

Sustainability leadership

Future proofing our business

Ambitious long-term goals and plans

Net-zero plan

Sustainable supply and recycling

Sustainable operations

Sustainable customers and sectors



Future proofing our business

Sustainability is a strong driver and enabler of Gränges' long-term competitiveness and value creation. It is also critical to future-proofing Gränges' business. The aim of the sustainability plan is to drive sustainable growth through the creation of circular and sustainable aluminium solutions.

-26%

reduction in total carbon emissions intensity vs. 2017

42%

share of sourced recycled aluminium

100%

products with third-party verified sustainability information

All sites

certified against ASI's sustainability standards

Enabler of the green transition

Aluminium plays an important role in the transition towards a circular and sustainable economy. The metal is for example used to produce lightweight vehicles, energy-efficient buildings, and resource-efficient packaging. Through lighter products, energy and emission savings can be achieved both operationally and in product usage. Key characteristics of aluminium include its light weight, infinite recyclability, durability, and strength, features which are all contributing positively to sustainability and circularity.

Strong commitment to sustainability

Sustainability and people are at the core of Gränges' business and strategy. The company has a strong position in the value chain and works to make a difference through its commitment to sustainability. This is driven by ambitious plans for net-zero, circularity as well as responsible production and practices.

Gränges is committed to climate neutrality by 2040 and received approval of its net-zero and near-term 2030 goals from SBTi at the end of 2023. During the year, Gränges also received several external sustainability and ESG recognitions. Examples include the EcoVadis Platinum award and CDP A- rating.



Main activities during the year:

- Establishing and executing on 2030 decarbonization plans
- Developing a new responsible sourcing policy and process
- Strengthening the sustainability reporting and governance procedures ahead of upcoming EU legislation
- Improving the company's value proposition for sustainable and circular solutions
- Increasing sustainability awareness and engagement across the organization

Ambitious long-term goals and plans

In 2018, Gränges adopted ambitious sustainability goals for 2025. Since then, the company has delivered good progress on many of the company's sustainability priorities and some goals have already been achieved. In 2023, Gränges upgraded its sustainability long-term ambitions and plans to 2030 and 2040.

The sustainability plan focuses on three key areas which are important in the creation of sustainable and circular aluminium solutions: net-zero, circular, and responsible. Each area has accompanying long-term goals which show a clear direction for the sustainability efforts. To achieve the goals and drive sustainable growth, Gränges invests in sustainable supply and recycling, operations, and customers and sectors.

Net-zero: Gränges invests in sustainable operations and sustainable sourcing and recycling to reduce the life-cycle climate impact of its products. By 2030, Gränges aims to reduce its carbon intensity by 65 percent versus baseline 2017. By 2040 the company aims to reach net-zero emissions throughout the value chain. The long-term climate goals have been validated by SBTi, read more on page 134.

Circular: Gränges invests in circular business models, closed-loop partnerships, recycling capacity, and circular alloy development to increase the usage of recycled materials in its products. By 2030, Gränges aims to reach a total recycling volume of 500 ktonnes which corresponds to 10x the volume in baseline 2017.

Responsible: Gränges invests in safety, business ethics, and people to ensure responsibly produced aluminium and responsible business practices throughout the value chain. By 2030, Gränges aims to have 100 percent sustainable suppliers, as defined by the company's new responsible sourcing process that will be implemented in 2024.

Invest in sustainable

- Supply and recycling
- Operations
- Customers and sectors

2030 Sustainability goals

Net-zero
Carbon intensity

Scope 1+2 Scope 3
 ≤ 0.4 ≤ 3.6
 → 65% vs. 2017

Net-zero 2040

Circular
Recycled volume

500 ktonnes
 → 10x 2017

Responsible
Sustainable suppliers

100%

Sustainable growth

Net-zero plan

Gränges is committed to mitigating climate change and has set a goal to reach net-zero by 2040. The company strives to reduce the climate impact along the value chain – from its own operations and from the materials sourced. The main pathways to reach net-zero include recycling growth, low-carbon primary aluminium sourcing, and renewable energy usage.

-31%

reduction in scope
1+2 carbon emissions
intensity vs. 2017

-26%

reduction in scope
3 carbon emissions
intensity vs. 2017

Aluminium – an enabler for decarbonization

The aluminium industry is considered a harder-to-abate industry and is responsible for about two percent of the world's direct industrial carbon emissions. The metal is widely used in different product segments and direct emissions are expected to grow due to an estimated increased demand of the metal. Aluminium also has a positive contribution to a sustainable and circular economy because of its light weight and infinitely recyclability which can mitigate climate impacts.

Gränges' climate impact

As a semi-manufacturer of rolled aluminium products, Gränges largest climate impacts originate in the value chain. In 2023, 92 percent of Gränges' total climate impact originated from the value chain (scope 3) and 8 percent from the company's own operations (scope 1+2). To drive emission reductions, Gränges collaborates with suppliers to secure low-carbon and recycled aluminium, and with customers to design sustainable aluminium solutions and form recycling partnerships.

Science-based emission reduction trajectory

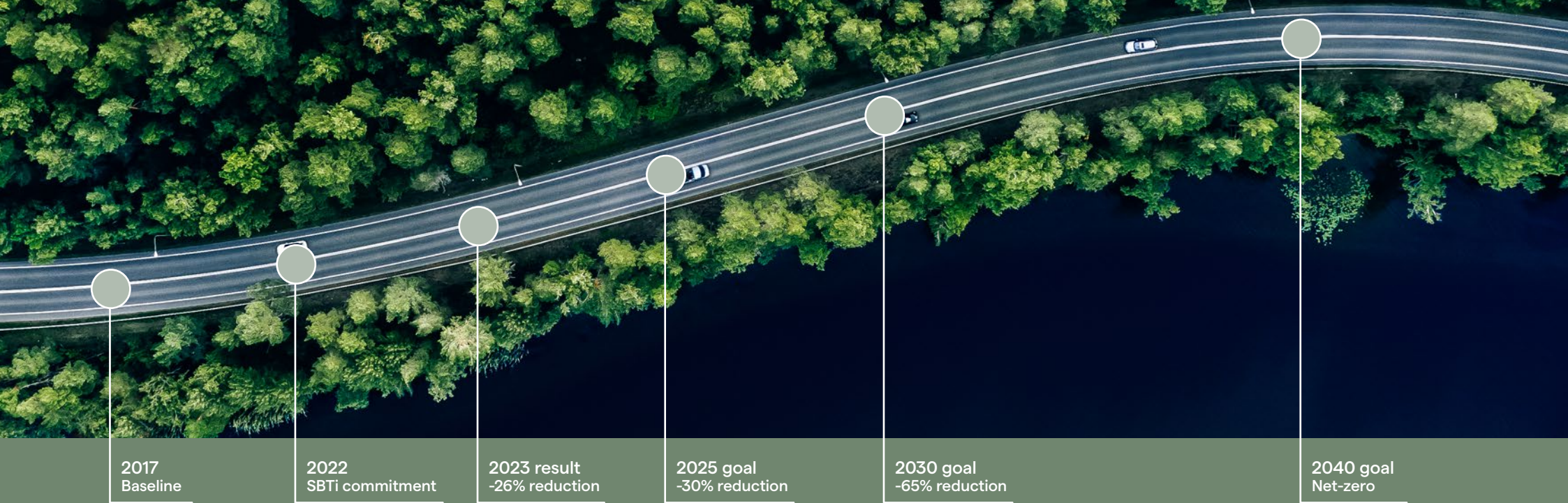
Gränges' climate goals for 2030 and 2040 were approved by the Science Based Targets initiative in November 2023. This means that the goals are aligned with the latest climate science and consistent with the goals of the Paris Agreement. Having trustworthy and ambitious climate goals and decarbonization plans gives confidence to Gränges' customers that they can get industry-leading sustainable and circular solutions.

Main pathways to net-zero

In 2023, Gränges developed regional 2030 decarbonization plans which were consolidated into a group-wide net-zero plan. In summary, the company plans to reach net-zero through five main pathways, as summarized on the next page. Recycling growth accounts for more than half of the 2030 plan, followed by low-carbon primary aluminium, and renewable electricity.



Gränges' net-zero journey



Gränges' five pathways to net-zero and prioritized activities

1	2	3	4	5
Net-zero Gränges	Net-zero electricity	Recycling growth	Net-zero primary aluminium	Net-zero solutions and sectors
Scope 1	Scope 2	Scope 3	Scope 3	
Activities <ul style="list-style-type: none"> • Increase material and energy efficiency • Reduce and phase-out natural gas and non-renewable fuels • Deploy decarbonization technologies 	<ul style="list-style-type: none"> • Form value chain partnerships • Renewable electricity certificates • Generate own renewable electricity 	<ul style="list-style-type: none"> • Form value chain partnerships • Invest in recycling capabilities and capacity • Develop circular alloys 	<ul style="list-style-type: none"> • Form value chain partnerships • Support suppliers' decarbonization plans 	<ul style="list-style-type: none"> • Invest in growth from sustainable sectors • Collaborate with customers and OEMs • Develop sustainable and circular alloys
Ambition 100% net-zero fuels by 2040	100% renewable electricity by 2030	500 ktonnes recycling by 2030	100% net-zero primary aluminium by 2040	Enabler for net-zero and sustainable growth

Strong decarbonization progress

In 2023, Gränges reduced the total carbon intensity by 5 percent versus prior year, driven mainly by all-time-high recycling and renewable energy usage. All Gränges' regions contributed to this progress through high engagement and a strong sustainability mindset. Gränges has now reduced its carbon intensity by more than 26 percent versus the 2017 baseline. This equals an annual reduction of more than 5 percent, which is a significant achievement.

Key 2023 initiatives

Renewable electricity partnership in Shanghai

In January, Gränges secured a contract to source 100 percent renewable electricity at the production facility in Shanghai. The production facility now uses 100 percent hydro-powered electricity, which has a significant positive effect on scope 2 emissions.

New recycling and casting line in Huntingdon

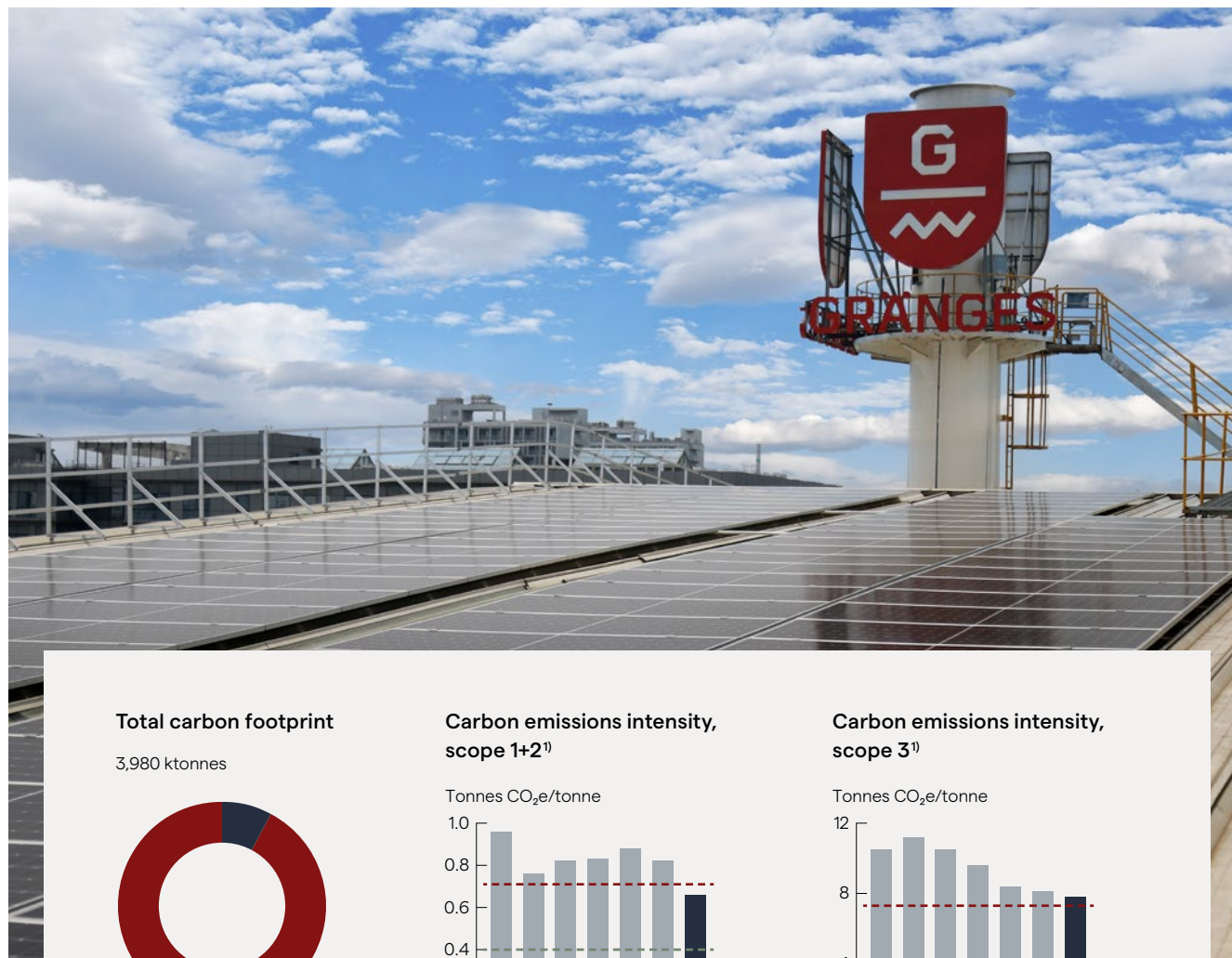
In February, Gränges' investment in the expanded aluminium recycling and casting centre in Gränges Americas' facility in Huntingdon was successfully completed. Through this investment, Gränges can cast 100 percent scrap instead of imported primary aluminium. This has a significant positive effect on Gränges' scope 3 emissions.

Scrap-pump installation in Salisbury

In July, Gränges Americas' facility in Salisbury installed a scrap pump system which allows for the charging of new scrap sources. This initiative will be instrumental when it comes to post-consumer recycling streams.

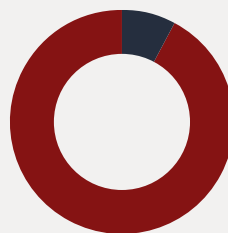
Increased renewable electricity in Konin

In 2023, Gränges' facility in Konin increased its renewable electricity sourcing. In total, 75 percent renewable electricity was sourced from hydropower, through guarantees of origin, thereby contributing to reduced scope 2 emissions.



