

Leading
Sustainable
Growth

The logo for GK, consisting of the letters 'G' and 'K' in a bold, sans-serif font, with a small 'TM' trademark symbol to the upper right of the 'K'. The logo is white and is centered within a white square background.

Sustainability
Report
2020-2022

In accordance with: GRI STANDARDS, ISO 26000
IndicaRSE, Global Compact and SGD 2030



Leading Sustainable Growth

Memoria de Sostenibilidad 2020-2022

Acorde con: GRI STANDARDS, ISO 26000
IndicaRSE, Pacto Global y ODS 2030



Leading Sustainable Growth

Sustainability Report 2020-2022

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Outreach and Coverage

GRI 2-1, 2-2, 2-3, 2-4

At GK we are honored to present our first Sustainability Report in accordance with the Global Reporting Initiative Standard 2021. In it, you will find the progress of our organization from its origins to the present, with reference to four of our main business units in Honduras: Real Estate, Textiles, Lifestyle and Technology.

The included information in this material covers the period from January 2020 to October 2022 and its periodicity will be biennial. For its verification, we have resorted to the Fundación Hondureña de Responsabilidad Social Empresarial, **Fundahrse** (Stakeholder Organization of the Global Reporting Initiative), which is aligned with the ISO 26000-2010 standard, and the Sustainable Development Goals of the United Nations Organization.



Please direct your inquiries to the following contact:
Corporateaffairs@gkglobal.com



ALTIA SMART CITY
Tegucigalpa,
Honduras

GK Chairman Message

GRI 2-11, 2-12, 2-13, 2-14

2022 has marked a new era for GK, as our brand and global strategy has transitioned to become a *Leader in sustainable growth*. We could not close this year in a better way, so I am proud to present our first Sustainability Report, according to the Global Reporting Initiative standards.

This step represents a memorable moment for our organization, as we can show the world the capabilities of our human talent and strong ethical management, which confirms the transparent operating model and adherence to the highest values that moves us and makes us thrive.

The COVID-19 pandemic made us turn for our people's lives.

We have the strength and conviction that despite any crisis, we hold on to an unbreakable spirit, fighting and living by our beliefs.

We will always remain faithful to the principles that make us the honest and committed corporation that we are.

And with that foundation we demonstrate in difficult times, that we can find the solution to the most challenging situations, through our integrity.

In addition, it has been a great satisfaction for me to see that in GK, there are many men and women who with their solidarity, heart, and dedication, made it possible to safeguard lives and keep the salary support of thousands

of people, demonstrating their great pride and sense of belonging to our companies, they are a tremendous example of loyalty, dedication, and excellence!

I am also thankful that life has always placed us in front of a horizon full of optimal circumstances and blessings that reach and impact thousands of people, which makes our work a reality by leaving a positive footprint in everything we do.

SUSTAINABILITY is the basis of our management, we operate with a responsible business behaviour, always looking for the benefit of our stakeholders, because our main focus is to develop and connect with people by providing more and better opportunities.

Through the GK Foundation we promote the greatest potential of sustainable growth for the communities and families which we interact with, all of these by running strong projects in Health, Education, Nutrition and Environment; we work very hard for our planet, we have multiple initiatives and a Decarbonization Plan, which will allow us to have the lowest environmental footprint per employee in the national business system.

At this moment 60% of installed power capacity in our operations comes from renewable sources and we are approaching to reach 100% recycling of all our waste.

The 2030 Agenda of the United Nations for Sustainable Development is integrated to the Quality Infrastructure of our products and services, whose processes always involve: Corporate ethics, circular economy, and human rights. I invite you to learn about our transparency embodied here.

I thank God, our partners, our customers and more than 11,000 employees part of the GK family, that contribute with our social goals to make every day a better world that generates greater value for future generations.

Thank you!

Yusuf Andani Bai
GK. Chairman



ALTARA
Commercial Center
San Pedro Sula,
Honduras

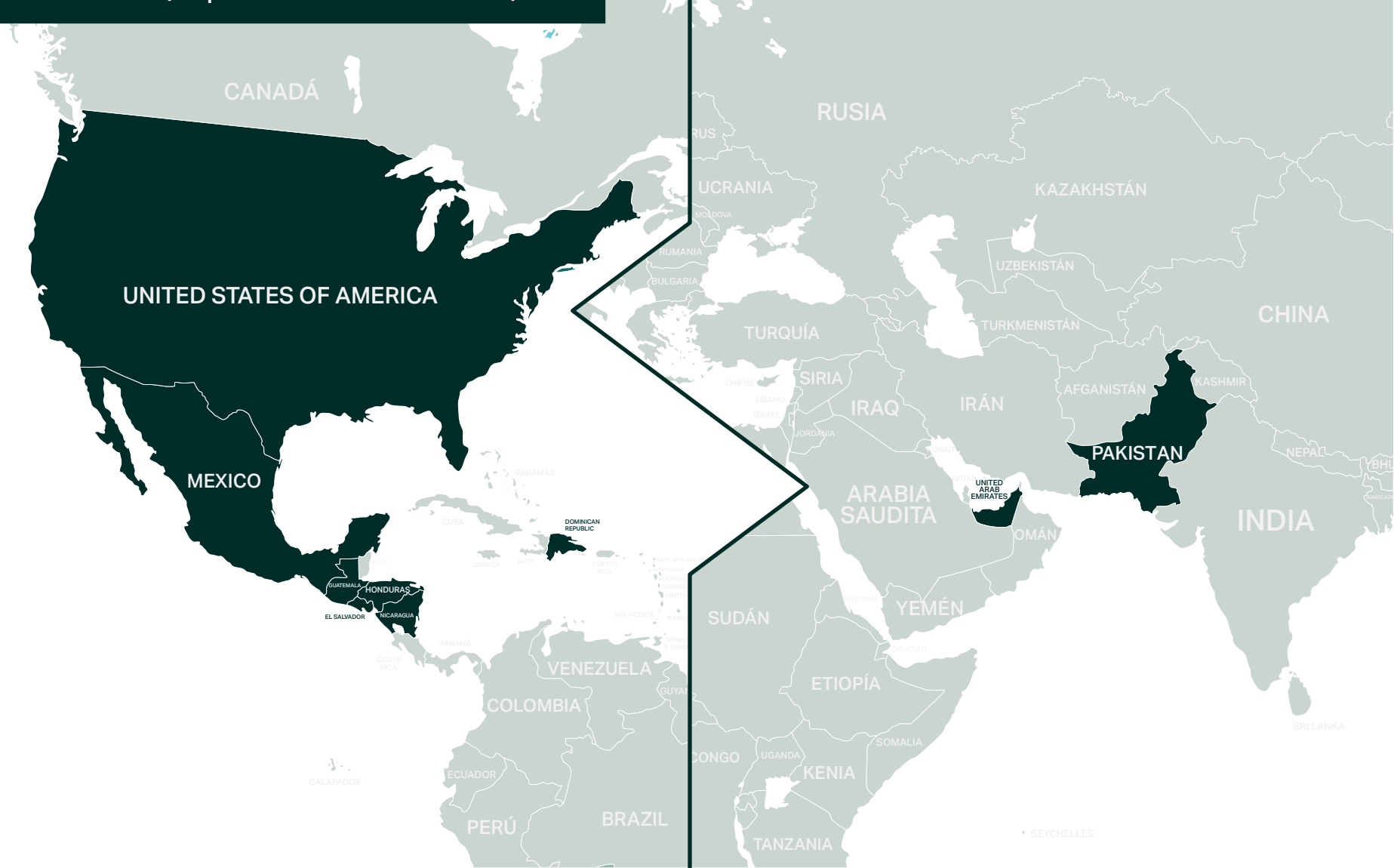


WE ARE GK

Global Operations Dimensions

GRI 2-1

(Impact Data 2020-2022)



2
Continents

9
Countries

5
Business Unites

Our group stands out in all its projects as pioneers and innovators that offers unique services and promotes conditions of environmental sustainability, work, and better quality of life. We are registered in the Republic of Honduras as a GK company with variable capital and we are geographical located at Altia Smart City, GK Tower, Altia Boulevard, San Pedro Sula, Cortés, Honduras.

GK has operations in nine countries in two continents		
AMERICA		ASIA
■ Honduras	■ Dominican Republic	■ Pakistan
■ Nicaragua	■ Mexico	■ Dubai, United Arab Emirates
■ Guatemala	■ Estados Unidos	
■ El Salvador		

In Honduras

Economic Impact

- Projected Investments
US\$ 236 million
- Business Leaders
BPO & BTS
(Business Process Outsourcing & Build To Suit)
- We are the economic and social engine of the country's main development poles.

Environmental Impact

- Renewable Resources
60 % Installed Power Capacity
- Green Valley Advanced Manufacturing Hub, is the only industrial park in Latin America to be ISO 14001 certified.
- We produce and plant
+100k trees
- **90 %** of our Administrative Operation waste is recycled and we expect to reach 100 % by 2025.

Social Impact

Direct Jobs: 27,000	Indirect Jobs: 108,000	Personnel Turnover: 1.5 %
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- For every direct job we generate four indirect jobs.
- For every new job we create 11 new opportunities for our citizens.

+5,000 children
attended in our sponsored schools

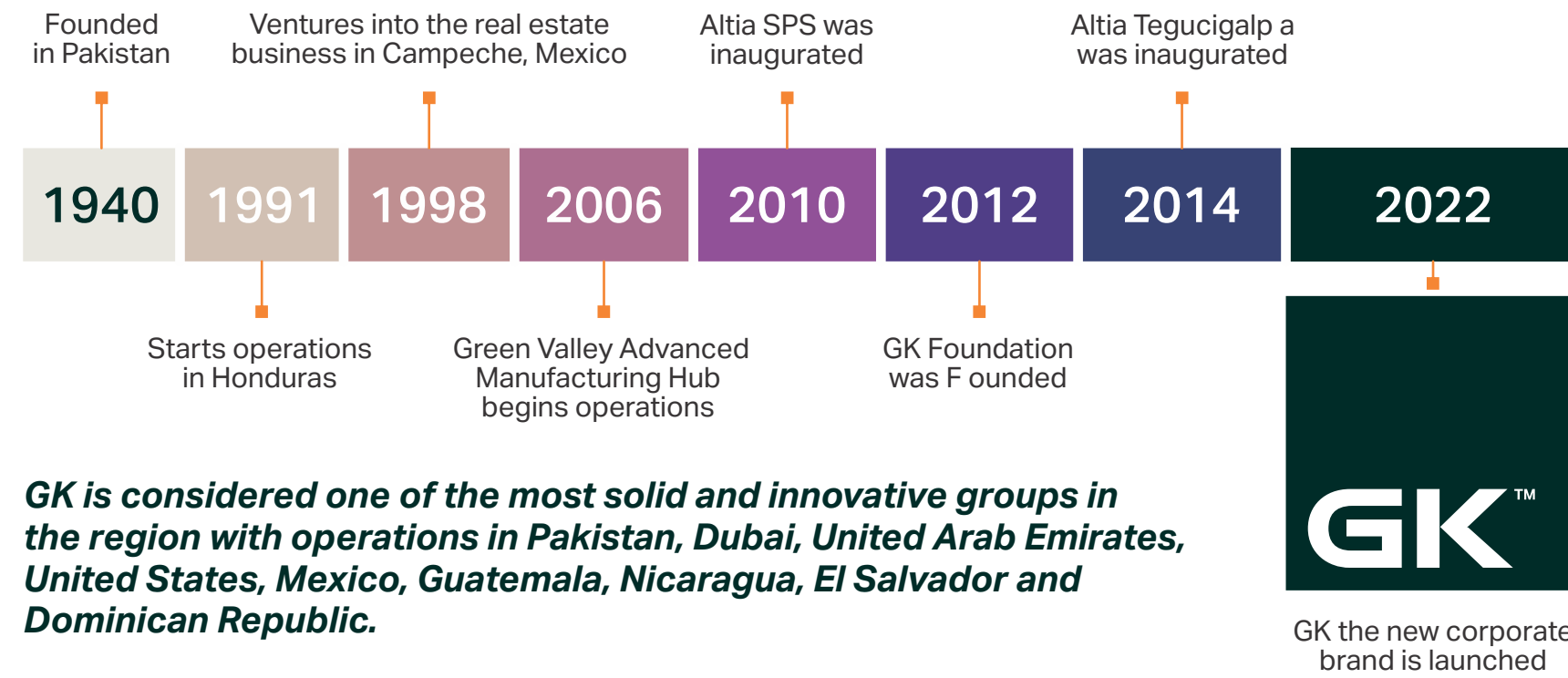
585 children
receiving bilingual education

+200k people
served in our health projects

+200k people
benefited with our project Feeding Hope

History

GRI 2-1

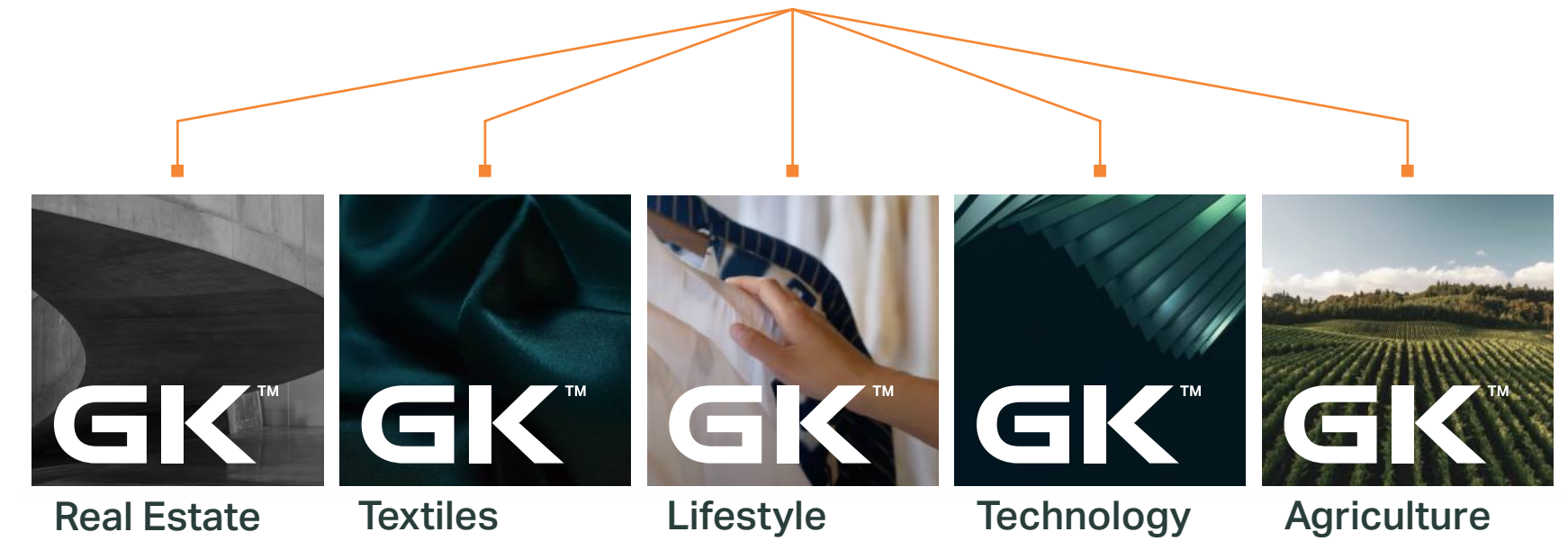


GK is considered one of the most solid and innovative groups in the region with operations in Pakistan, Dubai, United Arab Emirates, United States, Mexico, Guatemala, Nicaragua, El Salvador and Dominican Republic.

Business Units

GRI 2-1

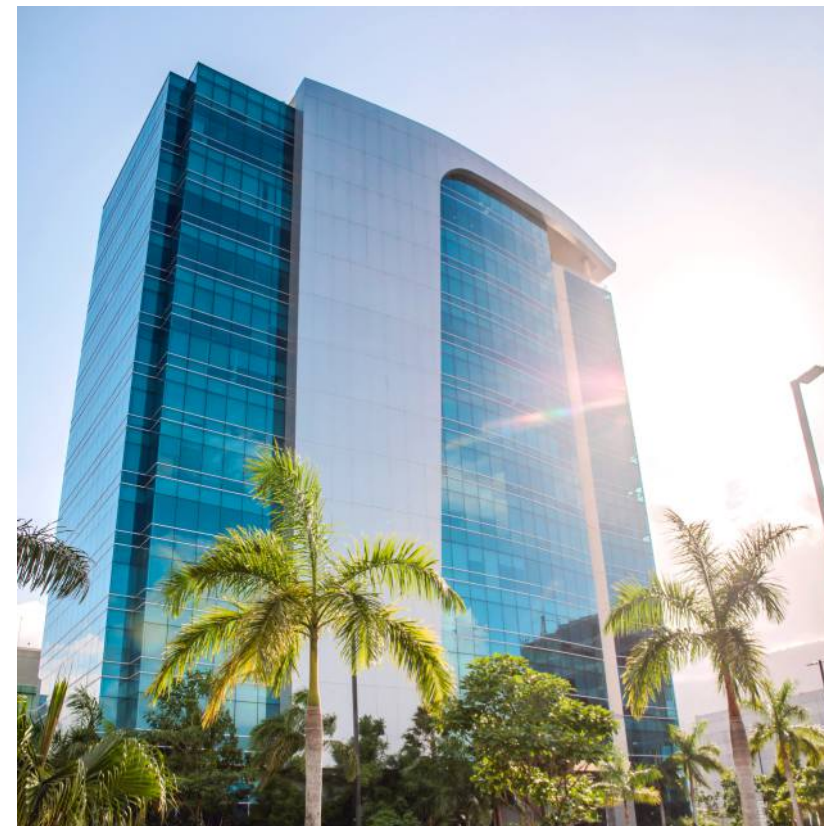
GK is a privately held multinational corporation whose core businesses and activities are divided into five business units:



Business Units



Real Estate



GK’s real estate division was born with the vision of creating unique, sustainable, and innovative projects that stand out for their excellence in design, infrastructure, amenities, functionality, and efficiency. Creating innovative solutions for our customers and generating thousands of sustainable job opportunities that have a positive impact on society.

Our projects are geared towards the creation of smart ecosystems that offer turnkeys spaces, top-of-the line architecture and high value-added solutions, designed for global companies dedicated to advanced manufacturing and technology to establish their operations in Honduras and the Latin American region. Our customers can focus on their core business, while we cover all their needs, with a certified expert customer experience team.

GK’s projects have been responsible for attracting new industries to the country, generating strong foreign investment, creating new jobs, and positioning Honduras on the map as a world-class destination for businesses such as outsourcing and advanced manufacturing.

In the industrial real estate division **Green Valley Advanced Manufacturing Hub** is considered the most technologically advanced and eco-industrial development in the region. Its first-class infrastructure systems promote energy efficiency, power generation, a water treatment plant, and the largest solar plant in Central America, in addition to having ISO 14001 environmental certification.

Located in Quimistán, Santa Bárbara, Honduras, it extends in 500 acres of land, providing turkey solutions that include design, engineering, construction, and facilities for global manufacturing companies in the automotive textile, food, and life sciences industries.

Green Valley Advanced Manufacturing Hub offers skilled labor and generates more than 12 thousand jobs in the area; it has 220 local and foreign suppliers, and Fortune 500 companies already established and operating. It promotes a culture specialized in service, and includes all aspects of support for its clients, elevating the model of self-sufficiency. It is inclined to execute purchases that are aimed preferably at improving the performance of environmental management.

Likewise, in Honduras there is **Zoli Pride**, located in the city of La Ceiba, where it began its operations in 2005.

The focus in the development of goods is all kinds of electrical and hardware material. In terms of services, it is oriented towards integrated engineering and general construction services for building. In the cases of execution of new investment projects, labor is intensive..

In the South of Mexico, we have the **Consorcio de Servicios de Campeche (CSC)**, which has an extension of more than 1.8 million square feet of construction making it the best option for the development of state-of-the-art manufacturing and industrial real estate. Focused on providing a more profitable and reliable energy supply and logistics operations near the coast to

ensure an efficient supply chain and the most modern physical infrastructure for lean manufacturing operations.

In our Smart Cities division, we have **Altia Smart City**, the first of its kind in Latin America, designed for IT, BPO s and ITO s service industry, a nd which houses important companies worldwide. **Altia Smart City** is an ecosystem designed to promote the competitive advantages and sustainability of technology companies, in an integrated environment where its users can work, study, and have access to all their service and entertainment needs in our lifestyle center and enjoy a higher quality of life.

Altia Smart City was the pioneer in attracting the technology industry to Honduras and currently generates more than 9,000 jobs. Altia promotes an ecosystem based on creativity and sustainable innovation, taking our customers businesses to the next level, combining technology in its operations. It’ s 360 model leads companies to reach high levels of global competitiveness, not only creating a disruptive business model, but also contributing to society and the environment.

In Honduras, **Altia Smart City** San Pedro Sula is a Hub for business and IT services, whose state-of-the-art facilities include Business Towers, a University, a Lifestyle Center, and a hotel. Currently, the 4th Smart City tower is under

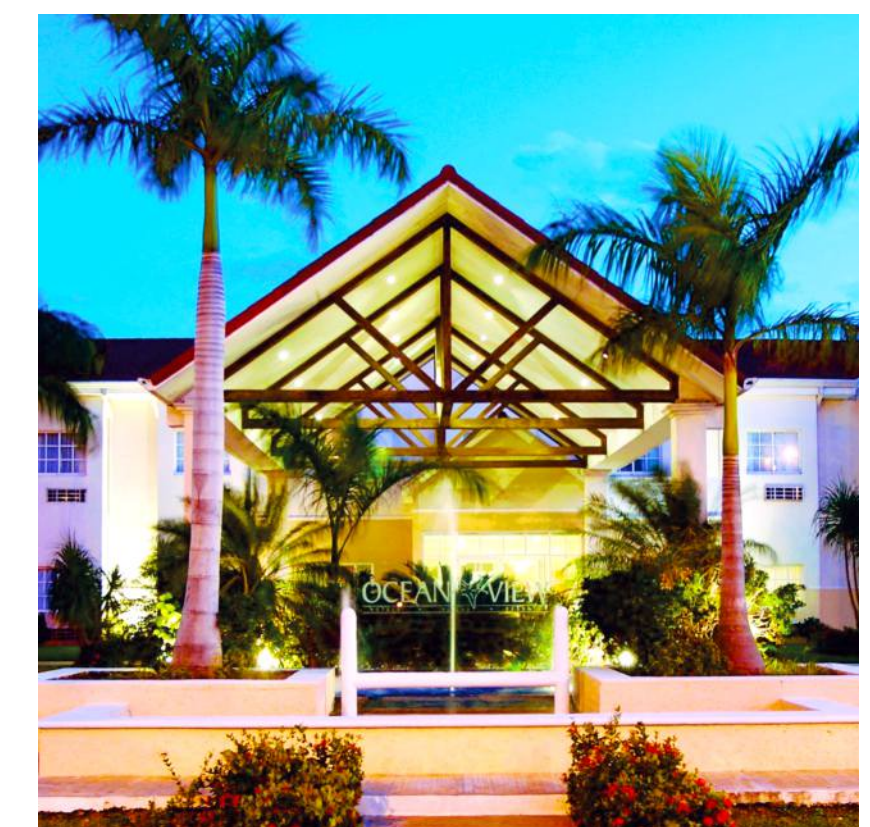


construction, which will generate more than 2,500 new direct jobs in 2023, and within its future projects, a world-class Residential Zone, and Medical Center.

