

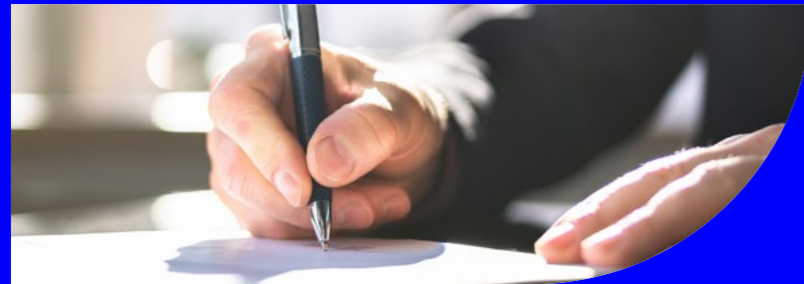
Annual Sustainability Report

GCR
2022

GCR 

Innovating
our sustainable
tomorrow

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environment



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Key data from 2022



Talent



271
employees

Innovation



Launch of **new capabilities**
for scaling and industrialization
of products

Environment



100%
green energy – certified
guarantee of origin

Performance



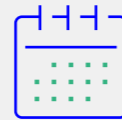
Sales in
80
different countries



+3,000
training hours



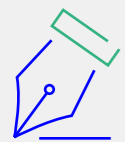
40
employees working
on innovation



10 years
as pioneers in
carbon footprint calculation



**Strategic acquisition of a
recycling production plant**
in Castellet and La Gornal.



100%
permanent employment
contracts



18.5
million euros of investments in
new technology and equipments



270,000
Tonnes of CO₂ Emissions
Saved Thanks to Our Products



8
Collaborations and financial
support to **8 NGOs** and
social communities



1

Letter from the Managing Director



Sustainability has evolved to become the focal point of GCR across all facets of our business operations. Consequently, our organization's growth and advancement have been shaped by our dedication to combating climate change, fostering a circular economy within our supply chain, and upholding sustainable development principles. Moreover, we remain committed to reducing the environmental impact of our activities, effectively managing our waste, and proactively preventing pollution through the application of our cutting-edge sustainable solutions.

The events of recent years, including the COVID health crisis, the climate emergency, supply chain issues and armed conflicts such as the war in Ukraine, have brought to the forefront the pressing challenges facing us as an industry and as a society. The importance of responsible and conscious management decisions and the contributions that we as a society and organizations must make are crucial to today's reality and future endeavours.

2022 has been a significant year of progress for GCR across all facets of our business. We have maintained our leadership position in the international sustainable recycled plastic and masterbatch industry for another year. We are proud to serve an increasing number of customer from various countries, with over 85% of our revenue coming from exports. This reaffirms our status as a prominent player in the industry, thanks to our innovative and disruptive solutions as well as a clear vision of our value proposition with every customer.

In line with our commitment to transparency and adherence to the highest sustainability standards, we

are pleased to present this report detailing the progress we've made this year and our anticipated achievements in the years ahead.

In addition to releasing this report, we are excited to share the progress made as part of our new roadmap, which encompasses five key areas: industrial, commercial, innovation, operations, and personnel. Within this strategic plan, we have made significant strides in digitalization, adhering to a 'paper zero' policy, and adopting a fresh approach to environmental sustainability, focusing on achieving full circularity and progressive decarbonization within our industry.

Furthermore, in response to the heightened sustainability reporting regulations by the CSRD and our commitment to delivering a consistent report, we have conducted a dual materiality analysis. This analysis has identified the four most pertinent material topics for GCR: Occupational Health and Safety, Customer Health and Safety, Innovation

with environmental criteria and Design and product life cycle management.

As we look toward the future, our organization is firmly dedicated to forging close partnerships with our stakeholders. We aim to harmonize our company's values with theirs, thereby enhancing the value we bring to our production chain. This commitment is deeply rooted in our core principle: "innovating for a sustainable tomorrow."

In conclusion, I would like to express my heartfelt gratitude to all the individuals and organizations that are integral to GCR's operations and successful growth. It is your collective contributions that enable our company to flourish and work toward a brighter future for the planet and for us all.

Joan Prats
GCR Managing Director



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About GCR

The essence of GCR

About us

Our organization develops and produces recycled-based plastic materials under the brand CICLIC and mineral concentrates under the brand GRANIC (masterbatches based on polyethylene (PE), polypropylene (PP), polystyrene (PS) or other biobased, biodegradable, and compostable or recycled thermoplastics of high quality and environmentally efficient made from calcium carbonate, talc and silica derivatives).

In 2022, we replaced the use of virgin plastic in our products, helping to reduce our customers' emissions by a total of 270,000 tonnes of CO₂.

Our products help reduce our carbon footprint because the emissions associated with most of the raw materials we use are very low. Our raw materials are mainly minerals obtained from natural sources that are not easily depleted, as well as plastic recycled from post-consumer and post-industrial waste. Our company uses green energy sources and its own patented low-energy technology in its production. In 2012, GCR became a pioneer in calculating the carbon footprint of its products as a parameter for measuring environmental impact, thereby demonstrating our genuine commitment to contributing to sustainability.



The GCR Group has achieved a significant international presence by establishing sales in over 80 different countries.

We aim to be an industry benchmark and move towards developing more and better products that significantly contribute to a circular economy.

Global reach

GCR currently has four major production plants: two at our facilities in La Bisbal del Penedès (Tarragona), which together amount to 86,000 m²; a 6,000 m² plant in Barberà del Vallès (Barcelona); and the new 100,000 m² facilities in Castellet i la Gornal (Barcelona), which are set to become operational in 2024.