Total carbon footprint

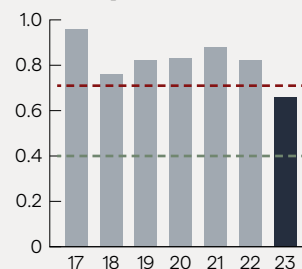
3,980 ktonnes



■ Own operations and purchased energy (scope 1+2), 8%
 ■ Purchased materials (scope 3), 92%

Carbon emissions intensity, scope 1+2¹⁾

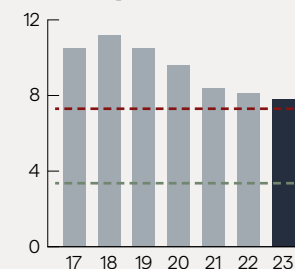
Tonnes CO₂e/tonne



■ Own operations and purchased energy (scope 1+2)
 --- 2025 goal
 --- 2030 goal

Carbon emissions intensity, scope 3¹⁾

Tonnes CO₂e/tonne



■ Purchased materials (scope 3)
 --- 2025 goal
 --- 2030 goal

¹⁾ Baseline 2017 has been recalculated to include the facility in Konin. 2018–2020 exclude the facility in Konin and Gränges Powder Metallurgy.

Sustainable supply and recycling

Gränges' plan for sustainable supply and recycling is focused on recycling growth, green supply of metals and energy, and ensuring responsible sourcing practices. A strong focus is to invest in partnerships with customers and suppliers, in new technical solutions and remelting, as well as in increased sourcing of renewable electricity.

210 ktonnes

sourced recycled aluminium

42%

share of sourced recycled aluminium

All sites

certified against ASI's sustainability standards

100%

Supplier Code of Conduct commitment

Recycling

Ambitious 2030 goal and plans

Gränges' 2030 goal is to reach 500 ktonnes recycled volume, equal to a tenfold volume versus baseline 2017. In 2023, Gränges reached an all-time high recycling volume of 210 ktonnes, equalling more than 4.5x the baseline 2017. This corresponds to a share of 42 percent of total sourced metal inputs, up by 8.9 percentage points versus prior year.

Investing in recycling capabilities and capacity

Gränges sources pre-consumer used materials from customers and recycling companies and post-consumer used materials from recycling companies. The company also recirculates processed aluminium from its own operations. During the year, all sites have worked actively to increase the recycling capabilities in production. One example is Gränges' production facility in Shanghai which increased its recycled volumes by almost 60 percent compared to 2022. This was achieved by improvements in daily operations, expanded scrap sourcing channels as well as continued work with product development to further promote circular aluminium by a higher scrap consumption.

Forming partnerships and circular business models

Key factors to secure increased volumes of recycled aluminium is to collaborate with recycling processing companies and forming circular business models and partnerships with suppliers and customers. During the year, all regions expanded the sourcing of recycled aluminium and established several long-term partnerships up- and downstream.

Varying recycling conditions

The conditions for recycled aluminium differ geographically and the feasibility to increase usage depends on the type of production and local availability. Since aluminium is often used as a long-lasting material, the availability of recycled aluminium can be a significant constraint. Another challenge is that recycled aluminium is often used in combination with other materials. Gränges' facilities in Finspång and Shanghai produces a high number of alloys for brazed automotive heat exchanger applications consisting of clad materials where different alloys are rolled together. The complex composition of melted composites makes them difficult to separate which in turn makes it challenging to meet the strict sorting requirements for materials to be used in specific alloys produced.



Partnership to secure recycled aluminium in Gränges Americas

During the year, Gränges Americas formed a partnership with Scepter, Inc to supply 100 percent recycled aluminium ingots to the Huntingdon site over the next 10 years. This partnership will strengthen Gränges' capability to offer industry-leading circular and sustainable aluminum solutions to its customers.



Green sourcing of metal and energy

Partnerships to secure low-carbon primary aluminium

Besides recycling, a key decarbonization driver is to expand the sourcing of low-carbon primary aluminium. Gränges is dependent on the primary aluminium sector transitioning to low-carbon production and products. Currently, the availability varies depending on geography and renewable energy conditions. Gränges mainly uses low-carbon primary aluminium, both in the form of ingots and slabs, in its European facilities. A key achievement during the year was the closing of the joint-venture with Shandong-Innovation Group (SIG) which will secure access to low-carbon primary aluminium in Gränges' facility in Shanghai. This investment is expected to have a significant impact on the company's decarbonization performance over time.

Phased-out Russia produced aluminium

Due to Russia's invasion of Ukraine in 2022, Gränges Europe made a conscious decision to phase out and exclude all Russia produced aluminium in its metal supply. The phase-out was completed in 2023 and Gränges refrains from entering any new deals for Russian aluminium. This has imposed challenges for Gränges Europe having to replace the aluminium in both its production facilities with primary aluminium with higher carbon emissions. During the year, Gränges Europe worked actively to establish long-term supplier partnerships to secure low-carbon primary aluminium in the future.

Transitioning to renewable electricity by 2030

One key driver to reduce Gränges' climate impact from its own operations is to increase the share of renewable electricity and Gränges has an ambition to use 100 percent renewable electricity by 2030. All regions are actively investigating how to increase the usage of renewable electricity with the aim of finding long-term partnerships through Power Purchase Agreements (PPA).

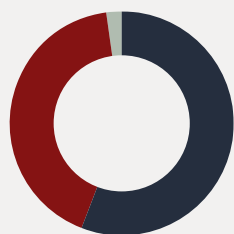
Increased use of renewable electricity during the year

In 2023, Gränges significantly increased the use of renewable electricity. Gränges' facility in Konin sourced 75 percent renewable electricity through guarantees of origin and the facility in Shanghai converted to 100 percent renewable electricity. Moreover, Gränges Americas extended its partnership with Entergy and increased the use of solar energy used to power the Newport facility. Gränges' facility in Finspång has sourced 100 percent renewable electricity for several years.

Solar panels generates renewable electricity in Shanghai

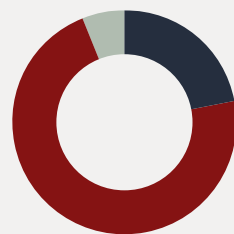
In 2023, Gränges installed solar panels on the roof of the production facility in Shanghai. The renewable electricity generated powers the Shanghai grid and community. This initiative demonstrates Gränges' strong commitment to sustainability being a positive force in the local communities.

Sourced metal inputs, 2023



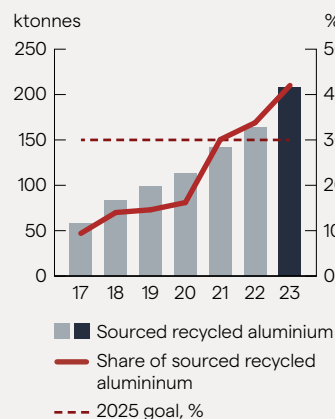
■ Primary aluminium (ingots + slabs), 56%
 ■ Recycled aluminium, 42%
 ■ Alloying elements, 2%

Sourced energy mix, 2023



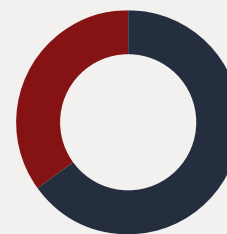
■ Renewable energy, 22%
 ■ Non-renewable energy, 72%
 ■ Nuclear energy, 6%

Sourced recycled aluminium, 2017-2023



■ Sourced recycled aluminium
 — Share of sourced recycled aluminium
 --- 2025 goal, %

Sourced recycled aluminium per category, 2023



■ Pre-consumer used materials, 65%
 ■ Post-consumer used materials, 35%

Responsible sourcing

Promoting a responsible supply chain

With a supplier base of more than 3,500 suppliers globally, Gränges has an indirect impact on both environmental and social sustainability in the society. Gränges works to mitigate sustainability risks in the supply chain through collaboration with suppliers to improve their sustainability performance.

Sustainability risks in the supply chain

The mining and extractive industry carries risk of human rights violation mainly related to indigenous rights, but also child and forced labor. In addition, biodiversity loss, leakage, and air emissions are identified negative environmental impacts for Gränges in this industry. Further, refining and smelting activities are energy and water intensive processes. To reduce the risks in the supply chain, Gränges has clear sustainability expectations on suppliers and follow-up on performance through its due diligence process.

A global supply chain

In 2023, the company had approximately 3,500 number of suppliers of which 272 were defined as significant. A significant supplier is defined as all metal suppliers (suppliers of primary ingots, purchased slabs, recycled aluminium, alloying elements) as well as other suppliers which have an annual purchase value above SEK 5 million or an equivalent amount in local currencies. 96 percent of the purchase value from significant suppliers was direct materials (primary aluminium ingots, slabs, recycled aluminium and alloying elements) whereas indirect materials and services accounted for 4 percent. In total, 70 percent of the direct materials was sourced from commodity traders. The supplier base is generally geographically close to the respective markets.

The importance of ASI certifications

Gränges has been a member of Aluminium Stewardship Initiative (ASI) since 2019, a global non-profit organization which defines standards for sustainability performance and chain-of-custody in the aluminium value chain. Gränges uses ASI certifications to provide assurance to its customers and other business partners that Gränges is committed to meeting their increased sustainability requirements and demand for sustainable aluminium. Gränges has worked diligently to certify its production facilities and supply chain against ASI's Performance Standard and Chain of Custody Standard.

Dual ASI certification marks important sustainability milestone

In 2023, Gränges' production facility in Konin successfully achieved dual certification against ASI's Performance Standard and Chain of Custody Standard. With this, Gränges reached its 2025 goal to certify all its aluminium rolling and recycling sites.



New responsible sourcing program

Gränges responsible sourcing program enforces sustainability practices in the supply chain. The program covers sustainability requirements, a robust risk-screening tool, desktop assessments, and active follow-up. Gränges has a target that 100 percent of significant suppliers have committed to Gränges' Supplier Code of Conduct by 2025, and during the year 100 percent had committed.

In 2023, Gränges updated its responsible sourcing program which will be implemented in 2024. Updates include a pre-check and sustainability risk screening for all new potential suppliers, and an extended onboarding including sustainability training. The supplier risk categorization will be based on sustainability risks and business impact (measured as annual spend), and follow-up will include either third-party on-site audits or evidence-based desktop assessments. As part of the new program, Gränges has committed to a 2030 goal of 100 percent sustainable suppliers. This is measured as the share of purchase value from active suppliers approved as sustainable in Gränges' responsible sourcing process.

Gränges responsible sourcing process

1. Pre-check and risk screening

Potential supplier-specific sustainability risks are identified based on environmental, social, and corruption risks associated with the supplier's country of origin and sector. The risk scoring model used is validated by a third-party.

2. Supplier onboarding

Supplier signs the company's Supplier Code of Conduct or has an equivalent standard in place, as part of onboarding new suppliers. Sustainability trainings are conducted with high and medium risk suppliers to raise their sustainability awareness and efforts.

3. Sustainability assessments

Suppliers are addressed with third-party audits or third-party desktop assessments to further disclose sustainability performance – depending on the suppliers' business impact and sustainability risk. Traders will be assessed using a self-assessment questionnaire.

4. Analysis and corrective actions

Suppliers are contacted to discuss findings and mitigating actions if any non-compliance against the sustainability principles stipulated in Gränges' Supplier Code of Conduct is raised in the sustainability assessments.

5. Continuous development

Sustainability performance ratings is integrated into local supplier review procedures and tools such as supplier scorecards and discussions. Trainings are provided as applicable to support suppliers and help them improve.

6. Re-assessment and re-audit

Suppliers' sustainability risks and business impacts is annually reviewed. The frequency of re-audits is at least every three years. The frequency of desktop re-assessments is based on the assessment score, but at least every three years.



Sustainable operations

Gränges’ plan for sustainable operations is focused on resource efficiency (energy, water, waste), workplace safety, sustainable workplace, and ethical business practices. A strong focus is to strengthen operational efficiency and enforce a safety-first culture.

3.5 MWh/tonne

total energy intensity

8.0 TRR

number of recordable accidents per million hours worked

Resource efficiency

Improving energy intensity

Gränges mainly consumes energy in its production processes related to remelting and casting. Energy sources used are natural gas, electricity, and liquified petroleum gas. To reduce costs and scope 1+2 emissions from own operations, Gränges works actively to increase energy efficiency. The company uses digital processes and tools to analyze areas where energy can be saved, for example in improvement of metal yield and thermal processes.

Gränges goal is to reduce energy intensity by 17 percent by 2025 vs. baseline 2017. In 2023, energy intensity increased by 7 percent vs. 2017. This is a result of increased energy usage needed to remelt the increased volume of recycled aluminium.

Phasing out natural gas

Over time, Gränges will work to phase out fossil fuels in production. Transforming to net-zero fuels imposes challenges as current decarbonization technologies on the market are still under development and existing possibilities come at a high cost. The company uses oxyfuel burners in the facility in Finspång and has investigated to converting cold air burners in cast house to oxyfuel in Gränges Americas. Switching to biogas is also an option that is being investigated.

Heat recovery from oxyfuel furnaces

Together with the municipality and other companies in Finspång, Gränges in 2023 initiated a project with the aim to recycle heat in operations. The production facility will recover heat from exhaust gases in the melting furnaces, which will be delivered to the municipality’s district heating plant and then re-used in production.