The second Smart City is in the capital city of Tegucigalpa and includes business towers, a university, and soon a residential complex, a shopping center, and a corporate/diplomatic zone. Both smart cities currently generate more than 14,000 formal jobs, which contribute to improving the quality of life of the young population and help to actively integrate them into Honduran society.

Altia Smart City is a business unit that has a broad portfolio, in addition to 500 suppliers, the majority of which are Honduran, and provide various products, such as equipment, materials and the contracting of works and services. Since Altia offers turnkey solutions for contact centers and BPO (Business Process Outsourcing), suppliers are linked to the Engineering and Telecommunications sectors.

In relation to Hospitality and Tourism, GK has the **Ocean View Hotel** a short distance from the historic center of Campeche, in the best area and with the best view of the ocean. This executive hotel includes 98 rooms and presidential suites and access to tennis courts, a fitness centers and spa with gym, jacuzzi and beauty salon.



Business Units



Textiles



LEADING INNOVATION TOWARDS SUSTAINABLE YARN AND FABRIC

- We will invest more than 156 million dollars in promoting high-generation technologies.
- We will create nearly 2,000 jobs at our Honduras Spinning Mills, Northern Spinning Mills, and Northern Textiles plants.
- We made progress in producing recycled fiber in support of SD G13 of Climate Action.
- We have an essential Traceability Model throughout our value chain.

Sustainable Textile Production

Within the GK Textiles Division, our most prominent operations are in **Honduras Spinning Mills** and **Northern Spinning Mills** plants in which we have invested more than 110 million dollars and currently produce more than 62 million pounds of yarn annually. **Northern Textiles**— a fabric producer, maintains a capital investment of around 46 million dollars, impacting the creation of 2,000 direct jobs.

Our plants are located in Honduras, a region that has taken the lead inside our framework. They are notable for their verticality that begins in the fiber until the delivery of finished products. Providing satisfaction to our clients and always exceeding their expectations. Strategically, we are also in Nicaragua with the **Nicaragua Spinning Mills** plant located in Managua, which provides us with an additional production of 30 million pounds per year impacting the creation of 600 direct jobs.

Our business model is born from the vision of creating an inclusive, diverse, responsible and sustainable future for all our associates, local communities and stakeholders.

Hence, the foundation of our proposal is being accountable in four areas: competitive prices, speed to market, rapid development and transparent supply chains.

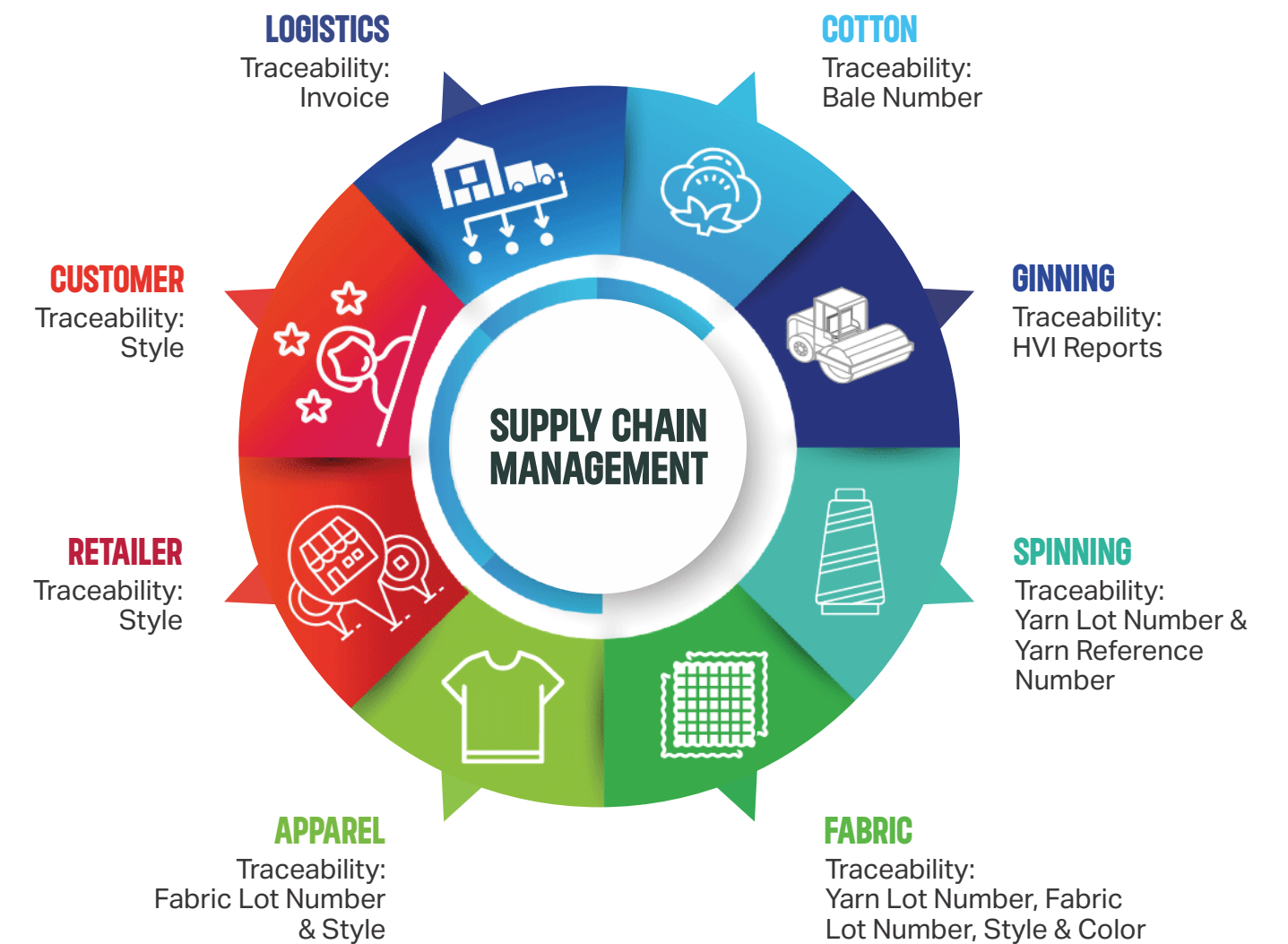
From the selection of the raw material— working with more than 16 high-quality fibers. To the yarn— with a production of 92 million pounds per year and the generation of the fabric. We will reach 52 million pounds per year in circular knit. Additionally, we will have a 150 million dollars investment plan that will focus on the machinery for fabrics made from sustainable raw materials.

Evolution of our Commercialization and Distribution

We were born more than 30 years ago in Honduras through **Pride Yarn**. Since then, we have established ourselves as one of the most renowned companies in the CAFTA region, characterized by our innovation and customer service orientation, followed by a long history from our origins in Pakistan more than 50 years ago.

The constant need to serve the different markets in Central America and the Caribbean led us to establish distribution centers that could quickly attend to any requirement of our customers and thus provide logistics solutions appropriate to their needs.

GK FULLY INTEGRATED SUPPLY CHAIN



In addition to Honduras, we have a presence in:

- Guatemala: Hilos & Algodón. S. A.
- El Salvador: Amtex de El Salvador, S. A. de C. V.
- Dominican Republic: Yarn Supplies, S. de R. L.

Quality, trust, long-term business relationships, and openness to new product development have allowed us to position ourselves with different clients, achieving nominations as suppliers for special programs and distribution agreements.

Offering products with different fibers such as Coolplus polyester, Regen cotton, recycled cotton, recycled polyester, and technologies such as ring spun, Murata Vortex System (MVS), injected, slubs, and compacted yarns, among others. Making our product portfolio the widest in the region. We have constantly invested in state-of-the-art machinery to produce products of the highest quality, e.g., Rieter, Toyota, Muratec, and Trützschler machines.

13 CLIMATE ACTION

We advance through recycled fiber production

Strengthening our value chain

Recognizing our impacts, we have built traceability based on our customers. The following model allows us to know our footprint within the supply chain.

Our quality infrastructure

In our effort to exceed the expectations of our customers, we have more than 9 certifications, among which are OEKO-Tex, BCI (Better Cotton Initiative), RCS (Recycled Blended Claim Standard), OCS (Organic Blended Content Standard), US Cotton Protocol, Supima, Cotton Leads and Cotton USA.



Sustainable yarns and fabrics

Leading Sustainable Growth is part of our culture, we move towards the production of sustainable yarn and fabrics where we have three types of models: basic premium, casual, and athletic; these fabrics are characterized by being antimicrobial with wicking properties, among others.

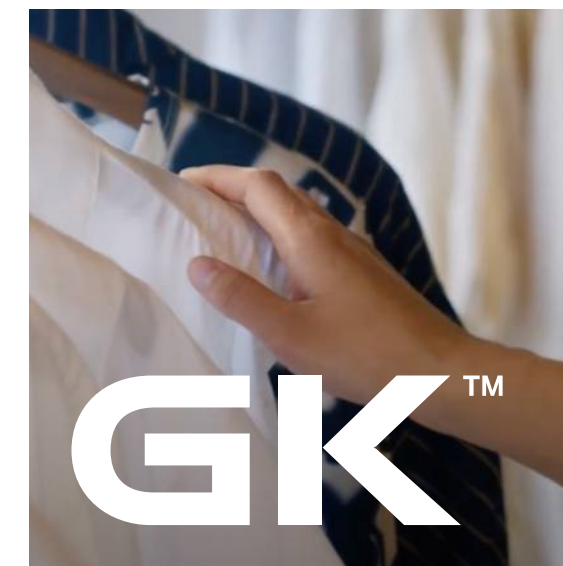
In this approach, we are advancing toward Circular Economy models where the transformation of our production lines stands out towards high-generation recycled fiber technology. In the last five years, we have contributed to the conversion to yarn and fabric of an equivalent of 200 million recycled plastic bottles from different sources.

With our recycled fibers, we see an enormous opportunity to respond to the impact of solid waste in nature. We are using synthetic fiber from Asia, but in the future, we will be promoting the production of this resource even more with local raw materials.

The impact of this initiative will be essential to increase our contribution to national development by providing greater local value. This initiative covers:

- Reduction of solid waste, especially plastic.
- Reduction in the use of natural resources such as water.
- Decrease carbon dioxide emission to zero by 2030.

Helping in this way in the quality of life with the communities that we relate to and the environment.



Lifestyle

Altara Lifestyle Center, where you can shop, eat and be entertained, is a shopping center that offers access to university and a variety of services to satisfy the immediate needs of the working population of Altia Smart City and the neighboring residents in the northwest area of San Pedro Sula city, Honduras. It is located at kilometer 2 on Altia Boulevard, the road to Armenta.



Altara has stores, banking services, gymnasium, restaurants, cafes, movie theaters, ice cream parlors, which makes it a familiar, safe place to have a wonderful experience to our visitors.



Business Units



Technology

With the increasing demand for dynamic environments and smart infrastructures, our forward-looking technology division seeks to foster technological innovation, high-tech entrepreneurs and IT talent through smart investments and developments. Each project is carefully designed to promote technological advances in the context of the digital world.

The opportunity to become high-tech talents is real, and up to serve global benchmark clients in this field, strategic partners of GK in their investments and intelligent developments. Each project is carefully designed to promote its advance in the context of a 100% digital world.

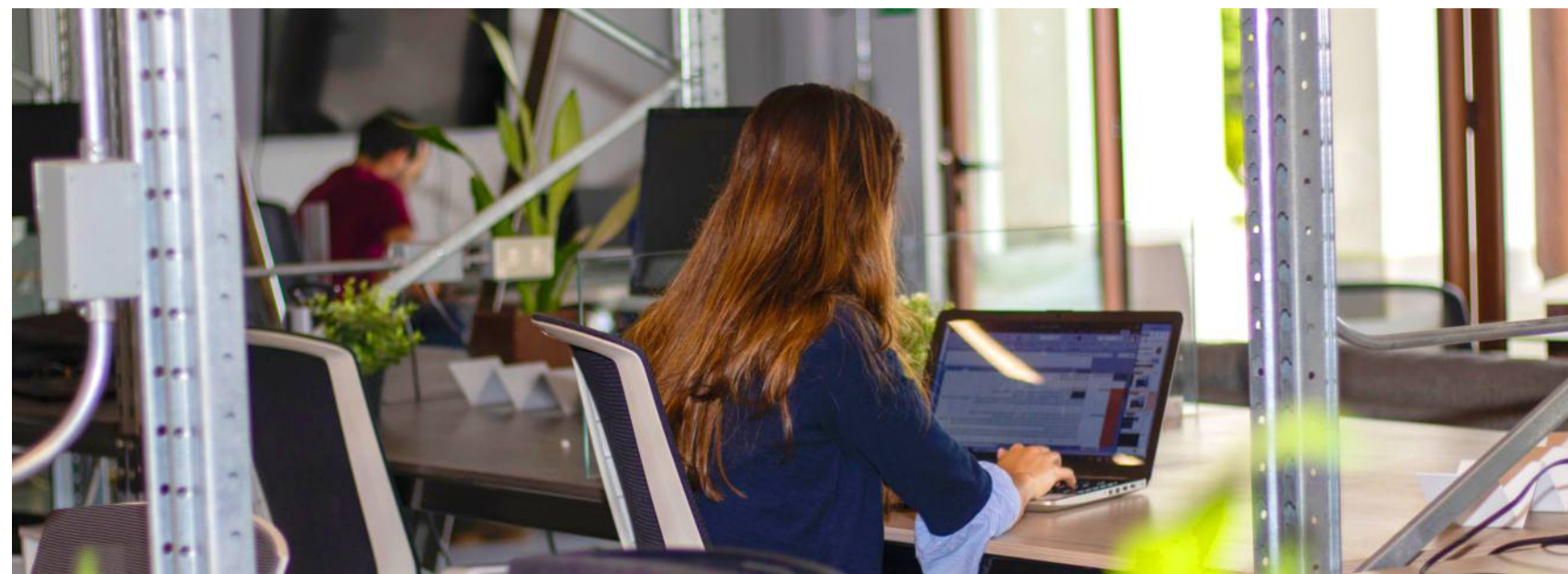
Adapt: has investment in over 50 start up companies and their portafolio is growing rapidly.



Connect: Services outsourcing company with a leadership team with 3 decades of knowledge that has a strong track record of impact and expertise in customer experience solutions.

Teknia Global is a global IT services provider under the GK Technology Division that will become a sustainable partner for companies seeking to achieve their digitization and sustainable transformation goals through the potential of technology solutions.

As part of its growth strategy, Teknia Global is partnering up with world's best tech training company to upskill and re-skill thousands of young honduran talent through its SkillNow Tech Center located in Altia Smart City, Teknia will be dedicated to building strong middle class in Honduras, and provide the service industry, job growth for the Country.



Agriculture

GK implements key initiatives in its Agribusinesses and true to its commitment to be a Leader in sustainable growth, it manages them with a strong commitment, avoiding the risk of the current or future generations needs in this area.

Considering that agriculture has a huge environmental impact, it also has an important role in climate changes, water, soil, among others; GK takes care of its processes to ensure social welfare, health, safety, good



management of natural resources, improving people's life quality on working the land, in order to reach the achievement of economic growth, generating a social and environment positive impact on the planet.

One example is **Palma Real del Sureste**, an agricultural zone developed in Campeche, Mexico, dedicated to the plantation, cultivation, processing and commercialization of African palm oil.





3



ALTIA SMART CITY
San Pedro Sula,
Honduras

CORPORATE
GOVERNANCE

Corporate Governance

GRI 2-9, 2-10, 2-11, 2-12, 2-13

Governability

At GK we are the pioneering spirit of industry and textile manufacturing, the innovative vision of real estate development, the voice of technology, the working hands of agriculture, the pulse that marks and inspires our lifestyle.

We are leaders in customer experience by exceeding expectations, anticipating and meeting individual needs in every step of the way

We give them the support they need, so they can focus on their own business and future developments.

Our Corporate Governance, involves a set of rules that regulate the internal relationships between the board of directors and stakeholders, setting up the policies, procedures and practices that regulate the relationships between partners.

Each year the Board of Directors receives legal compliance assessments from GK Legal Counsel and External Ethics Audit.



REAL ESTATE



TEXTILES



TECHNOLOGY

AGRICULTURE



Governability

Due Diligence

GRI 2-15, 2-16, 2-24, 2-25, 2-27

GK has put in place an ongoing review process that includes the assessment of current and potential Human Rights impacts in our operations and other processes such as risk assessment, legal certifications, social and environmental impact assessments. Through this process we seek to identify, mitigate and prevent any adverse Human Rights impacts and other risks.

Our Human Rights policy is based on respect for the Universal Charter of Human Rights, the Guiding Principles on Business and Human Rights, the Declaration of the International Labor Organization, and is reflected in our Code of Ethics and Conduct, which regulates our relations with employees, customers, business partners and the communities we interact with.

Corporate Ethics

GRI 2-26

Vision



With a powerful global business comes great responsibility, which is why we are committed to find better ways to do what we do and to invest in projects that stand the test of time.

Mision



We work tirelessly to maintain our position as a Leader in the development of global corporate solutions. We believe that in our strategic and sustainable business our investments have a duty to empower communities and safeguard natural resources.

Values

Our guiding values



Continuous Innovation



Sustainable Solutions



Influential leadership and global business development

These are the values that drive us.

We are the face of corporate responsibility; the source of an unwavering positive impact on education, professional development, health, the environment and infrastructure around the world.

Corporate Governance

GRI 2-22, 2-23, 2-24

Responsible Business Practices

The value of business integrity defines the foundations of the ethical conduct of GK's Board of Directors and is manifested in our organizational culture as follows:

1. Respect for the person's dignity and the rights that are inherent to him/her.
2. Respect for the equality of people and their diversity, which requires respectful and equitable behavior in all types of personal and professional relationships arising from the business and activities of companies, in which there is no room for discriminatory attitudes based on gender, ethnicity, creed, religion, age, disability, political affiliation, sexual orientation, nationality, citizenship, marital status or socioeconomic status.
3. Strict compliance with the law, which is to assume without exception the obligation to observe the legislation applicable to the activities and operations of GK and the actions related to them.
4. Professional objectivity that requires decisions and actions taken without accepting the influence of conflicts or other circumstances that could call into question the integrity of GK or its employees.

Sustainability

Since its creation, GK has contributed to the social and economic development of the country through an export model that promotes sustainable growth based on business and country competitiveness, the generation of formal employment and the integration of the productive chain to this economic activity.

We have aligned ourselves with the Sustainable Development Goals particularly with SDGs: 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 15, 17 and we have created a quality infrastructure that includes universal standards such as ISO 14000:2015 and ISO 26000, also standards as WRAP, and Great Place to Work. To which we incorporate the IndicarRSE metrics and the GRI Verification of sustainability reporting. All of this under strict legal compliance and in adherence to our ethical principles.

Rules and global quality standards:



OUR MATERIALITY

CALL CENTER
San Pedro Sula,
Honduras

Our Materiality

GRI 2-30, 3-1, 3-2, 3-3

Introduction

The social consultation is a fundamental element of GK's transparency policy, being the first opportunity for the organization to present the results of its first dialogue with its main stakeholders.

The social consultation has a purpose, which is to discover the materiality of the organization. Materiality is associated with relevance and means **"addressing those aspects that reflect the organization's significant economic, environmental and social effects influence in a material way on stakeholder assessments"** GRI (2013) Core Principles Manual p.14.

The construction of materiality required the design of a plan based on four phases: identification, prioritization, validation and review, as shown in the following table:

Methodology

The methodology used is aligned with the ISO 26000 Standard where the organization is accountable for its management. The geographic area of the Social Consultation is associated with the sites where Green Valley Advanced Manufacturing Hub and Altia Smart City operate, in the northwestern part of Honduras. The implementation period was between 2020-2022.

Identification

In this first stage we identify the coverage of the social consultation, the identification, selection and convening of stakeholders, construction of the consultation instruments and the matrixes for the tabulation and interpretation of stakeholder expectations.

Invited Stakeholders

The criteria for the selection of stakeholders in the social consultation were presented by the facilitating entity and were based on the stakeholder's influence on the organization's decision making, capacity to respect other stakeholders, degree of impact in terms of affecting the company's image, among other proposed criteria.

In GK the stakeholder structure is reflected in the following graph. However, in this first opportunity the dialogue was conducted between the management and the staff of the company.

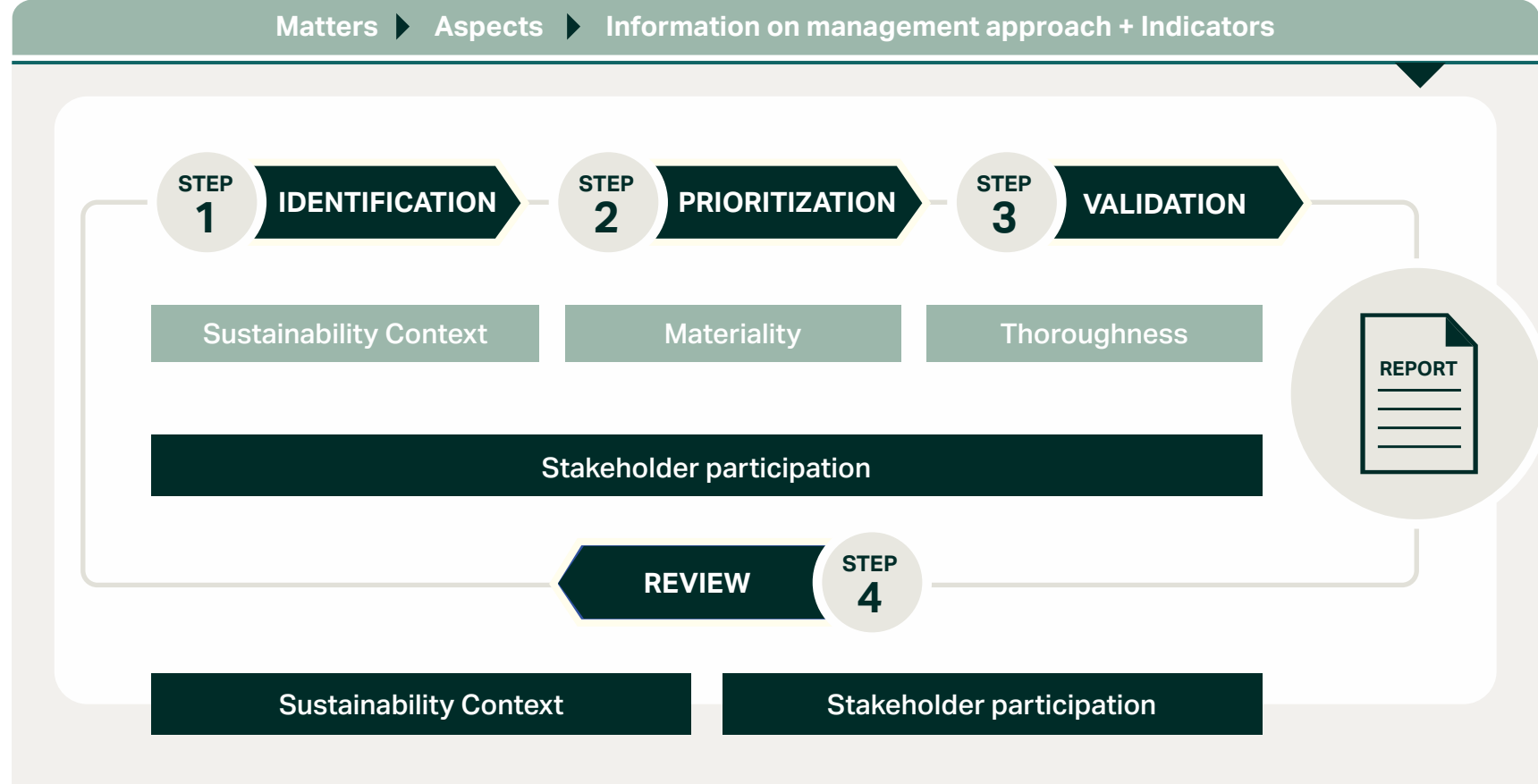


Value chain

Prior to the consultation, the exercise of approaching the main impacts caused by the operation of the two companies is carried out. The analysis of the value chain resulted in a first list of impacts.



