

The background of the entire page is a high-angle photograph of a wind farm. Several white wind turbines are scattered across a vast, green agricultural field. The sky is bright blue with scattered white clouds. The shadows of the turbines are cast long and dark on the grass. The overall scene is peaceful and emphasizes clean energy in a natural setting.

SUSTAINABILITY REPORT 2021

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



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**

- 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

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



2 450
Employees



468 Million
CHF Net Sales (2021)

3



Global R&D application centers
R&D staff of 140



5

CONTINENTS



29
SITES

➤ 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

23

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**



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.



**Governmental
Priorities**

**Governmental
Priorities**

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.

**Gurit
Sustainability
Strategy**

**Governmental
Priorities
(continued,
illustrative
examples)**

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

**Industry Sector
Focus**

**Governmental
Priorities**

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

**Gurit
Sustainability
Strategy**

**Governmental
Priorities**

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.

**Gurit
Sustainability
Strategy**

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

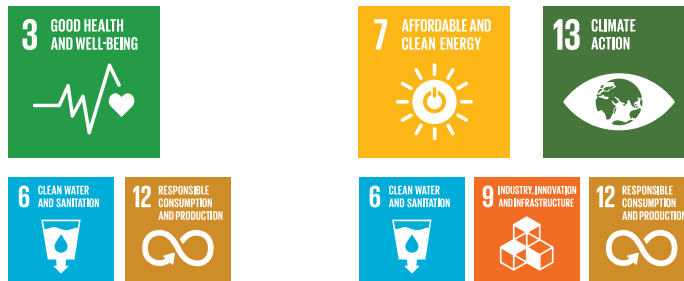
Material topics are sustainability topics which, as a result of the materiality process, are deemed most important for Gurit’s stakeholders and have a higher significance in terms of economic, environmental and social impacts. Through the materiality analysis conducted in 2021, we selected 23 sustainability 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	Transparency	Product quality and solutions
Equality, diversity and inclusion	Legal compliance	Customer satisfaction
Responsible employment practices	Business ethics	Economic performance
Work-life balance	Anticorruption and bribery	
Participation and consultation of employees		
Social risk assessment		

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>



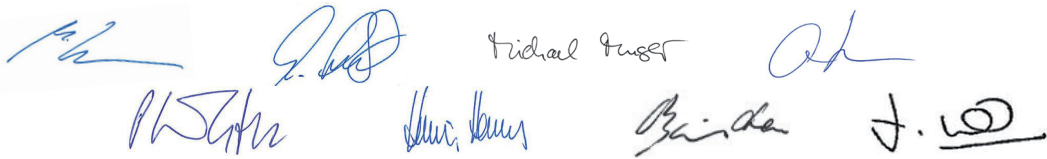
- GRI 102-21 Consulting stakeholders on economic, environmental and social topics
- GRI 102-29 Identifying and managing economic, environmental and social impacts
- GRI 102-31 Review of economic, environmental and social topics
- GRI 102-32 Highest governance body's role in sustainability reporting
-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




GURIT SUSTAINABILITY TARGETS AND AMBITIONS







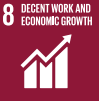


Gurit is committed to sustainability and responsible business management. Sustainability ambitions and targets are reviewed annually by the Executive Committee. The execution of these targets is delegated to eight dedicated workstreams each with a workstream lead a member of the executive Committee as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




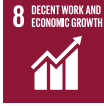

In December 2021, the Gurit Executive Committee has committed itself to the targets listed below.


							
Mitja Schulz	Philippe Wirth	Ernst Lutz	Hannes Haueis	Michael Muser	Bing Chen	Andreas Kipker	Lance Hill
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Technology Officer (CTO)	Head of Group Human Resources	Aerospace General Manager	Manufacturing Solutions General Manager	Wind Systems General Manager	Marine/Industrial General Manager



	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
SAFETY FIRST	<p>Elimination of Substances of Very High Concern in standard product ranges</p> <p>Introduction of a new safety management assessment system at all company sites</p> <p>Launch of the Health & safety onboard training roadmap</p>	<p>Safety first</p> <ol style="list-style-type: none"> Health and safety onboarding training roadmap for all new employees by 12/2022 Certify all our production sites with the ISO Standard for occupational health and safety by 12/2023 Refresher and next level on Mental Health employee trainings by 12/2022 <p>Chemical safety</p> <ol style="list-style-type: none"> 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 by 03/2023 	  

	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
ENVIRONMENT	<p>Climate neutrality for scope 1, scope 2 and partial scope 3</p> <p>100% renewable electricity</p> <p>ESG Management Systems implemented</p> <p>ISO-certifications</p>	<p>Climate neutrality and resource utilisation</p> <ol style="list-style-type: none"> Maintain climate neutrality for GHG scope 1 and scope 2 Reduction of direct and indirect greenhouse gas emissions Introduce an internal CO2/GHG valuation method by 11/2022 Design operational program to reduce emissions, waste, material use, energy consumption Water risk assessment implemented by 12/2022 <p>Circularity and related workstream / end of life</p> <ol style="list-style-type: none"> Integrate circularity and related workstream as integral part of Technology & Innovation and product strategy Identify engagement opportunities in industry discussions and initiatives around circularity and end of life challenges by Q2/2022 Collate ideas for products with improved ecological footprint (ongoing) Assess the environmental impact of products/concepts. Systematically apply Life Cycle Assessment by 12/2022 	    
SOCIAL RESPONSIBILITY	<p>Sustainability organisation set-up, dedicated workstreams established: "Equality and Diversity" as well as "Local community engagement"</p> <p>Social Policy drafted</p> <p>Online training for Global Senior Management team on Human Rights for Business</p>	<p>Local community</p> <ol style="list-style-type: none"> 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 Issue local community and employee engagement guidelines Implement local community initiative as per issued guidelines and within SDG / Sustainability framework, starting 06/2022 <p>Equality and diversity</p> <ol style="list-style-type: none"> Equal Opportunity Recruitment Policy implemented by 12/2022 Create a management system to measure gender representation levels in our applicant sourcing approach by 12/2022 Ensure equal opportunities for people with disabilities and audit all sites for accessibility by 12/2022 Provide unconscious bias and stereotyping training to all Managers from 2022 onwards Provide a checklist of equal opportunities requirements by 06/2022 Promote awareness and added value of diverse work groups by 12/2022 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	<ol style="list-style-type: none"> 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 	 
GOOD GOVERNANCE	1070 employees completed the Code of Conduct training program in 2021	<ol style="list-style-type: none"> 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 	
ECONOMIC PERFORMANCE		<ol style="list-style-type: none"> 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) 	 

	ACHIEVEMENTS 2021	OUR COMMITMENTS 2022	SDG IMPACT
SUSTAINABILITY MANAGEMENT FRAMEWORK	<p>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</p> <p>ESG rating improved</p> <p>Ongoing commitment to United Nations Global Compact (UNGC) including annual communication on progress vs. 10 principles</p> <p>Sustainability reporting in line with GRI standard</p>	<ol style="list-style-type: none"> 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 	

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**
- 2 No complicity in human rights abuses**

- Procurement standards & training
- Internal audit checklist
- Internal awareness
- Training for senior managers

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.

- 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

LABOUR STANDARDS

- 3 Uphold the freedom of association and the effective recognition of the right to collective bargaining**
- 4 Elimination of all forms of forced and compulsory labour**
- 5 Effective abolition of child labour**

- Procurement standards & training
- Internal audit checklist
- Internal awareness
- Training for senior managers

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.

- 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

- 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.

- 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

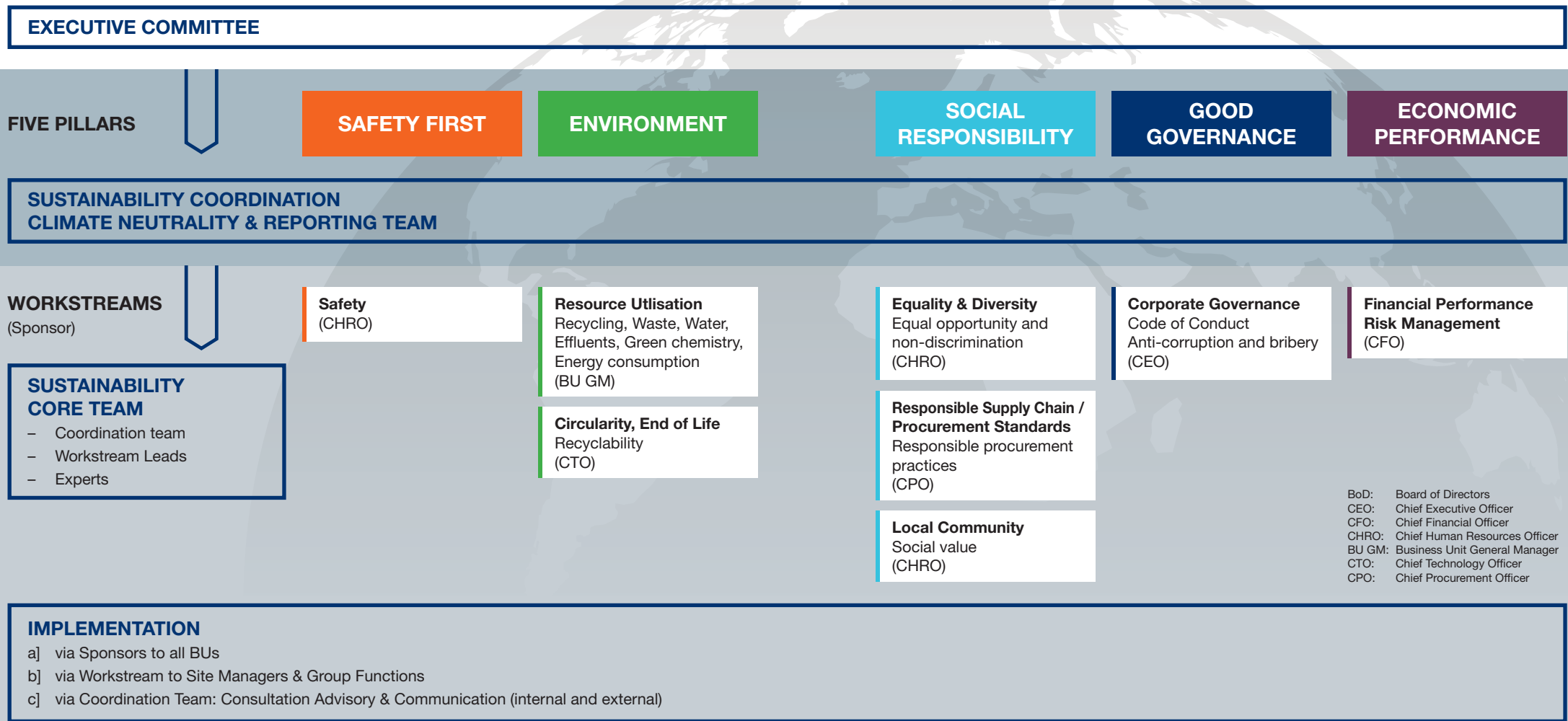
GURIT'S SUSTAINABILITY STRATEGY

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.”

