Gurit

Sustainability Report 2020

Sustainability Report

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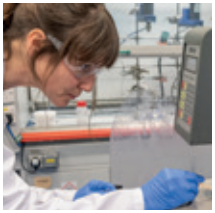
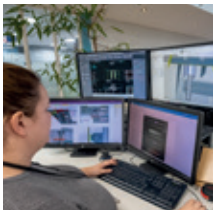
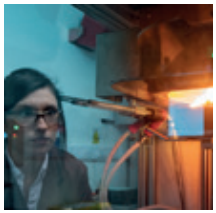
This is an extract of the Gurit Annual Report 2020.
Therefore the original page numbers are left unchanged.





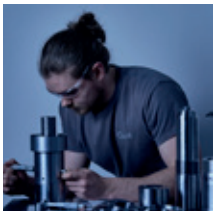





Quality Control
















Foreword by
Mitja Schulz
CEO

Towards a carbon-neutral Gurit

Gurit has an inspirational story and is strongly positioned to serve our global customers in a responsible way. This was something that immediately became apparent to me when I started as CEO of Gurit in January 2021. "*With passion for a sustainable future*", our company vision, is not only words to us; it is something we use as a guiding principle in everything we do. Today, well over three-quarters of our business is fully dedicated to renewable energy. Sustainable business is and will remain our strong focus. As a system partner for the global wind energy industry, we can continue to serve our ethical purpose while contributing to sustainable growth in this market, thereby increasing the renewable energy generation in the world. As experts on high-performance materials and engineering within the light-weighting sector, we facilitate innovative and energy-efficient solutions for rail, marine and aerospace as well as other industries. The concept of sustainable business at Gurit also means a culture of respect, fostering diversity, transparent employee communication and a strong focus on the development of our people. This is our passion!

Safety First – building a strong safety culture

Safety First is one of Gurit's core values and something that we are working on every day. The health and safety of our employees, customers and suppliers always comes first! In 2020, our Safety First initiative was launched and a tremendous amount of work was done to embed safety as an essential part of our company culture. One major initiative was improving the safety of the work environments at all our sites. Employee involvement is a key factor required to reach the ambitious targets we have set for ourselves.

We are proud to announce that Gurit will reach carbon neutrality in 2021 for the emissions we can directly influence and control. As we all know, curbing humanity's greenhouse gas emissions is a pressing environmental challenge that demands swift and efficient actions. During 2020, our teams worked hard to assess our global footprint on greenhouse gas emissions for the first time. We will now use this assessment as a basis to define purposeful measures to drive future action. We want to and must take responsibility for our emissions, and will avoid and reduce greenhouse gas emissions wherever we can. As first steps, in 2021 we will source all our electrical power from 100% renewable sources and will compensate for our direct and part of our indirect emissions by financing a carbon avoidance project: a windfarm in India that replaces a fossil fuel power plant. Reaching climate neutrality is imperative for us in our mission to be a successful sustainable business.

In February 2021, Gurit was included in the SIX Swiss Exchanges' new ESG indexes "SPI ESG" and "SPI ESG Weighted". We are proud of this recognition of our ongoing sustainability efforts and see this as an encouragement to continue our journey.

Support of the Ten Principles of the United Nations Global Compact

I am pleased to confirm that 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 2020 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.

We invite our stakeholders to join us on our sustainability journey and we thank our employees and corporate partners for participating in this effort with us.

Yours sincerely,

Mitja Schulz,
CEO

Zurich, February 2021

UN Global Compact: communication on progress

PRINCIPLE 10
Businesses should work against corruption in all its forms, including extortion and bribery

PRINCIPLE 1
Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence

PRINCIPLE 9
Businesses should encourage the development and diffusion of environmentally friendly technologies

PRINCIPLE 2
Businesses should make sure that they are not complicit in human rights abuses

PRINCIPLE 8
Businesses should undertake initiatives to promote greater environmental responsibility

PRINCIPLE 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE 7
Businesses should support a precautionary approach to environmental challenges

PRINCIPLE 4
Businesses should uphold the elimination of all forms of forced and compulsory labour

PRINCIPLE 6
Businesses should uphold the elimination of discrimination in respect of employment and occupation

PRINCIPLE 5
Businesses should uphold the abolition of child labour

	Gurit's communication on progress 2020		Gurit's objectives for 2021
HUMAN RIGHTS			
1 Support and respect the protection of internationally proclaimed human rights	– Inclusion in terms & conditions, contractual agreements – Mandatory online trainings as part of Code of Conduct	A **safety initiative** was rolled out at all sites in 2020, implementing a safety culture, providing workers with a safe and healthy workplace. "Safety First" was adopted as a company core value. **Read more in the Gurit Sustainability Report 2020, p. 68-79.** The initiative further improved the working facilities and raised awareness for all aspects of health and safety. Gurit undertakes to protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. In December 2020, Gurit adopted a Sustainability Policy, comprising a social policy statement emphasizing our continuous efforts towards the UNGC principles.	– Procurement Standards & Training – Internal Audit Checklist – Internal Awareness Training for Senior Managers
2 No complicity in human rights abuses	– Awareness raising and monitoring by Global Procurement Team		

	Gurit's communication on progress 2020		Gurit's objectives for 2021
LABOUR STANDARDS			
3 Uphold the freedom of association and the effective recognition of the right to collective bargaining	– Monitoring for potential complaints	Gurit Management members ensure to the best of their knowledge that the company does not participate in any form of forced or bonded labour. Gurit has a zero-tolerance approach to modern slavery and human trafficking. All Management levels, as well as the Human Resources and Procurement departments monitor the situation, communicate these principles, and uphold a safe and fair working environment. Dedicated Human Resources staff at Corporate, Business Unit and Site level benchmark open positions against a competitive labour market and comply with minimum wage standards. The Human Resources organisation within Gurit ensures that employment-related decisions are made transparent and are based on relevant and objective criteria.	– Procurement Standards & Training – Internal Audit Checklist – Internal Awareness Training for Senior Managers
4 Elimination of all forms of forced and compulsory labour	– Public commitment – Consideration during due diligence processes		
5 Effective abolition of child labour	– Inclusion in terms & conditions, contractual agreements – Monitoring by Global Procurement		
6 Elimination of discrimination in respect of employment and occupation	– HR Benchmarking study on Equality and Diversity		– Monitoring & Benchmarking
ENVIRONMENT			
7 Precautionary approach to environmental challenges	– Public commitment to UNGC – Voluntary commitment to becoming climate neutral – Assessment of carbon footprint	In 2020, Gurit assessed its greenhouse gas footprint, with the objective of achieving carbon neutrality and reducing environmental impacts to a minimum. As a first step, Gurit has decided to source its entire electricity consumption from renewable power generation sources and will offset its scope 1, 2 and part of scope 3 emissions by financing a carbon avoidance project, a wind farm in India. As part of its new Sustainability Policy, in 2021 Gurit will set up workstreams that analyse our operations and draft action plans. Further strategic initiatives have been set up regarding the use of recycled materials for the structural PET foam product range, including a co-location strategy that allows the reduction of transportation and further increases the use of recycled PET waste from kitting operations by locating them adjacent to PET extruder operations and in proximity to regional wind production clusters. Gurit is committed to using safer chemicals, and has embarked upon a conversion to bio-based chemicals.	– Climate neutrality in 2021 for GHG scope 1, 2 and partial scope 3
8 Undertake initiatives to promote greater environmental responsibility	– Initial GHG accounting – Climate neutrality strategy – Green chemistry: progress on reducing/ eliminating REACH and CVHC chemicals – Sustainable product panel – Co-location and sustainable core materials strategy		– Greenhouse Gas (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
9 Encourage the development and diffusion of environmentally friendly technologies	– Innovation in new extruders; Thermoset replaced by recyclable thermoplastics. – Efficient tooling automation – Optimisation of kitting production process		– Continue to replace CVHC with safer alternatives and achieve REACH targets – Use of bio-based chemistry
ANTI-CORRUPTION			
10 Businesses should work against corruption in all its forms, including extortion and bribery	– Code of Conduct – Whistleblowing: no reports 2020	Gurit assesses the risk of corruption and avoids entering business relationships where the risk of corruption is high. Where applicable, Gurit notes its commitment to "anti-corruption" in contracts with business partners by referring to the Gurit Code of Conduct. Periodic Internal Audit checks also monitor suspicious transactions.	– Internal Audit Checklist – Procurement Standards

Our sustainability target

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

Sustainable Gurit: five pillars

In December 2020, Gurit adopted a new Sustainability Policy that will be rolled out during 2021. It has assigned responsibilities within the organisation and defined five pillars and related workstreams. For more details, see our webpage www.gurit.com/sustainability

SAFETY FIRST

Foster a safety culture, manage risks and reduce accidents

Chemical safety

ENVIRONMENT

Climate neutrality

Effective resource utilisation

Precautionary approach to environmental challenges

Workstreams
(Responsible)

Safety
(CHRO)

Climate neutrality
(CEO)

Resource utlisation
Recycling, Waste, Water, Effluents, Green chemistry, Energy consumption
(BU GM)

End of Life
Recyclability
(BU GM)

VISION, MISSION AND VALUES

SOCIAL RESPONSIBILITY

Equality & Diversity

Human Rights,
No child labour,
No forced labour

Be a good corporate citizen in our local communities

GOOD GOVERNANCE

Code of Conduct

Best practice Corporate Governance

Strictly apply anti-corruption & bribery policies

ECONOMIC PERFORMANCE

Sustainable economic performance

Risk Management

Quality

Innovation

Equality & Diversity (CHRO)	**Code of Conduct** (Chairman AC)	**Financial performance Risk Management** (CEO/CFO)
Responsible supply chain (BU GM)	**Corporate Governance** (BoD)	**Quality** (BU GM)
Local community (Site Manager)	**Anti-corruption & bribery** (CEO / Chairman AC)	**Innovation** (BU GM / CTO)

AC: Audit Committee; 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

Guiding principles

Our vision

With passion for a sustainable future

Our target

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

Further commitments

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

Gurit at a glance

Markets served

578.8

million CHF

Net sales

Over 825 million

recycled bottles

(or 9 900 tonnes of PET) used for core materials production

29

Locations worldwide

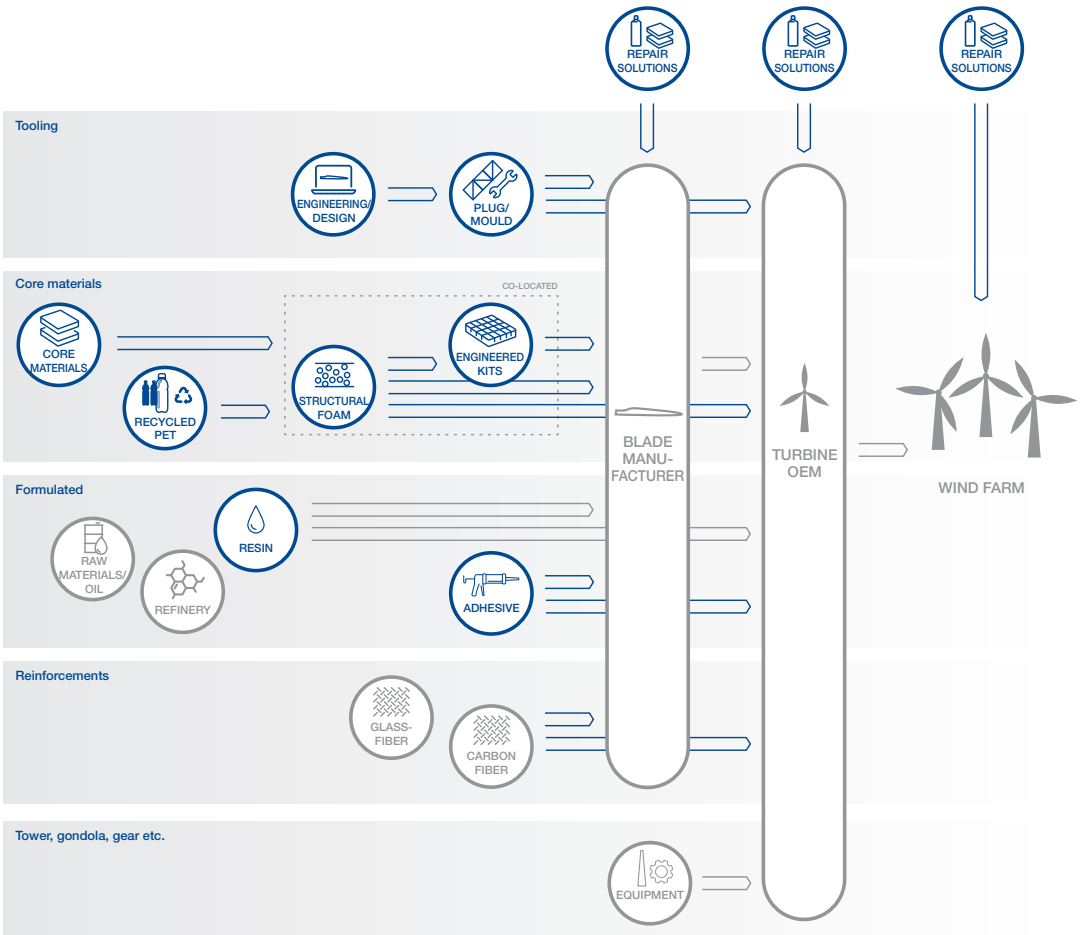
Americas, Asia-Pacific, Europe

Gurit operates production sites and offices in Australia, Canada, China, Denmark, Ecuador, Germany, India, Indonesia, Italy, Mexico, New Zealand, Poland, Spain, Switzerland, Turkey, United Kingdom and the United States.

↗ GRI 102 1-2-3-4-6 General Disclosures

Gurit Holding AG is headquartered in Switzerland and listed on the Swiss stock exchange. Its subsidiaries are specialised in the development and manufacture of advanced composite materials, tooling for wind turbine blades as well as kitting services. The product range comprises structural core materials, fibre reinforced prepregs, formulated products as well as structural composite engineering. Gurit serves the global wind turbine industry as well as the aerospace, marine, rail and many other industries.

Gurit's value chain for the wind market



Safety first

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

Ambition: We want to eliminate work related accidents, injuries and illnesses and we are driven by a zero-accident vision.

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 2022.

Safety first

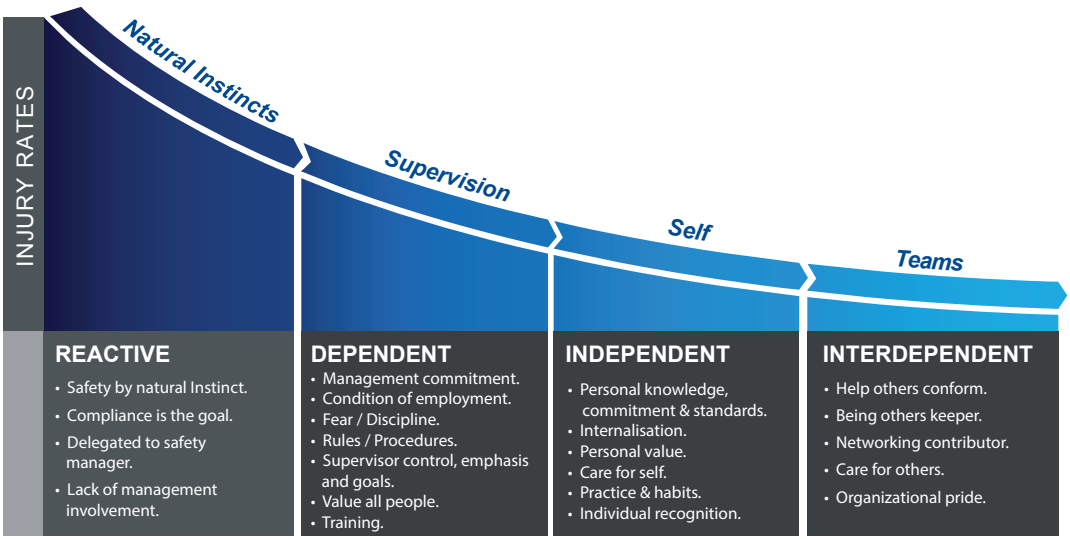
Occupational Health and Safety

In January 2020, Gurit enhanced its commitment to its employees with the introduction of a new "Safety First" occupational health and safety initiative. This endeavour was undertaken after Group Senior Management held its annual meeting and determined it to be one of its top priorities.

During the year, this program was introduced across all sites and operations, following the creation of a new internal safety organisational structure and with the support of an external consultant. This new thorough structure includes a Safety First Core team, site Safety Managers, Operations, and Maintenance. By including members representing different parts of the organisation, a variety of issues and aspects are brought to the table which increases relevance of measures designed. The structure has attained buy-in and participation among employees worldwide.

Objectives and ambitions

- **Ambition**: zero work-related injuries and illnesses. Prevent, limit or mitigate harm, notably workplace injuries. Protect our employees' and customers' health. Target: reduce accidents in the workplace by 50% within three years (2020-2022), or by 17% per year.
- Provide our customers with products complying with best-in-class health & safety.
- Promote the **safe use of products** by our customers as well as within our operations.
- **Training:** ensure a high level of know-how and skills as a foundation for a Safety First culture.
- **Improve processes,** manage risks, report and follow up all work-related incidents/illnesses, raise awareness for health and safety as well as productivity benefits in the long run.
- Phase out various chemicals of concern (SVHC) by 2022.



Situation analysis: internal perception of safety

At the start of the Safety First initiative, a safety perception survey was conducted amongst all employees at all sites. The survey was translated into different local languages and made available electronically as well as on paper for shopfloor workers without a company e-mail account. 24 core questions were asked to gauge the level of understanding of the safety perception at all sites and to create a baseline for the intended cultural transformation process. More importantly, all employees got involved and interactively engaged from the very beginning. A specialised external consultant, DSS DuPont Sustainable Solutions supported Gurit with this process. Using the DuPont Bradley Curve™ the subjective perception of all participating staff members has been analysed and initial focus areas for priority action have been identified.

