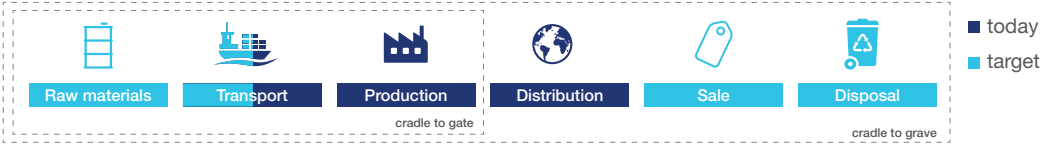
- % of suppliers completing sustainability questionnaires
- % of suppliers signing Gurit Supplier Code of Conduct
- ESG / Sustainability-related **supplier risk monitoring system** in place
- Supply chain (GHG scope 3) **greenhouse gas reduction targets** set for 2023 (by 12/2022)

RESPONSIBLE SUPPLY CHAIN

Our supply chains are a vital part of the Gurit business, providing us with resources to operate. Sustainability must cascade down the entire value chain, in terms of the environment and social standards, but also with regards to economic performance, to guarantee competitiveness and business continuity.



Gurit fosters responsible procurement across all areas of the supply chain, such as materials, resources, transportation, and production process. This approach allows us to continually improve our environmental and social impact, as well as implement responsible initiatives, such as developing the Gurit Supplier Code of Conduct, and the completion of sustainability questionnaires by key suppliers.



SUPPLY CHAIN IMPACT ON THE 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. As part of our Sustainability Strategy, a dedicated “Responsible Supply Chain” workstream was set up and rolled out in 2021. During 2022 the work-group will focus on the targets listed earlier, such as the identification of supply chain impacts and initiatives to set reduction targets.



“We believe sustainability is an integral part of our entire value chain; therefore developing relationships with supply partners who are aligned with our corporate social responsibility ethos and ethical practices will help us provide solutions, which support our customers in the reduction of their impact on environment.”

Sudhir Tukra, Site Director and Sustainability Workstream Lead Responsible Supply Chain

SUPPLY CHAIN RISK ASSESSMENT

In 2021, the new sustainability organisation and the responsible supply chain workstream, initiated an analysis of our supply chain and related impacts, and took first steps to systematically monitor and promote social and environmental standards within it. Based on this work, Gurit has set the 2022 responsible supply chain ambitions and targets.



“We have set sustainability as one of our strategic cornerstones. We are now including our responsible supply chain principle in all procurement processes. Our Procurement team

is fully committed to extend our risk management systems to economic, social and governance aspects and we want to reduce the greenhouse gas emissions along our supply chain.”

Jordi Cunill, Chief Procurement Officer

➤ GRI 102-9 Supply chain

SUPPLIER STANDARDS

Supplier standards of the Gurit Group are formalised in writing in Gurit’s General Terms and Conditions. In this document we explicitly refer to suppliers’ obligations in the way of compliance with environment, health and safety laws, as well as anti-corruption laws and human rights. In September 2021, Gurit published its Supplier Code of Conduct, a document that underlines our commitment to ethical, legal, social and environmental standards. We expect all our vendors of goods and services, their employees and subcontractors to follow the commitments outlined. A target has been set to follow up with all suppliers during 2022. Furthermore, also in the context of our supply chain, a Modern Slavery Statement is available on the Gurit website:

www.gurit.com/About/Sites--Locations/Site-Certificates

SUPPLIER AUDITS

Supplier audits are carried out on a risk basis during the reporting period by the Global Procurement department in collaboration with specialised Group-internal functions, such as the Chemical Regulatory Compliance Officer. Gurit assesses compliance using the following methods:

- Supplier categorisation
- Supplier evaluation and assessments
 - ISO based audits
 - Ethical based audits (ESG)
- Supplier Performance

The evaluations and assessments are undertaken throughout the Supplier Lifecycle and are defined in the Supplier Evaluation and Approval Process. They are conducted by Gurit’s Global Procurement department in collaboration with Site Quality Managers and Site Operations.

SUPPLIER QUESTIONNAIRES

As part of a wider supplier audit process, in 2021 Gurit sent sustainability questionnaires to its key suppliers, who make up 30% of our total spend. The questionnaires are used to evaluate suppliers in terms of their management of sustainability-related dimensions of their business. The questionnaire covers the five Gurit Sustainability Pillars: Safety First, Environment, Social Responsibility, Good Governance and Economic Performance. We were pleased with the response rate, with 80% of recipients completing the questionnaire. This process has allowed us to identify concerns, improvements, focus areas and establish a baseline. In 2022/2023 our Global Procurement department will focus on three main action areas:

- Supplier risk assessment
- Fostering continuous improvement in our suppliers’ sustainability management by means of communication and supplier dialogues
- Identify suppliers that already have an external and independent verification rating.

➤ GRI 308-1 New suppliers that were screened using environmental criteria
➤ GRI 414-1 New suppliers that were screened using social criteria



“Providing sustainability questionnaires to our key suppliers has allowed us to understand their existing position relating to Environmental, Social and Governance. Now we can identify

opportunities for improvement by working collaboratively towards best practice. We received positive feedback and support from the suppliers – I’m very proud of this initial step they have taken with us.”

Michelle Hodkinson, Procurement Manager

SUPPLIER PERFORMANCE AND NON-COMPLIANCE MONITORING

Supplier performance is managed at Site level where non-conformance is evaluated, reported through Non-Conformity-Requests (NCR) and managed with corrective actions. Supplier non-conformance is discussed regularly with suppliers as part of Supplier Business Reviews and considered within continuous improvement/supplier development activities. Supplier balanced scorecards are managed at Site level; however, performance of key suppliers is also tracked by the Global Procurement Team who manage their own scorecards and carry out evaluations.

➤ GRI 102-9 Supply Chain

ASSESSING SOCIAL RISKS

The completion of sustainability questionnaires by our suppliers helped to identify opportunities for further improving responsible management across the Gurit supply chain, in terms of good governance, environment and social issues such as human rights, child labour, and forced or compulsory labour. As part of our risk assessment we are aware that some of the areas in which we operate, may have a higher risk than others, and our ambition is to keep systematically improving our risk assessment and monitoring processes. During 2022, our Global Procurement department will propose an ESG Risk Management System, also taking into account the new Swiss legislation on corporate responsibility. Our target is to implement a tool to support the evaluation and management of suppliers’ ESG risks before the end of 2022.

The Global Procurement Team has identified no suppliers at significant risk of child labour, forced labour or human rights infringements, and no incidents were reported.

During 2021, Gurit has not found any exposure to modern slavery or human trafficking in our supply chain. A Modern Slavery Statement is renewed annually and published on our website at www.gurit.com/sustainability

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. However, a risk assessment has concluded that tooling equipment and manufacturing solutions may contain electronic components manufactured by third-parties that may or may not contain low quantities 3TG minerals typically used in electronic equipment. To mitigate this risk, Gurit requests a conflict minerals declaration from its material suppliers and complies with all legislation in place.

- GRI 412-1 Operations that have been subject to human rights reviews or impact assessments
- GRI 412-2 Employee training on human rights policies or procedures
- GRI 408-1 Operations and suppliers at significant risk for incidents of child labour
- GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

BACKGROUND INFORMATION:
WHAT ARE CONFLICT MINERALS?

In politically unstable areas, the minerals trade can be used to finance armed groups, fuel forced labour and other human rights abuses, and support corruption and money laundering. The so-called ‘conflict minerals’ such as tin, tungsten, tantalum and gold, also referred to as 3TG, can be used in everyday consumer or industrial products. It is difficult to know if a purchased product contains minerals that were sourced from conflict areas. Conflict minerals are regulated under specific legislations such as the Dodd-Frank Act 1502 on Conflict Minerals and Conflict minerals Regulation (EU) 2017/821.

ECONOMIC PERFORMANCE

ECONOMIC PERFORMANCE POLICY STATEMENT

ECONOMIC SUSTAINABILITY

We understand economic sustainability as long-term economic growth without negative impact on the environment, or social or cultural customs.

FINANCIAL TARGETS

We set financial targets and transparently report them in compliance with recognised standards and in line with the Swiss stock exchange regulations. We foster a solid long-term sustainable financial performance according to our strategies.

RISK MANAGEMENT

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

QUALITY

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

RESOURCEFULNESS

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

INNOVATION

We foster innovation and encourage the development of intellectual property.

We foster economic and financial sustainability, understood as long-term economic growth without negative impact on the environment, or social or cultural customs or compromising ethical standards.



ACHIEVEMENTS 2021



Sustainability Targets
(Health & Safety)

Integrated as part of personal
annual performance targets of
Executive Committee Members



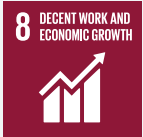
On-Time-In-Full (OTIF)
rate of 94.5% achieved
Target rate is 99%



Various initiatives to
Foster a Strong Quality Focus,
supporting long-term customer satisfaction



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)
CONTRIBUTIONS



ECONOMIC PERFORMANCE TARGETS 2022

- A sustainable financial balance sheet and performance
- Risk Mapping and Risk Management aligned with sustainability-related criteria



ECONOMIC PERFORMANCE ACTIONS 2022

1. **Define criteria and ambition** for a sustainable financial performance (by Q3/2022)
2. **Review** risk mapping and risk management and update with sustainability / ESG risks (by Q3/2022)
3. Members of the Executive Team each have **personal target supporting** at least one of Gurit's sustainability targets
4. **Quality performance** to support customer satisfaction and growth of customer base



MEASUREMENTS

- As per KPI defined
- Creation of a sustainable balance sheet
- Updated risk mapping to include ESG-related risks
- Annual performance review of personal targets set
- OTIF rate

ECONOMIC PERFORMANCE

Gurit embraces the understanding that a successful business is built on reliable environmental, social and governance standards, which in return are an essential foundation for long-term financial success and our overall economic performance. Our objective is to serve our customers with solutions that help them meet their own sustainability goals, and in doing so we will continue to achieve economic success in our markets.

“Sustainability is part of our vision. Sound financials and the integration of ESG risks and opportunities into our risk mapping will provide a solid foundation for our business.”



Philippe Wirth, CFO

CUSTOMER FOCUS, INNOVATION AND COST LEADERSHIP AS CORE VALUES

Customer focus is one of our core values and bringing the best value to customers has been a priority for us since the very beginning. To achieve this, we support our global customer base by helping them transform components into lightweight and durable structures whilst achieving their performance and cost-reduction targets. Onsite technical support, as well as product and process training related to the correct and safe handling and use of the Group's products, form an essential part of this support. Distributors are included in these training activities as part of the Group's overall customer health and safety efforts. Their knowledge and advice plays an important role in regions where Gurit is not represented by local sales and technical support offices.

Further core values are Innovation and Cost leadership, both of which provide guidance and direction to our employees. Part of the company's sustainable economic success relies on the ability to deliver total cost-effective solutions without compromising on quality. Alongside this we foster new product innovation to address market needs and to fulfil the sustainability requirements of our customers, who strive to shorten cycle times, use less energy and be able to offer a product that can be recycled at the end of its life. This is why sustainability is one of the building blocks of our strategy, differentiates us in the market and is a key factor in our economic success.



FOSTERING QUALITY LEADERSHIP

Gurit maintains Quality departments at all Production Sites and operates management systems to monitor and manage quality and the delivery of products according to customer specifications. In monitoring quality, Gurit aspires to achieve an On-Time-In-Full (OTIF) rate of 99% for its confirmed deliveries. Due to the high market demand and raw material shortage, our achievement in 2021 was below our ambitions and was only achieved by two Business Units. We achieved an OTIF rate of 94.5%, with the ambition of future improvement.



At the end of 2021, the team at our youngest Site, currently under construction in Chennai, India, celebrated a Quality Month. Their aim was to set the tone and start with a clear customer focus, with quality as a cornerstone.

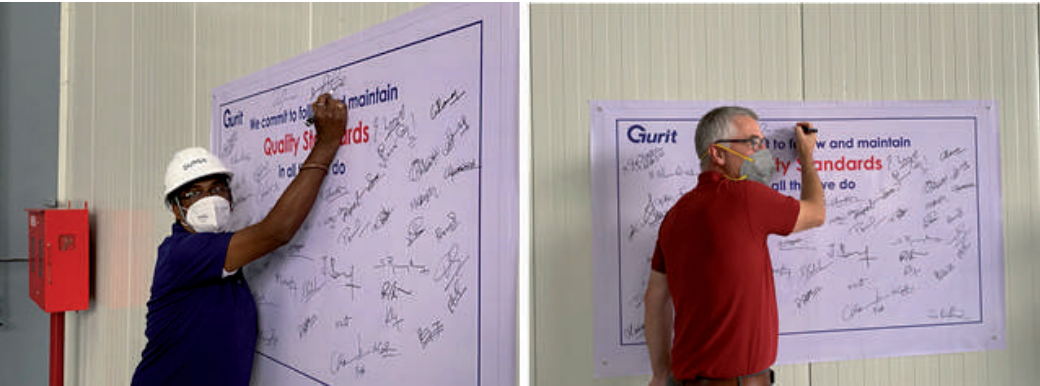
“Quality starts with me” was the motto underpinning the month, and used to encourage all employees to be actively involved in achieving zero quality defects on arrival at the customers’ location. The Site organised several activities which emphasised how essential it is that every employee is fully committed, that quality can be improved by each individual and that fostering the right quality mindset in the team makes a difference.

