

# A strong commitment to sustainability

By managing its business in a sustainable and responsible way, Gränges strengthens its long-term competitiveness and creates financial and operational value for the company and its stakeholders. Sustainable business value is achieved by reducing undesired impacts of the company's operations and at the same time enforcing positive contributions and opportunities that emerge from integrating sustainability aspects into the business and value chain.

## A vital resource for a sustainable economy

Aluminium is a circular material, capable of being recycled infinitely without losing its original properties such as lightness, conductivity, formability, durability and impermeability. These properties make aluminium a vital resource for a circular economy, and an important material supporting key sectors, e.g. transport, construction, packaging and renewable energy technologies, to achieve their climate targets. With the global push for sustainable development and the transformation into a more resource efficient and circular economy, Gränges' customers are increasingly recognizing the importance of sustainable materials.

Gränges is subject to the EU taxonomy and has in 2021 identified aluminium recycling as an eligible activity and an important enabler to support global sustainable development.

## Developing sustainable aluminium products

Sustainability has been identified as one of the most important business drivers for Gränges and is integrated into the company's core business and strategy. In line with the company's purpose and promise, Gränges' strategic priority is to develop sustainable aluminium products and solutions, characterized by having a low climate impact, being circular and resource-efficient, as well as being responsibly sourced and produced. To enable and speed up the development of sustainable aluminium products and solutions, Gränges leverages its sustainability framework to integrate sustainability into its business, work streams, and value chain.

## A systematic approach to integrate sustainability

The company's group-wide sustainability framework and accompanying 2025 targets was originally launched in 2019. It covers 13 sustainability aspects, grouped into five sustainability pillars, that are deemed to have the highest sustainability impact and are assessed by stakeholders to be most important for the company to address.

Gränges has delivered good progress for many sustainability priorities in the past few years, and as a result the company in 2021 upgraded some of the 2025 targets. In 2021, Gränges also linked the achievement of three of its 2025 sustainability targets to its financing cost through issuance of a Sustainability-Linked Bond.

Gränges' SVP Sustainability is responsible for driving the global sustainability strategy and facilitating progress across the framework and targets, while the regional Presidents execute and implement local sustainability strategies aligned with the Group strategy. Functional cross-regional teams ensure integration of sustainability aspects into key functions such as Purchasing, Sales, Production and Human Resources.

## Sustainability commitments and initiatives

Gränges is since October 2016 a signatory to the UN Global Compact and undertakes to fulfil the principles relating to human rights, labour, environment, and anti-corruption. The principles also form the foundation of the company's Code of Conduct and Supplier Code of Conduct. In addition, Gränges is committed to helping fulfil the 2030 Agenda and Sustainable Development Goals (SDGs) and the company has identified those SDGs that are most relevant and where the company has its largest impacts and contributions.

Gränges participates in various industry initiatives to ensure that aluminium is mined, produced, and used sustainably, and to drive change where it has the highest value chain impact. One such initiative is the Aluminium Stewardship Initiative (ASI), which works to bring together producers, users, and stakeholders in the aluminium value chain and maximize the contribution of aluminium to a sustainable society.

Read more on pages 118–139.



## >> SUCCESSFUL ISSUANCE OF SUSTAINABILITY-LINKED BOND

In September 2021, Gränges successfully issued a five-year SEK 600 million senior unsecured Sustainability-Linked Bond under the company's updated MTN programme. The new bond is due in 2026. 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 per cent by 2025 compared to 2017 measures in tonnes CO<sub>2</sub>e/tonne.

**SPT 2:** Reduce carbon emissions intensity from sourced metal inputs (scope 3) by 30 per cent by 2025 compared to 2017 measured in tonnes CO<sub>2</sub>e/tonne.

**SPT 3:** At least 30 per cent of total sourced metal inputs to be aluminium scrap by 2025.

# Sustainability framework and 2025 targets



## SUSTAINABLE INNOVATION AND SALES



## RESPONSIBLE AND SUSTAINABLE SOURCING



## RESOURCE-EFFICIENT OPERATIONS



## DIVERSE AND HIGH-PERFORMING TEAMS



## ETHICAL BUSINESS PRACTICES

### MATERIAL TOPICS

- Sustainable innovation
- Product stewardship

- Responsible sourcing
- Sourced metals: primary aluminium
- Emissions and climate impact (scope 3)

- Workplace safety
- Waste management
- Water management

- Career and leadership
- Diversity and inclusion
- Employee wellbeing

- Ethics and anti-corruption

- 
- Emissions and climate impact (scope 1+2)
  - Energy

- 
- Sourced metals: aluminium scrap

### 2025 SUSTAINABILITY TARGETS

- 100 per cent of Gränges' products to have third-party verified sustainability information available

- 100 per cent of significant suppliers<sup>1)</sup> to be committed to Gränges' Supplier Code of Conduct or equivalent standard
- ≥20 per cent renewable energy
- –30 per cent carbon emissions intensity from sourced metal inputs (scope 3)<sup>2)</sup>

- ≤3.0 Total Recordable Rate
- ≤50 Severity Rate
- –17 per cent energy intensity<sup>2)</sup>
- All Gränges sites to have implemented a local water management plan

- 100 per cent of employees to have annual performance and development discussion
- ≥30 per cent of senior management to be women<sup>3)</sup>
- ≥85 Employee engagement index

- 100 per cent of employees to be annually trained in Gränges' Code of Conduct
- 100 per cent of white-collar employees to be annually trained in anti-corruption

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- –25 per cent carbon emissions intensity from own operations and purchased energy (scope 1+2)<sup>2)</sup>

- 
- ≥30 per cent of total sourced metal inputs to be aluminium scrap

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All sites to have achieved ASI sustainability certifications<sup>4)</sup>

• Read more on pages 33–34

• Read more on pages 35–37

• Read more on pages 38–40

• Read more on pages 41–42

• Read more on page 43

Note: Links to relevant Sustainable Development Goals can be found on page 121.

1) All metal suppliers and other suppliers with a purchase value above SEK 5 million or equivalent in local currency.

2) Versus baseline 2017. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact.

3) Employees eligible to participate in Gränges' long-term incentive (LTI) programme.

4) Certifications in accordance with the Aluminium Stewardship Initiative (ASI) Performance Standard and Chain of Custody Standard.

# Climate strategy

Gränges is committed to combatting climate change and reducing the climate impact from its business and along the value chain. Managing the climate topic therefore runs throughout the company's sustainability framework and value chain.



## EMISSIONS AND CLIMATE IMPACT

### Taking a life-cycle perspective

Gränges works actively to take product stewardship and reduce climate impact along the value chain and across the life-cycles of its products. This means that the company looks at the climate impact from extraction of bauxite until the products' end-of-life. In 2021, 91 per cent of Gränges' total climate impact originated from sourced metal inputs (scope 3) and 9 per cent from own operations and purchased energy (scope 1+2). Gränges follows the Greenhouse Gas Protocol Standards to calculate the cradle-to-gate climate impact from bauxite extraction to delivery of Gränges' products to customers. The product manufacturing, use, and end-of-life phases are currently excluded in Gränges' climate impact calculations due to a lack of relevant data.

### Ambitious climate targets

In 2018, Gränges launched a 2025 climate target to reduce carbon emissions intensity from own operations and purchased energy (scope 1+2) by at least 25 per cent versus 2017. In 2021, Gränges also disclosed a quantitative target to reduce carbon emissions intensity from sourced metal inputs (scope 3) by at least 30 per cent versus 2017, upgraded from the previously directional target. Gränges strives to take a holistic approach in reducing the climate impact and therefore measures total carbon emissions intensity (scope 1+2+3) as the key metric.

### Value chain collaboration

Gränges actively collaborates with suppliers, customers, and other business partners to identify and capture new opportunities to reduce the climate impact. Supply chain collaboration for example covers sourcing of aluminium scrap, low-carbon primary aluminium as well as energy from low-carbon sources. Customer collaboration includes design and development of innovative and sustainable aluminium products and solutions. Gränges also works internally to increase resource efficiency including energy, materials, waste, and water.

### Climate-related risks

Climate-related risks are integrated in Gränges' multi-disciplinary and company-wide risk management process. In conjunction with Gränges' first submission to CDP in 2021, the company conducted a risk and opportunity workshop with selected members of senior management.

The largest climate-related risks were identified to be emerging regulation of carbon pricing mechanisms, reduced demand for products and services due to changing customer behaviour, and reduced production capacity because of increased severity and frequency of extreme weather events. By systematically working in line with the company's climate strategy, Gränges aims to mitigate such risks. Refer to page 49 for more information.

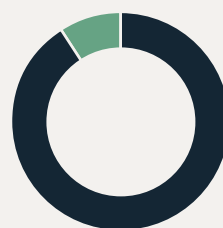
## >> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2021 (2020) performance <sup>1)</sup>
Carbon emissions intensity from own operations and purchased energy (scope 1+2), % reduction vs. 2017	-25	-8 (3)
Carbon emissions intensity from sourced metal inputs (scope 3), % reduction vs. 2017	-30	-20 (-20)

1) 2020 excludes Gränges Konin and Gränges Powder Metallurgy.