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

The DuPont Bradley Curve™ was used by DSS consultants to comprehend and benchmark Gurit's safety performance and to better understand the effectiveness of a successful safety culture from an early stage through maturity which is sustainable with the ambition for injury rates near zero.

Processes and systems introduced

Gurit has built up a comprehensive occupational health and safety management system covering all sites of the Group. Besides the standards described below, a dedicated health and safety organisational structure has been set up, with defined responsibilities at Group, Business Unit and Site level. These responsibilities are complemented with dedicated health & safety officers at site level, an extensive training program and a monthly tracking and review at monthly Business Unit and Executive Committee meetings of defined KPI on accidents and incidents (LTAR, LTIR). The implementation followed the company's own internal ambitions described above and the implementation has been aligned with recognised standards and supported by a specialised external consultant, DSS DuPont Sustainable Solutions in the period of November 2019 until December 2020.

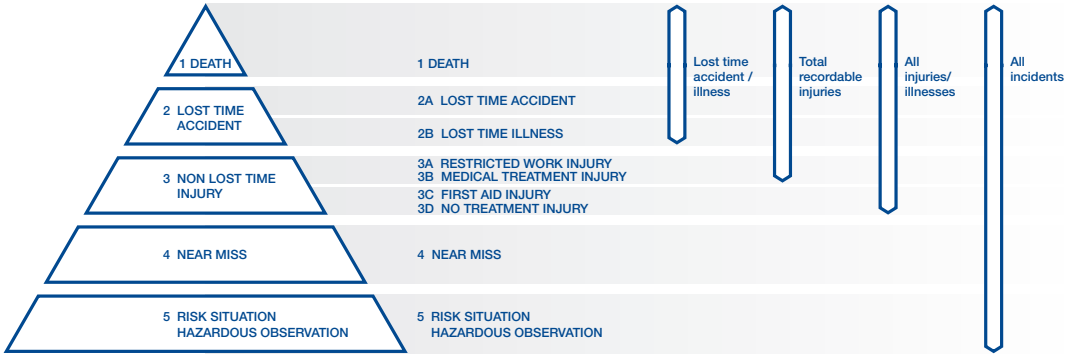
↗ GRI 403-1 Occupational health and safety management system

"A successful safety culture empowers people, while improving quality, productivity and profits. In a mature safety culture, the so called "interdependent stage", safety is truly sustainable, with injury rates approaching zero. People feel empowered to act as needed to work safely. They support and challenge each other. The organisation realises significant business benefits through higher quality, greater productivity and increased profits."

Jörg Bremer
Market Leader D/A/CH, DuPont Sustainable Solutions

The Safety Pyramid

As a further step, Gurit has introduced the Safety Pyramid as a means to reduce accidents at the workplace. The base of the pyramid, and keystone to the Safety First trainings, is the observation of risks and hazards. Systematically looking for potential dangers in operations and workplace procedures is a first step to reduce serious injuries. This involves systematic reviews of the workplace and analysis of lost-time injury data.



Gurit Safety Pyramid

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

Incident Investigation & Reporting

The Incident Investigation & Reporting Standard, developed and rolled out in 2020, provides requirements and guidance for a systematic, in-depth approach to health and safety (H&S) incident investigations. This standard focuses especially on practical implementation and enhancement of the cultural building elements in all parts of the operations by emphasising the following:

- Management responsibilities
- Selection of the investigation team
- An investigation process for all sites of the Group, including determination of facts and key factors
- Corrective and preventive recommendations
- Communication of the investigation's findings in an Incident Investigation Report
- Follow-up system for the investigation's findings, including responsibilities and dates for implementation
- Management systems
- Additional requirements by local regulations

Safety Walk Standard

The Gurit Safety Walk Standard describes how to perform Safety Walks with the purpose of improving safety behaviour and preventing injuries and property loss. The desired result is reached through promoting dialogue and awareness by practically applying established standards for work behaviour in day-to-day operations, and by training employees to actively observe and identify both unsafe and safe procedures. The Safety Walk standard has been introduced at all production sites and enables immediate mitigation of risks and recognition of best practices. To compensate for the limited travelling opportunity and social distancing measures resulting from the COVID-19 pandemic, a video tutorial has been made available in several languages.

Screenshots Gurit Safety Walk Video Tutorial

↗ GRI 403-2 Hazard identification

"Our Training program is helping us to proactively find solutions to reduce potential risks and to share examples of best practices with the rest of the organisation. Our health and safety activities are helping us to create a workspace that is safe for all of us. We encourage your commitment and active contribution. Let us make Gurit a safe place."

Ernst Lutz

General Manager Business Unit Wind Materials

Training modules

The Gurit health and safety trainings are focusing on the two standards mentioned above – Incident Investigation and Reporting and Safety Walks. The initial phase aimed to improve the awareness of senior managers. After completion of the first round of trainings, sites started educating local managers and supervisors and subsequently all employees. The response to the trainings has been excellent so far with a satisfaction level of 90%.

Train the trainer

Extensive employee involvement is one of the key factors in the building of a stringent safety culture and therefore a central element in the Safety First initiative at Gurit. To solidly implement both health and safety standards and strengthen cultural aspects throughout the organisation, Gurit has adopted the "train the trainer" concept. Designated employees, called safety representatives, have dual roles of both training attendees and later as trainers for other groups of colleagues. This creates a functional cascade and increases engagement and understanding of the Safety First concepts defined at Corporate level. The trainers will be equipped with the necessary tools and expertise to roll out the Incident Investigation & Reporting and the Safety Walk standards, 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.

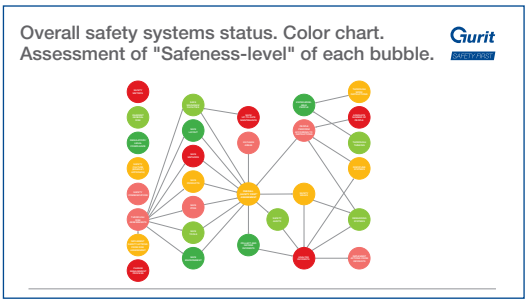


Illustration: a coloured safety-system evaluation of each site allows the quick visualisation of the safety situations and areas of action

Safety Systems Sites Evaluation

With the objective to monitor each factory regarding safety, with the identification and evaluation of all the elements that have a relevant influence on a site's safety performance, Gurit's Safety First Core team has created a process that supports Site Managers in establishing priorities to be carried out in each factory. This metric assists Management with putting the necessary efforts and resources into the appropriate systems, and supports the follow-up of implementation progress of related actions.

The process consists of a standardised self-evaluation questionnaire for each site and a quarterly review process at site and business unit levels. The local Site Management jointly conducts the self-assessment, involving Operations, Maintenance and Safety Managers to allow for a common view and recognition of the state of the Safety Elements. Ideally it is designed to correlate with the Safety Pyramid. The Safety Systems Sites Evaluation process was drafted in 2020 and is scheduled to be fine-tuned and rolled-out in 2021.

↗ GRI 403-2 Hazard identification

High ambitions for a great cause

The company aspires to have zero work-related injuries and illnesses. To achieve and maintain such an objective, commitment and determination at all levels of the organisation is required. We are here to pursue our goal “Zero Accidents”, because we strongly believe every accident is avoidable.

"Through the different exercises, discussions and role-plays that we carried out, we have been able to bring the theory of standards to the day-to-day operations of our factories. Our staff is showing tremendous ambition. I hope and strongly believe that, with continued effort and focus, we have a good chance of achieving our common goal. I am very satisfied with the result so far."

Hannes Haueis
Head of Group Human Resources

Safety training at Gurit's new Mexican site

Communication on occupational health and safety

As part of the roll-out of its Safety First initiative, Gurit has strengthened its internal communication at Corporate and site levels. Measures include an employee safety perception survey sent to all staff members and translated into the local working languages, a safety newsletter available in various translations, 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 have the opportunity to raise concerns or share safety observations. Safety briefs have been implemented as a standard procedure at shift changes and depending on the site weekly, bi-weekly or quarterly meetings have been set up. Due to COVID-19, the facilitation of larger group meetings or townhall gatherings has not been possible or limited. The meetings are to start with a safety observation and then continue with sharing of both best-practice observations, as well as learnings from accidents, incidents or near-misses.

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

Work-related injuries and ill health

The number of work-related accidents has decreased in 2020, but the work-related incidents have increased slightly, with many chemical burns reported by the production site in Canada. Gurit recorded no fatalities among workers or contractors and only one incident among contractors. No work-related ill health has been reported.

	2020		2019**		2018	
	Accidents	Incidents	Accidents	Incidents	Accidents	Incidents
Aerospace	3	5	9	30	7	2
Composite Materials*	22	194	23	173	18	159
Kitting	7	42	16	20	–	–
Tooling	1	13	5	6	6	8
Total	**33**	**254**	**53**	**229**	**31**	**169**

* BU Composite Materials divided in 2020 into "BU Wind Materials" and "BU Marine/Industrial". BU Wind Materials recorded 9 accidents and 41 incidents; BU Marine/Industrial recorded 13 accidents and 153 incidents.

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

Figures for 2019 and 2018 adjusted for discontinued Composite Components business unit.

For 2020 the **Lost Time Incident Rate (LTIR)** was 35.13 per million hours worked and the **Lost Time Accident Rate (LTAR)** was 4.57, which is a significant decrease compared to 2019 and in line with the targets set by Gurit's internal Safety First initative launched in January 2020.

Rate per million hours worked	2020	2019
Lost Time Accident Rate (LTAR)	**4.57**	8.68
Lost Time Incident Rate (LTIR)	**35.13**	36.61

Rates cover all production sites.

↗ GRI 403-9 Work-related injuries

↗ GRI 403-10 Work-related ill health

On the road towards ISO certification

At Gurit, we do not compromise on the safety of our employees, customers and partners or on the quality of our products and services. We want to consistently provide the highest standards of what we deliver as well as how we deliver it. Therefore we have initiated a company-wide initiative with the goal of certifying all our sites for the ISO standards 14001 and 45001 by 2022. We want our products and services to meet the expectations of all stakeholders and we want our approach to making this happen to be the best and safest.

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 motivation and implication 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 set to improve occupational health and safety standards by reducing risks in the workplace as well as creating better and safer working conditions.

Status of ISO certification

Certification	# of sites certified (as of 31.12.2020)	# of sites planned / in progress (2021/2022)	% of sites certified / planning to be certified (2021/2022)	% of production sites	% of employees covered
ISO 9001	18 (62%)	2	69%	100%	91%
ISO 14001	9 (31%)	4	45%	65%	61%
ISO 45001	4 (14%)	16	69%	100%	89%

Total number of sites: 29 (also including non-production sites)
Total number of production sites: 19

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

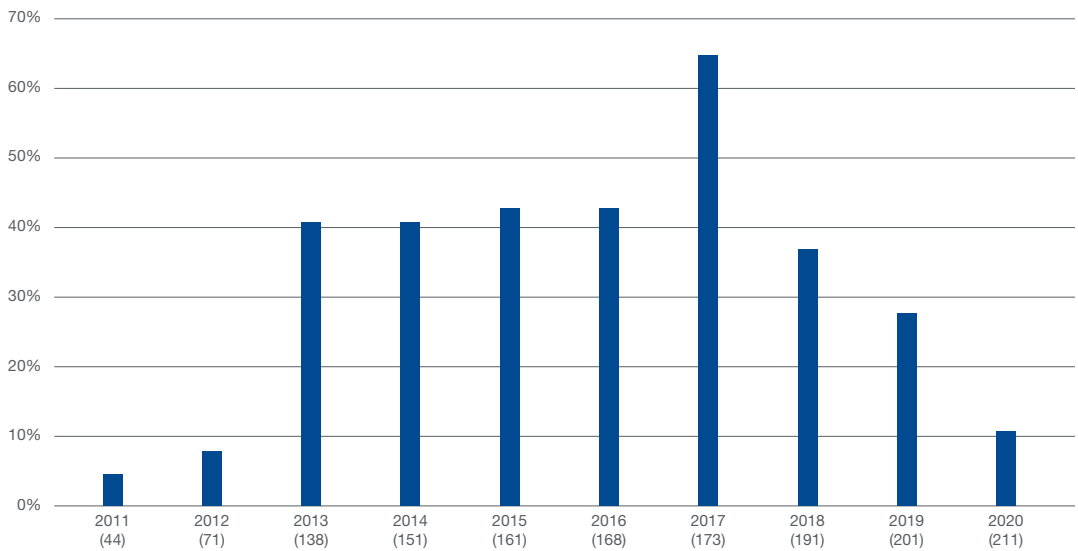
Chemical safety

Phasing out chemicals of concern by 2022

Since the advent of REACH in 2008, the European Chemicals Agency has designated a total of 211 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 amine-based 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 Gurit 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 harsh 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. Gurit is currently on track for this target with a large reduction in the number of Gurit materials affected – from 65% in 2017 to currently 11% of products (in standard and essential ranges within the Formulated, Prepreg and Core product offering). The set target of <15% for 2020 is met and on track for the <10% target Gurit had set itself for 2022. The number of SVHCs used in Gurit products has been reduced from a maximum of 10 substances in 2019 to only 3 in 2020.

The graph illustrates the situation as of December 31, 2020. At this time 211 substances are designated as SVHCs by the European Chemicals Agency (ECHA).

Gurit finished products with SVHCs > 0.1% (essential and standard ranges)



(number of SVHC defined by ECA)

↗ GRI 416 Customer health and safety

Gurit's drive to reduce the hazard profile of products has resulted in a number of new Formulated and Prepreg product developments such as the SE 90 and SE 75 Prepregs, the Spabond™ 800 and 400 range, and the Ampreg™ 3X laminating range. Some of these products also incorporate Gurit's unique Light Reflecting Technology, allowing the user to detect the presence of contamination on clothing and around the work environment in order to monitor exposure with the support of a simple UV light. All these measures are part of Gurit's commitment to provide customers with products complying with best-in-class health and safety standards.

Information and Training is also part of this commitment. Gurit informs its 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 good 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 of emergency contact telephone numbers for each global region.
Carechem24 contacts: the-ncec.com/en/emergency-response/24-7-chemical-helpline

Incidents of non-compliance concerning the health and safety impacts of products and services

There were no reported calls of severe incidents in 2020. One incident of the prior 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 2020, 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 2020, with the exception of one site who reported two fines for a total amount below CHF 500 related to the wrong labelling of a cardboard box during production as well as missing panels in a box in seven cases and measurement errors in five cases.

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

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, as well as process emissions and fugitive 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.

Environment

Climate-neutral in 2021

As a supplier to the renewable energy industry, Gurit maintains its commitment to a production that combines economical manufacturing with minimal ecological impact. And while sustainability is already at the heart of our business, Gurit has decided to go even further and become a climate-neutral company. To achieve this objective in 2021, Gurit will switch its entire electricity consumption to renewable sources by the end of the year, and will provide support to compensatory projects. Gurit will offset its direct emissions (GHG scope 1) and its indirect upstream and downstream emissions (partial GHG scope 3) where Gurit believes to have direct control and reliable data.

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 reduce or eliminate the use of chemicals of concern, and we evaluate and encourage options for cleaner technologies in all our operations. We systematically assess, manage and communicate risks and apply precaution in terms of health, safety and the environment when there is reasonable suspicion of harm.

"Being a sustainable business will remain a strong focus, and we are proud to have taken the first step towards becoming climate-neutral in 2021."

Mitja Schulz
CEO

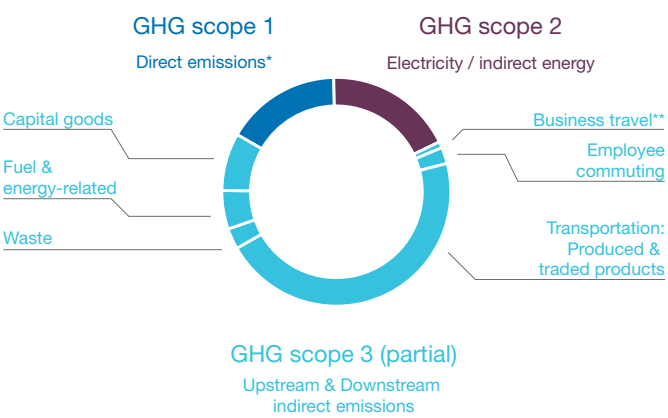
Greenhouse Gas Emissions

In 2020, Gurit analysed its greenhouse gas emissions with an eye towards achieving carbon neutrality.

First, direct emissions from stationary and mobile emissions sources were evaluated, as was the electrical power consumption of all Group sites. Also assessed were emissions related to capital goods, waste, employee commutes, business travel and the transportation of our products.

These analyses correspond directly to scope 1 (direct emissions), scope 2 (purchased electricity), and a part of scope 3 (indirect upstream and downstream emissions) of the global greenhouse gas protocols. Gurit believes it has direct influence over this data and that the data is of sufficient quality. The remainder are other up- and downstream emissions, e.g. purchased goods such as carbon fibre materials acquired based on customer demand, and related transportation.

The COVID-19 pandemic has affected part of the reporting period and may have caused lower emissions generated from less business travel and a significant reduction in process emissions related to a reduced production volume for the Aerospace market. Despite this global health crisis, most of Gurit's sites have remained open, or closed only for a short time, and so the impact on employees commuting has been minimal, but employees may have been commuting with their private car rather than public transport. Concerning the transportation of produced and traded products, some assumptions have been made to compensate for data not yet available.