Practical Quality Tool Training sessions in for example Core Tools, Non-Conformity Management, 7 QC Quality Tools, Advanced Product Quality Planning (APQP) and Production Part Approval Process (PPAP), were offered to employees. More symbolic actions were also undertaken, such as employees pledging their commitment to enforce and maintain exceptional quality practices in all that they do, and deliver defect-free products to customers.



“By committing to quality standards, we can achieve great customer satisfaction. The Quality Month motivated all my colleagues to get involved with quality-ensuring activities. We all want to maintain high quality standards in everything we do.”

Bharathiraja Natanasabapathy, Manager EHS & Quality Systems Chennai, India

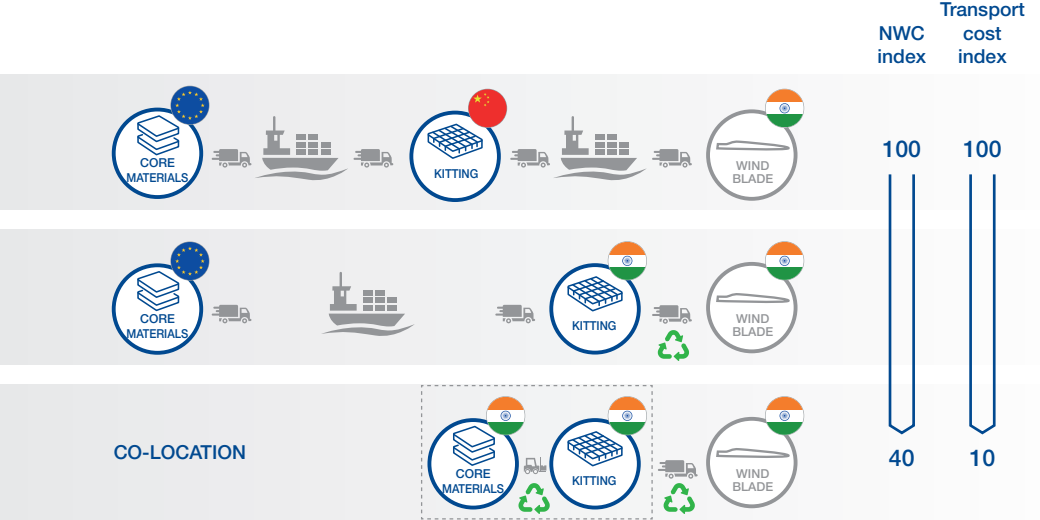


Employees pledging their commitment to quality

During a celebratory closing ceremony, the employees were rewarded with prizes, cake and a Quality Month 2021 memento.

CO-LOCATION TO REDUCE NET WORKING CAPITAL

Gurit’s co-location strategy delivers a wide range of benefits, ranging from reduced transportation and related emissions, to a significant reduction of waste and the increased use of recycled materials. In economic terms, this translates into significantly lower costs, a reduction of net working capital, plus the material reaches the customer much faster. We established our first co-location site in Mexico, and a further co-location site is under construction in the South of India.



Co-location – aligning manufacturing footprint to market needs

EU TAXONOMY

Gurit is a non-financial company, publicly listed and headquartered in Switzerland, and therefore not subject to the EU Taxonomy regulations. Nevertheless – for the purpose of transparency – we voluntarily disclose available information within this section.

Referring to Article 8 of the EU Taxonomy, 100% of the 2021 sales generated by the business segments Manufacturing Solutions and Kitting as well as the majority of sales generated by the business segment Composite Materials are dedicated to supplying the wind turbine industry. Less than half of sales of the business segment Composite Materials are dedicated to other markets. Therefore, Gurit claims that more than 79% of our total FY2021 sales are dedicated to enabling Climate Change Mitigation – the first environmental objective of the EU Taxonomy.

Gurit discloses its CAPEX and OPEX at Group level only. Most of the CAPEX and OPEX in the FY2021 were allocated to new production sites that will mainly serve the wind turbine industry and thus the generation of renewable energy.

At this time we are not aware of any conflicts with the ‘Do No Significant Harm’ (DNSH) principle. As detailed within this report, we have in the year under review taken measures to implement sustainability principles across our organisation: setting up a sustainability strategy, a sustainability organisation, sustainability workstreams, the introduction of a new sustainability data collection tool and the commitment to a number of sustainability targets.

GOOD GOVERNANCE

GOOD GOVERNANCE POLICY STATEMENT

ACTING LEGALLY

Gurit and all Gurit employees fully comply with the laws of their respective countries.

TRANSPARENCY

We provide open, truthful and equal information to all parties at the same time.

RESPECT

We care for people and for the natural environment. We take responsibility for all corporate actions regarding the environment, health and safety. We report all incidents and accidents regarding environment, health and safety.

COMPLIANCE

We adhere to a high standard of Business Ethics. We comply with competition law requirements. We neither give nor accept benefits or lavish gifts of hospitality that could distort judgement. We avoid conflicts of interest and act in compliance with data protection laws. We document any waivers and exceptions.

EMPLOYER BRANDING

We are an attractive employer committed to fair, non-discriminating human resource practices.

CODE OF CONDUCT

We act in compliance with the Gurit Code of Conduct and report breaches of the Code immediately.

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



ACHIEVEMENTS 2021



Supplier Code
of Conduct



Organisational
Sustainability
Responsibilities
implemented across
the company



ESG Rating
Improved

1 070

employees completed
the Code of Conduct
training program
in 2021



Ongoing commitment to
**United Nations
Global Compact (UNGC)**
implemented across the company



Sustainability reporting
in line with
GRI Standard



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)
CONTRIBUTIONS



CORPORATE GOVERNANCE TARGETS AND ACTIONS 2022



- Internal audit of compliance with ethical standards (Code of Conduct) and the Gurit Sustainability Policy, as well as biannual self-assessments by Gurit Group Sites
- Create a Policy on bribery and anti-corruption and anti-money laundering by 12/2022
- Include part-time employees and contractors in ethical standards (Code of Conduct) training programs from Q3/2022
- Annual General Meeting of Shareholders to vote on introduction of single registered share, in line with one share one vote corporate governance principle



MEASUREMENTS

- Number of audits on Ethical Standards and Sustainability Policy per year
- Number of part-time employees and contractors included in training programs on Ethical Standards

GOOD GOVERNANCE

Good governance at Gurit is characterised by accountability, transparency, diversity and meaningful participation as well as risk management and an effective compliance function.

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 Organisational Regulations, which are reviewed by our Board of Directors on a regular basis. The key principles 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 our governance structure and practice, please refer to the Corporate Governance chapter of the Gurit Annual Report 2021, available at

www.gurit.com/Investors/Reports
www.gurit.com/About/Corporate-Governance

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

- GRI 102-18 Governance structure
- GRI 102-22 Composition of the highest governance body and its committees
- GRI 102-23 Chair of the highest governance body
- GRI 102-24 Nominating and selecting the highest governance body
- GRI 102-25 Conflicts of interest
- GRI 102-35 Remuneration policies
- GRI 102-36 Process for determining remuneration
- GRI 102-37 Stakeholders' involvement in remuneration



“With our Good Governance sustainability workstream we want to contribute to maintaining an environment of transparency, accountability and trust. We see this as necessary for fostering long-term business integrity that ultimately benefits all our stakeholders.”

Valérie Collaudin, Gurit Group General Counsel

THE GURIT CODE OF CONDUCT

Gurit has adopted its own Code of Conduct that sets the ethical standards and principles to guide decision-making and behaviour in daily operations. We also expect our suppliers and business partners to adhere to the relevant parts of the Code of Conduct; and this is written, when possible, into our contractual documents.

1. Gurit and all Gurit employees fully comply with the law
2. Gurit provides open, truthful and equal information to all parties at the same time
3. Gurit cares for people and for the natural environment
 - 3.1. Individual responsibilities
 - 3.2. Corporate EH&S actions
 - 3.3. EH&S reporting
4. Gurit adheres to a high standard of Business Ethics
 - 4.1. Gurit complies with competition law requirements
 - 4.2. Gurit neither gives nor accepts benefits, or lavish gifts of hospitality that could distort judgement
 - 4.3. Gurit Customers and Suppliers are expected to adhere to this Code of Conduct where applicable
5. Gurit is an appealing employer committed to fair, non-discriminatory HR practices
6. Gurit and Gurit employees avoid conflicts of interest
 - 6.1. Outside activities
 - 6.2. Use of assets
 - 6.3. Confidentiality
 - 6.4. Data privacy
7. Documentation and granting of waivers and exceptions
8. Compliance with the Code

The Code of Conduct and further information on the Corporate Governance Policy at Gurit are available in the Corporate Governance chapter of the Gurit Annual Report:
www.gurit.com/About/Corporate-Governance

SUPPLIER CODE OF CONDUCT

In 2021, Gurit adopted a Supplier Code of Conduct to reaffirm our commitment to ethical, legal, social and environmental standards that all suppliers are expected to follow. The Code has been distributed to suppliers and is available at
www.gurit.com/en/about/sustainability

- GRI 102-16 Values, principles, standards, and norms of behavior
- GRI 102-25 Conflicts of interest
- GRI 102-35 Remuneration policies

ADVICE AND WHISTLE-BLOWING

For advice on the Code or in case of concerns about or evidence of violations, employees must seek guidance from their direct managers, Group management or the Audit and Corporate Governance Committee of the Gurit Board of Directors. All requests are treated confidentially. Furthermore, the Chairman of the Audit and Corporate Governance Committee can be contacted in full anonymity in order to raise concerns regarding Gurit's compliance with ethical, social, environmental or governance standards.

The Audit and Corporate Governance Committee is currently chaired by Board Member Dr. Stefan Breitenstein. He can be contacted at his office at the Swiss law firm Lenz & Staehelin, Bleicherweg 58, CH-8027 Zurich, Switzerland. Phone +800 4546 4546, Fax +41 (0)58 450 80 01, e-mail: stefan.breitenstein@lenzstaehelin.com

➤ GRI 102-33 Communicating critical concerns
➤ GRI 102-17 Mechanisms for advice and concerns about ethics

COMPLIANCE REVIEW

No violations regarding conflicts of interest nor any non-compliance with any of the standards as defined in the Gurit Code of Conduct were identified or reported to the Chairman of the Audit Committee in 2021.

No non-compliance of social or economic laws and regulations was identified in 2021, except for an observation made by a labour inspector at one Gurit site. Gurit has taken measures to address the concern, implementation of which will be completed in 2022.

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 behaviour, antitrust and monopoly practices were imposed in 2021.

Overall compliance with the Code of Conduct is subject to internal audits. Furthermore, the Executive Committee submits an annual report regarding compliance to the Board of Directors.

➤ GRI 419-1 Non-compliance with laws and regulations in the social and economic area

ORGANISATIONAL RESPONSIBILITIES FOR SUSTAINABILITY

As defined in Gurit's Sustainability Policy, the Executive Committee annually reviews the sustainability performance against targets, sets new targets and if necessary, adjusts its organisational structure to better achieve sustainability targets and ESG performance. The last review took place on 16 December 2021.

ROLE	RESPONSIBILITY	ACTION
Board of Directors	Oversees Sustainability Strategy	Annual review
Executive Committee	Execute Sustainability Strategy with dedicated workstreams Target setting	Quarterly Workstream review Annual ESG performance and Sustainability review Personal ESG performance objective (starting 2022)
Sustainability Coordination Team	Coordination of workstreams Reporting Alignment with standards Internal & external sustainability communication	Sustainability report (annual) Data collection / Common tools support ESG ratings Materiality assessment every 3 years
Sustainability Core Team	Advisory body on Sustainability matters	Meetings of workstream leads and internal experts
Workstreams	Workstream Sponsor (typically an EC Member) oversees workstream in line with mission and KPI	Quarterly reporting Annual review Annual data collection
Business Unit Leader	Integrate defined Sustainability KPI into BU Management and Monthly Reviews Communicate sustainability & workstreams mission	Integrate Sustainability Strategy into BU Management and Operations
Site Manager	Implement at Site level Communicate sustainability initiatives to staff	Sustainability initiatives implementation Share initiatives Data collection
Corporate Staff Functions	Implement Sustainability Strategy and targets within area of responsibility	Data reporting (Procurement, Legal, HR, IT)

➤ GRI 102-18 Governance structure (see also Annual Report – chapter Corporate Governance)
➤ GRI 102-20 Executive-level responsibility for economic, environmental and social topics
➤ GRI 102-22 Composition of the highest governance body and its committees (see also Annual Report – chapter Corporate Governance)
➤ GRI 102-32 Highest governance body's role in sustainability reporting

SUSTAINABILITY CONTROLLING

In 2020, as part of its new Sustainability Policy, Gurit created a sustainability monitoring framework with the objective of measuring performance and embedding sustainability effectively in all parts of the organisation. Review processes include an annual Board review of the Sustainability Strategy and sustainability reporting. The Executive Committee reviews sustainability performance as part of its regular meetings, as well as in dedicated quarterly workstream reviews and annual sustainability and ESG performance reviews. Environmental, social and economic topics are reviewed annually, analysed for materiality, prioritised and included when defining targets and related action plans.