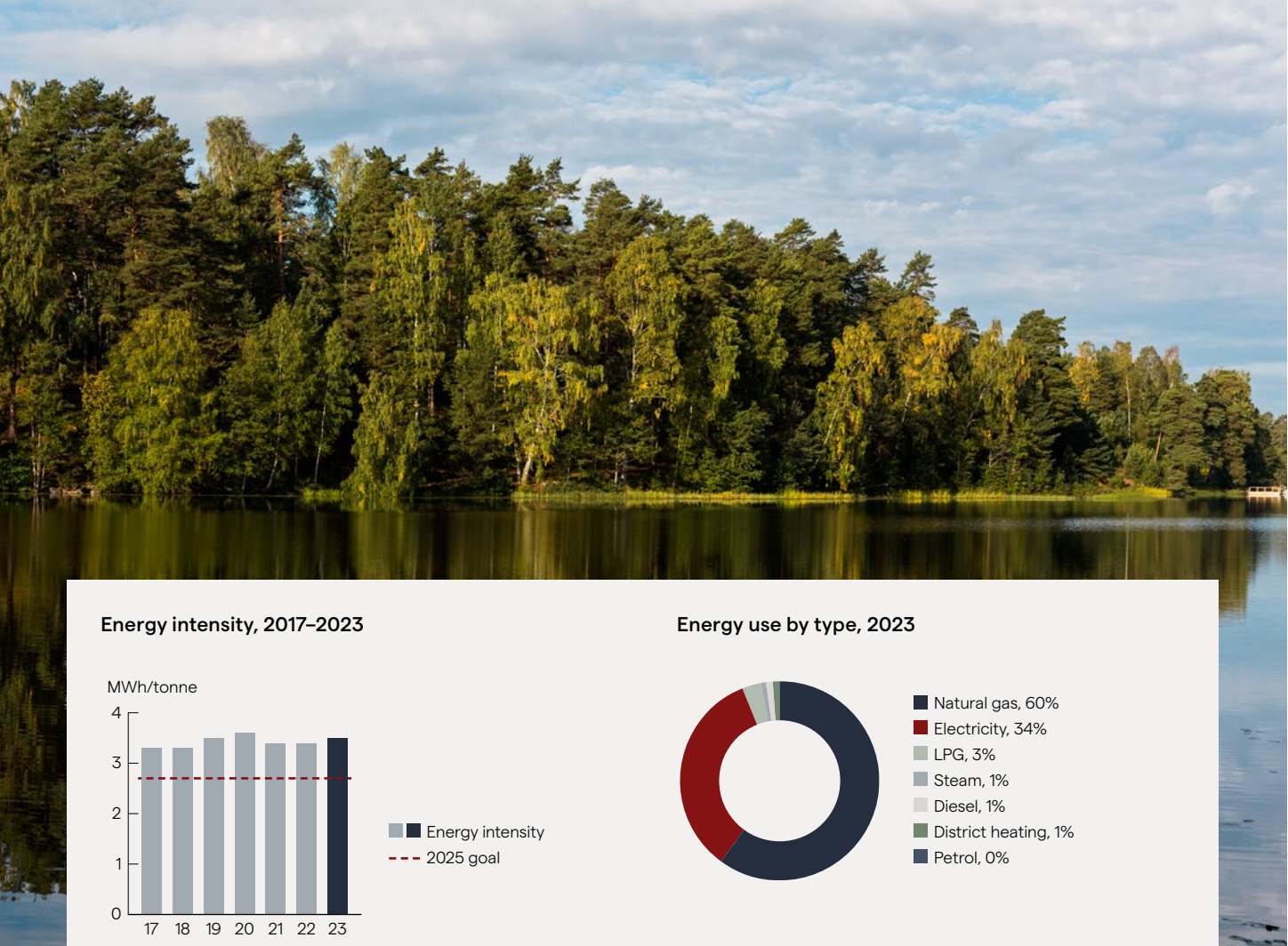
Shift to electrical forklifts in production

Gränges’ facilities in Finspång and Shanghai have in 2023 continued the shift to electrical forklifts in production, resulting in reduced diesel consumption during the year. This initiative had a positive impact on Gränges scope 1 emissions.

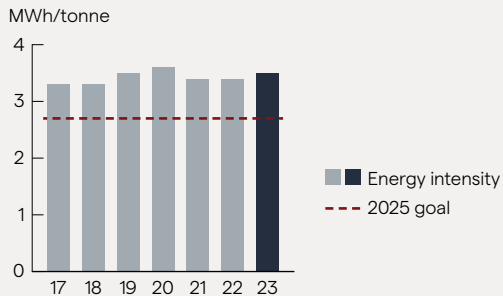


Natural gas reduction in casting in Shanghai

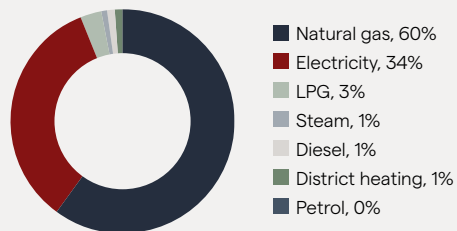
In 2023, Gränges’ facility in Shanghai improved its energy efficiency by reducing natural gas consumption in the casting unit despite an increased usage of scrap. This was made possible thanks to major operational optimization activities to reduce loading time as well as machine optimization and upgrades.



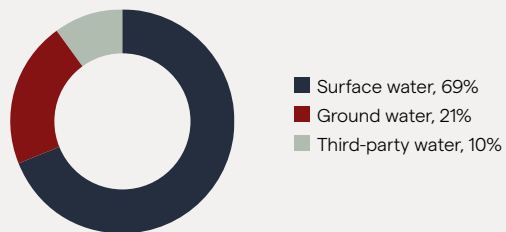
Energy intensity, 2017–2023



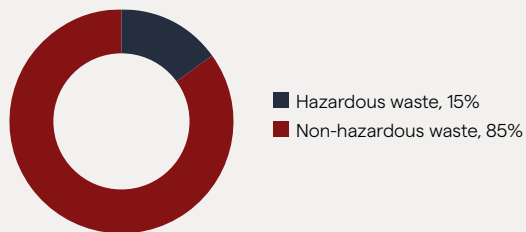
Energy use by type, 2023



Water withdrawal by source, 2023



Waste by type, 2023



Managing local water conditions

Gränges uses water mainly for cooling purposes, such as cooling production equipment and preventing overheating and production disruptions. Water management is handled based on local circumstances since the production sites are located in areas with various water stress and risk. The company has set a goal to implement local water management plans in all facilities by 2025. This will ensure that local targets and activities to address water-related impacts are addressed across the Group. In 2023, three of Gränges’ production facilities had local water management plans in place.

Activities to reduce and recycle water

Many water management activities are already in place at Gränges’ facilities. Gränges Americas have closed-loop cooling systems with a high degree of water recirculation. This reduces water consumption and the risk of water contamination. In addition, water cooling towers are installed. Gränges’ facility in Shanghai has installed ionization equipment to decrease the harness of cycle water to get more cycle time. All equipment is also cooled with recycled water.

Waste management

Gränges aims to minimize and reuse materials to reduce waste to landfill and reduce the cost of raw materials. The company has an ambition to recycle and reuse waste in production where possible and reduce generation of hazardous substances. Hazardous waste includes for example dross generated in the re-melting process and oil used to cool down the mill and lubricate the interface between the rolls and the material. All sites have local waste handling procedures in place and work actively to reduce material consumption. For example, internal scrap is reused to the highest extent possible, reducing the need for primary aluminium as input material.

Workplace safety

A safety-first culture

Gränges works to continuously improve the working environment as well as the health and safety awareness and behavior. Occupational health and safety (OHS) management systems are implemented in all production facilities in line with local legislation, with the objective to proactively and quickly remove safety hazards and to drive safe behavior.

Gränges' goal is to reach a Total Recordable Rate (TRR) of 3.0 and a Severity Rate below 50 by 2025. In 2023, the TRR remained unchanged while the Severity Rate increased compared to last year. This was a result of single long-term injury cases which increased the total number of lost workdays.

Global Safety Standards for key risk areas

Gränges has identified six key safety risk areas in operations: mobile equipment, fire suppression, machine safety and lock/tag/verify, molten metal, confined space, and fall protection. In 2023, global standards were developed and rolled out for each risk area, including minimum requirements that all Gränges' facilities have to implement. Based on these, all facilities performed a self-assessment and gap identification. Actions to mitigate the risks were identified and plans are now in place to close the gaps. This process will be conducted on an annual basis.

Improved physical safety environment

Gränges has implemented several actions to improve the physical safety environment in 2023. For example, the company has installed guard rails and pedestrian access gates walkway. Gränges has also upgraded its cranes and fire protection systems, as well as equipped its forklifts with red lights marking the danger zone.

Actions to foster a safety culture

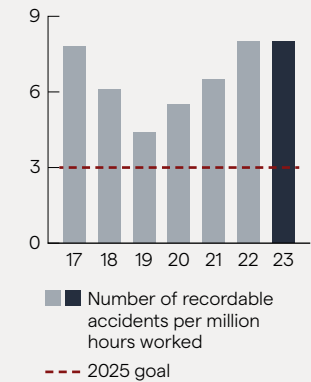
To increase safety awareness and foster a safety culture, Gränges provides annual health and safety trainings for employees, temporary staff, managers, and onsite contractors. Further, Gränges conducts internal cross assessments where regional safety representatives visit the production facilities to share learnings and provide feedback on safety improvements. In 2023, such assessments were conducted in Huntingdon and Shanghai.



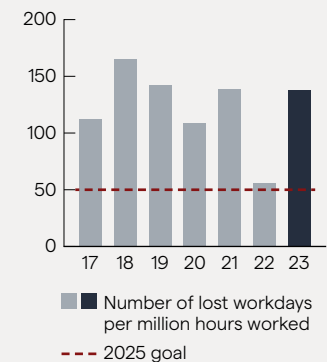
Subject matter experts to ensure continuous safety improvements

All regions have appointed a subject matter expert (SME) for each identified key risk area to ensure continuous improvement and implementation of risk mitigating activities. The SME's from each region have regular meetings and conduct onsite visits to share experiences and learn from each other, with the objective of improving the safety performance and strengthen the safety culture across the Group.

Total Recordable Rate, 2017-2023



Severity Rate, 2017-2023



CASE

Safety weeks a key tool in enhancing Gränges' safety culture

High activity and engagement were setting the tone on Gränges' safety weeks. Employees had the possibility to test safety equipment and practice in real risk situations.

Not only are the safety weeks full of useful activities, but they are also important driver of the safety culture. This year, the sites in Konin, Finspång and Shanghai, had dedicated weeks. However, since safety has high priority for Gränges, awareness is part of everyone's responsibility, every day, in every shift.

During the weeks, employees took part in demonstrations of safe work at heights and tried the full equipment during such work. Training and demonstrations of the use of fire-fighting equipment were conducted and how to behave in a simulated smoky space was practiced. As part of first aid, there was an opportunity to practice artificial respiration on exercise phantoms under the supervision of an experienced paramedic. Cross-functional audits were conducted as well as trainings in risk observations and assessments.

"Improving the safety culture and consequently reducing the number of accidents and serious near-accident events is an investment. People's health and lives are priceless, and we believe the money invested

in safety will contribute to avoid accidents and contributes strongly to employee's well-being. Safety is non-negotiable and should never be compromised for any reason", said Janusz Zasikowski, leader of EHS Team in Poland.

Working to improve safety is a continuous and systematic process at Gränges that needs to be working on all levels in the organization. Gränges' leaders set the tone for safety culture ensuring that ideas and improvements at all levels are translated into concrete actions.



People's health and lives are priceless, and we believe the money invested in safety will contribute to avoid accidents and contributes strongly to employee's wellbeing.

Janusz Zasikowski, leader of EHS Team, Poland



Sustainable workforce

Promoting responsible workplace practices

People and company culture are key to past and future success. Gränges aims to be the preferred employer in each location where it operates, and strives to provide a workplace where employees can thrive, realize their full potential, and contribute to developing a high-performing organization. Healthy and engaged employees is a pre-requisite for an innovative, productive, and competitive organization. Activities to attract and engage employees are driven by a people plan for each region, with clear targets and regular follow-up.

Gränges' cultures and values

In 2023, Gränges launched an updated set of core values – sustainable, action oriented, and committed, where sustainable was added to drive a sustainability mindset in the organization. The core values guide employees in their daily actions and lay the foundation for how to conduct business responsibly and ethically. While Gränges' values are shared across the entire Group, the company culture is flexible to accommodate regional differences.

Talent and leadership development

Good leaders are of the utmost importance to remaining successful over time. Gränges has a structured process for working with talents and aims to develop one of the best talent programs in the industry for managers, senior managers, and key experts. Mentorships and job rotation are important factors in addition to leadership training.



Initiatives to attract and retain employees in Gränges Americas

The employee turnover in the US remains a chronic issue for all US companies, as well as for Gränges. Gränges Americas has introduced many initiatives to improve the situation with a positive result, such as wages and monthly incentive schemes having a notable effect on the turnover rate. Moreover, a comprehensive onboarding program for new hourly employees and a front Line leadership training has been implemented during the year.



Gränges' Global Leadership Team, June 2023

Gränges' global leadership program

To succeed with Gränges Navigate plan it is key to have leaders who understand the plan to make it happen. During the year, Gränges implemented a Senior Leadership Program where members from Gränges' Global Leadership Team participated. The aim was to give participants a greater insight into Gränges' Navigate plan, skills to build and develop leadership skills on individual, team, and organizational level. The aim was also to create a strong network and relationship within the senior management.

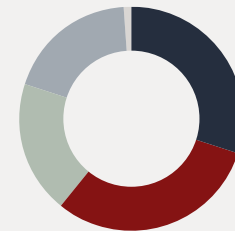
Investing in the team

Gränges offers a competitive compensation package, but also prioritizes a good social and physical work environment, continuous training, and interesting development opportunities for its employees. In addition, employees are provided with occupational health services both on and off site, including flexible work options, wellness grants, and regular health checks. Gränges follows up on employees' general motivation and wellbeing via the annual performance and development discussion. The company also conducts employee surveys every two years to track status.

Promoting an inclusive workplace

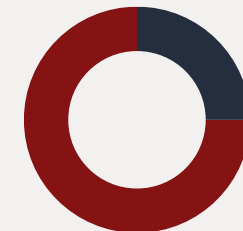
Gränges is committed to being an open and inclusive employer, with zero tolerance for discrimination. Diversity aspects include gender equality as well as ethnic diversity, where the latter is mainly applicable for Gränges Americas. Gränges aims to expand the diversity of its workforce which is an important aspect to attract and retain employees, but there are challenges to do so. This includes cultural aspects, shift work, a flexible job market, and the geographical location of the production facilities.

Average number of employees per country, 2023



- Poland, 30%
- US, 31%
- China, 19%
- Sweden, 19%
- Other countries, 1%

Women in senior management, 2023



- Women, 25%
- Men, 75%

Business ethics

Responsible business culture

Gränges is committed to running its business in an ethical and responsible way and being an ethically sound partner in all its relations and in the societies in which the company conduct business. Gränges' Code of Conduct outlines the company's ethical principles and applies to all employees and board members, temporary staff, intermediaries, agents, or others acting on behalf of Gränges. The policy is based on international standards on human rights, labor conditions, the environment, and anti-corruption, including the UN Global Compact and its ten principles. It includes practical recommendations on how employees should act in different situations and is available in local languages.

Counteracting corruption

Gränges' Anti-Corruption Policy provides an overview of Gränges' anti-corruption principles and explains the basic legal and ethical requirements that shall be followed to avoid corrupt practices throughout business activities conducted for Gränges. Gränges has zero tolerance and will always act rapidly, stringently, and vigorously if discovering corruption or unethical behaviour as it can prevent economic development, distort competition, increase costs, and damage confidence and reputation. Gränges also requires that significant suppliers commit to principles about prohibition of corruption, bribery, and improper benefits as outlined in the company's Supplier Code of Conduct.