OBJECTIVE

Reduce Greenhouse Gas emissions

In 2020, Gurit assessed its greenhouse gas footprint for the first time

* Lower emissions due to COVID-19-related impact of Aerospace situation

** Lower emissions due to COVID-19-related travel restrictions

Detailed overview of Greenhouse Gas Emissions

In tCO_2e	from 1.11.2019 to 31.10.2020
Scope 1: Direct emissions	**26 242**
Stationary combustion	10 918
Mobile combustion	1 498
Process emissions	13 034
Fugitive emissions	792
Scope 2: Electricity	**29 023**
Electricity	28 436
Heating and cooling	587
Scope 3 (partial): Indirect	**104 109**
Business travel	1 455
Employees commuting	3 676
Transportation (produced & traded products)	72 721
Waste	4 760
Fuel- and energy-related activities	8 694
Capital goods	12 803

↗ 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

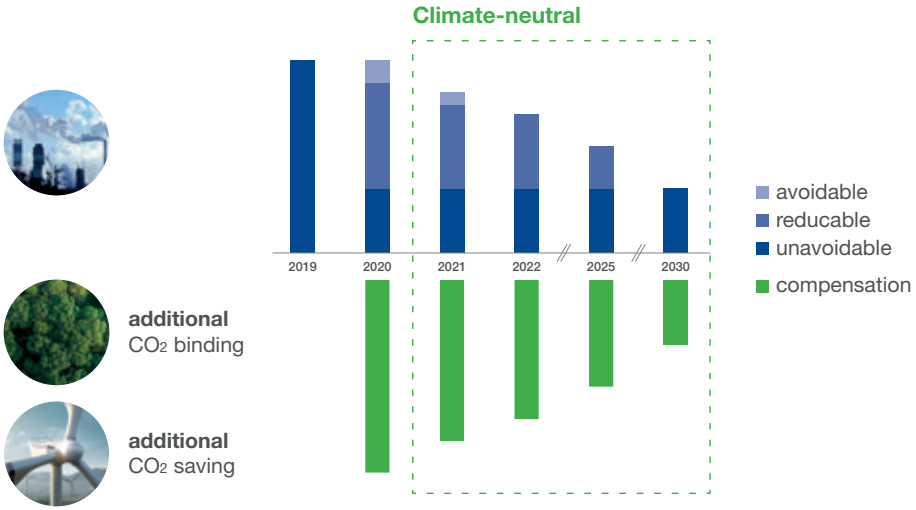
GHG emissions intensity ratios for Gurit during between 1.11.2019 to 31.10.2020 are 49.79 tCO_2 equivalent per employee (including agency workers / contractors), and 0.32 tCO_2 equivalent per square metre, based on the GHG emissions scope 1, 2 and partial 3.

Footprint Breakdown 1.11.2019 to 31.10.2020

Emissions tCO_2e/employee (GHG scope 1, 2, partial 3)	49.79
Emissions tCO_2e/m^2 (GHG scope 1, 2, partial 3)	0.32

↗ GRI 305-4 GHG emissions intensity

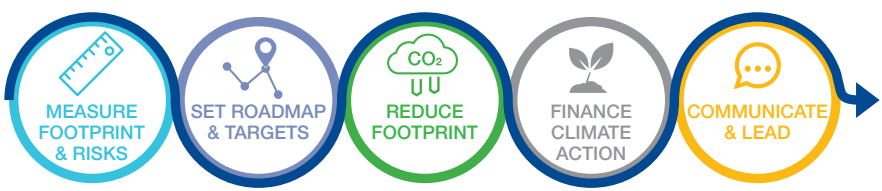
Gurit's approach to climate neutrality



Gurit is committed to reducing its emissions and greenhouse gas footprint through a multi-pronged approach. Electricity for all operations will be sourced exclusively from renewable resources, thereby eliminating reliance upon fossil-fuel-based power generation. Furthermore, Gurit has adopted a global co-location strategy for its structural core materials manufacturing, with a "local for local" approach. Placing kitting facilities adjacent to PET extruders and near customer production sites will significantly reduce transport requirements to customers. This initiative began with Gurit's China facility, has expanded to a new site in Mexico, and is underway in India. Gurit will also review production processes to minimise emissions, further reduce waste and further increase the efficiency of resource utilisation, transportation and business travel.

Direct emissions that cannot yet be avoided or reduced will be compensated by investing in carbon avoiding initiatives outside of Gurit's supply chain, such as a wind park in India that replaces fossil-fuel-generated electricity.

As a result of these initiatives, as of 2021, Gurit will be climate-neutral in its contribution to greenhouse gases for its direct emissions and electrical power consumption, as well as for emissions related to waste, commuting of employees, business travel and transportation of our own products.

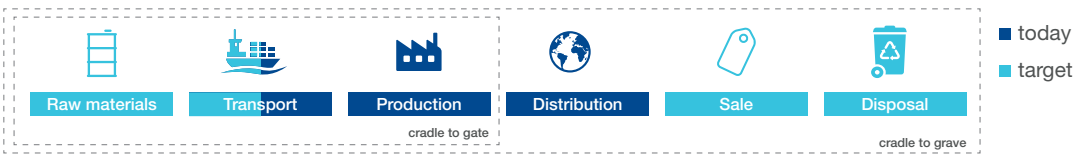


The journey to climate leadership

Areas of action for emission reductions

As a comprehensive part of its Sustainability Strategy, Gurit has defined workstreams. Some began in 2020, some will be kicked off in 2021, with the purpose of developing dedicated action plans. These actions will include:

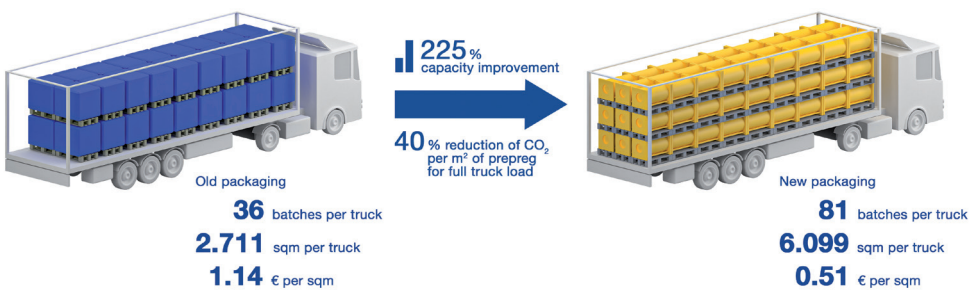
- improving our energy efficiency and increasing our use of renewable electricity
- minimising waste and increasing recycling of materials
- optimising transportation, promoting the co-location of core material manufacturing and kitting operations
- eliminating or minimising the of the use of chemicals of concern
- reducing process emissions and fugitive emissions
- promoting the use of recycled materials
- encouraging innovation and use of clean technologies



Illustrative example of eliminating waste as an area of action for greenhouse gas emissions and sustainability while improving quality and efficiency

Innovation in packaging design to reduce transportation emissions

A re-design initiative to establish an improved packaging solution for preimpregnated fabrics (prepreg) materials has been undertaken during 2020. Prepregs are typically transported in large rolls and the new packaging solution drastically increases shipping efficiency. This is achieved by reducing the volume of the packages and therefore enabling larger quantities of the products to be fitted into a container or truck, consequently decreasing the number of transports required for the same product quantity.



When shipping by truck, 45 more rolls/boxes can be accommodated in a full truck load, allowing for an up to 40% reduction in greenhouse gas emissions per square meter transported on the road and up to 50% reduction in a regular seafreight container. This smart improvement benefiting customers and our environment illustrates Gurit's ongoing commitment and passion for a sustainable future.

↗ GRI 305-5 Reduction of GHG emissions

100% electricity from renewable energy sources

As of 2021, Gurit will source all its electricity from renewable power sources. For those sites not already sourcing their electricity from renewable power generation, the Group will purchase Energy Attribution Certificates (EAC), a proven method to document and track the consumption of energy in the respective country of operation. This will be done on the basis of the 2020 figures and provides for the compensation of 28 000 tons of CO_2e emissions.

saving CO_2

28 000

tons of CO_2eq annually

The amount of greenhouse gas emissions avoided by switching to renewable energy corresponds to the equivalent amount of emissions caused by driving 3 084 times around the globe in an average car, or flying 4 203 times around the globe in economy class, or 84 000 m^3 of avoided loss of arctic ice.

Financing a renewable wind energy project replacing fossil-fuel generated electricity

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, Gurit is financing part of an onshore wind park in Saipuram in the Indian state of Andhra Pradesh. This project replaces fossil-fuel generated electricity. At the same time the Saipuram wind park provides job opportunities and training to upskill local staff, supporting four UN Sustainable Development Goals.

The Certificate of Verified Carbon Unit (VCU) Retirement of 66 984 Verified Carbon Units has been issued on behalf of Gurit Holding AG on January 21, 2021. The VCU serial number is 9334-80963563-81030546-VCS-VCU-997-VER-IN-1-1788-04082018-31122018-0. It supports the Renewable Power Project by Saipuram Wind Energies Private Limited and is governed by the VERRA Verified Carbon Standard.

Verified Carbon Standard

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.

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

Project benefits

4 QUALITY EDUCATION

TRAINING SESSIONS
to upskill staff

7 AFFORDABLE AND CLEAN ENERGY

250 000 MWH
of clean electricity send to the grid on average per year

8 DECENT WORK AND ECONOMIC GROWTH

JOB OPPORTUNITIES
in an expanding low-carbon sector

13 CLIMATE ACTION

260 000 TCO_{2E}
reduced on average each year

Technical Statement on Greenhouse Gas accounting

Greenhouse Gas Protocol

The Greenhouse gas (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 South Pole company. The data inventory was based on data provided by Gurit. Data has been collected via questionnaires sent to all sites, as well as to the Global Procurement and Human Resources departments. The data has not been audited or verified by a third party. If no primary data was available, secondary data was taken into account, such as industry or national averages, monetary spent data, extrapolations based on information from other sites, or data from the GHG Accounting of the previous year. Where activity data of the inventory was lacking, extrapolations and estimations were made by either South Pole 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 done according to their best knowledge, but such estimates cannot completely compensate the absence of real 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 LCI database, the Department for Business, Energy & Industrial Strategy (BEIS) UK and the United States Environmental Protection Agency. Overall, the data inventory, emission factors and assumptions are in line with the 'GHG Protocol'. The choice of assumptions and emission factors always followed a conservative approach. Unless otherwise specified, all emission values in the greenhouse gas report are given in metric tons of carbon dioxide equivalent (tCO_2e). Therefore, not only CO_2 is taken into account, but also the other greenhouse gases mentioned in the Kyoto Protocol, e.g., methane (CH4) and nitrous oxide (N2O).

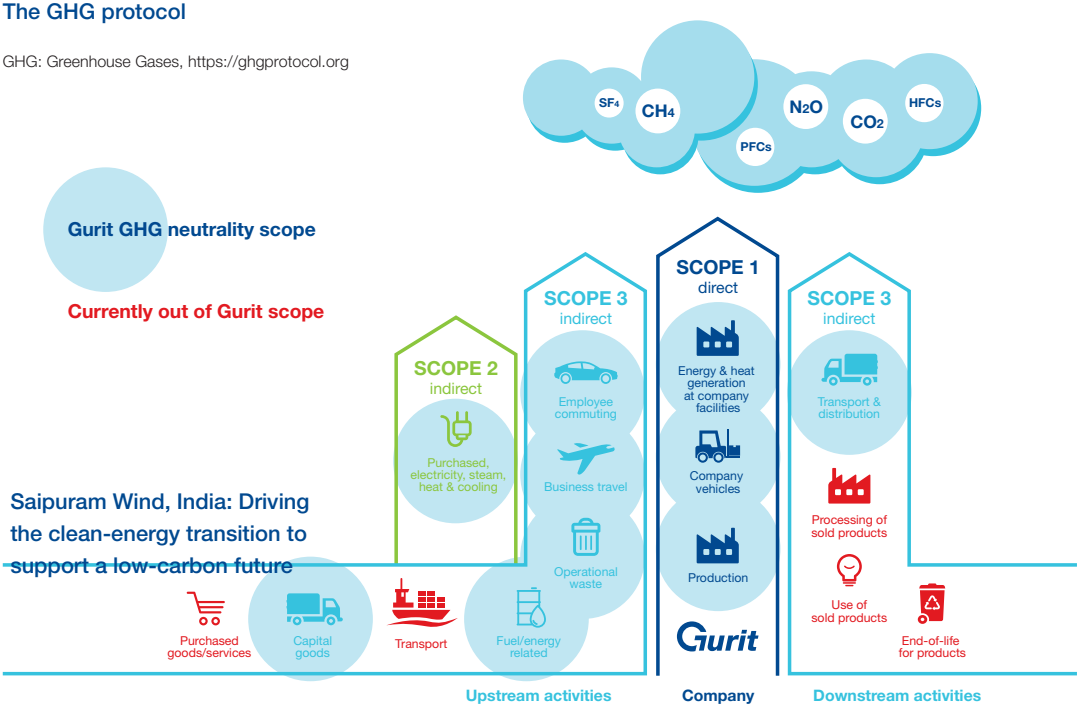
Global Warming Potential (GWP) is a measure of the climate impact of a GHG compared to carbon dioxide over a time horizon, which is necessary to unify the emissions to one unit for the different GHG. GHG emissions have different GWP values depending on their efficiency to absorb longwave radiation and the atmospheric lifetime of the gas. The GWP values used in GHG accounting include the six GHGs covered by the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol and blends from these. These are the GWP used by BEIS and are based on the 'Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4)'.

Links:
ghgprotocol.org/corporate-standard
www.southpole.com

Methodology

The GHG protocol

GHG: Greenhouse Gases, https://ghgprotocol.org



Energy Consumption

The energy consumption in GJ is based on data reported by the Group's sites and includes: non-renewable fuel consumed; renewable fuel consumed; electricity; heating; cooling; and steam purchased for consumption.

Energy consumption within the organisation

In GJ	2020*	2019*
Stationary combustion	188 000	195 000
Mobile combustion	21 000	16 000
Electricity	274 000	242 000
Renewable sources	81 000	71 000
Grid-power (non-renewable)	193 000	171 000
Heating and cooling	12 000	8 000
Total	**495 000**	**461 000**

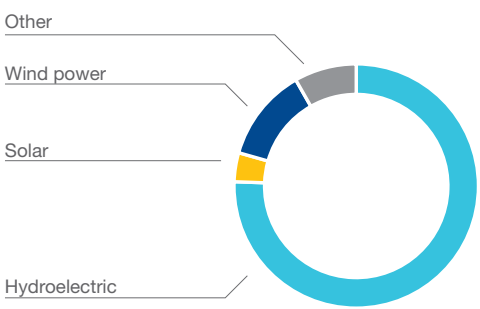
* 2019 corresponds to the reporting period 1.11.2018 to 31.10.2019, and 2020 corresponds from 1.11.2019 to 31.10.2020

As Gurit reports this data for the first time, any values are approximate as they were calculated on incomplete data sets and with assumption-based approaches. 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 South Pole Carbon Asset Management AG as part of a mandate to analyse Gurit's greenhouse gas emissions.

↗ GRI 302-1 Energy consumption within the organisation

Share of renewable energy

Type of renewable energy	Consumption from 1.11.2019 to 31.10.2020 in MWh	in GJ
Hydroelectric	16 950	61 000
Solar	800	3 000
Wind power	2 800	10 000
Other	1 950	7 000



Reduction of energy consumption within the organisation

Various sites have implemented measures to reduce energy consumption. For example, in the UK, a demand-driven control system was installed in October 2020. It regulates and reduces run time and power consumption for two vacuum pumps used in formulated liquids production. The effect of this has been to reduce power consumption over a 24 hour period from ~250 kWh to 25 kWh on the on-demand pump. In China, four electric forklifts replaced diesel forklifts, resulting in a reduction of diesel consumption by 2 600 litres. In Denmark, the detection of compressed air leaks resulted in an estimated annual energy reduction of 47 303 kWh. Other initiatives around the world contribute to the reduction of energy consumption at Gurit sites:

- Keeping the indoor temperature of air conditioning at 25 Celsius during office hours.
- Switching off all power supplies when the office is empty.
- Unplugging electrical appliances / equipment which are not in use.
- Increasing production speed and minimising changeover time to optimise prepreg machine running, resulting in a reduction of energy consumption as the time required for the machine to run was reduced.

↗ GRI 302-4 Reduction of energy consumption

Energy consumption outside the organisation

For the assessment of its Greenhouse gas footprint, Gurit has started to evaluate the energy consumption outside the organisation, which relates to the upstream categories and downstream categories (scope 3). Most of this data relates to suppliers and has not been available in the required quality. Gurit has used an assumption-based approach to compensate for the absence of data in order to get a broader understanding and prioritise focus areas for future action. The quality of the data is not suitable for external reporting purposes but will be used starting in 2021 for related internal workstreams that will look at reducing greenhouse emissions within scope 3.

Data assessed internally involve the following categories and are reported under Greenhouse gas emissions in CO_2e:

- Business travel
- Employee commuting
- Transportation of produced and traded products
- Waste
- Capital goods
- Fuel- and energy-related

↗ GRI 302-2 Energy consumption outside the organisation

Energy intensity

The energy intensity of electricity consumption (kWh) versus sales (continued business) has been calculated with 0.12 for 2019. And for 2020, this energy intensity of electricity consumption is 0.13.

↗ GRI 302-3 Energy intensity

World's largest wind blade mould completed in 2020

"Our innovative moulds now feature sophisticated automation solutions that help our customers to improve the quality of the blade finishing and substantially reduce cycle time, thus reducing emissions and energy consumption."

Bing Chen
General Manager BU Tooling

Waste

For Gurit, reducing or avoiding waste is a priority. We focus not only on the materials we dispose of, but on the manner in which we design our processes and products to minimise environmental impact. This includes the efficient use of resources, re-designing packaging to reduce transportation requirements, and the recovery of materials in order to re-introduce them to the production cycle.