- GRI 102-31 Review of economic, environmental and social topics
- GRI 102-32 Highest governance body's role in sustainability reporting



MANAGEMENT SYSTEMS	FORMAL REVIEWS	EXTERNAL REPORTING
Management Systems Policies Certifications Sustainability data collection system	Board: annual Executive Committee: quarterly workstream status review, annual target setting Materiality assessment (every 3 years) Sustainability process cycle	Annual Sustainability Report in line with GRI United Nations Global Compact annual communication on progress Selected ESG rating agencies questionnaires

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 also 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. We do not maintain legal entities in offshore low-tax jurisdictions.

- 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. The Chairman of the Audit and Corporate Governance Committee acts as an independent contact for any concerns and advice on the Gurit Code of Conduct; this includes unlawful behaviour and threats to the company's integrity in relation to tax.

- GRI 207-2 Tax governance, control and risk management

COMPLIANCE WITH LAWS

During the reporting period, Gurit has not identified any non-compliance with social or economic laws or regulations. One site reported an observation by the local labor inspectorate.

No incidents of non-compliance with environmental laws and regulations were reported by Gurit sites. As reported previously, a public enquiry is in progress with regards to a former production site and its waste disposal.

- GRI 419-1 Non-compliance with laws and regulations in the social and economic area
- GRI 307-1 Non-compliance with environmental laws and Regulations

CORRUPTION AND BRIBERY

Selected operations were assessed for risks related to corruption as part of ordinary internal audit or due diligence procedures. Communication about anti-corruption policies and procedures is part of employee onboarding and refreshers of the Gurit Code of Conduct online training course. In 2021, there were no confirmed incidents of corruption nor actions taken.

➤ GRI 205-3 Confirmed incidents of corruption and actions taken

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. In 2021 Gurit has joined WindEurope, an industry association promoting renewable wind energy in Europe. Gurit's commitments are limited to regular membership fees and public speaking opportunities at wind energy related tradeshows and conferences.

➤ GRI 415-1 Political contributions

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

During the reporting period (11/2020 – 10/2021), the financial assistance received from governments amounted to 1.7 million CHF in total from the governments of China, United Kingdom and Spain. These financial contributions were mainly awarded for innovation, funds or tax credits for research & development, a grant for CAPEX, a grant for leasing and operation costs and a car, a fund for regional headquarter and a scholarship for an industrial PhD.

➤ GRI 201-4 Financial assistance received from government

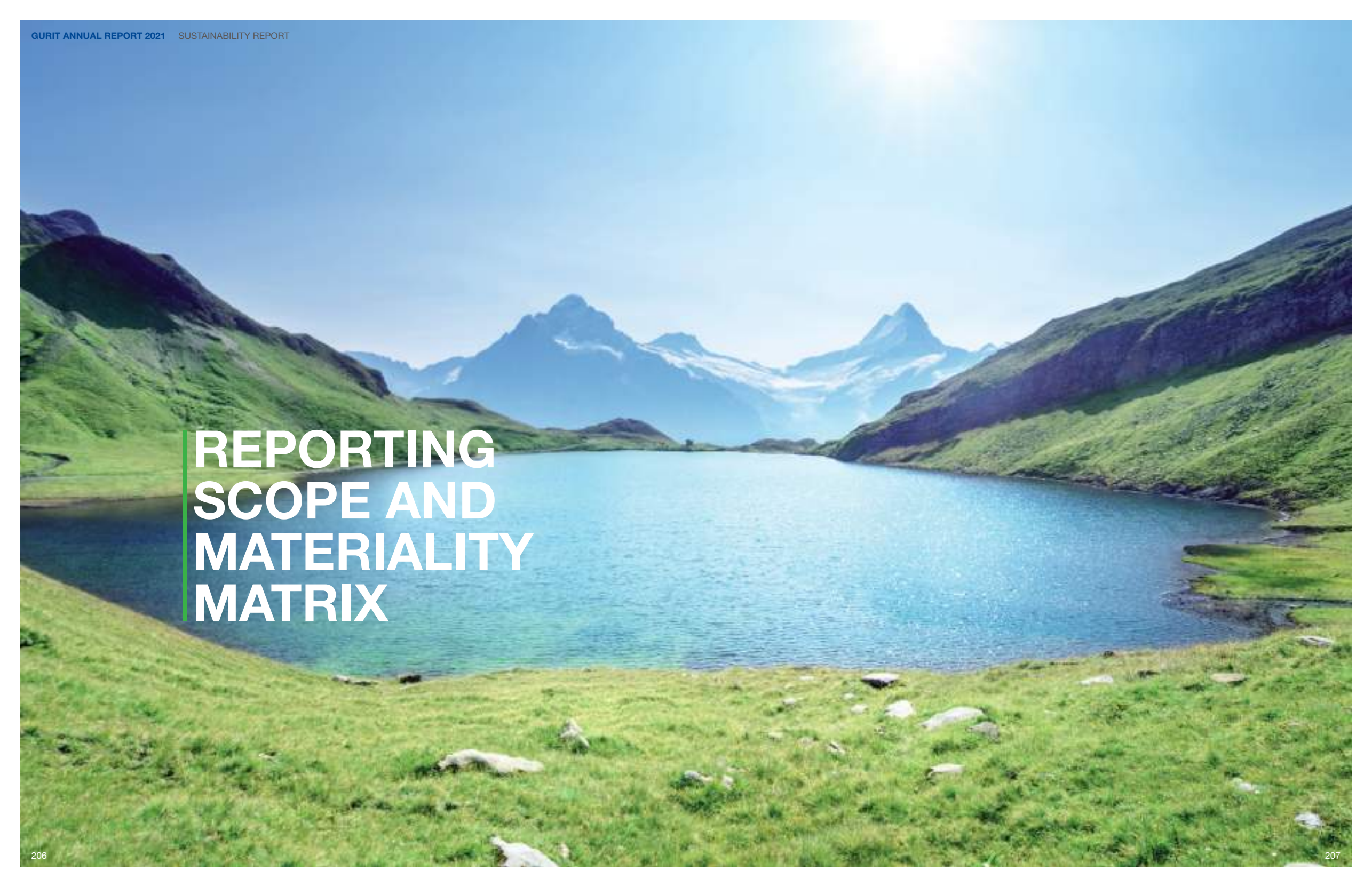
CUSTOMER INFORMATION AND DATA MANAGEMENT

Gurit informs stakeholders regularly about product developments and organisational updates by means of ad hoc media releases as well as newsletters and its website www.gurit.com. Management of customer data on an overall level and for distribution of newsletters takes place in compliance with relevant legal requirements related to data protection and security. Customers are able to opt out of all push communication activities at all times. No data leaks were identified and no complaints from customers regarding infringements of privacy were received in 2021.

Gurit complies with the General Data Protection Regulation (GDPR), and we have a designated GDPR data officers 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 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data



REPORTING SCOPE AND MATERIALITY MATRIX

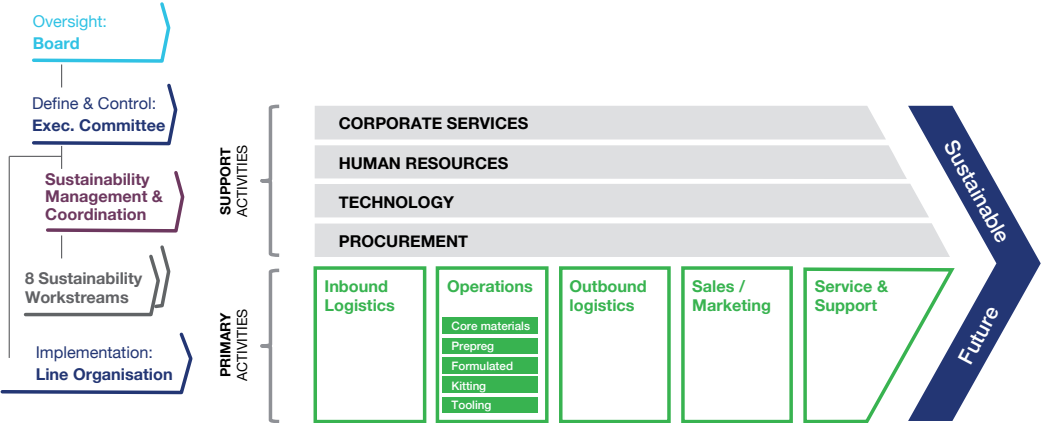
MANAGEMENT APPROACH

In December 2020, Gurit adopted a new Sustainability Policy, which outlines our approach to the management of sustainability-related topics, with a process to formally define and review set targets, with clearly assigned roles and responsibilities and details of how to implement this within the organisation.

In 2021 the Sustainability Policy was rolled out, workstreams now have defined mission and ambitions, and have produced quarterly updates. This has allowed us to set 2022 sustainability targets – further information can be found in chapter Our Sustainability Strategy & Targets.

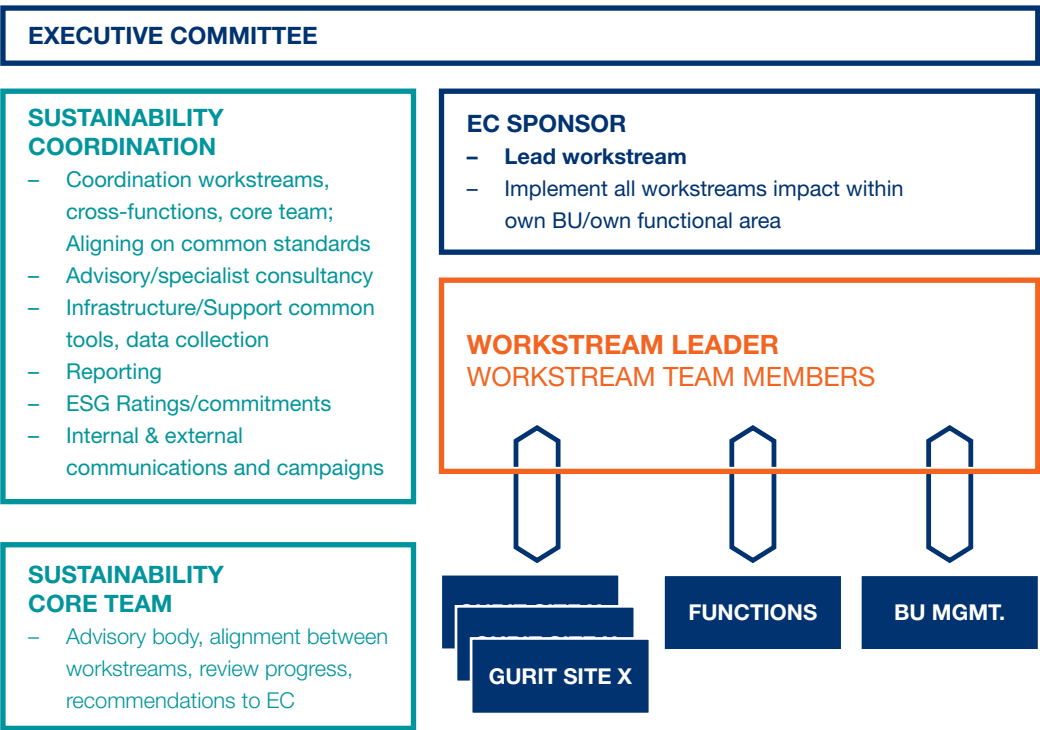
The Gurit Sustainability Policy is integrated throughout the company, requiring multiple resources, from the Board of Directors to Site Managers and Committees.

IMPLEMENTATION OF SUSTAINABILITY WITHIN THE ORGANIZATION



The Board of Directors is responsible for reviewing the Sustainability Strategy and Performance on an annual basis. Following that review, the CEO and Executive Committee (EC) execute our Sustainability Strategy through the dedicated workstreams, confirm the strategy annually and hold quarterly workstream reviews. The EC-Sponsor of a workstream is responsible for the workstream performance against the mission & KPIs, the implementation of the workstream actions, and for ensuring alignment with our strategy and standards.

SUSTAINABILITY MANAGEMENT FRAMEWORK WITHIN GURIT



Workstreams, comprising mainly Business Unit Managers and Site Managers, oversee the implementation of the strategy within their unit, with Site Managers having responsibility for local implementation of the plan and monthly KPI reporting to their BU Manager, along with quarterly and annual updates.

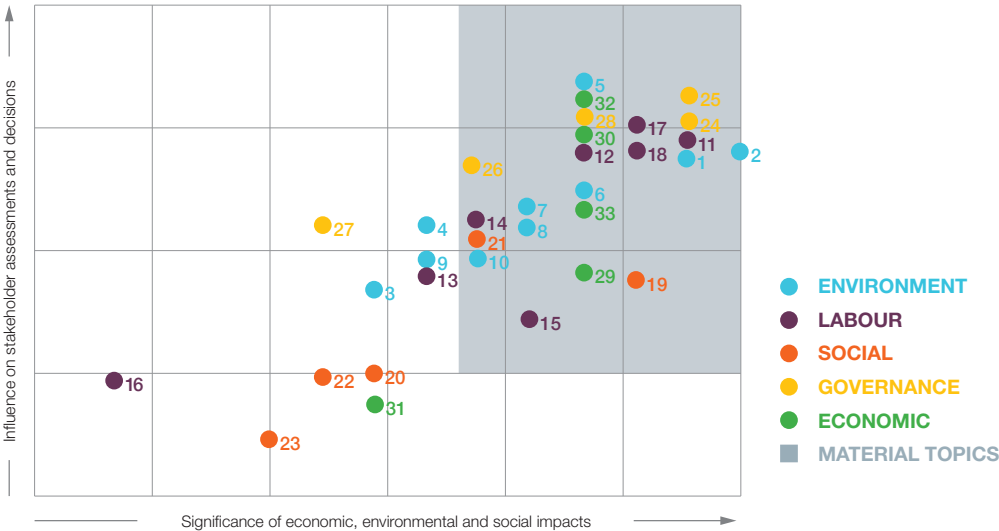
The Sustainability Coordination Team is responsible for coordinating implementation and reporting across the company, completing ESG rating questionnaires, and compiling the annual Sustainability Report. At the same time, cross-functional committees work on standards and KPI setting, reporting, and provide support and advice to workstreams. The Sustainability Manager has an EC sustainability progress meeting once a month to share statements and recommendations.