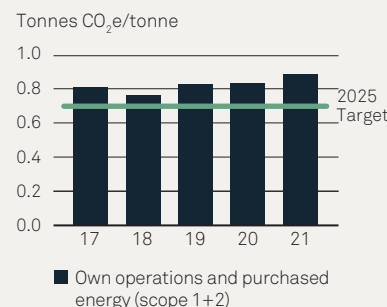
**Comment:** In 2021, the carbon intensity was reduced by 9 per cent for scope 1+2 and 22 per cent for scope 3 versus baseline 2017, excluding Gränges Konin and Gränges Powder Metallurgy. The reduction in scope 1+2 intensity was driven by a higher share of renewable energy combined with a lower energy intensity. The reduction in scope 3 intensity was driven by a higher share of sourced aluminium scrap.

Total carbon footprint, 2021



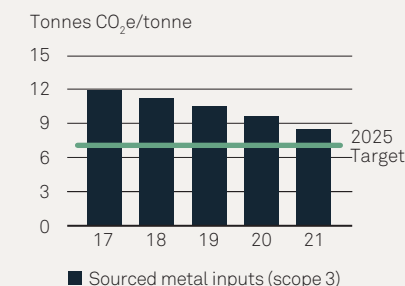
■ Own operations and purchased energy (scope 1+2), 9%  
 ■ Sourced metal inputs (scope 3), 91%

Total carbon intensity, scope 1+2<sup>1)</sup>

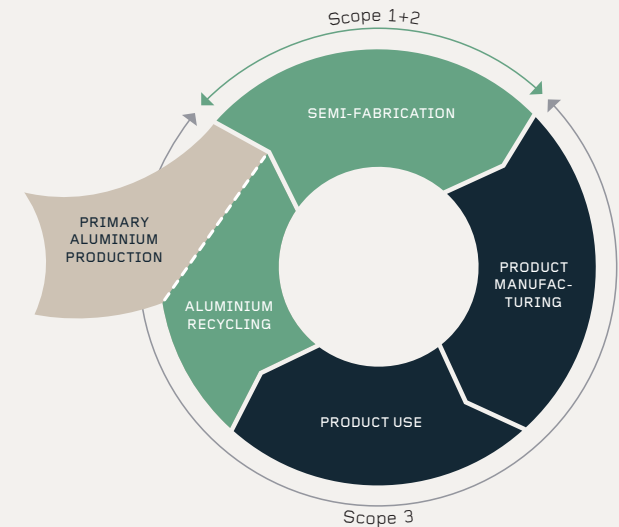


1) 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy. Comparable carbon intensity for 2021, i.e. excluding Gränges Konin and Gränges Powder Metallurgy, was 0.73 tonnes CO<sub>2</sub>e/tonne for scope 1+2 and 9.3 tonnes CO<sub>2</sub>e/tonne for scope 3.

Total carbon intensity, scope 3<sup>1)</sup>



	● SUPPLY CHAIN	● GRÄNGES' OPERATIONS	● CUSTOMERS AND END-USERS		
Process	Primary aluminium production	Aluminium recycling	Semi-fabrication	Product manufacturing	Product use
Description in brief	Extraction, refining and smelting of primary aluminium.	Collecting, sorting, and recycling of aluminium.	Remelting and casting, rolling, and slitting.	Manufacturing of products containing Gränges' materials, e.g. vehicles, buildings, and packaging.	Using products containing Gränges' materials.
Climate impact	Mainly from the energy-intensive electrolytic smelting process. Smaller impacts also from the extraction and refining processes.	Mainly from processing and transporting of recycled materials. By using aluminium scrap, Gränges can save up to 95 per cent of the energy and climate impact that would have been needed in primary aluminium production.	Mainly from fuels and electricity used in Gränges' operations.	Mainly from customers' product manufacturing when materials sourced from Gränges are processed.	Mainly from using products containing Gränges' materials. Aluminiums' lightweighting properties can lead to substantial fuel and carbon emissions savings compared to other materials.
Gränges' priorities	<ul style="list-style-type: none"> <li>Actively choose input material and supplier based on climate performance and reduction activities and targets.</li> <li>Collaborate with suppliers to expand sourcing of primary aluminium produced using renewable energy.</li> <li>Promote responsible sourcing and increased supply chain traceability through dialogue with commodity traders.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with customers and recycling companies to expand sourcing of aluminium scrap.</li> <li>Design and innovate alloys, processes and applications which allow for a higher share of aluminium scrap and which are efficiently dismantled, collected, sorted, and recycled after products end-of-life.</li> </ul>	<ul style="list-style-type: none"> <li>Increase energy efficiency and the use of renewable energy in own operations.</li> <li>Increase resource efficiency and remelting of recycled aluminium in own operations.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with customers to design and develop sustainable aluminium products and solutions, including alloys that are resource efficient in the product manufacturing and use phase, and which are recyclable at the end-of-life.</li> </ul>	
GHG Protocol category and sub-categories	Scope 3 • Purchased goods and services	Scope 3 • Purchased goods and services • End-of-life treatment of sold products	Scope 1+2	Scope 3 • Processing of sold products	Scope 3 • Use of sold products



**CASE**

**Collaboration to reduce climate impact in the automotive industry**

In 2021, Gränges and the aluminium and energy company Hydro joined forces to provide low-carbon and circular aluminium offerings to the automotive market. Through the partnership, Gränges sources low-carbon primary aluminium from Hydro. An increased use of aluminium in transport applications reduces the weight, energy consumption and carbon footprint of the vehicle as well as the range of electric vehicles when in use. It also contributes to improved resource efficiency in the product manufacturing process. Gränges and Hydro are both committed to pushing the boundaries for low-carbon and circular aluminium products and supporting the automotive industry to become more sustainable.

# Sustainable innovation and sales

Gränges is committed to developing and selling products and solutions which can improve customers' and products' sustainability performance as well as contribute positively to a more circular industry approach to aluminium. A sustainable aluminium offering is characterized by having a low climate impact, being circular and resource-efficient and being responsibly sourced and produced.



## SUSTAINABLE INNOVATION

### Leveraging the advantages of aluminium

Gränges works to take a frontline position in markets where higher sustainability performance requirements are set on products, and a key priority is to develop products which can improve customers' and products' sustainability performance. The company works to leverage the advantages of aluminium by designing and manufacturing products and solutions which can improve customers' operational performance as well as the sustainability performance of their products. Lightweight aluminium can deliver significant energy and climate savings in the use phase, often entirely offsetting the initial energy consumption required to produce the metal.

As an example, an increased use of aluminium in transport applications contributes to improved resource efficiency in customers' product manufacturing process. It also reduces the weight, energy consumption and carbon footprint of the vehicle as well as the range of electric vehicles when in use. According to a study commissioned by the International Aluminium Institute, it was concluded that lightweighting of transport vehicles can lead to substantial fuel and carbon emissions savings. Per 100 kg weight reduction, the potential lifetime saving for a passenger car was estimated between 500 kg and 2,000 kg of carbon dioxide.<sup>1)</sup>

### Developing sustainable alloys

The company works to incorporate sustainability into product development with a focus on products' full life-cycle performance. The biggest opportunities for improving products' sustainability performance are in the early stages of the product development process, when the product characteristics are decided.

Gränges has an ambition to design low-carbon and circular offerings that are based on more recycled materials and that can be efficiently dismantled, collected, sorted, and recycled downstream the value chain and after products' end-of-life. Aluminium is well suited for recycling, but the maximum level of recycled content is determined by the specific alloy composition. Gränges' alloys are well suited for a high recycled content, however strict product requirements on strength, corrosion resistance and other critical characteristics need to be met simultaneously.

Almost half of Gränges' ongoing product development projects aim to reduce products' negative sustainability impacts, either through a higher recycled content or through lightweight products with better characteristics enabling less, smarter, or longer usage.

### Customer collaboration

Gränges runs several customer collaborations within the heat exchanger, HVAC, and battery segments where the aim is to jointly develop sustainable alloys in line with customers' material characteristics requirements.

Closed and open loop collaboration, in which aluminium scrap from customers' manufacturing process is brought back to Gränges and re-melted into new products, is an important part of customer interactions. Several such initiatives have been agreed during 2021.

## >> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2021 (2020) performance <sup>1)</sup>
Products with third-party verified sustainability information available, %	100	35 (19)

1) 2020 excludes Gränges Konin and Gränges Powder Metallurgy.

**Comment:** In 2021, 35 per cent of Gränges' products had verified sustainability information available, which corresponds to 43 per cent excluding Gränges Konin and Gränges Powder Metallurgy. Local product carbon footprint tools and certificates are now in use at Gränges Finspång and Gränges Shanghai.

## CASE

### Expanded closed loop programmes with customers

In 2021, Gränges Americas expanded its closed loop recycling programs with local foil and HVAC customers. In these programmes, customers' process scrap from manufacturing is brought back and remelted into alloys sold back to the same customer. The materials are either transported back by Gränges or through a third-party recycling or freight company. Replacing volumes of primary aluminium with aluminium scrap has a clear positive effect on Gränges' climate impact from sourced metal inputs (scope 3). Gränges Americas have been running such programmes since 2017 and in 2021, approximately 7,000 tons of aluminium scrap was recycled back from customers.