From 1.11.2019 to 31.10.2020, the total weight of waste generated and reported by Gurit sites was about 86 600 metric tons. The different types of waste were the following:

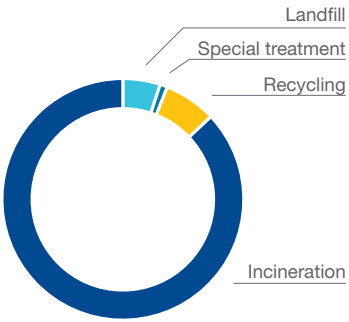
OBJECTIVE

Reduce Waste

In metric tons	from 1.11.2019 to 31.10.2020
Chemical	121
Commercial and industrial	13 614
Hazardous	13 135
Household residual	130
Metal	336
Paper/Paperboard	468
Plastic	7 223
Solvent mixtures	49 259
Wood	1 593
Other	726
Total	**86 605**

↗ GRI 306-3 Waste generated

Quantity by disposal type



In metric tons	from 1.11.2019 to 31.10.2020
Landfill	4 295
Special Treatment	823
Recycling	6 197
Incineration	72 290
Total	**86 605**

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

Management of significant waste-related impacts

Gurit undertakes significant efforts to reduce its waste footprint and related impacts in all its operations. Gurit has adopted a co-location strategy which consists of locating its PET core material manufacturing sites in close proximity to kitting operations. This allows us to recycle core material waste generated during kitting operations by re-utilising them in the extrusion process.

Furthermore, the packaging of the formulated product range has been improved and optimised for less waste and easier-to-recycle materials.

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

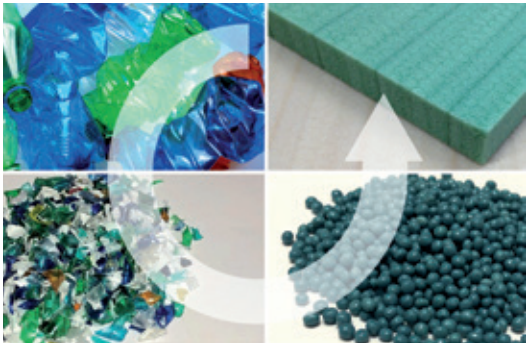
Reclaimed products and their packaging materials

For the remainder of operations, Gurit production sites have reported 1128 t of recycled pallets and 166 t of recycled cardboard and plastics. Several thousands of metallic stillage are reused for prepreg rolls deliveries to customers served from our prepreg production site in Spain. Due to the nature of advanced composites that have a product life of several decades, as well as the fact that Gurit provides semi-finished materials that are further processed by customers into their respective end products, there is no data available regarding reclaimed products beyond the PET product range.

↗ GRI 301-3 Reclaimed products and their packaging materials

Waste generation and significant waste-related impacts

For the calculation of its greenhouse gas footprint, Gurit took into consideration its entire value chain, and Product Development, Technical Support, Sales and Procurement specialists have initiated a process to look at waste-related impacts during the product use phase when our products are processed at our direct customers, as well as end-of-life aspects of our semi-finished and finished products with the end customers. As part of its Sustainability Strategy, Gurit will set up dedicated workstreams to analyse the waste workstreams along its value chain and address end-of-life solutions for its products. **In 2020, Gurit recycled 9900 metric tons of PET or 825 million post-consumer PET drinking bottles into structural core PET foam.**



↗ GRI 306-1 Waste generation and significant waste-related impacts

Water consumption

Gurit sources the water for its production sites from measured public utilities networks. To this date, Gurit is not aware of water sources significantly affected by the withdrawal of the water the company consumes. Gurit considers its impact on water resources as not causing high levels of water stress. Our production sites use water responsibly and consider water usage in the process design. Gurit sites have not reported any discharges to surface waters and no significant spills, except for a minor spill of 110 liters during a prototype testing.

Water consumption from November 2019 until October 2020 was 148 309 944 liters for 29 Gurit Group sites worldwide. In the previous year, the comparable figure was 89 million litres. The increase can be explained by several factors. Gurit Italy PET Recycling, which represents more than one third of the total water consumption, was acquired during 2019 and only 4 months were reported in the previous report. The Kitting site in Mexico was in startup in 2019 and therefore not in full production in the previous reporting period. In Indonesia, Gurit sourced part of its water supply from its own well, but in 2020, it shifted to one single source, the local utilities company. Furthermore some errors and omissions were discovered in data reported in the previous year's period.

	2020*	2019*
Water consumption (in litres)	148 309 944	89 084 391**
Water consumption vs. sales (continuous operations) ratio	0.26	0.16

* 2019 corresponds to the reporting period 1.11.2018 to 31.10.2019, and 2020 corresponds from 1.11.2019 to 31.10.2020
** restated due to unit of measurement errors in previous report

↗ GRI 303-5 Water consumption
↗ GRI 303-4 Water discharge

"Being an operations manager, one of my responsibilities is Environment, Health and Safety management. I am eager to further improve the sustainability performance at our Taicang Site, to reduce and eliminate the risks in order to achieve zero working-related injury and ill-health, as well as to reducing our environmental impacts."

Weidong Yao
Operations Manager, Gurit Tooling

Improvement of packaging

Various sites started initiatives to improve the environmental footprint of packaging. Our site in Falces, Spain has re-designed their packaging of core kits that are delivered by truck to wind turbine blade manufacturers. The new packaging allows us to fit more kits onto one truck, saving 61 truck journeys per year, and saving 6 600 kg of plastic wrap to be replaced with a simple strap. Additional initiatives concerned our site in Newport, UK. Formulated product boxes were redesigned to eliminate unnecessary single-use plastics such as tape and blister packs. In 2021, Gurit will be implementing new containers which are lighter, reducing the packaging weight by 74%, optimised in size, reducing empty volume by 22%.

"We have a clear target: we want to reduce our carbon and plastic footprint in all our processes. We started a very exciting project with a customer where we optimise their transport and packaging. During 2021, this will avoid 61 truck journeys between Spain and Italy and save almost seven tons of plastic film."

Pablo Losa
Site Manager Falces, Spain

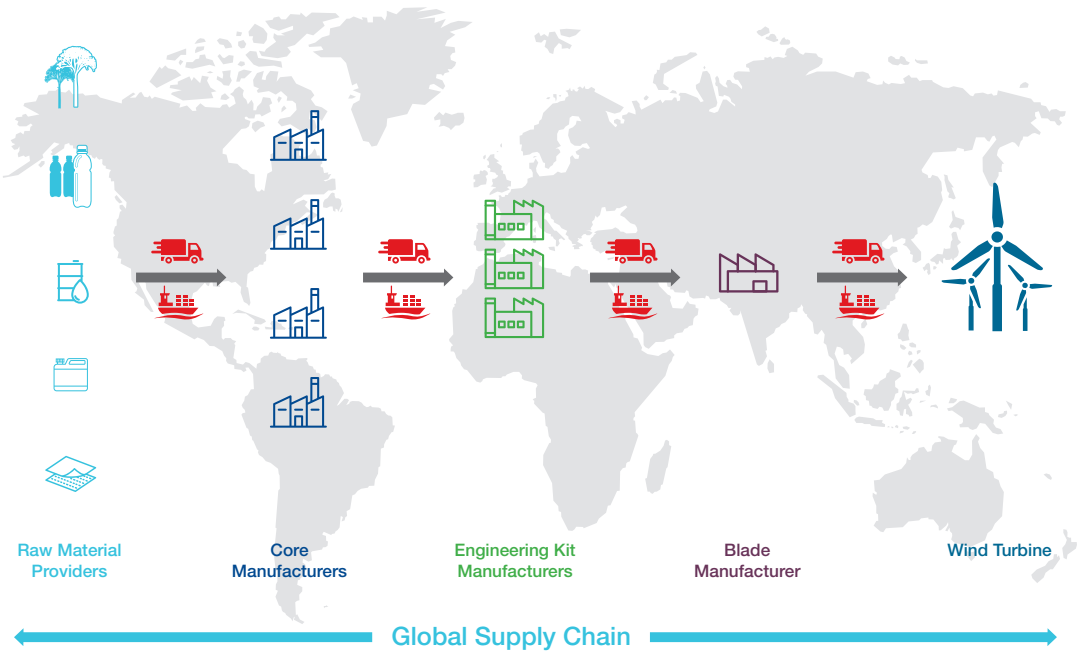
↗ GRI 305-5 Reduction of GHG emissions
↗ GRI 306-2 Management of significant waste-related impacts

Co-location for greener operations

Less transport, less waste, more customer proximity

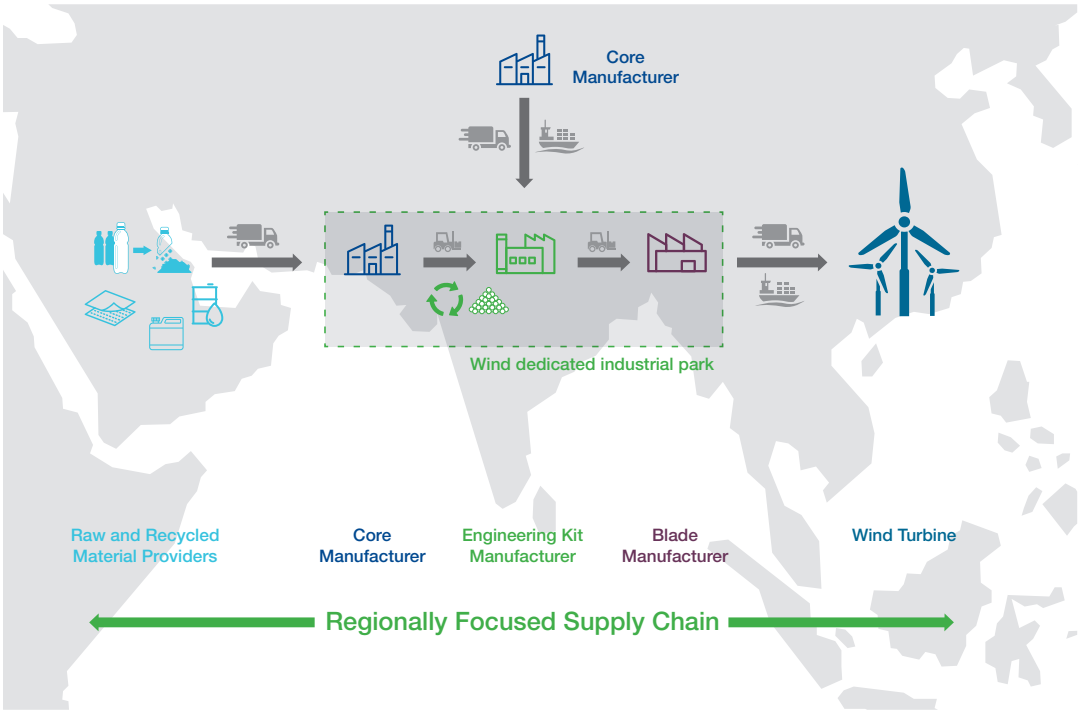
As a supplier to the wind turbine market with wind blade tooling, composite materials and core kits, Gurit contributes along several steps of the value chain with continuous improvements and innovations to further reduce the overall cost of wind power. Gurit's co-location strategy is about reducing transport emissions, storage space, time and allowing for significant recycling of raw materials.

The recipe is simple and effective: PET core material production sites, with extruders placed in the vicinity of kitting operations. Instead of weeks of sea-freight or long truck journeys, the locally produced Kerdyn™ Green PET structural foam cores are transported to the kitting factory next door – a five-minute journey using a forklift. This represents a huge reduction in transport emissions and the material can be processed much faster, speeding up the entire supply chain. Furthermore, waste from kitting operations can now be recycled back into the extruder, instead of disposing and transporting it to landfill or incineration. Also, instead of keeping large stocks at two sites, these can be reduced, dynamically optimised and managed. 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.

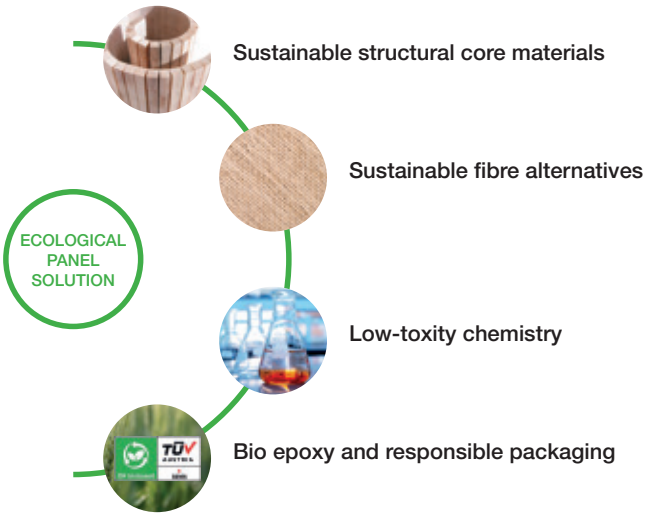


"On the wind industry sustainability path, many avenues will be explored and deliver improvements. Gurit's co-location model presents advances in further reducing greenhouse gas emissions while making total cost improvements to support the industry."

Mathieu Cariou
Director Strategy & Business Development Wind, Gurit



Using sustainable and responsibly developed materials



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 over the years. A modern answer 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.

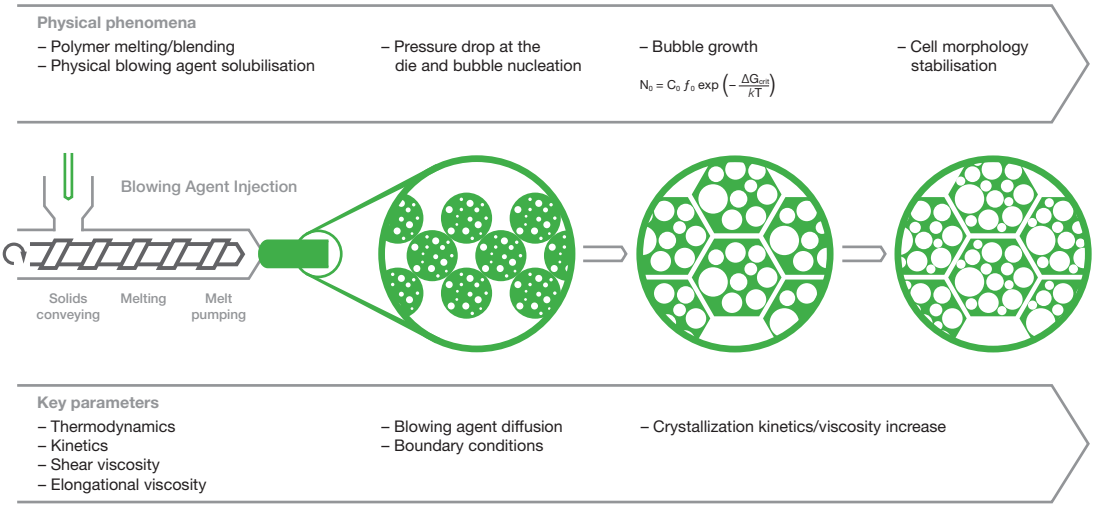
What are core materials?

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 lightweight structures for a variety of high-performance markets including wind energy, marine, transportation and aerospace, among others.

A synthetic core material made from recycled PET

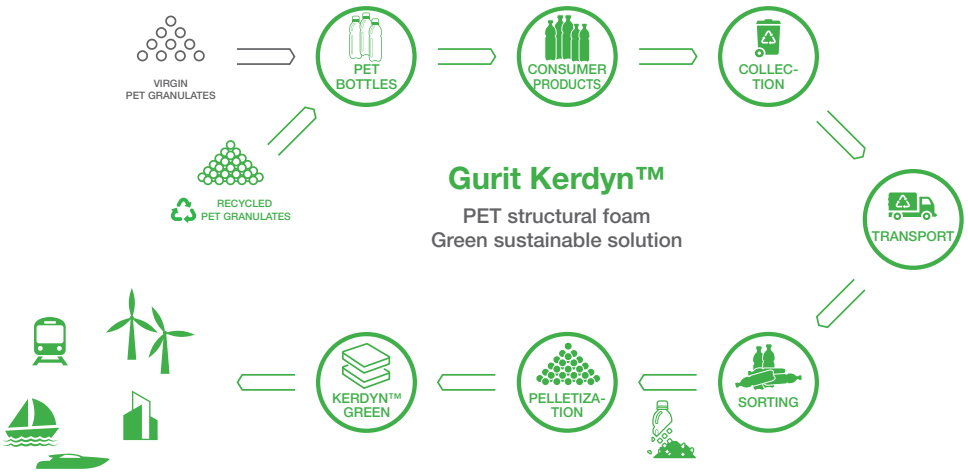
PET is a key element in Gurit's product portfolio, marketed under the name Gurit Kerdyn™ Green. It is a PET synthetic core material made from up to 100% recycled PET, mainly sourced from post-consumer bottles.



Thermoplastic foam extrusion process

"If these plastic bottles were to go to a landfill, they could take up to 500 years to decompose. Producing products from recycled plastics reduces energy requirements by 66 percent. In addition, Kerdyn™ Green reduces the environmental footprint by being used in wind and lightweighting applications in several other industries."

Luisa Gaiero
Product Manager PET



Recycled post-consumer waste

Since post-consumer PET is widely recycled, there is an opportunity to utilise an already well-organised supply chain. Gurit recently invested in the vertical integration of the recycling technology, beginning with the recent acquisition of a PET recycling business in Italy. Gurit Italy PET Recycling specialises in the recycling of PET bottles and the production of 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, deepen its know-how of this specific material supply, and link the value chain elements starting from the recycled bottle down to a finished quality core, Kerdyn™ Green.

By co-locating its manufacturing and kitting facilities, as Gurit is now doing in Mexico and India, the company also has the ability to give a second life to industrial PET waste. Following its manufacture, the structural PET foam plates move to the adjacent kitting site. In the subsequent kitting process, PET is cut to fit the size and requirements of various customer projects. This cutting process generates waste, which would normally have to be disposed of.