Construction of Materiality



Our Materiality

GRI 2-17, 2-18

Diagnosis with IndicaRSE- ISO 26000 metrics

The next step was to associate the impacts found with the results of the IndicaRSE metric, which is used by more than 300 companies in the Central American region and the Dominican Republic.

The consultation required a process that included training GK's management team in the use of the instrument and subsequently the teams were organized according to the fundamental subjects of the ISO 26000 Standard and the dimensions of Sustainable Development, and the aspect of Governance was added.

Dimension	Subject
Economic	Consumer Affairs
	Fair Operation Practices
Social	Human Rights
	Labor Practices
	Active Community Involvement
Environmental	Environment
Governance	Executive Management

Prioritization

The process for the preparation of the consultation required the presence of two involved areas: GK's management and administrative teams. Once selected, a standardized instrument was applied to the management team, made up of seven people from the Commercial, Financial, Human Resources, Marketing, Environmental, Legal and Corporate Affairs teams.

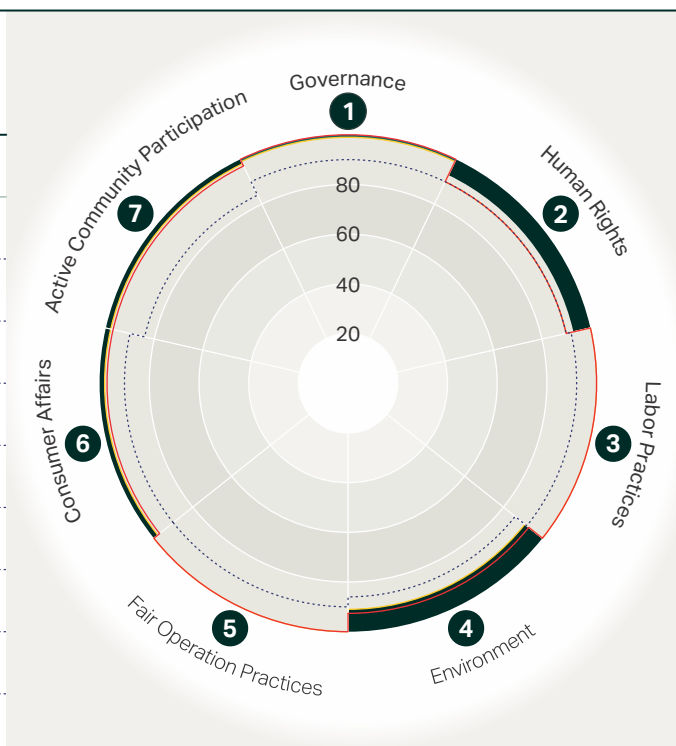
Once the responses were received, a self-diagnosis was carried out to identify the areas of improvement opportunities and strengths of GK's stakeholders.

The information collected was integrated into statistical tables where the index was reflected according to the type of response, with YES=100, Process=50, NO=0. From there, the data is converted into a simple average that will serve as a basis for future comparisons.

The results in Altia Smart City and in Green Valley Advanced Manufacturing Hub allowed observing that they are above the average of the measurements of the Central American region and the Dominican Republic.

SUBJECT	2020	2021	2022	CA-RD
1 Governance	100	99	99	90
2 Human Rights	90	90	93	90
3 Labor Practices	100	100	100	92
4 Environment	93	91	91	86
5 Fair Operation Practices	100	100	100	90
6 Consumer Affairs	97	98	98	90
7 Active Community Participation	97	98	98	84
Average	97	97	97	90

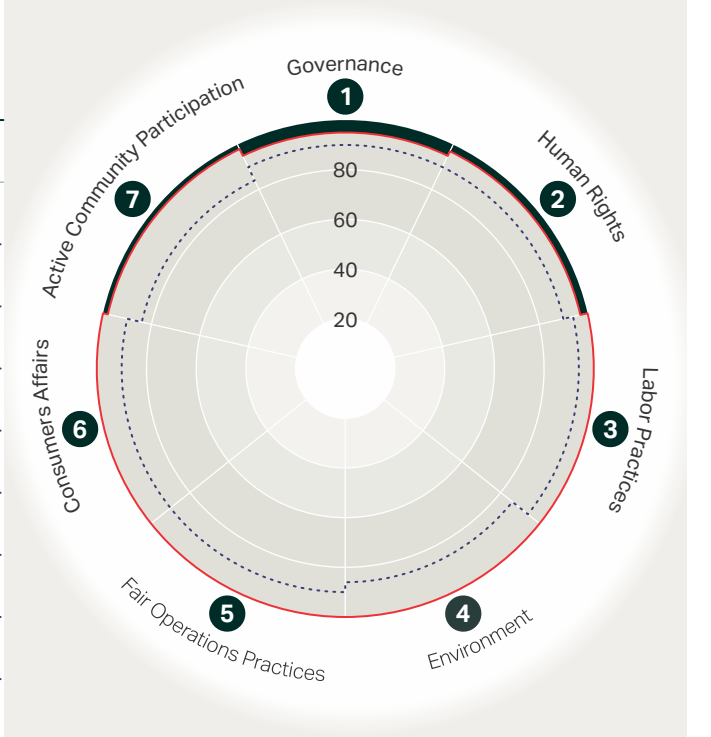
CA-RD = Average measurement in Central America and the Dominican Republic | Source: Fundahrse. IndicaRSE 2020-2022



Green Valley Advanced Manufacturing Hub INDICARSE ISO 26000 | Percentage, Year, Subject

SUBJECT	2020	2021	2022	CA-RD
1 Governance	95	95	95	90
2 Human Rights	97	97	97	90
3 Labor Practices	100	100	100	94
4 Environment	100	100	100	86
5 Fair Operation Practices	100	100	100	90
6 Consumer Affairs	100	100	100	90
7 Active Community Participation	98	98	98	84
Average	99	99	99	90

CA-RD = Average measurement in Central America and the Dominican Republic | Source: Fundahrse. IndicaRSE 2020-2022



The first product of the assessment with the IndicaRSE metric and the stakeholder consultation was able to identify a list of topics considered relevant to the organization. These can be seen in the table below:

Relevance analysis (Stakeholders Management-Staff)

Topics	Dir.	Staff	Prom.	Dimension	GRI	Relevance
1 Management of all environmental indicators and their metrics	100	76	88	Environmental	102-11, 12, 306-2, DMA ambiente	Strategic
2 Structured set of environmental policies and values	100	76	88	Environmental	102-16, 20	Strategic
3 Use of certifications to ensure compliance	80	79	80	Governance	102-12, 28, 29, 30, 31, 34	Material
4 Prioritizing Great Place to Work policies	100	82	91	Governance	102-11, 29, 30, 31, 33, 34	Material
5 Measuring customer experience in all aspects of the business	100	95	98	Governance	102-33, 102-43, 203-1, 203-2, 41	Material
6 Establish policies for continuous business growth	80	91	86	Governance	102-29	Strategic
7 Definition of financial indicators for business efficiency management.	80	93	86	Economic	102-33, 201-1, 2	Strategic
8 Align financial objectives with employment generation and human development	100	88	94	Economic	201-3, 203-2, 204-1, 308-1, 401-1, 40, 41, 42	Strategic
9 Structuring business support for the management of the Foundation	80	71	75	Social	413-1, 2, 414-2	Strategic
10 Strengthening the Foundation and its impact on the country's most vulnerable people	80	80	80	Social	413-2, 414-2	Material

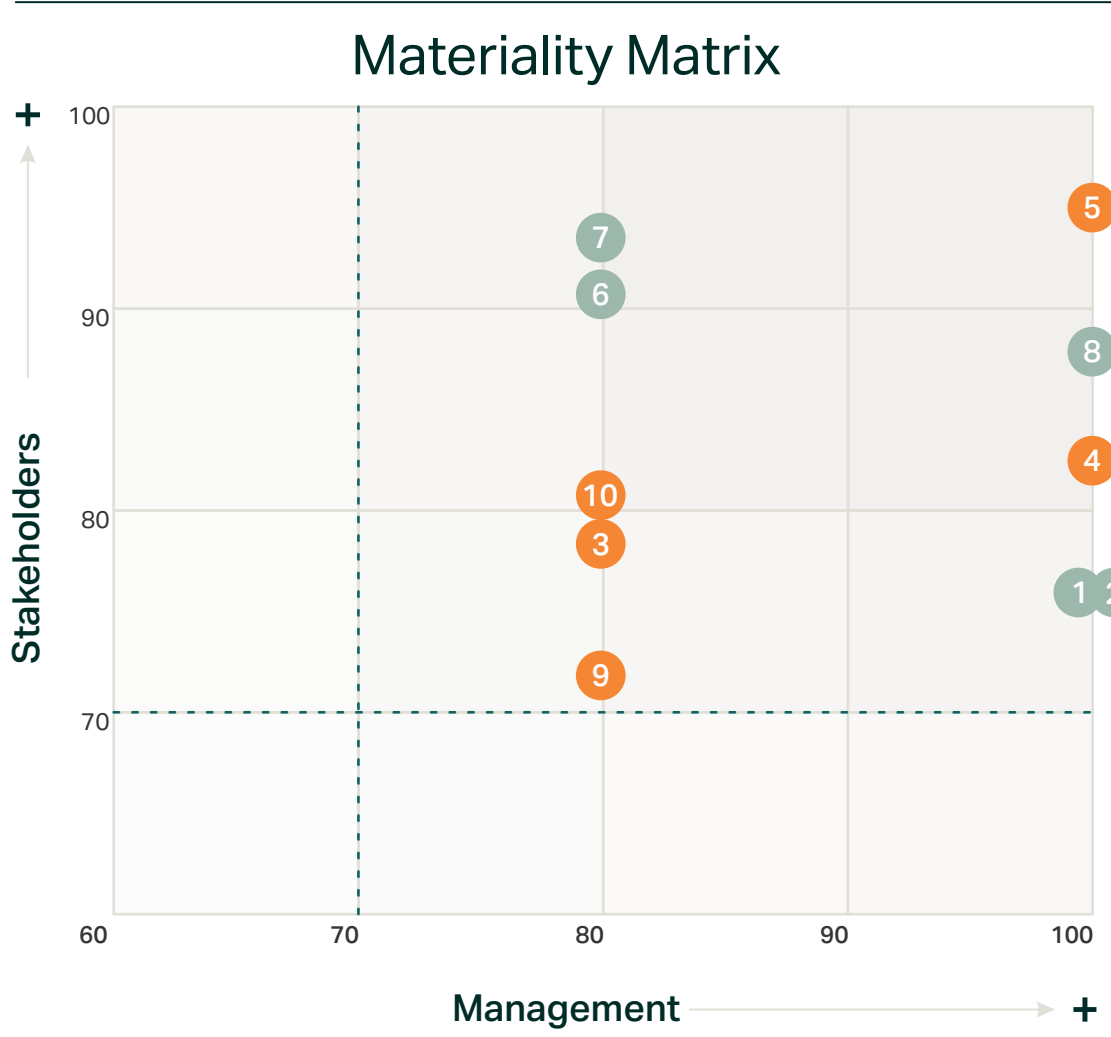
Our Materiality

Validation

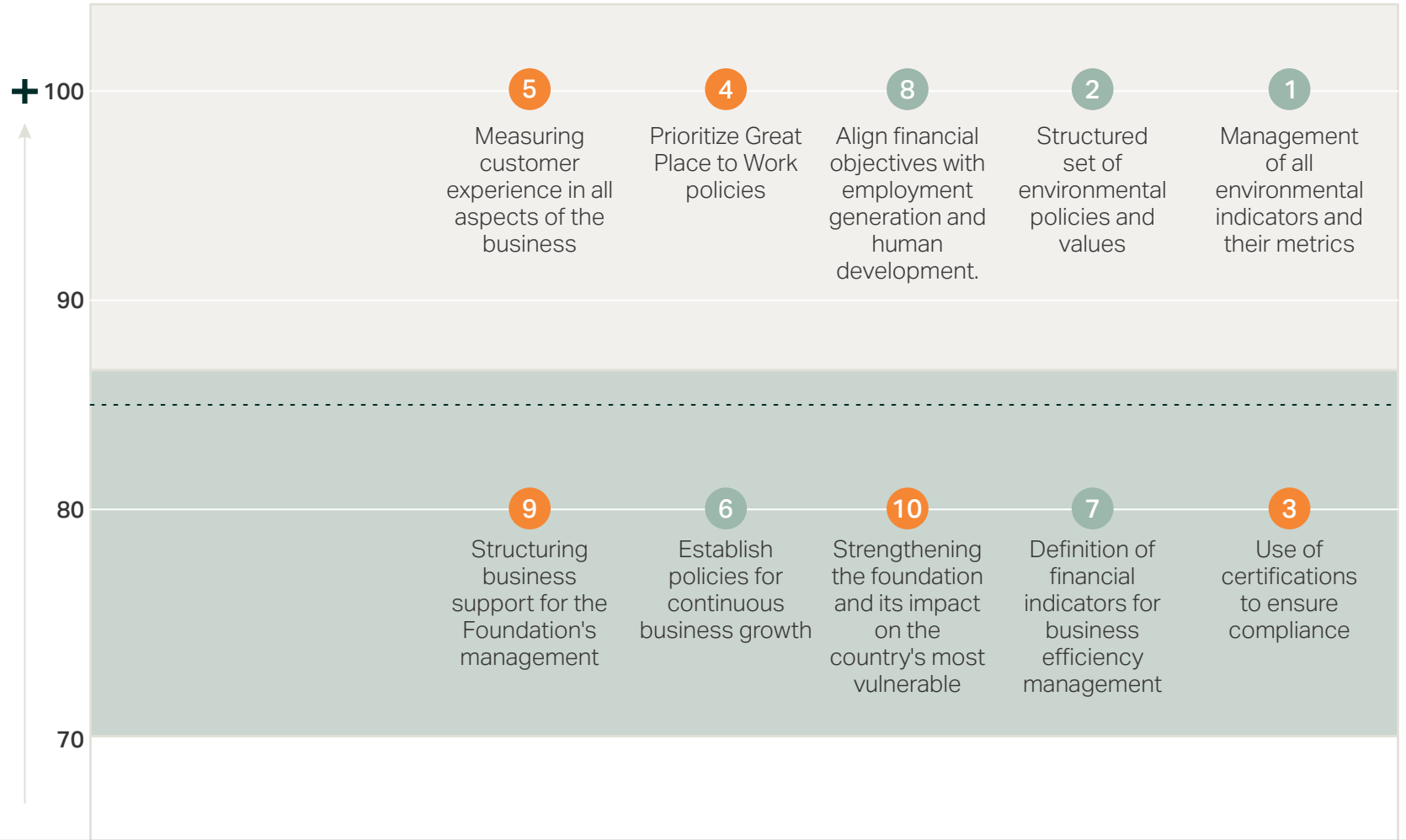
By combining the opinions of the stakeholders, administrative staff and senior management, the material topics are identified. In first place, the following topics are considered:

Review

Once the selected topics were identified, they were aligned with the indicators according to the GRI. These topics can be addressed in the future sustainability report and can be seen in this table:



Topics Matrix



Materials Topic	Factor	GRI Standards	SDG	Global Compact
5 Measuring customer experience in all aspects of the business	Internal	102-30, 102-34, 418-1	8.4	1
8 Align financial objectives with employment generation and human development.	Internal	201-1, 201-2	8.5	1
4 Prioritize Great Place to Work policies	Internal	102-33	8.2	1
3 Use of certifications to ensure compliance	Internal	102-28	16.b	10
10 Strengthening the Foundation and its impact on the country's most vulnerable	Internal	413-1, 413-2	17.17	1



Altia Smart City
San Pedro Sula,
Honduras



**ECONOMIC
DIMENSION**

Economic Dimension

SDG 6, 7, 13

- The creation of a new job with stability and quality labor benefits is worth 34 thousand dollars to GK.
- We are investing USD \$236 million in the expansion of our operations in Honduras while creating 7,000 new jobs.
- We apply the Nearshoring model to which we add our Customer Experience approach.
- Green Valley Advanced Manufacturing Hub achieves 98% incustomer experience qualification.
- Altia Smart City and Green Valley Advanced Manufacturing Hub score 100% on CSR assessments concerning consumer issues and fair operating practices.
- 540 suppliers are registered with Altia Smart City of which 65% are Small- and medium-sized enterprise (SME) suppliers.



GK Business Model

GRI 2-22

Since its creation, GK has contributed to the social and economic development of the country through an export model that promotes sustainable growth based on business competitiveness, the generation of formal employment and the integration of the production chain.

At GK we apply the Nearshoring model that allows us to transform geographic advantages into competitive and strategic advantages. Central America and particularly Honduras has exceptional opportunities for North American markets such as a) Shorter flight times b) Faster adaptation processes c) Greater participation through a similar culture d) Better infrastructure than other options (offshore) e) Lower costs and higher quality.

That is why in the Textiles Division we have a vertically integrated production that covers all facets of the supply chain. Starting with yarn manufacturing, knitting & dyeing, design, cutting, sewing, embellishment and packaging with integrated logistics for delivery and distribution of products to its customers worldwide. In the textile division, the B2B (Business 2 Business) private customer relationship prevails.

In the Real Estate division we have a portfolio of finished projects in the industrial, commercial, retail, residential and hospitality sectors, which stand out for their excellent combination of architecture, style and world-class ambiance. We have specialized in the development of intelligent, turnkey projects that have generated strong foreign investment in the country, in addition to being strong generators of employment.

This business unit prevails the following relations:

- Private customers B2B (Business 2 Business)
- Private customers B2C (Business 2 Consumer)

Based on these advantages, we have developed important initiatives in smart cities business, especially in BTS (Build to Suit) whereby we generate important outsourcing services for global providers of communication services and in ITO (Information Technology Outsourcing) where one or more technology-related processes are outsourced to a service provider.

On the other hand, through our turnkey model, our real estate division promotes a specialized service culture that includes all aspects of support for its clients, making the Smart City a self-sufficiency model.

Under this concept, Altia Smart City is a business unit that has a diverse portfolio of more than 540 suppliers, of which 65% of them are Small and medium-sized enterprises (SME) most of them Honduran, with a variety of product options such as equipment, materials and the contracting of works and services. Altia is dedicated to offering turnkey solutions for contact centers and BPO (Business Processing Outsourcing) with suppliers linked to the Engineering and Telecommunications sectors. It is also a maintenance-intensive industry that offers a ticketing system for any type of maintenance related to the workplace.

USD \$34,000
for GK, each new job with job stability and benefits.

100%
evaluation of consumer affairs and labor practices

Economic Dimension

Economic Value

GRI 412-1

GK is committed to the sustainable development of Honduras, in its strategic plan it has decided to invest a total of \$236 million dollars in the real estate and textile divisions, so that by the end of 2022 and during the first quarter of 2023, more than 7,000 new direct jobs will be generated.

Each new job created, for GK, means an investment of close to 34,000 dollars, understanding that behind each job there is a family, which has a decent, stable and secure future. With this, GK sees a way to contribute to the economic recovery of the country, in order to achieve the goals set out in the United Nations 2030 Agenda.

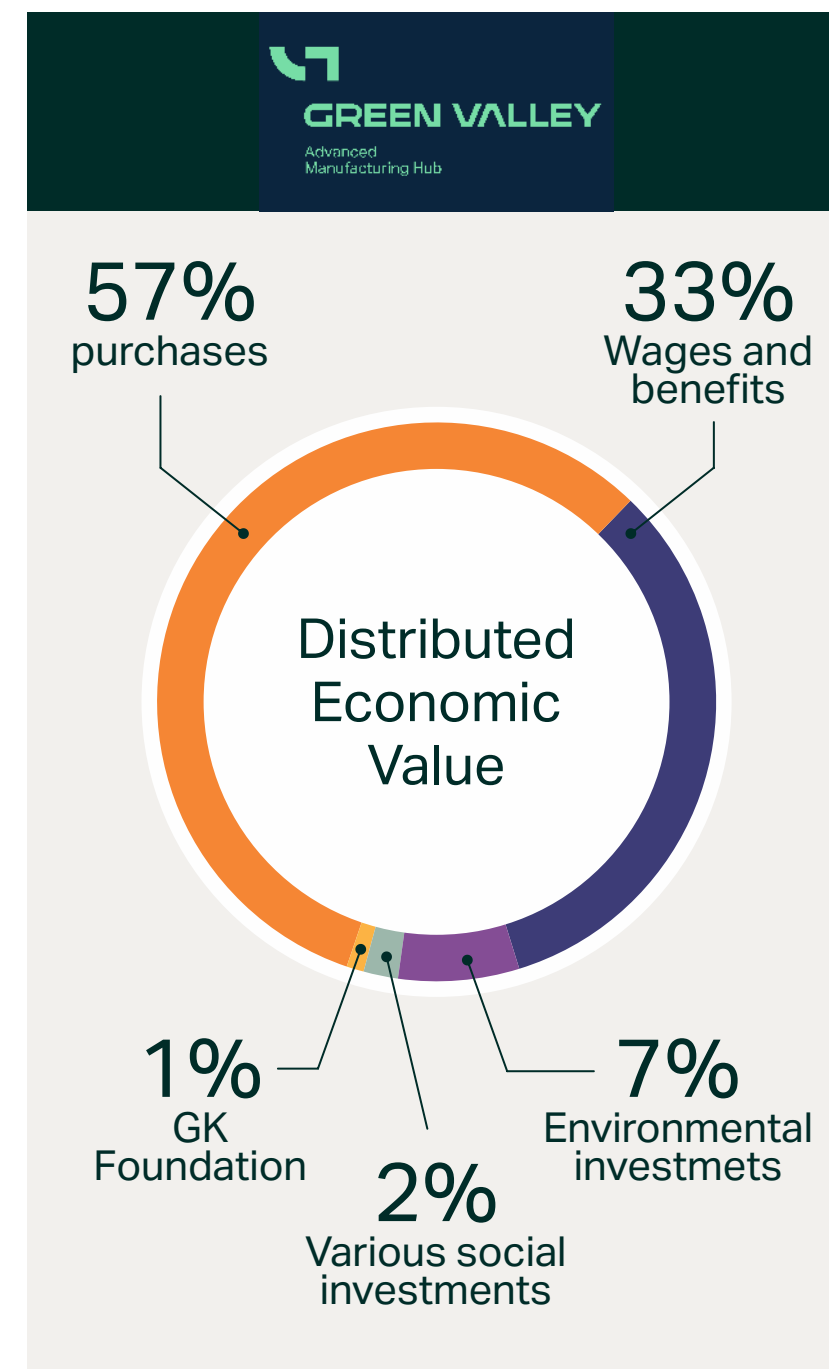


Green Valley Advanced Manufacturing Hub

During the pandemic and the tropical storms, we acted responsibly in managing the operations of our clients, complying with all security, protection and support measures, in order to preserve more than 11,000 salaries and wages paid at the HUB, thus guaranteeing the integral welfare and health of each employee and their families.