1) IFEU: Energy savings by lightweighting – 2016 Update.

**PRODUCT STEWARDSHIP**

**Product sustainability information and labelling**

Gränges works actively to take product stewardship and reduce the climate impact along the aluminium value chain. The company has measured its organizational cradle-to-gate<sup>1)</sup> carbon footprint since 2016 and a current priority is to also calculate and declare products' individual sustainability impacts.

Such information enables customers to understand, evaluate and compare Gränges' products from a sustainability perspective. It also helps Gränges to build a solid fact base for innovation and performance improvements, with the aim to further design and develop customer offerings geared towards sustainability and circularity. By 2025, Gränges targets to have third-party verified sustainability information available for all products.

**Third-party verified product carbon footprints**

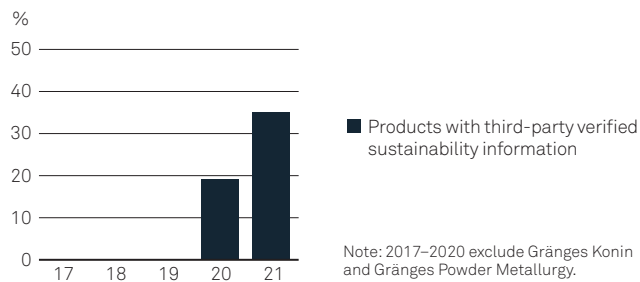
In 2021, Gränges expanded the use of its internal life-cycle and carbon footprint assessment tool which enables declarations of environmental impacts on a product level, starting with the products' carbon footprint. The tool is now in use at the sites in Fin-spång and Shanghai where the company can offer customers third-party verified carbon footprint certificates and a detailed carbon footprint report outlining the methodology.<sup>2)</sup>

Gränges' product carbon footprint assessments are conducted in accordance with ISO 14040, ISO 14044, and ISO 14067 and to ensure credibility and robustness, Gränges works with the external party IVL Swedish Environmental Research Institute to verify the methodology, process and routines used in the assessment. All data is updated annually.

1) From bauxite extraction to the gate to Gränges' customers.

2) Available on Gränges' website: <https://www.granges.com/sustainability/sustainable-innovation-and-sales/>

**Products with sustainability information, 2017–2021**



# Ensuring responsible and sustainable sourcing

Gränges is committed to promoting responsible and sustainable practices in the company’s supply chain and incorporating sustainability criteria into its sourcing agreements and partnerships. Sourcing activities are mainly managed by the local procurement organization and the supplier base is generally geographically close to the respective markets.



## RESPONSIBLE SOURCING

### Global responsible sourcing programme

In line with Gränges’ Responsible Sourcing Policy, all sites are to operate a local responsible sourcing programme covering its significant suppliers. The policy applies to all Gränges’ employees and mainly concerns individuals who are in contact with suppliers. The responsible sourcing programme is used as a platform to enforce sustainable practices, ensure continuous improvement, develop collaboration, and build lasting relationships with suppliers. The programme was launched in 2020, and next steps include to further harmonize the processes of the desktop sustainability assessments with the on-site audits conducted.

### Global supplier sustainability requirements

Significant suppliers<sup>1)</sup> are requested to sign Gränges’ Supplier Code of Conduct which includes basic sustainability requirements on suppliers. By signing, suppliers declare to observe all applicable laws and regulations, including the ten principles of the UN Global Compact, and to promote the implementation of these principles in their own supply chains. In 2021, Gränges continued to roll-out its Supplier Code of Conduct as part of new or re-negotiated supplier contracts, and Gränges Konin successfully implemented the the Supplier Code of Conduct among its supplier base for the first time.

### Sustainability risk screening

Significant suppliers are annually screened in a desktop tool for potential environmental, social and corruption risks depending on the purchasing category and country of origin. The aim is to identify

and mitigate sustainability risks in the supply chain, as well as ensure compliance with Gränges’ Supplier Code of Conduct. Each supplier is categorized as having a high, medium or low potential risk based on a weighted average risk score. Read more on page 36.

### Sustainability desktop assessment

Significant suppliers categorized as medium or high potential sustainability risk are required to complete an evidence-based desktop sustainability assessment, currently managed by EcoVadis, an external provider of sustainability analyses and ratings. EcoVadis sends out customized sustainability questionnaires to suppliers, analyses the data collected, and provides verified sustainability ratings, scorecards, and benchmarks. High scoring suppliers are to be assessed every three years, medium scoring suppliers every second year and low scoring suppliers annually.

In 2021, 33 significant suppliers (25) had a valid third-party verified sustainability assessment available.

### Follow-up and engagement

Results from the desktop assessments are integrated into local supplier review procedures, e.g. supplier scorecards as well as supplier discussions and on-site visits, as applicable locally. Gränges also conducts on-site supplier audits depending on suppliers’ strategic importance and performance. Such audits mainly focus on ensuring compliance with Gränges’ quality and delivery requirements, but sustainability criteria are also often included.

In 2021, Gränges conducted 24 on-site supplier audits in total or 17 (5) excluding Gränges Konin.

## >> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2021 (2020) performance <sup>1)</sup>
Supplier Code of Conduct commitment, % purchase value	100	98 (97)
Sourced aluminium scrap, %	≥30	28.5 (22.5)
Renewable energy, %	≥20	15 (13)
ASI certifications, number of sites <sup>2)</sup>	All	2/2 (1/0)

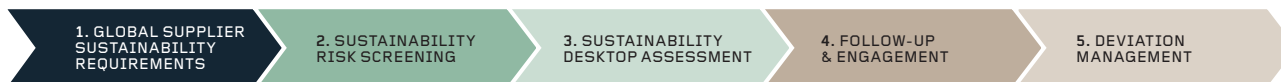
1) 2020 performance excludes Gränges Konin and Gränges Powder Metallurgy.  
2) Number of sites with Performance Standard/Chain of Custody Standard.

**Comment:** In 2021, the share of sourced aluminium scrap increased to 28.5 per cent as a result of expanded sourcing in all regions. Excluding Gränges Konin and Gränges Powder Metallurgy, the share was 25.0 per cent. The share of renewable energy increased to 15 per cent driven by a lower share of non-renewable sources in the electricity mix.

## A GLOBAL SUPPLY CHAIN

In 2021, Gränges had approximately 4,200 suppliers in total. Of these, 240 were defined as significant<sup>1)</sup>. Approximately 85 per cent of the purchase value from these suppliers was direct materials (primary aluminium ingots, slabs, aluminium scrap and alloying elements) whereas indirect materials and services accounted for 15 per cent. The largest indirect categories include energy, transports, and maintenance. In total, 74 per cent of the direct materials was sourced through commodity traders.

1) All metal suppliers and other suppliers with a purchase value above SEK 5 million or equivalent in local currency.



### Deviation management

Gränges uses an internal escalation process to decide on appropriate actions in cases where a supplier declines to sign the Supplier Code of Conduct, declines to complete the sustainability desktop assessment, or after a supplier has received a low sustainability re-assessment score. All sites have a local escalation team and routine in place. Deviations can lead up to blocked purchase orders and business termination.

In 2021, Gränges established local escalation teams for all regions, which were activated in cases where suppliers declined to participate in the sustainability assessments.

### SUSTAINABILITY RISKS IN GRÄNGES' SUPPLY CHAIN

Gränges' risk screening model was developed in 2019 with support from a third-party. Country risks were defined based on relevant sustainability country indices within human rights, corruption, and environment whereas sector risks were decided based on qualitative information from news articles, industry reports, NGO databases and other reports. The largest impacts identified were associated with the extraction industries of primary aluminium and alloying elements.

Social risks identified include human rights, labour rights as well as health and safety. Indigenous communities can for example be affected by bauxite mining since mines are frequently located near or on indigenous peoples' territories, and extractors may not always obtain free, prior, and informed consent. Mining activities can also lead to illegal settlements and relocations, as well as violations of land rights.

Environmental risks include water consumption, leakage, noise from heavy vehicles, air emissions, and significant alterations to the landscape due to digging the open-pit mines. Clear-cutting trees and grasslands to extract bauxite contributes to biodiversity loss, increased carbon emissions, and soil erosion.

Corruption risks are associated with extraction of certain alloying minerals and can be associated with mining approvals.



### CASE

## Achieving ASI sustainability certifications

To promote responsible production, sourcing, and stewardship of aluminium across the aluminium industry, Gränges is a member of Aluminium Stewardship Initiative (ASI) which is a global non-profit standards setting organization which works to maximize the contribution of aluminium to a sustainable society. ASI offers two independent certification standards: the Performance Standard and the Chain of Custody (CoC) Standard, and Gränges' target is that all sites by 2025 should have such ASI certifications in place.

In 2021, Gränges had achieved two Performance Standard certifications (Shanghai and Finspång) and one

CoC Standard certification (Finspång) and in January 2022, also Gränges Shanghai achieved certification in accordance with the CoC Standard.