Global ethical trainings

To ensure effective implementation of the Code of Conduct and the Anti-Corruption Policy, Gränges conducts annual trainings which covers all employees, the Board of Directors as well as contracted workers. The trainings combine facts and guidelines with practical ethical dilemmas to increase the knowledge of how to act in specific situations and are updated annually. In 2023, Gränges reached a 100 percent completion rate in both trainings.



Whistleblower Function to detect misconduct

Gränges has an externally managed Whistleblower Function that aims to detect irregularities that may seriously harm Gränges' business or employees. The function is available for Gränges' employees and business partners on the company's website, intranet or by phone and information can be provided anonymously without the fear of retaliation. In 2023, there were 6 cases (3) reported through the whistleblower function. No confirmed incidents of corruption were detected and no business contracts were breached or not renewed due to corruption.

Monitoring compliance

Gränges has an internal audit program to ensure awareness of the policies and the Whistleblower Function. It also makes sure that relevant parties have conducted the policy trainings and verifies that the Supplier Code of Conduct has been implemented and signed by suppliers. The company conducts internal audits regularly and in 2023 three local business audits were conducted in Gränges office in India, Gränges Powder Metallurgy in Saint-Avold, and in the facility in Finspång. If needed, the company also engages a third-party to conduct due diligence on business ethics. No due diligence was performed during the year.

CASE

Pushing boundaries in partnership with Polestar 0 project

Polestar 0 is a project with the ambition to create a truly climate-neutral car by 2030 through innovative collaborations. Gränges is committed to drive the development of circular and sustainable solutions towards net-zero. The partnership with Polestar 0 project, formed in 2023, is now in an intensive initial development phase with focus on battery components and the thermal management system.

The Polestar 0 project launched in 2021 with focus on finding innovative, value-driving elimination methods. The project aims to steer away from offsetting until proven solutions are in place with robust result. While the switch to electric vehicles eliminates tailpipe emissions, Polestar recognizes the need to urgently address emissions that stem from production. The aim is to eliminate all sources of climate emissions throughout the supply chain, without relying on misleading offsetting schemes. There is no guarantee of achieving this goal, but what matters is getting started.

“This is an exciting and challenging project which really drives us to push our boundaries from a sustainability perspective. It contains everything from finding the right recycled input materials to setting up a complete climate neutral production process. The Polestar 0 is a spearhead project where the findings and results will also benefit other parts of Gränges’ business development as well as our customers’ sustainability agenda”, says Simon Borg, Senior Project Leader at Gränges.

During 2023, the work focused on framing the project, mapping emissions, evaluating materials and indications of what needs to be secured for different components, such as battery cathode foil and cooling plates. The fact that all in-door vehicles in Finspång will be electric and charged from renewable energy as from 2024 will have a positive effect.

The next phase, which is planned during 2024, will comprise production of material for testing from Gränges, which will be used in prototypes tested at Polestar.

“We are excited to work together with Gränges. Their unique expertise in rolled aluminium technology is a valuable asset for our team,” says Hans Pehrson, Head of the Polestar 0 project.

“For Gränges it is important to accelerate the development in all parts of the value chain, from material sourcing, recycling and product development to production processes and all the way to the end product. Polestar 0 project is a great partnership where our expertise in recycling, sustainable processes, and technology will be fully utilized”, Simon Borg concludes.



We are excited to work together with Gränges. Their unique expertise in rolled aluminium technology is a valuable asset for our team.

Hans Pehrson, Head of the Polestar 0 project



Bauxites are rocks composed of aluminium oxides along with other minerals and are the primary source of aluminium. Bauxite is refined into alumina, which is converted into aluminium. Aluminium is indefinitely recyclable.

Sustainable customers and sectors

To ensure that Gränges is part of the transition to a sustainable economy, the company is targeting sustainable sectors such as the electrical vehicle market. Another key priority is to partner with customers both in terms of designing and developing sustainable and circular solutions but also in establishing closed-loop business models.

100%

products with third-party verified sustainability information

Sustainable innovation

Co-creating sustainable solutions

Gränges has an ambition to design and manufacture sustainable solutions that can improve customers' operational performance as well as the sustainability performance of their products. As a semi-manufacturing company, Gränges can use its strong position in the value chain to establish partnerships with both suppliers and customers to create sustainable aluminium products. The ability to innovate is also a critical component to meet customer demand for sustainable products.

Developing circular and scrap-friendly alloys

The biggest opportunities for improving products' sustainability performance are in the early stages of the product development process, when the product characteristics are decided. Aluminium is well suited for recycling, but the maximum level of

recycled content is determined by the specific alloy composition. Gränges actively focuses on alloy design and research and innovation to improve the recycling ratio as well as increasing the recyclability of the alloy. The company also works to ensure that the chemical composition is composed in a way that both pre- and post-consumer scrap can be remelted.

Customer collaboration and partnerships

Gränges runs several customer collaborations within the heat exchanger, HVAC, and battery markets with the aim to jointly develop sustainable and circular alloys in line with customers' material characteristics and requirements. Gränges also collaborates with customers to take back recycled aluminium from customers' manufacturing process and re-melt it into new products.



Circular business model in Konin

Gränges' facility in Konin is a leading European manufacturer of thin gauge sheets for bottle closure production. The production facility works actively to create circular business models with closure manufacturers. Closed-loop recycling systems have been created with customers where the facility receives post-produced scrap, re-melts it and re-uses it in the production of closure stock material. During the year, these partnerships have continued to develop.

Product sustainability credentials

Having clear sustainability information on product level enables for Gränges' customers and other stakeholders to understand, evaluate, and compare Gränges' products from a sustainability perspective. The company can offer customers third-party verified carbon footprint certificates and a detailed carbon footprint report outlining the methodology. During the year, Gränges expanded the use of its internal life-cycle and carbon footprint assessment tool which is now used in all Gränges' production facilities. This means that the company has reached its 2025 target of 100 percent of Gränges' products to have third-party verified sustainability information available.



Gränges Endure – the company's product brand for low-carbon aluminium

Gränges Endure makes it easier for customers to select sustainable aluminium products and solutions of the highest quality at the lowest sustainability impact. These solutions meet the demand of climate-conscious end-users, helping them to decarbonize their business. Gränges Endure products have a third-party verified carbon footprint of maximum 4.0 tonnes CO₂e/tonne, measured from extraction of bauxite to the delivery of Gränges' products to customers (cradle-to-gate). The products are also verified by a third party to be responsibly sourced and produced.



Sustainability notes

About Gränges' sustainability report

The sustainability information in this report relates to the financial year 2023 and covers all fully owned operations of the Gränges Group at the start of 2023. Refer to page 123 for a list of group companies. The facilities in Konin and Gränges Powder Metallurgy are excluded in data prior to 2021 since the companies were fully acquired in 2020. The statutory sustainability report according to the Swedish Annual Accounts Act has been issued by Gränges' Board of Directors, read more on page 70.

The sustainability information has been prepared in accordance with GRI Standards for the period January 1–December 31, 2023 and the company supports UN Global Compact. Environmental data related to carbon emissions intensity and share of sourced recycled aluminium have been externally assured by the company's auditors EY, together with data related to workplace safety, diversity and responsible sourcing. The rest of the report and its content have not been externally assured. Refer to page 151 for assurance report. GRI's guidance on the reporting principles has been used to define the content of the report.

Gränges joined the Science Based Targets initiative (SBTi) in 2022 and submitted and received approval of its new long-term climate goals in 2023. Historical emission data (2021–2022) in this report has been restated in accordance with Gränges' SBTi-approved GHG accounting methodology. Read more on page 134.

Gränges has published a sustainability report each year since 2015. This report is published on March 19 and the company intends to continue to publish a report annually.

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Sustainability governance

Gränges' Group Management, which includes the SVP Sustainability, ensures that Gränges' global sustainability strategy, long-term targets and policies are aligned with the company's vision and strategy. Group Management also reviews and monitors regional performance against sustainability targets, as well as makes decisions related to global sustainability priorities.

Gränges' CEO regularly presents global sustainability performance to the Board of Directors, who reviews and monitors performance against the company's targets. The Board of Directors is the body which approves the company's global sustainability strategy, long-term targets, and policies, and adopts the annual sustainability report. During 2023, Gränges SVP Sustainability presented the company's global sustainability performance twice to the Audit Committé and once to the Board of Directors.

The Group Sustainability function, headed by the SVP Sustainability, is responsible for leading the development and execution of Gränges' global sustainability strategy and long-term targets as well as issuing sustainability-related policies. Other responsibilities include regular communication and reporting on Gränges' sustainability performance and progress to internal and external stakeholders as well as coordinating a continuous stakeholder dialogue.

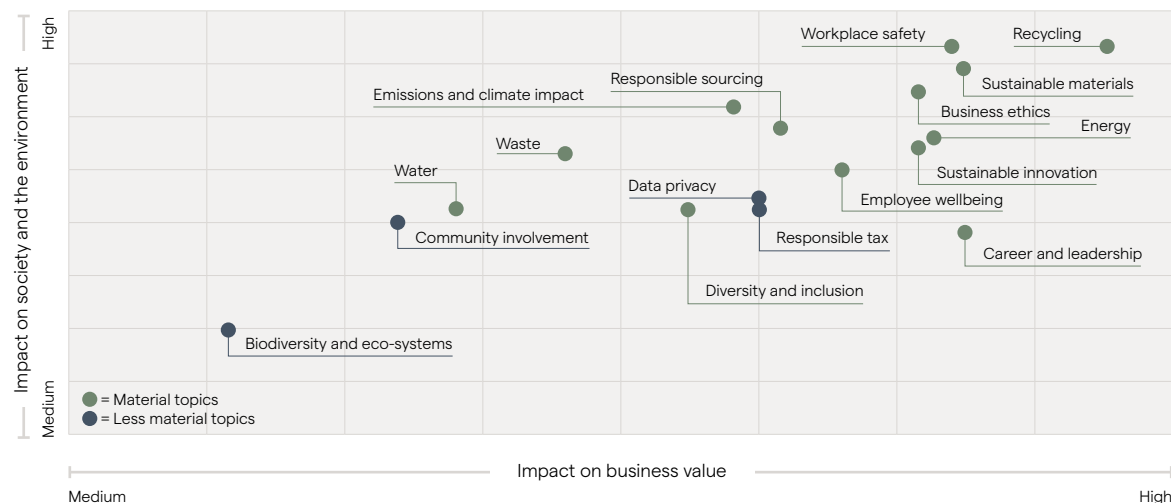
The SVP Sustainability also chairs two cross-regional teams within Sustainability and Source Green & Recycle (SG&R), in which all regional sustainability and SG&R leads are represented. The teams are responsible for leading Gränges' global sustainability and SG&R efforts, as well as developing global sustainability and SG&R plans. Ensuring best practice sharing across the organization is also a key objective for both of the teams.

The regional Presidents are responsible for developing and executing local sustainability plans and targets, aligned with the global strategy and the local needs. A systematic follow-up of all regions' sustainability efforts is done through regional semi-annual sustainability boards, which are chaired by SVP Sustainability and represented by the CEO, the CFO and Deputy CEO as well as the regional Presidents.

Gränges' Materiality Analysis

In 2022, Gränges conducted a renewed materiality analysis in line with the principle of double materiality. The assessment process followed the following steps: First, Gränges identified a list of relevant sustainability topics for the company based on peer benchmark, industry standards and upcoming reporting regulation. The list was shortened to 22 topics. Thereafter stakeholders were asked to rate each topic based on impact and relative importance. To prioritize and identify material topics, internal validation workshops were held. The results largely confirm the assessment done in 2017, which indicates that the existing strategy is still relevant. Four topics included in the survey were assessed to be less material: Biodiversity, Community involvement, Data privacy, and Responsible tax. These topics will be managed regionally depending on local conditions and stakeholder expectations. The company further decided to split the topic energy into two topics: Sustainable energy and Energy intensity. The findings are presented in Gränges' materiality matrix and form the basis for defining Gränges' focus areas for sustainability and 2030 goals. During 2023, the materiality analysis was validated and quantified in line with the updated ESRS requirements on double materiality. This will be finalized during 2024.

Gränges' Materiality Matrix



Gränges' material topics and their boundaries

Sustainability pillar	Material topics	Corresponding GRI Standards topic	Impact occurs in/at Gränges'			
			Suppliers	Operations	Customers	Page
Sustainable supply and recycling	Emissions and climate impact (scope 3)	Emissions	x		x	36–40, 140
	Sustainable energy	Energy	x	x		42, 142
	Sustainable materials	Materials	x	x		42, 143
	Recycling	Materials	x	x	x	42, 143
	Responsible sourcing	Supplier Environmental assessment Supplier Social assessment	x			43-44, 147
Sustainable operations	Emissions and climate impact (scope 1+2)	Emissions		x		36–40, 140
	Energy intensity	Energy		x		46, 142
	Waste	Waste		x		46, 144
	Water	Water		x		46, 143
	Workplace safety	Occupational Health and Safety		x		47, 145
	Business ethics	Anti-corruption	x	x	x	51, 147
	Career and leadership	Training and education		x		49-50, 146
	Diversity and inclusion	Diversity and equal opportunity		x		49-50, 146
Sustainable customers and sectors	Employee wellbeing	Occupational Health and Safety		x		49-50, 146
	Emissions and climate impact (scope 3)	Emissions			x	36–40, 140
	Sustainable innovation	-		x	x	47–48, 144

Stakeholder dialogue

Gränges seeks to establish long-term and transparent dialogues with its stakeholders. Stakeholder inclusiveness is a priority for Gränges, and the company regularly engages key stakeholder groups in structured dialogues regarding sustainability topics, reporting content and other expectations.

In 2022, Gränges conducted a new comprehensive stakeholder dialogue and materiality assessment. Gränges has followed the principle of double materiality in which sustainability topics have been assessed based on their internal and external impacts. The following definitions have been used:

1. Impact on business value (internal impact): The impact a sustainability topic has on Gränges' financial performance and the company's ability to create economic value for investors and shareholders.
2. Impact on society and the environment (external impact): The impact Gränges has or could have on society and the environment because of the company's activities or business relationships.

Using the definitions above, Gränges sent out two online engagement surveys to evaluate the impact and relative importance of various sustainability topics. The first survey was shared with Gränges' Global Leadership team and the second survey with Gränges' five main stakeholder groups: customers, employees, investors, suppliers, and the local community. In total, 407 stakeholders responded to the surveys. A number of deep-diving interviews were also conducted during the autumn of 2022 in order to add more details to the survey results.

As part of the 2023 materiality validation, Gränges has not conducted additional stakeholder dialogues. The company will conduct annual dialogues to ensure that stakeholder interests are taken into consideration, as part of an annual validation of material topics.