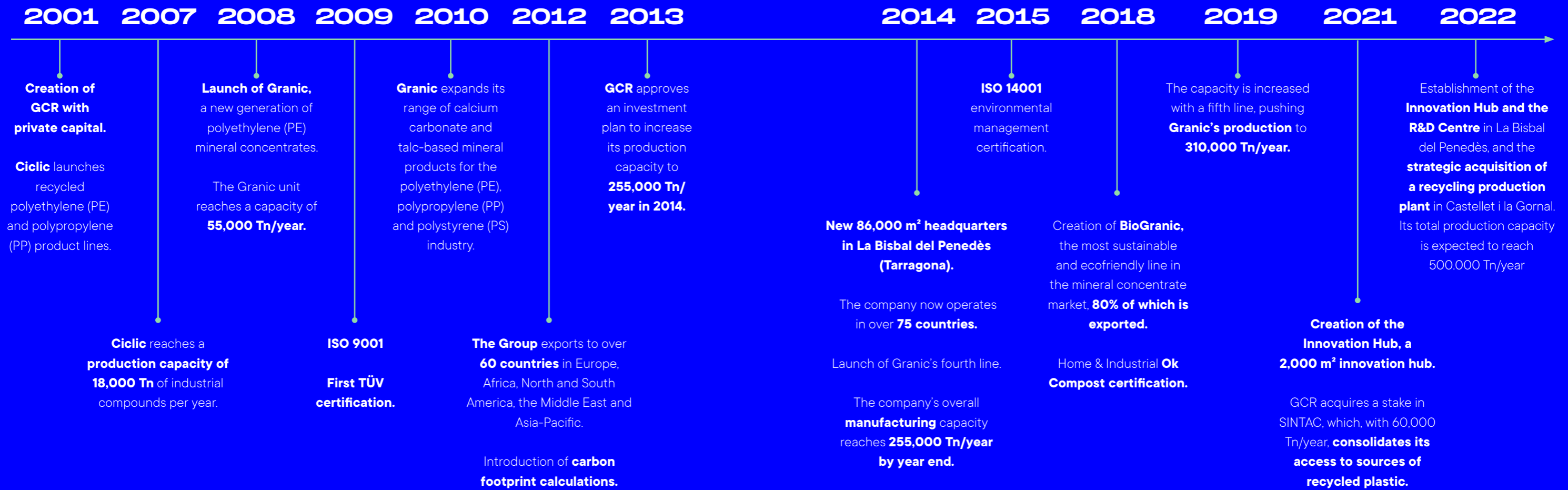
The advantages and improvements offered by our products have helped drive the company's exports in recent years.

Europe is our group's main market, with a strong presence in countries such as Spain, France, Italy, Germany and Poland. Latin America and Asia are also strategic markets for GCR.



Our story

GCR was founded in 2001 out of a desire to create a sustainable organization that recovers plastic materials already in circulation and turns them back into raw materials.



Organizational culture and ethos: Mission, vision and values

The driving force behind our organization's ethos is our enterprising, customer- and solution-oriented spirit which we achieve through close collaboration both within our organization and with all our stakeholders.

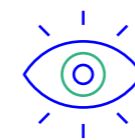
Purpose

To shape a better world, transforming the plastics industry to improve people's lives and contribute to environmental stewardship.



Mission

To reimagine materials, processes, and services to deliver the best sustainable plastic solutions and value creation to our customers.



Vision

To be the global benchmark partner for competitive sustainable materials, delivering excellence through technology, innovation, quality and human development.



Values

- Integrity:** Our values guide our decisions, promote respect for people and the environment while fulfilling our responsibilities and obligations.
- Innovation:** We are continually seeking new ideas and solutions to help us develop, improve and address new challenges each day.

- Determination:** We are nonconformists, act with courage, and meet our commitments to advance and support the success of our customers.
- Collaboration:** Teamwork and synergies with our customers and suppliers are essential to create shared value.

A Blueprint for the Future

At GCR Group, we are committed to advancing sustainability. Our dedication drives us to chart a path towards sustainability that guides our actions, enables us to maintain effective control of our ESG (Environmental, Social, and Governance) initiatives, and ultimately, continuously enhances our sustainable approach.

The structure of our approach is built upon four pillars: Talent, Innovation, Environment, and Performance. In 2022, we initiated the first steps towards a more comprehensive sustainable development within our organization.

PILARS	ACTIONS AND GOALS FOR 2023/2024
TALENT	<ul style="list-style-type: none"> Develop an Equality Plan. Conduct a satisfaction survey.
INNOVATION	<ul style="list-style-type: none"> Implementation of the Management of Change (MOC) programme in four specific areas: commercial, operations, industrial, and the innovation centre.
ENVIROMENT	<ul style="list-style-type: none"> Develop a vehicle policy, with a focus on plug-in hybrids. Installation of solar panels at the recycling plant in Castellet and La Gornal.
PERFORMANCE	<ul style="list-style-type: none"> Commitment to establishing a commercial agreement with our suppliers that defines minimum sustainability requirements and ensures a list of sustainable suppliers. Zero annual incidents. The creation of the pillars of digitalization. We have identified 35 projects to be carried out during 2023 and early 2024.

TALENT

We are dedicated to our people and believe that they are essential to our organization's success.

INNOVATION

Our innovation policy is aimed at promoting sustainability in all production processes.

ENVIRONMENT

We are firmly committed to embracing a circular economy to address current and impending global challenges.

PERFORMANCE

We are committed to continuously improving our sustainability performance.



Sustainable Development Goals (SDGs) and the 2030 Agenda

In 2015, the United Nations approved the 2030 Agenda for Sustainable Development, which represented an opportunity for countries and their societies to embark on a new path with the aim of improving the lives of all people, leaving no one behind. Below, we detail the SDGs on which, due to our activities, we can focus, as we have a greater capacity for impact, particularly SDGs 9, 11, and 12. These goals prioritize the promotion of industry, innovation, sustainable cities, and responsible consumption and production.



Corporate activity

Our business units

Our production activity enables us to recover plastic materials that are already in circulation and convert them into raw materials through our Ciclic and Granic business units. We work with brand owners and major plastic converters for a wide range of industrial uses: packaging, food, cosmetics, automotive industry, agriculture, furniture, as well as other major consumer goods.



CICLIC GCR

Ciclic is the GCR brand under which we develop recycled plastics from the main polyolefins: polyethylene (PE) and polypropylene (PP). It has two highly productive lines with a production capacity of 35,000 Tn/year, which will increase to over 100,000 Tn/year once the new plant acquired this year in Castellet i la Gornal becomes operational.



BENEFITS:

- Offers products with a **Life Cycle Assessment (LCA)** and **carbon footprint certification** that can be up to 80% lower than that of virgin polymers, making it a more sustainable raw material. The assessment is performed in accordance with the PAS 2050, ISO 14040 and ISO 14044 standards.
- Adaptation to the specific needs of each market and customer.
- 100% recyclable plastic compounds.
- High-quality raw materials.
- The Ciclic plant is the first in Spain to be Food Contact certified in accordance with European legislation and audited by **EUCERPLAST**. Thanks to the adaptation of our processes, this certification enables recycled food contact materials to retain their food contact certificate at the end of the recycling process.

