

Annual Sustainability Report

2023



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Managing Director

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environment

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Key data from 2023



Talent



+300
employees



+3,000
training hours



24
different nationalities in our teams

Innovation



Introduction of **new capabilities** to boost production and scale product manufacturing.



40
employees working on innovation



+15 million
euros of investments in R&D and technology to improve our processes and products

Environment



100%
green energy – certified guarantee of origin



11 years
as pioneers in carbon footprint calculation



246,600
Tonnes of CO₂ emissions saved to our customers thanks to our solutions

Excellence



Sales in **90** different countries



Working on commissioning our **Recycling plant for 2024** in Castellet and La Gornal.



6
Supporting 6 NGOs and social communities, with 3.5 times more contributions than last year.

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Letter from the Managing Director



In 2023, sustainability has remained at the heart of GCR's mission, driving every aspect of our business operations. Our growth and development are deeply intertwined with our commitment to promoting a circular economy, and adhering to sustainable development principles. We continue to prioritize minimizing our environmental footprint, managing waste efficiently, and preventing pollution with our innovative sustainable solutions.

Recent global challenges, such as the intensifying climate crisis, emerging environmental regulations, and economic fluctuations, have underscored the urgent issues we face as an industry and as a society. Responsible management and our collective role in fostering a sustainable future are more critical than ever.

2023 has marked a year of significant advancement for GCR. We have solidified our leadership in the international sustainable recycled plastics and masterbatch sector as we expand our international market presence, particularly reinforcing our footprint in Europe.

Sustainability is at the core of GCR in all areas of our business operations. As a result, our organization's growth and progress have been driven by our commitment to fighting climate change, promoting a circular economy in our supply chain and upholding the principles of sustainable development. In addition, we are firmly committed to reducing the environmental impact of our activities, effectively managing our waste and proactively preventing pollution, all through the implementation of our innovative sustainable solutions.

The evolving market regulations pose new sustainability challenges for our customers. At GCR, we are dedicated to addressing these challenges through superior quality and by enhancing the number of certifications that assure traceability and reliability for our clients. These include ISCC+, Operation Clean Sweep, and more.

We installed solar panels on our La Bisbal warehouse roofs, reducing supplier energy consumption by 9.2%, demonstrating our commitment to renewable energy and improving energy efficiency.

We have strengthened our Innovation Hub capabilities with key talent and expertise. Our activity is built on four fundamental pillars: Innovation, Talent, Environment, and Excellence. We are excited to highlight the construction of our new plant, primarily focused on post-consumer recycled polyolefins, which will become operational in 2024. With a capacity of 100,000 tonnes per years, this facility will be one of the top leading recycling plants in Europe and represents a significant step forward in our sustainability journey.

Looking ahead, GCR is committed to building strong partnerships with our stakeholders, aligning our values, and enhancing the value we deliver across our production chain. This dedication is encapsulated in our core principle: "Innovating for a sustainable tomorrow."

In conclusion, I extend my deepest gratitude to all the individuals and organizations that are vital to GCR's operations and growth. Your contributions enable us to thrive and work towards a brighter, more sustainable future for everyone.

Joan Prats
GCR Managing Director



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About GCR

The essence of GCR

About us

Our organization, under the brands **CICLIC®** and **GRANIC®**, develops and produces high-quality, environmentally efficient materials. CICLIC® focuses on recycled-based plastic materials, while GRANIC® specializes in masterbatches made from recycled polyolefins, (rPP and rPE), polyethylene (PE), polypropylene (PP), polystyrene (PS), and other biobased, biodegradable and compostable thermoplastics. These masterbatches are crafted from calcium carbonate, talc, and silica derivatives.

In 2023, we replaced the use of virgin plastic in our products, helping to reduce our customers' emissions by a total of 246,600 tonnes of CO₂.

Our products help reduce our carbon footprint due to the low emissions associated with most of our raw materials and our efficient production processes. These factors are crucial in achieving a lower overall carbon footprint. Our raw materials are mainly minerals obtained from natural sources that are not easily depleted, as well as plastic recycled from post-consumer and pre-consumer waste. Our company uses green energy sources. 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 an outstanding global presence by marketing its products in more than 90 countries.

We strive to be an industry benchmark and advance in creating more, higher-quality products that significantly contribute to a circular economy.