The CoC Standard forms the basis for selling ASI-certified aluminium, which assures that Gränges' products are responsibly sourced and produced across the entire supply chain, from extraction of raw materials to the finished product. Gränges uses the 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.



## SOURCED METALS

### Green primary aluminium sourcing

Expanding the use of low-carbon primary aluminium can reduce the climate impact from sourced metal inputs, especially in regions where the primary aluminium production is largely dependent on fossil energy sources. In the metal purchasing process, Gränges increasingly evaluates input materials and suppliers using climate-related criteria, e.g. climate performance and carbon emissions reduction activities and targets. The availability of low-carbon primary aluminium produced using renewable energy varies to a large extent depending on geography and renewable energy supply. When suitable, Gränges sources low-carbon primary aluminium both from commodity traders and slab suppliers. The willingness and feasibility from commodity traders to provide verified carbon footprint certificates for low-carbon aluminium varies across geographies and actors.

In 2021, 21 per cent (26) of Gränges' sourced primary aluminium was defined as low-carbon in accordance with suppliers' specified and third-party verified carbon footprint certificates, mainly related to sourcing within Gränges Finspång.

### Raised recycling ambition

Expanding the use of aluminium scrap is the most efficient way to reduce the climate impact from sourced metal inputs since such materials can save up to 95 per cent of the energy needed to produce primary aluminium. The environmental value of recycling increases downstream in the value chain and post-consumer (EOL) scrap is a clear positive contributor to the circular aluminium usage.

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. As a result of Gränges' strong focus to increase sourcing of aluminium scrap, the company in 2021 upgraded its 2025 target from previously 20 per cent to at least 30 per cent.

### Varying recycling conditions

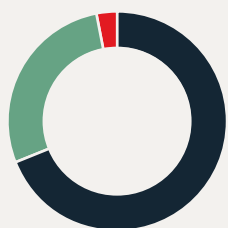
The conditions and availability of aluminium scrap differ geographically, and the feasibility to increase usage depends on the type of production as well as local availability. Since aluminium is often used as a long-lasting material in buildings and vehicles with long lifespans, the availability of aluminium scrap can be a

significant constraint. It can also be a challenge to recycle aluminium as it is often used in combination with other materials, and an efficient process requires good sorting, separating, and re-melting technologies. The lower the content of alloying elements, the easier the materials are to separate, recycle and retain the value of.

In Gränges Finspång and Gränges Shanghai, where a high number of alloys for brazed automotive heat exchanger applications are produced, strict sorting of aluminium scrap is required to secure that the materials fit well in the specific alloys produced. Material for brazed heat exchangers consists of clad materials where different alloys are rolled together, which makes it difficult to separate upon recovery. Brazed heat exchangers are also challenging to recycle at end-of-life as the various constituents are difficult to separate and sort. Efficient recycling systems are critical to help retain the value of the alloy elements in the loop.

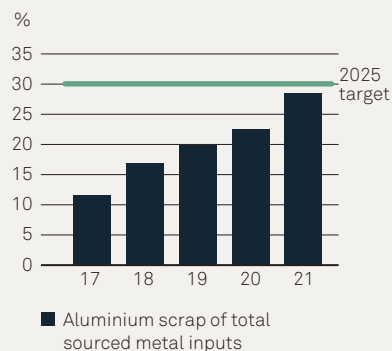
Gränges Konin faces the same challenge, but in addition to clad materials for brazed automotive heat exchanger applications, the facility also produces more standardized alloy applications that allow for wider composition limits making it possible to reach a higher share of sourced aluminium scrap. Gränges Americas similarly produces more standardized alloy applications and all volumes of aluminium scrap from its own processes are recirculated.

Total sourced metal inputs, 2021



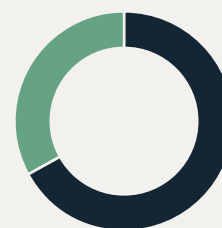
- Primary aluminium (ingots + slabs), 69%
- Aluminium scrap, 28%
- Alloying elements, 3%

Sourced aluminium scrap, 2017–2021



Note: 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy.

Sourced aluminium scrap per category, 2021



- Pre-consumer used materials, 67%
- Post-consumer used materials, 33%



# Resource-efficient operations

Gränges is committed to strengthening its operational efficiency and enforcing continuous improvements to improve material and energy efficiency and reduce emissions to air and water, while at the same time provide a safe and secure workplace for Gränges' employees. Thereby, Gränges minimizes the negative impacts of its business and manufacturing.



## ENERGY

### Increasing energy efficiency

Gränges works to achieve continuous energy efficiency improvements. The company carries out regular energy audits and considers the best available technology for new investments and refurbishments. Energy efficiency measures are primarily linked to improved metal yield, thermal processes, and recovery of waste heat. The main energy consumption occurs in the re-melting and casting process and with main energy sources being natural gas, electricity, and liquefied petroleum gas.

Gränges strives to take a holistic approach in reducing the total climate impact, and sometimes the company needs to accept slight increases in energy consumption because of using more aluminium scrap in the re-melting facilities compared to using primary ingots. The reduction in emissions from sourced aluminium scrap more than offsets the increase in operational emissions.

### Promoting renewable energy

By using renewable energy, Gränges can lower its carbon emissions and reduce air pollutants from its production. The largest impacts come from the company's furnaces where aluminium is re-melted either via combustion using fossil fuels or via induction using electricity. In 2021, Gränges set a quantitative target to increase the usage of renewable energy in its own operations to at least 20 per cent by 2025, upgraded from a previously directional target.

Gränges' production facilities have different possibilities to source renewable energy. In Finspång, Gränges sources 100 per cent specified electricity from hydro power which is used in induction furnaces, whereas liquefied petroleum gas is used in combustion furnaces. In Gränges Shanghai and Americas, natural gas is the primary energy source, and electricity is sourced from regulated energy markets which currently are mainly based on nuclear and non-renewable energy. In Gränges Konin, natural gas and electricity are the main energy sources where electricity is mainly based on non-renewable sources such as coal.

## CASE

### Improved energy efficiency in Gränges Konin

In 2021, Gränges Konin conducted an inventory of heating and steam fittings to improve energy efficiency in its operations. Steam and heating installations are usually insulated only on straight sections of pipelines, elbows, or tees, and due to its

surface, uninsulated fittings generate significant losses of heat energy. The inventory resulted in installation of insulating covers for elements of heating fittings, bringing expected energy saving of 700 MWh per year.

## >> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2021 (2020) performance <sup>1)</sup>
Total Recordable Rate <sup>2)</sup>	≤ 3.0	6.5 (5.5)
Severity Rate <sup>3)</sup>	≤ 50	139 (109)
Energy intensity, % reduction vs. 2017	-17	5 (10)
Water management plans, number of sites	All	3/7 (2/5)

1) 2020 excludes Gränges Konin and Gränges Powder Metallurgy.

2) Number of recordable accidents per million hours worked.

3) Number of lost workdays per million hours worked.

**Comment:** In 2021, the Total Recordable Rate ended at 6.9 excluding Gränges Konin. The increase was mainly a result of COVID 19-related impacts in Gränges' facilities in Finspång and Salisbury. Severity Rate however decreased to 101 excluding Gränges Konin. Energy intensity decreased by 5 per cent, also when excluding Gränges Konin and Gränges Powder Metallurgy.

## >> GLOBAL EHS POLICY

Gränges' global EHS Policy outlines principles, basic requirements and guidance on workplace safety and environmental procedures. The policy applies to all employees and individuals who are directly or indirectly related to Gränges, such as independent contractors and consultants who work on behalf of the company. In line with the policy, all sites are to operate certified management systems for health and safety, environment, and energy.

## WATER MANAGEMENT

### Various water conditions

Gränges uses water mainly for cooling purposes, such as cooling production equipment and preventing overheating and production disruptions. The production facilities in Huntingdon, Salisbury, Newport and Shanghai have closed-loop cooling systems with a high degree of water recirculation, which reduce water consumption and the risk of water contamination. In addition, water is used to make up emulsions in different process steps and for domestic purposes. Ground water is used at the site in Huntingdon whereas municipal water is used at the Salisbury, Newport, and Shanghai sites. The production facility in Konin uses both ground water and municipal water and the production facility in Finspång uses surface water withdrawn from two nearby lakes. The water is primarily used for cooling purpose and is then released into local waterways. Daily measurements are made to ensure that the released water does not contain hazardous substances and water that may contain contaminants is treated by an external partner before being returned to water bodies.

### Regional water stress and risks

Since the company’s production sites are located in areas with various water stress and risks, Gränges manages water-related aspects based on local circumstances. 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, Huntingdon and Salisbury sites in medium-to-high risk, and Shanghai and Konin in high-risk areas. No water sources are significantly affected by the water withdrawal or discharge from Gränges.