However, by co-locating extruders next to the kitting operations, this waste material can now be directly recycled in the adjacent extruder. This reduces overall costs while minimising waste and transportation emissions.
The sustainability aspect of this process, along with Gurit's vertical integration of the entire procedure, has become of significant interest to many in the marine industry who are thinking more about the ecological impact of their business.

Case study

Brunswick Boat Group, headquartered in Knoxville, Tennessee, USA, is part of a larger corporation that has been in business since 1845, and has been involved in the marine industry for over sixty years. Brunswick is now the world's leader in recreational boats, marine engines, and marine parts and accessories. Gurit's Kerdyn PET structural foam is now used in their structural core applications, decks and parts.

As part of its dedication to Sustainability, Brunswick has begun the transition from wood core used for added hull rigidity in many of its boats towards Gurit's Kerdyn™ Green PET structural foam, made of up to 100% recycled plastic bottles. Several of its boat manufacturing facilities have completed the conversion, and the balance will be completed in 2021. When full conversion is complete, the replacement of its current core materials with Kerdyn in their boat production operations will consume the equivalent of over 4 million recycled plastic bottles and save 7 000 trees annually.

"Our transition to Gurit's Kerdyn™ core was seamless and the material processes beautifully. It also helps to achieve our long-term sustainability goals."

Sean Minogue
Advanced Manufacturing Manager, Brunswick Boat Group/ Boston Whaler

Balsa wood – a naturally-grown core solution

Because balsa wood is low in density but high in strength, it is preferred for use as core material in the composites industry; most notably, the blades of wind turbines.

How is balsa grown?

Balsa is known as a pioneer tree species, which means it is one of the first tree species to sprout naturally when there is a soil disturbance or clearing in the forest. Balsa trees grow on farms and in agricultural areas where small landowners and farmers have in balsa an additional livelihood support. Most balsa wood comes from small landowners and rural families living in the agricultural frontier landscape.

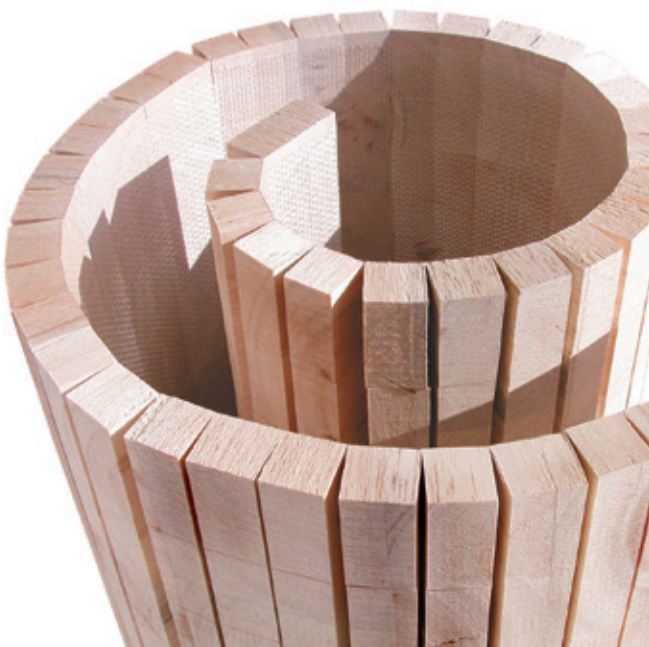
Balsa's native range is from Central to South America

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.

As a pioneer species, balsa's biological function is to provide protective cover so that other vegetation can grow. This is why balsa is so fast-growing and its wood is so amazingly lightweight. Given balsa's rapid growth, it also has a short life span, of between 20 and 30 years, although the composite industry prefers balsa of around five years old.

Balsa, a wood with excellent properties

End-grain balsa wood has exceptional properties such as strength and stiffness, while being a sustainable option to utilise as core material. This material is produced by gluing lumber along the direction of the fibres, which creates a robust block. The block is then sliced perpendicular to the fibre direction, creating core panels that are then employed to build resilient structures. 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 are allowed to 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 and adjacent ones in Ecuador, which reduces both waste and CO_2. Balsa is a self-generating species which means that it renews itself quickly with a low risk of depletion. Gurit's Balsa production centres are located in Ecuador and Indonesia. Finishing is done in Ecuador or China and from there, exported all over the world.



Sustainable local business development

In Ecuador, balsa farming has been a traditional family business activity for several generations. It has high potential positive impact for farmers' livelihood while also being a sustainable material for core material solutions. Most balsa wood comes from small landowners and rural families on the agricultural frontier.

Lead forester, Darwin Rosero, delivering Balsa saplings to local community women

Towards a sustainable supply chain

Gurit aims to foster a sustainable supply chain by including in its suppliers organisations such as the mission-driven Whole Forest/Verdecanandé forestry enterprise to establish and manage balsa farms with local families and manufacture laminates for Gurit's global composite supply chain. Through this intervention, Whole Forest has grown to employ 100 community members in forestry, manufacturing and business administration, and works with over 400 small providers.

In the past, Gurit has supported local communities and farmers with funding and plant donations to support local forestry businesses from an environmental, economic and social point of view. Gurit has also cooperated with authorities and academic institutions in Ecuador researching and defining the best practises for managing, maintaining and harvesting Balsa.

Balsa supply chain

PLANTATIONS

Balsa tree growth

ROUGH SAWN TIMBER

Harvest, saw and transport

BLOCKS

Block manufacture

PANELS

Panel manufacture

"Balsa is being planted on soils with agriculture or livestock used for several generations for families' livelihood. Gurit has been part of this business for over a decade, contributing to the creation of shared value where we operate. Our wide offerings within the wind market provide us with a great opportunity to be a true partner to the industry on its journey to sustainability. This is an exciting challenge, and I am proud to be a part of it."

Mara Ferrari
Quality Manager, Gurit Balsa

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 typically consists of three components: the fibres, a matrix and an interface.

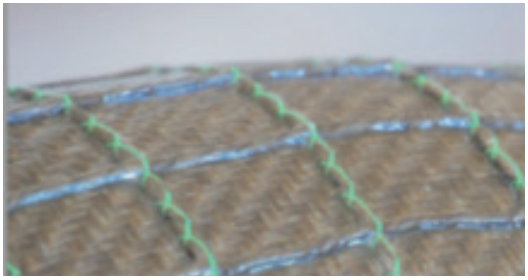
Natural fibres reduce the CO_2 footprint by 50-75%

Along with traditional glass- and carbon-fibre products and hybrids, Gurit has started to offer natural flax fibre products. Thanks to the flax-based reinforcements, the CO_2 footprint of semi-structural composite parts, e.g. exterior panels, can be reduced by 75% when compared to carbon fibres while matching performance. For interior panels, weight can be reduced by up to 50% and plastic by up to 80% at matching performance. The combination of Gurit's low toxicity bio resin with natural fibre solutions now provide an important first step for a bio-based composite panel solution for multiple industries.

"The challenge to deliver truly sustainable products without compromising on cutting-edge performance is perhaps the greatest challenge composites have faced so far. With Gurit as a key player in this push for change, it is an extremely exciting time to be a part of this innovative industry."

Kevin Cadd
Product Manager

ampliTex™ technical fabrics



powerRibs™ reinforcement grid

These nature-based products are also viable from a sustainable economic perspective: when comparing the performance of flax fibres with more traditional glass fibres, flax fibres have higher specific stiffness than E-glass. Furthermore, flax fibres have high vibration damping and good breaking properties which means that they do not produce sharp shards in the event of impact or structural failure of the component. In terms of cost, flax fibres are effectively positioned between carbon and E-glass.

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.

Bio-based chemistry: bio-content without compromising performance

Sustainable chemistry at Gurit means that many factors are reviewed, such as ensuring that our manufacturing processes are safe and efficient in terms of resources used and emissions caused, as well as considering bio-based options, the use of recyclate and minimising material waste.

Bio-based chemistry does not always mean new products, but it does challenge the status quo. Gurit is working closely with its suppliers in order to revise the existing supply chain for existing products in order to achieve an increased bio-based content. Gurit aims to deliver bio-based chemistry as standard, for new and existing products.

Sustainable chemistry balances a multitude of inputs: looking at toxicity, health & safety, transportation, sustainable supply chains and greenhouse gas emissions, with the ultimate goal of creating a product that performs up to expectations. There is a broad spectrum of sustainable options currently available, although many are still in their infancy. For selecting the appropriate and most sustainable option, Gurit makes use of the growing sources of data such as lifecycle analysis and carbon footprint analysis, but our experts are aware of the vast amount of work still achievable in this area.

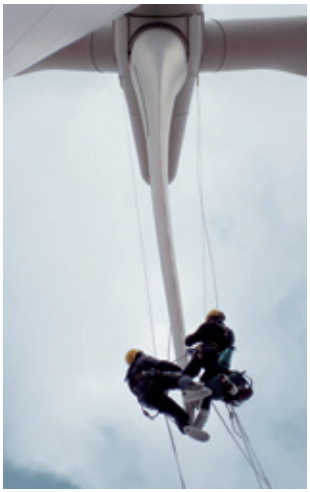
An example of bio-based chemistry Gurit has successfully introduced into the market is AMPRO™ BIO. It has an accredited 40-60% bio-based content and is a simple to use, all-purpose epoxy. AMPRO™ can be used for gluing, coating, laminating and filling for a very wide range of tasks, most typically for the manufacture and repair of wooden boats.

Gurit AMPRO™ BIO

Efficient wind turbine repairs

The wind turbine repair industry is growing due to the high number of existing wind turbines approaching an advanced age in their service life and in need of more frequent maintenance.

It is vital that wind farms are kept in optimum working condition to ensure they are running at the highest energy generation capacity. Furthermore, these increases in efficiency streamline costs for the turbine owners and supply more energy back to the grid. For these reasons, regular preventative maintenance is commonly carried out, increasing the demand for materials and repair solutions for on- and offshore wind turbine generators around the world.



Repair works on a wind blade

Maintenance extending the service life

Wind turbines are typically designed for a service life of around 20 to 25 years. During this time, maintenance and repair procedures ensure the ongoing structural integrity of the wind turbines and prevent catastrophic failures. Problems need to be detected and repaired as fast as possible to keep downtime to an absolute minimum.

According to CompositesWorld.com, an out-of-service turbine can cost between USD 800 and 1 600 per day, with most repairs taking one to three days. If a crane is required to repair or replace a blade, the cost can run up to USD 350 000 per week. For an offshore turbine, a rough cost estimate for a 10 MW turbine standing still is about 10 000 EUR per 24h of lost income.

Blade damage can occur from handling, installation, weather conditions and environmental impacts. Deterioration during operation is most common, with lightning strikes, debris, wind and constant temperature changes battering the wind blades, causing blade surface erosion, critical bonding areas to start separating or even more compromising damage to the composite structure. Any of these critical components will likely render the turbine inoperable for some time and the current repair solutions are critically impacted by temperature and humidity, reducing the repair teams' access to the turbines throughout the year.

Repair time reduced from two days to four hours

Efficient repair solutions contribute to minimizing downtime, for example through materials availability, processing and applied properties. Gurit has a range of OEM-qualified & certified low-toxicity epoxy materials for all in-factory blade finishing and repairs, including

laminating and infusion resins, fillers, adhesives and gelcoats.

Building on in-depth understanding of the materials from which wind blades are made, Gurit has developed new solutions for in-field maintenance that act to extend the lifecycle of wind turbine blades. Gurit offers a wide range of products available in two curing techniques: thermal & UV light. For example, the Ampreg™ low toxicity, thermally curing laminating system is supplied in a range of dispensing solutions and small packs, ideally suited for use in challenging situations.

Gurit's UV-curing technology-based RENUVO™ moves from a two-day operation using thermal solutions, to a four-hour operation using a new-generation UV lamp. This saves on up-tower trips, enables several repairs in less time and reduces cure time from hours to minutes. The added health and safety benefits include less systems handling and limited risk of spillage. Modern UV lights have become compact and lightweight, so today UV-curing is an attractive option for both in-field and in-factory repairs.

Gurit wind blade repair portfolio:

- Ampreg™ Laminating
- PRIME™ Infusion
- Filling & Fairing
- Spabond™ Adhesive
- Gelcoat Repair System
- UV-Curing RENUVO™

The repair portfolio applies to a wide range of repairs, from blade-finishing or bonding of ancillary or retrofitting of parts, either in the factory, where the de-molded blade can require some finishing, or repairs to in-field situations on the turbine in operation.

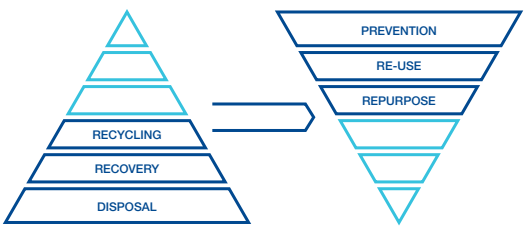
A dedicated team at Gurit consisting of technical specialists, product developers as well as a worldwide distribution network with dedicated partners is being built up to address various stakeholders' needs.

"With an increasing share of wind rotor parks now reaching an advanced age, the industry is looking at solutions targeting increased average operation efficiencies and extending equipment life. Our experience across all aspects of the blade manufacture makes Gurit the prime partner for OEMs and wind park operators for the development and delivery of solutions during the whole blade life."

Mathieu Cariou
Director Strategy & Business Development Wind, Gurit

Technology to address end-of-life wind blade concerns

Reduction of waste and in particular, addressing end-of-life concerns is one of the most prominent areas facing composite materials at present and one that Gurit is actively engaged in research to resolve. It is also one that has multiple potential solutions and requires the alignment and engagement of the whole supply chain; in the example of wind blades, the material suppliers, blade producers, farm operators, maintenance contractors and decommissioning entities all need to work together to establish an integrated solution. When considering end of life, whilst we often think of recycling, there are other preferred options in the hierarchy of waste reduction that can be considered. Firstly, elimination of waste. Here we can consider ways to prevent or prolong the need to dispose of redundant materials and components. Improving reliability and longevity through more robust materials and repair solutions, such as Gurit's RENUVO™ and wind blade repair product ranges are one way to achieve this. Secondly, the reuse of components either through re-powering or re-purposing for other applications such as pedestrian bridges, road-building or the construction materials industry is also an option. Gurit's extensive database of material properties and engineering data supports this approach. Finally, the topic of recycling materials needs to be addressed.



The challenges of recycling

The paradox that needs to be solved with composite recycling is the fact that composite materials used in wind blade production need to be extremely durable, able to withstand harsh environmental conditions over decades of use. Such durability requirements do not instinctively align with materials that are biodegradable or easily recycled. One solution to this is mechanical recycling, whereby blades are broken down into smaller fragments using mechanical "shredders". Drawbacks with this approach are that the shredded material is of lower value and a suitable end-user stream for the material needs to be found to avoid committing to landfill. In addition, this approach does not allow the reclamation of higher-value blade components such as carbon fibres. Another option is thermally re-formable composites such as thermoplastic materials. This approach has the potential to facilitate a circular economy through the ability to form new fabrications or in the case of more complex shapes, separate higher-value components such as fibres to create a segregated approach to circularity. Current limitations of this technology that need to be addressed by research in this field, however, relate to the often very high temperatures, pressures and cleaning processes to truly reclaim thermoplastic matrices from the reinforcing fibres. As such, the recycling process is in practice somewhat theoretical and offers no or minimal net benefit in either economic or environmental cost over existing recycling approaches available to thermoset composites. Likewise, whilst the re-forming of fibre-reinforced thermoplastic composites is viable for relatively flat structures, this becomes very difficult or impossible for more complex fabrications such as wind turbine blades.

Research in reversible resin systems

Another approach involves “reversible” or “unzippable” resin systems. This is an area where Gurit is investing in research, and principally involves developing the back-bone chemistry of the resin matrix such that when placed in specific conditions or stimuli, the cross-linked structure which is responsible for providing the resin properties are “reversed” or, to use the analogy of a clothes fastener, “unzipped” allowing easy 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. The external stimuli or conditions required for reversing the resin matrix are such that they are never encountered during the lifecycle of the blade (so as to ensure lifetime longevity and reliability of the blade in operation) yet are economic and efficient enough to enable a recycling process at end of life which is simple, economic and scalable allowing a net environmental benefit and hence sustainable solution.

Single material products

Wind turbine blades are mixed material fabrications. They are not made from a single material, instead consisting of glass and carbon fibres, resin systems, natural and foam core materials, adhesives as well as coating and paint systems. As such the successful application of an end-of-life solution needs to consider all of these elements holistically. There are two main approaches to this problem. One would be to ensure that the whole product is constructed of the same material group. In this manner, the entire component or blade could be recycled as a single entity. The challenge to overcome with this approach relates to the fact that different areas and components of a blade require different material properties and therefore a material which is universal.

“Truly addressing end-of-life concerns of composite structures requires the integration of many factors within the lifecycle of a component. The development of recyclable resin systems in isolation is not enough to provide an industry solution. Instead we need a suite of materials that can be repurposed or recycled. Innovation is required to allow wind blades to be separated into waste streams at end of life, and finally, the segregation and recycling processes must be both financially and environmentally sustainable. Such an approach must continue to maintain the economic, performance and reliability requirements necessary for blade design.”