Global reach

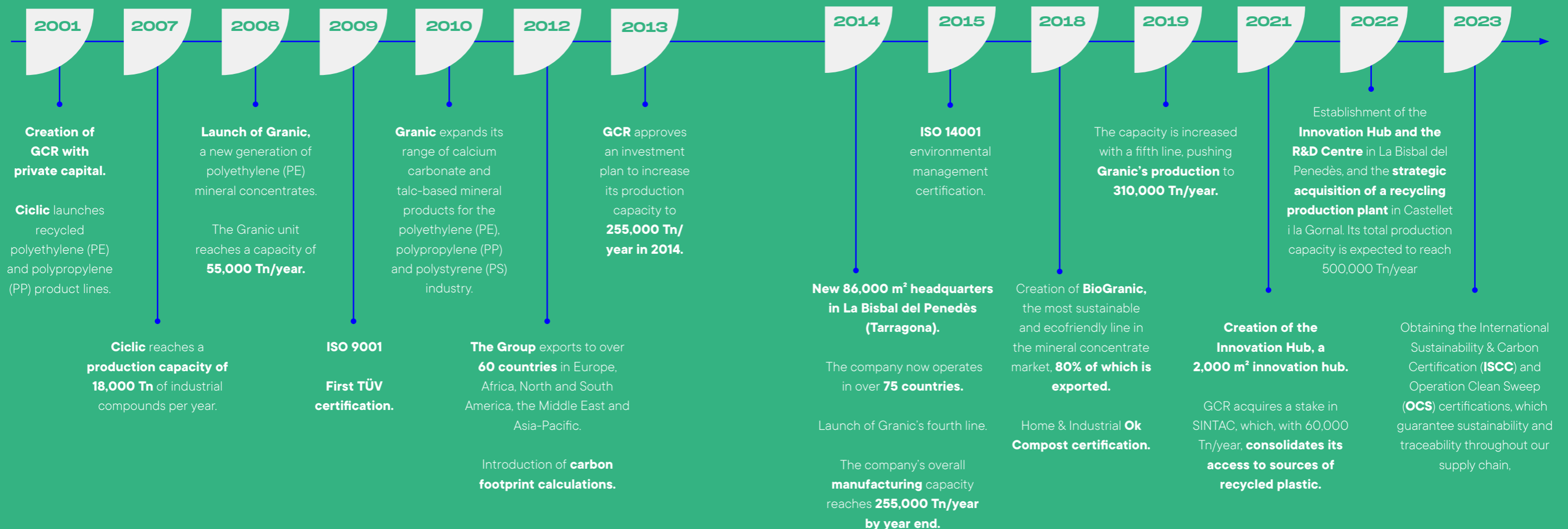
GCR currently has four major production plants: two at our facilities in La Bisbal del Penedès (Tarragona), which together amount to 43,000 m²; a 6,000 m² plant in Barberà del Vallès (Barcelona); and the new 100,000 m² facilities in Castellet i la Gornal (Barcelona), which are set to become operational in 2024.

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

Over the course of 2023, we have strengthened our position in the European markets.

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.

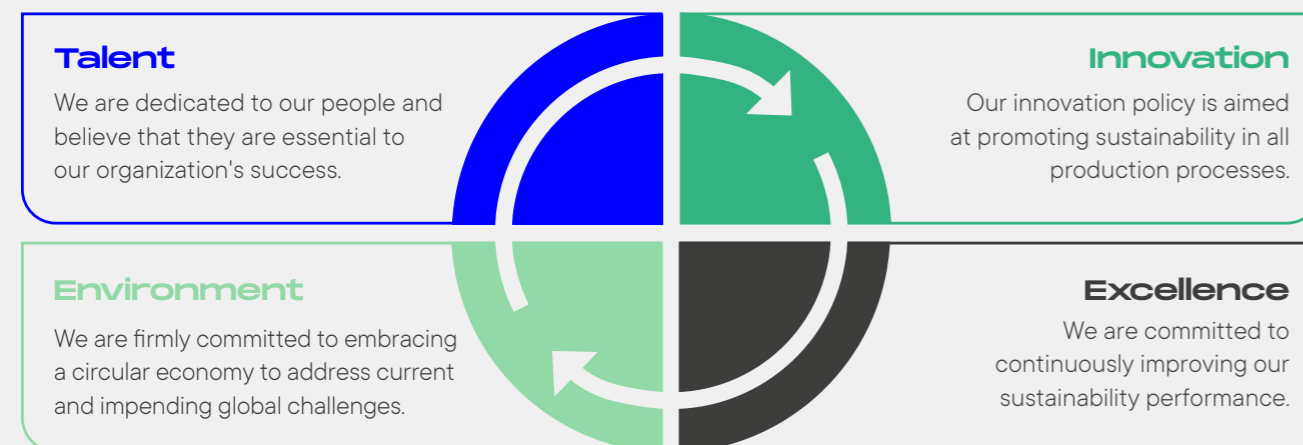
- Determination:** We are nonconformists, act with courage, and meet our commitments to advance and support the success of our customers.
- Collaboration:** Teamwork and synergies with our customers and suppliers are essential to create shared value.

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 based on four pillars: Talent, Innovation, Environment and Performance. In 2023, we continue to implement and enhance the sustainable development approach as an integral part of our organization.

PILLARS	ACTIONS AND GOALS FOR 2024/2025
TALENT	<ul style="list-style-type: none"> Develop training and performance processes and consolidate the Talent Committee. Expand flexibility and work-life balance measures.
INNOVATION	<ul style="list-style-type: none"> Enhance innovation and value creation processes, concurrently bolstering technical training. Development of new material families for Automotive or Technical Applications, and the acceleration of innovation, incorporating the needs of Brand Owners to achieve their sustainability goals.
ENVIRONMENT	<ul style="list-style-type: none"> Achieve 9.2% of plant solar self-consumption and increase PPAs with local green energy. Continue reducing ordinary waste with the goal of reaching zero in the future. Implement water footprint control at Castellet plant, with real-time monitoring and water recovery.
EXCELLENCE	<ul style="list-style-type: none"> Achieve operational excellence in all areas, focusing on improving productivity and agility while fully aligning our procurement activities with our real needs. Reduction of the accident rate by -20% with regard to 2023. Fully implement the zero-paper policy, digitalizing documents across all departments. Total implementation of the Cybersecurity Action Plan (Wave 1 & 2).