GRANIC GCR

Granic develops compounds based on recycled and virgin polymers combined with minerals such as calcium carbonate, talc, silica derivatives and other mineral specialties for the processing industry. Granic masterbatches are compatible with all kinds of widely used polymers, such as polyethylene (PE), polypropylene (PP), polystyrene (PS), biodegradable and compostable bases and other thermoplastic polymers.



BENEFITS:

- Improves mechanical properties such as impact strength and tear and puncture resistance by selecting the most suitable minerals and polymers for each application.
- **Helps reduce the carbon footprint** and improve the Life Cycle Assessment of the final product by using more environmentally friendly raw materials and reducing energy consumption during production.
- **Increases productivity** by reducing the final product's life cycle thanks to the minerals' greater thermal conductivity.
- Obtains an excellent dispersion of mineral fillers in the final product's polymer matrix.
- Prevents moisture absorption and reduces abrasion.
- Reduces our customers' energy consumption. Granic may save up to 30% of the energy production needs*. The thermal conductivity also decreases the need for energy when processing plastic, which is why Granic masterbatches customers consume less energy.
- Reduces pigment consumption.

*Based on GCR Innovation Hub Test study on 30% Granic based on LLDPE Blown Film.

Sustainable innovation

Based on our business model, our entire range of products is the result of a comprehensive innovation policy aimed at promoting sustainability in the production processes of the mineral masterbatches and recycled plastic we develop.

All our R&D project investments are focused on developing more sustainable and environmentally friendly products for the plastic

processing sector, and we work hand in hand with leading brands to increase the product's lifecycle and prioritize ecodesign criteria to promote circularity.

In 2021, we opened our Innovation Hub, a facility of over 2,000 square metres located in La Bisbal del Penedés. This centre was designed as an incubator for new ideas and opportunities designed to offer the market more sustainable

products made from recycled and recyclable materials.

The Innovation Hub empowers us to put all the equipment, human resources and expertise concentrated in the centre at the service of the entire value chain. This means that the centre is an open facility where cooperation between GCR's partners, suppliers and customers is encouraged.

THE MOST NOTEWORTHY ADVANCES IN INNOVATION FOR 2022 CAN BE OUTLINED INTO TWO AREAS:

- Our broad portfolio of recycled materials is now coupled with the **ISCC certification** for the content of sustainable materials in our products.
- At the process level, our main work has focused on the design and definition of all the facilities of the Castellet plant, which will be one of the largest mechanical recycling plants in Europe. With this goal in mind, we have scheduled the implementation of an automated optical sorting system for materials and a zero-discharge treatment facility, which is expected to be operational by 2024.



Our goal is to move towards full circularity and to undertake future actions focusing on the decarbonization of the industry.

In 2022, we invested €18.5 million in state-of-the-art equipment to improve our processes. We anticipate a total investment of €100 million by 2025.

Co-creation space

Innovating

Discover new ideas

R&D Expertise

Sustainable material science

WE ALSO PARTNER WITH NUMEROUS EXTERNAL KEY PLAYERS:

- Universities:** We partner with several universities, including the Pompeu Fabra University, in the Industrial PhD programme (UNESCO department) and on academic and applied projects, and the Polytechnic University of Catalonia, on specific target projects.
- Industry organizations** and key industry players such as machinery manufacturers to analyse the possibilities of streamlining production resources.
- GCR is a member of **Operation Clean Sweep**, a voluntary international initiative for responsible management in the plastics industry focused on implementing good cleaning and pellet handling practices, preventing any plastic particle (pellets, flakes, power) losses into the environment which may occur involuntarily during any stage of the plastics value chain.
- Raw material and equipment suppliers, to jointly promote innovation.
- Industry associations:**
 - Plastics Recyclers Europe, Europe's plastic recycling industry association
 - ANARPLA, the National Association of Plastic Recyclers
 - ANAIP, the Spanish Association of Plastic Converters
 - Packaging Cluster, Catalonia
 - The Catalan Waste Recovery Association
- Technology centres**
 - AIMPLAS, Technological Institute of Plastics
 - ANDALTEC, Technological Centre for Plastics
 - ITENE, Technological Centre for Packaging, Transportation and Logistics



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Corporate Governance

Corporate governance structure 2022

At GCR we want to make progress in all areas of sustainability, including corporate governance.

In a very short period of time, we have transformed ourselves from a family business into industry leaders with a strong international outlook. Aware of the immense challenge this represents in numerous areas, we are working to meet the highest sustainability standards required of large international corporations in the medium term. To do so, we have implemented a series of initiatives that include this second 2022 annual sustainability report; the systematic collection of data and performance indicators; and the standardization of certification processes.

All of this is driven by a senior management team that believes firmly in sustainability and the contribution

that GCR can make to society in this area. Therefore, the next steps in terms of governance, as a cross-cutting pillar in the field of sustainability, will be to standardize processes, ensure transparent accountability and ethical behaviour and promote respect for human rights throughout our value chain.

Internally, and in a bid to ensure best practices and ethical standards, in 2022 we implemented the Code of Ethics that we had drafted in 2021, and also established committees for Innovation, Commercial, Industrial, and Sourcing/Operations. Additionally, we introduced a harassment protocol and a whistleblower channel available for reporting incidents and enforcing this code.

One of our goals for 2023 is to draw up an Equality Plan. Although we are not legally required to do so, we consider it a priority for GCR.