Stakeholder group	Dialogue forum	Key sustainability topics for stakeholders	Page
Customers	<ul style="list-style-type: none"> • Customer survey • Fairs, seminars • Ongoing dialogue • Questionnaires from customers • Stakeholder surveys and in-depth interviews 	<ul style="list-style-type: none"> • Business ethics • Sustainable materials • Responsible sourcing • Workplace safety 	51, 147 42, 143 43–44, 147 47, 145
Employees	<ul style="list-style-type: none"> • Annual performance reviews • Employee surveys every two years • Internal trainings • Intranet communication • Stakeholder surveys and in-depth interviews • Workplace meetings 	<ul style="list-style-type: none"> • Workplace safety • Employee wellbeing • Career and leadership • Business ethics • Recycling 	47, 145 49–50, 146 49–50, 146 51, 147 42, 143
Investors	<ul style="list-style-type: none"> • Annual General Meeting • Annual and quarterly reports • Capital markets days • Quarterly conference calls • Investor and analyst seminars and meetings • Press releases • Stakeholder surveys and in-depth interviews • Sustainability questionnaires from ESG data providers • Gränges' website 	<ul style="list-style-type: none"> • Responsible sourcing • Recycling • Sustainable materials • Workplace safety 	43–44, 147 42, 143 42, 143 47, 145
Society	<ul style="list-style-type: none"> • Collaboration with universities and schools • Interns and student dissertations • Local cooperation, ongoing dialogue • Participation in networks and working groups • Stakeholder surveys and in-depth interviews 	<ul style="list-style-type: none"> • Career and leadership • Workplace safety • Sustainable materials • Waste • Recycling 	44–45, 146 47, 145 42, 143 46, 144 42, 143
Suppliers	<ul style="list-style-type: none"> • Ongoing dialogue • Stakeholder surveys and in-depth interviews • Supplier assessments • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Workplace safety • Business ethics • Responsible sourcing • Sustainable materials 	47, 145 51, 147 43–44, 147 42, 143

External reporting and evaluation

Gränges' sustainability performance and management are continuously assessed by customers, sustainability and ESG analysts as well as other stakeholders. This serves as an important element of the ongoing stakeholder dialogue and is in line with the company's ambition to provide stakeholders with a credible basis for their evaluation of Gränges. Below are some examples of external sustainability evaluation and recognition.



Aluminium Stewardship Initiative (ASI): Gränges has achieved certifications against the ASI Performance Standard and Chain of Custody Standard for the Franklin corporate office as well as for all rolling and recycling production facilities: Finspång, Shanghai, Newport, Salisbury, Huntingdon and Konin. These certifications demonstrate that Gränges' offerings are responsibly and sustainably sourced and produced.



EcoVadis: For the third consecutive time, Gränges was awarded a Platinum rating from EcoVadis which places Gränges among the leading 1 percent of companies assessed globally in the industry "Manufacture of basic precious and other non-ferrous metals".

CDP: Gränges achieved an A- score in CDP's Climate change questionnaire, placing the company well above sector average of B-.



MSCI: Gränges received an AA rating in the MSCI ESG Ratings assessment 2022.¹⁾ MSCI ESG Research provides MSCI ESG Ratings External reporting and evaluation on global public and a few private companies on a scale of AAA (highest rating) to CCC (lowest rating), according to exposure to industry specific ESG risks and the ability to manage those risks relative to peers.

1) The use by Gränges of any MSCI ESG research llc or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Gränges by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



Sustainalytics: Gränges achieved an overall risk rating of 211 (Medium) in Sustainalytics' ESG Risk Rating Report 2023.²⁾ This placed the company as the number 4 among 42 aluminium companies and number 6 among 228 metal companies.

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External initiatives and memberships

Gränges supports international standards on human rights, labor conditions, the environment and anti-corruption, the UN Global Compact, UN Universal Declaration of Human Rights and the OECD Guidelines for Multinational Corporations. Gränges also helps to fulfil the 2030 Agenda and the Sustainable Development Goals (SDGs). Gränges participates in the following industry initiatives: Aluminium Association, Aluminium Stewardship Initiative, Big Science Sweden, China Non-Ferrous Metals Industry Association, Confederation of Swedish Enterprise, European Aluminium, European Aluminium Foil Association,

Polish Aluminium Association, Economic Chamber of Non-Ferrous Metals and Recycling in Poland. Global Aluminium Foil Roller Initiative, Non-Ferrous Metals Society of Shanghai, Shanghai Aluminium Trade Association, Scandinavian Automotive Supplier Association, and Svenskt Aluminium. Gränges' operation in Finspång is also a member of the local Associations Näringslivsrådet, Vision East Sweden, and Östsvenska Handelskammaren, as there is a strategic interest at local level related to areas such as recruitment, infrastructure and influence in important political topics.

Sustainability-Linked Bond

On September 23, 2021 Gränges successfully issued a five-year SEK 600 million senior unsecured Sustainability-Linked Bond under the company's MTN program. The bond is due in 2026 and has a coupon of three months Stibor + 1.20 percent. Gränges has tied the Sustainability-Linked Bond to the achievement of three defined Sustainability performance targets (SPTs), which all play a central role in Gränges' sustainability strategy.

SPT 1: Reduce carbon emissions intensity from own operations and purchased energy (scope 1+2) by 25 percent by 2025 compared to 2017.

SPT 2: Reduce carbon emissions intensity from sourced metal inputs (scope 3) by 30 percent by 2025 compared to 2017.

SPT 3: Increase the share of recycled aluminium to at least 30 percent of total sourced metal inputs by 2025.

Target	KPI	2023	2022	2021	2020
SPT 1	Total carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO ₂ e/tonne	0.66	0.82	0.88	0.83
SPT 2	Total carbon emissions intensity from sourced metal inputs (scope 3), tonnes CO ₂ e/tonne	7.8	8.1	8.5	9.6
SPT 3	Share of recycled aluminium of total sourced metal inputs, %	41.6	32.7	28.5	22.5

Total carbon emissions intensity from own operations and purchased energy (scope 1+2) amounted to 0.66 tonnes CO₂e/tonne in 2023. Gränges has now reduced carbon intensity (scope 1+2) by 31 percent compared to baseline 2017.^{1) 2)} Total carbon emissions intensity from sourced metal inputs (scope 3) amounted to 7.8 tonnes CO₂e/tonne in 2023. Gränges has now reduced carbon intensity (scope 3) by 26 percent compared to baseline 2017.^{1) 2)}

The share of sourced recycled aluminium increased by 8.9 percentage points and reached 41.6 percent (32.7) in 2023.

1) Baseline 2017 has been recalculated to include Konin. Updated numbers for baseline 2017 are 0.96 for SPT1 and 10.5 for SPT2. The table above shows reported figures where 2020 excludes Konin and Gränges Powder Metallurgy.

2) Historical emission data (2021-2022) in this report has been restated in accordance with Gränges' SBTi-approved GHG accounting methodology

Science-Based Target initiative

ktonnes CO ₂ e	Retrospective				Goals		
	2023	2022	Base year 2021	% change 2023 vs 2022	2030	2040	Annual change % (goal 2030/base year)
Scope 1 GHG emissions	222.1	215.4	220.9	+3			
Scope 2 GHG emissions							
Location-based	243.1	253.3	268.3	-4			
Market-based	87.7	181.5	213.8	-52			
Scope 1+2 GHG emissions							
Location-based	465.3	468.4	488.9	-1			
Market-based	309.8	396.9	434.6	-22	-42 %	-90 %	-9 %
Carbon emissions intensity scope 1+2 (tCO ₂ e/t)	0.66	0.82	0.88	-20			
Significant scope 3 GHG emissions							
Total	3,670	3,950	4,200	-7			
Purchased goods and services	3,560	3,820	4,070	-7			
Fuel and energy-related activities	50	80	80	-31			
Upstream and downstream transportation and distribution	60	60	60	+/-0			
Business travel	0.4	0.4	0.4	+/-0			
Carbon emissions intensity scope 3 (tCO ₂ e/t)	7.8	8.1	8.5	-4	-57 %	-97 %	-8 %
Scope 1+2+3 Total GHG emissions (market-based)	3,980	4,350	4,640	-8		Net-zero	

Gränges joined the Science Based Targets initiative (SBTi) in 2022 and submitted and received approval of its new long-term climate goals in 2023. This means that the goals are aligned with the latest climate science and consistent with the goals of the Paris Agreement. The approval from SBTi confirms Gränges' strong sustainability commitment and dedication to reducing the climate impact from its business and along the value chain.

In 2022, Gränges conducted a full GHG inventory to identify where the largest climate impact occurs from a value chain perspective. The goals cover approximately 91 percent of Gränges emissions including both emissions from own operations scope 1 and scope 2 (9 percent), and from indirect emissions in the value chain scope 3 (91 percent). Categories included in the scope 3 emission targets are purchased goods and services (metals and packaging materials), upstream and downstream transportation, business travel and fuel and energy-related activities. The largest share of emissions originates from sourcing of metals which stands for 96 percent of Gränges scope 3 emissions.

The base year for Gränges' climate goals approved by SBTi is 2021. Gränges will also continue to report on the development towards its original baseline of 2017 to showcase the company's full decarbonization journey.

With the SBTi approval Gränges has committed to the below SBTi goals.

Net-zero goal

- Reach net-zero GHG emissions across the value chain by 2040.

Long-term goals

- Reduce absolute scope 1 and 2 GHG emissions by 90 percent by 2040 from a 2021 base year.
- Reduce scope 3 GHG emissions from purchased goods and services, fuel- and energy related activities, upstream transportation and distribution, business travel, and downstream transportation and distribution by 97 percent per tonnes packed product within the same timeframe.

Near-term goals

- Reduce absolute scope 1 and 2 GHG emissions by 42 percent by 2030 from a 2021 base year.
- Reduce scope 3 GHG emissions from purchased goods and services, fuel- and energy related activities, upstream transportation and distribution, business travel, and downstream transportation and distribution by 57 percent per tonnes packed product within the same timeframe.

EU Taxonomy

The EU taxonomy is a classification system for environmentally sustainable economic activities. It establishes four overarching conditions that an economic activity must meet to qualify as environmentally sustainable. These criteria are:

- Contributes substantially to at least one of six environmental objectives (article 10–16)
- Does not significantly harm any of the environmental objectives (article 17)
- Complies with the minimum social safeguards (Article 18)
- Complies with technical screening criteria that have been established by the commission (articles 10–15)

Gränges first conducted an eligibility assessment in 2021 and identified "Manufacturing of secondary aluminum" as a relevant activity. In 2022, Gränges further analyzed the alignment of this activity to the technical screening criteria of environmental objectives "climate change mitigation" and "climate change adaptation," in line with the existing guidance. Amendments to add economic activities to the list of those substantially contributing to the objectives of climate change mitigation and adaptation, as well as listing initial activities for the four remaining environmental goals: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and marine resources, were adopted in June 2023. Following this additional guidance, Gränges conducted a review of the new delegated acts, but found that no updates to its analysis were relevant or necessary at this time.

As Gränges continues to invest in the battery segment, the company plans to continue to monitor the related Taxonomy activity "Manufacture of batteries" for eligibility in the future.

Definitions

Turnover:

Gränges has calculated the proportion of taxonomy aligned economic activities as share of sourced recycled aluminium in relation to net sales of goods.

Capex:

Capex has been calculated as share of sourced recycled aluminium in relation to capital expenditures related to manufacturing.

Opex:

Gränges has calculated the proportion of taxonomy aligned economic activities as share of sourced recycled aluminium in relation to operating expenses related to manufacturing.

Manufacturing of secondary aluminium

The "Manufacture of secondary aluminium" is an eligible activity according to the EU taxonomy. Gränges conducts this activity by purchasing aluminium scrap from third parties and recycles this into new products.

Gränges also has several closed and open loop collaborations, in which recycled aluminium from customers' manufacturing process is brought back to Gränges and re-melted into new products. All manufacturing of secondary aluminium is defined by the taxonomy as making a substantial contribution to climate change mitigation.

Analysis of Do No Significant Harm (DNSH)

To calculate the proportion of taxonomy aligned economic activities and related turnover, Capex and Opex, Gränges has used the share of sourced recycled aluminium as a proxy. Because "Manufacture of secondary aluminium" is seen as making a substantial contribution to climate change mitigation, the majority of the DNSH -analysis aimed at ensuring no significant harm to the other five objectives. During the analysis it was established that Gränges is well aligned with the regulations and guiding standards referenced in the technical criteria. Gränges has also been diligent in conducting risk and impact assessments that meet the criteria of the Taxonomy.

Minimum safeguards

Gränges' activities are carried out in compliance with the minimum safeguards set out in the regulation related to international minimum rights and standards as being defined by the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights. The analysis refers to Gränges' Code of Conduct, that stipulates the responsibilities of how to act and how to conduct business responsibly. Gränges believes that fair working conditions enable its employees to realize their full potential. Gränges also requires its suppliers to operate in accordance with responsible, ethical, and sound business principles and in compliance with all applicable laws and regulations. That means to always compete in a fair manner and respect and support internationally proclaimed human rights.