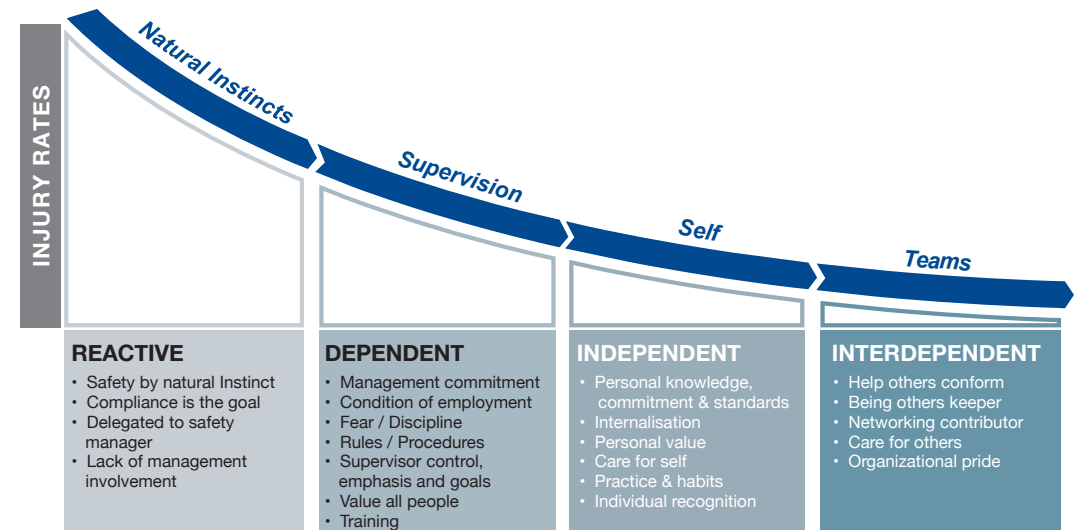
Hannes Haueis, Head of Group Human Resources

- 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.

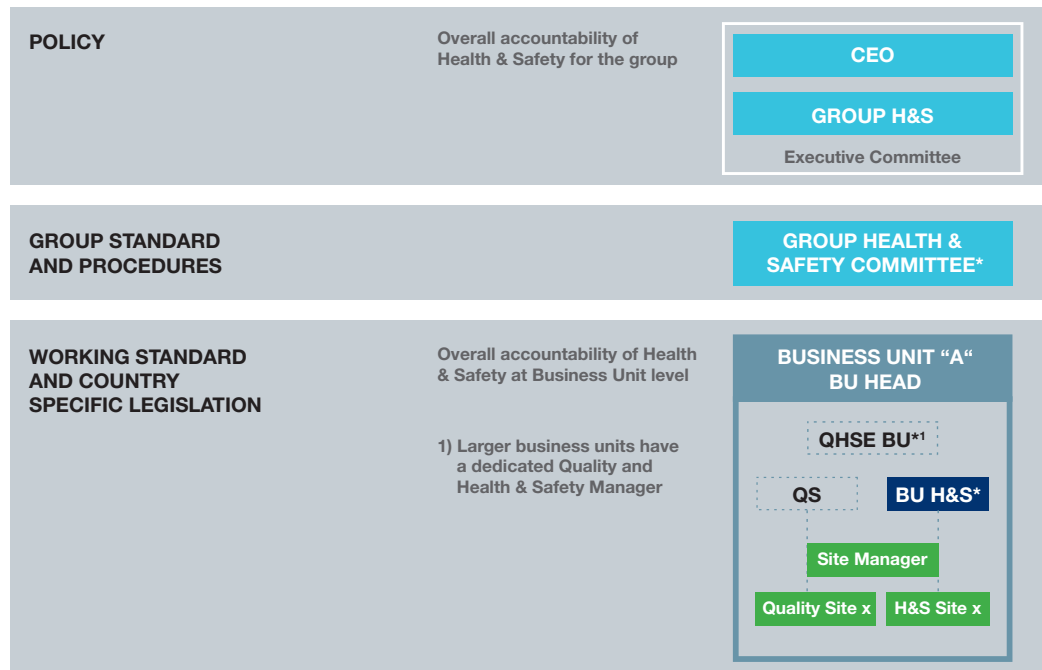
The Bradley Curve serves as a reference for Gurit, allowing us to understand the effectiveness of a successful safety culture from an early stage through maturity, while aligning with our drive for a zero-accident environment.

- 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.



* Member of the H&S committee

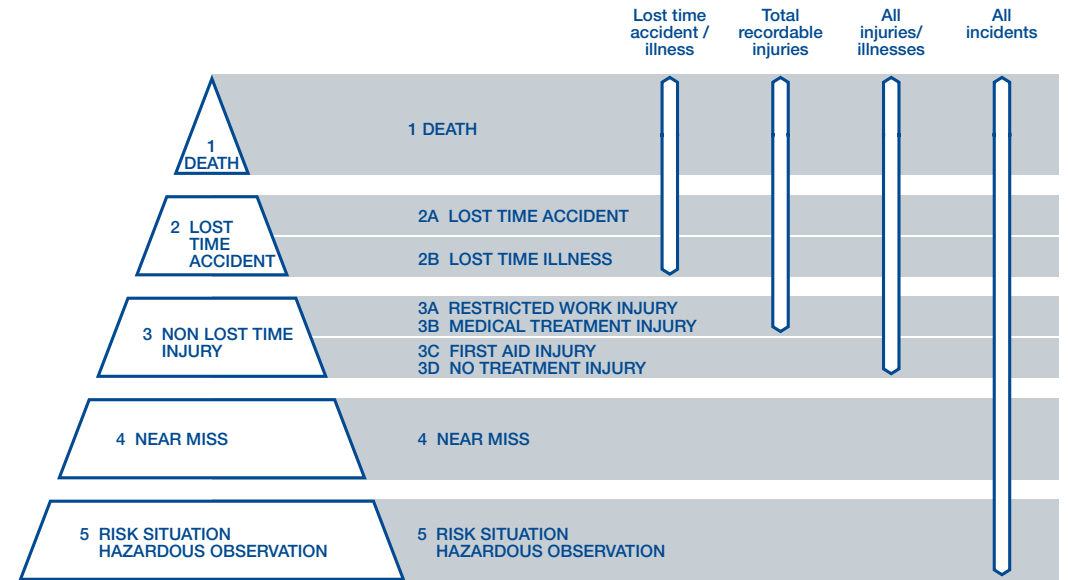
Safety First Organisation 2020

➤ 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

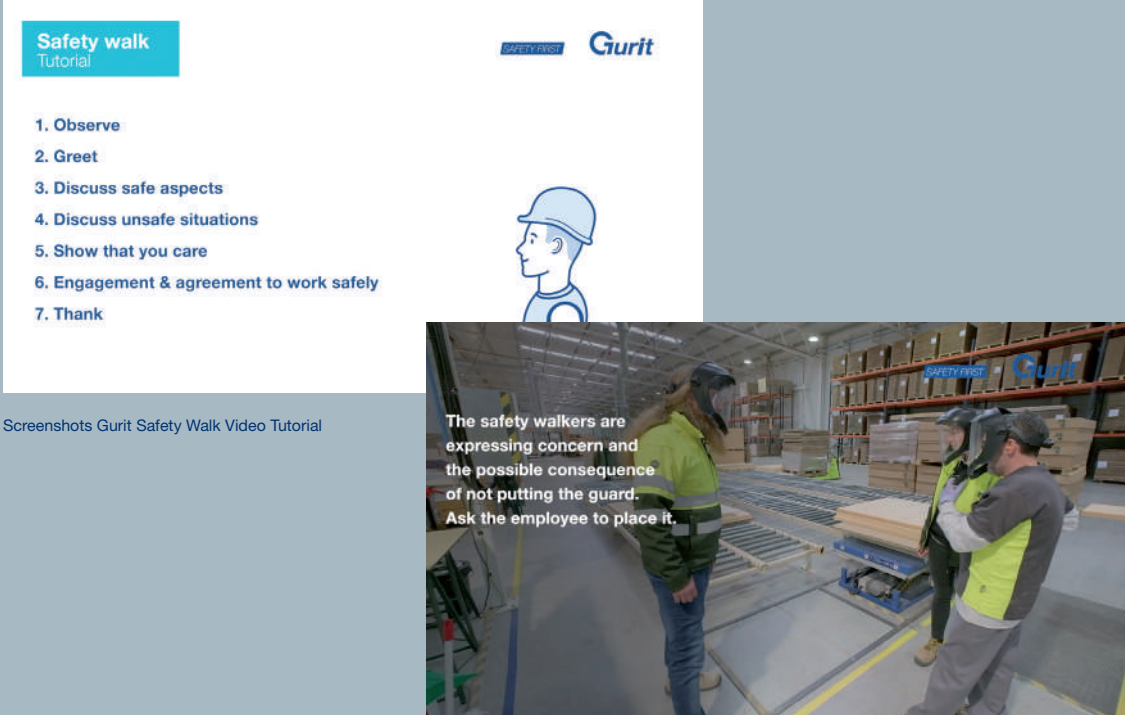
- GRI 403-2 Hazard identification
- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

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.



Safety walk Tutorial

1. Observe
2. Greet
3. Discuss safe aspects
4. Discuss unsafe situations
5. Show that you care
6. Engagement & agreement to work safely
7. Thank

The safety walkers are expressing concern and the possible consequence of not putting the guard. Ask the employee to place it.

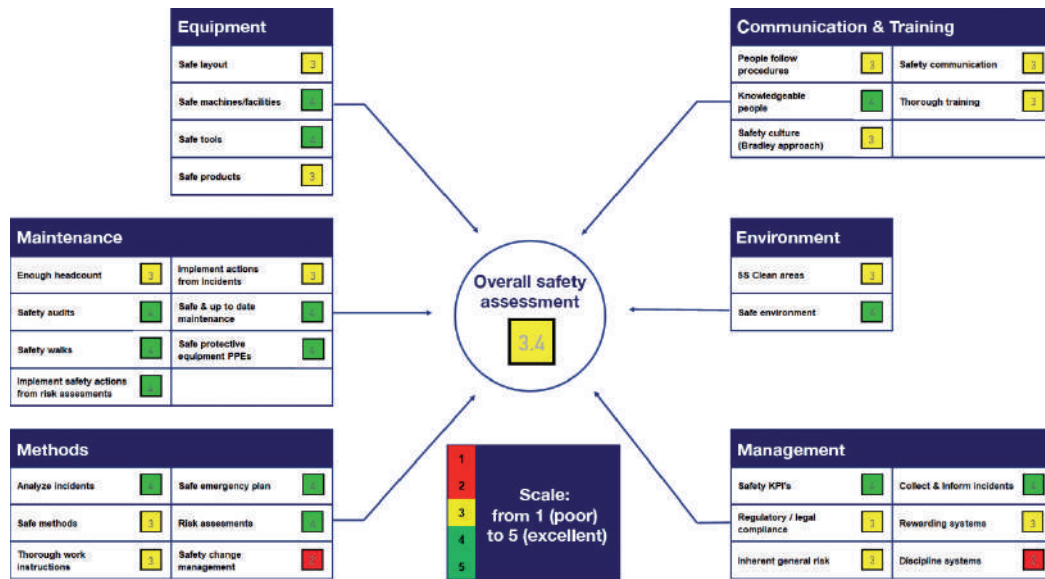
Screenshots Gurit Safety Walk Video Tutorial

- 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.