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 have specified the SDGs on which, due to our activities, we can focus, as we have a greater capacity for impact, particularly SDGs 7, 8, 9, 11, and 12. These goals prioritize the promotion of industry, innovation, sustainable cities, and responsible consumption and production.



Corporate activity

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.

Our business units



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 in Castellet i la Gornal (Barcelona) is fully commissioned by 2024.



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:

- Post-Consumer and Pre-Consumer materials.
- Offers products with a **Life Cycle Assessment (LCA)** and **carbon footprint certification** that can be up to 90% 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
- High-quality raw materials.
- In 2024, the CICLIC® plant will obtain full certification to European standards and undergo RECYCLASS auditing, conforming to EN15343:2007 for the traceability of plastic waste within a recycling process and includes a declaration of the percentage of recycled content (both pre-consumer and post-consumer) in recycled products.



BENEFITS:

- Improves mechanical properties such as impact strength and tear and puncture resistance by selecting the most suitable minerals and polymers for each application.
- Granic can also achieve excellent performance in applications that require cavitation agents or breathable features.
- **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. The thermal conductivity also decreases the need for energy when processing plastic, which is why GRANIC® masterbatches customers consume less energy.
- Reduces pigment consumption.



Sustainable innovation

Our product range results from a comprehensive innovation policy to promote sustainability in the production of mineral masterbatches and recycled plastic. All our **R&D** investments are focused on developing more sustainable and environmentally friendly products, collaborating with leading brands to extend the product life cycle and prioritizing eco-design to promote circularity.

To achieve these goals, we developed more than **17 new innovative products** and performed **215 in-house services** in our laboratory and pilot plant, including testing and validation. We used the pilot plant machines for more than **2,000 hours** for testing and collaborated with our customers on more than **25 custom tests** to fine-tune and validate their products or processes.

In 2023, the **Innovation Hub** consolidated its structure and team, increasing the product innovation workforce by **50%**, becoming a strategic pillar for the company. This growth was accompanied by significant improvements in technical capabilities, such as compounding, injection molding and the production of highly functional additives. These activities, carried out on a laboratory and semi-industrial scale, provide crucial tools for creating solutions.

Additionally, the Innovation Hub undertook four projects: three nationally under the **Nuclis Green call** for Climate Change and Waste, and the first European project, **PROSPER**, aimed at developing an **AI-assisted** sorting system for bio-based polymers.

In 2023, GCR continued entering data into the **RIGK system**, a German system for organizing the national recovery of packaging and plastics, managing recycling in accordance with German regulations.

We also obtained the **AENOR** certificate for traceability and characterization in plastic recycling, in accordance with UNE-EN 15343:2008, for all our Ciclic products, ensuring quality and sustainability in plastic recycling.



In 2023, we invested more than €5 million in R&D to improve our processes.

OBJECTIVES FOR 2024:

1. Optimize innovation and value creation processes
2. Improve go-to-market strategies,
3. Strengthen technical training and capacity building
4. Obtain LCA (Life Cycle Assessment) data for the new Ciclic and Granic materials.

IN 2023, WE HAVE WORKED IN SEVERAL AREAS TO IMPROVE THE SUSTAINABILITY OF OUR PRODUCTS BY:



- Developing new Granic products with recycled, incorporating new minerals and performance enhancements.
- Expanding our line of PCR (Post-Consumer Recycled) products, made from recycled materials previously used and discarded by consumers.
- Investing in improving the biodegradable, bio-based, and compostable bioplastic we use.
- Exploring new applications for our products in sectors such as automotive, household appliances, hygiene, and personal care, among others.
- Improving processes for cleaning, decontamination, sorting and recycling of materials into high quality products.

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 promoting responsible management in the plastics industry. It focuses on good cleaning and pellet handling practices to prevent plastic particle losses (pellets, flakes, powder) into the environment during any stage of the 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
 - ES Plastics, Spanish Plastics Platform
- **Technology centres**
 - AIMPLAS, Technological Institute of Plastics
 - ANDALTEC, Technological Centre for Plastics
 - ITENE, Technological Centre for Packaging, Transportation and Logistics

Our objective is to achieve complete circularity and to implement future initiatives aimed at reducing the industry's carbon footprint



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Corporate Governance



Corporate governance structure 2023

At GCR, we strive to address all aspects of sustainability, including corporate governance.

Over a short period of time, we have grown to become an industry leader with a strong international presence. Recognizing the challenges this implies on a number of fronts, we are committed to achieving, in the medium term, the highest sustainability standards required globally. To achieve this goal, we have implemented a number of initiatives, including the publication of our third annual **sustainability report** for the year 2023. In addition, we have expanded our list of **certifications** in order to help our customers and stakeholders verify compliance with our standards.

Our management team is deeply committed to sustainability and to the role that GCR can play in society in this regard. For this reason, our governance, a fundamental element in our sustainability strategy since the company's origins, involves standardizing

processes, ensuring transparency in accountability and ethical behaviours, and promoting respect for human rights across our entire value chain.

In order to ensure best practices and ethical standards, we have **codes of conduct** and **anti-harassment policies** that cover all levels. In addition, we have a **complaint channel** to ensure a safe working environment for all. This **anonymous** reporting platform accepts submissions from any individual regarding GCR malpractice, grievances, and related issues. All reports are received and handled independently to ensure **impartiality** and **confidentiality**.