### Local water management plans

As water-related aspects and risks are managed based on local circumstances, Gränges works to implement local water management plans in all its locations. These plans include local targets and activities to address water-related impacts, such as water efficiency improvements, quality of effluent discharge, conservation activities, and local stakeholder engagement. At the end of 2021, Gränges has implemented local water management plans in three sites: Finspång, Shanghai and Newport. The site in Newport was certified in accordance with Alliance for Water Stewardship’s (AWS) International Waters Stewardship Standards, confirming

that the site is both managing its water resources and contributing to efforts within the catchment. Gränges also includes water risks when conducting supplier sustainability assessments. Read more on page 35.

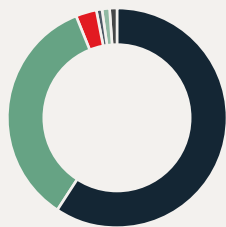
## WASTE MANAGEMENT

### Increased waste recycling

Gränges aims to reduce waste in all production facilities with the ambition to recycle and reuse waste in production where possible. Waste management is handled locally, and all sites have a local waste handling procedure. The company generates waste in the form of dross in the re-melting process and emits oil to air and water because of the cold rolling process where oil is used to cool down the mill and lubricate the interface between the rolls and the material.

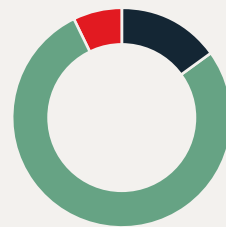
One example of waste recycling is dross disposal which is handled by specialized dross handlers from which some facilities are reclaiming aluminium through recycled scrap ingots (RSI). Gränges Finspång has invested in a dross press machine to recover aluminium from dross on site and Gränges Shanghai has conducted a study on treatment of waste emulsions from the hot rolling mill to reduce hazardous waste.

Energy use by type, 2021



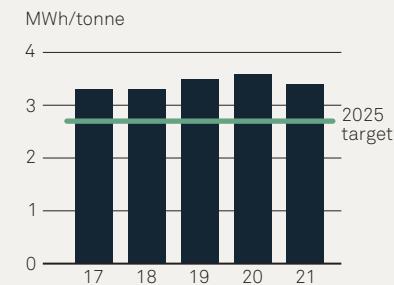
- Natural gas, 60%
- Electricity, 35%
- LPG, 3%
- Steam, 1%
- Diesel, 1%
- District heating, 1%
- Petrol, 0%

Renewable energy/energy mix, 2021



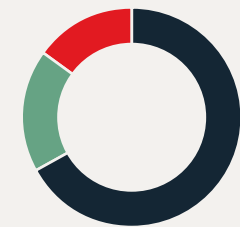
- Renewable energy, 15%
- Non-renewable energy, 79%
- Nuclear energy, 7%

Energy intensity, 2017–2021



Note: 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy.

Water withdrawal by source, 2021



- Surface water, 67%
- Ground water, 18%
- Third-party water, 15%

## WORKPLACE SAFETY

### Striving towards an injury-free workplace

Gränges strives towards a workplace that protects the health and fosters the wellbeing of employees and all persons directly or indirectly related to the company. No individual should be at risk of injury in a Gränges workplace. Safety is integrated into Gränges' programme for lean operations and a 5S system is implemented in all production facilities to ensure a clean, orderly and safe work environment with the objective to proactively and quickly remove safety hazards and to drive safe behaviours.

### Hazard identification and risk assessment

Gränges' manufacturing entails specific safety hazards which are continually monitored to eliminate or reduce the risks of injuries. The "critical five" hazard categories have top priority: fall protection, molten metal, mobile equipment, confined spaces, and machine guarding – lockout and tagout, i.e. ensuring machinery is fully switched off and de-energized before maintenance work begins. Gränges also strives to minimize employee exposure to chemicals and performs chemical risk assessments to ensure employees use alternatives that are safe and environmentally sound.

The company's safety strategy is to prevent workplace injuries through better understanding how work is performed in relation to hazards and the associated risks. Job safety analysis is carried

out by experts and the people who do the job. This involves identifying hazards associated with repetitive and non-repetitive work tasks, with the purpose to assess the risk of injuries and developing action plans to manage and mitigate these risks. Actions are coordinated and prioritized by management and safety representatives. To prevent and correct actions, Gränges performs a root-cause analysis for all recordable accidents and injury-free and first-aid events with severe potential consequence and a review of effectiveness should be done within three months.

### Safety reporting and follow-up

Gränges' production facilities drive structured employee engagement programmes with measurable and relevant leading indicators, including a walk-observe-communicate programme where employees and senior management observe activities and discuss risk behaviour and improvements. All incidents and accidents are registered and classified with actual and potential consequences by employees in local incident reporting systems. Safety performance is reviewed by management weekly and monthly, and site-specific safety targets are set as part of the business planning cycle.

### Safety training and health services

Gränges works to improve health and safety awareness and skills. This includes providing regular health checks and training in

machine safety, personal protective equipment, fire safety, first aid, and emergency response. All employees are covered by accident and sickness insurance. Comprehensive safety training is carried out for all employees and contracted workers at least once a year, and regular courses are provided for production employees, management and new employees who also attend safety training before starting their position. Production employees also receive specific safety training covering aspects such as hand and finger injury prevention.

### Sharing best practice

Gränges actively communicates safety-related information to spread awareness of incidents and prevent them from happening again. To share best practice and harmonize work processes, the company generally conducts internal safety assessments every six months at the sites, focusing on the "critical five" hazard categories, fire safety and environmental matters. Corrective actions are incorporated into the location's improvement and reported to the regional safety committees. In 2021, Gränges initiated monthly meetings with all plants to review safety performance. In these meetings, accidents and incidents with high potential risk are covered and good safety practice are exchanged between the locations. Gränges also collaborates and shares knowledge with other companies through industry associations to promote better safety. One such example is the European Aluminium task force for safety.

## CASE

### Safety improvements in Huntingdon

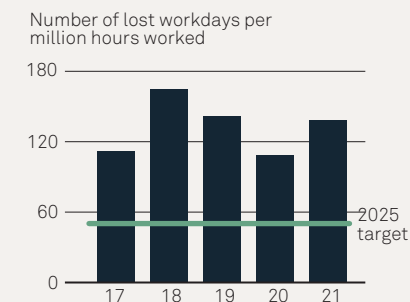
In 2021, Gränges' site in Huntingdon initiated a new programme focusing on improving machine guarding. Supervisors, engineers, and employees who work on the machines everyday conduct behavioral based audits that focus on machine guarding and to observe the work-stations. The purpose is to identify high-risk areas and address a solution and design that allows efficient work and at the same time eliminating risk of injuries. The facility has completed one slitter machine in 2021, and the plan is to complete all finishing equipment by 2022 and then progress on through the plant.



### Total Recordable Rate, 2017–2021



### Severity Rate, 2017–2021



Note: 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy.

# Diverse and high-performing teams

Gränges is committed to ensuring that employees are motivated and engaged. By being an open and inclusive employer, with zero tolerance of discrimination, Gränges strives to provide a diverse workplace where employees can realize their full potentials and contribute to developing a high-performing organization. In 2021, Gränges had on average 2,648 employees (1,647)<sup>1)</sup> of which 13 per cent were women.



## CAREER AND LEADERSHIP

### Structured recruitment process

Gränges strives to offer good working conditions and interesting career development opportunities to attract, develop and retain talented people. The company runs a structured recruitment process to ensure the company hires competent and skilled employees. In the recruitment process, all else being equal, individuals from underrepresented groups are given recruitment priority to promote a diverse workforce.

### Competence development opportunities

Competence development is an important area to the success of Gränges. The company runs a structured performance management process including training and personal development. All employees, excluding those working in Gränges Konin, have annual performance and development discussions as well as compensation reviews. Gränges Konin has an ambition to introduce annual performance and development discussions from 2022, starting with white-collar employees. To ensure efficient and continuous competence development, talent management, and succession planning, all employees should also have an individual development plan.

Gränges strongly encourages employees at all levels to participate in job-related training and development activities to enhance skills and grow as professionals. The company conducts competence development and leadership training in line with regional needs and works actively to provide career and leadership opportunities for employees with the aim to fill every second management position job opening with internal candidates.

In 2021, Gränges' employees conducted the global trainings in the Code of Conduct, anti-corruption (only white-collar employees) as well as information security. In Gränges Konin, classroom trainings for blue-collar employees were cancelled in mid-December due to COVID-19 restrictions. Instead, printed training materials was distributed and individual training was conducted. Gränges Americas conducted leadership training at all locations and Gränges Asia completed internal Environmental, Health and Safety (EHS) training and quality training for line operators.

During the year, Gränges also initiated a more structured approach to collect data for training hours, which will provide a good understanding of the baseline within the organization.

## DIVERSITY AND INCLUSION

### An inclusive corporate culture

Gränges' corporate culture and core values – committed, action oriented, innovative, and accessible – guide employees in their daily actions and lay the foundation for conducting business responsibly, ethically, and open-minded. Being accessible for example entails that employees should promote equal opportunities and fairness at the workplace, as well as have an unbiased attitude. In 2021, Gränges Konin conducted training for white collar employees focusing on spreading awareness of Gränges' corporate culture and values.

Gränges strives to provide a non-discriminatory and inclusive work environment which leverages employees' different perspectives, experiences, and ideas. A multifaceted workforce also reflects the international market in which Gränges operates.