Paul Spencer
Product Development Manager, Gurit

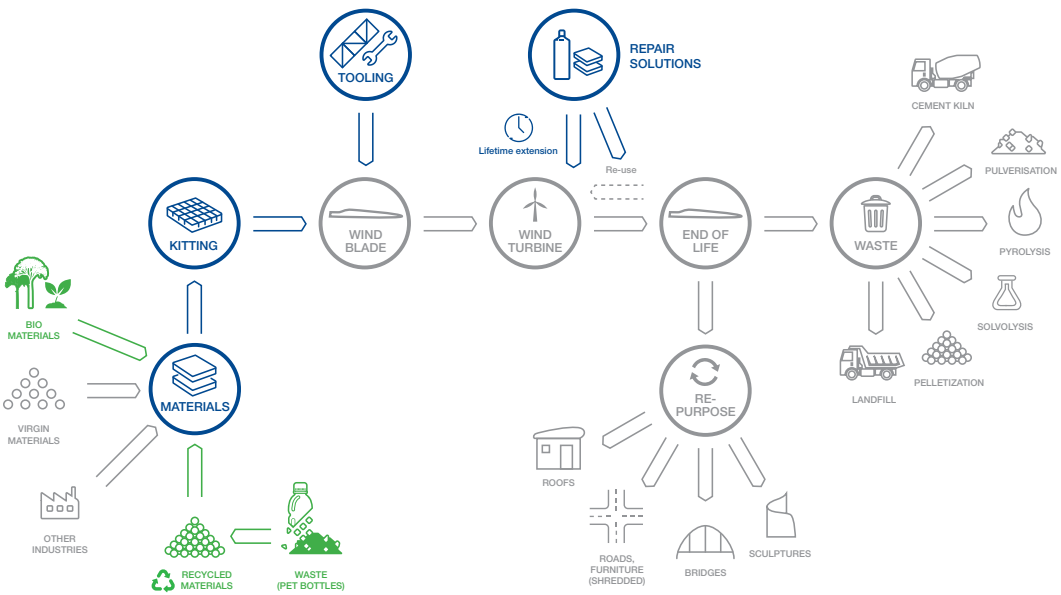
A second approach is to engineer the structure and materials to allow them to be economically separated at end of life into different waste streams that can then be individually recycled. It is of little benefit for example, to have an in-principle, recyclable glass fibre blade skin if the coating and adhesives it is connected to are either not recyclable themselves or require a different recycling process.

Smart materials

Designing smart materials which can allow easy separation and segregation of blade components into individual waste streams, but importantly, only at point of end of life, is integral into any blade recycling technology. Again, Gurit identifies this as a key part of the problem and therefore forms part of our vision to addressing end-of-life concerns.

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

End-of-life perspectives for wind turbine blades



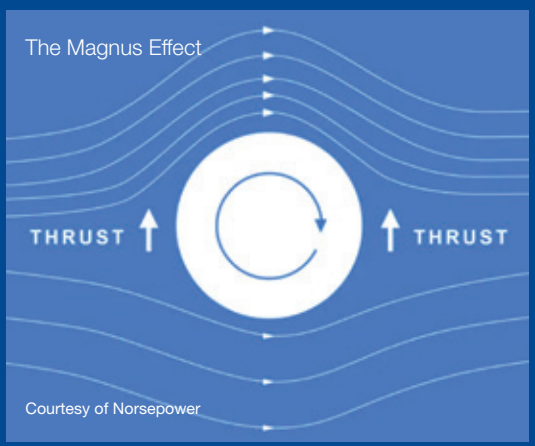
Limitations or concerns with present end-of-life methods

- 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

Rotor sails reducing the environmental impact of shipping

Norsepower Rotor Sails are a new solution for the growing need for more sustainable shipping. These rotor sails are a modernised version of the Flettner rotor, which takes advantage of the Magnus effect to generate aerodynamic force and assist in propelling the vessel forward.

A Flettner rotor is a smooth cylinder with disc end plates which is spun around on its long axis. It works to generate aerodynamic force through the effect of the wind. As the wind meets the rotor the airflow accelerates on one side of the rotor sail and decelerates on the opposite side. This change in the speed of airflow creates the Magnus effect which results in a pressure difference. This difference in turn creates a lift force perpendicular to the wind flow direction helping to propel the vessel, increasing its fuel efficiency and reducing the shipping industry's carbon footprint.



Lightweight composites reviving the Flettner rotor

The idea of a Flettner rotor on a ship is not new, first being trialled in 1924. The concept was proven viable but back then it took an inefficient amount of energy to turn the 15m tall metal cylinders and was largely discontinued. Today, thanks to the much lower weight of the cylinders due to cutting edge advanced composite materials and technology, Norsepower has revisited this concept, proving successful in reducing fuel costs by 5-30% and CO_2 emissions by the same.

The rotor was produced using Gurit's environmentally friendly structural PET core, Kerydn™ Green, which is produced using up to 100% recycled materials, as well as PRIME™ 27 epoxy infusion system, Spabond™ 340LV adhesive, and the Ampreg™ 31 epoxy laminating system. Today, various tanker, cargo and cruiship vessels are already operating with rotor sails.

JEC WORLD INNOVATION AWARDS WINNER 2020

The Norsepower rotor sail lightweight solution has won the 2020 JEC Innovation award in the "Maritime Transportation & Shipbuilding" category. Norsepower, Comaxel and Gurit are proud of this recognition of their successful cooperation and innovative solution to lowering carbon emissions of the maritime transport sector.

How does a Rotor sail work?
When wind conditions are favourable, the Rotor Sails allow the main engines to be throttled back, saving fuel and reducing emissions while providing the power needed to maintain speed and voyage time. A variable electric drive system, which is powered by the ship's low voltage network, is used for rotating the Rotor Sail.

When wind meets the spinning Rotor Sail, the air flow accelerates on one side of the Rotor Sail and decelerates on the opposite side of the Rotor Sail.

The change in the speed of air flow results in a pressure difference, which creates a lift force that is perpendicular to the wind flow direction.

Learn more: https://youtu.be/FUCShEXkpL8

"Our vision is to set the standard in bringing sails back to ocean transportation, and empower shipping towards reaching the goal of zero carbon emission.
The ability to harness the wind as an additional power source is a natural next step for the maritime transport industry as it seeks to remain cost-efficient and meet environmental regulations. We appreciate highly Gurit's and Comaxel's effort in supporting Norsepower during the last years with the development of the composite rotor, which is the key component in the Rotor Sail system."

Jarkko Väinämö
COO, Norsepower Oy Ltd

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.

Social responsibility

The strength of our company lies in its workforce. Responsible Employment Practices are of the highest priority for Gurit. Attracting, training and retaining a highly skilled, motivated and performing workforce is key for the Group's current and future success. In 2020, Gurit implemented an Employer Branding initiative with the objective of having a diversified workforce, and employing the best talents regardless of gender, age or background. The initiative involves improved internal and external communication of opportunities, highlighting and giving credit to different work profiles, career paths and opportunities available. The initiative also addresses the introduction of an improved talent management software and enhanced communication of available job opportunities internally and externally.

Workforce by Employment Contract

As of December 31, 2020, Gurit employed 2 951 staff members, as compared to 3 027 in 2019.

	2020	2019	2018
Permanent contract*	2 831	2 878	2 377
Temporary contract*	120	149	478
Gurit total workforce*	**2 951**	**3 027**	**2 855****
Apprentices, Interns	15	38	8
Workers/Contractors	174	298	174
Full-time*	2 860	2 953	2 793**
Part-time*	91	74	62

Employees by Gender*

Gurit promotes gender diversity and strives to give employees equal opportunities to take on more responsibility in management functions regardless of gender. In 2020, a dedicated Employer Branding initiative supported this objective with the introduction of improved software and enhanced internal and external communication of available career paths and job profiles. In 2020, women represent 19 percent of the staff.

	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Executive Committee	9	–	8	–	5	–
Senior Management	58	15	28	2	25	4
Middle Management	130	44				
Further Staff	2 189	506	2 481	508	2 365	456
Total Staff	**2 386**	**565**	**2 517**	**510**	**2 395****	**460**
In percent	81%	19%	83%	17%	84%	16%

Employees by Age Structure*

	2020			2019			2018		
	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	–	3	5	–	1	4
Senior Management	–	49	18						
Middle Management	6	132	42						
Further Staff	628	1 761	306	743	1 922	354**	704	1 821	325
Total Staff	**634**	**1 946**	**371**	**743**	**1 925**	**359**	**704**	**1 822**	**329****
In percent	21%	66%	13%	25%	64%	11%	25%	64%	11%

"We uphold gender diversity as a critical success factor for our business. Our ambition to achieve gender balance has now been systematically integrated into our recruitment strategy."

Debbie Smith
HR Business Partner Marine/Industrial

"In 2020, we strengthened our Talent Management Strategy. We want to be an employer of first choice for all genders, ethnic groups, orientations and professions. A strong and diverse global workforce will allow us to address the market challenges of tomorrow."

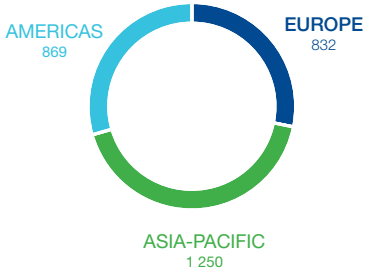
Hannes Haueis
Head of Group Human Resources

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

** rectification as the "Board of Directors" not counted in total staff.

Employees by Region*

The Group employs a workforce that is composed of some 38 different nationalities. It is a Gurit ambition to staff local sites with local leadership. With three exceptions, all operational sites globally are staffed with senior managers who are citizens of the country in which the production sites are located.



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

↗ GRI 102-8 Information on employees and other workers

Training and Education

Training and continued education allow employees to have the skills required for their specific job and offer development opportunities. Giving employees regular access to training is a key element of the company's Human Resources strategy. Topics covered include a wide thematic range, such as the Gurit Code of Conduct, strategy, cybersecurity, data protection, leadership programs to develop people management, as well as safety trainings, specific product information and many more topics related to particular responsibilities. Data relating to training has been collected for the November 1, 2019 to October 31, 2020 reference period. One site has been excluded because no data could be collected for operational reasons.

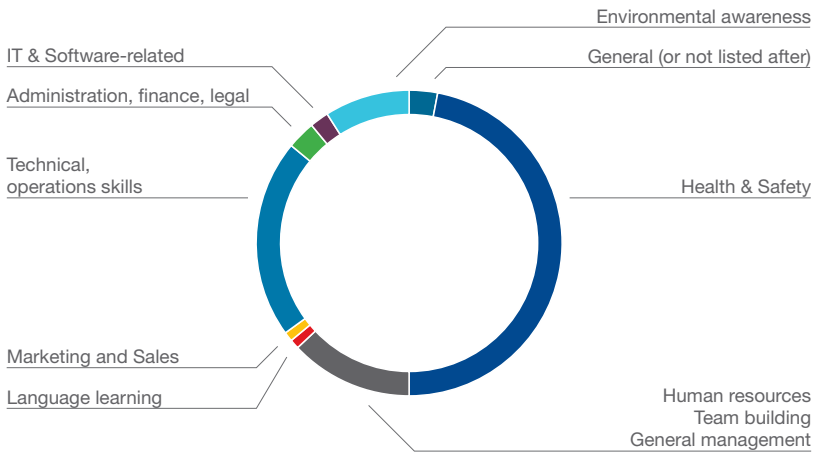
The average hours of training amount to 16.70 hours per employee per year for all types of training. This average is 17.19 hours for male employees and 14.67 hours for female employees. In terms of employee categories, the average hours of training are 2.13 hours for Executive Management, 10.43 hours for Senior Management, 28.04 hours for Middle Management and 16.19 for the “Other” category.

↗ GRI 404-1 Average hours of training

Health- and safety-related training

Training for health and safety amounted to an average of 7.79 hours per employee in 2020 as compared to 6.15 in 2019.

Distribution of training according to type



Following further investment in its IT infrastructre, Gurit has increased the usage of the Learning Management System by 79.6% year on year. The system was a helpful factor supporting the company's resilience during the pandemic, is now available to employees in all locations and covers a wide range of topics. 2 930 courses were completed with employees spending an average of 5 hours learning via the platform. Of the courses completed, male employees spent on average 3.19 hours and female employees spent on average 7.01 hours. Regarding the employee categories, the average hours spent on eLearning are 1.5 hours for Executive Management, 3.9 hours for Senior Management, 4.0 hours for Middle Management and 4.8 hours for the "Other" category.

Performance and Career Development

Career development and performance reviews are further cornerstones of Gurit's Human Resources strategy. At some sites, all employees have a career development and performance review at least once per year. This is the opportunity to review their job description, main goals, job requirements and new courses to attend, and also to evaluate the employee's performance and complete the competence matrix. Constantly advancing the talents and skills of the employees, listening to them and supporting their development is very important for Gurit.

From November 1, 2019 to October 31, 2020, the global percentage of employees receiving a Performance and Career Development Review is 52.19%, higher for female employees (74.75%) than for male employees (46.76%). The distribution by employee category is as follows: Executive Management: 66.67%, Senior Management: 92.96%, Middle Management: 91.43% and Other Employees: 48.64%. No comparison with the previous year is available as the data had not yet been collected. Furthermore, the COVID-19 pandemic may have negatively impacted the face-to-face meetings usually representing an essential part of performance and career development reviews.

↗ GRI 404-3 Performance and career development review

Equality and transparency

Gurit wants to be an employer of first choice with satisfied, motivated employees and an attractive work environment. Gurit is committed to fair and equal employment for all its employees regardless of their gender, age and origin, and do not tolerate any discrimination with respect of employment and occupation. Benchmarking of salaries and grading, which was started in 2015 together with a renowned external service provider, further progressed over the course of the year 2020 with the overall target to create transparency, to benchmark Gurit's compensation practice with industry standards, and to further develop internal career development paths. Based on 12 criteria, the Gurit Human Resources department assessed the entire organisation processes relating to equal pay for equal work compliance. There is no site which shows gaps or any discriminations, with all processes set up and executed in a gender-neutral manner.

In 2020, Gurit performed a compensation analysis, comparing male with female staff members. The categories reviewed were a.) Senior Management b.) Professionals c.) Middle Management d.) Front Line Leaders e.) Experts (bonus level 3, 4 and 5). Shopfloor staff has not been covered by this analysis.

The results of the benchmark reviews conducted confirmed that Gurit fulfils the key criteria for equal pay for equal work; All locations which have to provide an annual "gender equality reports" due to legislation requirements are fulfilling the requirement. As a next step the Gurit Human Resources and Controlling departments will audit the outcome internally and will do comparisons between compensation discrepancies.

↗ GRI 405 Diversity and equal opportunity

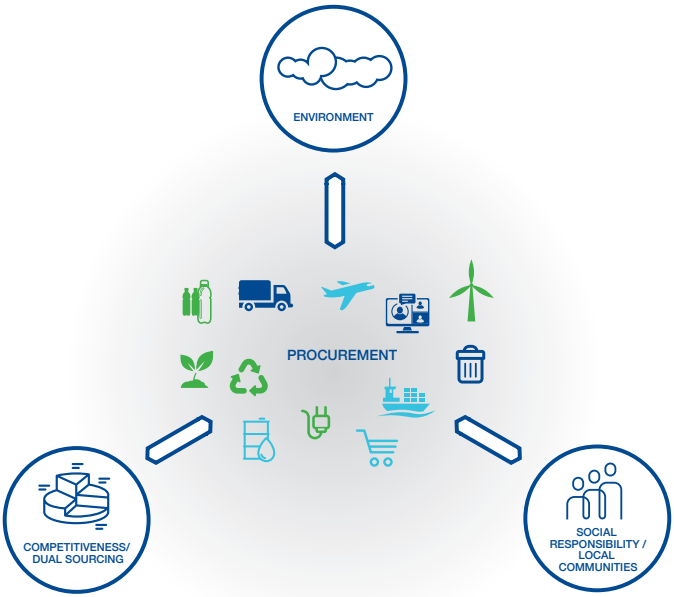
Incidents of discrimination and corrective actions taken

No incidents of discrimination have been reported by the sites. In 2021, a dedicated workgroup on Equality and Diversity will be set up and identify potential areas of action regarding the enhancement of diversity and the identification of any discrimination in respect of employment and occupation.

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

Responsible supply chain

Our various supply chains are a vital part of our business, providing us with resources to operate. Sustainability must cascade down the entire value chain, in terms of the environment, social standards, but also regards to economic performance to guarantee competitiveness and business continuity. In terms of our greenhouse gas emissions, we currently estimate that our supply chain generates more than two-thirds of our footprint, both in terms of materials and services purchased, as well as the related transportation. The most significant contribution stems from carbon fibre, a material requested by our customers and currently difficult to replace due to its specific properties. Furthermore, different criteria need to be evaluated and prioritised, for example: is it more important for us to source locally and avoid transport emissions, or do we give preference to a bio-based material with longer transportation routes? In 2021, Gurit will set up a workgroup to further analyse its supply chain and related impacts, and how to monitor and promote social, environmental standards, among other criteria.



Supplier Standards

Supplier standards of the Gurit Group are formalised in writing in Gurit's general Terms and Conditions. Obligations explicitly referred to are the compliance with environment, health & safety laws as well as anti-corruption laws and human rights. A Modern Slavery Statement is available on the Gurit website:
www.gurit.com/About/Sites--Locations/Site-Certficates

"The largest part of our greenhouse gas footprint is in our supply chain. For me, a sustainable supply chain combines ethically, socially and environmentally responsible practices with economic and sourcing reliability considerations."

Andreas Kipker
Member of the Executive Committee

Supplier Audits

Gurit assesses and monitors suppliers for compliance with the Group's Code of Conduct, standards and regulations. This monitoring is done by the Global Procurement department in collaboration with the Regulatory Compliance Officer. Supplier audits are carried out on a risk basis during the reporting period. The Global Procurement department carries out an ethical audit as part of a supplier selection process. A formal supplier approval process exists and as part of that, a supplier categorisation tool which is used to rate suppliers and categorise the audit requirements. The tool supports the management of suppliers by defining audit requirements. The Supplier Quality Engineer also conducts sustainability audits.

Supplier Non-Compliance

Supplier non-compliance is controlled at site level and Non-Conformity-Requests (NCR) reports, scorecards and supplier evaluations are carried out as a result. The process differs by site but in 2019, a process was initiated to bring these into line in 2020.

↗ GRI 102-9 Supply Chain
↗ GRI 204 Procurement Practices

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 proceeded or pending, and no fines or non-financial penalties related to non-compliance. Overall compliance with the Code of Conduct is subject to selected internal audits. Furthermore, the Executive Committee submits an annual report on compliance 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.