As part of our efforts to promote a positive work culture, we regularly conduct **satisfaction surveys** to assess the well-being of our employees.

One of our priority objectives for 2024 is to expand our **flexibility** and **work-life balance** measures, promoting a balance between work and personal life.



Quality

Given the growth and transformation of our organization, we are promoting a change in our corporate mentality to streamline our operations. The Quality Department is leading the implementation of **'Systems Thinking,'** promoting a holistic vision that seeks to improve our **efficiency** and the **sustainability** of our internal processes. This approach fosters collaboration between areas and a process-centric mindset.

Within our culture of Systems Thinking, we've launched multiple projects in 2023 to continuously enhance and refine our processes along a path of ongoing improvement. Based on the defined internal procedures, we have also agreed and issued work instructions for operational process with their records, with the target to establish working **standard** to improve our quality, health, safety and environmental management system. In addition, we have conducted specific **training** on newly implemented procedures, including product certifications.

Apart from the running computerized document control system, we have also taken advantage of this tool as database for measurement **equipment control system**. Not only all measurement equipments are documented and recorded (in a unique database where all are interested parties have access), but also their corresponding **calibration certificates**.

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.



At GCR, quality is not an option but a cornerstone. We provide sustainability solutions that match the standards of virgin plastic.

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.

During 2023 we have performed a GAP Analysis between our quality management system (currently certified according to **ISO 9001**) and the requirements from **IATF 16949** (quality management system requirements for producers of automotive and replacement parts). In 2023, we have been working to extend a **MOC program** (Management of Change) in the industrial and the innovation areas.

As part of our ongoing commitment to enhancing the quality of our services, we plan to develop a global **"customer satisfaction" indicator** in 2024. This metric will assess customer satisfaction by evaluating key aspects such as product quality, delivery timeliness, and other critical factors. This initiative will involve collaboration between departments to ensure accurate and comprehensive reflection of customer perceptions across all interactions.

Digitalization

Digitalization and process standardization are crucial for GCR. Our corporate strategy aims for exponential growth through operational excellence. Therefore, the main objectives of the IT department are to redefine processes, seek robust systems, and work across all areas to ensure continuous improvement and optimize operational workflows for enhanced efficiency.

During 2023, the implementation of our strategic plan has fostered a more sustainable and efficient model through digitalization and new techniques.



DURING 2023 WE HAVE CARRIED OUT DIFFERENT INITIATIVES INCLUDING:



- Implementation of the **zero paper policy for 2023-2024**, aiming to digitalize documents across all departments, enhancing organizational efficiency and reducing operational errors. In 2023, we achieved an 80% decrease in paper usage in the finance department, by fully digitizing processes and documents. Our target for 2024 is a 95% reduction, extending this initiative to other departments.
- Crystallization of the **Business Intelligence (BI) Project** to standardize GCR's reporting, improving data access for better decision-making. We have optimized production based on demand and machine performance, and also installed digital screens at the logistics entrance using Power BI, enhancing efficiency and energy monitoring, and saving us approximately 11,000 man-hours annually.
- We have continued to work on our **corporate website**, including new features and measurement capabilities to boost digital marketing and customer relationship.
- Transport Management System (TMS) Project. We began digitizing transportation-related documents and integrating software to optimize routes, aiming for comprehensive transportation management. Full project implementation is projected for 2024.
- As a result of digitalization, there has been a significant improvement in **workflows** across departments. Previously paper-based tasks, especially bureaucratic ones such as sales invoices or document management, are now automated using Shareme software for document management.

Cybersecurity

GCR leans on a comprehensive **Cybersecurity Action Plan** across the company, fully aligned with ISO 27001 standards. We have a cybersecurity specialist.

The Plan originated from a cybersecurity assessment which identified key areas and outlined subsequent steps.



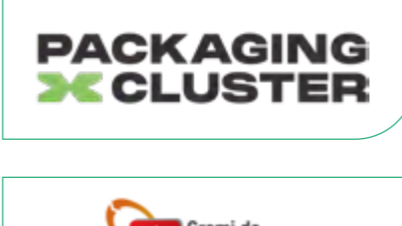




Some of the key areas that are covered are:

- Implementation of EDR solution (Endpoint Detection and Response)
- Online employee training and awareness plan
- Review of network security (directory equipment)
- Deployment of dual-factor authentication for remote access
- Disaster Recovery Plan (DRP)
- Incident Management Plan (IMP)
- PAM solution (Privileged Access Management)
- Information protection
- Vulnerability management service
- Conducting security backup tests

For the upcoming year our plans will include implementing projects for migrating to virtual server digitization systems, constructing the security and IT infrastructure of the new Castellet factory, achieving cable savings through Wi-Fi and 5G, and renovating and replacing old machinery with a more powerful and efficient system.