## >> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2021 (2020) performance <sup>1)</sup>
Performance and development discussion, % of employees	100	67 (100)
Women in senior management <sup>2)</sup> , %	≥30	18 (21)
Employee engagement index <sup>3)</sup> , 0-100	≥85	– (78)

- 1) 2020 excludes Gränges Konin and Gränges Powder Metallurgy.
- 2) Employees eligible to participate in Gränges' long-term incentive (LTI) programme.
- 3) The employee survey is conducted every two years and was not conducted in 2021.

**Comment:** In 2021, 67 per cent of all employees had an annual performance and development discussion, which corresponds to 100 per cent excluding Gränges Konin and Gränges Powder Metallurgy. These two sites are in the process of implementing a structured approach to conduct performance discussions starting from 2022.



1) Excluding Gränges Konin and Gränges Powder Metallurgy.



**CASE**  
"The future day"

In 2021, Gränges Finspång arranged "The future day" with active participation from all employees. The purpose of the activity was to focus on employeeship and how each employee can contribute to the development and strategic direction of the company focusing on increasing knowledge of the company's 2025 targets, company culture, and core values.

Important diversity aspects for Gränges include gender equality as well as ethnic diversity, where the latter aspect is mainly applicable for Gränges Americas. In line with the company's global Diversity Policy, no employee should experience discrimination based on gender, age, world view, background, sexual orientation, ethnicity, physical ability, or similar.

**The strive for gender balance**

Improving the gender balance in the total workforce and among senior management is a key priority across the organization. The company aims to expand the number of women both in blue-collar and white-collar positions and strives to further develop and provide career opportunities for women and to build a larger internal pipeline of women candidates when recruiting to senior management positions.

Gränges sees clear challenges connected to improving the gender balance including for example low employee turnover rates in some regions and high turnover rates in other regions, operating in rural areas where it may be more challenging to find the right competence, as well as operating in countries where gender roles largely are traditional. The company has also experienced a reduced workforce in some production facilities due to weaker market conditions.

**Actions to be aware of biases**

Gränges manages diversity and inclusion matters mainly on a local level, but group-wide principles lay the foundation for prioritized activities. The company for example has a principle to have at least one woman in the final interview round of each recruitment process, and in cases where there are few or no women applicants, the recruitment process is expanded to a broader search. Other principles include to conduct structured termination interviews to follow-up gender related issues, to map and analyse response gaps between men and women in the employee survey, and to offer awareness activities to increase employees' understanding and identify potential diversity biases.

Gränges Finspång performs annual gender-related disparity pay analysis and in 2021 it was confirmed that a few non-objective gaps were identified which were instantly corrected.

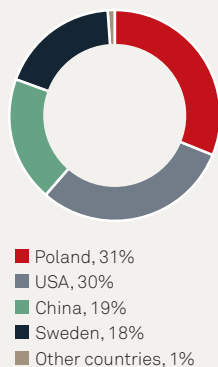
**EMPLOYEE WELLBEING**

**Promoting health and wellbeing**

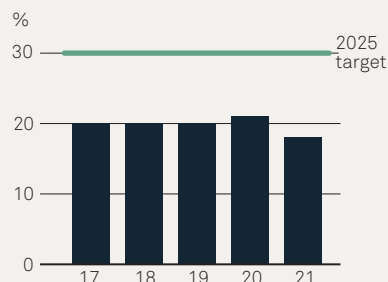
Having engaged and healthy employees is a prerequisite for an innovative, competitive, and productive organization, and mismanagement can lead to significant cost implications both for Gränges and its employees. Gränges follows up on employees' general motivation and wellbeing via the annual performance and development discussion, and the company also conducts employee surveys every two years to track status. The last employee survey was conducted in 2020.

As a result of the COVID-19 pandemic, Gränges has enforced its focus on employee wellbeing. Actions include flexible and remote work options, travelling guidelines and updated meeting policies. To further promote health and wellbeing, Gränges offers occupational health services on- and off site, for example flexible work options, first-aid care, wellness grants, support to employees who have recurrent illnesses, regular health checks, and access to medical care at licensed medical providers. Gränges also offers non-occupational support such as dietary advice, stress reduction and mental health. Gränges maintains the confidentiality of all personal health-related information and keeps medical information and journals in compliance with local legislation.

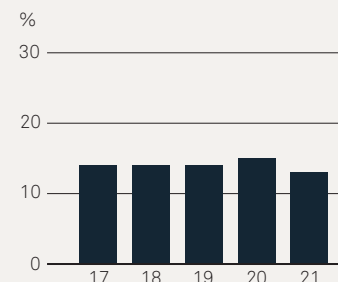
**Average number of employees per country, 2021**



**Women in senior management, 2017–2021**



**Women in total workforce, 2017–2021**



Note: 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy.

# Ethical business practices

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 never accepts corruption and will always act rapidly, stringently, and vigorously if discovering corruption or unethical behaviour.



## ETHICS AND ANTI-CORRUPTION

### Global Code of Conduct

Gränges' global Code of Conduct outlines ethical principles and gives guidance to employees on how to act and conduct business responsibly. The Code of Conduct is available in local languages and applies to all employees and board members, temporary staff, intermediaries, agents, or others acting on behalf of Gränges. The Code of Conduct is based on international standards<sup>1)</sup> on human rights, labour 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, as well as definitions and links to other policies. In 2021, Gränges launched a Polish and French version of the Code of Conduct.

### Counteracting corruption

Gränges' principles and efforts to prevent bribery and other types of corruption are summarized in the global Anti-Corruption Policy. As corruption can prevent economic development, distort competition, increase costs, and damage confidence and reputation, Gränges has zero tolerance and will always act rapidly, stringently, and vigorously on discovering corruption or unethical behaviour. It would be costly for Gränges as a company as well as for individuals and could lead to imprisonment and fines. Gränges also requires that significant suppliers<sup>2)</sup> commit to principles about prohibition of corruption, bribery, and improper benefits as outlined in the company's Supplier Code of Conduct or an equivalent standard. Read more on page 35.

### Annual trainings

To ensure effective implementation of the Code of Conduct and Anti-Corruption Policy, and in line with Gränges' 2025 targets, the company conducts annual trainings covering all employees, Gränges' Board of Directors as well as contracted workers.

The trainings, which are updated annually, combine facts and guidelines with practical ethical dilemmas.

### Detecting irregularities

Gränges has an externally managed Whistleblower function which can be accessed via the company's intranet, the external website or by telephone. The function aims to detect irregularities that may seriously harm Gränges' business or employees, and it enables employees and external business partners to provide information anonymously and without fear of retaliation. By quickly uncovering and remediating irregularities, Gränges is in a better position to deal with the underlying causes before they become unmanageable. Gränges takes great consideration of the protection of personal privacy and handles submitted information in line with applicable legislation and regulation.

In 2021, there were two cases (eight) reported through the Whistleblower function whereof one related to internal working conditions and the other one is under investigation. No case qualified as a whistleblower case in line with the GDPR regulation on storing and processing of personal data. No confirmed corruption incidents were detected and no business contracts were breached or not renewed due to corruption.

### Ensuring effective implementation

Gränges regularly conducts internal audits of its local businesses, including effective implementation of policies such as the Code of Conduct, Supplier Code of Conduct and the Anti-Corruption Policy. The internal audit programme includes criteria to ensure awareness of the policies and the Whistleblower function, that relevant participants have conducted training in the Code of Conduct and anti-corruption and verifies that the Supplier Code of Conduct has been implemented and signed by suppliers.

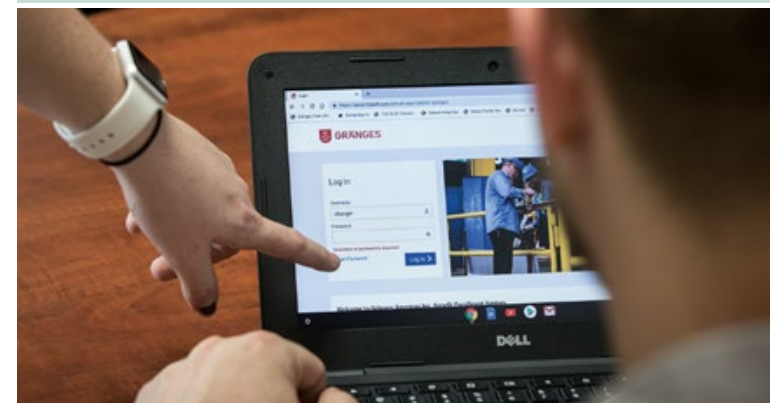
In 2021, one internal audit was conducted in Gränges Konin. If needed, Gränges also engages a third-party to conduct due diligence. No due diligence was performed in 2021.

## >> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2021 (2020) performance <sup>1)</sup>
Code of Conduct training, % of employees	100	100 (100)
Anti-corruption training, % of white-collar employees	100	100 (100)

1) 2020 excludes Gränges Konin and Gränges Powder Metallurgy.