Quality



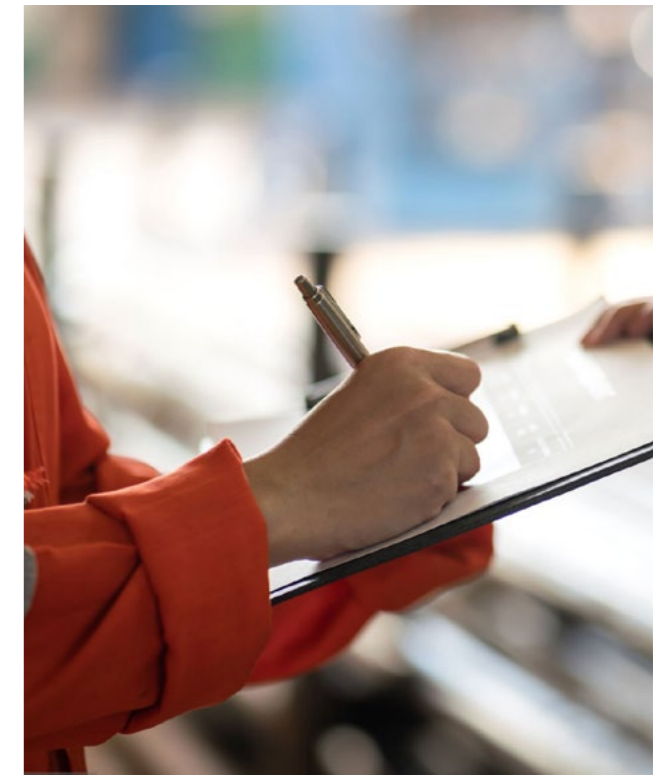
In response to our organization's substantial growth and transformation, we are actively changing our corporate mindset to enhance operations. The Quality Department is leading the adoption of 'Systems Thinking,' encouraging a shift from individual tasks to a holistic system perspective. This approach aims to make us more efficient and to ensure that our internal processes become more sustainable and mainstream. It promotes cross-functional thinking and a process-oriented mindset.

In line with fostering a culture of Systems Thinking and with the aim of continually growing and transforming our processes, we've undertaken various projects in 2022. For example, have carried out a complete review of the organization's process workflows in order to update them based on the new business operations. We have also installed a new computerized document control system that facilitates the flow of information. The system enables the collection of online signatures in the event of a procedural change and ensures the subsequent dissemination of the information to all work areas.

At GCR, we perform internal and external audits to meet the requirements set out in the ISO 9001 quality management and the 14001 environmental management certifications.

We produce high-quality recycled material to the highest standards and comply with the UNE-EN 15343 standard, which ensures that the batches of recycled material we receive can be traced back to origin. The recycler is also required to provide a characterization report before they can become a part of the production chain.

We also work in line with the requirements of ISO 45001 certification (occupational health and safety) and during this year we have undertaken actions towards obtaining IATF 16949 certification (quality management system requirements for producers of automotive and replacement parts). In 2021, we launched a MOC programme (Management of Change) to adapt our processes and identify any necessary changes,



Quality is not an option; it is one of our cornerstones. Our sustainable solutions perform at the similar level as virgin plastic.

analysing their potential impacts and assessing their alignment with our organization's values. This year, we have continued to work on the MOC, and in 2023 we plan to implement it in four different areas (commercial operations, industrial and the innovation centre) and progressively extend it to the rest of the organization.

Lastly, GCR is also part of the European platform for monitoring the use of recycled material and boasts the MORE (Monitoring Recyclates for Europe) seal. Each year, the recycled material we use to manufacture our products is registered, thereby certifying our organization's commitment to the circular economy.

In 2022, due to the implementation of the new strategic plan, the role of digitalization and standardization of processes has been key for GCR. The new corporate strategy is focused on obtaining exponential growth through operational excellence. For this reason, the main objectives of the IT department are the redefinition of processes, the search for a solid system and work in all areas to achieve continuous improvement and optimize operational workflows for enhanced efficiency.

DURING THIS YEAR WE HAVE INITIATED AND CARRIED OUT DIFFERENT INITIATIVES INCLUDING:

- ▀ The creation of the pillars of digitalization. We have identified 35 projects to be carried out during 2023 and early 2024.
- ▀ Launch of a digitalization process. The main goal of this process is to comply with our zero paper policy for 2023-2024. Likewise, the digitization of documents in all departments will help us enhance organizational efficiency and reduce operational errors. In 2022, we started this process in the customer service and finance department, achieving a totally residual use of paper through the complete digitization of all processes and documents. Our goal for 2023-2024 is to be able to implement this objective in other GCR departments.
- ▀ Launch of our website with a new design, along with new features and measurement capabilities to boost digital marketing and adapt to new technological methods, thus improving our customer relationship management.
- ▀ Creation of the Business Intelligence (BI) Project to standardize GCR's reporting, thereby achieving better access to all the organization's data for combining and obtaining relevant information for decision-making.

Moreover, to safeguard confidentiality, security and business continuity we have undertaken different actions this year in cybersecurity that have been coordinated in their entirety by our IT team. In our roadmap on cybersecurity, we have set ourselves the objective of creating an Information Security Management System aligned with ISO 27001 along with external audits performed by experts in the field of information security. Finally, as it is a relatively new topic within the company, we carry out employee training to ensure their proper understanding of the subject.



Membership of industry associations

OUR ORGANIZATION BELONGS TO SEVERAL INDUSTRIAL ORGANIZATIONS:

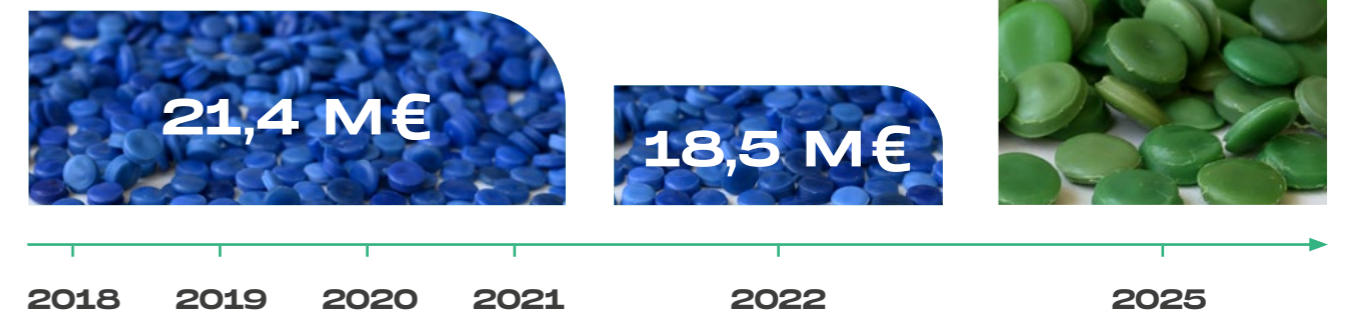


Financial information

Our capital expenditure for the past 5 years amounts to €40 million. In 2022 alone, this figure reached €18.5 million and will continue to rise exponentially until it hits €100 million in 2025.