The Sustainability Core team is comprised of workstream leads, experts and the Coordination Team. It is an advisory body whose function is to ensure alignment between workstreams, review progress and make recommendations to the EC.

Dedicated officers across the company oversee the Health & Safety, Environment, and Data Protection aspects of the strategy, and work at BU and Site level based upon Site-specific needs, Group standards, and ISO certification requirements.

MATERIALITY MATRIX

In 2021, we conducted a materiality analysis, involving the company’s stakeholders and other resources such as the SASB Materiality maps and ESG rating trends.



ENVIRONMENT	DESCRIPTION
1. Climate neutrality	Reduce greenhouse gas emissions from our company’s operations, and compensate any remaining emissions.
2. Emissions to air	Reduce air pollution to the atmosphere.
3. Water management	
4. Effluents	
5. Waste management	Reduce waste generation.
6. Circular economy	Foster the recyclability of products and materials and commit to responsible production using sustainable materials, managing an effective resource utilisation, using green chemistry and collecting and recycling waste to create new materials.
7. Resource and materials utilization	Reduce materials and resources use to foster an efficient and effective raw material and resources management.
8. Energy management	Reduce the energy consumption.
9. Biodiversity	
10. Clean Technology	Innovation to reduce emissions and resources utilisation.

LABOUR	DESCRIPTION
11. Responsible Employment Practices	Respect of human rights, child labor and forced labor abolition across the supply chain.
12. Equality, diversity and inclusion	Non-discrimination and equal access to opportunities and resources of all employees.
13. Human capital development	
14. Work-life balance	Equilibrium between personal life and work.
15. Participation and consultation of employees	Communication, participation and consultation between the company and employees.
16. Freedom of association and collective bargaining	
17. Health and Safety	Ensure the health and safety of employees, customers, and suppliers.
18. Chemical safety	Reduce or eliminate the use of chemicals of concern.
SOCIAL	DESCRIPTION
19. Responsible Procurement Practices	Encourage and request from suppliers that they comply with social and environmental best practices.
20. Economic sustainability for the communities	
21. Social risk assessment	Do social risk assessments and actively manage potential adverse impacts inside and outside Gurit’s own operations.
22. Stakeholder engagement and dialogue	
23. Local communities	
GOVERNANCE	DESCRIPTION
24. Legal compliance	Comply with laws and regulations in place.
25. Business ethic	Run the business according to highest ethical and moral standards.
26. Transparency	Proactive communication and access to information.
27. Anti-competitive practices	
28. Anti-corruption and bribery	Prevent corruption in all its forms, including extortion and bribery.
ECONOMIC	DESCRIPTION
29. Economic performance	Long-term economic growth without negative impact on the environment, or social or cultural customs.
30. Product Quality and Solutions	Provide the best product quality and solutions to the customers.
31. Digital transformation	
32. Customer satisfaction	Meet customers’ expectations with the products and services provided.
33. Innovation	Foster and encourage innovation.

➤ GRI 102-44 Key topics and concerns raised
➤ GRI 102-46 Defining report content and topic boundaries
➤ GRI 102-47 List of material topics
➤ GRI 102-49 Changes in reporting
➤ GRI 103-1 Explanation of the material topic and its Boundary

STAKEHOLDER ENGAGEMENT

Customers, employees, investors, suppliers and regional authorities have been defined as the main stakeholders who significantly influence or are influenced by the Company’s business activities, products and services.

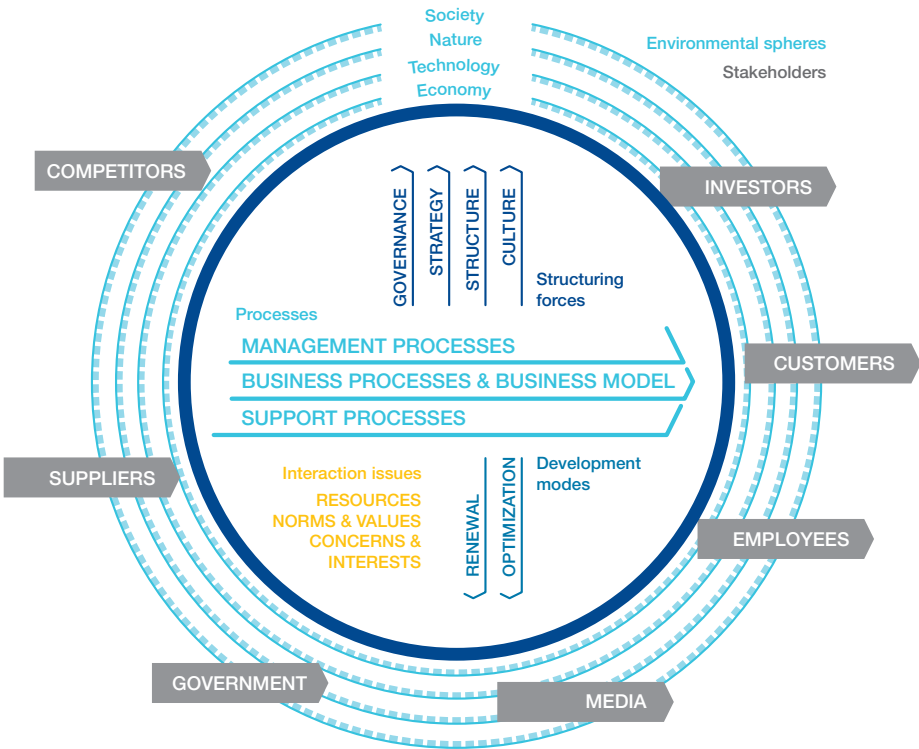
Dedicated external stakeholder engagement takes place with shareholders at the Annual General Meeting. Engagement with the financial community took place at two media and analyst conferences and nine roadshows and conferences.



Q&A session with investors, journalists and financial analysts on August 31 2021 in Zurich, Switzerland.

Further stakeholder expectations and interests are systematically considered. Primarily, this covers information regarding customer needs and expectations which we gather through face-to-face meetings and customer surveys, as well as technical conferences, trade shows and participation in trade association events. The close and frequent communication of our senior management, customer support, technical support and the sales organisation with customers and distribution partners facilitates a regular dialogue. Furthermore, we have participated in industry events and conferences focused on innovation, advances in material sciences and market developments.

One of the main considerations for Gurit is to foster the participation and consultation of employees. For this reason, in 2021 we initiated a quarterly conference with our employees. This event allows the Executive Committee to communicate organisational changes and Gurit strategy updates. During the call, employees have also the chance to share interests, make comments, ask questions and express expectations, which are answered by the Executive Committee members at the end of the call.



STAKEHOLDER	COMMUNICATION CHANNEL	FREQUENCY OF THE COMMUNICATION
Investors	Annual general meeting	Once a year
	Media and analyst conferences	Twice a year
	Roadshows and conferences	Twice a year
Customers	Face to face meetings	Once a year
	Tradeshows, Technical conferences	Regular dialogue
	Online surveys	Once a year
Employees and workers	Annual employee satisfaction surveys	Once a year
	Employee live call	Quarterly
Media	Media and analyst conferences	Twice a year
Regional authorities	Industry events and conferences	Quarterly
Suppliers	Telephone interviews	Once a year
	Online surveys	Once a year
Competitors	Industry events and conferences	Quarterly

➤ GRI 102-21 Consulting stakeholders on economic, environmental and social topics
➤ GRI 102-40 List of stakeholder groups
➤ GRI 102-42 Identifying and selecting stakeholder
➤ GRI 102-43 Approach to stakeholder engagement

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. The reporting period is the 2021 calendar year as well as the previous three years where such data is available. For operational reasons, the reporting period for sustainability indicators such as education & training, greenhouse gas emissions, electricity and waste, has been set to November 1, 2020 – October 31, 2021. Unless otherwise specified, the data covers all locations of the Gurit Group, excluding any parts of the business listed as “discontinued” in Gurit’s financial statements.

The scope of data collection was widened during 2021. For greenhouse gas emissions reporting, some figures contain data that 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 second year reported its green-house gas accounting on a best-effort basis. Due to the application of updated emission factors and improved data quality thanks to the introduction of a new software, the 2022 greenhouse gas emission data had been re-stated. 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 2021’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 the Sites to directly upload their data, and analyse our sustainability performance. This new data collection and reporting system has been introduced across the company through two training sessions and a periodic review with each Site.

Gurit’s Sustainability Report 2021 is published as a stand-alone document and in parallel as a chapter of our Annual Report 2021 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.

SIGNIFICANT CHANGES TO THE ORGANISATION

In June 2021, the Kitting Business Unit and Wind Materials Business Unit merged into one: Business Unit Wind Systems. In September 2021, our new kitting site in Ahmedabad, India was inaugurated. The Langfang site in China opened also in 2021. And a new site in Chennai in India was under construction. Available data provided by these sites have been included in the report. The sites in Allentown, USA and Java, Indonesia as well as our office in Hamble, UK have been closed during 2021. Available data from the sites in Allentown and Java have been included in the chapters Safety First and Social Performance. The list of Gurit Group subsidiaries covered by this Sustainability Report are listed in chapter 28 of Gurit’s Financial Report 2021, pp. 254-257.

➤ GRI 102-10 Significant changes to the organization
➤ GRI 102-45 Entities included
➤ GRI 102-48 Restatements of information
➤ GRI 102-50 Reporting period
➤ GRI 102-51 Date of most recent report
➤ GRI 102-52 Reporting cycle
➤ GRI 102-56 External assurance

NOTES REGARDING OUR GREENHOUSE GAS REPORTING

2021 corresponds to the sustainability reporting period 1.11.2020 to 31.10.2021.
2020 corresponds to the reporting period 1.11.2019 to 31.10.2020.

Scope 1 (Direct emissions) Offsets: GHG emissions under Scope 1 have been neutralized by means of carbon offsets generated from a Verra Verified Carbon Standard (VCS) onshore wind Park in Saipuram, in India. A total of 140 500 tCO₂e have been offset with two Certificates of Verified Carbon Unit (VCU) Retirement, serial numbers 9334-80963563-81030546-VCS-VCU997-VER-IN-1-1788-040822018-31122018-0 and 9335-81030547-81104062-VCSVCU-997-VER-IN-1-1788-01012019-03102019-0.

Scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) Emissions were calculated using the ‘market-based’ approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. All electricity consumption reported by Gurit sites for 2021 is covered by Energy Attribute Certificates (EAC, guarantees of origin). The Energy Attribute Certificates comply with the requirements of Scope 2 of the Greenhouse Gas Protocol and are a recognized tool for documenting renewable energy consumption and the reduction of greenhouse gas emissions. With these EACs, Gurit reaches 100% renewable electricity consumption in 2021. When reported according to the ‘location-based’ approach, the Scope 2 emissions were 25 493 tCO₂e (22 706 tCO₂e in 2020).

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. For Employees commuting we have taken 245 working days as an average to simplify reporting. Transportation and Distribution: GHG emissions were calculated based on available transport data from Gurit’s sites containing data on weights, origin, and destinations as well as the main transport modes used. When data was not available, extrapolations have been made from the previous year’s amount and the evolution of production and sales. Our 2021 data now also includes the transport GHG emissions arising from transport of raw materials from tier one supplier’s facilities to our sites, intercompany transport between Gurit sites, and transport of produced products to our customers. Parameters such as exact routing on vehicle types were not always 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 category Downstream transportation and distribution 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 where the products were transported. No estimations were made for these cases. The 2021 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: the GHG footprint related to waste has decreased in 2021; this is due to the increase in recycled waste which represents 58% of total waste in 2021.

During the configuration of a new data collection tool implemented in spring 2021, we integrated data from the previous reference period. Importantly, this allowed us to identify the delta from one year to another, sometimes justified and explainable, but sometimes due to errors during the data collection or incorrect emission factors rapplied back in 2020. The following corrections were made:

- Mobile combustion/Diesel: a site reported too much fuel consumption because the employees commuting has been included by mistake into scope 1.
- Mobile combustion/Natural Gas: a site made an error of unit of measurement in the data reported.
- Cyclopentane (blowing agent): the calculation has been adjusted by using a GWP-factor of 3.14 instead of 25; the factor used in the 2020 report is significantly higher than any other sources found. Therefore the emission factor and related data has been corrected.
- Electricity: upon recommendation by our consultant Sulytics we applied standard emission factor, and we also corrected factor applied for Gurit Zullwil to the Swiss factor (instead of the German factor used in error).
- Waste: we identified a significant unit-of-measurement error in the data reported by one site.
- Transportation: product produced by Gurit with transportation paid by customer has been reported by mistake as Upstream transportation. We used the wording “Transportation (produced & traded products)”. Precise transportation data is not always available and was/is based on estimates.