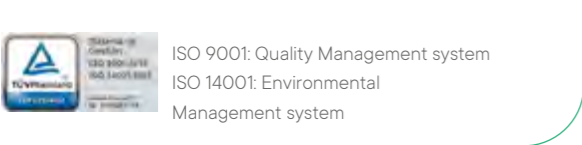
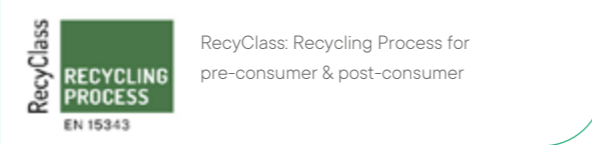
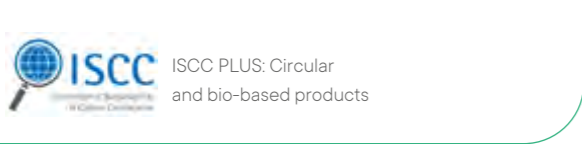

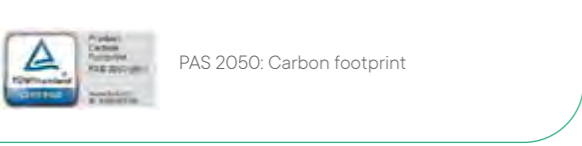
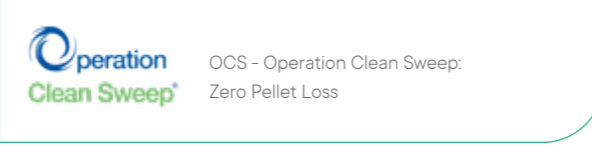
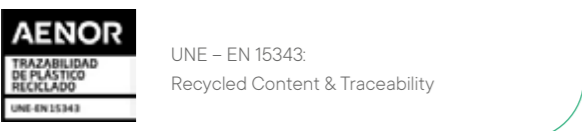
Membership of industry associations

OUR ORGANIZATION BELONGS TO SEVERAL INDUSTRIAL ORGANIZATIONS:

 <p>PLASTICS RECYCLERS EUROPE</p>	 <p>Spanish Industrial Plastic Association</p>	 <p>PACKAGING CLUSTER</p>
 <p>National Association of Plastic Recyclers</p>	 <p>Operation Clean Sweep®</p>	 <p>Gremi de Recuperació de Catalunya Gremi de Recuperació de Catalunya</p>
		 <p>Sector de los plásticos y sostenibilidad</p>

Certifications

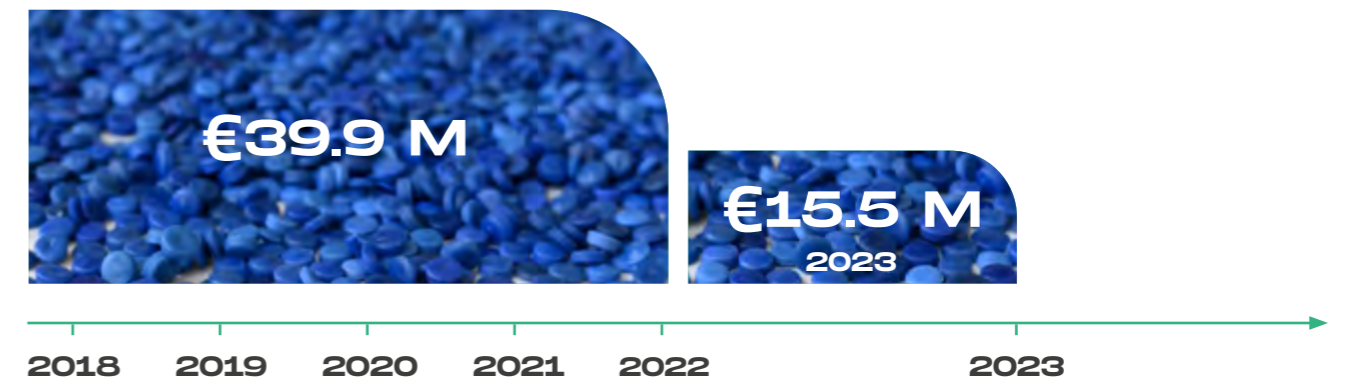
COMMITTED TO THE HIGHEST STANDARDS

 <p>ISO 9001: Quality Management system ISO 14001: Environmental Management system</p>	 <p>RecyClass: Recycling Process for pre-consumer & post-consumer EN 15343</p>
 <p>ISCC PLUS: Circular and bio-based products</p>	 <p>Biodegradability: Home & Industrial Compost, Soil Compost</p>
 <p>PAS 2050: Carbon footprint</p>	 <p>OCS - Operation Clean Sweep: Zero Pellet Loss</p>
 <p>UNE - EN 15343: Recycled Content & Traceability</p>	

Financial information

In 2023, our capital expenditure was 15.5 million euros, highlighting GCR's commitment to investing in state-of-the-art technology assets to ensure our products remain at the forefront of sustainable material solutions.

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.



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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, which has generated a demand for new skills and organizational talent. This growth has highlighted the importance of managing and engaging talent. We therefore develop programmes and initiatives to strengthen our team and improve our employees' work-life balance, including **training, coaching and support activities.**

The vast majority of our employees are employed on a full-time basis. Our team, composed of people of **24 different nationalities** and with diverse ages, backgrounds and training, includes **29% women.** We are committed to continue to attract female candidates and to balance young talent, diversity and experience in our hiring.

Our goal is to create a place where people can **grow professionally.** In this regard, we offer training at different levels, such as master's degrees and courses, to meet business needs and promote personal growth. In addition, we support those who are completing their professional training with **internships** in different departments.