Thus, during the year 2021, 33 percent of its revenues were allocated to salary payments and labor benefits. To this percentage is added the contribution that Green Valley makes in purchases from suppliers of transportation, security, maintenance of equipment and physical areas, among many services it offers. This investment is the main source of income for thousands of people in the area.

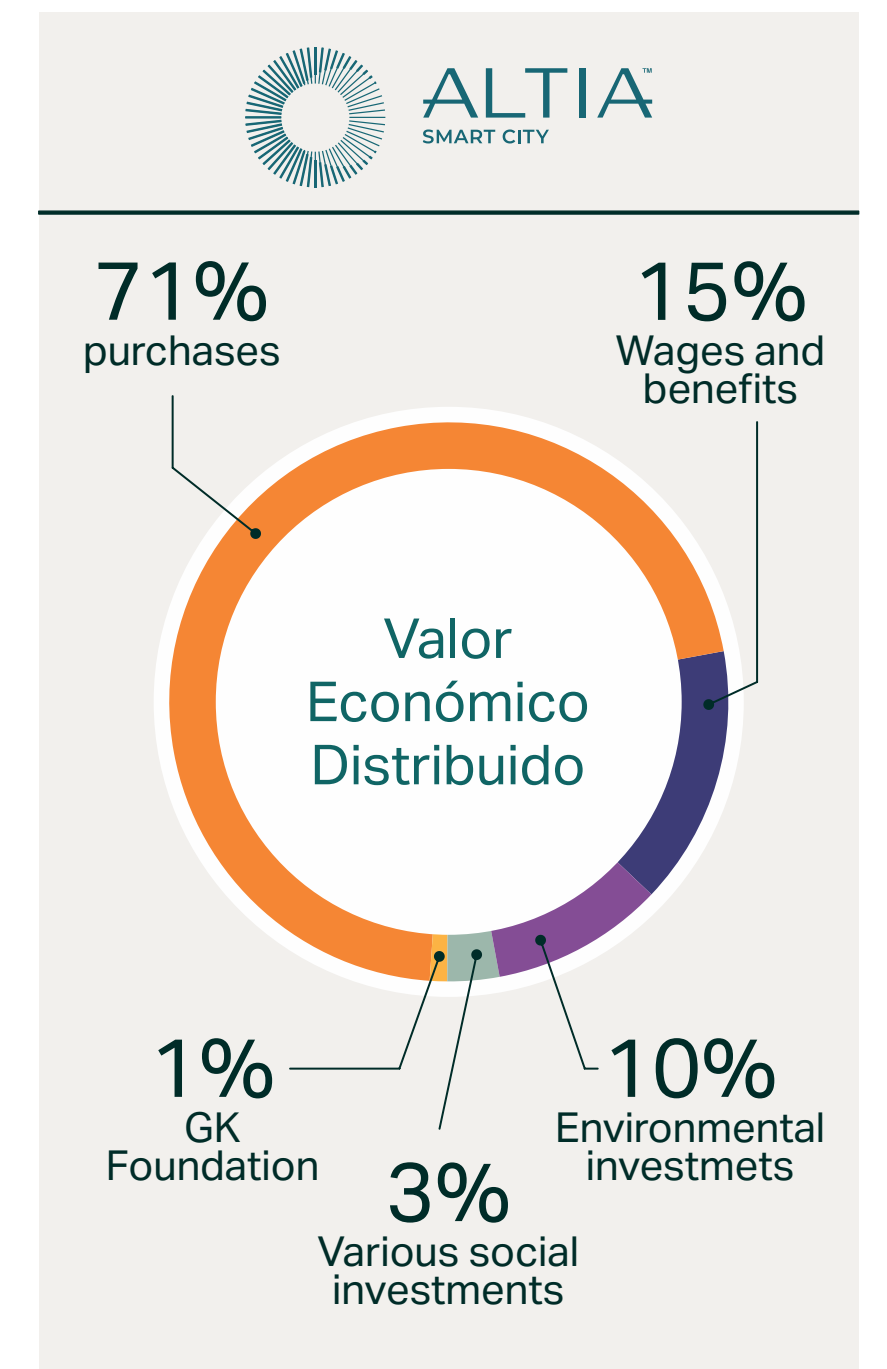
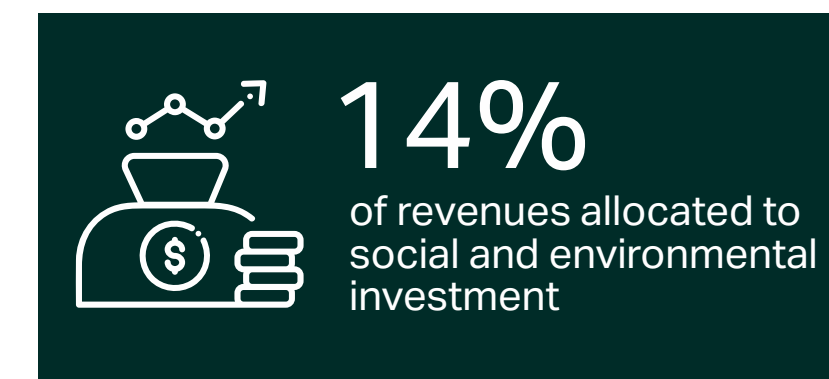
Social investment through the GK Foundation, like the environmental investment of the Green Valley Advanced Manufacturing Hub, constitutes about 10% of its revenues.



Altia Smart City

Despite severe confinement measures due to Covid-19 and the impact of climate change due to storms and hurricanes, Altia maintained the economic strength of its business units. Its contribution focused above all, on boosting its value chain, also supporting its suppliers, as purchases have been strengthened to 71% in all operations.

For its social impact, Altia allocates 14% of its economic value, between management to ensure the operability of its customers who have more than 7 thousand employees, and aware of social responsibility, directs that percentage of revenues to social and environmental investments and also through the GK Foundation.



Economic Dimension

Customer Experience

Our commitment to client safety and welfare applies to all of our companies and extends throughout the project cycle.

In the industrial and building areas, we are characterized by our proximity and customer support. From the first contact to the delivery of the spaces and the corresponding attention to each of their requirements. This has allowed us to guarantee solid long-term relationships that facilitate the retention of our clients.

We currently have highly trained professional teams and properly certified as customer experience specialists. All staff is continuously trained to maintain a high quality service.

The "Estamos a sus órdenes" (We are at your service) training program focuses on the pillars of safety, courtesy, excellence, confidence, accessibility with the purpose of developing a collaborative team that is passionate about customers. Always exceeding their expectations.

To continue strengthening our relationship with our customers. This year we began the transition from a customer service culture to a culture based on **Customer Experience**, so that our customers can enjoy and maximize their experiences in all of our companies.

We have a Service Request Management (SRM), tool designed to mitigate the impact of risks.

It is a virtual platform created to efficiently address the requests of our customers, who are kept informed of any event or occurrence within the Hub or Smart City through email, telephone, complaint books and apps, among others.

Our customer experience map guides the training of our employees with methodologies that generate positive impacts to every user or visitor who has contact with the company.

Measurement

Measuring customer experience is a key element for evaluating our operations. In the evaluations conducted at Green Valley Advanced Manufacturing Hub, customer feedback can be observed when evaluating aspects of maintenance, occupational health and safety, and green space maintenance. Attached is the feedback instrument:

Customer Experience Green Valley Advanced Manufacturing Hub

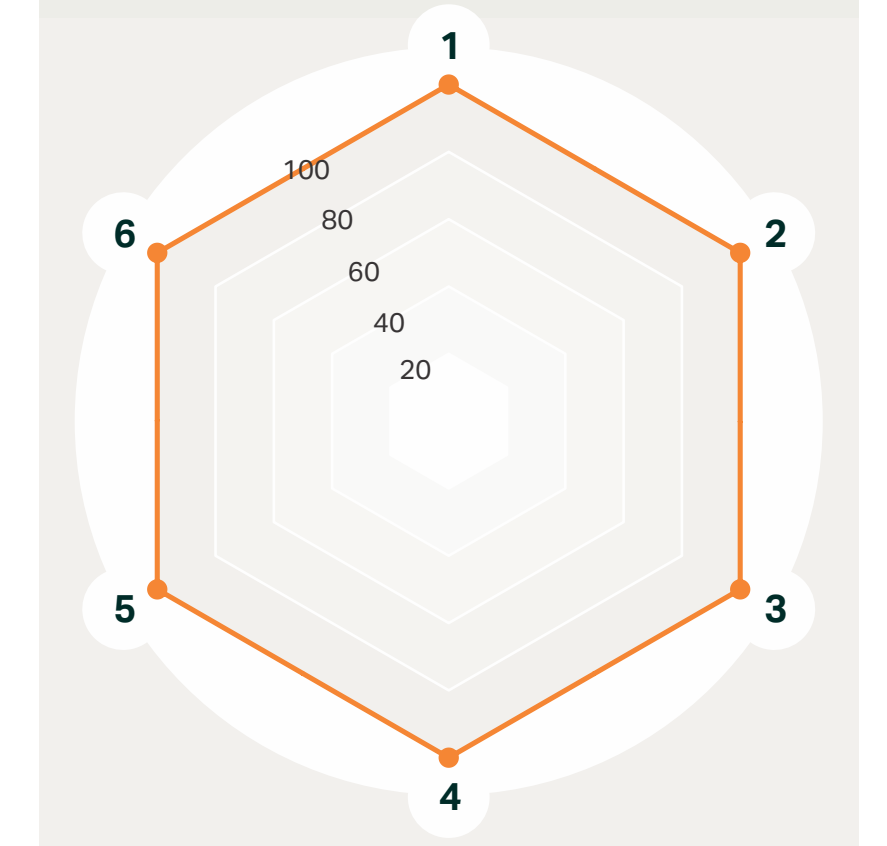
	SATISFACTION
Maintenance	86
Technical support and assistance	88
Structural conditions of the buildings	82
Maintenance of exterior areas including painting and facades	86
Performance of the request management system (Tickets)	80
Our maintenance team assisted you with a respectful and friendly attitude.	96
Environmental, health and safety regulations	94
Collection and disposal of common solid waste	93
Contractors work for-hire permit	93
Support and feedback from our team in case of emergencies.	93
Our security team assisted you with a respectful and friendly attitude.	98
Green areas maintenance	88
Patios and landscape	82
Service quality	85
Our green areas team assisted you with a respectful and friendly attitude.	96

Third-Part Verification

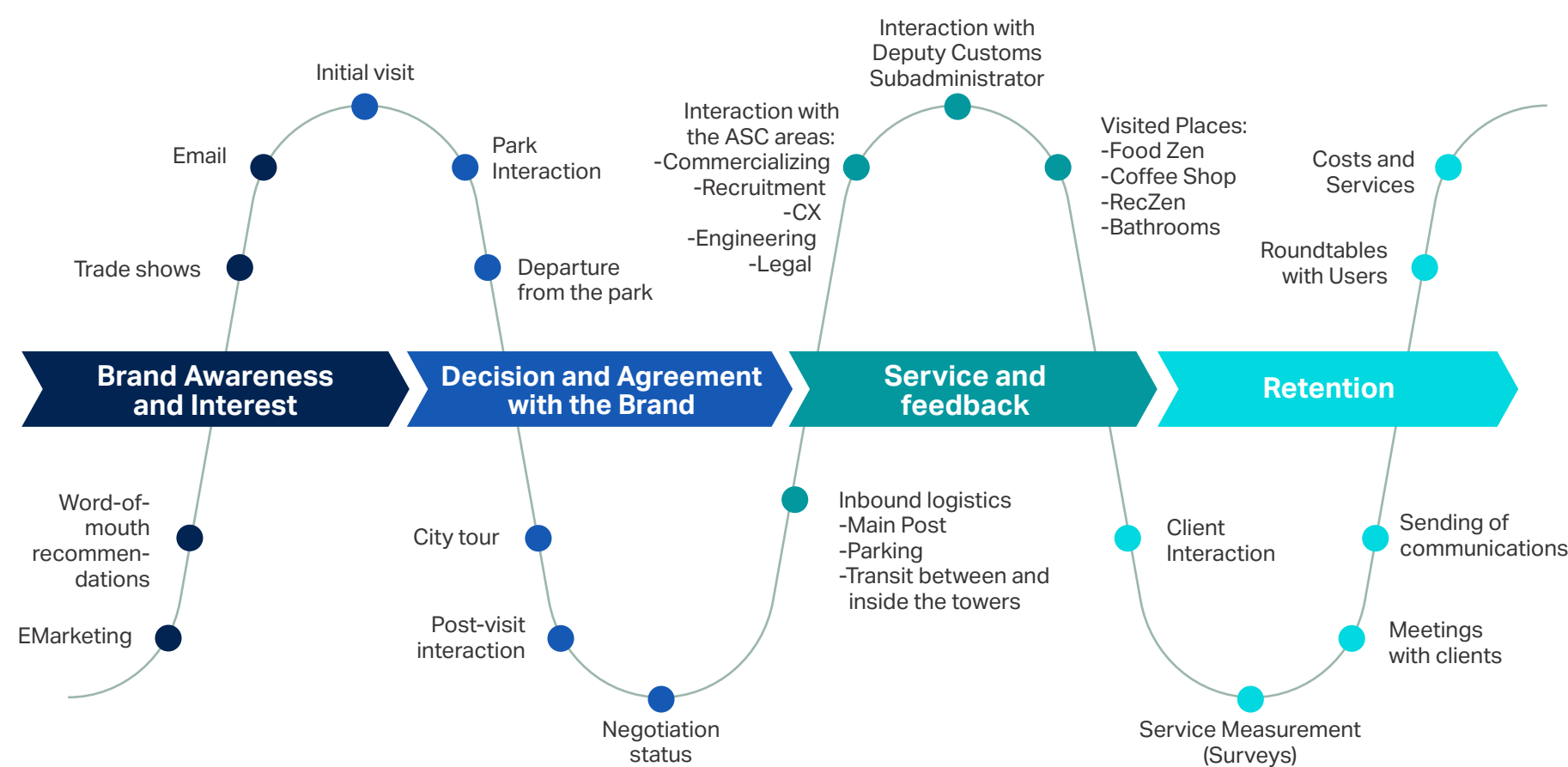
In the same way, GK seeks to exceed the expectations of internal and external customers, therefore we carry out an annual evaluation of its companies Altia Smart City and Green Valley Advanced Manufacturing Hub through the IndicaRSE metric, which is homologated with the ISO 26000 Standard, whose results show evaluation levels of 100% in their respective operations.

Consumers Issues Green Valley Advanced Manufacturing Hub Altia Smart City

Consumers Issued	2020	2021
1. Fair marketing practices, objective and unbiased information	100	100
2. Consumer health and safety protection.	100	100
3. Sustainable consumption	100	100
4. Customer service, support and complaint and dispute resolution services.	100	100
5. Protection and privacy of consumer data	100	100
6. Education and awareness	100	100
Total	100	100



Customer Experience Map



Source: Green Valley Advanced Manufacturing Hub

Source: IndicaRSE (2020-2021) Fundahrse

Economic Dimension

Our Value Chain

GRI 2-6

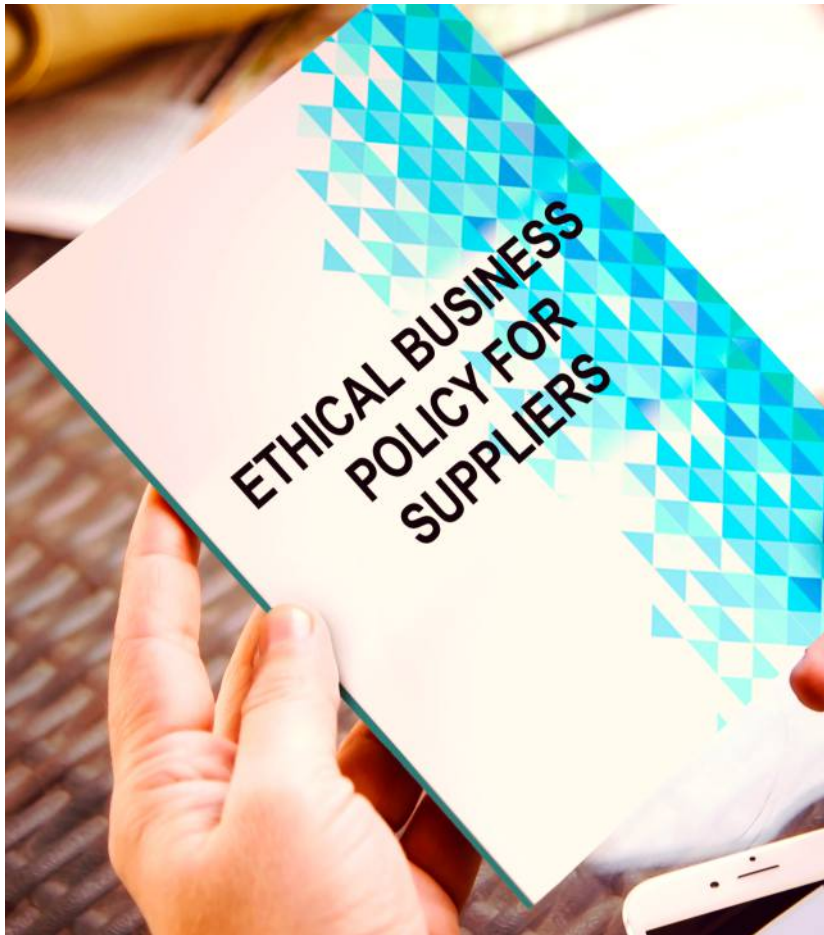
Regulatory compliance in our value chain

We have a purchasing policy and procedures, as well a record of national and international purchases, supplier size and strategic level.

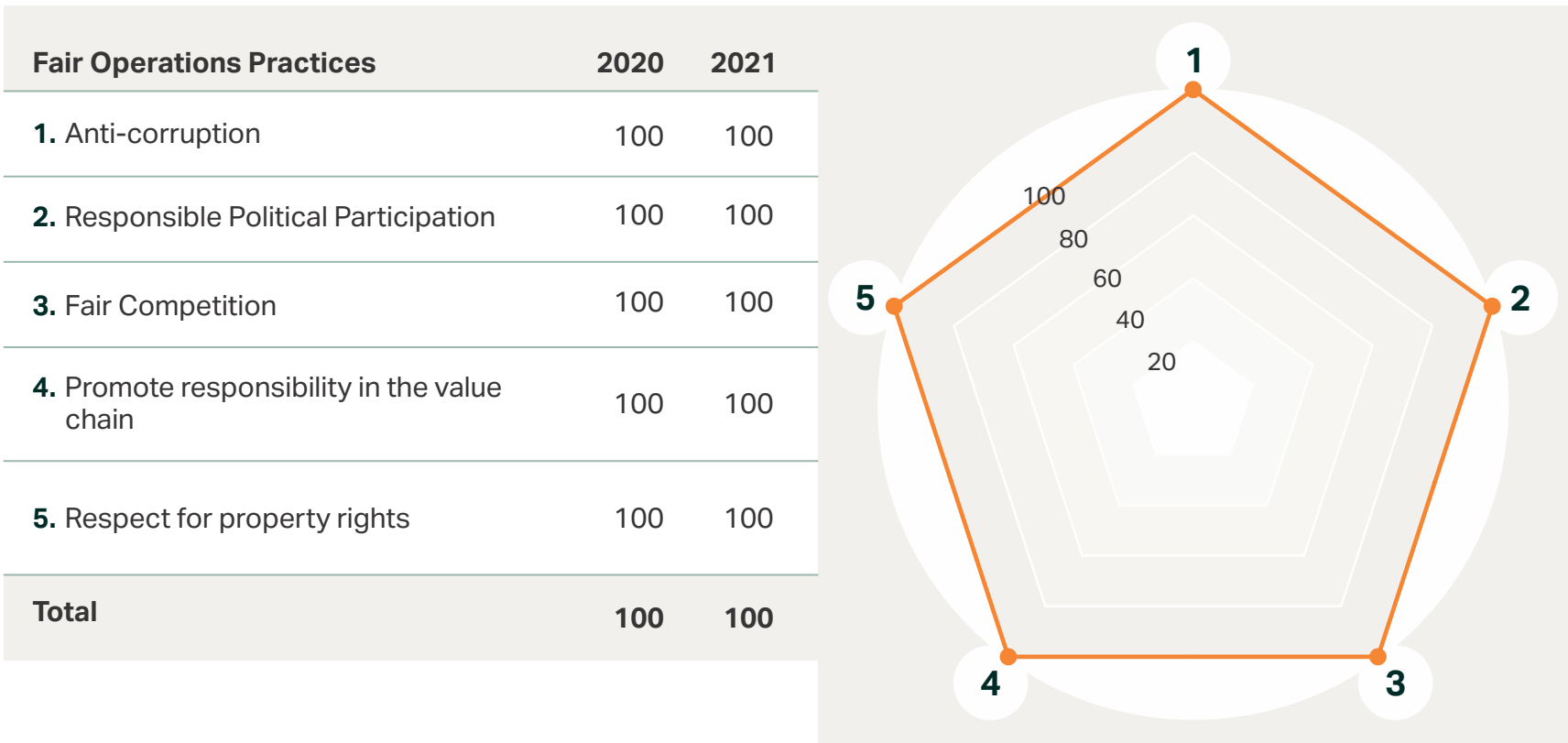
Environment	The environmental aspects of the supplier's operations are evaluated as well as the items it produces.
Labor Practices and Human Rights	It is ensured that employees are treated properly and the use of child labor is prohibited.
Ethics	Any controversy at the ethical level is taken into account, especially in terms of corruption and bribery.
Sustainable Purchasing	Good initiatives implemented by the supplier in terms of ethical practices and fair trade are evaluated.

We have a registry of our suppliers under the SAP system, which is updated according to ethical criteria, responsibility and sustainability. For this reason, we have initiated a process to train our value chain in order to achieve greater growth based on our operations in the country's two main urban centers.

The Corporate Social Responsibility evaluations of our companies allow us to monitor the high performance achieved.