We believe it is crucial to build connections with financial institutions that prioritize ESG values in their business relationships. These entities are CaixaBank, Banco Santander, Banco Sabadell and Banco BBVA.

Our plan is set to increase investment to €100 million in line with the company's expansion strategy.





4

our
people

Our employees

At GCR, we are committed to people and believe that they are key to our organization's success. We strive to foster long-term relationships based on trust with our employees, customers, suppliers and society.

Our team

At GCR, we have increased our production capacity in recent years, resulting in a demand for people with new skills and organizational talent.

This growth has made us aware of just how important managing and retaining talent is to an organization like ours. We are currently developing a series of programmes and initiatives designed to strengthen our team and help improve our employees' work-life balance.

Our team currently includes people of **24 different nationalities**, with different genders, ages, generations, cultures, religions and educational backgrounds. When it comes to recruiting new staff, it is vital for us to strike a balance between young talent, diversity and experience.

At our organization, all employees are on full-time contracts. In terms of gender diversity, 28% of our workforce comprises women. We are committed to further attracting female talent to the company, especially considering the sector in which GCR operates.



Our goal is to continue to make the workplace somewhere people can grow and develop their careers, a place where they can give their very best. As a result, we believe in taking care of and reinforcing our team, and with this in mind, we organize a number of activities for our employees:

- We have launched several initiatives, such as the **GCR Club Sports & Community**, which is highly popular among our employees and through which we promote socializing between the different people that make up our organization.
- At GCR, we offer our staff **training** of different types and levels (master's degrees or other training courses) to cover the company's needs and promote the personal fulfilment and growth of our employees. The company also supports employees who have completed their vocational training with job internships in our various departments.
- As an organization, we prioritize the commitment and purpose that employees bring to their tasks. For this reason, in 2022 we have implemented **surveys** that measure organizational well-being as well as webinars with the objective of identifying GCR's purpose with that of the employee. With these initiatives, we aim to instill a culture that prioritizes conscious communication among employees, fosters inclusiveness, encourages creativity and innovation, nurtures self-confidence, recognizes the importance of change, and values emotional intelligence.

Health and safety

At GCR, we believe that a strong culture of health and safety is the foundation for sustainable operations. Our employees are our most valuable assets, and their safety is our top priority. Thus, our primary goal is to implement actions aligned with our zero-incident policy to establish a cultural transformation in which safety becomes an essential part of our day-to-day operations.

To foster a culture of safety, we promote ongoing health and safety awareness and training within our organization. Our employees have the option to sign up for medical insurance.

In 2022, we continued to evaluate and monitor accident frequency and severity indicators, which allow us to obtain weighted results on the number of lost-time accidents and their duration. We have also added leading indicators that allow us to prevent risks, correct situations and solve problems before they have a negative impact. For this reason, we have launched a power app that functions as a system for channelling preventive communications and accident notification.



271
employees



28%
women in our workforce



193
average training
hours per employee



↓50%
reduction in
non-lost-time accidents
compared to 2021

Our goal is to achieve zero annual incidents.



KEY HEALTH AND SAFETY ASPECTS IN OUR ORGANIZATION:

- All job positions are assessed.
- An analysis is made after each accident to prevent it reoccurring.
- In the event of an accident alert, an emergency procedure is triggered, automatically sending a questionnaire to all individuals involved to assess how the situation was handled.
- Employee OHS (Occupational Health and Safety) training is provided on the day they join the company, with additional training scheduled two weeks later.
- The Safety Committee meets every month, addressing matters concerning all business units.
- The OHS training needs for the team are continually reviewed in team meetings.

MEASURES TO ENSURE A HEALTHY WORK–LIFE BALANCE AND WORKING CONDITIONS:

At GCR we strive to create a balance in the working conditions for in-plant employees and office employees.

Because our facilities operate 365 days a year, in-plant workers have less flexibility in their schedules. However, for our office employees we have instituted a policy giving them the option of one day of remote work.

As an organization, we are committed to creating the best possible working environment for our employees.

We offer coaching programmes for those employees who need it.

Additionally, when a new employee is hired, there is an onboarding period that lasts up to 3 months depending on the job position. The employee receive general training at the company level and also at a more technical level for the area in which they will be working. We give special importance to this process as we believe it is crucial to ensure a good employee/company fit to boost performance.



Talent

We know that managing and retaining talent is a challenge, and we want to be ready for it. We are currently developing a series of programmes and initiatives aimed at strengthening our team and creating an even better working environment, and as a consequence, a better quality of life for our employees. We believe that this is the way forward to meet our goals.

At GCR, we hold each of our employees in **high regard** and are committed to cultivating a culture that empowers every individual with constructive feedback, essential tools, and opportunities to pursue their career aspirations. We take pride in the fact that 100% of GCR employees receive regular performance evaluations. Employees have the opportunity, at least twice a year, to engage in career development discussions with their managers as part of the performance appraisal process. The outcomes of our Performance Management processes serve as a compass, steering the evolution and improvement of our learning initiatives, aimed at fulfilling the strategic skill-building requirements of our dedicated employees.

The employee absenteeism rate was 3.70% in 2022, which is half that of the chemical industry, which recorded a rate of 6.6% in Spain during the same year.

In 2022, we have started to develop the **talent programme**, an internal programme focused on enabling employees to take on responsibilities and continue to grow in their professional careers. This project also seeks to leverage the talent of employees, both within and outside their department. This programme is implemented through continuous assessment, which measure employee performance and is carried out by both the employee's manager and the employee themselves.

We are working to sign **dual training framework** agreements with educational institutions to recruit and train people from vocational training courses.

At the core of our talent pool, 'Our People Make the Difference' reflects our commitment to harnessing the unique skills, and diversity, driving positive change for a sustainable future.



Our customers

We have a close and attentive relationship with our customers, and we know that offering them the best products on the market is key to a long-term relationship. We therefore consider it essential that our business works to reduce our customers' material and energy consumption by developing more efficient plastic materials.

In 2022 we improved our **claims management** process, categorizing each of claim to improve GCR's response and combining all inputs in online central databases to streamline and visualize any claim management. Even so, our plan for the coming years is to renew and update this categorization according to customer needs.