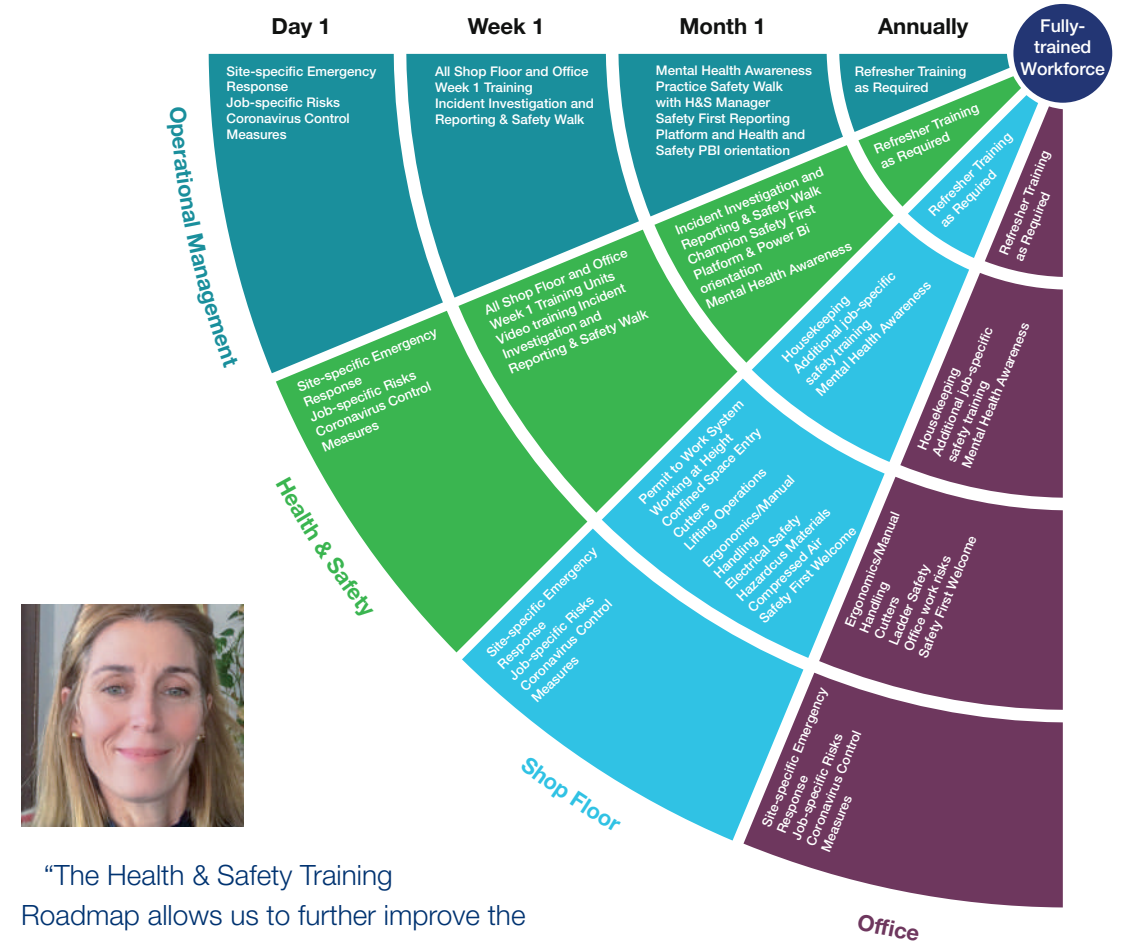


Health and Safety Assessment

➤ 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

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.



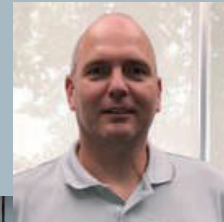
365 SAFE DAYS CELEBRATION AT GURIT AHMEDABAD

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 ALL SITES (OFFICES AND PRODUCTION)	% OF PRODUCTION SITES	% OF EMPLOYEES COVERED
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

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

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.

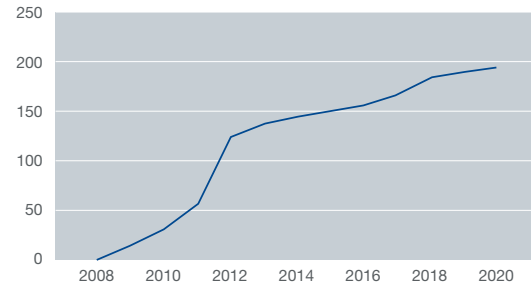
We have made significant progress in eliminating SVHCs from our standard and essential product ranges with a large reduction in the number affected – from 65% in 2017 to currently 0% of products (in standard and essential ranges within the Formulated, Prepreg, including Aerospace and Core product offering).

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).

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 prepregs, the Spabond™ 800 and 400 ranges, and the Ampreg™ 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.

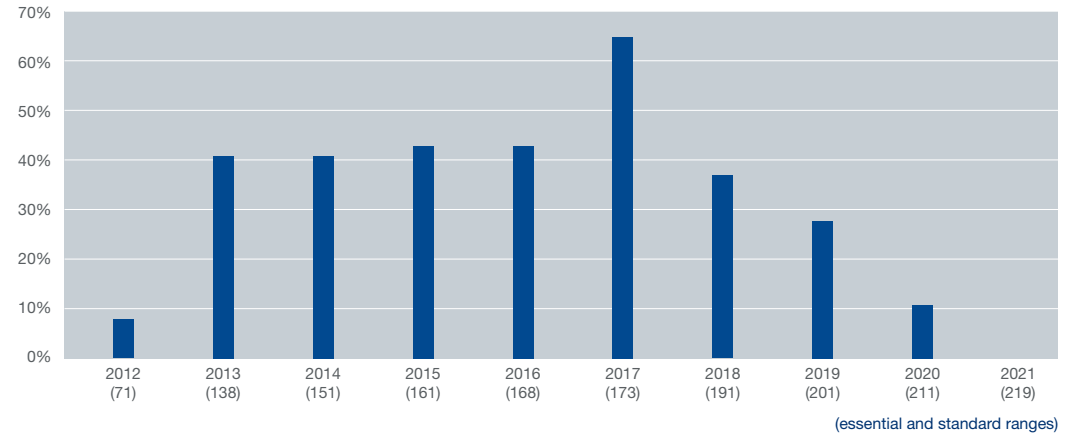
As well as new product developments, simplification of product ranges such as using the multifunctional Ampreg™ 3X laminating hardeners range with the PRIME 37 resin system, allows a broader use of lower toxicity products as well as simplifies the product range for customers and enables less waste generation.

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

1 156
MILLION



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%.

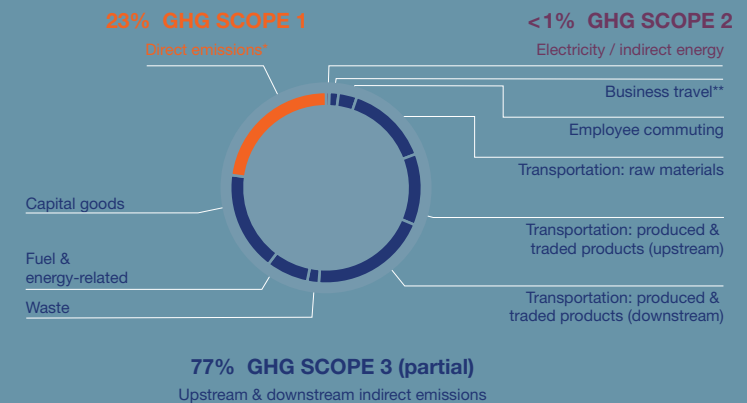
We see a positive trend of direct emission reduction across many categories. Some initial measures we implemented have already contributed to this, such as the much increased share of waste recycled; however we must also note that there was a reduction in our net sales and related production activity 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.

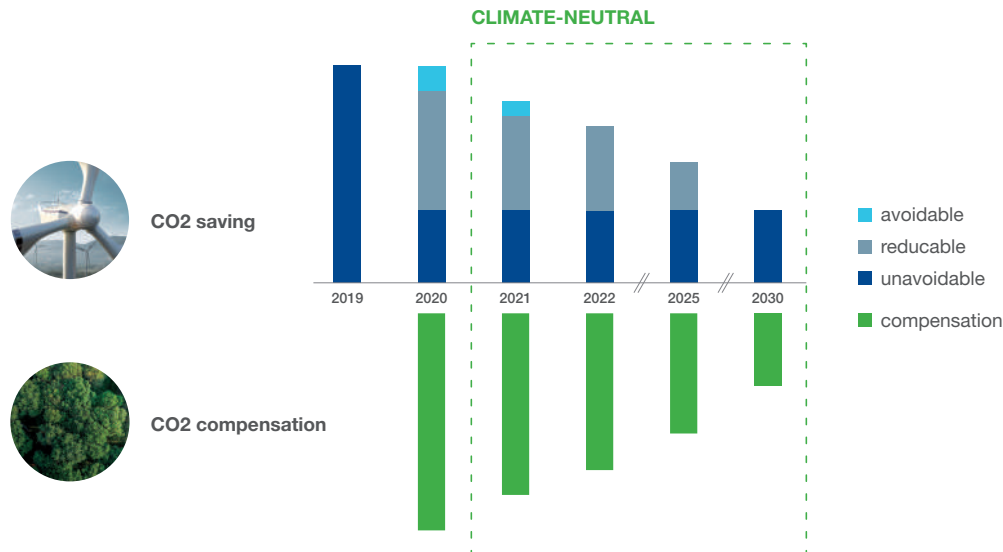
CARBON INTENSITY (SCOPE 1, 2)

EMISSIONS IN TONS OF CO ₂ e	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)
 <ul style="list-style-type: none"> 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 	 <ul style="list-style-type: none"> 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) 	 <ul style="list-style-type: none"> Reduction of emissions in purchased products and services Reduce transportation related emissions: regional procurement, routes optimisation. Reduce / optimise packaging 	 <ul style="list-style-type: none"> Circularity workstream: innovation, research into fossil-free, fully recyclable end-products (zero waste turbine components) Engagement in industry-wide initiatives (wind, marine)

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

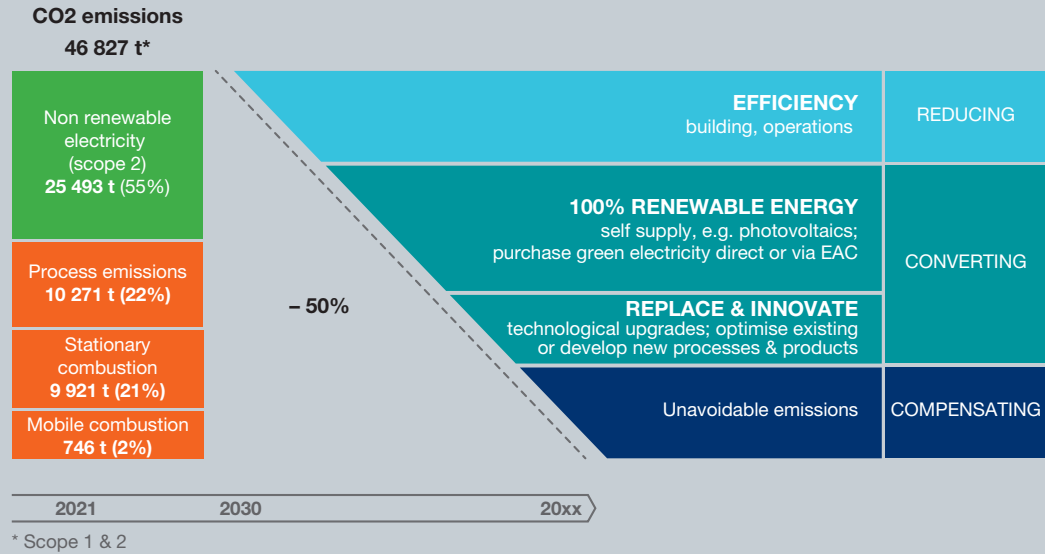
ECO-EFFICIENCY AS AN OPERATIONAL DUTY

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



Saipuram Wind, India



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](https://www.ghgprotocol.org/corporate-standard)