The Global Procurement Team has not identified suppliers at significant risk of child labour, forced labour or human rights infringments and no incidents were reported. Due to the COVID-19 pandemic, travel activity has been kept to a minimum: this includes visits to suppliers and business partners.

Staff are trained on Gurit's commitment as part of a mandatory internal electronic learning course on the Code of Conduct. Gurit adopted a new Sustainability Policy in December 2020 and dedicated workstreams will review the need for additional action, audits or trainings throughout 2021.

↗ GRI 412 Human Rights Assessment
↗ 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

Local community involvement & Sponsorships

Gurit sites have been involved with local communities via smaller events, raffles, walks and charity projects. Nine sites reported financial assistance given to local communities in the form of donations for earthquake victims, child vaccinations, hospitals and red cross institutions. Some sites also provided in-kind donations in the form of seeds or safety equipment.

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 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 90 707 during the November 1, 2019 to October 31, 2020 reporting period.

↗ GRI 102-12 Extenal initiatives
↗ GRI 102-43 Approach to stakeholder engagement

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. Gurit sites reported a total of 42 memberships of associations, as compared to 32 in 2019. The main categories were composites industry associations, national employer associations and memberships in chambers of commerce or similar associations.

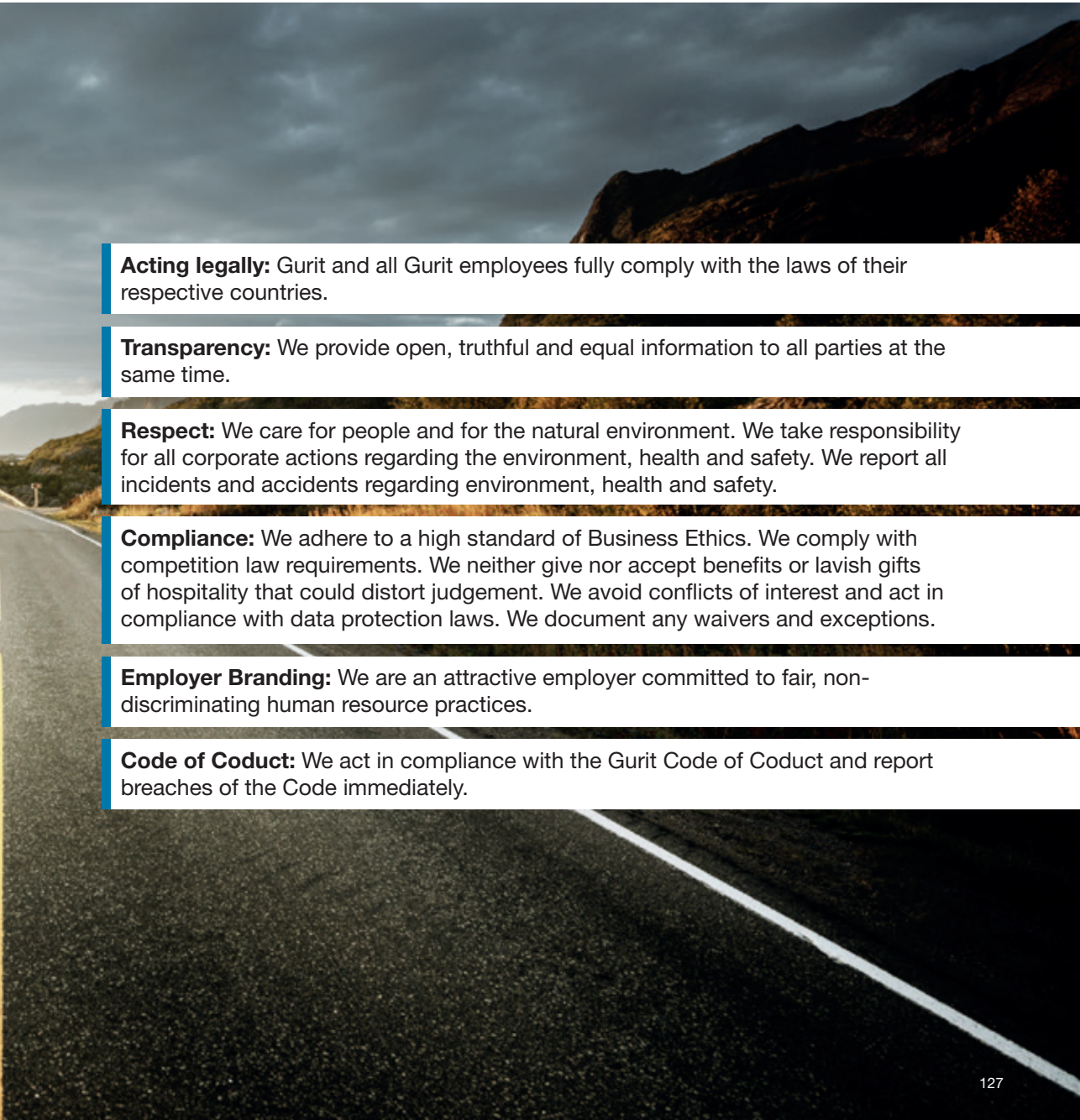
↗ GRI 102-13 Membership of associations

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 2020. Gurit subsidiaries have reported to have maintained or entered into seven different collective bargaining agreements. The local legislation of some operations in Asia may limit the legally accepted forms of collective bargaining.

↗ GRI 407-1 Operations in which the right to freedom of association and collective bargaining may be at risk

Good Governance



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

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 Statutes of the Company as well as in the organisational regulations. The Board of Directors checks these documents on a regular basis. The key principles regarding Corporate Governance are based on the 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 on the Company's governance structure and practice, see "Corporate Governance Report" chapter of the Gurit Annual Report 2020, available at
www.gurit.com/Investors/Reports
www.gurit.com/About/Corporate-Governance

↗ 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

In the same publication, the Compensation Report provides accountability for the remuneration of Senior Management.

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

Additional elements of Gurit's approach to Good Governance are outlined here.

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. Gurit also expects its suppliers and business partners to adhere to the applicable aspects of its 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

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.

The Audit and Corporate Governance Committee is currently chaired by Board Member Dr. Stefan Breitenstein. He can be contacted at the Lenz & Staehelin Swiss law firm, 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 with regard to conflicts of interest or non-compliance with any of the standards set forth in the Gurit Code of Conduct were identified or reported to the Chairman of the Audit Committee.

No legal actions were proceeded or pending, and no fines or non-financial penalties related to non-compliance with any anti-corruption, anti-competitive behaviour, anti-trust and monopoly practices were imposed in 2020.

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

↗ GRI 419 Socioeconomic Compliance

Vision, Mission and Values

The company's vision, mission and values provide further guidance for both long-term direction and daily business conduct and company culture.

Vision:
With passion for a sustainable future

Mission:
Gurit's mission is in wind energy and lightweighting. Gurit is 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.

Core values:
Safety first; Customer focus; Successful together; Resourcefulness; Sustainability

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

Organisational responsibilities for sustainability

In December 2020, Gurit defined the organisational responsibilities for sustainability and defined them as follows.

Role	Responsibility	Action
Board of Directors	OVERSEES sustainability strategy	Annual review
CEO & Executive Committee	DEFINES & CONTROLS: Sustainability strategy, execution/ implementation, target setting, measurement/controlling	Quarterly update Annual review Materiality assessment every 3 years
Business Unit Manager	IMPLEMENTATION of strategy	
Site Manager	Local IMPLEMENTATION	Monthly reporting (KPI) Quarterly / annual reporting
Sustainability Manager	COORDINATION of implementation & reporting	Sustainability Report (annual) ESG rating questionnaires
Sustainability workstream delegates	Cross-functional committees working on standards & KPI setting, reporting, support BUs/sites	Quarterly progress reports & recommendations to EC
Dedicated officers – Health & Safety – Environment – Data protection	Dedicated specialist support functions at BU or site level to support implementation	Based on site-specific job profiles & Group standards & ISO certification requirements

↗ GRI 102-20 Executive-level responsibility for economic, environmental and social topics
↗ GRI 102-32 Highest governance body's role in sustainability reporting

Sustainability Controlling

As part of its new Sustainability Policy, Gurit has defined a sustainability controlling framework. Implementation will start in 2021 with the objective to measure performance and embed 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 regularly in monthly, quarterly and annual meetings. Environmental, social and economic topics are reviewed annually, analysed for materiality, prioritised and included in action plans.

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

Sustainability controlling

SAFETY FIRST	ENVIRONMENTAL PERFORMANCE	SOCIAL PERFORMANCE	GOVERNANCE
Report on progress; Actions taken KPI: LTAR; LTI Management Systems Certifications Trainings; Audits	Report on progress Emission data, Carbon footprint, Resource utilisation and waste Certifications, Management Systems	Report on progress Management Systems Audits / Actions taken	Report on progress Management Systems Audits / Actions taken

ECONOMIC PERFORMANCE	MANAGEMENT SYSTEMS	FORMAL REVIEWS	EXTERNAL REPORTING
Annual Financial Report Risk Management Reviews Report on progress Quality, NCR Innovation: KPI tbd	Management Systems Policies Certifications Data collection	Board: annual EC: quarterly / SSC: monthly BU: monthly Materiality assessment (every 3 years) Sustainability process cycle Workstreams: quarterly report/ re-commendations to EC	Annual Sustainability Report According to GRI; UNGP Selected ESG 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. This 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. Gurit does not maintain legal entities in offshore low-tax jurisdictions.

↗ GRI 207-1 Approach to tax

Tax Governance

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 laws or regulations in the social and economic area.

No incidents of non-compliance with environmental laws and regulations were reported by the sites. A public enquiry is pending with regards to a former site and its waste disposal during a period prior to the site being owned by Gurit.

↗ 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 2020, there were no confirmed incidents of corruption nor actions taken.

↗ GRI 205 Anti-corruption

Political Donations and Lobbying

The Group makes no political donations and does not support any political party, neither directly nor indirectly or with in-kind contributions. Gurit has not engaged in lobbying activities and has not paid third-party intermediaries to engage in lobbying activities to influence public policy on behalf of Gurit beyond regular membership fees in industry associations.

↗ GRI 415-1 Political contributions

↗ GRI 415 Public Policy

Financial Assistance Received from Government

During the reporting period, the financial assistance received from governments amounted to 0.6 million CHF in total from the governments of Canada, China, Spain, Turkey and the United Kingdom. These financial contributions were mainly awarded for innovation, funds or tax credits for research & development, a grant for CAPEX and leasing costs, a scholarship for an industrial PhD, and a discount awarded for submitting declarations and payments in time.

Additionally, various countries provided COVID-19 relief assistance to companies and workers under different schemes. For details see the Gurit Annual Report 2020, p. 160, note 4.

↗ 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. 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 2020.

Gurit has a designated GDPR data officers who conducted audits. Gurit complies with the General Data Protection Regulation (GDPR). 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

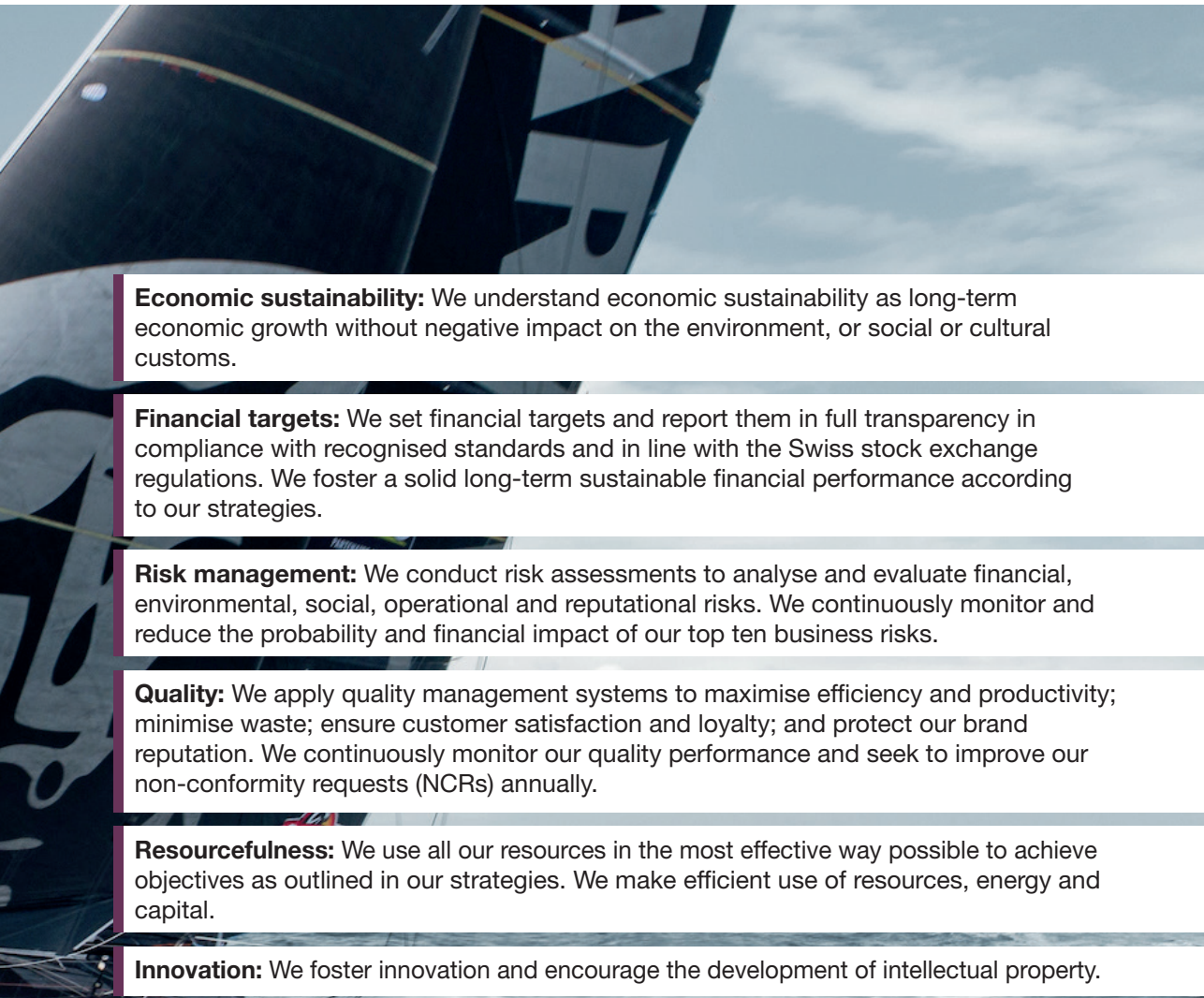
↗ GRI 418 Customer Privacy

"As a global company with multinational sites, Good Governance is key to Gurit's success and cemented by our own Vision, Mission and Values. With our efforts in risk management and controlling, we are proud to be able to contribute to this pillar of Gurit's sustainability strategy."

Patrick Sparer
Head Group Controlling

Sustainable economic performance policy statement

photo credit: Gauthier Lebec/Charal Racing



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 report them in full transparency 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.

Economic performance

Gurit embraces the understanding that doing business built on dependable environmental practices is essential to financial success with customers, investors, and the global communities in which we operate. We acknowledge the value of sustainability not only in regard to our own responsibility to the environment, but also to our customers who strive for a more responsible solution to manufacturing. Our objective is to serve our customers with solutions that meet their own sustainability goals, and as such we will continue to achieve economic success in our markets by providing materials that fulfill our customers' own objectives for environmental responsibility.

"Sustainability is part of our vision and our financial health provides the foundation for a sustainable performance over the long run."

Philippe Wirth
CFO

Customer focus

Gurit supplies a global customer base from manufacturing and distribution sites in Australia, Canada, China, Denmark, Ecuador, Germany, India, Indonesia, Italy, Mexico, New Zealand, Poland, Spain, Switzerland, Turkey, the United Kingdom and the United States. In addition, Gurit maintains partnerships with distribution partners worldwide.

Types of customers range from small family enterprises to large multinational corporations and OEMs of the global wind turbine industry.

"Customer focus" is one of our core values and bringing the best value to customers has been a priority for Gurit since the very beginning. To achieve this target, Gurit supports its global customer base in achieving their performance and cost-reduction targets and in deriving many benefits from the transformation of traditional structures into lightweight and durable solutions. On-site 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 aim. Distributors are included in these training activities as part of the Group's overall customer health and safety efforts as their knowledge and advice plays an important role in regions where Gurit is not represented by local sales and technical support offices.

Resourcefulness

Gurit has adopted "Resourcefulness" as a key company value. Gurit is working in very competitive industries. We want to achieve the agreed goals by using our resources effectively.

Quality

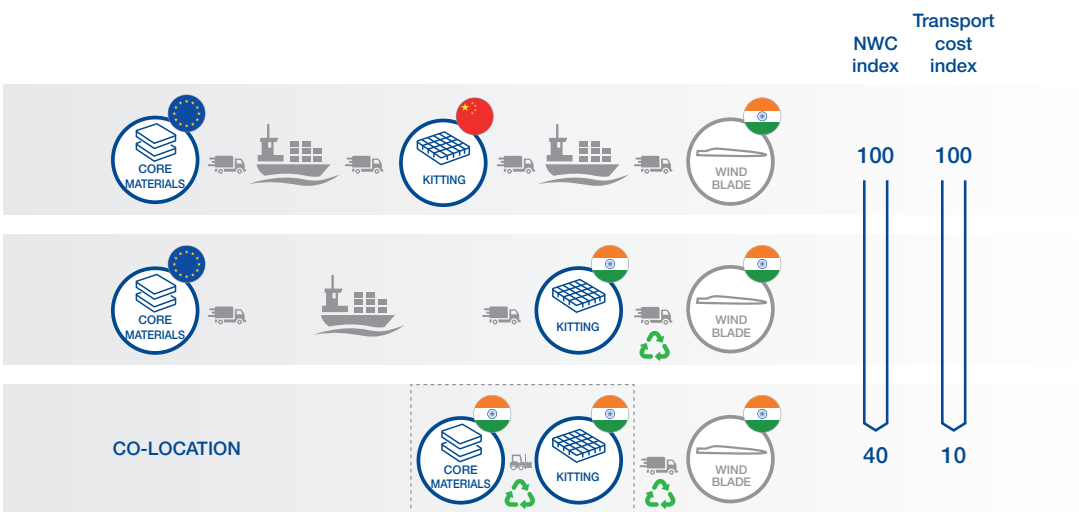
Gurit maintains Quality departments at all production sites and operates management systems to monitor and manage quality and the delivery of products according to customer specifications. In monitoring quality, Gurit aspires to achieve an On-Time-In-Full (OTIF) rate of 99% for its confirmed deliveries. Due to the high market demand and raw material shortage, this value was far below Gurit's ambitions and was only achieved by two business units. In 2020, Gurit achieved an OTIF rate of 95.5%, with the ambition to further improve in the future.