The company is committed to community involvement and engagement. In this regard, GCR employees participate in forums on sustainability and recycling, sharing knowledge and reinforcing our environmental commitment. Additionally, the Human Resources department regularly visits students in the 2nd year of **high school** at Turó school in Tarragona, bringing the world of work closer to young people and encouraging their interest in our industry. We also collaborate with the **town council** of La Bisbal del Penedès to improve the services and infrastructure of the industrial park, reinforcing our commitment to the locality.



Health and safety

At GCR, we prioritize a strong health and safety culture as the foundation for sustainable operations. Our main objective is to implement actions aligned with our **zero incident policy** to establish a cultural transformation where safety is essential in our daily operations. We promote continuous health and safety awareness and training, and offer our employees the option of health insurance.

In 2023, we continued to evaluate and monitor accident frequency and severity indicators, allowing us to obtain weighted scores on lost-time accidents and their duration. We have also persisted in the integration of leading indicators to prevent risks and correct situations before they have a negative impact. In this vein, thanks to the implementation of the Safety Plan 2023-2025, we have significantly reduced workplace accidents with injuries. This initiative underscores our commitment to creating a safe and supportive work environment, ensuring the well-being of our workforce through proactive risk management. In addition, we are constantly working to ensure that all processes in the Safety Area follow the guidelines of **ISO 45001.**

At GCR, all positions are evaluated periodically, with post-incident analysis to avoid recurrence. In the event of an accident alert, an **emergency procedure** is activated, which sends a questionnaire to those involved to evaluate the management of the situation. This helps us to learn and grow, strengthening the capacity of our team. All new employees receive **OHS** (Occupational Health and Safety) training on the first day, followed by additional sessions two weeks later. Training needs are continually reviewed in team meetings to adapt to changes in the work environment.

We also foster healthy practises among employees with active initiatives like the **GCR Club Sports & Community**, fostering socialization among different departments. This year, GCR joined the **Business Games Association**, Tarragona's largest competitive sporting event.

GOALS TO BE ACHIEVED IN 2024:

1. Reduction of the accident rate by -20% with regard to 2023.
2. Consolidate work permit and LOTO systems.
3. Implement systematic safety observations, Safety Stand Downs and Stop Work Authority sessions.



KEY HEALTH AND SAFETY ASPECTS IN 2023:



- ▀ **Public Security Portal:** Implementation of a comprehensive public safety portal for monthly incident updates, which also allows for the dissemination of safety guidelines, ensuring a well-informed workforce.
- ▀ **Safety Communication Application:** Introduction of an app for reporting safety incidents and H&S improvement proposals, fostering a proactive culture and staff engagement for more effective responses.
- ▀ **Safe Work Permit System:** Implementation of a hazardous work management system to ensure compliance with safety protocols prior to hazardous tasks, completely eliminating hazardous work incidents.
- ▀ **LOTO (Lock Out Tag Out) Systems:** Implementation of LOTO systems to safely disconnect dangerous machinery and energy sources, preventing unexpected start-ups during maintenance and reducing the risk of accidents.

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

At GCR, we strive to **balance** the working conditions of both office and shop floor employees. The **Flexiworking** policy allows office employees to work one day remotely, with additional training in OHS.

We continue to implement **satisfaction surveys** to measure organizational well-being and align GCR's purpose with that of employees. These, along with webinars, aim to promote a good work culture.

In 2023, we have focused on facilitating work **flexibility** to combine with professional studies and on internally reorganizing jobs to improve the team's work-life balance. We are committed to creating the best possible working environment for our employees, which is why we have an **active complaints channel**, as well as **harassment** and **conduct codes** across the organization.

We offer **coaching programmes** and an **onboarding period** of up to 3 months, with general and technical training depending on the position, to ensure a good fit between the employee and the company, and thus increase performance. In 2023, we have integrated **satisfaction surveys** and **follow-up meetings** into this process to ensure an optimal fit and collect continuous feedback.

Talent

At GCR, we recognize that managing and engaging talent is a challenge. Therefore, we develop programmes to **strengthen our team** and enhance our employees' **quality of life**, creating a **positive work environment**. We believe this is the path to achieving our goals.

- At GCR, we highly value each of our employees and are dedicated to fostering a **culture** that empowers every individual with constructive feedback, essential tools, and opportunities to pursue their career aspirations. We are proud that 100% of GCR employees receive **regular performance evaluations**. At least twice a year, employees have the opportunity 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 guiding force, directing the evolution and enhancement of our learning initiatives, aimed at meeting the strategic skill-building needs of our committed employees.
- In 2023, GCR implemented its internal **talent programme**, designed to empower employees and promote their professional growth. This programme focuses on identifying and developing the potential of employees within and outside their departments, using a continuous assessment to measure their performance. In preparation for 2024, we will seek to standardize the process, consolidating the **Talent Committee**.
- Moreover, we have established **dual training agreements** with educational centres to recruit and train individuals from vocational training courses, particularly in the quality department.

“Our People Make the Difference” is a central aspect to us, and underscores our dedication to harnessing the distinctive capabilities and diversity that drive beneficial transformations toward a sustainable tomorrow.

TARGETS FOR 2024:

- Consolidate the Talent Committee
- Expand flexibility and work-life balance measures.