See also the TECHNICAL STATEMENT ON GREENHOUSE GAS ACCOUNTING in chapter 5 (Environment) of this report, on p. 122-123 as well as the website www.ghgprotocol.org/corporate-standard

COMPLIANCE WITH GRI STANDARD: CORE OPTION

This report has been prepared in accordance with the GRI Standards: Core option. This Standard is issued by the Global Sustainability Standards Board (GSSB). The full set of GRI Standards can be downloaded at www.globalreporting.org/standards

➤ GRI 102-54 Claims of reporting in accordance with the GRI Standards

GRI CONTENT INDEX

ABOUT GRI

The Global Reporting Initiative (GRI) is an international independent standards organisation that helps businesses understand and communicate their impacts on sustainability-related topics.

www.globalreporting.org

GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	UNGC PRINCIPLES	SDG
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	Omission: No aggregated preparation for reuse data on Group level available yet. Data is available for specific case studies, e.g. on pp. 125-126.			
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	Omission: The data considered is measured by CO2e			
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GRI DISCLOSURE	GRI STANDARD TITLE OF DISCLOSURE	PAGE	UNGC PRINCIPLES	SDG
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* The Annual Report can be downloaded from: www.gurit.com/Investors/Reports

➤ GRI 102-55 GRI content index

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➤ GRI 102-53 Contact point for questions regarding the report

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CONSOLIDATED INCOME STATEMENT

IN CHF 1000	NOTE	YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
NET SALES	3	467 930	578 812
Cost of goods sold		– 382 921	– 457 786
GROSS PROFIT		85 009	121 026
Research and development expense		– 8 648	– 7 795
Selling expense		– 13 767	– 13 646
Administrative expense		– 33 198	– 33 771
Other operating income		1 083	693
Other operating expense	5	– 7 056	– 1 888
OPERATING PROFIT		23 423	64 619
Finance expense	6	– 5 125	– 5 358
Finance income	7	2 595	1 613
PROFIT BEFORE TAX		20 893	60 874
Income tax expense	8	– 11 737	– 14 250
PROFIT FOR THE YEAR		9 156	46 624
Thereof attributable to shareholders of Gurit		11 359	46 911
Thereof attributable to minority interests		– 2 203	– 287
EARNINGS PER SHARE	9		
Basic earnings per bearer share		CHF 24.29	CHF 100.31
Diluted earnings per bearer share		CHF 24.29	CHF 100.31
Basic earnings per registered share		CHF 4.86	CHF 20.06
Diluted earnings per registered share		CHF 4.86	CHF 20.06

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

IN CHF 1000	NOTE	AT DECEMBER 31, 2021	AT DECEMBER 31, 2020
ASSETS			
Cash and cash equivalents		29 013	47 273
Derivative financial instruments	11	438	534
Trade receivables	12	77 750	97 077
Other receivables	13	13 183	13 496
Prepayments and accrued income		12 341	23 007
Inventories	14	80 230	82 786
CURRENT ASSETS		212 955	264 173
Other receivables	13	1 036	1 117
Deferred income tax assets	19	5 756	6 201
Property, plant and equipment	15	105 363	99 817
Intangible assets	16	6 853	5 429
NON-CURRENT ASSETS		119 008	112 564
TOTAL ASSETS		331 963	376 737
LIABILITIES AND EQUITY			
Borrowings	17	11 950	24 526
Derivative financial instruments	11	20	194
Trade payables		56 727	70 468
Other payables		4 907	4 662
Accrued liabilities and deferred income	18	25 949	51 669
Provisions	20	2 795	5 336
CURRENT LIABILITIES		102 348	156 855
Borrowings	17	55 321	42 616
Deferred income tax liabilities	19	1 323	1 990
Provisions	20	2 689	3 292
NON-CURRENT LIABILITIES		59 333	47 898
TOTAL LIABILITIES		161 681	204 753
Share capital		23 400	23 400
Capital reserve		270	226
Treasury shares		– 608	– 263
Retained earnings		149 849	150 187
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GURIT		172 911	173 550
Minority interests		– 2 629	– 1 566
TOTAL EQUITY	21	170 282	171 984
TOTAL LIABILITIES AND EQUITY		331 963	376 737

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

IN CHF 1000	NOTE	YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
PROFIT FOR THE YEAR		9 156	46 624
Impairment	15	4 387	–
Depreciation and amortisation	15, 16	13 212	12 276
Finance income and expense, net	6, 7	2 530	3 745
Income tax expense	8	11 737	14 250
Net losses / (gains) from disposal of fixed assets		459	– 196
Losses from disposal of intangible assets		107	38
(Profit) on disposal of subsidiaries	25	–	– 693
Other non-cash items		2 742	3 433
Change in trade receivables		20 966	7 115
Change in inventories		3 012	– 11 506
Change in other receivables and prepayments and accrued income		8 668	– 8 137
Change in trade payables		– 14 938	6 437
Change in other payables and accrued liabilities and deferred income		– 23 158	13 192
Change in provisions		– 3 248	553
Finance cost, net paid		– 1 182	– 1 429
Income tax paid		– 13 527	– 15 504
NET CASH FLOW FROM OPERATING ACTIVITIES		20 923	70 198
Purchase of property, plant and equipment	15	– 21 050	– 23 645
Proceeds from sale of property, plant and equipment		432	780
Purchase of intangible assets	16	– 2 807	– 1 755
Proceeds from sale of intangible assets		–	261
Investments in loans receivable		– 187	– 2 026
Proceeds from repayments of loans receivable		257	2 762
Proceeds from disposal of subsidiaries	25	–	395
NET CASH FLOW FROM INVESTING ACTIVITIES		– 23 355	– 23 228
Changes in current borrowings, net		– 22 583	– 21 396
Changes in non-current borrowings, net		23 498	– 8 776
Distribution to shareholders		– 14 005	– 11 673
Purchase of treasury shares	21	– 3 343	– 1 188
Acquisition of minority interests	24	– 22	–
Capital contribution minority interests		524	–
NET CASH FLOW FROM FINANCING ACTIVITIES		– 15 931	– 43 033
NET CHANGE IN CASH AND CASH EQUIVALENTS		– 18 363	3 937
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		47 273	44 944
Net change in cash and cash equivalents		– 18 363	3 937
Exchange gains / (losses) on cash		103	– 1 608
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		29 013	47 273

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	HEDGING RESERVE
BALANCE AT JANUARY 1, 2020		23 400	93	- 232	-
Profit for the year		-	-	-	-
Changes in hedging reserve		-	-	-	- 56
Currency translation adjustments		-	-	-	-
TOTAL INCOME AND EXPENSE FOR THE YEAR		-	-	-	- 56
Distribution to shareholders	10	-	-	-	-
Usage of treasury shares for share-based compensation		-	133	1 157	-
Share-based compensation		-	-	-	-
Purchase of treasury shares		-	-	- 1 188	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS		-	133	- 31	-
BALANCE AT DECEMBER 31, 2020		23 400	226	- 263	- 56
Profit for the year		-	-	-	-
Changes in hedging reserve		-	-	-	56
Currency translation adjustments		-	-	-	-
TOTAL INCOME AND EXPENSE FOR THE YEAR		-	-	-	56
Distribution to shareholders	10	-	-	-	-
Usage of treasury shares for share-based compensation		-	44	2 998	-
Share-based compensation		-	-	-	-
Purchase of treasury shares		-	-	- 3 343	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS		-	44	- 345	-
ACQUISITION OF MINORITY INTERESTS	24	-	-	-	-
MINORITY CAPITAL CONTRIBUTION		-	-	-	-
BALANCE AT DECEMBER 31, 2021		23 400	270	- 608	-

CURRENCY TRANSLATION ADJUSTMENTS	OFFSET GOODWILL	OTHER RETAINED EARNINGS	TOTAL RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GURIT	MINORITY INTERESTS	TOTAL EQUITY
- 47 877	- 117 364	289 214	123 973	147 234	- 1 260	145 974
-	-	46 911	46 911	46 911	- 287	46 624
-	-	-	- 56	- 56	-	- 56
- 10 553	-	-	- 10 553	- 10 553	- 19	- 10 572
- 10 553	-	46 911	36 302	36 302	- 306	35 996
-	-	- 11 673	- 11 673	- 11 673	-	- 11 673
-	-	- 1 582	- 1 582	- 292	-	- 292
-	-	3 167	3 167	3 167	-	3 167
-	-	-	-	- 1 188	-	- 1 188
-	-	- 10 088	- 10 088	- 9 986	-	- 9 986
- 58 430	- 117 364	326 037	150 187	173 550	- 1 566	171 984
-	-	11 359	11 359	11 359	- 2 203	9 156
-	-	-	56	56	-	56
3 756	-	-	3 756	3 756	3	3 759
3 756	-	11 359	15 171	15 171	- 2 200	12 971
-	-	- 14 005	- 14 005	- 14 005	-	- 14 005
-	-	- 3 314	- 3 314	- 272	-	- 272
-	-	2 445	2 445	2 445	-	2 445
-	-	-	-	- 3 343	-	- 3 343
-	-	- 14 874	- 14 874	- 15 175	-	- 15 175
31	- 759	93	- 635	- 635	613	- 22
-	-	-	-	-	524	524
- 54 643	- 118 123	322 615	149 849	172 911	- 2 629	170 282

The accompanying notes form an integral part of these consolidated financial statements.

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 specialised in the development and manufacture of advanced composite materials, composite tooling equipment and core kitting services. The product range comprises structural core materials, fibre reinforced prepregs, wind blade moulds, formulated products including coatings, resins and adhesives as well as structural composite engineering.

The bearer shares of Gurit Holding AG are listed on SIX Swiss Exchange; the registered shares are mostly in firm hands and are not listed.

These consolidated financial statements were signed off by the Board of Directors on February 24, 2022, for publication. The Annual General Meeting of Shareholders, scheduled for April 20, 2022, 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

In 2021, a new subsidiary Xeltrusion S.r.l., in Italy was incorporated. The Group holds an ownership interest of 50% in this new subsidiary. On August 23, 2021, Gurit Composite Components Ltd., in Newport was struck off the commercial register. JSB Composite (Polska) Sp.z.o.o was de-registered from the commercial register on September 28, 2021.

On February 11, 2020, Gurit Holding AG sold all its shares in Gurit Hungary Kft. to another advanced composite parts manufacturer. At December 21, 2020, all assets and liabilities of Gurit Composite Components had been liquidated and the application to strike off the company from the commercial register had been filed with the authorities. Further details on the business divestment is disclosed in note 25. The following two new fully owned subsidiaries were incorporated in 2020: Gurit Wind Private Limited in India and JSB Wind Energy (Langfang) Co., Ltd. in China.

Further details on the business acquisitions and disposals and the subsidiaries of the Group 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 recognised if they were already recognised 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 unrealised 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 recognised 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 recognised 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 recognised 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 capitalisation, 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, 2021	Ø 2021	DECEMBER 31, 2020	Ø 2020
1 US dollar	0.9128	0.9142	0.8825	0.9387
1 Euro	1.0355	1.0812	1.0823	1.0703
1 British Pound	1.2334	1.2575	1.2046	1.2041
1 Canadian dollar	0.7188	0.7293	0.6926	0.7001
1 Chinese yuan renminbi	0.1435	0.1417	0.1351	0.1360

2.4 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of composite materials, wind energy core material kits, wind turbine blade mould sets 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 composite materials and wind energy core material kits is recognised 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 the wind-turbine tooling project business is contract-dependent and typically recognised 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”). Revenue from engineering services is recognised when the service is completed. The related invoices are usually payable within 60 days at the end of the month.

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 and the Indonesian 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 and the Indonesian company are 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 recognised in the balance sheet in respect of these obligations 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 recognised 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 recognises 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 recognised 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 recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

Deferred income tax is recognised, 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 realised or the deferred income tax liability is settled.

Deferred income tax assets relating to temporary differences and to tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.7 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised 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 recognised assets or liabilities or a firm commitment (fair value hedge); or hedges of variability in cash flow for a particular risk associated with a recognised 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 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. All of the Group’s derivative financial instruments relate to foreign exchange instruments.

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 recognised in equity. The gain or loss relating to the ineffective portion is recognised 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 recognised when the forecast transaction is ultimately recognised 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 recognised 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 reorganisation, 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 recognised 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 recognised 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 amortisation. Amortisation 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 recognised 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 capitalised 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 recognised at par value, net of transaction cost incurred.

2.17 PROVISIONS

Provisions for warranties, restructuring costs, environmental provision, legal cases, business acquisition-related earn-outs and others are recognised 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 recognised 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 recognised 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 recognised 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 cancelled 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 capitalisation, acquired goodwill is amortised over five years and carried at cost less accumulated amortisation 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 recognised in the income statement.

3. SEGMENT INFORMATION

IN CHF 1000	2021	2020
NET SALES BY SEGMENTS		
Composite Materials	221 831	276 154
Kitting	185 484	225 625
Manufacturing Solutions (formerly Tooling)	73 234	98 655
Aerospace	30 121	31 567
Inter-segment elimination	– 42 740	– 55 293
TOTAL CONTINUED OPERATIONS	467 930	576 708
Discontinued operations (Composite Components)	–	2 104
TOTAL GROUP	467 930	578 812

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 most 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.