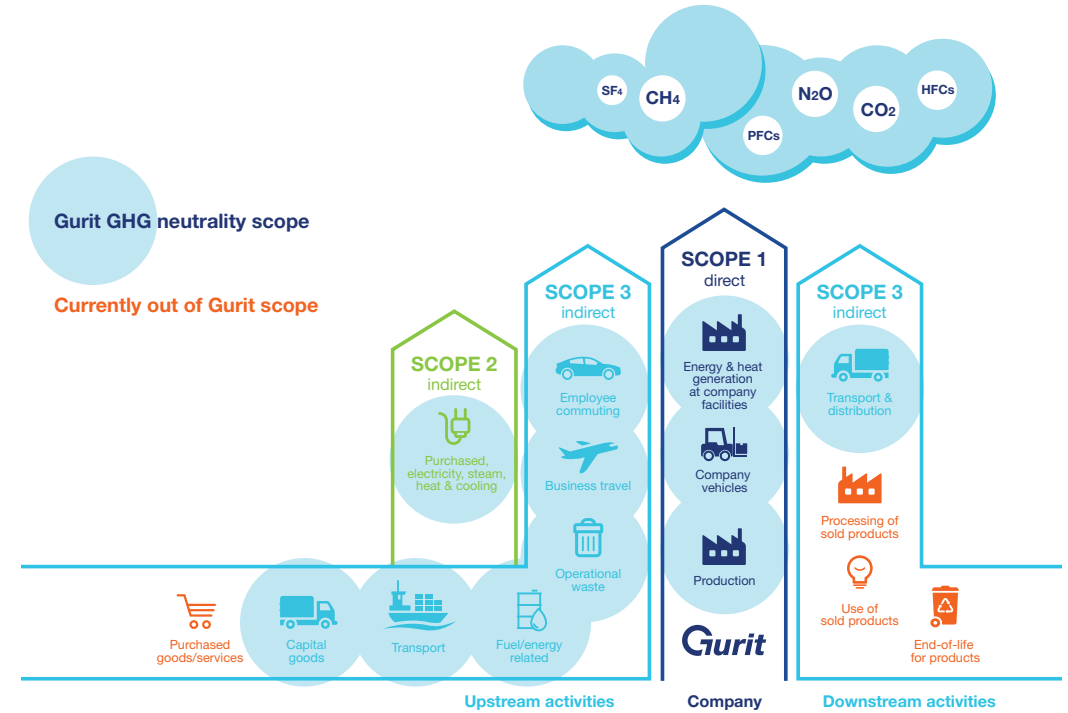


“Sulytics has supported Gurit with the implementation of a dedicated software to calculate the Greenhouse Gas emissions for scopes 1,2 and 3, collecting relevant data from all Sites. I have also supported Gurit with the correct calculation of the carbon footprint. Acknowledging that the quality and availability 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](https://www.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

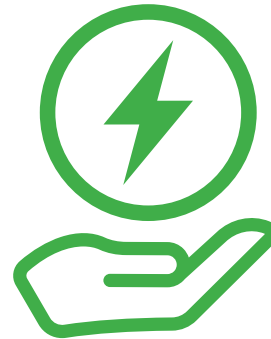
Office initiatives

- 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.

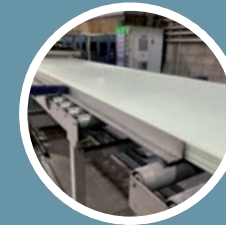
WASTE REDUCTION ON THE EXTRUDER LINES

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

IN METRIC TONS	2021*		2020*
	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

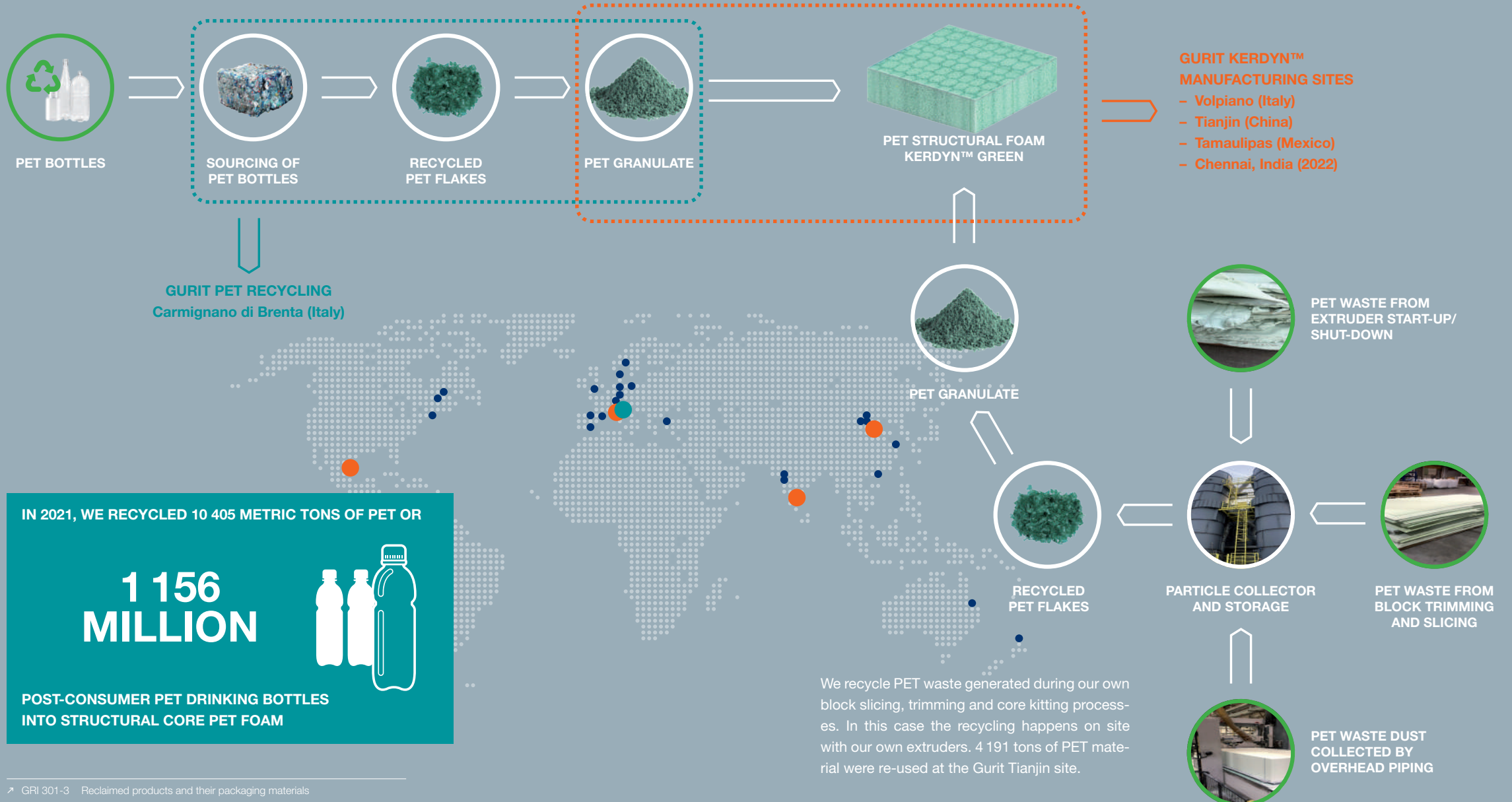
LESS TRANSPORT, LESS WASTE, MORE CUSTOMER PROXIMITY

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

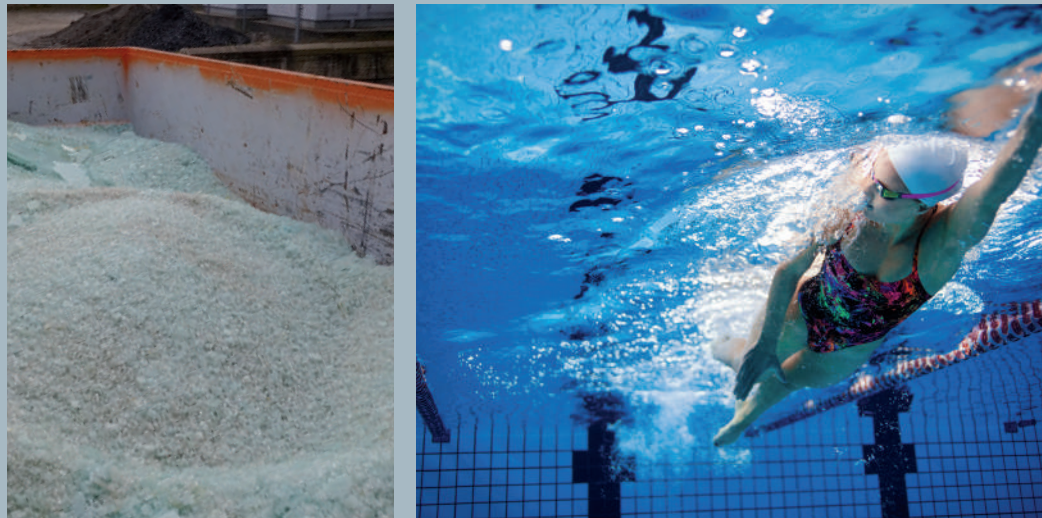
**CASE STUDY
RECYCLING TEMPERED GLASS PLATES**

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 worldwide. 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**

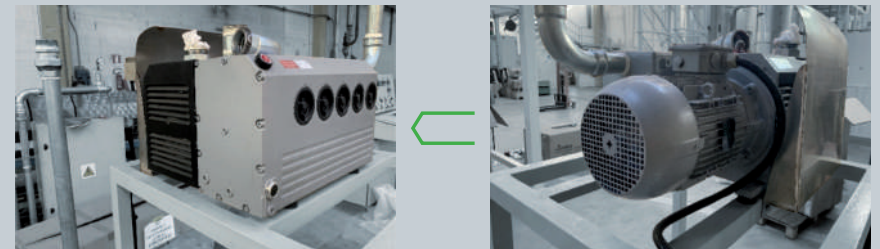
Gurit's Carmignano Site is working to reduce its water consumption and water pollution. One of the initiatives involves the PET recycling process as detailed below.

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.