193
average training
hours per employee

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 2023, we improved our **claims management** process by categorizing claims into five distinct categories. This new system allows for more efficient handling of individual cases by maintaining a grouped database history of similar incidents. These databases are accessible to our staff, enabling them to consult previous actions, learn from past mistakes, and use this valuable information to align with company policy.

Thanks to this new way of working, the Customer Services department has experienced significant improvements in **efficiency**, now committed to providing direct responses to clients within 24 to 48 hours (across Europe).

Internally, we have implemented a similar standardized approach, that helps enhancing communication between departments. This improvement, together with continuous training on our workers, optimizes the overall operability of the company.

We also emphasize our increased adaptability towards our clients, with a customer service team proficient in 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. To ensure our commitment to delivering higher quality service, our customer service is based in a single contact person, who assists the customer with much more efficiently thanks to digitalization.

In 2023, we launched our first annual **customer satisfaction survey** to gather feedback on our strengths and areas for improvement. We achieved an overall average score of 8.7, with the highest ratings in account management and product quality. Customers highlighted our brand as reliable, collaborative, and innovative. Despite the good results, GCR is committed to lowering the number of complaints year after year.

We would like to highlight the excellent performance of the **Regulatory Affairs** department, established last year. This department efficiently manages the submission of all required technical documentation to clients, once directed by Customer Service, improving direct contact with clients and reducing bureaucratic steps. Additionally, we have documented the procedures under which this department operates, significantly enhancing our operational efficiency, while serving costumers addressing their regulatory inquiries.



Our suppliers

Our organization not only values the priority of working with local suppliers, but also promotes long-term relationships based on quality and trust. In addition, we consider it crucial to maintain an environmentally responsible value chain, aligned with GCR's core principles and values.

In 2023, we focused on improving existing operating procedures and ensuring the success of our initiatives. We worked on optimizing **Sales and Operations Planning** to align the entire supply chain, from purchase to sale. This has allowed us to better anticipate, organize, and plan demand, adjusting production to avoid additional costs. Most notably, we improved our **on-time delivery** target, ensuring products reach customers on schedule, which has increased client satisfaction and enhanced our reliability and efficiency.

Our goal is to work with **local suppliers** to minimize environmental impact and benefit our community. For this reason, most of our suppliers are national or European. For all of them, we now have a **code of conduct**, which will be deployed in 2024.

To guarantee that our suppliers are selected according to the highest standards, they are all assessed through **Informa's risk platform**, which verifies their financial health and the risks of their activities. In 2023, we enhanced the selection process to mitigate further risks, including ESG aspects, to be implemented in 2024. In addition our sourcing model foresees **quarterly visits** to scrap suppliers to ensure their quality.

By 2024, we aim to achieve **operational excellence** in all areas, focusing on improving productivity and agility. We will seek to align our procurement activities with our actual needs.



Transportation

At GCR, we transport thousands of loads each month to over **90 countries**. Our logistics network relies on intermodal, maritime, and land routes, completely avoiding air transport.

Our main logistics and sustainability challenge is incorporating ESG criteria in selecting transport companies. To address this, in 2023, we began working with the legal department to formalize **long-term contracts**. This ensures partner continuity and fosters closer relationships, guaranteeing they meet our prioritized ESG criteria. As a company, we aim to provide the best service to our supply chain by maintaining and supporting these crucial partnerships.

In 2023, collaborating with the IT department, we implemented **Transporeon** software to optimize transportation routes. This platform enhances logistical efficiency, reduces costs, and simplifies procurement by providing real-time visibility and seamless integration with our internal systems. Additionally, we established monitoring and continuous improvement sessions to adapt and optimize our SAP system, ensuring our operations align with best practices and benefit from the latest innovations in logistics management.

Relations with the community

Our organization strives to achieve harmony among environmental preservation, economic prosperity, and social welfare. Aligned with our values, at GCR, we actively participate in various charitable and community initiatives. In 2023, we increased our donations in more than **350%** compared to the previous year.

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 contribute to **Doctors Without Borders**, an international humanitarian organization that provides medical assistance to populations affected by conflict, epidemics, natural disasters, or exclusion from healthcare.

Smiles of Bombay, dedicated to improving the lives of underprivileged communities in Mumbai, India. They focus on education, healthcare, and livelihood support to marginalized individuals, striving to empower them and break the cycle of poverty.

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.

We support financially **The Gavi Alliance** which is a global health partnership that aims to improve access to vaccines in lower-income countries, strengthening health systems, and fostering equitable access to immunization, particularly for children.

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

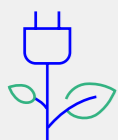
At GCR we are committed to replicating the circular model of nature. In our recycling process, we have expanded the use of raw materials to include post-consumer plastics that must pass through a washing plant.

Additionally, we have implemented a WWTP at the new Castellet facility for water treatment and reuse, along with real-time control of the plant's water consumption, that will start operating in May 2024. This initiative will be accompanied by a water consumption monitoring project at the new factory. Also for 2024, the analysis of water monitoring options and energy submetering initiatives will be carried out in La Bisbal factory.

Our ISO 14001 environmental management system, in place since 2014, 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 have strengthened **sustainability at our facilities** by redesigning the company vehicle policy for more environmentally friendly options, improving waste management with a selective collection system and providing osmosis water for the reduction of plastics.

Energy efficiency



Committed to renewable energy. Achieving **9.2% reduction** in energy consumption.