IN CHF 1000	2021	2020
NET SALES BY REGIONS OF DESTINATION		
Europe	145 972	170 422
Asia	186 613	249 359
Americas	102 385	127 304
Rest of the world	32 960	31 727
TOTAL NET SALES	467 930	578 812

4. PERSONNEL EXPENSE

IN CHF 1000	2021	2020
Salaries and wages	81 328	88 200
Pension expense	2 792	3 317
Social security expense	14 258	13 194
Other personnel expenses	9 294	9 652
TOTAL PERSONNEL EXPENSE	107 672	114 363

Salaries and wages include share-based compensation in the aggregate amount of CHF 2 445 000 (2020: CHF 3 167 000). The members of the Board of Directors receive a fixed number of bearer shares of the Company as part of their total annual 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 bearer shares. All these shares are subject to a lock-up period of three years. For 2021, the members of the Board of Directors will receive 175 bearer shares (2020: 175 bearer shares). Members of the Executive Committee and other employees will receive 1 225 bearer shares (2020: 1 155 bearer shares).

The share price used for the calculation of the share-based compensation of the members of the Board was CHF 2 633 (2020: CHF 1 595). This share price corresponds to the share price as indicated at the preceeding 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 1 500 (2020: CHF 2 500). This share price corresponds to the rounded average traded closing prices on the last five days before and after December 31. In addition, the new CEO of the Group received a one-off fixed share-based compensation of 90 shares in 2021 amounting to a fair value of CHF 147 000, valued at a share price of CHF 1 628, representing the closing trading price on August 14, 2020, the date when the employment contract was signed.

In 2021, various countries had provided COVID-19 relief assistance to Gurit subsidiaries totalling to CHF 305 000 (2020: CHF 2 814 000). This amount has been netted with the related personnel expenses.

The pension expense is summarised 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, 2021	DEC. 31, 2021	DEC. 31, 2020			2021	2020
Patronage pension, unfunded	- 295	- 295	- 546	251	- 251	- 251	64
Pension institutions without surplus/ deficit	-	-	-	-	-	3 043	3 253
Pension institutions with surplus	-	-	-	-	-	-	-
Pension institutions with deficit	-	-	-	-	-	-	-
Pension institutions without own assets	-	-	-	-	-	-	-
TOTAL	- 295	- 295	- 546	251	- 251	2 792	3 317

During 2021 and 2020, the Group did not have any employer contribution reserves.

5. OTHER OPERATING EXPENSE

IN CHF 1000	NOTE	2021	2020
Change in provision for impairment of trade receivables	12	199	477
Restructuring expenses	20	1 615	948
Impairment charges	15	4 387	-
Other operating expenses		855	463
TOTAL OTHER OPERATING EXPENSE		7 056	1 888

Following the reduction in demand for balsa materials, Gurit decided to exit its partnership for balsa wood production in Indonesia and to restructure and downsize its operation in Ecuador. Accordingly, in 2021, the Group recorded respective impairment charges of CHF 2 934 000 and restructuring charges of CHF 632 000. In addition, the Group recorded respective balsa inventory write downs of CHF 4 854 000 within "costs of goods sold". Furthermore, Gurit relocated the entire Kitting operations from the USA to Mexico to fully capitalize its co-location with PET production. Respective restructuring charges amounted to CHF 983 000 and impairment charges amounted to CHF 137 000. In connection with a property sale, the Group recorded a further impairment charge of CHF 1 316 000 in 2021. Restructuring expenses in 2020 of CHF 948 000 related to the restructuring of the Aerospace business and the production stop of the Aerospace plant in Switzerland.

6. FINANCE EXPENSE

IN CHF 1000	2021	2020
Interest expense	763	1 243
Exchange rate losses	3 756	3 602
Other finance expenses	606	513
TOTAL FINANCE EXPENSE	5 125	5 358

7. FINANCE INCOME

IN CHF 1000	2021	2020
Interest income	75	276
Exchange rate gains	2 409	1 280
Other finance income	111	57
TOTAL FINANCE INCOME	2 595	1 613

8. INCOME TAX EXPENSE

IN CHF 1000	NOTE	2021	2020
Deferred income tax (credit)	19	- 123	- 1 472
Current income tax expense		11 860	15 722
TOTAL INCOME TAX EXPENSE		11 737	14 250

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	2021	2020
Profit before tax	20 893	60 874
Tax expense at the weighted average tax rate of 25.3% (2020: 21.5%)	5 281	13 088
Utilisation of previously unrecognised tax losses	– 280	– 704
Tax losses for which no deferred income tax asset was recognised	4 333	1 134
Not recoverable withholding taxes	2 148	3 776
Reimbursement of withholding taxes paid in prior years	–	– 1 530
Recognition of previously unrecognised deferred tax assets	–	– 785
Derecognition of previously recognized tax assets	567	–
Effect of change in future tax rates on deferred taxes	372	– 490
Expenses not deductible for tax purposes	531	337
Adjustment in respect of prior years	– 685	– 592
Effect of tax concessions	– 488	– 180
Others	– 42	196
INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS	11 737	14 250

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 calculation takes into account the different par values of the bearer and registered shares. The Company does not have any categories of potentially dilutive ordinary shares.

	2021	2020
PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF GURIT (IN CHF 1000)	11 359	46 911
WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE DURING THE YEAR		
Bearer shares	419 591	419 724
Registered shares	239 795	239 795
BASIC AND ALSO DILUTED EARNINGS PER SHARE (IN CHF)		
Bearer shares (par value of CHF 50)	24.29	100.31
Registered shares (par value of CHF 10)	4.86	20.06

10. DISTRIBUTION TO SHAREHOLDERS

In accordance with the resolution of the Annual General Meeting of Shareholders held on April 14, 2021, a dividend of CHF 14 040 000 has been distributed to the shareholders on April 20, 2021 (CHF 30.00 per bearer share and CHF 6.00 per registered share). In 2020, an amount of CHF 11 700 000 has been distributed to the shareholders (CHF 25.00 per bearer share and CHF 5.00 per registered share).

At the Annual General Meeting on April 20, 2022 a dividend distribution of CHF 3 276 000 will be proposed (CHF 7.00 per bearer share and CHF 1.40 per registered share). These financial statements do not reflect this distribution payable.

11. DERIVATIVE FINANCIAL INSTRUMENTS

IN CHF 1000	2021		2020	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Cash flow hedges, categorised as derivatives used for hedging	–	–	20	– 155
Derivatives accounted for at fair value through profit and loss	438	– 20	514	– 39
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	438	– 20	534	– 194
Whereof				
Current portion	438	– 20	534	– 194
Non-current portion	–	–	–	–

12. TRADE RECEIVABLES

IN CHF 1000	2021	2020
Trade receivables	81 407	100 616
Less: provision for impairment	– 3 657	– 3 539
TRADE RECEIVABLES, NET	77 750	97 077

IN CHF 1000	2021	2020
AGING OF TRADE RECEIVABLES		
Not due	63 804	83 763
Overdue 1-15 days	7 893	8 144
Overdue 16-30 days	1 494	3 063
Overdue more than 30 days	8 216	5 646
TOTAL TRADE RECEIVABLES	81 407	100 616
Less: provision for impairment	– 3 657	– 3 539
TOTAL TRADE RECEIVABLES, NET	77 750	97 077

IN CHF 1000	2021	2020
MOVEMENTS ON THE PROVISION FOR IMPAIRMENT		
Balance at January 1	3 539	3 355
Provision for receivables impairment	593	705
Receivables written off as uncollectible	– 172	– 152
Unused amounts reversed	– 394	– 228
Exchange differences	91	– 141
BALANCE AT DECEMBER 31	3 657	3 539

IN CHF 1000	2021	2020
TRADE RECEIVABLES BY CURRENCY		
US dollar	20 267	30 433
British pound	74	88
Euro	26 690	37 183
Chinese yuan renminbi	29 041	28 933
Others	1 678	440
TOTAL TRADE RECEIVABLES, NET	77 750	97 077

13. OTHER RECEIVABLES

IN CHF 1000	2021	2020
VAT receivables	10 705	9 564
Loans	1 484	2 159
Others	2 030	2 890
TOTAL OTHER RECEIVABLES	14 219	14 613
Whereof		
Current portion	13 183	13 496
Non-current portion	1 036	1 117

14. INVENTORIES

IN CHF 1000	2021	2020
Raw materials	38 324	39 606
Work in progress	7 864	9 182
Semi-finished goods	26 424	23 486
Finished goods	20 568	19 225
TOTAL INVENTORIES	93 180	91 499
Less: inventory provision	– 12 950	– 8 713
TOTAL INVENTORIES, NET	80 230	82 786

15. PROPERTY, PLANT AND EQUIPMENT

IN CHF 1000	NOTE	PLANT AND EQUIPMENT	LAND AND BUILDINGS	EQUIPMENT UNDER CONSTRUCTION AND ADVANCE PAYMENTS	OTHER TANGIBLE ASSETS	TOTAL PROPERTY, PLANT AND EQUIPMENT
COST						
BALANCE AT JANUARY 1, 2020		141 187	54 644	7 543	3 009	206 383
Additions		3 784	180	20 676	295	24 935
Business divestment	25	- 11 274	-	-	- 159	- 11 433
Disposals		- 3 218	- 546	-	- 198	- 3 962
Reclassifications		17 403	496	- 18 127	228	-
Exchange differences		- 5 365	- 1 735	- 203	- 118	- 7 421
BALANCE AT DECEMBER 31, 2020		142 517	53 039	9 889	3 057	208 502
Additions		4 670	393	15 326	633	21 022
Disposals		- 8 953	- 306	-	- 372	- 9 631
Reclassifications		8 966	211	- 9 410	233	-
Exchange differences		1 210	1 638	- 39	6	2 815
BALANCE AT DECEMBER 31, 2021		148 410	54 975	15 766	3 557	222 708
ACCUMULATED DEPRECIATION						
BALANCE AT JANUARY 1, 2020		92 171	21 678	-	2 350	116 199
Depreciation charges		9 704	932	-	312	10 948
Business divestment	25	- 11 274	-	-	- 159	- 11 433
Disposals		- 3 102	- 143	-	- 133	- 3 378
Exchange differences		- 2 982	- 593	-	- 76	- 3 651
BALANCE AT DECEMBER 31, 2020		84 517	21 874	-	2 294	108 685
Depreciation charges		10 347	1 180	-	363	11 890
Impairment charges	5	1 621	2 729	-	37	4 387
Disposals		- 8 386	- 268	-	- 86	- 8 740
Exchange differences		719	388	-	16	1 123
BALANCE AT DECEMBER 31, 2021		88 818	25 903	-	2 624	117 345
NET BOOK VALUES						
Balance at January 1, 2020		49 016	32 966	7 543	659	90 184
Balance at December 31, 2020		58 000	31 165	9 889	763	99 817
BALANCE AT DECEMBER 31, 2021		59 592	29 072	15 766	933	105 363

NON-CASH TRANSACTION

Additions in property, plant and equipment include purchases in the amount of CHF 1 262 000 (2020: CHF 1 290 000), 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 209 000 (2020: CHF 491 000).

16. INTANGIBLE ASSETS

IN CHF 1000	NOTE	PATENTS AND TRADEMARKS	LAND USE RIGHTS	SOFTWARE AND OTHER INTANGIBLES	TOTAL INTANGIBLE ASSETS
COST					
BALANCE AT JANUARY 1, 2020		4 180	2 721	10 203	17 104
Additions		226	-	1 529	1 755
Business divestment	25	-	-	- 674	- 674
Disposals		- 229	- 217	- 10	- 456
Exchange differences		- 243	- 73	- 285	- 601
BALANCE AT DECEMBER 31, 2020		3 934	2 431	10 763	17 128
Additions		-	133	2 674	2 807
Disposals		- 1 290	-	- 1 872	- 3 162
Exchange differences		130	150	- 15	265
BALANCE AT DECEMBER 31, 2021		2 774	2 714	11 550	17 038
ACCUMULATED AMORTISATION					
BALANCE AT JANUARY 1, 2020		3 358	552	7 754	11 664
Amortisation charges		203	52	1 073	1 328
Business divestment	25	-	-	- 674	- 674
Disposals		- 154	-	- 3	- 157
Exchange differences		- 199	- 15	- 248	- 462
BALANCE AT DECEMBER 31, 2020		3 208	589	7 902	11 699
Amortisation charges		211	75	1 036	1 322
Disposals		- 1 192	-	- 1 863	- 3 055
Exchange differences		109	36	74	219
BALANCE AT DECEMBER 31, 2021		2 336	700	7 149	10 185
NET BOOK VALUES					
Balance at January 1, 2020		822	2 169	2 449	5 440
Balance at December 31, 2020		726	1 842	2 861	5 429
BALANCE AT DECEMBER 31, 2021		438	2 014	4 401	6 853

17. BORROWINGS

IN CHF 1000	UP TO 1 YEAR	1 TO 5 YEARS	TOTAL	ANNUAL AVERAGE INTEREST RATES IN %
2021				
Bank loans	10 723	55 313	66 036	0.7
Other loans	1 031	–	1 031	2.6
Finance lease	196	8	204	2.0
TOTAL BORROWINGS	11 950	55 321	67 271	
2020				
Bank loans	23 247	42 387	65 634	0.8
Other loans	997	–	997	3.0
Finance lease	282	229	511	2.1
TOTAL BORROWINGS	24 526	42 616	67 142	

In 2021 and in 2020, there were no secured bank borrowings except for finance lease.