"Our engineering team spent more than 3 000 hours on designing a large mold for wind blade tooling. I am proud to be part of a project that helps further improve efficiency and reduce the cost of clean renewable energy."

Lu Jialin
Engineering Manager

Co-location strategy 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 increased use of recycled materials. In economic terms, this translates into significantly lower costs and a reduction of net working capital, as the material reaches the customer much faster, instead of spending days in storage and transportation.



Co-location – aligning manufacturing footprint to market needs

Gurit's approach to Sustainability Reporting

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

Scope of sustainability data and reporting practice

Gurit has adopted an annual reporting cycle and publishes its sustainability report at the same time as its financial statements. The reporting period is the 2020 calendar year as well as the previous two 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, 2019 – October 31, 2020. 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.

For some indicators, the scope of data collection was substantially widened during 2020.

For greenhouse gas emissions reporting, some figures contain data that has been calculated based on assumptions that were deemed appropriate - by either internal experts or the contracted South Pole external greenhouse gas consultancy – for the intended use of reported information. Gurit has just started its greenhouse gas accounting on a best-effort basis. The quality of data and reporting is expected to improve over time. The data in the Sustainability Report has not been externally verified. Gurit will be looking into further improving its sustainability data collection & reporting system, as well as related training over the coming years.

Gurit publishes its Sustainability Report 2020 available as a separate document and in parallel as a chapter of its Annual Report 2020. Both the Annual Report and the Sustainability Report contain cross-references and should be consulted together. The Annual Report is available for download on the Gurit website: www.gurit.com/Investors/Reports

↗ GRI 102-50 Reporting period
↗ GRI 102-51 Date of most recent report
↗ GRI 102-52 Reporting cycle

Significant changes to the organisation are reported in Gurit's financial statements. In May 2020, the Composite Materials business unit was split into the two new Wind Materials and Marine & Industrial Materials business units. This organisational change has no impact on sustainability reporting.

↗ GRI 102-10 Significant changes to the organisation

The list of entities covered by this Sustainability Report are reported in Gurit's financial statements as "continued business". The sale of the discontinued automotive business in February 2020 has no impact on sustainability reporting.

↗ GRI 102-45 Entities included

Material topics and contents of report

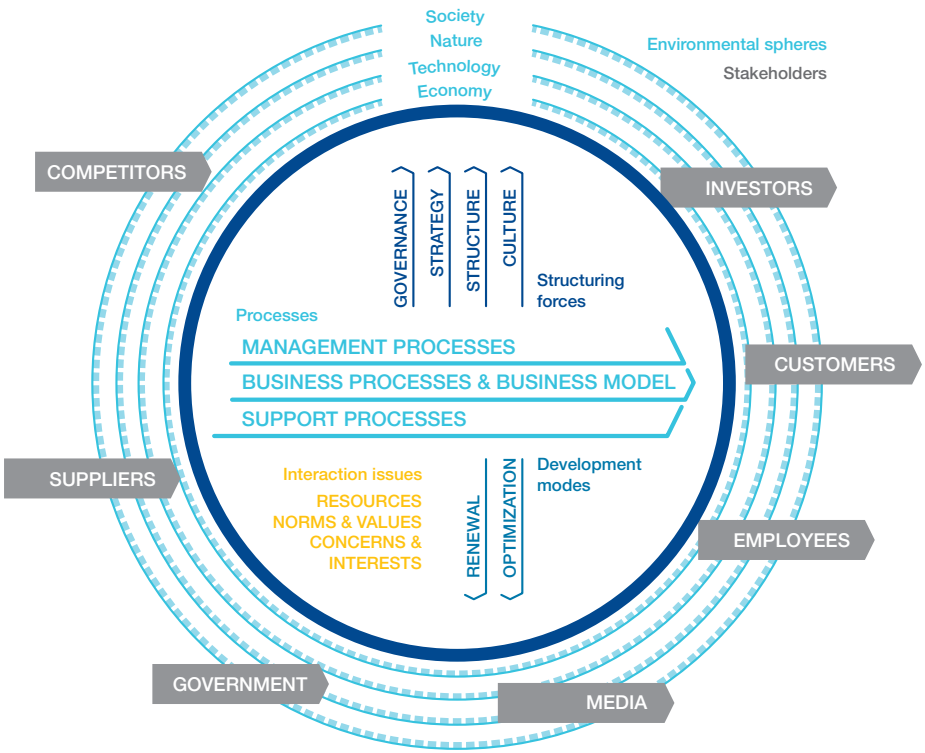
Gurit has assessed the materiality of sustainability issues in light of its business purpose, operational footprint, as well as its commitment to the UN Global Compact and the GRI Standards. On the basis of a materiality analysis conducted in 2017, involving the Company's Executive Committee as well as the Technology, Finance, Human Resources and Marketing departments, Gurit has reviewed its list of material topics in 2020. Based on stakeholder engagements, as defined below, Gurit has updated its Sustainability Materiality Index and added Climate neutrality as a priority.

↗ GRI 102-46	Defining report content and topic boundaries
↗ GRI 102-29	Identifying and managing economic, environmental and social impacts
↗ GRI 102-31	Review of economic, environmental and social topics
↗ GRI 301	Materials
↗ GRI 302	Energy
↗ GRI 402	Labor/Management Relations

Stakeholder inclusiveness

Customers, employees and workers, shareholders, suppliers, regional authorities and the public have been defined as main stakeholders who significantly influence or are influenced by the Company's business activities, products and services. Dedicated external stakeholder engagement systematically takes place with Shareholders at the Annual General Meeting. Engagement with the financial community took place at two media & analyst conferences, various roadshows and conferences. Further stakeholder expectations and interests are systematically taken into account. Primarily, this covers information regarding customer needs and expectations gathered 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 senior management, customer support, technical support and the sales organisation with customers and distribution partners facilitates a regular dialogue. Furthermore, Gurit has participated in industry events and conferences covering innovation, advances in material sciences and market developments.

In 2019, Gurit conducted a Brand perception survey in the form of telephone interviews with customers and suppliers and via an online survey of over 150 employees. The findings have been discussed in a workshop with the Executive Management and were taken into consideration for Gurit's new Vision, Mission and Values introduced Group-wide starting in January 2020.

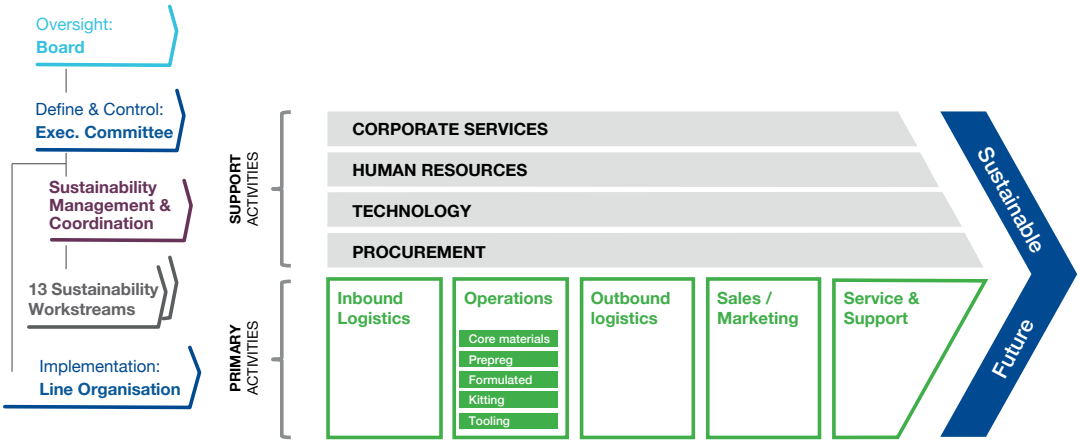


↗ GRI 102-21 Consulting stakeholders on economic, environmental and social topics

Management approach

In December 2020, Gurit adopted a new Sustainability Policy which outlines the company's approach on how to manage sustainability-related topics, with a process to formally define and review set targets, clearly assigned roles and responsibilities and how to implement this within the organisation. The new Sustainability Policy will be rolled out during 2021.

Implementation of sustainability within the organization



↗ GRI 103-2 Management approach

Implementation of this policy will require effort from multiple sources within the company, from the Board of Directors to Site Managers and committees. The Board of Directors will be responsible for reviewing the sustainability strategy on an annual basis. Following that review, the CEO and Executive Committee (EC) will define and control the strategy, determine appropriate means of execution, set targets and measure outcomes. The CEO and EC will update the Board quarterly on their work.

Next, Business Unit Managers will oversee the implementation of the strategy within their unit, with Site Managers having responsibility for local enactment of the plan, to include KPI reporting monthly to their BU Manager, along with quarterly and annual updates. A Sustainability Manager for Gurit has been appointed; it is this individual's responsibility to coordinate implementation and reporting across the company, complete ESG rating questionnaires, and compile the annual Sustainability Report. At the same time, cross-functional committees work on standards and KPI setting, reporting, and provide support to BU sites. These committees send quarterly progress statements and recommendations to the EC. Dedicated officers across the company overseeing the Health & Safety, Environment, and Data Protection aspects of the strategy, work at BU and site level based upon site-specific needs, Group standards, and ISO certification requirements.

GRI Index

GRI Disclosure	GRI Standard Title	Reference* page number of Sustainability Report (SR) or Annual Report (AR)
	Organizational profile	
102-1	Name of the organization	SR p. 67; AR p. 199
102-2	Activities, brands, products, and services	SR p. 66-67, 98-113; www.gurit.com
102-3	Location of headquarters	SR p. 67; AR p. 199
102-4	Location of operations	SR p. 66; AR p. 178-181
102-5	Ownership and legal form	AR p. 23-24
102-6	Markets served	SR p. 66-67
102-7	Scale of the organization	AR p. 6-7
102-8	Information on employees and other workers	SR p. 118-120
102-9	Supply chain	SR p. 98-99, 106, 123-124
102-10	Significant changes to the organization and its supply chain	SR p. 138; AR p. 176
102-11	Precautionary Principle or approach	SR p. 59, 62, 81-82
102-12	External initiatives	SR p. 57-59; 125
102-13	Membership of associations	SR p. 125
	Strategy	
102-14	Statement from senior decision-maker	AR p. 8, 16; SR p. 56-57, 82
102-15	Key impacts, risks, and opportunities	SR p. 58-59, 64-65
	Ethics and integrity	
102-16	Values, principles, standards, and norms of behavior	SR p. 128-129
102-17	Mechanisms for advice and concerns about ethics	AR p. 28, 31; SR p. 129
	Governance	
102-18	Governance structure	AR p. 22-39; SR p. 128
102-20	Executive-level responsibility for economic, environmental, and social topics	SR p. 130, 141; AR p. 31
102-21	Consulting stakeholders on economic, environmental, and social topics	SR p. 140, 71
102-22	Composition of the highest governance body and its committees	AR p. 22-39; SR p. 128, 130, 141
102-23	Chair of the highest governance body	AR p. 25; SR p. 130
102-24	Nominating and selecting the highest governance body	AR p. 22, 29; www.gurit.com/Governance
102-25	Conflicts of interest	AR p. 22; 25-28; SR p. 128; www.gurit.com/Governance
102-27	Collective knowledge of highest governance body	AR p. 25-27
102-29	Identifying and managing economic, environmental, and social impacts	SR p. 139
102-31	Review of economic, environmental, and social topics	SR p. 130, 139
102-32	Highest governance body's role in sustainability reporting	SR p. 130

GRI Disclosure	GRI Standard Title	Reference* page number of Sustainability Report (SR) or Annual Report (AR)
102-33	Communicating critical concerns	SR p. 129
102-34	Nature and total number of critical concerns	SR p. 129
102-35	Remuneration policies	AR p. 40-52; SR p. 128
102-36	Process for determining remuneration	AR p. 40-52;
102-37	Stakeholders' involvement in remuneration	AR p. 28, 41; www.gurit.com/Governance
102-38	Annual total compensation ratio	AR p. 50-52, 150-151
	Stakeholder engagement	
102-40	List of stakeholder groups	SR p. 140
102-41	Collective bargaining agreements	SR p. 125
102-42	Identifying and selecting stakeholders	SR p. 139-140
102-43	Approach to stakeholder engagement	SR p. 125, 71
102-44	Key topics and concerns raised	SR p. 137, 98-115
	Reporting practice	
102-45	Entities included in the consolidated financial statements	SR p. 138
102-46	Defining report content and topic Boundaries	SR p. 139
102-47	List of material topics	SR p. 139
102-48	Restatements of information	SR p. 138, 96, 76
102-49	Changes in reporting	SR p. 138-139
102-50	Reporting period	SR p. 138
102-51	Date of most recent report	SR p. 138 (March 2021)
102-52	Reporting cycle	SR p. 138 (annual)
102-53	Contact point for questions regarding the report	SR p. 145
102-54	Claims of reporting in accordance with the GRI Standards	SR p. 138
102-55	GRI content index	SR p. 142-144
102-56	External assurance	SR p. 138, 132, 90
	Management Approach	
103-1	Explanation of the material topic and its Boundary	SR p. 139, 56-65
103-2	The management approach and its components	SR p. 130-131, 141, 56-65
	Economics	
201-1	Direct economic value generated and distributed	AR p. 7, 21, 147, 160, 164,
201-2	Financial implications, risks and opportunities due to climate change	SR p. 137; AR p. 10-11, 16-17
201-4	Financial Assistance Received from Government	SR p. 133; AR p. 160
202	Market Presence	SR p. 66-67; www.gurit.com
204	Procurement Practices	SR p. 124
205	Anti-corruption	SR p. 132
207-1	Approach to tax	SR p. 132
207-2	Tax governance, control and risk management	SR p. 132

GRI Disclosure	GRI Standard Title	Reference* page number of Sustainability Report (SR) or Annual Report (AR)
	Environment	
301-3	Reclaimed products and their packaging materials	SR p. 95, 66
302-1	Energy consumption within the organization	SR p. 91
302-2	Energy consumption outside the organization	SR p. 92
302-3	Energy intensity	SR p. 92
302-4	Reduction of energy consumption	SR p. 92
303-5	Water consumption	SR p. 96
303-4	Water discharge	SR p. 96
305-1	Direct (Scope 1) GHG emissions	SR p. 83-84
305-2	Energy indirect (Scope 2) GHG emissions	SR p. 83-84
305-3	Other indirect (Scope 3) GHG emissions	SR p. 83-84
305-4	GHG emissions intensity	SR p. 84
305-5	Reduction of GHG emissions	SR p. 85-87, 97-98, 102
306-1	Waste generation and significant waste-related impacts	SR p. 95, 113
306-2	Management of significant waste-related impacts	SR p. 95, 97-98, 102, 113
306-3	Waste generated	SR p. 94
306-4	Waste diverted from disposal	SR p. 94-95, 66
306-5	Waste directed to disposal	SR p. 94
307-1	Non-compliance with environmental laws and regulations	SR p. 132, 130-131
308	Supplier assessment	SR p. 117, 123-124
308-2	Negative environmental impacts in the supply chain and actions taken	SR p. 98-99
	Social	
403-1	Occupational health and safety management system	SR p. 70-71
403-2	Hazard identification, risk assessment, and incident investigation	SR p. 73-74
403-4	Worker participation, consultation, and communication on occupational health and safety	SR p. 70-71, 76
403-5	Worker training on occupational health and safety	SR p. 73-74, 121
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR p. 35-40
403-8	Workers covered by an occupational health and safety management system	SR p. 77
403-9	Work-related injuries	SR p. 76
403-10	Work-related ill health	SR p. 76
404-1	Average hours of training per year per employee	SR p. 120-121
404-3	Percentage of employees receiving regular performance and career development reviews	SR p. 121-122
405	Diversity and Equal Opportunity	SR p. 122
406-1	Incidents of discrimination and corrective actions taken	SR p. 122
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR p. 125
408-1	Operations and suppliers at significant risk for incidents of child labor	SR p. 124
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR p. 124
412	Human Rights Assessment	SR p. 124

GRI Disclosure	GRI Standard Title	Reference* page number of Sustainability Report (SR) or Annual Report (AR)
412-1	Operations that have been subject to human rights reviews or impact assessments	SR p. 124
412-2	Employee training on human rights policies or procedures	SR p. 124
413-1	Operations with local community engagement, impact assessments, and development programs	SR p. 104-105
415	Public Policy	SR p. 132
415-1	Political contributions	SR p. 132
416	Customer Health and Safety	SR p. 78
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR p. 79
417-2	Incidents of non-compliance concerning product information and labeling	SR p. 79
418	Customer Privacy	SR p. 133
419	Socioeconomic Compliance	SR p. 129
419-1	Non-compliance with laws & regulations in the social and economic area	SR p. 132

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

↗ GRI 102-55 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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↗ GRI 102 General Disclosures
↗ GRI102-53 Contact point for questions regarding the report

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