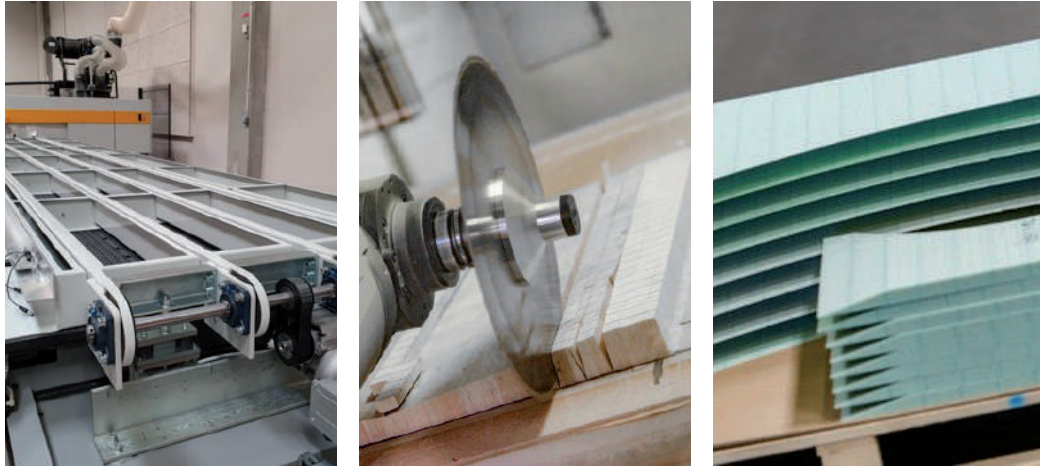


Replacing the old pumps by new ones which won't require water to work and therefore won't produce polluted water

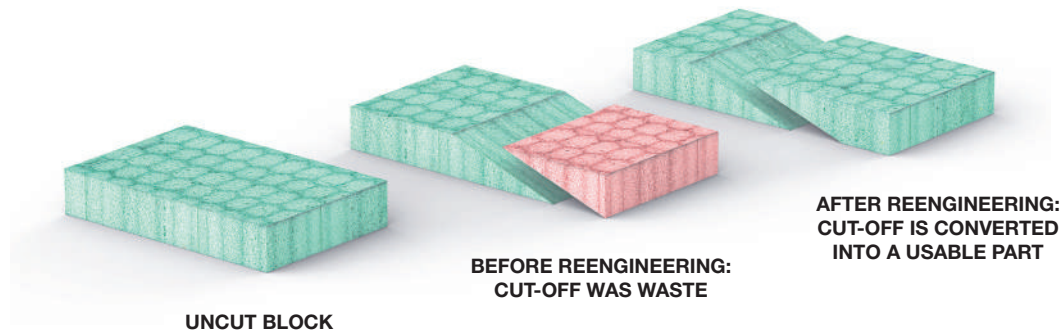


SMART DESIGN FOR ECO-EFFICIENCY

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

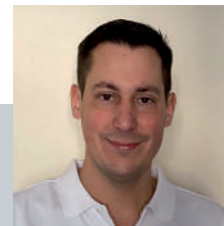
One of the ways to reduce transport emissions is to optimise each of our shipments. For this reason, Gurit works with the aim to continuously improve the packaging of our products, reducing the resources and materials used, and transport the maximum products within the minimum shipments. Various Gurit 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



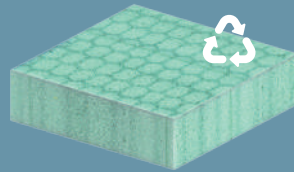
“Redesigning the core kits packaging in 2020 allowed us to reduce truck journeys. And in 2021 we reduced the plastic packaging used per kit to almost zero. Reducing transport and material emissions in all our processes is a clear target for us and we are pleased with progress so far.”

Aitor Sanjuanes, HSEQ Manager Falces, Spain

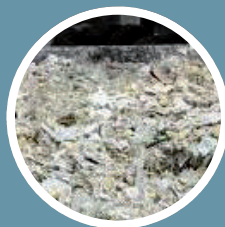
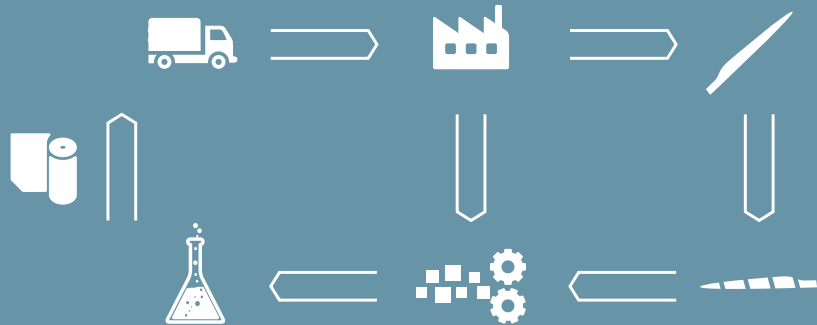
OUR CONTRIBUTIONS TOWARDS CIRCULARITY



Develop and support industry initiatives and new recycling value streams



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

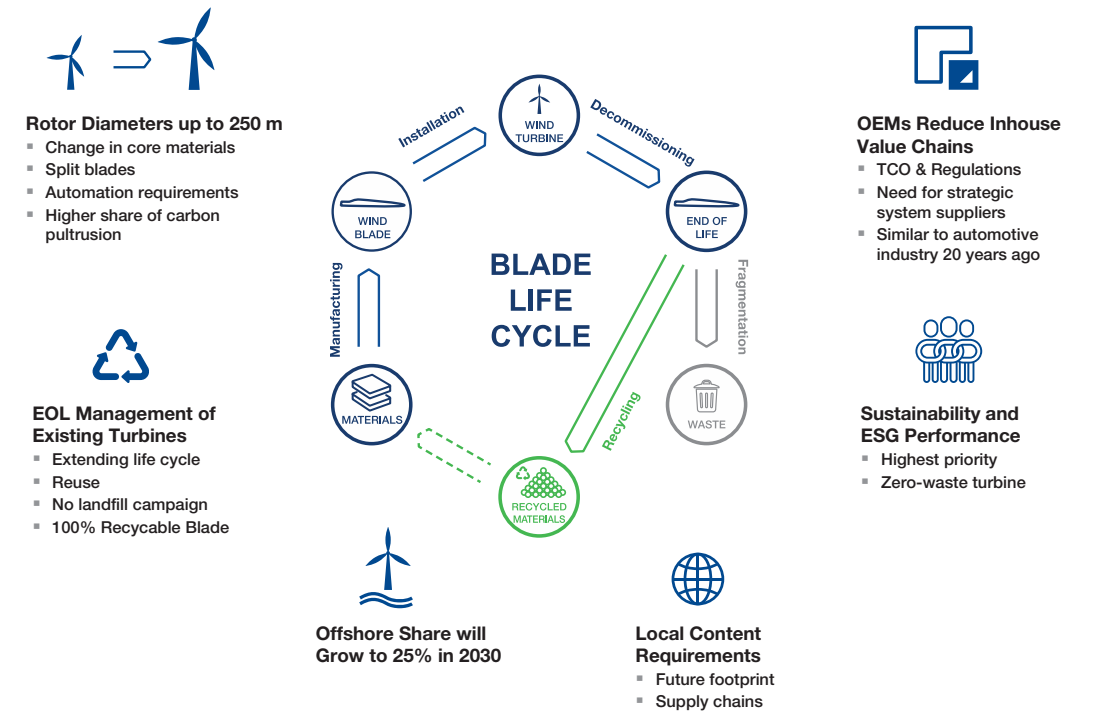


Innovation for circularity and eco-efficient end-of-life solutions for advanced composites

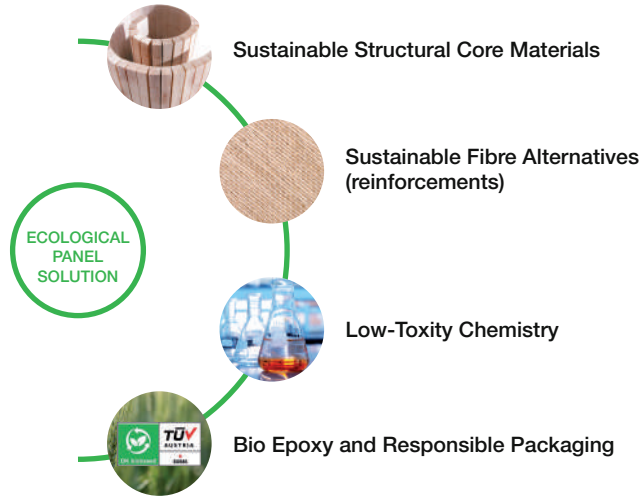
ADDRESSING END OF LIFE CHALLENGES

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

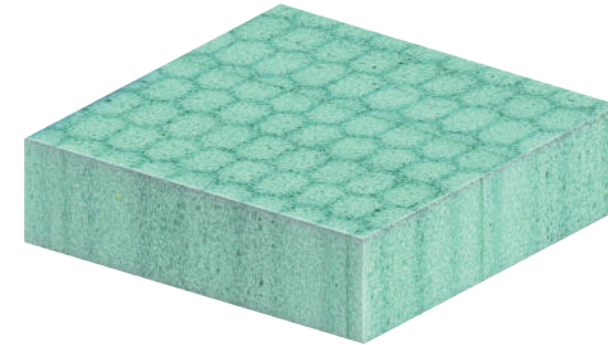
Given the importance of core materials in the wind turbine industry, as well as many other industrial applications, such as marine and aerospace, many synthetic cores have been considered by manufacturers over the years.

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.

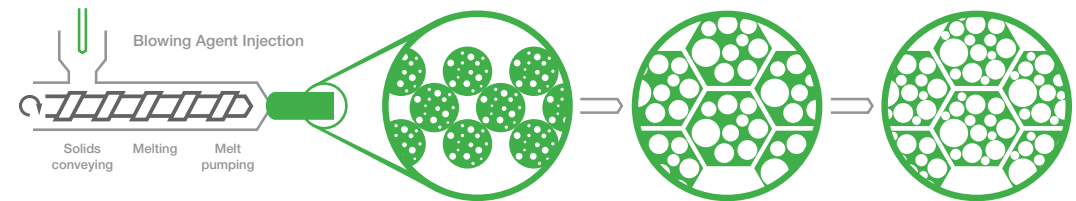
A SYNTHETIC CORE MATERIAL MADE FROM RECYCLED PET

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.



Physical phenomena

- Polymer melting/blending
 - Physical blowing agent solubilisation
 - Pressure drop at the die and bubble nucleation
 - Bubble growth
 - Cell morphology stabilisation
- $$N_b = C_0 f_0 \exp\left(-\frac{\Delta G_{crit}}{RT}\right)$$



Key parameters

- Thermodynamics
- Kinetics
- Shear viscosity
- Elongational viscosity
- Blowing agent diffusion
- Boundary conditions
- Crystallization kinetics/viscosity increase

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.

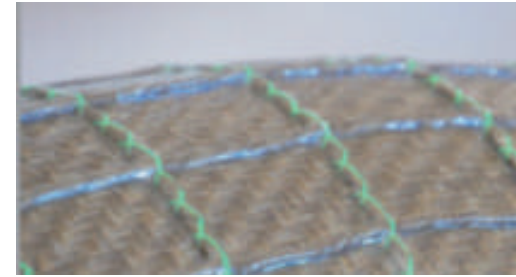
SUSTAINABLE FIBRE ALTERNATIVES

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.