COMMITTED CREDIT FACILITIES

As at December 31, 2021, Gurit Holding AG has unsecured committed credit facilities in place, consisting of a revolving loan of CHF 80 000 000 (2020: CHF 80 000 000) and an amortizing loan of CHF 40 000 000 (2020: CHF 60 000 000), with a contractual semi-annual amortization of CHF 10 000 000, always at the end of June and December. At December 31, 2021 a total amount of CHF 66 036 000 was drawn under these facilities (2020: CHF 62 388 000). Both loan facilities expire on December 31, 2023. These credit facilities are subject to compliance with agreed covenants regarding a minimum equity ratio and a maximum gross debt to EBITDA ratio. In the current and in the prior year, Gurit complied with all financial covenants.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

IN CHF 1000	2021	2020
CURRENCY		
Swiss franc	53 300	31 000
Euro	12 744	34 674
US dollar	1 031	997
Danish krone	196	471
TOTAL BORROWINGS	67 271	67 142

18. ACCRUED LIABILITIES AND DEFERRED INCOME

IN CHF 1000	2021	2020
Current income tax liabilities	2 619	5 727
Advance payments from customers	4 035	24 774
Accruals	19 295	21 168
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	25 949	51 669

Accruals include accrued sales rebates, accrued bonus, other payroll related costs and others.

19. DEFERRED INCOME TAX

IN CHF 1000	2021	2020
Deferred income tax assets	5 756	6 201
Deferred income tax (liabilities)	– 1 323	– 1 990
DEFERRED INCOME TAX ASSETS/(LIABILITIES), NET	4 433	4 211

In 2021, deferred tax assets and tax liabilities were recognised at a weighted average tax rate of 21% and 15%, respectively (2020: 25% and 17%).

The movement on the deferred income tax account is as follows:

IN CHF 1000	NOTE	2021	2020
BALANCE AT JANUARY 1		4 211	2 929
Deferred income tax credit	8	123	1 472
Tax effect recorded in equity		–	17
Exchange differences		99	– 207
BALANCE AT DECEMBER 31		4 433	4 211

Tax claims from tax losses carried forward are analysed as follows:

IN CHF 1000	2021	2020
Recognized tax claims from tax losses carried forward	2 471	2 620
Unrecognized tax claims from tax losses carried forward	7 537	3 839
TOTAL TAX CLAIMS FROM TAX LOSSES CARRIED FORWARD	10 008	6 459

Tax losses carried forward not recognised expire as shown in the table below:

IN CHF 1000	2021	2020
0-3 years	3 104	1 570
4-6 years	5 180	3 143
Over 6 years	8 320	12 161
No expiry	17 679	172
TOTAL UNRECOGNIZED TAX LOSSES	34 283	17 046

20. PROVISIONS

IN CHF 1000	WARRANTY	RESTRUC- TURING	ENVIRON- MENTAL- PROVISIONS	OTHER	TOTAL PROVISIONS
BALANCE AT JANUARY 1, 2020	1 549	1 375	1 280	4 023	8 227
Additions	2 720	948	400	2 500	6 568
Utilised during the year	- 2 474	- 1 840	-	- 1 743	- 6 057
Unwinding of discount	-	-	-	42	42
Exchange differences	- 45	- 26	-	- 81	- 152
BALANCE AT DECEMBER 31, 2020	1 750	457	1 680	4 741	8 628
Additions	744	1 615	160	612	3 131
Utilised during the year	- 1 068	- 1 671	- 59	- 3 355	- 6 153
Unused amounts reversed	-	-	-	- 235	- 235
Unwinding of discount	-	-	-	9	9
Exchange differences	102	- 1	-	3	104
BALANCE AT DECEMBER 31, 2021	1 528	400	1 781	1 775	5 484
WHEREOF AT DECEMBER 31, 2020					
Current portion	864	457	700	3 315	5 336
Non-current portion	886	-	980	1 426	3 292
WHEREOF AT DECEMBER 31, 2021					
Current portion	882	400	801	712	2 795
Non-current portion	646	-	980	1 063	2 689

Other provisions include retirement benefits, business acquisition related earn-outs and legal cases.

21. EQUITY

The issued share capital of the Company consists of 420 000 bearer shares (2020: 420 000 shares) with a par value of CHF 50.00 each and 240 000 registered shares (2020: 240 000 shares) with a par value of CHF 10.00 each. All issued shares are fully paid. The Company has no authorised or conditional capital. The entitlement to dividend payments is based on the par value of the shares, while the voting power is defined by the number of shares.

The Company's statutory or legal reserves that may not be distributed amounted to CHF 5 288 000 at December 31, 2021 (2020: CHF 4 943 000).

Treasury shares:

IN NUMBER OF SHARES	2021	2020
REGISTERED SHARES		
Balance at January 1	205	205
BALANCE AT DECEMBER 31	205	205
BEARER SHARES		
Balance at January 1	195	199
Additions at CHF 2 388 each (2020: CHF 1 188)	1 400	1 000
Disposals (used for share-based compensation)	- 1 348	- 1 004
BALANCE AT DECEMBER 31	247	195

GOODWILL FROM ACQUISITIONS

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalisation and amortisation of the total goodwill is disclosed below:

IN CHF 1000	COST	ACCUMULATED AMORTISATION	THEORETICAL NET BOOK VALUE
BALANCE AT JANUARY 1, 2020	118 123	- 50 487	67 636
Amortisation charge	-	- 18 412	- 18 412
BALANCE AT DECEMBER 31, 2020	118 123	- 68 899	49 224
Amortisation charge	-	- 18 412	- 18 412
Impairment charge	-	- 1 429	- 1 429
Balance at December 31, 2021	118 123	- 88 740	29 383

Impact on income statement:

IN CHF 1000	2021	2020
Profit for the year according to the consolidated income statement	9 156	46 624
Amortisation of goodwill	- 18 412	- 18 412
Impairment of goodwill	- 1 429	-
THEORETICAL PROFIT FOR THE YEAR INCLUDING AMORTISATION	- 10 685	28 212

Impact on balance sheet:

IN CHF 1000	2021	2020
Equity according to the balance sheet	170 282	171 984
Theoretical capitalisation of goodwill (net book value)	29 383	49 224
THEORETICAL EQUITY INCLUDING NET BOOK VALUE OF GOODWILL	199 665	221 208
Equity according to balance sheet	170 282	171 984
Equity as % of total assets	51.3%	45.7%
Theoretical equity including net book value of goodwill	199 665	221 208
Theoretical equity including net book value of goodwill as % of total assets	55.3%	51.9%

22. CONTINGENT LIABILITIES

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingent liabilities.

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 1 634 000 (2020: CHF 6 565 000).

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

IN CHF 1000	2021	2020
No later than 1 year	8 845	6 964
Later than 1 year, no later than 5 years	21 528	25 051
Later than 5 years	2 339	4 477
TOTAL COMMITMENTS	32 712	36 492

24. BUSINESS ACQUISITION

In June 2021, the Group acquired the remaining 40% of the shares of Gurit Italy PET Recycling S.r.l, thereby increasing its shareholding to 100%. The purchase price amounted to CHF 22 000. Goodwill offset in equity amounted to CHF 759 000.

25. BUSINESS DIVESTMENT

In 2020, Gurit Holding AG sold all its shares in Gurit Hungary Kft. in Hungary to another advanced composite parts manufacturer for a cash sales price of CHF 395 000. Net assets disposed of amounted to CHF 733 000, including inventory at a net book value of CHF 1 430 000. At December 21, 2020, all assets and liabilities of Gurit Composite Components in the United Kingdom had been liquidated. On 23 August 2021, Gurit Composite Components Ltd., in Newport was struck off the commercial register. After recycling of currency translation adjustments through the income statement, the disposal of the automotive business resulted in a net gain in the year 2020 of CHF 693 000. In 2020, the discontinued automotive components business generated net sales of CHF 2 104 000 and an operating profit of CHF 537 000.

26. RELATED PARTY TRANSACTIONS

In 2021, services for legal consultation totalling CHF 233 000 (2020: 0) 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 24, 2022, the date on which these consolidated financial statements were signed off by the Board of Directors for publication.

28. SUBSIDIARIES

COMPANY	ACTIVITY	REGISTERED CAPITAL	GROUP OWNERSHIP AND VOTING RIGHTS	
			2021	2020
CANADA				
Gurit Americas Inc., Magog	Production and sales of composite materials	CAD 38 626 898	100%	100%
Gurit Tooling (Americas) Inc., Montreal	Production and sales of composite process equipment	CAD 10 000 000	100%	100%
CHINA				
Gurit Wind Systems (YDF) Co, Ltd, Dafeng Formerly: JSB Wind Energy (YDF) Co, Ltd, Dafeng	Production and sales of composite materials	CNY 20 197 635	100%	100%
Gurit Wind Systems (Zhuzhou) Co, Ltd, Zhuzhou Formerly: JSB Composite (Zhuzhou) Co, Ltd, Zhuzhou	Production and sales of composite materials	CNY 11 947 925	100%	100%
Gurit Tooling (Hong Kong) Ltd., Hong Kong	Sales of composite process equipment	HKD 3 000 000	100%	100%
Gurit (Tianjin) Composite Material Co., Ltd., Tianjin	Production and sales of composite materials	CNY 128 856 923	100%	100%
Gurit Tooling (Taicang) Co., Ltd., Taicang	Production and sales of composite process equipment	CNY 68 559 206	100%	100%
JSB Wind Energy (Langfang) Co, Ltd, Langfang	Production and sales of composite materials	CNY 7 208 588	100%	100%
DENMARK				
Gurit Wind Systems A/S, Ringkoebing Formerly: JSB Group A/S, Ringkoebing	Production and sales of composite materials	DKK 10 000 000	100%	100%
ECUADOR				
Gurit Balsaflex, Cia. Ltda., Quevedo	Production of balsa wood core products	USD 2 500 000	99%*	99%*
GERMANY				
Gurit (Kassel) GmbH, Kassel	Production and sales of composite materials	EUR 100 000	100%	100%
INDIA				
Gurit (India) Pvt. Ltd., Pune	Sales of composite materials	INR 3 269 080	100%	100%
Gurit Wind Pvt. Ltd., Pune	Production and sales of composite materials and composite process equipment	INR 240 100 000	100%	100%
INDONESIA				
PT. Gurit Parta Balsa, Probolinggo Java	Production of balsa wood core products	USD 755 148	55%	55%
ITALY				
Gurit Italy S.R.L., Volpiano	Production and sales of composite materials	EUR 10 000	100%	100%
Gurit Italy PET Recycling S.r.l., Volpiano	Production and sales of composite materials	EUR 50 000	100%	60%
Xeltrusion S. R. L.	Production and sales of composite process equipment	EUR 200 000	50%	–
MEXICO				
JSB Kitting Matamoros S.A. de C.V., Matamoros	Production of composite materials	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
JSB Composite (Polska) Sp. Z.o.o., liquidated	Liquidated
SPAIN	
Gurit Shared Services, S.L.U., Girona Formerly: Gurit Balsa, S.L., Girona	Sales of balsa wood core products and internal services
Gurit Spain S.A., Albacete	Production and sales of composite materials
Mecanización de Estructuras Poliméricas S.L.U., 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	Production and sales of composite materials
TURKEY	
JSB Izmir Rüzgar Kompozit Limited Sirketi, Izmir	Production and sales of composite materials
UNITED KINGDOM	
Gurit Composite Components Ltd., Newport, liquidated	Liquidated
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

REGISTERED CAPITAL	GROUP OWNERSHIP AND VOTING RIGHTS	
	2021	2020
NZD 6 830 085	100%	100%
PLN 2 120 000	100%	100%
–	0%	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%
–	0%	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 2021 and the consolidated balance sheet as at 31 December 2021, 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 225 to 257 give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 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 Auditing Standards. 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.



OVERVIEW

Overall Group materiality: CHF 2.2 million

We concluded full scope audit work on 13 reporting units in eight countries. Our audit scope addressed 76% of the Group's net sales and 69% of the Group's assets

In addition, specified procedures were performed on a further three reporting units in three countries representing 11% of the Group's net sales and 6% of the Group's assets.

As a 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 2.2 million
Benchmark applied	3 year average of profit before tax
Rationale for the materiality benchmark applied	We chose a 3 year average profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 110'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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 32 reporting units. We identified 13 reporting units that, in our view, required a full scope audit due to their size or risk characteristics. Specified procedures 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.