Nuclear and fossil gas related activities

Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO

Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Turnover

Financial Year 2023

Economic activities (1)	Code (2)	Year		Substantial contribution criteria						DNSH criteria (‘Do No Significant Harm’)								Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)						
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Manufacture of Aluminium	CCM 3.8	8,680	38.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	-	Y	Y	33.3%	-	T		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		8,680	38.5%	100%	-	-	-	-	-	Y	Y	Y	Y	-	Y	Y	33.3%				
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%				
Of which transitional		8,680	38.5%	100%	-	-	-	-	-	Y	Y	Y	Y	-	Y	Y	33.3%		T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																					
Turnover of Taxonomy-eligible activities (A.1+A.2)		8,680	38.5%	100%	-	-	-	-	-								33.3%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		13,839	61.5%																		
Total		22,518	100%																		

Proportion of turnover / Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	100%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The code constitutes the abbreviation of the relevant objective:

CCM: Climate Change Mitigation, **CCA:** Climate Change Adaptation, **WTR:** Water, **CE:** Circular Economy, **PPC:** Pollution Prevention and Control, **BIO:** Biodiversity

Capital expenditures (CapEx)

Financial Year 2023	Year	Substantial contribution criteria										DNSH criteria (‘Do No Significant Harm’)							
		Code (2)	Capex (3)	Proportion of Capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)
Economic activities (1)	MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of Aluminium	CCM 3.8	576	45.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	-	Y	Y	38.4%	-	T
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		576	45.3%	100%	-	-	-	-	-	Y	Y	Y	Y	-	Y	Y	38.4%		
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
Of which transitional		576	45.3%	100%	-	-	-	-	-	Y	Y	Y	Y	-	Y	Y	38.4%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
Capex of Taxonomy-eligible activities (A.1+A.2)		576	45.3%	100%	-	-	-	-	-								38.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		695	54.7%																
Total		1,272	100%																

Proportion of Capex / Total Capex	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	100%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The code constitutes the abbreviation of the relevant objective:

CCM: Climate Change Mitigation, **CCA:** Climate Change Adaptation, **WTR:** Water, **CE:** Circular Economy, **PPC:** Pollution Prevention and Control, **BIO:** Biodiversity

Operational Expenditure (OpEx)

Financial Year 2023	Year		Substantial contribution criteria								DNSH criteria (‘Do No Significant Harm’)								Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Opex (3)	Proportion of Opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)					
Economic activities (1)	MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Manufacture of Aluminium	CCM 3.8	359	45.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	-	Y	Y	33.8%	-	T		
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		359	45.2%	100%	-	-	-	-	-	Y	Y	Y	Y	-	Y	Y	33.8%				
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%				
Of which transitional		359	45.2%	100%	-	-	-	-	-	Y	Y	Y	Y	-	Y	Y	33.8%		T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																					
Opex of Taxonomy-eligible activities (A.1+A.2)		359	45.2%	100%	-	-	-	-	-								33.8%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Capex of Taxonomy-non-eligible activities (B)		436	54.8%																		
Total		795	100%																		

Proportion of OpEx /Total OpEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	100%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The code constitutes the abbreviation of the relevant objective:

CCM: Climate Change Mitigation, **CCA:** Climate Change Adaptation, **WTR:** Water, **CE:** Circular Economy, **PPC:** Pollution Prevention and Control, **BIO:** Biodiversity

Sustainability performance summary

	2023	2022	2021	2017	Goal 2025	Goal 2030	Note
Sustainable supply and recycling							
Recycled aluminium of total sourced metal inputs, %	41.6	32.7	28.5	11.5	≥30		5
Volumes of recycled aluminium, ktonnes	210	169	150	47	-	500	5
Renewable energy, %	22	16	15	9	≥20		2
Carbon emissions intensity from purchased materials (scope 3), % reduction vs 2017 ¹⁾	-26	-23	-20	-	≥-30		1
Carbon emissions intensity from purchased materials (scope 3), % reduction vs 2021 ²⁾	-8	-4	-	-	-	-57	1
Significant suppliers ³⁾ , number	272	278	240	116	-		13
Significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % of purchase value	100	97	98	-	100		13
Significant suppliers with a third-party verified sustainability assessment, number	42	45	33	-	-		13
On-site supplier audits, number	18	16	24	-	-		13
ASI Performance Standard/Chain of Custody certification, number of sites	6/6	5/5	2/2	0/0	All		-
Sustainable operations							
<i>Resource efficiency</i>							
Total energy use, GWh	1,681	1,658	1,703	1,237	-		3
Energy intensity, % reduction vs 2017 ¹⁾	7	3	5	-	-17		3
Carbon emissions intensity from own operations and purchased energy (scope 1+2), % reduction vs 2017 ¹⁾	-31	-14	-8	-	≥-25		1
Carbon emissions intensity from own operations and purchased energy (scope 1+2), % reduction vs 2021 ²⁾	-26	-7	-	-	-	-42	
Water withdrawal, thousand m ³	3,998	4,092	4,176	3,346	-		4
Local water management plans, number of sites	3	3	3	0	All		4
Total amount of waste, ktonnes	33.5	30.6	-	-	-		7

	2023	2022	2021	2017	Goal 2025	Goal 2030	Note
<i>Workplace safety</i>							
Recordable workplace accidents, number	44	43	35	28	-		9
Lost workday cases, number	17	19	22	14	-		9
Fatalities, number	0	1	0	0	-		9
Total Recordable Rate, number of recordable accidents per million hours worked	8.0	8.0	6.5	7.8	≤3.0		9
Severity Rate, number of lost workdays per million hours worked	138	56	139	112	≤50		9
<i>Sustainable workforce</i>							
Employees on average ⁴⁾ , number	2,774	2,694	2,648	1,568	-		-
Employees at year end ⁵⁾ , number	2,808	2,729	2,712	1,637	-		8
Employees receiving annual performance and development discussion, %	100	73	67	-	100		10
Women in Board of Directors/ Group Management ⁶⁾ , %	29/17	29/17	43/20	50/13	-		11
Women among senior management ^{4) 6)} , %	25	29	29	-	≥30		11
Women in total workforce ⁶⁾ , %	14	14	13	14	-		11
Employee engagement index, 0-100	-	77	-	-	≥85		12
Sick-leave ⁴⁾ , %	3.1	3.5	3.7	2.0	-		12
Employee turnover ⁴⁾ , %	14.0	17.7	18.7	7.4	-		12
Employees covered by collective bargaining agreements, %	75	76	78	70	-		-
<i>Business ethics</i>							
Employees trained in Gränges' Code of Conduct, %	100	100	100	-	100		14
Employees trained in anti-corruption, % white collar	100	100	100	-	100		14
Incidents related to corruption, number	0	0	0	0	-		14
Sustainable customers and sectors							
Products with third-party verified sustainability information available, %	100	79	35	-	100		13

Note: 2017 exclude the facility in Konin and Gränges Powder Metallurgy except for in carbon emission calculations.

1) Versus baseline 2017, recalculated to include the Konin facility.

2) Versus baseline 2021, which is Gränges' baseyear for climate goals validated by the SBTi.

3) All metal suppliers (suppliers of primary ingots, purchased slabs, recycled aluminium, alloying elements) as well as other suppliers which have an annual purchase value above SEK 5 million or an equivalent amount in local currencies.

4) Expressed as full-time positions.

5) Expressed as headcount on December 31.

6) Employee members of Gränges Global Leadership team.

1 Emissions and climate impact

Total emissions of greenhouse gases	Scope 1			Scope 2			Scope 1+2			Scope 3			Scope 1+2+3		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
ktonnes CO₂e															
Gränges Eurasia	75.9	72.1	71.9	26.3	120.8	158.8	102.2	193.0	230.7	2,880	2,720	2,780	2,980	2,920	3,010
Finspång	11.9	11.9	11.9	0.5	0.4	0.5	12.4	12.3	12.3	460	460	410	470	480	420
Konin	36.8	34.4	33.3	25.7	75.2	107.5	62.5	109.7	140.7	420	420	430	480	530	570
Shanghai	27.2	25.8	26.9	0.0	45.2	50.8	27.2	71.0	77.7	2,000	1,840	1,940	2,030	1,910	2,020
Gränges Americas	145.1	143.3	148.9	61.4	60.7	55.0	206.5	204.0	203.9	790	1,230	1,430	1,000	1,430	1,630
Gränges total	222.1	215.4	220.9	87.7	181.5	213.8	309.8	396.9	434.6	3,670	3,950	4,200	3,980	4,350	4,640

Carbon emissions intensity	Scope 1			Scope 2			Scope 1+2			Scope 3			Scope 1+2+3		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Tonnes CO₂e/tonne															
Gränges Eurasia	0.28	0.28	0.27	0.10	0.46	0.60	0.38	0.74	0.86	10.6	10.4	10.4	11.0	11.2	11.3
Finspång	0.14	0.14	0.14	0.01	0.00	0.01	0.14	0.15	0.15	5.2	5.5	4.9	5.3	5.6	5.0
Konin	0.46	0.40	0.36	0.32	0.87	1.15	0.78	1.27	1.51	5.2	4.9	4.6	6.0	6.2	6.1
Shanghai	0.26	0.29	0.30	0.00	0.50	0.57	0.26	0.79	0.86	19.4	20.5	21.6	19.7	21.3	22.4
Gränges Americas	0.72	0.64	0.65	0.31	0.27	0.24	1.03	0.90	0.90	3.9	5.5	6.3	5.0	6.4	7.2
Gränges total	0.47	0.44	0.45	0.19	0.37	0.43	0.66	0.82	0.88	7.8	8.1	8.5	8.4	8.9	9.4
Development vs baseline 2017, %	11	5	6	-65	-29	-19	-31	-14	-8	-26	-23	-20	-26	-22	-19

Note: Development versus baseline 2017, recalculated to include the facility in Konin. Historical emission data (2021 – 2022) in this report has been restated in accordance with Gränges' SBTi-approved GHG accounting methodology.

Emissions by category scope 3

ktonnes CO ₂ e	2023	2022	2021
Purchased goods and services	3,560	3,820	4,070
Fuel and energy related activities	50	80	80
Transportation incl. business travel	60	60	60
Gränges total	3,670	3,950	4,200

Other emissions to air

Tonnes	Nitrogen oxides (NO _x)			Sulphur dioxide (SO ₂)			Particulate matter (PM)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Gränges Eurasia	46.0	43.6	46.2	5.9	5.3	5.5	5.6	4.1	4.5
Finspång	10.6	11.1	11.6	0.1	0.1	0.1	0.2	0.1	0.2
Konin	9.9	8.7	8.8	3.1	2.7	2.8	2.2	1.1	1.1
Shanghai	25.5	23.9	25.3	2.7	2.6	2.7	3.2	2.9	3.3
Gränges Americas	108.6	108.4	112.9	0.7	0.7	0.7	8.4	8.4	8.7
Gränges total	154.6	152.1	159.0	6.5	6.0	6.2	14.0	12.5	13.3

Comment: In 2023, total carbon emissions intensity (scope 1+2+3) decreased by 5 percent to 8.4 tonnes CO₂e/tonne (8.9). The absolute emissions were reduced by 8 percent to 3,980 ktonnes (4,350), equal to 4,137 ktonnes CO₂e using a location-based approach.

Carbon emissions intensity from own operations and purchased energy (scope 1+2) was 0.66 tonnes CO₂e/tonne (0.82), reduced by 20 percent versus 2022. The results were mainly driven by higher supply of renewable electricity in the facility in Konin and Shanghai. The facility in Shanghai sourced 100 percent renewable electricity in 2023. Carbon emissions intensity from purchased materials (scope 3) decreased by 4 percent to 7.8 tonnes CO₂e/tonne (8.1). The reduction was driven by increased use of recycling aluminium replacing primary aluminium across all regions. Gränges Eurasia also increased the sourcing of low-carbon primary aluminium in 2023 which had a positive effect on scope 3 emissions.

Emissions of particulate matter, nitrogen oxides, and sulphur dioxide increased compared to 2022, mainly due to increased usage of natural gas in the facilities in Shanghai and Konin.

Reporting principles and definitions: Data is reported with a market-based approach. Data is reported at regional level monthly and consolidated quarterly and annually at group level using common definitions and principles. Data for Gränges Powder Metallurgy is included in the data for Gränges Eurasia.

Greenhouse gas emissions are presented as carbon dioxide equivalents. In accordance with the GHG Protocol, the definitions of the respective scopes are the following:

Scope 1 is defined as direct emissions from Gränges' operations, which include production facilities, office buildings, company owned vehicles, and refrigerants. Emissions are calculated based on fuel consumption and emission factors.

Scope 2 is defined as energy indirect emissions from the generation of purchased electricity, heat and steam consumed by Gränges, in production facilities and office buildings. Emissions are calculated using specific data from Gränges' electricity, heat, and steam suppliers.

Scope 3 is defined as other indirect emissions. These include emissions from extraction, production and processing of metals, packaging materials, fuel and energy related activities (not included in scope 1 or scope 2), upstream and downstream goods transportation, packaging materials as well as business travel. Fuel and energy related activities include production of fuels used in Gränges' operations and in generation of purchased energy. Emissions from producing primary aluminium, purchased slabs, and recycled aluminium are based on regional industry averages, country specific factors or supplier data. Emissions from producing fuels are based on regional industry data and emissions from transportation and business travel are based on specific data from Gränges' transport routes.

Carbon emissions intensity is defined as total emissions of greenhouse gases (tonnes CO₂e) divided by the total packed products (tonnes).

Other emissions to air of particulate matter, nitrogen oxides, and sulphur dioxide are calculated either based on fuel consumption using local emission factors or based on continual measurements.

Regulations: Gränges observes all applicable local and international laws and regulations for environmental impact. Emission limits in Europe are based on requirements from the Industry Emissions Directive (IED). Gränges' production site in Konin is included in EU emissions trading system, EU ETS. Finspång is not included as the site is below the threshold of rated thermal input. In Shanghai, emission limits are linked to Regulations of Shanghai Municipality on the Prevention and Control of Atmospheric Pollution, and in the US the National Ambient Air Quality Standards (NA AQS) provides the relevant legal framework. Local authorities continually monitor compliance to ensure that emissions are within limits. Emissions regulated by legislation include nitrogen oxides, sulphur dioxide and particulate matter. In some regions volatile organic compounds (VOC) and oil emissions are also regulated.

Policies: The governing policy is Gränges' Global Environmental Policy, which is reviewed annually and applies to all employees working at Gränges. All production sites are certified in accordance with the environmental management standard ISO 14001. Emissions are monitored and managed as part of daily operations. Compliance is a prerequisite for Gränges' continued license to operate.

2025 goal: Gränges' goal is that carbon emissions intensity from own operations and purchased energy (scope 1+2) is reduced by at least 25 percent versus baseline 2017 and carbon emissions intensity from purchased materials (scope 3) is reduced by at least 30 percent versus baseline 2017.

2030 goal: Gränges' goal is to reduce absolute carbon emissions from own operations and purchased energy (scope 1+2) by 42 percent and to reduce the carbon emissions intensity from purchased materials (scope 3) by 57 percent compared to base year 2021 in line with Gränges' SBTi approved goals. This corresponds to reaching a carbon emission intensity from scope 1+2 of 0.4 tonnes CO₂e/tonne and carbon emission intensity from scope 3 at least 3.6 tonnes CO₂e/tonne compared to 2017 calculated with an assumed production volume for 2030.

2040 goal: Gränges goal is to reach net-zero emissions by 2040.

2 Sustainable energy

Share of renewable energy

%	2023	2022	2021
Gränges Eurasia	48	34	29
Finspång	74	74	74
Konin	38	23	13
Shanghai	39	12	12
Gränges Americas	3	3	3
Gränges total	22	16	15

Comment: In 2023, the share of renewable energy increased by 5.9 percentage points and reached 22 percent (16). The results were mainly driven by higher supply of renewable electricity in the facilities in Konin and Shanghai. Gränges' facility in Shanghai sourced 100 percent renewable electricity in 2023. The facility in Finspång sources specified electricity from 100 percent hydro power since 2020 and the facility in Konin sourced 75 percent renewable electricity from hydro power through guarantees of origin in 2023.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. Data for Gränges Powder Metallurgy is included in the data for Gränges Eurasia.