We have successfully installed **solar panels**, covering 100% of the roof surface of our warehouses in La Bisbal with coplanar photovoltaic (PV) systems. In the second half of 2023 alone, this installation generated 520,000 kWh of photovoltaic energy. As a result of this progress and considering our various sites, we achieved a 9.2% reduction in energy consumption from suppliers by 2022. This initiative not only demonstrates our commitment to renewable energy but also significantly enhances our energy efficiency across operations.

We are committed to advancing a circular economy to tackle current and future global challenges.



Consumption of materials and raw materials

During 2023 we continued to implement initiatives focused on enhancing material sustainability in production and waste reduction:

- Prioritizing **bulk raw materials** purchases to reduce overpackaging and waste generation.
- Working towards **zero waste** by **recovering plastic materials** already in circulation or coming from received packaging, and converting them into **raw materials** for **Ciclic products**.
- Reducing by half the contaminants in **raw material scrap** through a new **homologation process**.
- Optimizing and redesigning **packaging** for sustainability while enhancing usability.
- Balancing **petrochemical** consumption with materials that reduce reliance on virgin polymers, minimizing environmental impact.
- Sourcing over 80% of purchases **locally** within 300 km of our facilities.
- Calculating the **carbon footprint** of our products in accordance with **PAS 2050** carbon footprint verification specifications.

For 2023, it is noteworthy mentioning that:

- Operation Clean Sweep (OCS) Certification: We obtained certification from AENOR for the OCS program, ensuring good practices in plastics management.
- Waste Reduction: Achieved significant reductions in the generation of ordinary waste in our production plants: Granic La Bisbal (-8%), Ciclic La Bisbal (-5%), and Granic Barberà (-3%).

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 (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	266,2
Scope 2	47

The calculation of scope 1 and 2 is an approximation based on 2022 data, since at the time of writing the report, the updated data were not yet available. The data are approximate and may vary from the actual calculation.

SCOPE 1: For leased vehicle fleet consumption, a similar footprint has been considered in this sub-scope as in 2022; for internal logistics fleet consumption, the same emission factor has been considered as in 2022 and multiplied by the actual diesel consumption recorded in 2023.

SCOPE 2: Scope 2: Electricity consumption has been considered, according to IH internal records during 2023. This consumption has been multiplied by the supplier's emission factor used in the 2022 footprint.



Most of the environmental impact from GCR Group's corporate activities is focused on Scope 3 emissions. 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. Our low carbon footprint materials help reduce Scope 3 emissions by lowering the carbon emissions associated with the entire lifecycle of products sold by the company. This contributes to a more sustainable value chain for our clients.

6

Materiality analysis

Materiality Analysis

In line with the evolving reporting requirements, GCR undertook a dual materiality analysis process to prioritize sustainability topics encompassing **environmental, social, and governance (ESG)** aspects relevant from both financial and impact perspectives. The process results are up to date since no significant changes have occurred at the stakeholders level and the organization's management approach.

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

GCR's dual materiality analysis process included a **benchmark** analysis involving industry peers and companies within the same sector as GCR.

Additionally, input from **stakeholders** closely associated with the organization was collected through surveys.

The outcomes of an interactive online session were also 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.

Furthermore, a global risk analysis was taken into account, drawing upon the 2023 report published by the **World Economic Forum**. Sector-specific risk analysis was also 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.



7

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 2023 to 31 December 2023. 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 EXCELLENCE**.

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 2023 to 31 December 2023.

GRI	Reporting criteria	Page / 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 54
2-6a	Activities, value chain and other business relationships	The essence of GCR 13-14 Corporate activity 21-22
2-7	Employees	Our people 35
2-9a	Governance structure and composition	Corporate governance structure 2023 27
2-22	Statement on sustainable development strategy	Letter from the Managing Director 9
2-27	Compliance with laws and regulations	In 2023, we have not incurred any fines or sanctions for non-compliance with regulations.
2-28	Membership associations	Membership of industry associations 31
2-29	Approach to stakeholder engagement	Materiality Analysis 49-50
2-30	Collective bargaining agreements	100% of our workforce is covered by the collective bargaining agreement.



GRI	Reporting criteria	Page/ direct answer
ABOUT THE REPORT		
3-1	Process to determine material topics	Materiality Analysis 49-50
3-2	List of material topics	Materiality Analysis 50
LABOUR PRACTICES TOPICS		
GRI 403	Health & Safety at work	
3-3	Management of material topics	36
403-5	Worker training on occupational health and safety	36-37
403-9	Work-related injuries	

	2023	2022	2021
Number of accidents with sick leave	7	14	7
Number of accidents without sick leave	8	6	4

We identified errors in the accident data for 2022 and 2021 presented in last year's Sustainability Report. The data is now corrected in this year's report.

GRI	Reporting criteria	Page/ direct answer
PRODUCTS AND SERVICES TOPICS		
GRI 416	Consumer health & safety	
3-3	Management of material topics	38
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, there have been no incidents of non-compliance related to the health and safety impacts of products and services
NO GRI	Innovation with environmental criteria	
3-3	Management of material topics	Sustainable innovation 23-24
	Economic investment in innovation	Sustainable innovation 23
NO GRI	Design and product life cycle management	
3-3	Management of material topics	Sustainable innovation 23



Innovating
our sustainable
tomorrow