**Comment:** In 2021, 100 per cent of all employees conducted the group-wide Code of Conduct training and 100 per cent of all white-collar employees conducted the anti-corruption training. A combination of online, classroom, and individual training was used.



1) UN Global Compact, UN Universal Declaration of Human Rights, Sustainable Development Goals, and the OECD Guidelines for Multinational corporations.  
2) All metal suppliers and other suppliers with a purchase value above SEK 5 million or equivalent in local currency.

# Sustainability notes

## About Gränges' sustainability report

The sustainability information in this report relates to the financial year 2021 and covers all fully owned operations of the Group at the start of 2021. Refer to page 110 for a list of group companies. Gränges Konin and Gränges Powder Metallurgy are excluded in historical data as the companies were fully acquired in 2020. As of 2021, sustainability data is presented by business area to align with financial reporting. The statutory sustainability report according to the Swedish Annual Accounts Act has been issued by Gränges' Board of Directors, read more on page 55.

The sustainability information has been prepared in accordance with GRI Standards: Core option and constitutes Gränges' Communication on Progress in line with UN Global Compact guidelines. Environmental data related to carbon emissions intensity and share of sourced aluminium scrap has been externally assured by the company's auditors EY. The rest of the report and its content have not been externally assured. GRI's guidance on the reporting principles of materiality, stakeholder inclusiveness, sustainability context, and completeness, has been used to define the content of the report.

Gränges has published a sustainability report each year since 2015. The company's last sustainability report was published on 18 March 2021. Gränges intends to continue to publish a report annually.

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## Sustainability governance

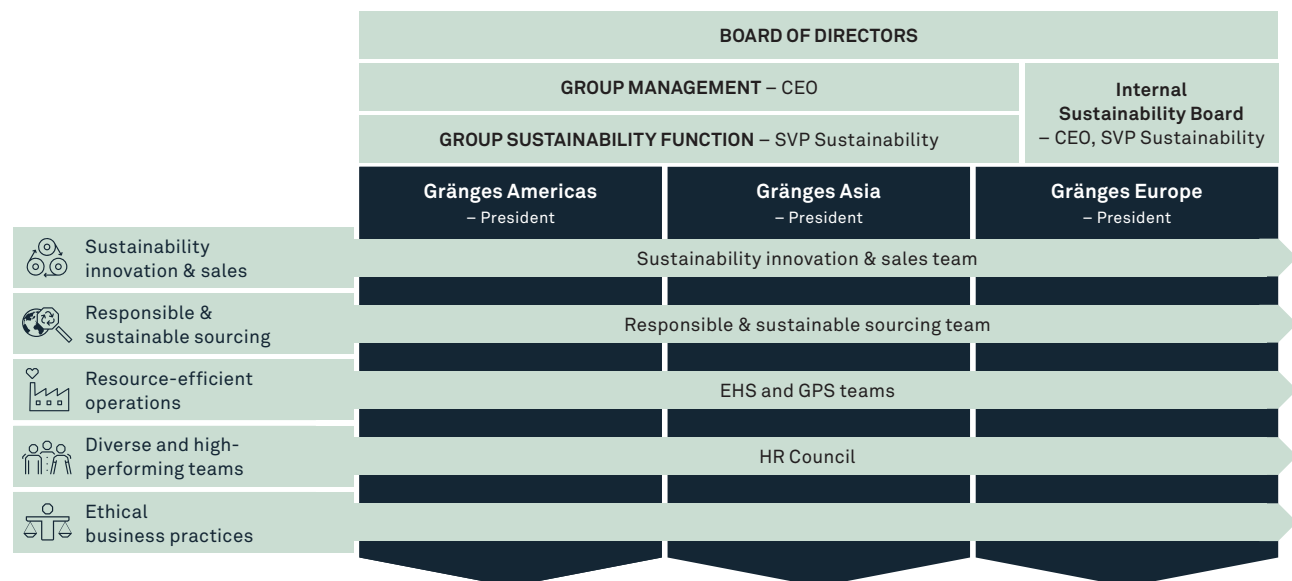
Gränges' sustainability efforts are led by Group Management, which includes the SVP Sustainability as of 1 April 2021. Group Management ensures that Gränges' global sustainability strategy, long-term targets and policies are aligned with the company's vision and strategy. Group Management also reviews and monitors regional sustainability performance against sustainability targets, as well as makes decisions related to global sustainability priorities.

The Group Sustainability department, headed by the SVP Sustainability, is responsible for coordinating, facilitating, and driving the 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 regional Presidents are responsible for executing and implementing local sustainability strategies and targets, aligned with the global strategy and the local needs.

At the end of 2021, Gränges established an internal Sustainability Board to ensure a systematic follow-up of Gränges' sustainability strategy execution at all regions and sites. This internal Board is chaired by the SVP Sustainability and is also represented by the CEO.

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.

To ensure integration of sustainability aspects into key functions such as Purchasing, Sales, Production and Human Resources, as well as to coordinate group-wide priorities and ensure best practice sharing across the organization, Gränges has established cross-regional teams which meet regularly and where all regions are represented.





## Stakeholder dialogue

Gränges seeks to establish long-term and transparent dialogues with its stakeholders. Stakeholder inclusiveness is a priority for Gränges, and the company maintains an ongoing dialogue with its stakeholders to ensure it meets their expectations. As part of the sustainability reporting process, Gränges engages selected stakeholders in a structured dialogue to identify key sustainability topics and reporting content. The key issues raised in the stakeholder dialogue constitute the main parts of the company's materiality assessment and reporting. Gränges has identified five main stakeholder groups to include in the stakeholder dialogue: customers, employees, investors, society, and suppliers.

Gränges conducted a comprehensive and structured stakeholder dialogue in 2016 (China and Sweden) and 2017 (the US). The company used a web-based survey which aimed to help identify which sustainability topics were most important to Gränges' stakeholders. Topics included in the survey were identified through analysis of industry standards, sustainability reporting frameworks, and topics previously raised by stakeholders. Respondents could also raise additional sustainability issues in the survey. In total, 439 respondents from different stakeholder groups responded to the survey and provided input to Gränges' materiality analysis. Gränges also conducted follow-up interviews with a selection of stakeholders to better understand more their expectations.

In line with the process 2018–2020, Gränges in 2021 conducted structured interviews with representatives from different stakeholder groups with the aim to better understand their perceptions of Gränges' sustainability report, sustainability efforts and to validate that the company reports on relevant and prioritized sustainability topics. Gränges also asked stakeholders about their future expectations on the company from a sustainability perspective. In summary, Gränges received positive feedback on both the report and the sustainability efforts. Expectations on future efforts were for example to intensify communication about sustainable products and future opportunities and, quantify the contribution to the green transition. Input from stakeholders have been integrated into this 2021 Annual and Sustainability report.

Stakeholder group	Dialogue forum	Key sustainability topics for stakeholders	Page
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer survey</li> <li>• Fairs, seminars</li> <li>• Ongoing dialogue</li> <li>• Questionnaires from customers</li> <li>• Stakeholder surveys and in-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Sustainable innovation</li> <li>• Energy and emissions</li> <li>• Health and safety</li> <li>• Product stewardship</li> <li>• Aluminium scrap and raw materials</li> <li>• Supplier assessments</li> </ul>	33–34 33 38, 31–32, 126–128 40, 42, 130, 132 34, 124 35–37, 125 35, 124
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Annual performance reviews</li> <li>• Employee surveys every two years</li> <li>• Internal trainings</li> <li>• Intranet communication</li> <li>• Stakeholder surveys and in-depth interviews</li> <li>• Workplace meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity and equality</li> <li>• Emissions to air and water</li> <li>• Ethics and anti-corruption</li> <li>• Gränges' workplace</li> <li>• Health and safety</li> <li>• Product stewardship</li> <li>• Supplier assessments</li> </ul>	41–42, 132 31–32, 39, 127–129 43, 133 41–42, 131–132 40, 42, 130, 132 34, 124 35, 124
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual and quarterly reports</li> <li>• Capital markets days</li> <li>• Quarterly conference calls</li> <li>• Investor and analyst seminars and meetings</li> <li>• Press releases</li> <li>• Stakeholder surveys and in-depth interviews</li> <li>• Sustainability questionnaires from ESG data providers</li> <li>• Gränges' website</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Economic performance</li> <li>• Sustainable innovation</li> <li>• Energy and emissions</li> <li>• Ethics and anti-corruption</li> <li>• Gränges' workplace</li> <li>• Product stewardship</li> <li>• Aluminium scrap and raw materials</li> <li>• Supplier assessments</li> </ul>	33–34 2, 70–112 33 38, 31–32, 126–128 43, 133 41–42, 131–132 34, 124 35–37, 125 35, 124
<b>Society</b>	<ul style="list-style-type: none"> <li>• Collaboration with universities and schools</li> <li>• Interns and student dissertations</li> <li>• Local cooperation, ongoing dialogue</li> <li>• Participation in networks and working groups</li> <li>• Stakeholder surveys and in-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Community involvement</li> <li>• Energy and emissions</li> <li>• Health and safety</li> </ul>	<a href="http://www.granges.com/sustainability">www.granges.com/sustainability</a> 38, 31–32, 126–128 40, 42, 130, 132
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Ongoing dialogue</li> <li>• Stakeholder surveys and in-depth interviews</li> <li>• Supplier assessments</li> <li>• Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Economic performance</li> <li>• Energy and emissions</li> <li>• Ethics and anti-corruption</li> <li>• Health and safety</li> <li>• Aluminium scrap and raw materials</li> <li>• Purchasing processes</li> </ul>	33–34 2, 70–112 38, 31–32, 126–128 43, 133 40, 42, 130, 132 35–37, 125 35–36, 124–125

## Materiality analysis and topic boundaries

In 2021, Gränges validated its selection of material topics using input from the in-depth interviews described on page 119. Gränges' decision from 2018 to prioritize sustainability topics across five sustainability

pillars was in 2021 assessed to be valid and relevant with the addition of waste as a new material topic. The topic sourced aluminium scrap was expanded and renamed to sourced metals to include both aluminium scrap and primary aluminium.