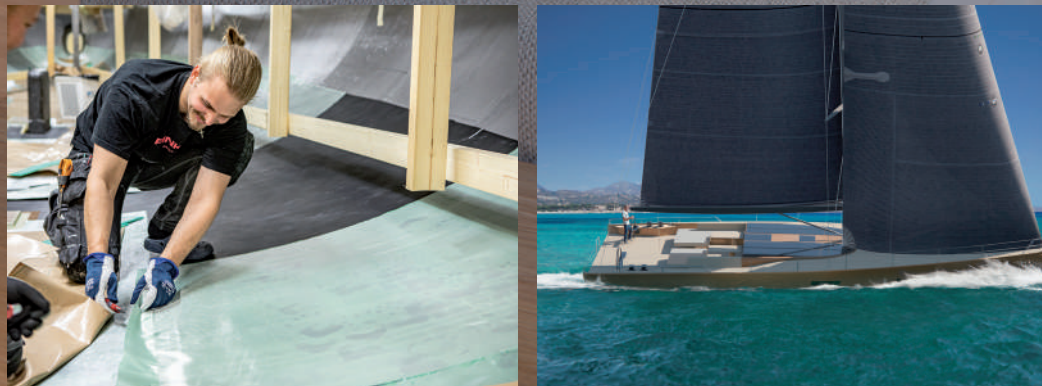


Wheelchair with advanced sustainable composites

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.

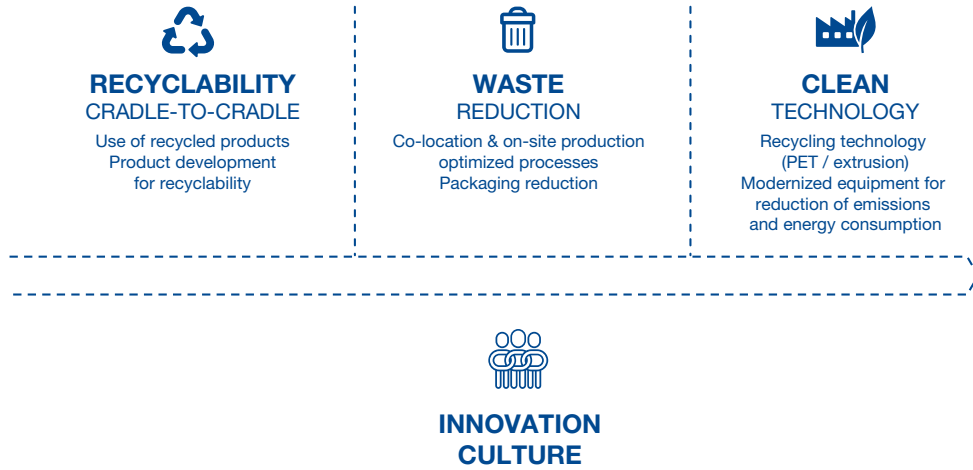
OUR AMBITION TO INCREASE THE SHARE OF BIO-BASED

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.

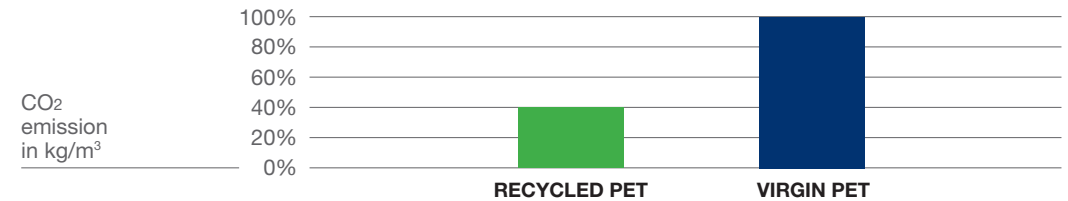
LCA TYPE	PRODUCT STAGE			CONSTRUCTION PROCESS		USAGE STAGE	END OF LIFE		BENEFITS & LOADS BEYOND SYSTEM BOUNDARY
	RAW MATERIAL	TRANSPORTATION OF RAW MATERIAL	PRODUCT MANUFACTURING PROCESS	TRANSPORTATION OF PRODUCT TO CUSTOMER	CONSTRUCTION / INSTALLATION PROCESS		DECONSTRUCTION AND TRANSPORT	WASTE PROCESSING/ DISPOSAL	
	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%.



Impact of recycled PET on CO₂ emission

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.

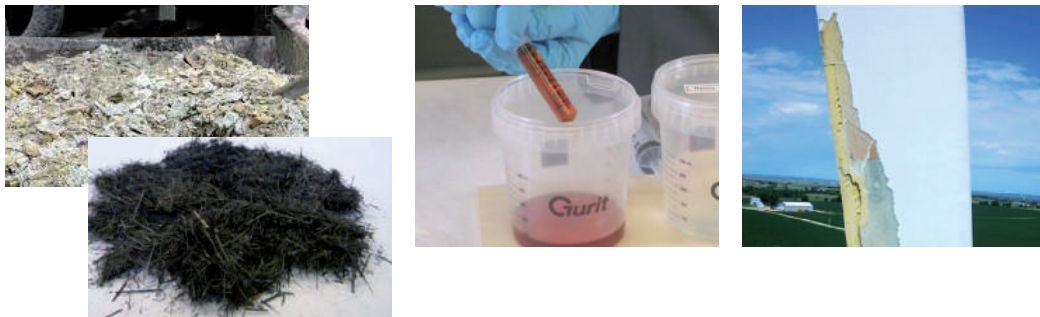
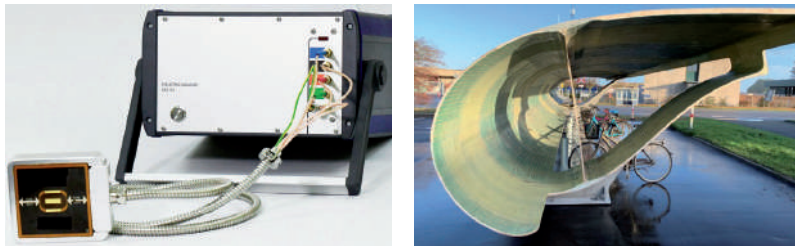
To address this issue comprehensively, we need to take a circular approach. Which means not only looking at the finished product – for example the blade or other component – at the end of its life but considering the end of life already early on at the design stage of both the materials and the blade.

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

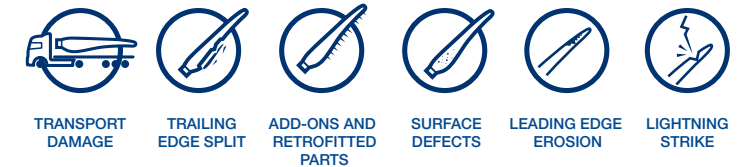
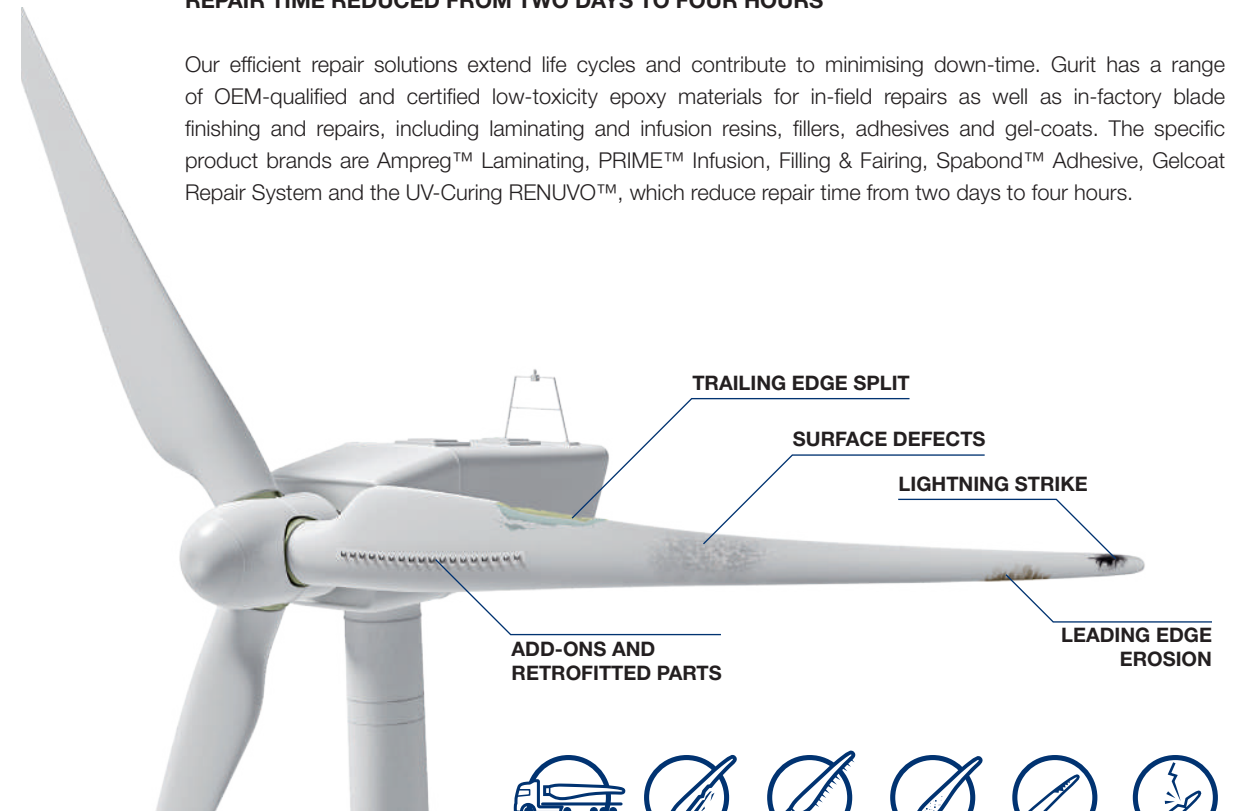


EFFICIENT WIND TURBINE REPAIRS TO EXTEND THE LIFESPAN

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.

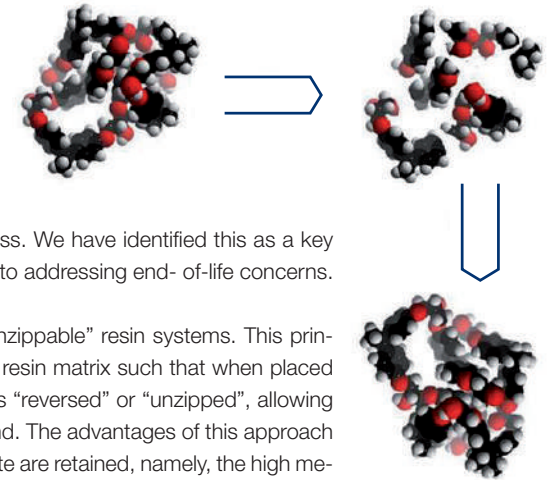


“Gurit has made significant progress to create new, lower environmental-footprint materials. In order to develop truly sustainable solutions to end-of-life concerns, investment has been made in developing environmental impact analysis capabilities so that such technology can be driven by data, ensuring 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

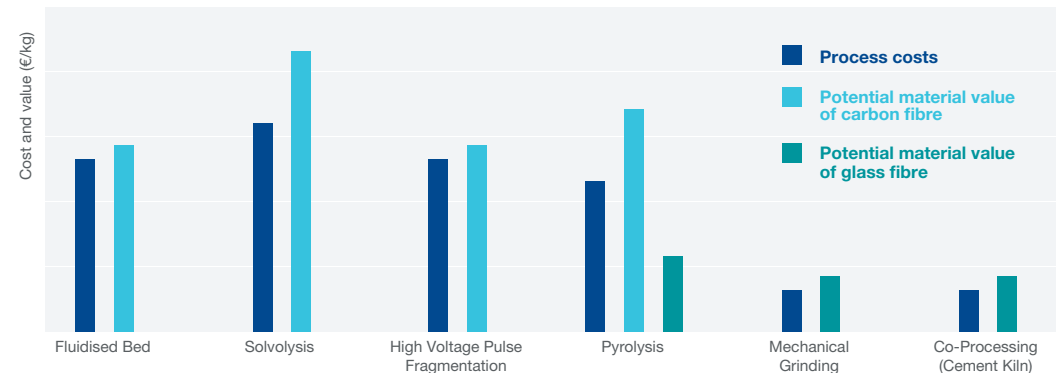
Designing smart materials which allow for easy separation and segregation of blade components into individual waste streams, and most importantly, only at the point of end of life, is integral into any blade recycling technology. It is of little benefit for example, to have an in-principle, recyclable 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.