Consumer Issues Green Valley Advanced Manufacturing Hub Altia Smart City



Source: IndicaRSE (2020-2022) Fundahrse





SOCIAL
DIMENSION

Social Dimension

- For every new job we create, we prevent up to 11 people from emigrating to the United States and other countries.
- For each direct job, we generate four indirect jobs.
- We are within the Top 10 ranking of Best Companies to Work for in Latin America, and we are number 9 in Honduras, in the category of companies with 100 to 1,000 employees, according to Great Place to Work® 2022.
- We are an engine of growth in Honduras's five main development poles.
- Our staff turnover is 1.5%, the lowest in the productive sector of which we belong.

Top 10
Latin America

#9
GPTW
Honduras

1.5%
Staff
Turnover

27,000
direct jobs created

GK™

GK Family

GRI 2-7

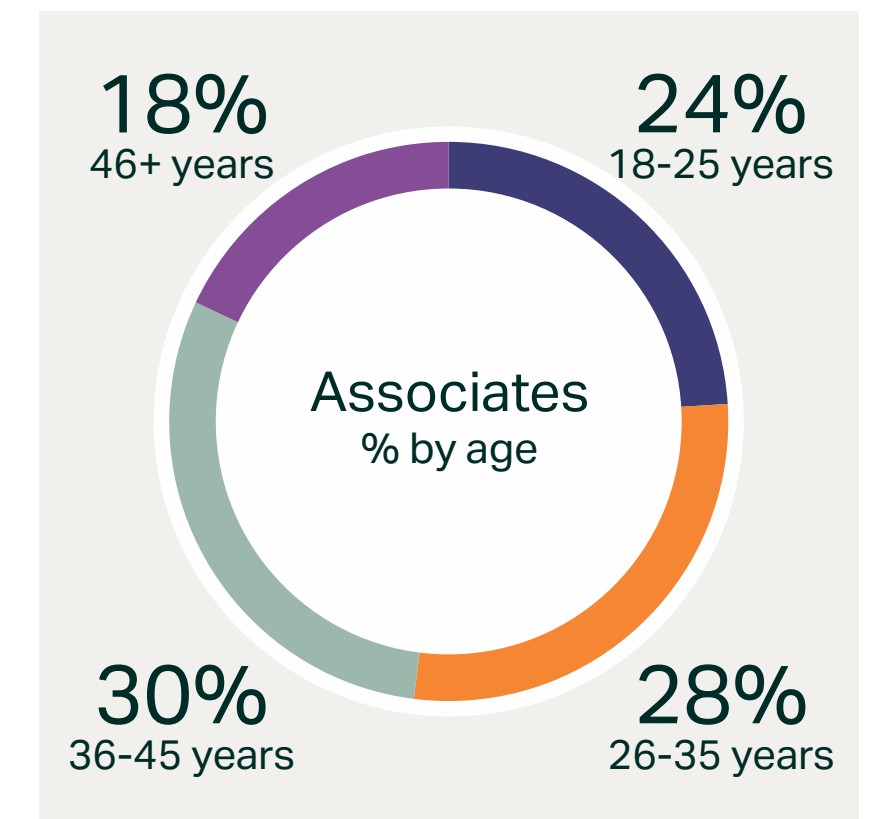
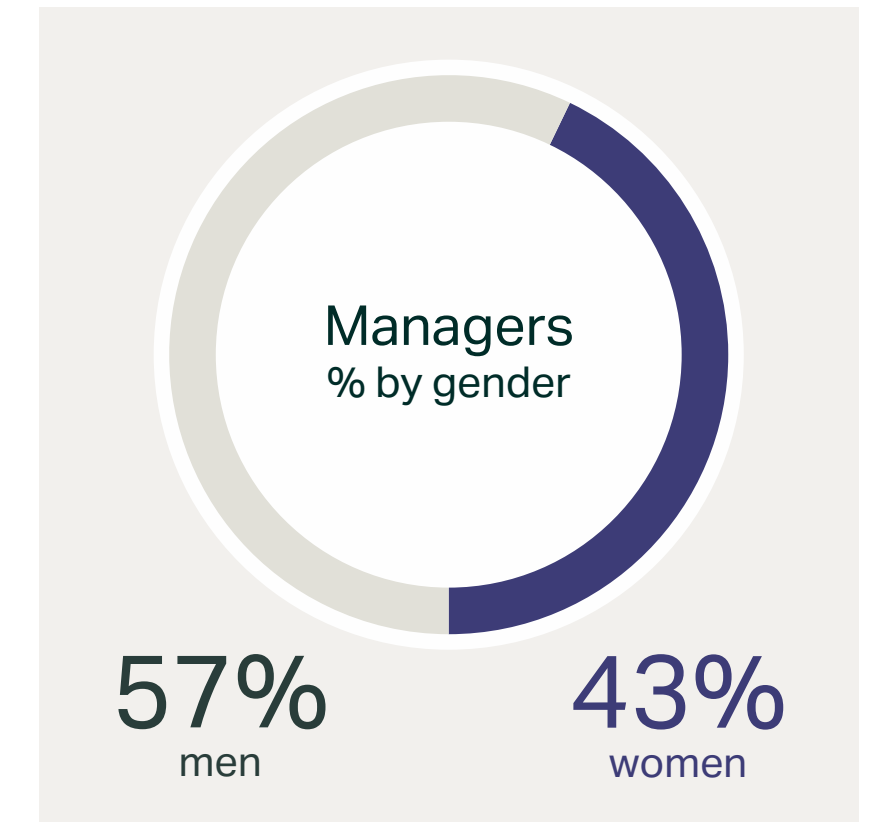
Based on a high social commitment, the Human Resources Corporate management and its entire team work daily on implementing fair strategies and growth for all who are part of the GK family.

Direct Jobs

Clients of:	
Green Valley Advanced Manufacturing Hub	11,163
Altia Smart City	5,727
Altia Technology Park	1,527
Zoli Pride	465
A la Mode	320
New jobs created this year	7,000
TOTAL	26,202
Company	798
GRAND TOTAL	27,000

Indirect Jobs

City	Jobs
Cortés	25,000
Santa Bárbara	17,900
Distrito Central	14,550
Atlántida	7,300
Comayagua	5,500
TOTAL	70,250



A large part of the jobs generated, and those created indirectly, are located in the country's most developed areas, which is why GK is an excellent engine for boosting local economies and therefore has a significant impact on the economy of Hondurans.

Social Dimension

Regulatory Compliance and Human Rights

GRI 2-25

One of our most significant commitments is to comply with all applicable laws. In GK, simultaneously with job stability, our associates development and growth is accompanied by occupational health and safety, respect for their rights, and the incentive to be part of an organization that significantly appreciates its human value.

This is how, among our social policies, highlights the **Human Rights Policy** which impact can be observed in several areas; for instance, at management level leadership positions, an important balanced percentage of women, who have outstanding multi-skills, and given great leverage to the entire organization.

Also, as a promotional tool, the policy is aimed at equitable participation in terms of employment of individuals independently their gender, race, age, social status, and sexual preference.



Decent Work and Economic Growth

One of GK's strategic goals is to align financial objectives with creating jobs and human development, and a recent study confirms this.

According to Franklin Rideau Potomac Group, GK's economic activity prevents approximately 59,601 people from crossing the border illegally into the United States of America.

The study acknowledges that in GK's new investments, an average of 15,000 Hondurans, 17,000 Guatemalans, and 10,000 Salvadorans avoid emigration for every 5,000 new jobs created.

This data indicates that for each job generated by GK, the emigration of at least 11 individuals would be avoided from the Northern Central American Triangle.

GK's proposed employment model also includes hiring returned migrants, who sometimes reach 35% of BPO's (Business Process Outsourcing) operations. This initiative should add all actions to generate stability and total well-being of each GK employee of their Customers, adding to the growth achieved by all its suppliers.

Estimated reduction in irregular emigration, as a result of GK's current economic activity, as well as additional emigration avoided for every 5,000 new jobs.

	Current GK Operations	5,000 New GK Jobs Honduras	5,000 New GK Jobs Guatemala	5,000 New GK Jobs El Salvador
Superior Linked	93.159	23.948	26.425	14.826
Lower Linked	26.042	6.694	7.583	4,852
Average	59.601	15.321	17.004	9.839

Source: GK: R. Rideau, Franklin. Potomac Group. (2021) Business Alliances, Job Creation, and Reduction in Irregular Emigration from the Northern Triangle to the United States of America.

Human Talent Attraction and Retention

GRI 2-19, 2-20, 2-21

The creation of jobs also represents developing a career path that each associate can pursue, for this reason, our strategy is to ensure incentives and benefits for their permanent personal and professional advancement, thereby avoiding the risk of desertion and irregular emigration as much as possible.

The associate turnover rate at Green Valley Advanced Manufacturing Hub and Altia Smart City remains at **1.5%**. **This figure is nine times lower than the average index of the respective labor market.**

Most associates have a minimum tenure of 3 to 5 years in our operations, resulting in a labor stability rating between 59 and 65%.

As a result of its Ethical Principles and Corporate Social Responsibility, GK promotes the social mobility of its associates through business alliances with universities, social organizations, and governments that recognize education and health as fundamental pillars in the growth and prosperity of human talent.

We are committed to the well-being of our associates, and we provide them the benefits stipulated by law, which include, among other things: Attractive salaries, vacation rights, social security, two annual additional salaries, professional and financial training, and career growth.

GK Average length of employment

	Altia	Green Valley
Less than a year	27%	27%
1 to 3 years	38%	28%
3 to 5 years	26%	31%
More than 5 years	9%	14%

Source: GK

Additionally, we have added life and medical private insurance, and we provide them with tools and equipment, devices, bonuses for seniority, and countless extra support for them and their immediate families.

To promote a culture of flexible and barrier-free communication between associates and the organization's managers, we have an **Open Door Policy**, which consists of allowing any associate to meet with any director, manager, or chief, to discuss a topic of their interest. With this policy, we intend to promote a culture of listening and freedom of expression by encouraging our team members to share their thoughts, comments, and suggestions; without requiring special permission or authorization from their immediate manager.

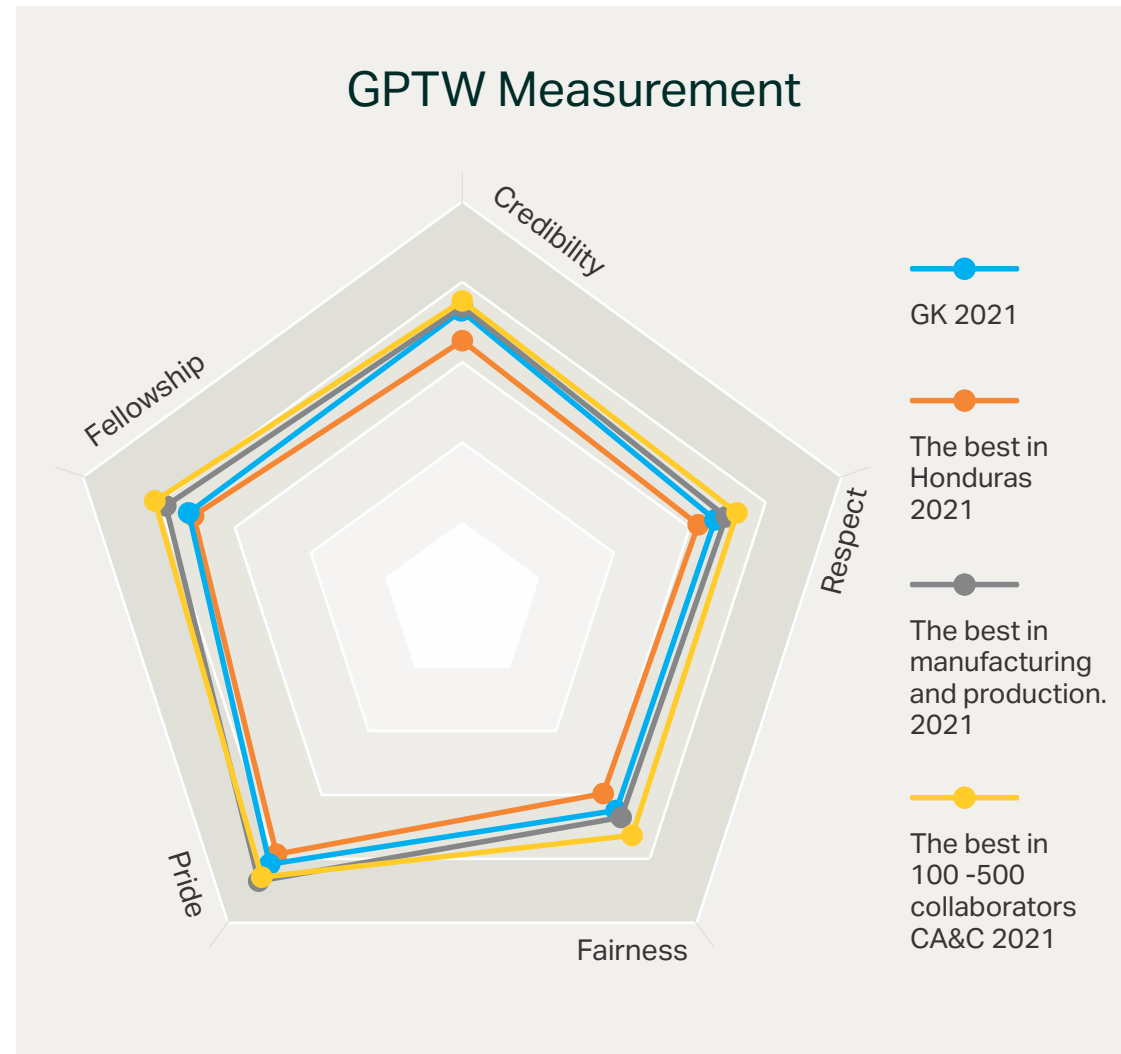
Social Dimension

Labor Welfare

We've participated in the ranking of Great Places to Work® since 2011, and in 2022 we reached ninth place in the category of companies with 100 - 1,000 employees in Honduras.

We are the only company in Honduras in that category, to achieve the required percentage needed to participate in Latin America's top workplaces ranking, where we achieved tenth place.

Ranking Category: Companies with 100 to 1,000 employees



48	Honduras	9
	Latin America	10



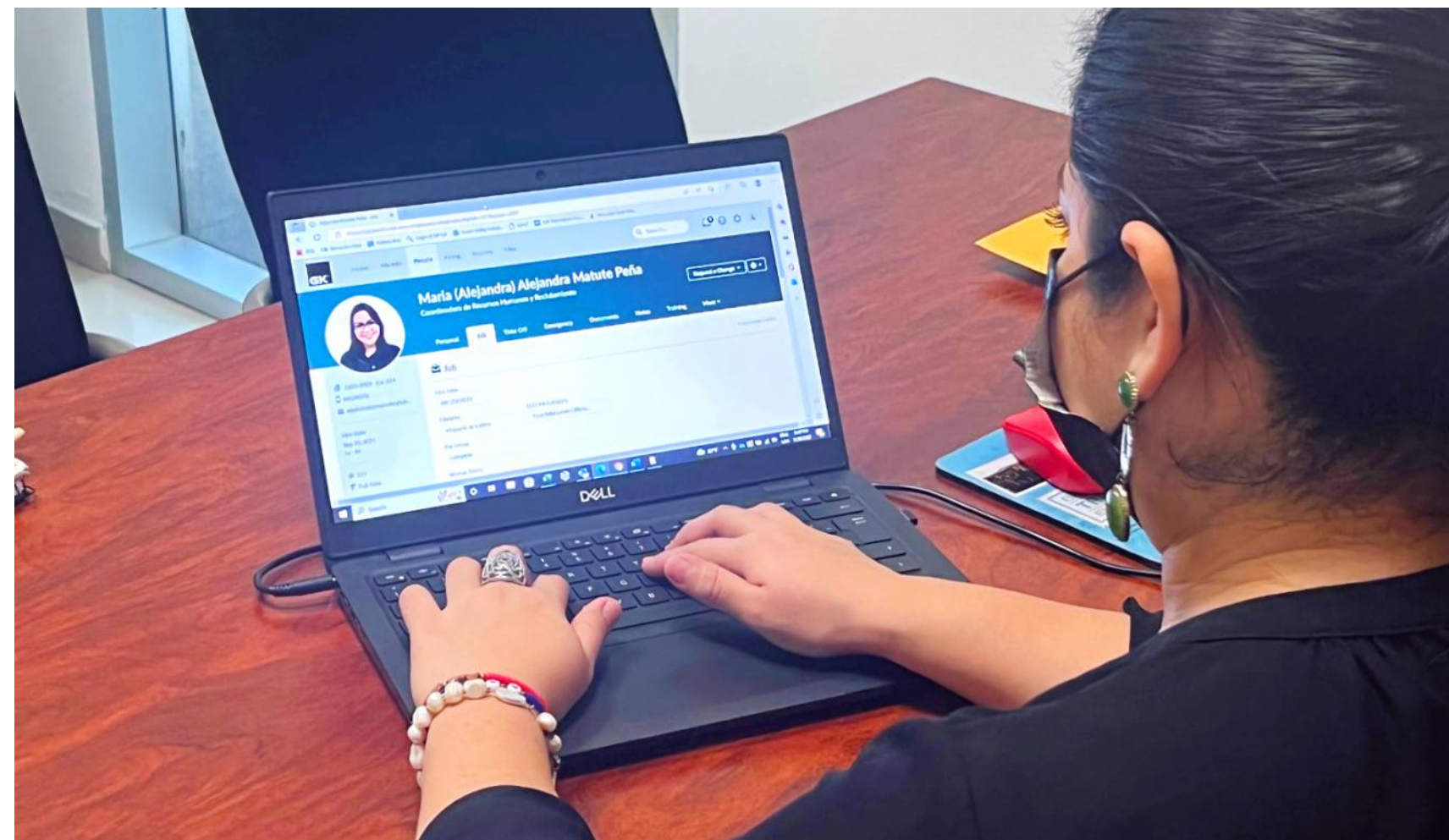
We define **Excellence, Belonging, and Innovation** as the three key focuses for running our businesses, making our organization a great place to work.



We encourage excellence through training and growth programs for everyone. We have created an environment where this is the rule, not the exception. We promote that each associate enhances their soft skills and focus on building solid relationships.

All of our benefits intend to impact the employee and their family positively. We stand out for maintaining the average length of employees services since it helps us maintain overall well-being.

- 1. Focus on health:** Financial, emotional, and physical health focus.
- 2. Retention:** Retention is key to generating a work environment where associates feel proud of their work, committed, and motivated to achieve their company goals.
- 3. Education and Development:** We ensure that each of our employees is constantly updated and trained. We have identified those who still need to complete their basic education (now in 9th grade) and their middle and high school education. This is why we created the EduGK project, which allows them to complete their studies and prepares them to reach university education. Follow-up is continuous to ensure they are eligible for promotion and develop their career within the organization. It should be noted that, for each registered associate, a member of the neighboring communities is enrolled in the Program.



Using digital methods, we can communicate better with our employees, and we have a crucial tool for it. **BambooHR** has become an essential tool and our ally in internal communication. It's a human resources platform that organizes all employee information; with this platform, we can simultaneously hire, incorporate, prepare a compensation package, or communicate through it.

With this innovative transformation and believing in technological advances, we seek environmentally friendly methods since we live in the new paperless era. We are on a trend to reduce or eliminate paper consumption. We change our consumption habits, using more sustainable methods. This reduction is an essential part of caring for our planet; we collaborate with our operational areas with lower consumption, allowing us to reduce the volume of waste and making our procedures more practical, efficient, and immediately usable with this technology. Our purchasing area is also implementing the "Paperless Purchase Process", a web development linked to SAP.

Bamboo HR is a talent management tool software for recruitment and selection processes. This employment platform provides us with follow-up metrics, reports, benefits, and applications, and of course, it's a news communication channel between GK's associates.



Each associate has a profile in the application and can log in from their mobile device or computer. In it, they can view information about themselves, available vacation days, request for day-off permissions, documents such as diplomas, files to sign, payment slips, and they can also view their co-workers profiles, check who is on vacation, etc. They can also communicate in a more agile way with any GK member.

Additionally, one can observe birthday and anniversary celebration, as well as any employees who are on vacation or off-duty that day.

All business announcements are made public; all employees can view them and stay updated with their notifications. It also allows us to have a record and check the progress of our communication, how much reach and interaction we have with the internal audience that we dynamically serve.

Labor Welfare

We are proud of our **REC-ZEN** (Recreational Center with a ZEN approach), the best Recreational Center in Honduras, available to the entire workforce of ALTIA Smart City and its customers. It is the perfect place to relax, have fun, recreate, read or just enjoy its comfortable, fashionable, and sophisticated facilities like no other in the country.



Social Dimension



Astrid Hernández
General Accountant
Park Energy

My working life began at GK, since I had the opportunity to do my professional University Internship. I have grown professionally and as a person by being surrounded by knowledgeable colleagues from whom I have always had support; mentoring has been very important for me. I am proud to be part of the great GK family!



Pablo Cardona
Driver
Green Valley Advanced
Manufacturing Hub

It's for me a great privilege to work for this company. These 15 years have been like a school to me. Every day I've learned something new, I've been able to see how the company has grown tremendously. It feels like it's the first day of work. I hope to have more strength to keep working as far as my age allows me to.

I suggest to all of my coworkers to keep fighting continuously to grow in our company, our family, and our community.

Health and Occupational Safety

GRI 2-27

As evidence that the well-being of our Internal Public is one of our priorities, we have implemented several programs for their safety, for example: Setting up the best Triage in Honduras, certified by the SINAGER entity (National Risk Management System), in which we implemented a system of prevention, control, and management of the COVID-19 Pandemic impact; we have benefited of our employees and their families.