To improve our customer experience, we have decided to launch an annual customer satisfaction survey starting in 2023. Furthermore, to ensure a high quality service we have hired people in the department who speak six different languages: English, French, German, Portuguese, Italian, Spanish and Catalan. In addition, we have two people for the languages in which we have more customers.

The greater thermal conductivity of the minerals that our products contain enables them to be heated and cooled using less energy, which translates into lower energy consumption.

We use materials that help balance the consumption of virgin polymer and prevent the excessive use of petroleum-based resources and non-renewables, with the benefits this entails for those involved and the environment in general.

To ensure the safety and health of our customers, and to stay up to date with any regulatory new trends, we have created a Regulatory Affairs department. This ensures that our materials are shipped correctly, together with a safety sheet in which the customer is informed of the properties of the product and of any other customer requirements.

In a high regulated environment such as ours, the Regulatory Affairs department allows our organization to stay ahead of any changes that may impact our stakeholders.

Our suppliers

Our organization not only believes in the importance of prioritizing local suppliers, but also fosters a long-term, quality and trusting relationship with each of them. It is also vitally important to us to maintain an environmentally responsible value chain, in line with GCR's core principles and values.

It should be noted that during this year 2022 we have implemented Sales and Operations Planning, a mechanism that enables us to align the entire supply chain, from purchase to sale. This has allowed us to anticipate, organize and plan demand in the face of possible difficulties and to lower production accordingly in order to avoid negative consequences in terms of costs.

Our goal is to work with local suppliers, to help reduce our environmental impact while generating a positive impact on our immediate community. That is why most of our suppliers are either domestic or European. Therefore, most of our purchasing volume comes from local suppliers.

To guarantee we select suppliers under the highest standards, all of our suppliers are assessed using the Informa risk assessment platform, enabling us to evaluate the risks associated with our suppliers' business models and activities and verify their financial health. In addition, during the year 2022, we have been working on the development of a supplier code of conduct, which will come into operation at the end of 2023.

Moreover, to ensure the correct implementation of ISCC Plus certification, we are committed to signing a commercial agreement with our suppliers that establishes the minimum sustainability requirements and ensures a list of sustainable suppliers.

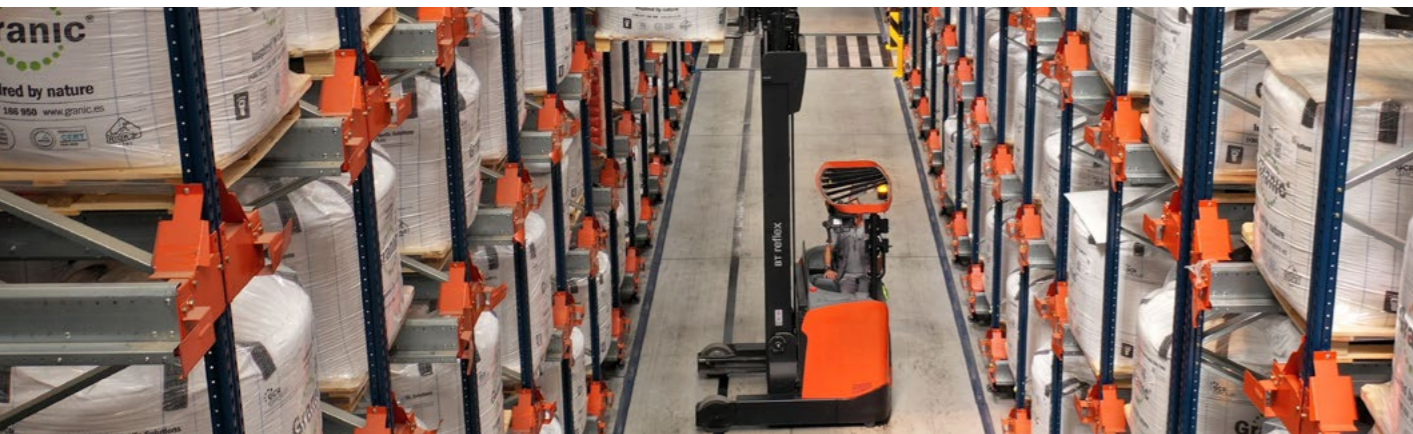
Transportation

At GCR we move thousands of loads per month and transport our product to more than 80 countries. We transport through three routes: intermodal, maritime and land; avoiding air transport completely.

The main challenge that our organization faces in terms of logistics and sustainability is the application of ESG criteria in the selection of transport companies.

As a company, we want to offer the best service to our supply chain, and this directly involves taking care of our most strategic partners. For this reason we formalize long-term contracts to secure the continuity of our partners with the aim of maintaining a closer relationship with them to ensure that they meet the ESG criteria that we prioritize.

Together with the IT department, our short and medium term objective is to implement new software to optimize routes. With this technology we want to obtain an exact measurement of the CO₂ emitted by our partners and thus find the most appropriate solution that allows us to reduce emissions and costs.



Relations with the community

Our organization endeavours to strike a balance between environmental protection, economic growth and social wellbeing. In line with our values, at GCR we are involved in several charitable and community causes.

- This year, we would also like to highlight the funds we have raised in support of people and families affected by the war in Ukraine. This donation was managed through the [UN High Commissioner for Refugees \(UNHCR\)](#).
- Each year, we send teams and sponsor [OncoTrail in Girona](#). This also gives us the opportunity to strengthen our internal relationships with group activities.
- We donate to the [Tarragona Down Syndrome Association](#), focused on improving the quality of life of those with Down syndrome and other intellectual disabilities and help them become an active part of society.
- The [AFIM](#) Foundation is dedicated to providing comprehensive support to individuals with disabilities. They aim to promote their normalization and inclusion in personal, work, and social spheres through a holistic intervention, addressing various aspects and preventing inequality.
- [CardioDreams](#) is a non-profit organization aiming to perform heart operations on people without resources from developing countries, promote cardiovascular health prevention projects for women, and carry out training in cardiovascular surgery.





5

Embracing the environment

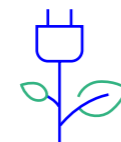
Minimizing the environmental impact: Key initiatives

At GCR we are committed to replicating the circular model of nature. We have taken significant steps, including the strategic acquisition of a recycling plant in Castellet i la Gornal, to make our factory a leading facility in Europe. We are investing in processes, capabilities, and water treatment to excel in mechanical recycling.