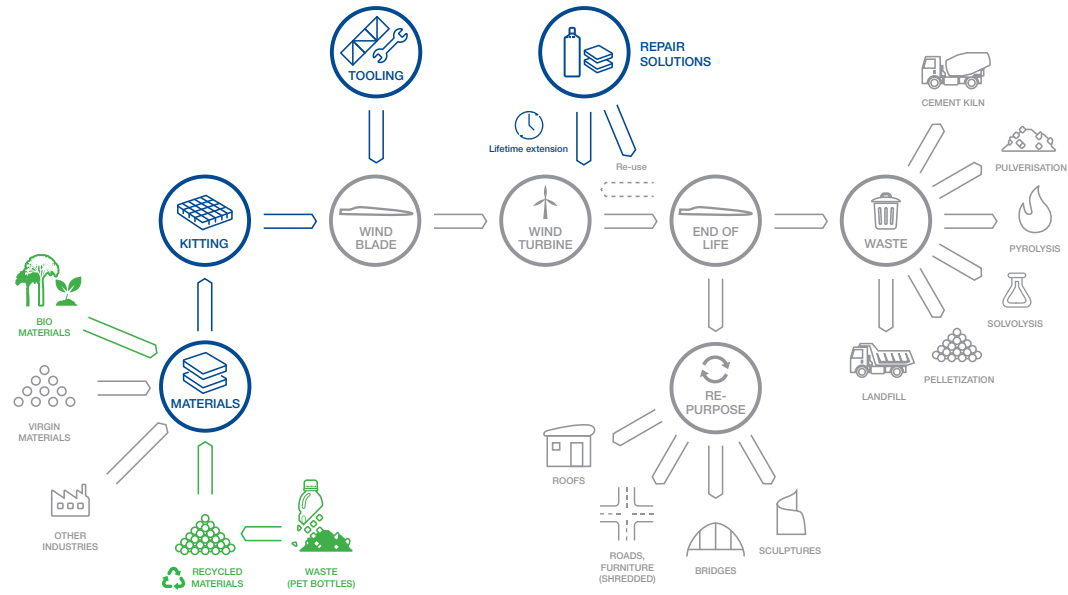
During 2021, the emergence of chemically recyclable epoxies has occurred. In order to recycle such materials, a preliminary mechanical grinding stage is required. Therefore, it’s critical that due to the additional energy and waste by-products created by chemically recyclable systems, sufficient additional 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



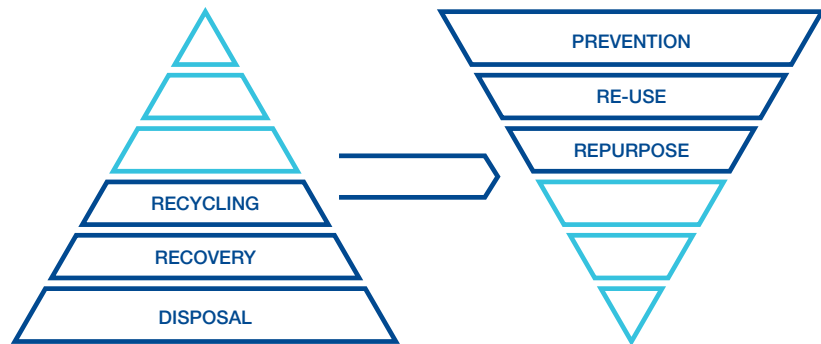
Source: Bax & Company and ETIPWind

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.

	2021							
	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
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

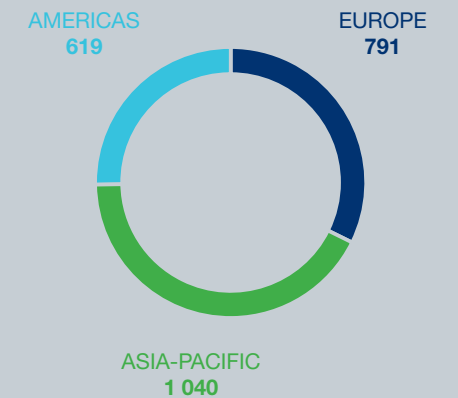
➤ GRI 405-1 Diversity of governance bodies and employees

EMPLOYEES BY REGION

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

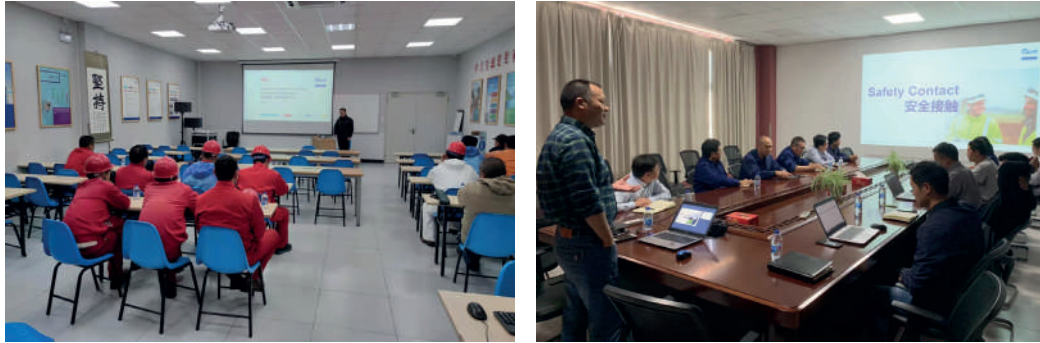
Figures exclude apprentices, trainees, interns and agency workers/contractors

➤ 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.



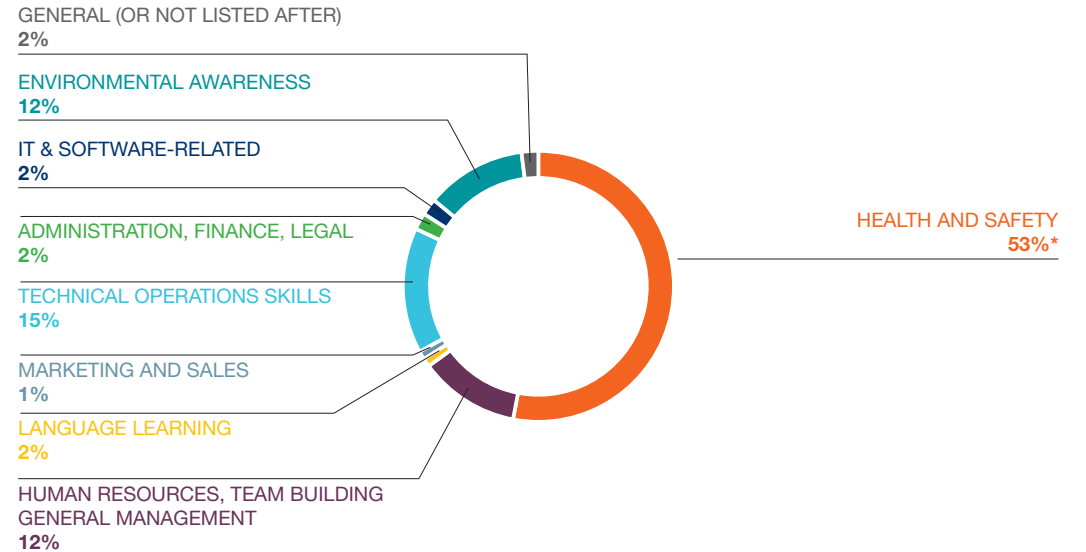
Data relating to training has been collated for the November 1, 2020 to October 31, 2021 period.

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 MujeresSTeam project to inspire young women to study technological subjects and join sectors with a traditionally low female participation.

The MujeresSTeam 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

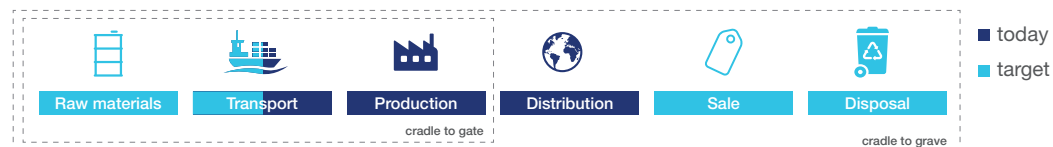
- % of suppliers completing sustainability questionnaires
- % of suppliers signing Gurit Supplier Code of Conduct
- ESG / Sustainability-related **supplier risk monitoring system** in place
- Supply chain (GHG scope 3) **greenhouse gas reduction targets** set for 2023 (by 12/2022)

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.

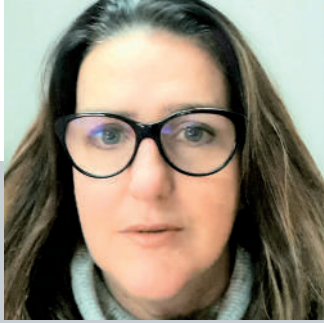
SUPPLIER QUESTIONNAIRES

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.

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.

- 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

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.



INNOVATION

We pioneer solutions to the world’s energy and lightweighting challenges through materials and processes.

We encourage curiosity and harness innovation.

We inspire growth through learning and bold action.



COST LEADERSHIP

We deliver total cost-effective solutions, without compromising on quality.

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.