Renewable energy sources are defined as wind, solar, hydro, geothermal, tidal, and biomass. The share of renewable energy is calculated as renewable energy sourced including recovered energy (MWh) divided by the total energy used (MWh) using total energy use per source and the supplier-specific mix for delivered electricity, district heating, and steam.

Policies: The governing policy is Gränges' Global Environmental Policy, which is reviewed annually and applies to all employees working at Gränges.

2025 goal: Gränges' goal is that the share of renewable energy (electricity, heat, steam, fuels) is at least 20 percent.

3 Energy intensity

Total energy use

GWh	2023	2022	2021
Natural gas	1,018.9	989.2	1,016.8
Electricity	574.6	577.8	595.1
Liquefied petroleum gas	51.9	52.3	51.7
Steam	13.6	16.6	16.4
Diesel	11.7	11.8	12.2
District heating	10.3	10.0	10.5
Petrol	0.1	0.1	0.1
Gränges total	1,681.3	1,657.8	1,702.9

Energy intensity

MWh/tonne	2023	2022	2021
Gränges Eurasia	2.7	2.8	2.8
Finspång	2.3	2.3	2.4
Konin	3.8	3.7	3.5
Shanghai	2.1	2.3	2.4
Gränges Americas	4.7	4.2	4.2
Gränges total	3.5	3.4	3.4
Development vs baseline 2017, %	7	3	5

Note: Development versus baseline 2017, recalculated to include the Konin facility.

Comment: In 2023, total energy use increased by 1 percent to 1,681.3 GWh (1,657.8). The energy intensity increased by 4 percent to 3.5 MWh/tonne (3.4) and the development is negative towards reaching Gränges' 2025 goal. The increase is driven by increased use of energy consumption as a result of using more recycled aluminium in production.

Reporting principles and definitions:

Data is reported at regional level and consolidated annually at group level using common definitions and principles. Data for Gränges Powder Metallurgy is included in the data for Gränges Eurasia.

Energy intensity is defined as total energy use within the organization (MWh) divided by the total packed products (tonnes).

Regulations: Gränges adheres to applicable energy regulations in the countries of operations; Gränges' production site in Shanghai under the Shanghai Energy Conservation Regulations and the sites in Finspång and Konin under the Energy Efficiency Directive. Gränges' sites in Americas do currently not have any energy-related regulations affecting its operations, but is required to control the consumption of energy that produces certain emissions under e.g. the USEPA's Clean Air Act.

Policies: The governing policy is Gränges' Global Environmental Policy, which is reviewed annually and applies to all employees working at Gränges. The production sites in Finspång, Newport, Salisbury, Shanghai, and Saint-Avoid are certified in accordance with the energy management standard ISO 50001, while the Huntingdon and Konin sites are preparing for certification.

2025 goal: Gränges' goal is that energy intensity is reduced by 17 percent versus baseline 2017.

4 Water

Water withdrawal, by source

Thousand m ³	2023		2022		2021	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	2,751	0	2,879	0	2,783	0
Groundwater (total)	823	154	704	153	749	118
Third-party water (total)	423	354	509	399	640	459
– of which surface water	393	354	440	399	478	459
– of which ground water	30	0	69	0	162	0
Gränges total	3,998	508	4,092	552	4,176	577

Water withdrawal by region

Thousand m ³	2023	2022	2021
Gränges Eurasia	3,275	3,449	3,382
Finspång	2,765	2,894	2,798
Konin	283	371	413
Shanghai	226	181	164
Gränges Americas	723	643	793
Gränges total	3,998	4,092	4,176

Note: All water withdrawal is categorized as freshwater (1,000 mg/L Total Dissolved Solids).

Comment: In 2023, total water withdrawal decreased by 2 percent to 3,998 m³ (4,092). Water intensity ended at 8.5 m³/tonne (8.4). The slight increase was mainly driven by increased consumption for cooling purposes in Gränges Americas and a decrease in total packed products. No water sources are significantly affected by the water withdrawal or discharge from Gränges. At the end of 2023, Gränges had implemented local water management plans in three sites: Finspång, Shanghai and Newport. The site in Newport is certified in accordance with Alliance for Water Stewardship's (AWS) International Waters Stewardship Standards. Input from the World Resources Institute's Aqueduct Water Risk Atlas shows that the sites in Finspång and Newport are located in areas with low-to-medium risk, Saint-Avold and Huntingdon in medium-to-high risk, and Salisbury, Shanghai, and Konin in high-risk areas.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. Data for Gränges Powder Metallurgy is included in the data for Gränges Eurasia.

Water withdrawal is defined as water used in the production facility withdrawn from wetlands, rivers, lakes, own wells, municipal water suppliers or from other public or private water utilities (m³).

Water intensity

m ³ /tonnes	2023	2022	2021
Gränges Eurasia	12.1	13.2	12.6
Finspång	31.5	34.2	33.5
Konin	3.5	4.3	6.6
Shanghai	2.2	2.0	1.8
Gränges Americas	3.6	2.9	3.5
Gränges total	8.5	8.4	8.5

Water stress is defined as the ratio of total water withdrawals to available renewable surface and groundwater supplies. The definition is based on Aqueduct Water Risk Atlas developed by World Resources Institute, where the result for the indicator "Baseline water stress" is high (40–80 percent) or extremely high (> 80 percent) in the area.

Water intensity is defined as total water withdrawal (m³) divided by the total packed products (tonnes).

Regulations: The water use and management for Gränges' site in Shanghai is regulated via permits and by legislation such as Water Pollution Prevention and Control Law of the People's Republic of China, Water Law of the People's Republic of China, and Management in Shanghai Drainage Ordinance. Gränges Americas is regulated under the USEPA's Clean Water Act.

Policies: The governing policy is Gränges' Global Environmental Policy, which is reviewed annually and applies to all employees working at Gränges.

2025 goal: Gränges' goal is that all sites have implemented a local water management plan.

5 Sustainable materials

Volume of sourced metal inputs

ktonnes	2023	2022	2021
Primary aluminium	283.0	333.7	363.9
Recycled aluminium	209.9	168.9	150.4
Alloys	11.6	14.6	14.3
Gränges total	504.5	517.2	528.7

Volume of sourced recycled aluminium

ktonnes	2023	2022	2021
Gränges Eurasia	77.3	57.9	58.7
Finspång	14.7	10.3	10.2
Konin	46.6	37.5	43.9
Shanghai	16.0	10.1	4.7
Gränges Americas	132.6	111.1	91.7
Gränges total	209.9	168.9	150.4

Share of sourced recycled aluminium

Recycled aluminium of total sourced metal inputs, %	2023	2022	2021
Gränges Eurasia	26.2	20.2	20.0
Finspång	16.2	11.7	11.3
Konin	54.4	39.7	43.0
Shanghai	13.6	9.7	4.7
Gränges Americas	63.2	48.3	39.0
Gränges total	41.6	32.7	28.5

Comment: In 2023, the share of sourced recycled aluminium reached a record-high 41.6 percent (32.7), up by 8.9 percentage points. The increase was driven by strong recycling performance in all regions as a result of increased capabilities to use recycled aluminium in production, expanded sourcing and completion of the 806 recycling and casting centre in Gränges Americas making it possible to cast 100 percent recycled aluminium instead of using primary aluminium. In 2023, 14 percent (10) of Gränges' sourced primary aluminium was defined as low-carbon in accordance with suppliers' specified and third-party verified carbon footprint certificates. The facilities in Shanghai, Konin and Finspång purchased low-carbon primary aluminium during the year.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. Data for Gränges Powder Metallurgy is included in the data for Eurasia.

Share of sourced recycled aluminium is defined as sourced recycled aluminium used as input materials (tonnes) divided by total sourced metal input materials (tonnes).

Share of low-carbon primary aluminium is defined as low-carbon primary aluminium used (tonnes) divided by total sourced metal input materials (tonnes). Data on low-carbon primary aluminium must be based on supplier specific data including valid CO₂ certificates.

Policies: The governing policy is Gränges' Global Environmental Policy, which is reviewed annually and applies to all employees working at Gränges.

2025 goal: Gränges' goal is that at least 30 percent of total sourced metal inputs is recycled aluminium.

2030 goal: Gränges' goal is to tenfold the recycled volumes by 2030 versus 2017, reaching 500 ktonnes.

6 Sustainable innovation

Products with third-party verified sustainability information

%	2023	2022	2021
Gränges Eurasia	100	67	65
Finspång	100	100	100
Konin	100	0	0
Shanghai	100	100	100
Gränges Americas	100	94	0
Gränges total	100	79	35

Comment: In 2023, Gränges site in Konin and Newport developed and implemented a life-cycle and carbon footprint assessment tool which enables declarations of environmental impacts on a product level, starting with the products' carbon footprint. The tool has previously been implemented in Finspång, Shanghai, Huntington, and Salisbury. This means that in 2023, 100 percent of the company's products had verified sustainability information available compared to 79 percent in 2022.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. Gränges will initially declare the products' carbon footprint impact but aims to expand the information to cover other environmental impact categories and sustainability topics. To ensure transparency and credibility, Gränges has engaged the external party IVL Swedish Environmental Research Institute to verify the carbon footprint methodology, process, and routines. Verification reports and statements are available

on Gränges' website. Details about the methodology and key assumptions can be found in local Carbon footprint reports, also available on Gränges' website. Data for Gränges Powder Metallurgy is included in the data for Eurasia.

Products with third-party verified sustainability information is defined as the packed products with third-party verified sustainability information available (tonnes) divided by the total packed products (tonnes).

Policies: No group-wide policy available. Local procedure and routine documents available.

2025 goal: Gränges' goal is that 100 percent of its products have third-party verified sustainability information available.

7 Waste

Waste, by hazardous and non-hazardous waste

ktonnes	2023	2022	2021
Hazardous waste	4.9	5.0	-
Non-hazardous waste	28.6	25.6	-
Gränges total	33.5	30.6	-

Comment: In 2023, total waste amounted to 33.5 ktonnes of which 15 percent was hazardous waste and 85 percent was non-hazardous waste. Gränges aims to reduce waste in all operations with the ambition to recycle and reuse waste in production where possible and minimize waste sent to landfill. In 2023, 78 percent of all waste was recycled and 4 percent was sent to landfill. Waste management is handled locally, and all sites have a local waste handling procedure.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. This is the second year that Gränges reports waste data, hence numbers for 2021 are not disclosed. Hazardous and non-hazardous waste are defined in accordance with national law.

Regulations: Gränges adheres to applicable waste regulations in the countries of operations; Gränges facility in Shanghai under the Environmental Protection Law of the People's Republic of China (2014 Revision) and Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Konin under the Environmental protection law, Gränges Americas under the USEPA's Solid Waste Disposal Act and ensuing amendments and Gränges' site in Finspång under Avfallsförordningen (2020:614). All Gränges' production sites are required to annually report waste data to local authorities.

Policies: The governing policy is Gränges' Global Environmental Policy, which is reviewed annually and applies to all employees working at Gränges.

2025 goal: No group-wide goal available.

8 Total employees

Total number of employees by category

Number of employees	2023	2022	2021
Blue-collar	2,029	1,999	2,004
White-collar	779	730	708
Gränges total	2,808	2,729	2,712
Contracted workers	134	120	108

Employment contract and type, by gender and region

Number of employees	Region		Gender	
	Gränges Eurasia	Gränges Americas	Women	Men
Permanent contract	1,768	880	365	2,283
Temporary contract	160	0	19	141
Gränges total	1,928	880	384	2,424

Number of employees	Women	Men
Full-time	379	2,421
Part-time	5	3
Gränges total	384	2,424

Comment: In 2023, the total number of employees increased slightly to 2,808 (2,729). The increase was mainly driven by increased headcount in Gränges Americas and the facility in Shanghai as a result of expansion projects. The total number of contracted workers was 134 (120). Gränges does not have any non-guaranteed employees.

Reporting principles and definitions: Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Data for Gränges AB and Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Data is based on headcount on 31 December.

Contracted worker is defined as individuals working on-site or off-site on behalf of Gränges.

Permanent contract is defined as a contract for an indeterminate period.

Temporary contract is defined as a contract of limited duration.

Full-time employee is defined according to national legislation and practice regarding working time, such as employees working a minimum of nine months per year and 30 hours per week.

Part-time employee is defined as employees working less than a full-time employee.

Policies: No group-wide policy available.

2025 target: No group-wide goal available.

9 Workplace safety

Recordable accidents

Number of recordable accidents	2023	2022	2021
Gränges Eurasia	20	20	22
Finspång	9	11	12
Konin	9	6	7
Shanghai	2	3	3
Gränges Americas	24	20	13
Gränges total	44	43	35

Total Recordable Rate (TRR)

Number of recordable accidents per million hours worked	2023	2022	2021
Gränges Eurasia	5.6	5.7	6.2
Finspång	10.5	13.0	13.7
Konin	7.4	4.8	5.5
Shanghai	1.3	2.2	2.1
Gränges Americas	12.8	10.7	7.3
Gränges total	8.0	8.0	6.5

Lost Workdays

Number of lost workdays	2023	2022	2021
Gränges Eurasia	696	282	639
Finspång	205	38	92
Konin	423	153	334
Shanghai	68	64	213
Gränges Americas	65	18	107
Gränges total	761	300	746

Severity Rate

Number of lost workdays per million hours worked	2023	2022	2021
Gränges Eurasia	194	73	179
Finspång	239	45	105
Konin	348	122	261
Shanghai	45	46	151
Gränges Americas	35	10	60
Gränges total	138	56	139

Comment: In 2023, Total Recordable Rate (TRR) remained at 8.0 (8.0). During the year, there was an increase in lost workdays in all regions, driven mainly by single long-term injury cases in the facilities in Gränges Americas, Finspång and Konin. This resulted in an increase in Severity Rate by to 138 (56). Total worked hours were 5.5 million (5.4). The primary types of injuries 2023 were hand and finger injuries (bruises, lacerations, fractures) and sprains. The primary causes of these injuries were slips and falls on the same level and contact with equipment. Work-related hazards that pose a risk of serious injury include areas in which pedestrians move close to mobile equipment such as trucks, when working near molten metal, and at high altitudes. During the year, there was a continued focus on safety across all regions and activities were completed to reduce the risk of serious injuries, such as safety weeks and establishment of SME teams.

Reporting principles and definitions: All incidents and accidents are registered and categorized in local incident reporting systems. Events reported are tracked weekly and monthly. Data is reported at regional level and consolidated monthly at group level using common definitions and principles. Data includes contracted workers and is based on total working hours January 1–December 31. Data for employees covered by OHS management systems and internal safety assessments is based on headcount on December 31.