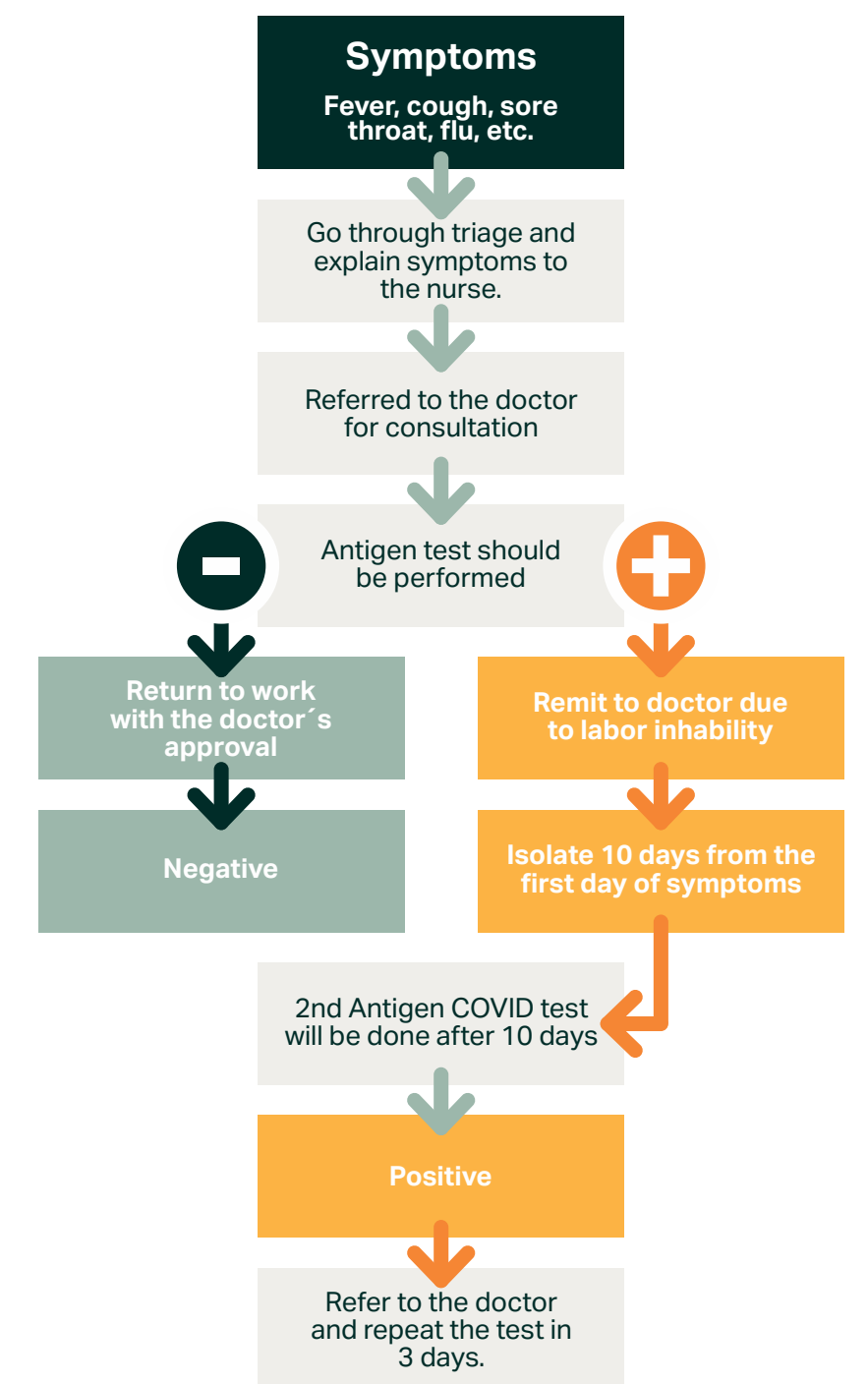
- Prevention virus trainings for all staff
- Continuous disinfection of environments
- Daily medical checks.



I GOT MY COVID-19 VACCINE!

100%
of the GK population
has a complete vaccination
chart

▪ Protocol in case of symptoms:



Social Dimension

Covid-19 Prevention and Control Technology

We have also implemented technological devices, such as an application (**Epidemiological Survey App**), that records the data of each employee and automatically saves them in a database to keep control of each person's clinical file. This data includes the location and the area where they work and detect the epidemiological fence that protects them.

The information includes data on some of the symptoms that every worker has had in the last weeks if they have been sharing with someone with COVID-19 and the daily record of the temperature that is verified with automated cameras upon entry and exit, respectively.

In addition, a **Web Form Guide** is implemented to train medical personnel using this platform. Approximately 3,000 people are evaluated in our triages daily; when detecting a suspected case of COVID-19, a doctor provides personalized follow-up to safeguard their health and that of everyone else.



Safe Entrance to Work

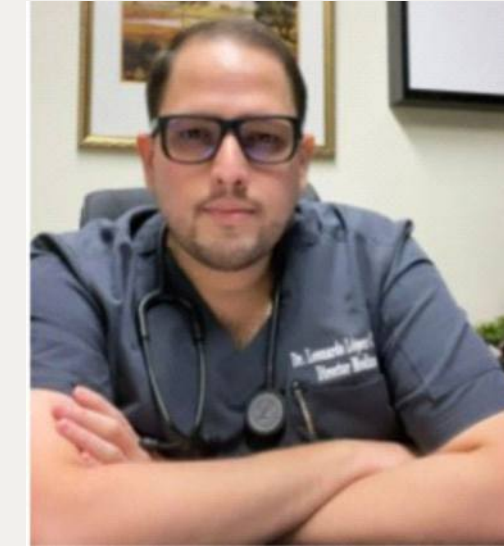


In cooperation with the government's Health Ministry, we implemented a coordinated program to reach our population with vaccines. 100% was achieved in the first quarter of 2022, a great success for our working population.

54 Monitoring

We have a full-time medical staff who provides ongoing care for all patients who become sick due to COVID-19 symptoms. In case of a positive result in their rapid test or PCR, they will immediately receive the "MAIZ Kit": (Microdacyn, Azithromycin, Ivermectin, Zinc). This treatment helps to strengthen defenses and avoid illnesses and other risks.

- COVID tests (Applied every 15 days to all of our Operative and Administrative staff to medical control and rapidly manage any positive case.)
- Doctors follows-up and home visits as necessary.
- Delivery of "MAIZ Kit" when required.
- Preventive kit (alcohol, gel, masks).
- 14 days off sick leave covered 100% by the company.
- In case of hospitalization, every employee receives physical and psychological support, follow-up, and payment for medical treatment.



Dr. Leonardo López
GK's Medical Director

Since my beginnings as a staff doctor, then as Medical Director at Green Valley Advanced Manufacturing Hub, and now as Medical Head at GK, I have experienced a continuous professional learning and growth.

Facing the pandemic, I have personally reflected and service-oriented Medical Staff, all of that on the importance of serving. Now I express my gratitude for working for the devoted Organization that prioritizes saving employees lives, and neighboring community's population.

It's great to have resources and to be able to direct and manage a highly trained, dedicated, lets us take care of many people every day.






GK
Foundation


GK
Foundation

good ideas with
GREAT EXECUTION
are
HOW YOU
make magic.

Larry Page
Alphabet CEO and Google Co-Founder



Our Sustainability

GRI 2-23

At GK we are consistently managing and enhancing our social focus while keeping in mind that one of our guiding principles is SUSTAINABILITY. It is incredibly gratifying to create opportunities and change lives!

Our Business Plan ensures that all of our corporate leaders set operational goals so we simultaneously and permanently strengthen and improve our neighboring communities with our actions.

We take our role as a developer of the country and contributor to our society very seriously, so we have strived to implement a global strategy with a differentiated social proposal that seeks to respond to the problems and shortages in our areas of impact.

GK has received multiple recognitions for being a Socially Responsible Corporation by executing permanent and sustainable projects of significant social impact worldwide. In Honduras, for more than 30 years, we have benefited thousands of people and contributed to the growth of the areas where we operate.

Our productivity depends on having educated, safe, healthy associates with good living conditions and motivated by a proper environment of opportunity. **Providing those same opportunities to the people in our communities is an important part of GK's core values.**

We promote an "Innovative Environment", where local know-how, knowledge and developed multi-skilled teams, keep us at the forefront of world-class production processes and services.

Having an Eco-Advanced Hub, Smart Cities, and Manufacturing Plants with social and environmental compliance certifications is our essence.

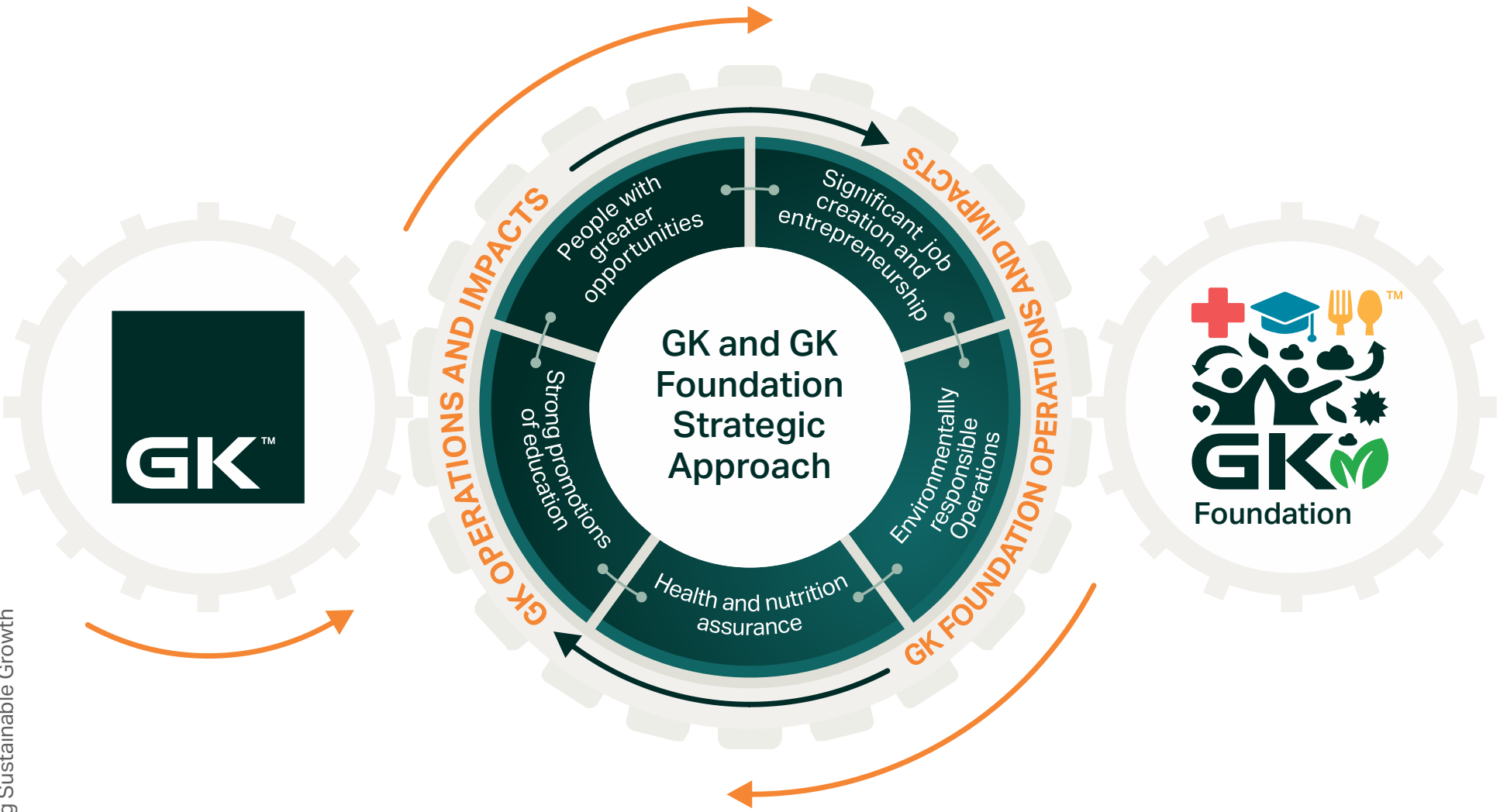
For me, seeing the entire Organization committed to executing its results through ethics, transparency, and respect for others and working on the development of our first Sustainability Report, allows me to attest that at GK, we have a true awareness of what "Due Diligence" is, a path mapped out for the future, solidly grounding our business, while ensuring the integral benefits of our Stakeholders: Employees, Customers, Suppliers, and our neighbor Communities.

We take our role as a developer of the country and contributor to our society very seriously, so we have strived to implement a global strategy with a differentiated social proposal that seeks to respond to the problems and shortages in our areas of impact.

Georgina Barahona

Executive Director
of GK Corporate Affairs and
Director of the GK FOUNDATION

Strategic Focus



GK FOUNDATION

For more than 50 years, through its strong social arm, GK has benefited thousands of people. In 1991 upon its arrival in Honduras, permanent community support actions were initiated in its areas of influence. After achieving a solid **Social Investment Strategy** and strengthened **Corporate Volunteering**, the **GK Foundation** was institutionalized in 2012. Its sustainable projects have impacted Honduras, Mexico, the United States, Pakistan, United Arab Emirates, and Bangladesh.

With a Board of Directors and Executive Management made up of GK's volunteer collaborators, it operates with a **Global Strategy** that seeks to leave its mark with farreaching projects in its 4 areas of sustainable focus: **HEALTH, EDUCATION, NUTRITION, and ENVIRONMENT, developed to date with 100% of its funds.**

We emphasize that our companies should respond to the country's problems and be oriented to social objectives, with the perspective of adding value, where business

operations are implemented and monitored while meeting **Social Commitment Goals**, to achieve organizational contributions that have a positive impact, and that meet the standards of quality and transparency required by our external Stakeholders and to produce the results that our internal Stakeholders also expect.

For this reason, we develop projects, programs, and activities to reduce gaps, fulfilling present needs without compromising the future needs of the communities.

Corporate Social Investment

GRI 2-28






Our Corporate Social Investment is quite significant. We base it on ISO 26000, ISO 14001:2015, and Great Place to Work, in adherence to the 17 Sustainable

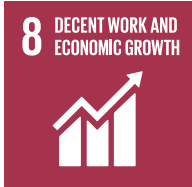

Development Goals for a better world and GRI Standards. Here is a sample of our management in Honduras:







Strategic Focus

Outstanding Examples of our Corporate Social Investment

SOCIAL DIMENSION		
SDG	Our initiatives	Our achievements
	<ul style="list-style-type: none"> "Feeding Hope" Program 	<ul style="list-style-type: none"> More than 200,000 nutritious lunches for the homeless and people living on the streets. More than 30,000 food baskets were delivered to families in extreme poverty.
	<ul style="list-style-type: none"> "Love and Care" Medical Clinic (Outpatient Clinic of Dr. Mario Catarino Rivas Public Hospital, San Pedro Sula) 	<ul style="list-style-type: none"> More than 150,000 free medical consultations. More than US\$1,000,000.00 in donations of biosafety equipment to the community.
	<ul style="list-style-type: none"> 100% Bilingual Public Schools (English-Spanish) Sponsored Official Spanish Schools 	<ul style="list-style-type: none"> More than 5,000 benefited children. More than US\$ 1,000,000.00 in infrastructure, payment of teachers, purchase of technological devices, texts, and educational materials for face-to-face/virtual education.
	<ul style="list-style-type: none"> Leadership Positions 	<ul style="list-style-type: none"> 43 % Women 57 % Men
	<ul style="list-style-type: none"> Opportunity Generation for neighbor communities 	<ul style="list-style-type: none"> We support local Honduran start-ups and entrepreneurs through the Honduras Digital Challenge, an incubation program for technology based ventures. We maintain a futuristic vision and encourage technological innovation, promoting and training intensively through the establishment of BootCamps.

ECONOMIC DIMENSION		
SDG	Our initiatives	Our achievements
	<ul style="list-style-type: none"> Solid Employment Generation Plan 	<ul style="list-style-type: none"> 27,000 generated direct jobs.
	<ul style="list-style-type: none"> Various Constructions 	<ul style="list-style-type: none"> Eco-Advanced Hub, Smart Cities, Manufacturing Plants, Life Style (ALTARA Mall, Residences, Hotels).

ENVIRONMENTAL DIMENSION		
SDG	Our initiatives	Our achievements
	<ul style="list-style-type: none"> Water Treatment Plant 	<ul style="list-style-type: none"> A capacity of more than 20,000 cubic meters per day of filtered and treated water in our operations.
	<ul style="list-style-type: none"> Park Energy 	<ul style="list-style-type: none"> The largest above-ground solar generation plant in Central America has a capacity of 15 Megawatts. It will produce more than 26,000,000 KWh per year, using a tracker system to obtain the highest possible efficiency by following the sun's trajectory.
	<ul style="list-style-type: none"> Zero Waste Program 	<ul style="list-style-type: none"> We implement the Circular Economy, among other benefits, to reduce the carbon footprint and promote the culture of reuse and recycling. For example, the reuse of organic waste compost from cafeterias.
	<ul style="list-style-type: none"> ISO Certificación 14001:2015 	<ul style="list-style-type: none"> Accreditation with standards in the region, with policies based on the ethical objective of guiding the organization to reduce significant environmental aspects, such as carbon footprint, solid waste discharges, fixed discharges to water sources, air (atmosphere), and others.

GOVERNANCE		
SDG	Our initiatives	Our achievements
	<ul style="list-style-type: none"> Agreements with the Country's Government 	<ul style="list-style-type: none"> Agreement with the Ministry of Education of the Government of Honduras, who authorized GK Foundation to convert Public Schools in social risk areas into 100% Bilingual Centers. Agreement with the Ministry of Health of the Government of Honduras, which authorized GK Foundation to attend the Outpatient Clinic of the Public Hospital, Dr. Mario Catarino Rivas of SPS, with our "Love and Care" Clinic.

Our Social Goals
Global Showcase

Health

When we talk about health, we touch base on one of our priorities: ensuring that all our Stakeholders have access to quality health care.



HONDURAS

GK Health Fairs For associates and their families	+1,500 people attended annually
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Pre-clinic, general medicine, gynecological and pediatric check-ups, dental care, optometrist check-ups, donation of medicines and educational workshops, and scheduling future consultations at the **"Love and Care" Medical Clinic** are part of the benefits that our internal public receives permanently.

Medical Brigades For the nearby communities	+3,500 people attended annually
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In the communities of Armenta and Cofradía, Cortés; La Acequia and Naco, Santa Bárbara, we provide them with consultations, medicines, and, most importantly, identification and scheduling of consultations for follow-up at the **"Love and Care" clinic** of the Mario Catarino Rivas Public Hospital, where they're attended and appointments with specialists, procedures and surgeries are arranged in case they are required, in addition to the donation of medicines, surgical material, orthopedic equipment, and others.

Amid the COVID-19 crisis, we have supported vaccination brigades for the students of the schools we sponsor, their families, and community members.

Support to other hospitals and international brigades
--

- Provision of five air conditioner units for the COVID-19 room and biosafety equipment to Official Hospital Leonardo Martínez.
- Financial support to Hospital Ruth Paz for the performance of surgeries and other needs for its patients
- Annual financial support to Mental Health Disease Hospital San Juan de Dios.
- Annual financial support to the Obras Sociales Vicentinas for managing health care for adults, the elderly, and children.
- Alliances and support for the realization of **International Medical Brigades** that benefit thousands of Hondurans, such as the support to the organization Amigos de Bernabé and Manos Ayudando a Honduras that is dedicated to bringing high-level North American cardiologists to perform open heart surgeries and other specialties, as well as brigades of foreign medical specialists who come to the Mario Catarino Rivas Hospital and use the facilities of the **"Love and Care" Medical Clinic** to attend their patients before the surgeries and are supported by the medical staff of GK Foundation.



 ReConnect	
Free Psychological Consultation	+1,000 patients attended

GK maintains an innovative project of great social impact, a free psychological care clinic, **ReConnect**, which has been providing services for 10 years, developing and finalizing face-to-face and virtual psychotherapeutic processes. It serves a significant number of patients collaborating with GK clients who seek life balance and good mental health and take advantage of this great benefit to deal with crisis, grief, anxiety, depression, abuse, and giving individual and family therapy.

This service has been extended to the Armenta, San Pedro Sula community, where pre-adolescent students and their parents have benefited and have felt support to deal with living in an area of high social risk.

 Amar y Compartir CLINICA MEDICA	
"Love and Care" Clinic	+200k patients attended

In 2013 we inaugurated our flagship project in health, that fills us with pride, **"Love and Care" Medical Clinic**, which functions as the Outpatient Clinic of the Dr. Mario Catarino Rivas Public Hospital in San Pedro Sula.

To alleviate high patient traffic in the Emergency Room of the Hospital, we strengthened the attention in the Outpatient Department that receives daily people from all over the north coast and the rest of the country; we remodeled the facilities, equipping them with air conditioning and everything necessary, hiring medical and nursing professionals for GK Foundation, who attend under the direction of a GK Medical Coordinator and as a team with the Hospital Outpatient Department Head.

Our medical staff complies with key principles such as friendly and personalized attention, provision of medicines, referral of patients to other areas, follow-up treatments, and surgeries. All of these with 100% GK's sponsorship. More than 200,000 patients including men, women, and children have been treated.

Health



Dra. Eva Rivera
Clinic Management Physician
"Dr. Mario Catarino Rivas" Hospital

"We thank the GK Foundation for all the support they have given to the Hospital, to their medical team, for the thousands of patients they have treated, since the first day they arrived I have witnessed their unconditional solidarity, thank you very much!"



Thaily Leonicia Campbell Brooks
Patient

"I came from French Harbour, Roatán, Islas de la Bahia, to the "Love and Care" Medical Clinic to receive my treatment. Dr. Zoila Carrasco from GK Foundation, inspired me to fight for my life and now because of that I'm getting well, thanks to her love and care, I'm happy and getting well. May God bless them!"



PAKISTAN



+1MM
children
attended

GK is a significant sponsor of this organization that supports the public pediatric emergency hospitals in Pakistan. More than 1,000,000 children who have been exposed to malaria, pneumonia, stomach infections due to their difficult living conditions, and many newborns who have problems due to their mothers' malnutrition have been attended and treated.

Why are Emergency Room's important?
500,000 children die every year in Pakistan (UNICEF).
80% of those deaths are PREVENTABLE.

GK makes a significant annual contribution to lowering Pakistan's newborn mortality rates through financial support and representation on the Board of Directors.



Memon Medical Institute

+60k
patients
attended
annually

GK is one of the founders and a permanent supporter of MMI, a non-profit project that runs 100% with the funds of its donors. It is a hospital with first world infrastructure, which receives underprivileged people free of cost, treats more than 60,000 patients annually since 2010 and sets up more than 50 free medical camps in Karachi city and also achieves annually more than 200 kneecaps replacement operations, 20 Cochlea transplants to restore hearing in infants, and executes more than 100 medical consultations daily.



+1,000
patients
attended
every quarter

We support the dialysis units, which treat more than 1,000 patients every quarter.



GK also works with the Patel Hospital in Karachi, to assist those who are extremely poor and provide them with high-quality, medical care through patient-welfare programs.

Services: Cardiology, Gynecology, Burns and Plastic Surgery, Kidney and Bladder treatment.

DUBAI



The Pakistan Medical Center (PMC), the first non-profit medical center of the Gulf Cooperation Council (CCG), opened its doors in October 2020, to provide free medical care to patients from all nationalities that require medical attention in the United Arab Emirates.

Health



"A *Human Caress Refuge*" (*Refugio Una Caricia Humana*), treats scarce resources Cancer patients, from the state of Campeche, and other states that seek help in Oncology Centers "Specialized Medical Clinics"(CME), who are attended without distinction of age, sex or physical condition.

GK is permanently helping to make it possible to help more patients, who can have a better chance of recovery.