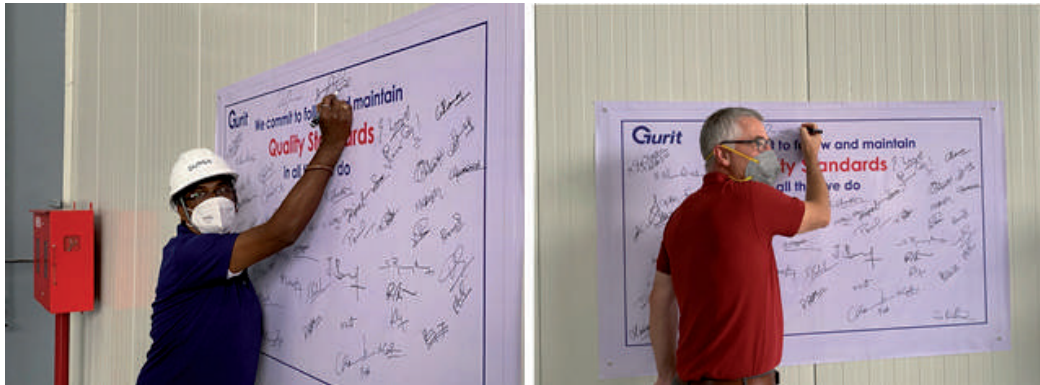
“Quality starts with me” was the motto underpinning the month, and used to encourage all employees to be actively involved in achieving zero quality defects on arrival at the customers’ location. The Site organised several activities which emphasised how essential it is that every employee is fully committed,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

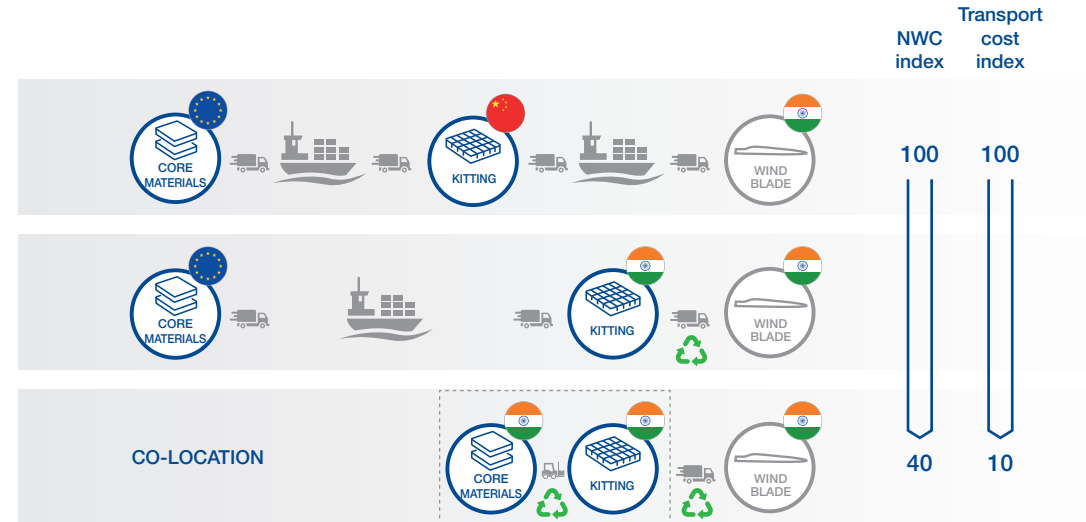


Employees pledging their commitment to quality

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

1 070

employees completed the Code of Conduct training program in 2021



Organisational Sustainability Responsibilities implemented across the company



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



ESG Rating Improved



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

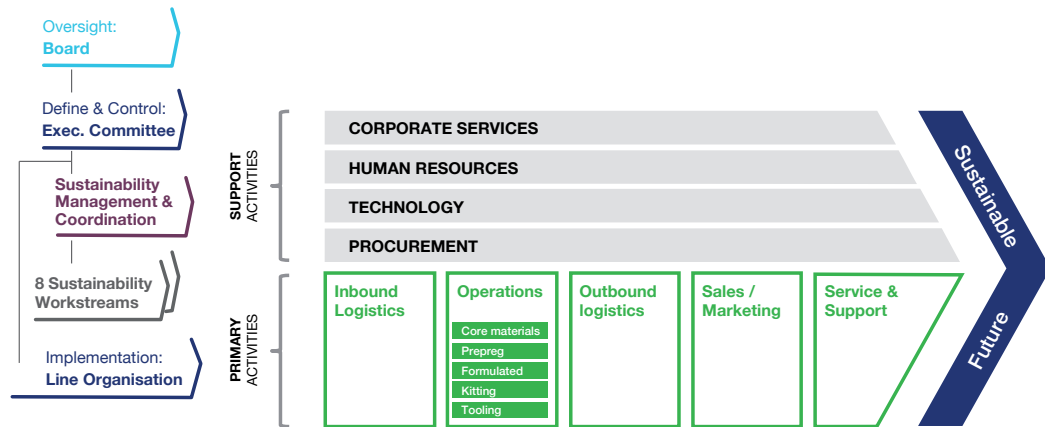
MANAGEMENT APPROACH

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.

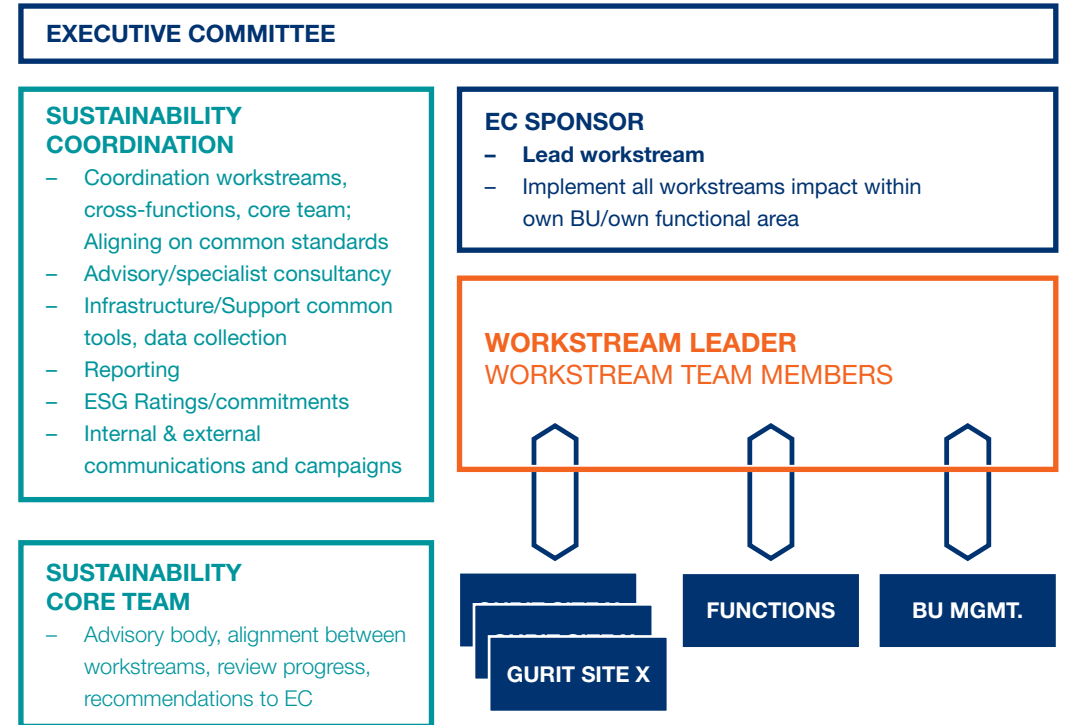
The Gurit Sustainability Policy is integrated throughout the company, requiring multiple resources, from the Board of Directors to Site Managers and Committees.

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.

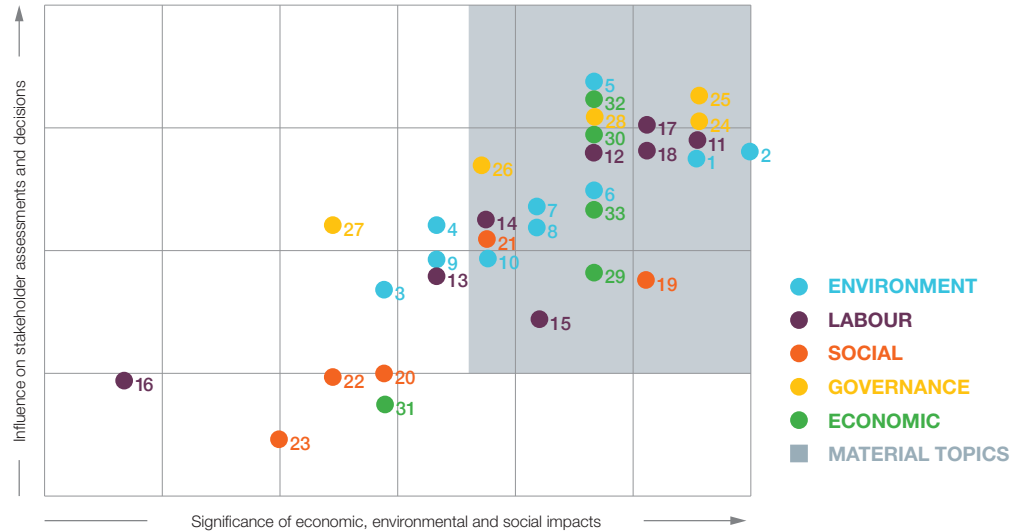
The Sustainability Coordination Team is responsible for coordinating implementation and reporting across the company, completing ESG rating questionnaires, and compiling the annual Sustainability Report. At the same time, cross-functional committees work on standards and KPI setting, reporting, and provide 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.

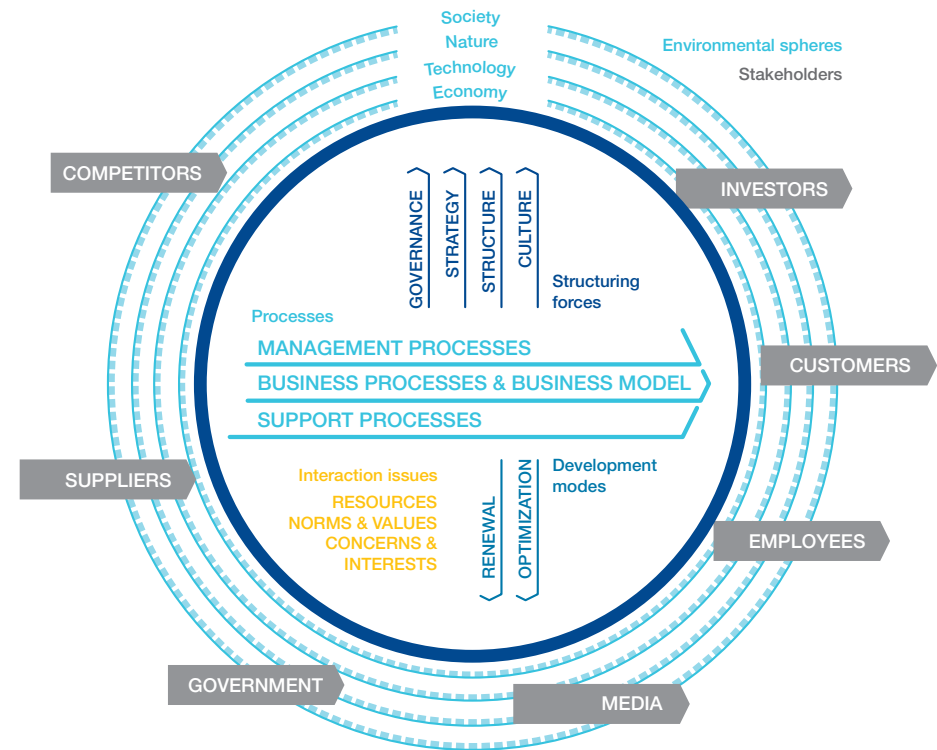
Dedicated external stakeholder engagement takes place with shareholders at the Annual General Meeting. Engagement with the financial community took place at two media and analyst conferences and nine roadshows and conferences.



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.

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- ↗ 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 rapped 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

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* The Annual Report can be downloaded from: www.gurit.com/Investors/Reports

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