Contracted worker is defined as individuals working on-site or off-site on behalf of Gränges.

Recordable accident is defined as either a medical treatment case, a restricted work case or a lost workday case.

Total Recordable Rate (TRR) is defined as total number of recordable accidents per million hours worked.

Lost workday case is defined as an accident resulting in absence from work.

Lost workdays are defined as the total number of workdays accumulated by employees being absent from work due to work-related accidents.

Severity Rate is defined as total number of lost workdays per million hours worked.

Serious injury is defined as an irreversible injury such as an amputated finger or lost eyesight, or a reversible injury causing prolonged periods of pain or suffering for the employee, or an accident with an absence longer than 15 days.

Policies: The governing policy is Gränges' Occupational Health and Safety policy, which is reviewed annually and applies to all employees and individuals who are directly or indirectly related to Gränges' operations, such as independent contractors and consultants who work on behalf of Gränges. Contracted workers are covered by all safety processes, and where applicable in the efforts to identify and evaluate work related hazards and risks. Moreover, contracted workers are covered by Gränges' safety training, depending on the type of tasks.

OHS management systems: All Gränges' production sites, covering 99 percent of Gränges' total employees in 2023, had an occupational health and safety (OHS) management system in place, implemented in line with applicable legislation. The OHS management system also covers contracted workers. The sites in Shanghai and Konin have OHS systems that are certified in accordance with ISO 45001, covering 49 percent of all Gränges' employees. The sites in Gränges Americas and Finspång have initiated pre-studies to implement OHS management Systems in accordance with ISO 45001.

Internal safety assessments: Gränges generally conducts cross assessments every six months at the sites. During 2023, Gränges production facilities in Huntington and Shanghai had cross assessments completed covering 37 percent of total employees.

Safety committees: Gränges has employee safety committees at all plants which consult on the working environment and work towards reducing risk and improving overall safety. Issues addressed include identifying and evaluating safety and occupational health hazards, as well as follow-up of corrective actions to eliminate risks. The efficiency of the committees is monitored by the Supervisory safety committees, headed by the regional Presidents. Contracted workers are not represented in the safety committees. In Gränges Americas, all plants have monthly in-person safety meetings for all employees as well as an Americas Region monthly safety meeting. There is also a weekly safety meeting for the management team, plant managers and EHS managers. In Shanghai, safety committee meetings are conducted quarterly, in Finspång three to four times per year and in Konin meetings are held each month. Contracted workers do not participate in the meetings but are treated in the same way as Gränges' employees when it comes to OHS.

2025 goal: Gränges' goal is that Total Recordable Rate (TRR) is ≤ 3.0 recordable accidents per million hours worked and that Severity Rate is ≤ 50 lost workdays per million hours worked.

10 Career and leadership

Performance and development discussion

%	2023	2022	2021
Gränges Eurasia	100	60	52
Finspång	100	100	100
Konin	100	15	0
Shanghai	100	100	100
Gränges Americas	100	100	100
Gränges total	100	73	67

Total training hours

Average hours of training	2023	2022	2021
Women	15.0	7.2	6.7
Men	10.3	9.7	5.4
White-collar	26.6	11.2	6.6
Blue-collar	5.1	8.6	5.1
Gränges total	11.0	9.3	5.5

Comment: In 2023, 100 percent (73) of Gränges' employees received a performance and development discussion. The increase was driven by Konin's implementation of performance reviews for blue-collar employees during 2023. During the year, the average training hours increased to 11.0 hours per employee (9.3) driven by an increased investment in training after last years' restricted training opportunities due to covid restrictions.

Reporting principles and definitions: Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Data for Gränges AB and Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Data covers employees in duty adjusted for those who are long-term absent as well as new employees who did not have a performance and development discussion as they started their employment after the period when the annual performance and development discussions were conducted. Training data is based on average number of employees and the scope is limited to trainings conducted by or together with an external party as well as the group-wide Code of Conduct, anti-corruption and IT security trainings.

Policies: No group-wide policy available.

2025 goal: Gränges' goal is that 100 percent of all employees annually have a performance and development discussion.

11 Diversity and inclusion

Gender balance by region

Share of women in total workforce, %	2023	2022	2021
Gränges Eurasia	14	14	13
Finspång	21	22	20
Konin	10	10	9
Shanghai	11	11	11
Gränges Americas	14	14	13
Gränges total	14	14	13

Gender balance and age structure

%	Women	Men	<30 years	30-50 years	>50 years
Board of Directors	38	62	-	-	100
Group Management	17	83	-	67	33
Senior Management	25	75	3	58	39
White-collar	29	71	8	64	27
Blue-collar	8	92	19	53	28
Gränges total	14	86	16	56	27

Comment: In 2023, the share of women in Gränges' total workforce was 14 percent (14) and among senior management 25 percent (29). Gränges sees clear challenges to improve the gender balance including high turnover rates in some regions because of stronger employment markets, operating in countries where gender roles are traditional as well as operating in an industry with shift work. Gränges works to improve the gender balance both in the total workforce and among senior management. Finspång performs annual gender-related disparity pay analysis and in 2023 it was confirmed that a few non-objective gaps were identified which were instantly corrected.

Reporting principles and definitions: Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Data for Gränges AB and Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Data is based on headcount on December 31.

Senior management is defined as members included in Gränges' Global Leadership team.

Policies: The governing policy is Gränges' Code of Conduct, which is reviewed annually and applies to all employees working at Gränges.

2025 goal: Gränges' goal is that at least 30 percent of senior management are women.

12 Employee wellbeing

%	2023	2022	2021
Sick leave	3.1	3.5	3.7
Employee turnover	14.0	17.7	18.7
Employee engagement index	-	77	-

Comment: In 2023, the total sick-leave was 3.1 percent (3.5) and the total employee turnover was 14.0 percent (17.7). Gränges Americas' and Konin's strong focus on improving employee retention was the main reason for the decrease in Gränges Group employee turnover rate. Activities implemented during the year included a monthly incentive program to hourly employees and extensive training provided to employees. By gender, employee turnover was 13.3 percent among men and 18.0 percent among women and by employee category 13.8 percent among blue-collar employees and 8.0 percent among white-collar employees. An Employee engagement survey was conducted in 2022 with a result of 77. In 2024, a new survey will be conducted.

Reporting principles and definitions: Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Data for Gränges AB and Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Data for sick-leave and employee turnover is based on average number of employees (expressed as present full-time positions). Data for employee engagement comes from Gränges' employee survey, which is conducted every other year. Contracted workers are not included in these key performance indicators.

Sick-leave is defined as all absent hours for sickness within a year divided by total annual working hours (as applicable in local standards). Excludes permitted leave absences such as holidays, study, and parental leave.

Employee turnover is defined as number of employees who leave the organization (voluntarily or due to dismissal, retirement, or death in service) during the reporting period divided by the total average number of employees converted to full-time positions.

Employee engagement index is a calculated mean from a number of questions in Gränges' employee survey related to energy and clarity, two important dimensions of employee engagement. The mean is converted to an index 0-100.

Policies: The governing policy is Gränges' Code of Conduct which is reviewed annually and applicable for all employees and board members in entities owned by Gränges.

2025 goal: Gränges' goal is that Employee engagement index should reach at least 85.

13 Responsible sourcing

Significant suppliers

Significant suppliers, number	2023	2022	2021
Gränges Eurasia	208	190	143
Finspång	50	41	42
Konin	104	101	67
Shanghai	41	34	21
Gränges Americas	64	88	97
Gränges total	272	278	240

Supplier Code of Conduct commitments

Significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % purchase value	2023	2022	2021
Gränges Eurasia	100	100	97
Finspång	100	100	100
Konin	100	100	97
Shanghai	100	100	97
Gränges Americas	100	93	99
Gränges total	100	97	98

Supplier audits

Audits conducted among significant suppliers, number	2023	2022	2021
Gränges Eurasia	18	15	23
Finspång	2	6	5
Konin	6	0	7
Shanghai	10	9	11
Gränges Americas	0	1	1
Gränges total	18	16	24

Comment: In 2023, 264 suppliers (264), corresponding to 100 percent of the total purchase value from significant suppliers (97), had valid commitments to the Supplier Code of Conduct or had been assessed to have equivalent standards in place which are in line with Gränges' sustainability requirements. In 2023, 42 of Gränges' significant suppliers had a third-party verified desktop sustainability assessment available. Gränges also conducted 18 on-site supplier audits (16), of which no supplier was new. Supplier audits are conducted periodically depending on suppliers' strategic importance and results from supplier performance assessments. In total, 41 new significant suppliers (17) were added to the supplier base during the year and will be included in the annual responsible sourcing process from 2024.

Reporting principles and definitions: Data is reported at a regional level by the purchasing organizations and consolidated annually at group level using common definitions and principles. Data for Gränges AB and Gränges Powder Metallurgy is included in data for Gränges Eurasia.

Significant supplier: All metal suppliers (suppliers of primary ingots, purchased slabs, recycled aluminium, alloying elements) as well as other suppliers which have an annual purchase value above SEK 5 million or an equivalent amount in local currencies. Local purchase values have been converted to SEK using average currency rates for 2023.

Policies: The governing policy is Gränges' Responsible Sourcing Policy which outlines group-wide principles and requirements on responsible sourcing, including signing Gränges' Supplier Code of Conduct. Four of the company's production sites are certified in accordance with the quality management standard IATF 16949, which includes criteria on suppliers' quality performance.

2025 goal: Gränges' goal is that 100 percent of significant suppliers are committed to Gränges' Supplier Code of Conduct or equivalent standard.

14 Business ethics

Code of Conduct training

Share of employees trained in the Code of Conduct, %	2023	2022	2021
Gränges Eurasia	100	99	100
Finspång	99	97	100
Konin	100	100	99
Shanghai	100	100	100
Gränges Americas	100	100	100
Gränges total	100	100	100

Anti-corruption training

Share of white-collar employees trained in anti-corruption %	2023	2022	2021
Gränges Eurasia	100	100	100
Finspång	100	100	100
Konin	100	100	100
Shanghai	100	100	100
Gränges Americas	100	100	100
Gränges total	100	100	100

Incidents of corruption

Total number	2023	2022	2021
Incidents of corruption	0	0	0
Incidents of terminated business contracts due to corruption	0	0	0

Comment: In 2023, Gränges continued to conduct its annual groupwide Code of Conduct and anti-corruption trainings. All employees who had access to computers conducted the group-wide e-learning Code of Conduct training, whereas blue-collar employees conducted classroom trainings. Total training participation ended at 100 percent (100). Gränges also conducted the annual anti-corruption e-learning training which 100 percent (100) of all white-collar employees conducted. No confirmed corruption incidents were detected during 2023.

Reporting principles and definitions: Data for Code of Conduct and anti-corruption training participation is collected and consolidated annually via the e-learning system used for online training. Data for Gränges AB and Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Data includes employees in duty and is adjusted for long-term sick-leave, parental leave, resignations and employees off duty for a longer period.

Policies: The governing policy is Gränges' Code of Conduct which is reviewed annually and applicable for all employees and board members in entities owned by Gränges. It also applies to independent contractors and consultants or others acting on behalf of Gränges. Also, Gränges' Anti-Corruption Policy defines, explains, and expands on what Gränges means by corruption.

2025 goal: Gränges' goal is that 100 percent of all employees are annually trained in the Code of Conduct, and that 100 percent of all white-collar employees are annually trained in anti-corruption.

GRI content index

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	305-2	Energy indirect (scope 2) GHG emissions			36–40, 134, 140–141	
	305-3	Other indirect (scope 3) GHG emissions			36–40, 134, 140–141	
	305-4	GHG emissions intensity			40, 140–141	
	305-5	GHG emissions reductions			134, 140–141	
	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions			140–141	
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GRI 306	306-1	Waste generation and significant waste-related impacts			46, 144	
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GRI 403	403-1	Occupational health and safety management system			47, 145	
GRI 403	403-2	Hazard identification, risk assessment, incident investigation			47, 145	
GRI 403	403-3	Occupational health services			47, 145	
GRI 403	403-4	Worker participation, consultation, and communication on occupational health and safety			47, 145	
GRI 403	403-5	Worker training on occupational health and safety			47, 145	
GRI 403	403-6	Promotion of worker health			47, 145	
GRI 403	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			47, 145	
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GRI 404	404-1	Average hours of training per year per employee			49–51, 146	
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews			49–51, 146	
Diversity and equal opportunity			5, 8, 10	1, 2, 6		
GRI 3	3-3	Management of material topics			49–50, 146	
GRI 405	405-1	Diversity of governance bodies and employees			49–50, 146	
Supplier social assessment			6, 8, 10, 12, 13, 17	1, 2, 3, 4, 5, 6		
GRI 3	3-3	Management of material topics			42–44, 147	
GRI 414	414-1	New suppliers that were screened using social criteria			42–44, 147	

The ten principles of the UN global compact

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Gränges AB, corporate identity number 556001-6122

Engagement and responsibility

The Board of Directors is responsible for that the statutory sustainability report FY 2023, as defined in the Board of Directors report on page 70, has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's report on the statutory sustainability report*. This means that my (our) examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided me (us) with sufficient basis for our opinions.

Opinions

A statutory sustainability report has been prepared.

Stockholm 15th of March 2024

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant

Auditor's Limited Assurance Report on Gränges AB's sustainability performance targets 2023

To Gränges AB, corporate identity number 55556001-6122

Introduction

We have been engaged by the Board of Directors of Gränges AB (Gränges) to undertake a limited assurance engagement on below specified information, presented in Gränges' sustainability report for the year 2023:

- GRI 301-1 Materials used by weight or volume (p. 143)
- GRI 301-2 Recycled input materials used (p. 143)
- GRI 305-1 Direct (scope 1) GHG emissions (p. 140)
- GRI 305-2 Energy indirect (scope 2) GHG emissions (p. 140)
- GRI 305-3 Other indirect (scope 3) GHG emissions (p. 140)
- GRI 305-4 GHG emissions intensity (p. 140)
- GRI 308-1 New suppliers that were screened using environmental criteria (p. 147)
- GRI 403-9 Work-related injuries (p. 145)
- GRI 405-1 Diversity of governance bodies and employees (p. 146)
- GRI 414-1 New suppliers that were screened using social criteria (p. 147)

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria for the above specified information, as explained on page 130 and the pages stated above, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the above specified information based on the limited assurance procedures we have performed. The selection of information to be reviewed has been made by the management of Gränges. Our review is limited to the above specified information in this document and does not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Gränges AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the above specified information is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, 15 March 2024
Ernst & Young AB

Andreas Troberg
Authorized Public Accountant

Outi Alestalo
Specialist member of FAR

This is the translation of the auditor's report in Swedish.