REPORT ON KEY AUDIT MATTERS BASED ON THE CIRCULAR 1/2015 OF THE FEDERAL AUDIT OVERSIGHT AUTHORITY

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
Refer to Note 15: We focused on property, plant and equipment (PP&E) due to the size of this line item recognised in the balance sheet (CHF 105.4 million as at 31 December 2021)) 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. Impacted by the effects of the Covid pandemic, the ramp-up of a new production facility took longer and costs were higher than planned. For this entity 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 not identify a need for impairment of the PP&E under review.	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. We performed the following audit procedures on the detailed impairment tests: – 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. Through the procedures above, we have gained sufficient audit evidence on Group management's impairment assessment on PP&E.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the 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 Swiss Auditing Standards 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 at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

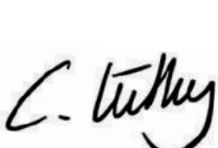
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Wallmer
Audit expert
Auditor in charge



Corinne Lüthy
Audit expert



Zurich, February 24, 2022

INCOME STATEMENT

IN CHF 1000	YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
Income from investments	39 042	61 535
Finance income	4 932	5 622
Other income	4 324	888
TOTAL INCOME	48 298	68 045
Finance expense	– 2 465	– 3 798
Change in provision for impairment of investments	– 1 809	– 1 490
Change in provision on loans to Group companies	– 5 895	– 344
Stewardship expense	– 3 748	– 3 556
Administration expense	– 1 951	– 1 982
TOTAL EXPENSES	– 15 868	– 11 170
PROFIT BEFORE TAX	32 430	56 875
Tax expense	– 5	– 5
PROFIT FOR THE YEAR	32 425	56 870

BALANCE SHEET

IN CHF 1000	NOTE	AT DECEMBER 31, 2021	AT DECEMBER 31, 2020
ASSETS			
Cash and cash equivalents		781	1 022
Other receivables from third parties		76	86
Other receivables from Group companies		1 845	381
Prepayments and accrued income		442	–
Loans to Group companies		2 084	39 915
CURRENT ASSETS		5 228	41 404
Loans to Group companies		105 044	58 262
Investments	2	203 967	204 292
NON-CURRENT ASSETS		309 011	262 554
TOTAL ASSETS		314 239	303 958
LIABILITIES AND EQUITY			
Interest-bearing liabilities third parties		10 723	20 000
Interest-bearing liabilities Group companies		5 062	15 528
Other payables due to third parties		119	24
Other payables due to Group companies		282	2 371
Accrued expenses		1 634	1 073
Provisions		400	400
CURRENT LIABILITIES		18 220	39 396
Interest-bearing liabilities third parties		55 962	42 545
Provisions		980	980
NON-CURRENT LIABILITIES		56 942	43 525
TOTAL LIABILITIES		75 162	82 921
Share capital	3	23 400	23 400
Legal reserves:			
Reserves from capital contributions		81	81
Other legal reserves		4 680	4 680
Treasury shares	4	– 608	– 263
Retained earnings		211 524	193 139
TOTAL EQUITY		239 077	221 037
TOTAL LIABILITIES AND EQUITY		314 239	303 958

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 2021 and 2020 did not exceed fifty people.

The Company has prepared its consolidated financial statements in accordance with a recognised 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 recognised at cost and deducted from equity at the time of purchase. If the treasury shares are sold, the gain or loss is recognised 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 recognised in the income statement with the exception of unrealised gains, which are deferred.

2. INVESTMENTS

All direct and indirect investments of the Company are listed in note 28 to the Gurit Group's consolidated financial statements.

3. SHARE CAPITAL

The share capital at December 31 consisted of:

					2021
	NUMBER OF SHARES	IN % OF TOTAL	PAR VALUE IN CHF	SHARE CAPITAL IN CHF 1000	IN % OF TOTAL
Registered shares	240 000	36	10	2 400	10
Bearer shares	420 000	64	50	21 000	90
TOTAL	660 000	100		23 400	100

					2020
	NUMBER OF SHARES	IN % OF TOTAL	PAR VALUE IN CHF	SHARE CAPITAL IN CHF 1000	IN % OF TOTAL
Registered shares	240 000	36	10	2 400	10
Bearer shares	420 000	64	50	21 000	90
TOTAL	660 000	100		23 400	100

Regardless of the nominal value, each share is entitled to one vote.
Distributions to shareholders are made in relation to the share capital.

4. TREASURY SHARES

IN NUMBER OF SHARES	2021	2020
REGISTERED SHARES		
BALANCE AT JANUARY 1	205	205
BALANCE AT DECEMBER 31	205	205
BEARER SHARES		
BALANCE AT JANUARY 1	195	199
Additions at CHF 2 388 each (2020: CHF 1 188)	1 400	1 000
Disposals (used for share-based compensation)	– 1 348	– 1 004
BALANCE AT DECEMBER 31	247	195

5. CONTINGENT LIABILITIES

IN CHF 1000	2021	2020
Guarantees in favor of customers of subsidiaries, as warranty security	3 053	6 692
Guarantees in favor of banks of the Group, in respect to credit frame agreements of the Group	31 065	36 972

6. SILENT RESERVES

IN CHF 1000	2021	2020
Release of silent reserves	19 186	2 545

7. SIGNIFICANT SHAREHOLDERS

IN PERCENTAGE OF ALL VOTING RIGHTS (ALL ABOVE 3%)	2021	2020
Huwa Finanz- und Beteiligungs AG, Heerbrugg (registered shares)	33.33%	33.33%
Martin Bisang, Küsnacht	16.66%	15.15%
Robert Heberlein, Zumikon	4.75%	4.75%
J Safra Sarasin Investmentfonds AG, Basel	3.16%	–
Credit Suisse Funds AG, Zurich	3.13%	3.13%

8. BOARD AND EXECUTIVE SHAREHOLDINGS

IN NUMBER OF SHARES	2021	
	BEARER SHARES HELD AT YEAR-END	BEARER SHARES ALLOCATED DURING THE YEAR
Peter Leupp (Chairman)	666	50
Stefan Breitenstein (member)	241	25
Bettina Gerharz-Kalte (member)	50	25
Rudolf Hadorn (member since April 14, 2021)	814	–
Nick Huber (member)	501	25
Urs Kaufmann (member until April 14, 2021)	–	25
Philippe Royer (member)	50	25
TOTAL BOARD OF DIRECTORS	2 322	175
Mitja Schulz (CEO since January 4, 2021)	90	90
Rudolf Hadorn (CEO until December 31, 2020)	–	300
Bing Chen (member)	166	50
Emiliano Frulloni (member until June 30, 2021)	–	50
Hannes Haueis (member)	150	50
Lance Hill (member)	78	18
Andreas Kipker (member)	50	50
Ernst Lutz (member)	17	17
Michael Muser (member)	112	62
Philippe Wirth (member)	50	50
TOTAL EXECUTIVE COMMITTEE	713	737
TOTAL MANAGEMENT PARTICIPATION	3 035	912

IN NUMBER OF SHARES		2020
	BEARER SHARES HELD AT YEAR-END	BEARER SHARES ALLOCATED DURING THE YEAR
Peter Leupp (Chairman)	616	50
Stefan Breitenstein (member)	216	25
Bettina Gerharz-Kalte (member)	25	25
Nick Huber (member)	476	25
Urs Kaufmann (member)	431	25
Philippe Royer (member)	25	25
TOTAL BOARD OF DIRECTORS	1 789	175
Rudolf Hadorn (CEO until December 31, 2020)	814	154
Bing Chen (member)	116	50
Emiliano Frulloni (member)	50	50
Stefan Gautschi (member until June 14, 2020)	–	50
Hannes Haueis (member)	160	50
Lance Hill (member since May 1, 2020)	96	30
Michael Muser (member)	50	50
Frank Nielsen (member until April 30, 2020)	–	50
TOTAL EXECUTIVE COMMITTEE	1 286	484
TOTAL MANAGEMENT PARTICIPATION	3 075	659

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	2021	2020
Retained earnings carried forward from previous year	179 099	136 269
Net profit for the year	32 425	56 870
RETAINED EARNINGS AVAILABLE TO THE ANNUAL GENERAL MEETING	211 524	193 139
Dividend distribution	– 3 276	– 14 040
TO BE CARRIED FORWARD	208 248	179 099

If this proposal is approved by the Annual General Meeting on April 20, 2022, the distributions will be made as follows:

CHF 1.40 in total per registered share
CHF 7.00 in total per bearer share

The dividend distribution is payable on submission of voucher number 42.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Gurit Holding AG, which comprise income statement, the balance sheet as at 31 December 2021 and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 262 to 269) as at 31 December 2021 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 Auditing Standards. 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 entity 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.

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 1.5 million
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 Holding Company is most commonly measured and is a generally accepted benchmark for Holding Companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 110'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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.

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 entity, the accounting processes and controls, and the industry in which the entity operates.

REPORT ON KEY AUDIT MATTERS BASED ON THE CIRCULAR 1/2015 OF THE FEDERAL AUDIT OVERSIGHT AUTHORITY

We have determined that there are no key audit matters to communicate in our report.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the 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 entity'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 entity 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 Swiss Auditing Standards 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 at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor’s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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
Audit expert
Auditor in charge

Corinne Lüthy
Audit expert



Zurich, February 24, 2022

EXPLANATION OF FINANCIAL TERMS USED

AMOUNTS IN CHF MILLION	REFERENCE	2021	2020
Operating profit	Consolidated Income Statement	23.4	–
+ Balsa impairment and restructuring charges	Note 5	3.6	–
+ Balsa inventory write down	Note 5	4.9	–
+ USA impairment and restructuring charges	Note 5	1.1	–
= ADJUSTED OPERATING PROFIT (EXCLUDING ONE-OFF ITEMS)		33.0	–
÷ Net Sales	Consolidated Income Statement	467.9	–
= ADJUSTED OPERATING PROFIT % OF NET SALES		7.0%	–
Operating profit	Consolidated Income Statement	23.4	64.6
– Depreciation	Note 15	11.9	10.9
– Amortisation	Note 16	1.3	1.3
– Impairment	Note 15	4.4	–
= EBITDA		41.0	76.9
Additions to property, plant and equipment	Note 15	21.0	24.9
+ Additions to intangible assets	Note 16	2.8	1.8
= CAPITAL EXPENDITURES		23.8	26.7
Current borrowings	Consolidated Balance Sheet	12.0	24.5
+ Non-current borrowings	Consolidated Balance Sheet	55.3	42.6
= TOTAL GROSS DEBT		67.3	67.1
– Cash	Consolidated Balance Sheet	– 29.0	– 47.3
= NET DEBT		38.3	19.9
Total gross debt	as above	67.3	67.1
÷ EBITDA	as above	41.0	76.9
= GROSS DEBT / EBITDA RATIO		1.64	0.87
Equity	Consolidated Balance Sheet	170.3	172.0
÷ Total assets	Consolidated Balance Sheet	332.0	376.7
= EQUITY IN % OF TOTAL ASSETS		51.3%	45.7%
Number of registered shares divided by 5 (nominal value weighted)	Note 21	48 000	48 000
+ Number of bearer shares	Note 21	420 000	420 000
= Total number of shares (nominal value weighted)		468 000	468 000
x Share price at December 31, in CHF		1 556.00	2 480.00
= MARKET CAPITALISATION AT DECEMBER 31		728.2	1 160.6

AMOUNTS IN CHF MILLION	2021 AT 2020 EXCHANGE RATES	2020	CURRENCY ADJUSTED GROWTH
Net Sales			
Composite Materials	217.9	276.2	– 21.1%
Kitting	185.4	225.6	– 17.8%
Manufacturing Solutions (formerly Tooling)	70.8	98.7	– 28.3%
Aerospace	29.9	31.6	– 5.3%
Inter-segment elimination	– 41.5	– 55.3	–
TOTAL CONTINUED OPERATIONS	462.5	576.7	– 19.8%
Discontinued operations (Composite Components)	–	2.1	– 100.0%
TOTAL GROUP	462.5	578.8	– 20.1%

ABBREVIATIONS USED

AC	Audit Committee
AGM	Annual General Meeting
APAC	Asia Pacific
AR	Annual Report
BoD	Board of Directors
BU	Business Unit
BU GM	Business Unit General Manager
CAPEX	Capital expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHF	Swiss francs
CHRO	Chief Human Resources Officer
COO	Chief Operating Officer
CO ₂	Carbon dioxide
CO _{2e}	Carbon dioxide equivalent
COVID	Coronavirus disease
CTO	Chief Technology Officer
CVHC	Chemicals of Very High Concern
DSS	Dupont Sustainable Solutions
EAC	Energy Attribution Certificate
EC	Executive Committee
ECC	Executive Compensation Committee
ECHA	European Chemicals Agency
EH&S	Environment, Health and Safety
EMEA	Europe, Middle-East and Africa
ESG	Economic Social Governance
EU	European Union
FY	Financial Year
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
GJ	Giga Joule
GM	General Manager
GRI	Global Reporting Initiative
GSSB	Global Sustainability Standards Board
GW	Giga Watt
GWEC	Global Wind Energy Council
H&S	Health and Safety
HR	Human resources
IRENA	International Renewable Energy Agency

ISO	International Organization for Standardization
kg/m ³	kilogram per cubic metre
KPI	Key Performance Indicator
kWh	kilowatt-hour
LMS	Learning Management System
LTAR	Lost Time Accident Rate
LTIR	Lost Time Incident Rate
MWh	Mega Watt hour
NCC	Nomination and Compensation Committee
NCEC	National Chemical Emergency Centre
NCR	Non-Conformity Request
NWC	Net Working Capital
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
OH&S	Occupational Health and Safety
OTIF	On-Time-In-Full
p.	page
pp.	multiple consecutive pages
PET	PolyEthylene Terephthalate
PhD	Doctor of Philosophy
PTC	Production Tax Credit
R&D	Research and Development
REACH	Registration, Evaluation and Authorisation of Chemicals
SDG	United Nations Sustainable Development Goals (sdgs.un.org/goals)
SPI	Swiss Performance Index
SR	Sustainability Report
SVHC	Substances of Very High Concern
Swiss GAAP FER	Accounting and Reporting Recommendations (a Swiss Standard)
tCO _{2e}	Metric tons of carbon dioxide equivalent
TM	Trade Mark
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals (sdgs.un.org/goals)
UV	Ultra Violet
WTG	Wind Turbine Generator
YE	Year End

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This Annual Report contains forward-looking statements that include risks and uncertainties regarding the future global developments that cannot be influenced by the Company.

WEBLINKS

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