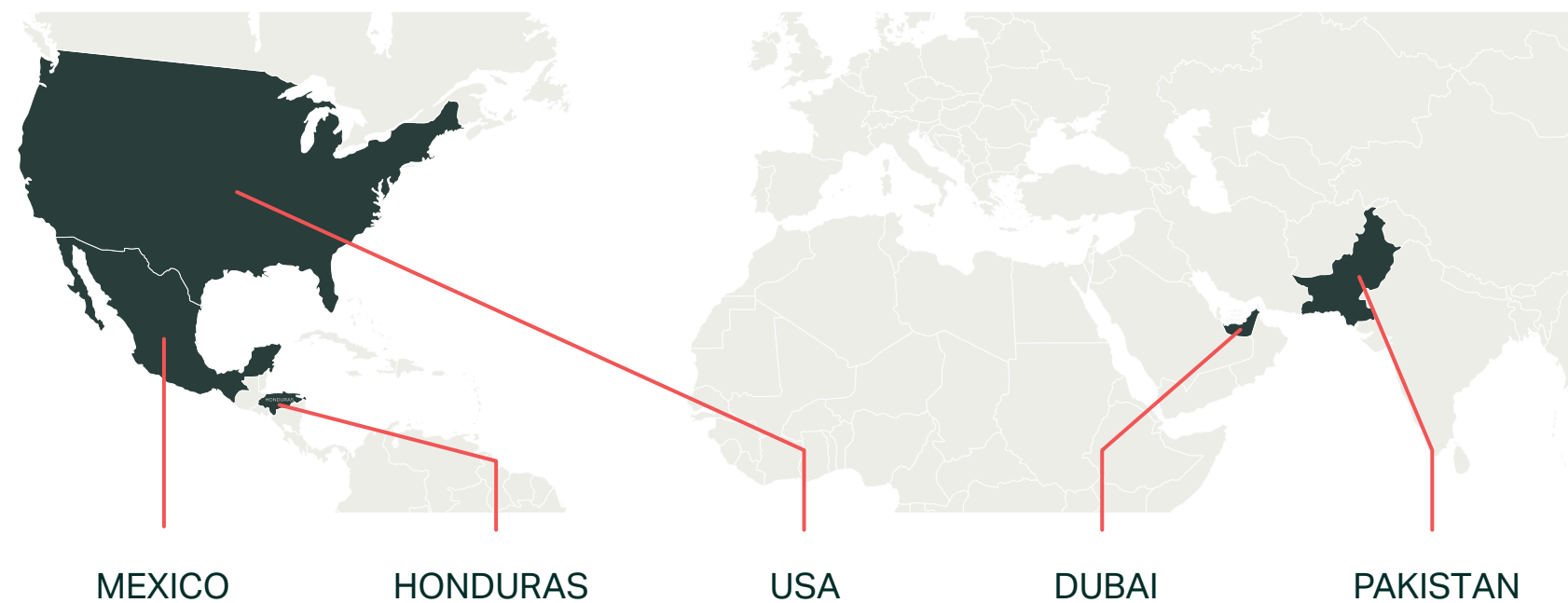
GK contributes with funds to care for more patients, considering the difficulty of many people to have quality treatments.



United Heritage Institute is a member of the National Free and Beneficial Clinics (NFBC). GK proudly supports many of their programs and activities to help Miami Gardens, Florida citizens with medical needs.

Offers primary medical care, management of chronic illnesses, dental care, mental and behavioral health care, optometry and other specialized services, women's health care, health education, quit smoking therapies, immunizations, pharmacy services, and access to all necessary medications.

This clinic provides a wide range of services to 2,000,000 disadvantaged people every year.



Our Social Goals Global Showcase

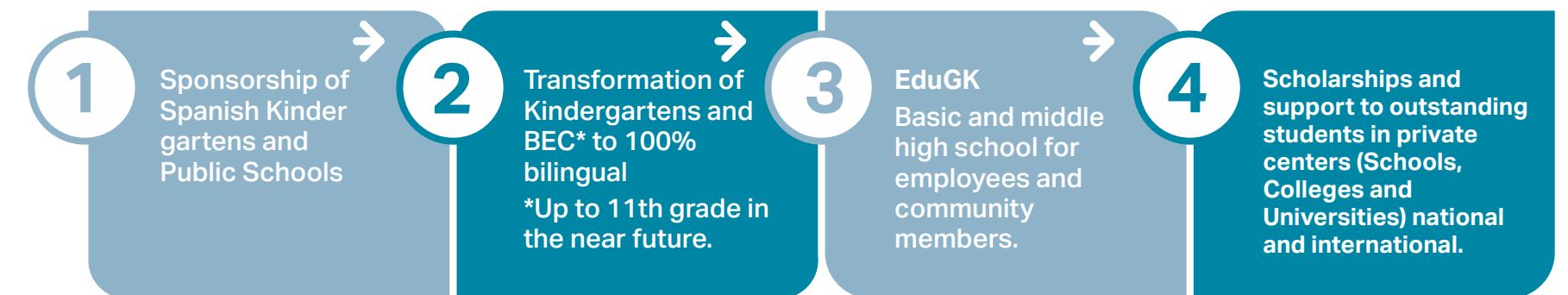
Education



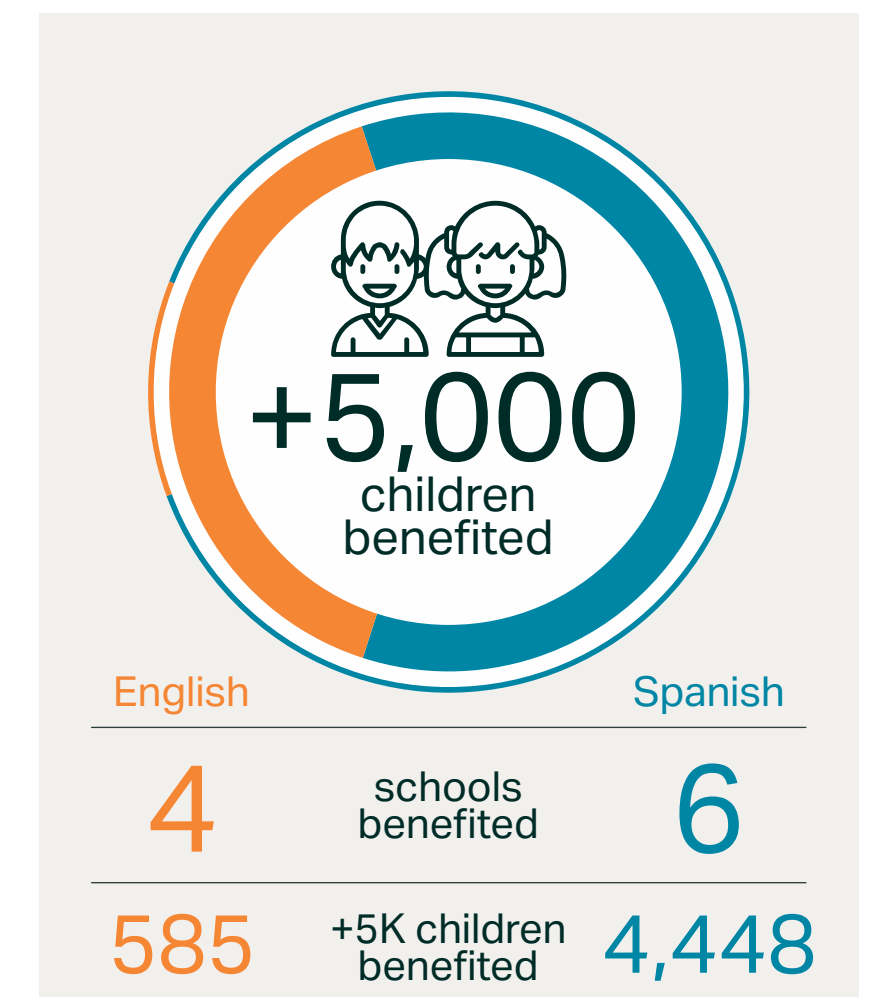
Since GK's arrival in 1991, providing high-quality educational opportunities has been our long-term goal. Changing the lives of thousands of children and teenagers, is a great accomplishment for us, through this we can ensure that future generations in our neighboring communities will have access to a better Quality of Life.



Impacts on Education



* Basic Education Centers, (1st-9th grade)



Education

GRI 2-28

Showcase of our actions:

HONDURAS

Spanish Kindergarten and Public Schools

6 sponsored schools

Every time we start a new business, we make it a priority to locate the closest public school. There are significant needs for providing high-quality education in both rural and urban areas, which is why we have committed to work with Principals, Teachers, and Students to help them receive classes in the best possible circumstances.

We provide permanent support in:

- Classrooms constructions and renovations.
- Perimeter walls for security construction.
- Bathrooms constructions, and frequently septic tanks cleaning.
- Water security for their facilities.
- Payment for exclusive teachers in public schools where the governmental system has not assigned.
- Educational equipment and materials supply.
- Training and workshops for students and parents on improving habits such as physical and psycho-emotionally well-being.

Spanish Educational Schools, we sponsor:

- | | |
|---------------------------------|--------------------------|
| 1. Armenta School | San Pedro Sula
Cortés |
| 2. La Acequia School | |
| 3. Santa Elena School | Naco,
Santa Bárbara |
| 4. Monte Limar School | |
| 5. Montegrande School | |
| 6. San José de la Sierra School | |



GK Foundation Public Bilingual Schools

4 100% bilingual centers transformed

We revolutionize education for low-income children in our influence areas by creating a comprehensive bilingual educational system, that meets the standards of the best private schools in the country.

We created a system that give students the opportunity to receive first world education, in classrooms with all the necessary equipment and with 100% bilingual teachers members of GK Foundation Staff, with Pedagogy Bachelor degree, great experience, and international educational Masters in Foreign Languages degrees, who also works as Honduras National University professors.

Our pionner flagship educational project, that gives great opportunities for girls and boys, that lives in high social risk communities, and therefore helps avoid in a great manner Irregular Emigration.

Objectives:

- To provide the opportunity for low-income children to receive a first-rate bilingual education.
- Ensure a highly didactic, creative, active and fun methodology.
- To guarantee that they receive a Bilingual Certificate approved by the Government Education Secretary, both Elementary and High School Diploma, as well as they continue their University 68 Education.

BENEFITS:

- Bilingual academic methodology.
- Books from U.S. publishers such as Pearson and Mc Graw Hill, per class and per student.
- Purchase of furniture, materials and didactic equipment.
- Hiring highly trained bilingual teachers.
- Classrooms construction and remodeling
- Ensuring an appropriate environment for optimal learning.
- Integral education: Intellectual, Psychological, Emotional, Physical (healthy child control) and values.

Education

Government Education Ministry approved this innovative project to benefit children in two sectors: Armenta, San Pedro Sula, Cortés and La Acequia, Naco, Santa Bárbara, Pre-School, Elementary and High School Bilingual Centers.

Also benefiting girls and boys, parents, and all community with medical brigades, and other services.

In addition to the bilingual education (Spanish- English), we make sure to provide comprehensive support to students and parents, with educational workshops, given by GK's corporate volunteers about: Bullying, moral values, traditional games to promote Honduran customs, medical and dental check-ups, school snack supervisions, parents sessions on social risks, domestic violence, family planning, and celebrations.

With the pandemic impact, educational activities were adapted to virtual classes, where technology played a significant role as we had to use new techniques, including Phonecalls, Text Messaging, Messenger, E-mail, WhatsApp, Zoom, Youtube, and Google Classroom platforms.

GK Foundation, interested in the welfare of its students and ensuring the effectiveness of Elearning, provided laptops and smartphones to its teachers and tablets to the children of the bilingual program.

100% Bilingual Schools we sponsor:

- | | |
|----------------------------|----------------|
| 1. Armenta's Kindergarten | San Pedro Sula |
| 2. Armenta School | Cortés |
| 3. La Acequia Kindergarten | Naco, |
| 4. La Acequia School | Santa Bárbara |

BILINGUAL PROJECT PROJECTIONS:

- The first class of 9th graders will graduate in 2023.
- The first class of 11th graders will graduate in 2025.
- They will begin their university studies in 2026, with the support of GK Foundation.
- Each year approximately 85 children enter the Kindergarten, thus gradually growing the "GK Foundation Bilingual Public Schools".



Aletty Cruz Ríos
"My Second Home Kindergarten"
Principal. La Acequia, Quimistan,
Santa Barbara

"It is a joy for me and for my Kindergarten students to have unconditional support from GK Foundation, since they are receiving bilingual education, which assures them a better professional future. It also helps us with medical brigades, infrastructure improvements, furniture and first-rated educational materials.

Working together with Mrs. Maricruz Cardenas and all the GK Foundation bilingual teachers is a great pleasure for me, I'm happy to support them in providing our children with a topnotch education.

Thank you for your hard work and commitment. You motivate and inspire us to break paradigms."



Astrid Marbella Castellón
8th grade student.
Armenta GK Foundation
Bilingual School

First of all, I want to thank our Heavenly Father, at the same time I am very grateful to GK Foundation because they have allowed me to study English since I was in

Pre-school. I have shared enjoyable experiences with my classmates and teachers.

I remember talking to my friends about learning a second language when I was six years old. I told them it would be difficult, but worth it. It has been a fantastic event. Being a member of this program is a grateful opportunity for my family and me.

The project has changed our way of living, thinking, and acting. I have many experiences to tell, but I would like to share one that marked my life: **In 2020, during the pandemic, I suffered an accident at home, I had 3rd-degree burns on my face and body.**

GK Foundation provided me with medical help to get admitted to Ruth Paz Burned Children Hospital, After my surgeries I received treatment in "Love and Care Medical Clinic" at the Mario Catarino Rivas General Hospital.

Also my family and I received financial support and psychological assistance. Thanks to their help, now I can be a normal, beautiful, and smart girl! and I would like to become a doctor or psychologist, with all my first-rated education. I'm sure that I would be able to accomplish many goals that I have in mind.

May God bless you always!"

Education



+50
people
benefited
per year

A program that fills us with pride because allows our employees and people from the community to complete their elementary and high school studies.

Its core objective, is to academically develop our employees who did not finish their studies due to lack of opportunity; colleagues from housekeeping, landscaping, cleaning and general services areas, are learning and gaining knowledge to reach their better professional goals.

Likewise, we let adults from our neighboring communities, get enrolled in this educational program too.

With GK 100% sponsoreship, every Saturday they receive classes through "Instituto Hondureño de Educacion por Radio" (IHER) method, and under the supervision of a specialized teacher.

Despite the Covid-19 pandemic, **EduGK** continued with virtual classes and achieved the first Middle School Prom in 2021, then they started their High School Education this 2022.



**Silver Adiel
Matamoros Valle**
Cleaning Supervisor
Altia Smart City

"Thanks God for giving me the opportunity to work in GK. Since I was a child, I had dream to become an engineer. Nonetheless, the conditions were not given to me, and I had lost all hope about it.

In GK, they made me feel part of a big family, they believed in me.

I decided to join EduGK Program, I already graduated from Elementary and Middle School, it was awesome experience!

Now I am in high school, my dream is closer than ever, and a world of opportunities has opened up for me.

God Bless You!"



**Joseline Madrid
Vásquez**
Armenta Community's
Entrepreneur

"My mother María Vásquez, works at Altara's Life Style Center cleaning area.

She heard that EduGK opportunity could also be for people from the community, and told me about it.

I enrolled in the program. After that I decided with my husband to open a small hardware store in Armenta. My studies have helped me a lot in managing my business.

I also dream of becoming a veterinarian, and now I know I can achieve it with effort and by taking advantage of this great opportunity.

Thank you GK for all your support!"

Education



Scholarships and support for outstanding students

+50 students benefited

We have always given a hand to outstanding students and educational organizations that identify potential in them, we collaborate so they can continue to shine.

We sponsor students from **MHOTIVO** (Más Hondureños teniendo identidad, valores y orgullo) a bilingual private school with a high-level education for low-income families children. We also help other gifted students in other private high schools, as well as national and international universities, with the purpose to let them have more possibilities and help us build a better country.



Ing. Isaac Ferrera
Institutional Development Director for Latin America and the Caribbean, ZAMORANO Panamerican University

"GK and GK Foundation are characterized by demonstrating commitment and social responsibility for development of people. Since education is fundamental for the growth of countries, for nearly eight years, they have contributed to supporting Zamorano students in need of scholarships, whom received support to become professionals and society positive change leaders.

We thank them for believing in youth and in the education transformative value."



Heber Isaac Flores
Bachelor Business Administration Senior at Laurentian University, Ontario, Canada

I am from San Pedro Sula, Honduras, I'm a 21 years old Bachelor Business Administration Senior at Laurentian University, Ontario, Canada. I extremely thank GK, for supporting financially my education, and make my dreams come true.

I want to share with you a quote from the Brazilian educator, Paulo Freire: "Education does not change the world... it changes the people who will change the world".

PAKISTAN

The Citizens Foundation, Halima Amdani Campus

1,652 schools benefited



THE CITIZENS FOUNDATION

GK sponsors various educational initiatives that improve student achievement, promotes diversity and benefits future competitiveness. Through **The Citizen Foundation**, GK helps more than 1,652 schools in Karachi and across Pakistan.

GK has also teamed up to support the **Namal Knowledge City** initiative for quality education, improving and transforming rural communities. It also supports **Habib University** by providing scholarship opportunities for underprivileged local students, helping them pursue and achieve their higher educational goals.

Promotes women's empowerment through skills training and microenterprise.

+3,000 people trained per year



DUBAI

His Highness Shaikh Rashid Al Maktoum Pakistan School



His Highness Shaikh Rashid Al Maktoum Pakistan School was established in Al Qusais in 1995. The General Consulate of Pakistan in Dubai established this school to meet the needs of the Pakistani expatriate community.

GK is one of the main sponsors of this project.

MEXICO

Multiple Assistance Centers (CAM)

In Campeche GK Foundation supports CAM Centers (Special Capabilities Educational Centers): CAM # 1, # 2, # 3, # 4, # 5, # 14, # 24.

Also the Telesecundaria of Tepakan, Calkini and CAM #27 in Maxcanu, Yucatán.

Supports with equipment and teaching materials and improvements in their infrastructure.



Our Social Goals

Nutrition



To contribute to **Sustainable Development Goal #2 Zero Hunger**, we have strived to do our part to impact as many people as possible.



School meals and nutritional health

+5,000
benefited children and their families

GK ensures that students of the 10 schools that benefits, have balanced school meals. In case of schools in rural areas, **Incaparina** (Fortify Supplement) has been a nutritional reinforcement for children.

GK Foundation Medical Staff enforces **"HEALTHY CHILD PROGRAM"**, which aims to monitor each infant's weight, height, dental health, and hygiene habits.

Additionally, nutrition training is given to mothers to include macronutrients in their family diet.



Feeding Hope Program

Our flagship nutrition project

+200k
people have received a nutritious lunch

Honduras is a country where thousands of people live in need and scarcity. Due to the pandemic and hurricanes, numerous of Hondurans suffered calamity and some of them were left homeless.

That's why GK and GK Foundation have strived to provide hot, nutritious, and healthy food daily.

More than 200,000 people, including the elderly, disabled, women, and children that used to live on the streets, receive a nutritional lunch.



Emergency Food Program

+30k
families benefited

GK Foundation has established an emergency food program for various events: The COVID-19 pandemic, the fire on Guanaja Island, Eta and Iota hurricanes, and the most recent tropical storm Ian, as it passed through Honduras. Our solidarity to those affected ones, turned us to deliver groceries, warm meals, and water to more than 30,000 families around our neighbor communities and disaster zones.



Nutrition



PAKISTAN

Food Distribution

Karachi Warm Meal	+1,500 daily meals
Khyber Pakhtunkhwa (KPK) Baked bread	+10,000 daily bread

THOUSAND OF PEOPLE DO NOT HAVE ACCESS TO FLOUR

BANGLADESH

OBATHELPERS Support

GK Foundation also supports this wide range organization committed to provide food, educational support and economic empowerment, to displaced, in-transit and refugee population residing in Bangladesh camps.

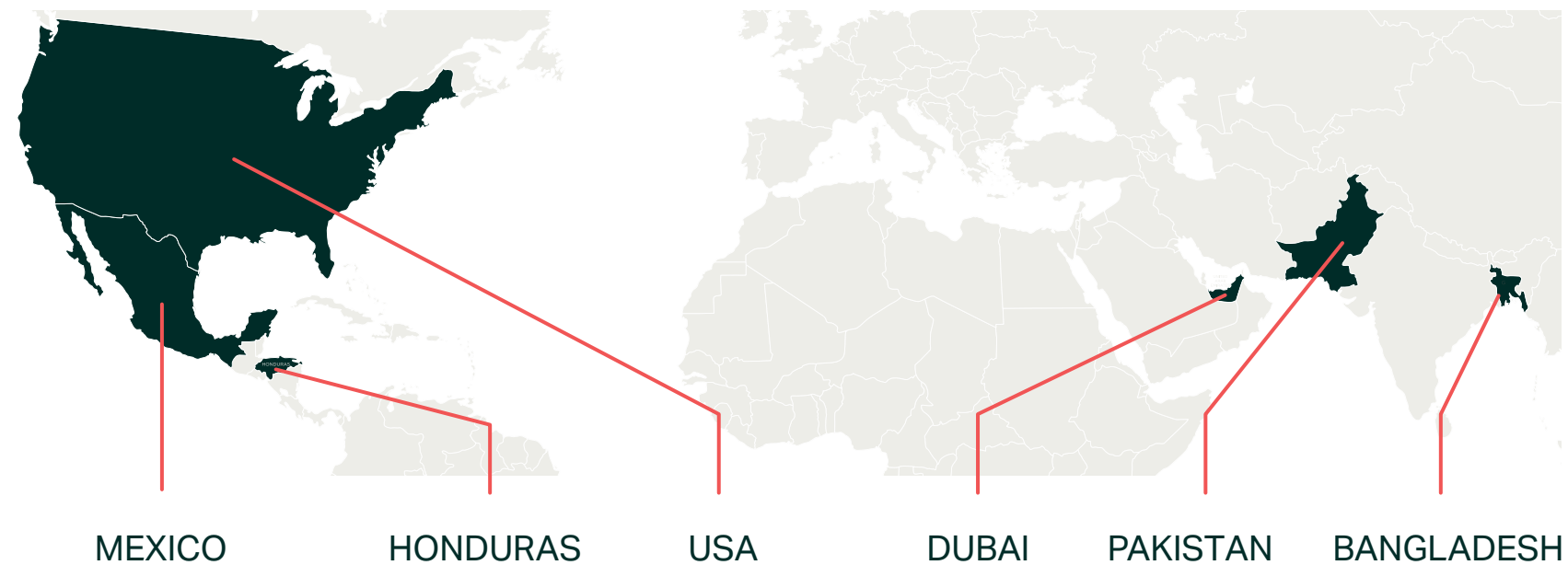


MEXICO

Alimentando Esperanza (Feeding Hope)

+1,000
people fed weekly

In Campeche, the shelters, orphanages and rehabilitation centers do not have enough budget to buy food. For this reason, GK Foundation distributes balanced and healthy food. Some schools are also benefited. More than 1,000 people are fed weekly.



Our Social Goals

Environment

HONDURAS

We continuously educate the residents of our neighboring communities, both adults and children, about the importance of protecting environment, waste well-managing, energy and water consumption, recycling, material reuse, and most importantly, help them to understand the impact in their health and economy; and how it turns into a great benefit. Also promote reforestation campaigns have encouraged and generated in them a strength responsibility engagement.



A strong commitment to protect and respect our planet is promoted through a powerful participation of our corporate volunteers, who work hand-to-hand with community leaders to preserve the earth.

This adds to all our operational environmental responsibility, that will be explained in a great detail as follows.