Our ISO 14001 environmental management system, in place since 2010, ensures the responsible use of resources and a reduction in carbon emissions. This certification reflects our dedication to environmental responsibility and complements our sustainability efforts.

We firmly believe in our responsibility to move towards a circular economy that will help us address the pressing global challenges we face today and which are set to intensify in the near future

Energy efficiency



We use **our own patented low-energy technology (Irtion)** at our production centres.

For 2022:

- Align our corporate carbon footprint with **PAS2060**
- Obtain **OCS (Operation Clean Sweep) certification** for all group plants.
- The initiation of energy self-supply through the photovoltaic generation system in 2022 is aimed at achieving the consolidation of up to 100% of the useful covered area of the facilities in La Bisbal by 2023.

Consumption of materials and raw materials

In 2022, we implemented or kept maintaining the following actions to promote the sustainable consumption of materials and raw materials:

- We **prioritize the purchase of raw materials in bulk** to avoid over-packaging.
- We **recover plastic materials** that are already in **circulation or from the packaging of the materials we receive**, converting them into **raw materials for Ciclic's products**, thus achieving **zero waste**.
- We **ensure a balanced consumption of petrochemical compounds**. We use materials that help balance the consumption of virgin polymer and prevent the excessive use of petroleum-based resources.
- We work to make our **packaging more sustainable** by optimizing and re-engineering it.
- We calculate the **carbon footprint of our products** in accordance with the **PAS 2050 Carbon Footprint Verification** specifications

Most of the environmental impact from GCR Group's corporate activities is focused on Scope 3, which is outside the company's direct control. This is mainly due to the use of green electricity (resulting in a negligible impact in Scope 2) and the limited sources of fossil fuel emissions identified within the organization.

Carbon Footprint

The calculation of the Carbon Footprint considers both direct emissions (from sources/operations that are owned or controlled by the organization) and indirect emissions (emissions resulting from the activities of the organization, but are not owned or controlled by it).

To facilitate the identification of direct and indirect sources, these are analysed based on 2 scopes:

- Scope 1:** Direct Emissions. These are emissions that come directly from activities like burning fuels in boilers, furnaces, vehicles, etc., which are owned or controlled by GCR. It also includes accidental emissions, such as leaks from air conditioning or methane leaks from ducts, for example.
- Scope 2:** Indirect Emissions from Electricity. This category covers emissions resulting from the electricity the organization purchases and consumes, even if it is generated elsewhere.

	TN CO ₂
Scope 1	296
Scope 2	151



6

Materiality analysis

Materiality Analysis

In line with the evolving reporting requirements, GCR has undertaken a dual materiality analysis process with the aim of prioritizing sustainability topics encompassing environmental, social, and governance (ESG) aspects that are relevant from both financial and impact perspectives.

GCR's dual materiality analysis process has been conducted in accordance with the guidance provided by the European Financial Reporting Advisory Group (EFRAG) and the Global Reporting Initiative (GRI).

GCR's dual materiality analysis process has included a benchmark analysis involving industry peers and companies within the same sector as GCR. Additionally, input from stakeholders closely associated with the organization has been collected through surveys.

Furthermore, the outcomes of an interactive online session have been factored in, attended by individuals with significant responsibilities within the organization. During this session, potentially relevant topics for GCR were evaluated from both an impact perspective, assessing GCR's influence on the identified topics, and from a financial perspective, evaluating how these topics could affect GCR's positioning and economic value.

In addition to the above, a global risk analysis has been taken into account, drawing upon the 2023 report published by the World Economic Forum. Sector-specific risk analysis has also been conducted using the Risk Horizon tool, which identifies risks based on the industry and country of operation.

Material sustainability topics

Double materiality matrix

The topics that were evaluated and prioritized during the process, as well as the final materiality matrix, are shown below.



- | | |
|---|---|
| 1 Governance | 12 Biodiversity |
| 2 Ethics / Anti-corruption and business integrity | 13 Waste management |
| 3 Responsible supply chain management | 14 Climate change / Emissions |
| 4 Data protection and cybersecurity | 15 Circular economy |
| 5 Occupational health and safety | 16 Customer health and safety |
| 6 Quality of employment | 17 Quality of products and services |
| 7 Diversity and equal opportunity | 18 Innovation with environmental criteria |
| 8 Training and talent management | 19 Design and product life cycle management |
| 9 Efficient materials management | 20 Social contribution + Involvement in local communities |
| 10 Energy | 21 Clarity in relationships + relationship and engagement with stakeholders |
| 11 Water | |

As a result of the process, the following issues have been identified as the most relevant for GCR:

LABOUR PRACTICES

- Occupational Health and Safety

PRODUCTS AND SERVICES

- Customer Health and Safety
- Innovation with environmental criteria
- Design and product life cycle management

Our stakeholders

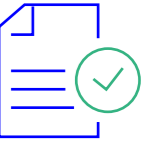
During the double materiality analysis process, a comprehensive examination of GCR's stakeholders was conducted. The image below shows the identified stakeholder groups. Among these, input has been sought from employees, suppliers, customers, and associations.