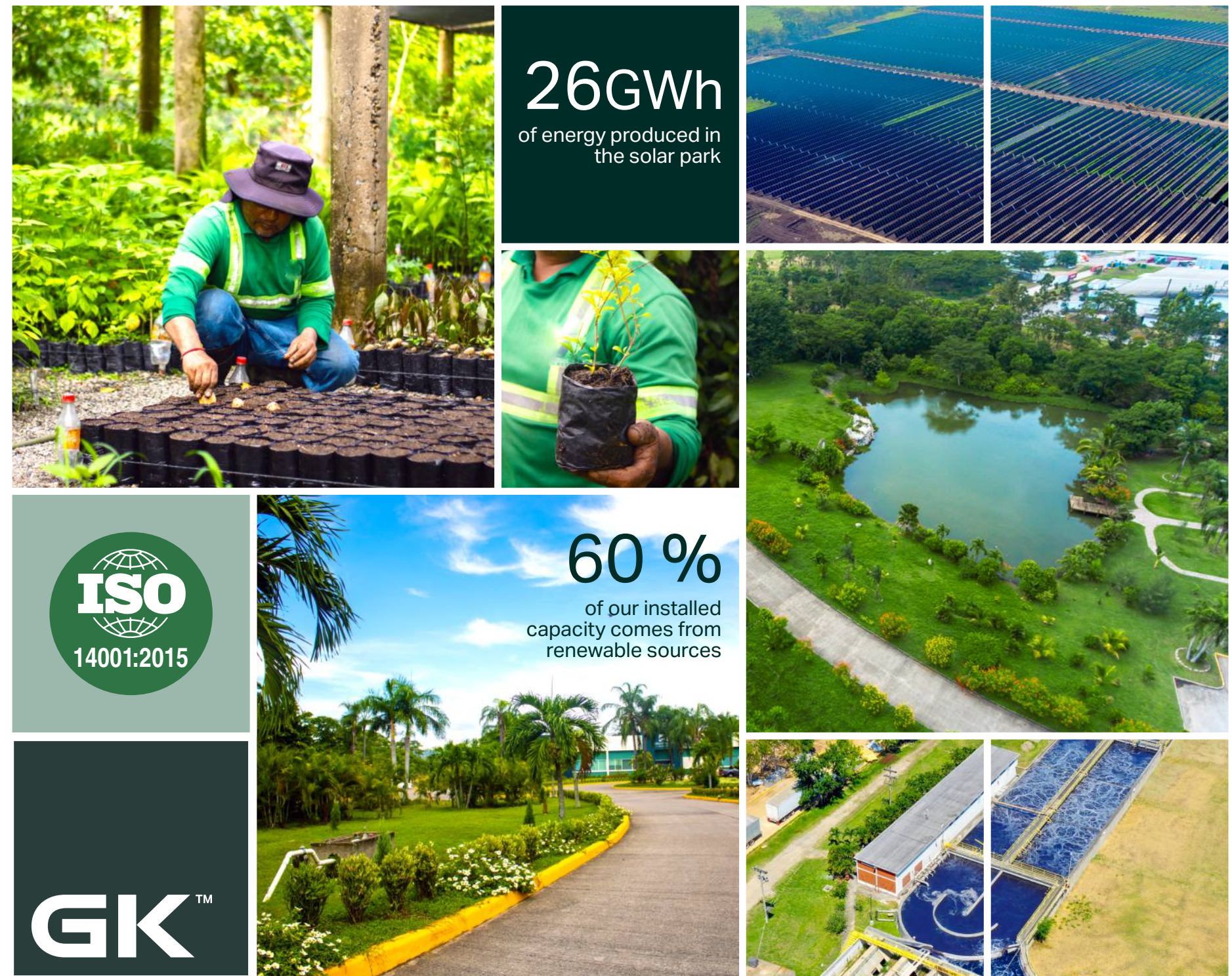
Solar Park
Green Valley Advanced
Manufacturing Hub
San Pedro Sula,
Honduras

**ENVIRONMENTAL
DIMENSION**

Environmental Dimension

ODS 6, 7, 13

- At Green Valley Advanced Manufacturing Hub we have the largest private above-ground solar generation plant in Central America, with the capacity to produce 26 GWh (Giga Watts hour) per year.
- At this time, 60% of our installed capacity comes from renewable resources.
- Green Valley has a treatment plant that processes 100% of the water used, which is filtered before returned to the environment.
- We have produced and planted over 100,000 trees in 2022.
- 90% of the Hub's administrative operation's waste is recycled and we expect to reach 100% by 2025.
- We produce one ton of fertilizer per month, using the Bocashi method, which consists of the elaboration of organic fertilizers capable of fertilizing plants, using pruning residues, weeding, organic waste materials, among others.
- Green Valley Advanced Manufacturing Hub is the only ISO 14001:2015 certified park in Latin America.



Regulatory compliance

Our Environmental Committee is in charge of the implementation of the management plan. At our Green Valley Advanced Manufacturing Hub facility, our vision is to innovate and implement forward-thinking manufacturing and community policies in balance with environmental development. This strategy is based on the use of cutting-edge systems that promote energy efficiency and support programs that nurture the wellbeing of the planet. The goal is to be self-sustaining and self-sufficient, raising the bar on commitment to protect the planet for future generations.

Quality Infrastructure

We have the ISO 14001:2015 environmental management certification, being the only advanced manufacturing hub accredited with this standard in the region, our policies are based on the ethical objective of guiding the organization to reduce significant environmental aspects, such as carbon footprint, solid waste discharges, fixed discharges to water sources, air (atmosphere), among others.

On the other hand, we are in the process of certification under LEED v4.1 for building operations and maintenance, as its name suggests, are designed to guide the operation activities in buildings already built, focusing on the efficiency of valuable resources such as water, energy, materials. Likewise, the TRUE (Zero Waste) certification process complements this effort, with the reduction of air, water and soil pollution, promoting a circular economy and among other benefits, reducing the carbon footprint, promoting the culture of reuse and recycling among the employees of a company, as well as reducing operational costs.



Environmental Dimension

ODS 6, 7, 13

Sustainable use of resources ENERGY

Within the strategic plan of Green Valley Advanced Manufacturing Hub, it has been defined as a priority, the use of renewable energies including solar photovoltaic energy, which has invaluable environmental benefits for present and future generations.

Our private above ground solar generation plant is the largest in Central America, has a capacity of 14.6 Mega watts, and produce 26 GWh annually, it uses a tracker system to obtain the highest possible efficiency by following the sun's trajectory and will provide more than 70% of the park's energy consumption at prime time.

The power plant's design allows it to generate chilled water for air conditioning through absorption chillers, from the exhaust temperature of the engines, with a capacity of 1,000 tons of refrigeration, and additionally, to produce saturated steam for the dyeing processes of

the textile companies operating in the park with approximately seven tons per hour.

Our experience has been transferred to Altia Smart City, which, as a complex of intelligent buildings, has the infrastructure and technology to reduce energy consumption by using more efficient methods in air conditioning, elevators and lighting systems.

Altia Smart City has been designed to be certified under the Leadership in Energy and Environmental Design (LEED) seal, granted by the US Green Building Council. It has technological innovations such as air conditioning system, chillers with clean gas R-134^a, elevators with regeneration system, LED lighting, automated system for turning on lights, variable speed drives in water supply pumps, among others.



Altia Smart City is at the forefront in the use of solar energy for its own consumption; photovoltaic solar energy is an energy source that produces electricity from renewable sources, obtained directly from solar radiation. To date, the complex has 1.8 Megawatts peak in operation. The benefits of this type of energy generation are: the production of 3 million kWh per year produced from renewable energy, thus reducing the carbon footprint of the operation.

Environmental Dimension

ODS 6, 7, 13

Sustainable use of resources WATER

Green Valley Advanced Manufacturing Hub has its own treatment plant, whereby 100% of the water used in the park is filtered before being returned to the environment, in this case the system has a processing capacity of 20,000 cubic meters per day. This system processes all the wastewater and process water used by the park's plants.



Materials





About half a ton of hazardous waste per year, both bioinfectious (clinical, biosafety, among others) and industrial (material with paint, lubricants, chemicals, etc.), are sent to authorized sites for disposal. In this sense, the ISO 14000 system of which our business unit is certified, allows us to control any risk of spills of hazardous substances, through a strict procedure for the containment and disposal of any contaminated waste.



Climate Action

Every year we celebrate the day of the environment, in which we promote a green culture, inviting our customers and employees to learn about the practices and activities carried out in the nursery garden, participating in the production of plants, which are grown within the park and in designated areas in the community we impact with our operations.

In 2021, we started with the goal of **planting three trees for every employee working** at Green Valley Advanced Manufacturing Hub, which is expected to reach at least 400,000 trees by 2025, thus contributing to the reduction of our carbon footprint.

Equivalents actions to:	Green Valley Advanced Manufacturing Hub	Altia Smart City
 trees planted per year	374,390	42,885
 hectares of planted forest	936	107
 Tons of CO2 avoided	8,237	943
 vehicles out of circulation / year	2,283	261

Environmental Dimension

ODS 6, 7, 13

The Decarbonization Process at Green Valley Advanced Manufacturing Hub








GRI 2-18

Due to the accelerated growth of our current and new customers who are about to settle, as well as the increased operations of existing customers, we are strengthening our carbon footprint reduction strategy.

Our decarbonization plan foresees that with incorporation of a solar plant, we will reduce GV Hub carbon footprint by up to 25%.

Additionally with the production increase of steam an additional 10% will be reduced, co-generation will be obtained, and lastly with our recycling operation (5%) reforestation actions (3%) and conversion LED lighting (5%) will be obtained.

All these initiatives plus the conversion to dual plus the conversion to dual fuel use will contribute to reduce gas emissions by up to 60% of the greenhouse effect over the next three years.

The Decarbonization Process at Green Valley Advanced Manufacturing Hub		Expected reduction of the impact
Mitigation actions		
 solar power generation		-25%
 steam processes		-10%
 cogeneration processes		-10%
 recycling operations		-5%
 conversion to LED luminaires		-5%
 reforestation actions		-3%
 other initiatives		-2%
	Expected reduction	-60%



ANNEXES

External Verification Report

To GK stakeholders

Introduction

The Honduran Foundation for Corporate Social Responsibility FUNDAHRSE is a private sector organization in Honduras. Created in 2004, it has a code of ethics in order to ensure high standards of transparency and integrity and thus prevent possible conflicts of interest. FUNDAHRSE as an independent verifier and under the requirements of ethical compliance has developed extensive experience in the verification processes of the GRI standards, conducting evaluations of the ISO 26000 standard and the IndicaRSE metric for Honduran organizations. In this regard, it has been in charge of conducting the analysis process of GK's Sustainability Report 2020-2022 for which a series of evaluation techniques were implemented.

Verification Scope

The main function of FUNDAHRSE was to provide a statement of truthfulness on the information contained in GK's Sustainability Report 2020-2022 with the requirements of the international norms and standards of:

- GRI-Standards Universal
- Sustainable Development Goals
- INDICARSE 2015
- ISO 26000:2010
- Global Compact

In this sense, a methodology was defined following the GRI-Standards Universal process, which included the review of the content of this report, the basic and specific content data and the associated sectorial documents. The information verified is based on GK operations and data provided by the reporting organization.

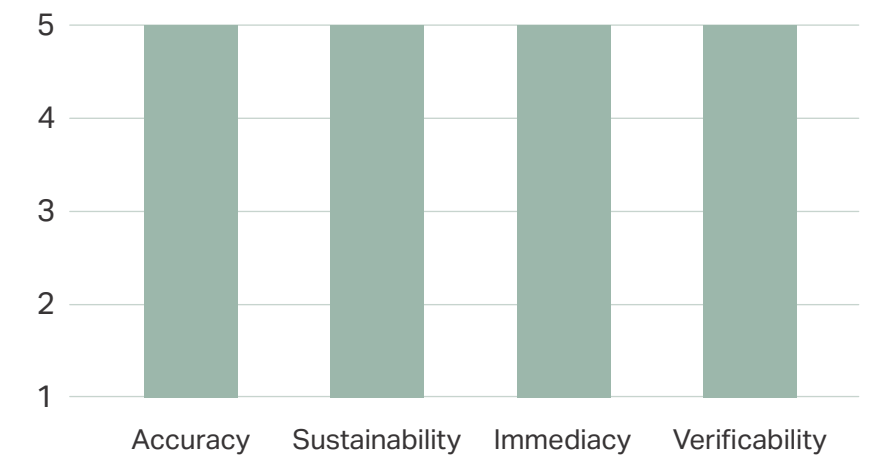
Methodology used

FUNDAHRSE verified the consistency of the information based on the principles for determining the contents of a GRIStandards report by verifying the documentation relevant and pertinent information provided by GK, interviews with key people for the generation of the indicators, access to records of stories and testimonies, analysis of sectorial documents and sampling of the main performance indicators of the organization. The corresponding table is attached with the details of the methodology for verification of the indicators.

Conclusions

Based on the verification work, it has been concluded that GK's Sustainability Report 2020-2022 has been produced in compliance "in accordance" with the GRI-Standards Sustainability Reporting Guidelines and the quality standards set out above.

Level of Application of the GRI-Standards Principles



The following graph shows the level of application of the principles established by the international criteria used. ***It shows the application of the principles that allow GK's 2020-2022 Sustainability Report to be considered in accordance with GRI-Standards Universal.***

Highlights

- The integration of GK to the Sustainable Development Goals of the United Nations, the Global Compact, ISO 26000 and the INDICARSE metrics is highlighted. Thus complying with the principles of sustainability and verifiability.
- The implementation and respect for the principles of accuracy and immediacy are verified in terms of the delivery of timely information for decision making regarding the impacts on stakeholders.
- Presence of due diligence regarding material issues associated with customer experience, job creation, labor welfare policies, certification compliance and strengthening of the GK Foundation.

Areas of improvement

- Evaluate the impact of GK's management in terms of its contribution to the development of Honduras and the communities where it operates.
- Accelerate processes for the integration of environmental management indicators associated with the SDGs and the Paris Agreement.
- Prepare the conditions to incorporate more widely in other of its business units, in the short term, quality infrastructure that includes Circular Economy and ESG criteria.

San Pedro Sula, October 1st, 2022

J. Roberto Leiva
Executive Director FUNDAHRSE



GRI Compliance Content Index

Declaration of use	GK has prepared the Report in accordance with GRI standards for the period from January 1st, 2020 to October 1st, 2022.
GRI 1 used	GRI Fundamentals 2021, GRI2: General Contents 2021, GRI Material Topics 2021
Thematic standards	GRI 401: employment 2016
Applicable GRI sectoral standards	

GRI 2 General Contents

Section	Description GRI	GRI Content	Page	Material Subject	Omission	GRI sector standard ref. no.	SDG and Goals
Organizational profile and reporting practices	Details of the organization	2-1	3, 8, 10				
	Entities included in the sustainability report	2-2	3				
	Reporting period, frequency and contact point	2-3	3				
	Restatement of information	2-4	3				
Activities and employees	Activities, value chain and other business-related relationships	2-6	40				
	Internal employees	2-7	45				
Governance	Governance structure	2-9	22				
	Nomination and selection of the highest governance body	2-10	22				
	Chairman of the highest governing body	2-11	5, 22				
	Role of the highest governance body in overseeing the management of impacts (risks)	2-12	5, 22				

GRI 2 Contenidos Generales

Section	Description GRI	GRI Content	Page	Material Subject	Omission	GRI sector standard ref. no.	SDG and Goals
Governance	Delegation of responsibilities for risk and impact management	2-13	5, 22				
	Role of the highest governance body in sustainability reporting	2-14	5				12.6.1
	Conflicts of interest	2-15	23				
	Communication of critical concerns	2-16	23, 24				
	Collective knowledge of the highest governance body	2-17	28				
	Performance evaluation of the highest governance body	2-18	28				
	Compensation policies	2-19	47				
	Compensation determination process	2-20	47				
	Total annual compensation ratio	2-21	47				
Strategy, policies and practices	Sustainability strategy statement	2-22	24, 35				
	Policies of commitment to responsible business conduct	2-23	24, 56				
	Policy dissemination	2-24	23, 24				
	Negative impact remediation process	2-25	23, 46				
	Counseling mechanisms and ethical concerns	2-26	23				
	Compliance with laws and regulations	2-27	23, 52				
	Participation in Associations	2-28	61, 70				
Stakeholder Participation	Collective bargaining agreements	2-29			No agreements are recorded		
	Approach for stakeholder engagement	2-30	26				

GRI 3 Materials Topics							
Section	Description GRI	GRI Content	Page	Material Subject	Omission	GRI sector standard ref. no.	SDG and Goals
GRI 3: MATERIAL TOPICS 2021	Process to determine material topics	3-1	26, 31				
	List of material topics	3-2	26, 31				
	Management of material topics	3-3	26, 31				

Material Topics Content						
GRI 3: Material Topic 2021	GRI Standard	Content GRI	Page	SDG and Goals	Global Compact	
Customer Experience	GRI2: General Disclosures 2021	2-29	37	8.4	1	
Employment creation	GRI 401: Employment 2016	401-1, 401-2	44-55	8.5	1	
GPTW Labor welfare policies	GRI 401: Employment 2016	401-1, 401-2	48	8.2	1	
Certification compliance	GRI2: General Disclosures 2021	2-18	61	16.b	10	
Strengthening of GK Foundation	GRI2: General Disclosures 2021	2-18	60-81	17.17	1	

Support and Alliances with key Associations in Honduras

- Fundación Hondureña de Responsabilidad Social Empresarial (FUNDAHRSE)
- Red Integración Centroamericana por la Responsabilidad Social (INTEGRARSE)
- Great Place to Work (GPTW)
- Organización Internacional de Estandarización (ISO)
- Worldwide Responsible Accredited Production (WRAP)
- Universidad Experiencia al Cliente (CXS)
- United States Cotton Council
- United States Green Council
- Leadership in Energy & Environmental Design (LEED)
- TRUE Zero Waste
- Asociación Hondureña de Maquiladores (AHM)
- Asociación Cuerpo Consular Sampedrano (ACCS)
- Cámara de Comercio e Industrias de Cortés (CCIC)
- Cámara de Comercio e Industrias de Tegucigalpa (CCIT)
- Cámara de Comercio e Industrias de Santa Bárbara (CCISB)
- Alcaldía de San Pedro Sula
- Ecosocial/ Alcaldía de San Pedro Sula
- Alcaldía de Quimistán, Santa Bárbara
- Gobierno de la República
- Consejo Hondureño de la Empresa Privada (COHEP)
- American Chamber of Commerce (AMCHAM)
- United States Agency for International Development (USAID)
- Gremio de la Micro y Pequeña Empresa (Gremype)
- Patronato Comunidad de Armenta, San Pedro Sula
- Patronato Comunidad de La Acequia, Quimistán, Santa Bárbara
- Patronato Comunidad de Santa Elena, Quimistán, Santa Bárbara
- Patronato Comunidad de Montelimar, Quimistán, Santa Bárbara
- Patronato Comunidad de San José de la Sierra, Quimistán, Santa Bárbara
- Club Rotario
- World Vision
- Hospital Mario Catarino Rivas
- Hospital Leonardo Martínez
- Hospital Fundación Ruth Paz
- Hospital San Juan de Dios
- Hospital San Juan de Dios
- Obras Sociales Vicentinas
- Asociación Pediátrica Hondureña, Capítulo Valle de Sula
- Fundación Manos ayudando a Honduras
- Fundación Amigos de Bernabé
- Fundación Amor y Vida
- Abrigo Foundation
- Yo Quiero Ser Foundation
- Nutre Hogar Foundation
- TELETON Honduras
- Misión Internacional Voces de Esperanza
- Congregación de las Hermanas de la Caridad el Buen Samaritano
- San José Home for Girls
- Fullbright Association in Honduras
- School for Children of the World (SCW)
- Asociación del Rescate de los Valores y la Moral (Valmoral)
- Fundación Más Hondureños teniendo identidad, valores y orgullo (MHOTIVO)
- Museum of the National Identity
- Customer Experience University, USA
- Zamorano Panamerican University
- Universidad Nacional Autónoma de Honduras, Valle de Sula (UNAH-VS)
- Universidad Tecnológica de Honduras (UTH)
- Departmental Education Office in Cortés
- Departmental Education Office in Santa Bárbara

Support and Partnerships with key associations in Mexico and Nicaragua

- Dif Sistema para el Desarrollo Integral de la Familia
- Hospital de Especialidades Médicas Manuel Campo
- Una Caricia Humana / Centro de atención de Cáncer
- Casa Hogar Rancho Palomar
- Comedor Infantil San Antonio de Padua
- Centro de Adicciones Fe y Esperanza de Vida A.C.
- Centro de Rehabilitación El Olam de Campeche A. C.
- Albergue Patronato San José I.A.PCentros de Atención
- Múltiples CAM) Educación para niños con capacidades especiales.
- Secretaría de Inclusión Gobierno del Estado de Campeche
- Secretaría de Salud, Indesalud Gobierno del Estado de Campeche
- Secretaría de Relaciones Exteriores, Gobierno del Estado de Campeche
- Patronato del Cree de Campeche, a.c. Centro Rehabilitación y Educación Especial
- Olimpiadas especiales de campeche, a.c. impulsar el desarrollo de actividades deportivas para personas con deficiencia mental.
- Cruz Roja Mexicana, a.c. Traslado y servicio a la comunidad.
- Comité municipal del PRI Reune militantes del partido revolucionario institucional.
- Hospital de Especialidades
- Amanc Asociación Mexicana de apoyo a Niños con Cáncer
- Vifac Vida y Familia a.c. Apoyo a mujeres embarazadas en desamparo
- Banco de Sangre
- Amec Instituto de la mujer
- IMSS Instituto Mexicano del Seguro Social
- IEEA: Instituto Estatal para la Educación de los Adultos
- Dirección de energía
- SMAAS: Secretaría de Medio Ambiente y Aprovechamiento Sustentable.
- Secretaría de Desarrollo Urbano.
- Fundación Pablo García. Provides scholarships to low-resources students.
- Dirección de Desarrollo Económico Turismo y Competitividad.
- Patronato Comunidad Alfredo V. Bonfil
- Patronato Comunidad Hontun
- Patronato Comunidad Kikab
- Patronato Comunidad Melchor Ocampo
- Patronato Comunidad Nueva Esperanza
- Patronato Comunidad Pénjamo
- Patronato Comunidad Tixmucuy
- Patronato Comunidad Bethania
- Patronato Comunidad Pich
- Patronato Comunidad Chemblas
- Patronato Colonia Minas
- Patronato Colonia Polvorín
- Patronato Colonia Samula
- Patronato Colonia 20 de noviembre
- Patronato Colonia China
- Patronato Colonia Ernesto Zedillo
- Comedor Polvorín "La Sagrada Familia"
- Albergue Uniendo Esfuerzos
- Voluntarias Vicentinas de Campeche, a.c.
- Vicentinas de Campeche, a.c.
- Centro Vicentino Bartimeo (comedor de las voluntarias vicentinas)

Nicaragua

- Corporación de Zonas Francas
- Comisión de Zonas Francas
- Ministerio de Trabajo
- Delegación de Bomberos
- Teletón Nicaragua



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