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About the report



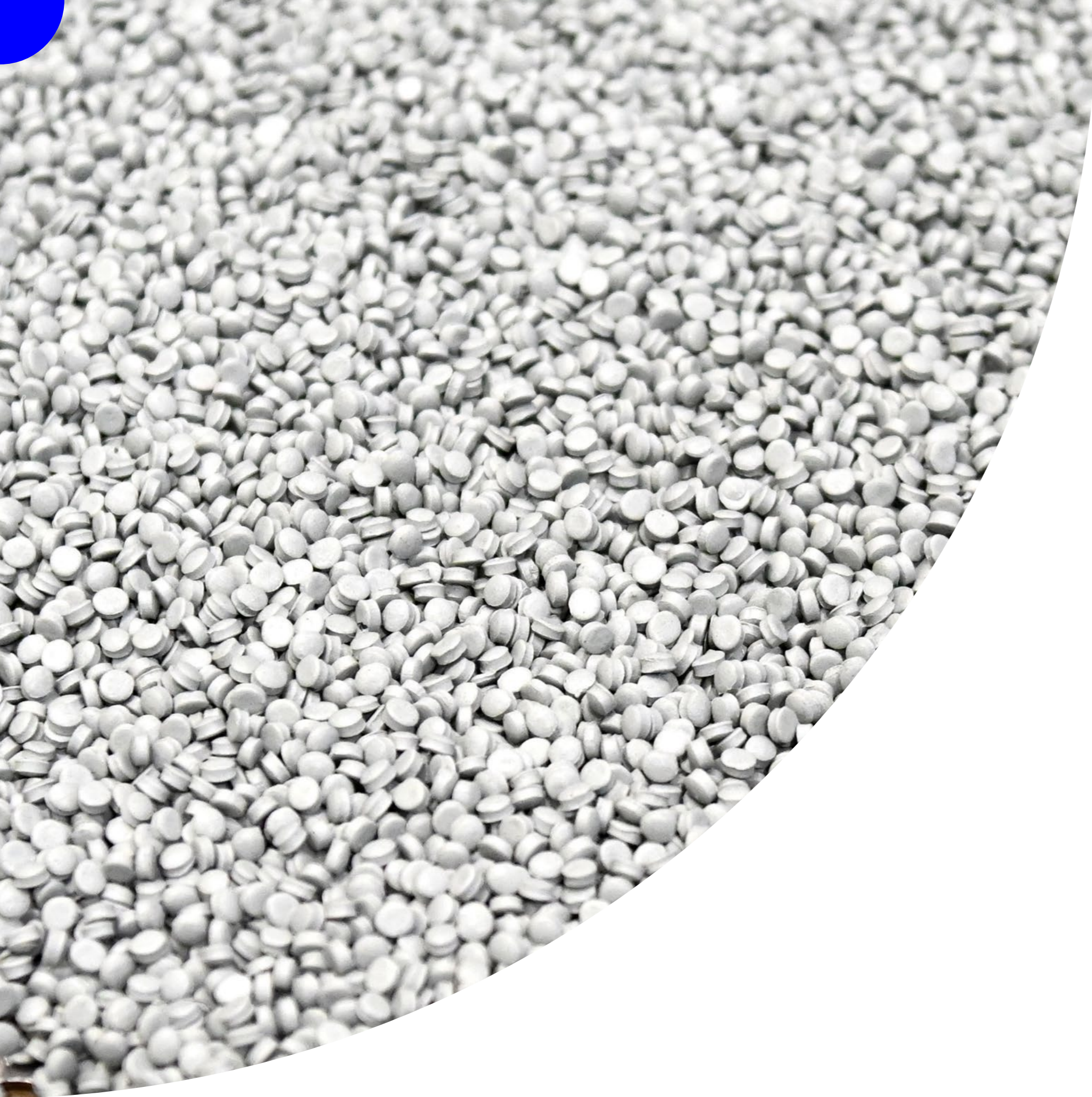
GRI reporting standard

This report has been prepared following the international reporting standard of the Global Reporting Initiative (GRI), which is based on four fundamental principles: comparability, reliability, materiality, and relevance. These principles ensure the comparability of the information, facilitating the assessment of our impacts over time and in relation to other organizations.

Lastly, it is worth noting the exercise carried out in the materiality analysis in terms of presenting information in the broader context of sustainable development, in which we focus on the most relevant aspects for our operations and society at large. These principles guide our approach to non-financial information disclosure.

This report compiles non-financial information from GCR, covering the period from 1 January 2022, to 31 December 2022. It reflects our commitment to improving our management processes by driving GCR's strategy and identifying new opportunities for improvement in the short and medium term. Additionally, in our ongoing effort to contribute year after year to sustainable development, we continue to work on implementing our roadmap based on four pillars: **TALENT, INNOVATION, ENVIRONMENT,** and **PERFORMANCE.**

This report serves as an annual update for our internal and external stakeholders, demonstrating our progress in relation to our sustainability goals and activities.



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GRI Content Index

GCR has prepared this report in accordance with the GRI Standards for the period from 1 January, 2022 to 31 December, 2022.

GRI	Reporting criteria	Paragraph in memory / direct answer
GENERAL DISCLOSURES		
GRI 2	The organization and its reporting practices	
2-1	Organizational details	GCR Plastic Solutions Group, Sociedad Limitada Calle Major, 32 - P. 2 PTA. 1 DESPACHO UNION, Terrassa, 08221, Barcelona
2-3	Reporting period, frequency and contact point	About the report pg. 50
2-6a	Activities, value chain and other business relationships	Our business units pg. 21
2-7	Employees	Our employees pg. 35
2-9a	Governance structure and composition	Corporate governance structure 2022 pg. 27
2-22	Statement on sustainable development strategy	Letter from the Managing Director pg. 9
2-27	Compliance with laws and regulations	In 2022, we have not incurred any fines or sanctions for non-compliance with regulations.
2-28	Membership associations	Membership of industry associations pg. 31
2-29	Approach to stakeholder engagement	Materiality Analysis pg. 47
2-30	Collective bargaining agreements	pg. 35



GRI	Reporting criteria	Paragraph in memory / direct answer												
ABOUT THE REPORT														
3-1	Process to determine material topics	Materiality Analysis pg. 47												
3-2	List of material topics	Materiality Analysis pg. 47												
LABOUR PRACTICES TOPICS														
GRI 403	Health & Safety at work													
3-3	Management of material topics	pg. 48												
403-5	Worker training on occupational health and safety	pg. 36												
403-9	Work-related injuries													
		<table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Number of accidents with sick leave</td> <td>3</td> <td>6</td> <td>4</td> </tr> <tr> <td>Number of accidents without sick leave</td> <td>20</td> <td>10</td> <td>22</td> </tr> </tbody> </table>		2022	2021	2020	Number of accidents with sick leave	3	6	4	Number of accidents without sick leave	20	10	22
	2022	2021	2020											
Number of accidents with sick leave	3	6	4											
Number of accidents without sick leave	20	10	22											
PRODUCTS AND SERVICES TOPICS														
GRI 416	Consumer health & safety													
3-3	Management of material topics	In 2022, there have been no incidents of non-compliance related to the health and safety impacts of products and services.												
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainable innovation pg. 23												
NO GRI	Innovation with environmental criteria													
3-3	Management of material topics	Sustainable innovation pg. 23												
	Economic investment in innovation	Sustainable innovation pg. 23												
	Workforce dedicated to innovation	Sustainable innovation pg. 23												
NO GRI	Product Design and Product Lifecycle Management													
3-3	Management of material topics	Sustainable innovation pg. 23												