### Gränges' material topics and their boundaries

Gränges' sustainability pillar	Gränges' material topics	Corresponding GRI Standards topic	Impact occurs in/at Gränges'			Page
			Suppliers	Operations	Customers	
<b>Sustainable innovation and sales</b>	Sustainable innovation	–		x	x	33
	Product stewardship	–	x	x	x	34, 124
<b>Responsible and sustainable sourcing</b>	Responsible sourcing	Supplier environmental assessment Supplier social assessment	x			35–36, 124–125
	Sourced metals	Materials	x	x	x	37, 125
<b>Resource-efficient operations</b>	Emissions and climate impact	Emissions	x	x	x	31–32, 127–128
	Energy	Energy	x	x		38, 126
	Waste management	Waste		x	x	39, 128
	Water management	Water	x	x		39, 129
	Workplace safety	Occupational health and safety		x		40, 130
<b>Diverse and high-performing teams</b>	Employee wellbeing			x		42, 132
	Diversity and inclusion	Diversity and equal opportunity		x		41–42, 132
<b>Ethical business practices</b>	Career and leadership	Training and education		x		41, 131
	Ethics and anti-corruption	Anti-corruption	x	x	x	43, 133

Note: Some topic names have been slightly adjusted in 2021.

## External initiatives and memberships

Gränges participates in the following industry initiatives: Aluminium Association, Aluminium Stewardship Initiative, Big Science Sweden, China Nonferrous Metals Industry Association, Confederation of Swedish Enterprise, European Aluminium, European Aluminium Foil Association, Global Aluminium Foil Roller Initiative, Economic Chamber of Non-Ferrous Metals and Recycling, the Polish Aluminium Association, Nonferrous metals Society of Shanghai, Shanghai Aluminium Trade Association, Scandinavian Automotive Supplier Association, and Svenskt Aluminium.

Gränges' operations 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.

Gränges supports international standards on human rights, labour 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), read more on page 121.

## 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 evaluation and recognition within sustainability.

Aluminium Stewardship Initiative (ASI): Gränges Finspång and Gränges Shanghai have achieved certifications against the ASI Performance Standard (Shanghai: July 2019, Finspång: February 2021) and the ASI Chain of Custody Standard (Finspång: November 2021, Shanghai: January 2022). These certifications demonstrate that Gränges' products are responsibly and sustainably sourced and produced.

EcoVadis: Gränges achieved a Platinum award in the 2021 EcoVadis sustainability ranking, placing Gränges among the leading 1 per cent of companies assessed globally in the industry 'Manufacture of basic precious and other non-ferrous metals'.

CDP: Gränges responded to CDP's Climate change questionnaire for the first time in 2021 and achieved a B score.

MSCI: Gränges received an AA rating in the MSCI ESG Ratings assessment 2021, which positions Gränges among the top 8 per cent companies in the Metals and Mining sector (Non-Precious Metals).<sup>1)</sup> MSCI ESG Ratings are provided 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.

Sustainalytics: Gränges achieved an overall risk rating of 20.3 (Medium) in Sustainalytics' ESG Risk Rating Report 2021.<sup>2)</sup> This rating placed the company as the number 1 among 33 aluminium companies and number 2 among 161 metal companies

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# Sustainable development goals

Gränges helps to fulfil the 2030 Agenda and Sustainable Development Goals (SDGs). In the table below, those SDGs that have been identified as most relevant for Gränges' business and where the company has its largest contributions and impacts, are outlined.

UN SDG number and applicable targets	UN SDG name	Gränges' contributions to the UN SDGs	Gränges' material topics
 3.8 3.9	<b>Good health and wellbeing</b>	<ul style="list-style-type: none"> <li>Gränges works to attract and safeguard competent employees and ensure proper working conditions, including access to essential health care services and medicines.</li> <li>Gränges strives to minimize employee exposure to chemicals, and performs chemical risk assessments using a precautionary principle, to ensure employees use alternatives that are as safe and environmentally sound as possible.</li> </ul>	<ul style="list-style-type: none"> <li>Employee wellbeing</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges works to attract and retain a skilled workforce and works closely with universities etc. to give students access to the corporate environment.</li> <li>Gränges works to develop competencies that enhance both individual and organizational performance. As part of the annual performance and development discussion, each employee and their direct manager decide on individual training and development.</li> </ul>	<ul style="list-style-type: none"> <li>Career and leadership</li> </ul>
 4.4	<b>Quality education</b>	<ul style="list-style-type: none"> <li>Gränges works to attract and retain a skilled workforce and works closely with universities etc. to give students access to the corporate environment.</li> <li>Gränges works to develop competencies that enhance both individual and organizational performance. As part of the annual performance and development discussion, each employee and their direct manager decide on individual training and development.</li> </ul>	<ul style="list-style-type: none"> <li>Career and leadership</li> </ul>
 5.1 5.5	<b>Gender equality</b>	<ul style="list-style-type: none"> <li>Gränges works to promote equal opportunities, diversity and gender equality and has articulated a 2025 target to have at least 30 per cent women in senior management.</li> <li>Gränges' operations in Finspång annually performs a gender-related disparity pay analysis to find any non-objective gaps.</li> <li>Gränges works to promote an open and non-discriminatory workplace in its supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges works to reduce emissions to both air and water. The company has set a 2025 target to implement local water management plans based on local water conditions (quality, quantity and governance) at all production sites. Such plans should include local targets and actions to address water-related impacts, including water efficiency improvement.</li> <li>Gränges works to put in place mechanisms to identify water risks throughout the global supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible sourcing</li> <li>Water management</li> </ul>
 6.3 6.4 6.5	<b>Clean water and sanitation</b>	<ul style="list-style-type: none"> <li>Gränges works to reduce emissions to both air and water. The company has set a 2025 target to implement local water management plans based on local water conditions (quality, quantity and governance) at all production sites. Such plans should include local targets and actions to address water-related impacts, including water efficiency improvement.</li> <li>Gränges works to put in place mechanisms to identify water risks throughout the global supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible sourcing</li> <li>Water management</li> </ul>
 7.2 7.3	<b>Affordable and clean energy</b>	<ul style="list-style-type: none"> <li>Gränges has initiated efforts to increase the share of renewable energy in its operations and to promote the topic in its supply chain, as this is a way to reduce the supply chain carbon footprint. The company has a target to increase renewable energy to at least 20 per cent to 2025.</li> <li>Gränges works to improve energy intensity and has a target to reduce energy intensity by 17 per cent to 2025 compared with 2017.</li> </ul>	<ul style="list-style-type: none"> <li>Energy</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges works to improve resource efficiency in its operations through energy and materials efficiency, reduce and reuse waste as well as increased use of aluminium scrap.</li> <li>Gränges works to ensure full employment and decent work with equal pay, and to ensure a working environment that promotes high safety standards.</li> <li>Gränges works to put in place mechanisms to identify social risks throughout the global supply chain, including human rights (forced labour, child labour etc.) and working conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Career and leadership</li> <li>Diversity and inclusion</li> <li>Responsible sourcing</li> <li>Sourced metals</li> <li>Waste management</li> <li>Workplace safety</li> </ul>
 8.4 8.5 8.7 8.8	<b>Decent work and economic growth</b>	<ul style="list-style-type: none"> <li>Gränges works to improve resource efficiency in its operations through energy and materials efficiency, reduce and reuse waste as well as increased use of aluminium scrap.</li> <li>Gränges works to ensure full employment and decent work with equal pay, and to ensure a working environment that promotes high safety standards.</li> <li>Gränges works to put in place mechanisms to identify social risks throughout the global supply chain, including human rights (forced labour, child labour etc.) and working conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Career and leadership</li> <li>Diversity and inclusion</li> <li>Responsible sourcing</li> <li>Sourced metals</li> <li>Waste management</li> <li>Workplace safety</li> </ul>
<ul style="list-style-type: none"> <li>Gränges works to develop sustainable products and solutions. The company works to leverage properties of aluminium (lightweight, recyclable etc.) to enable transition to low-carbon and efficient automotive applications (increase fuel efficiency in vehicles) and in other industries such as HVAC.</li> </ul>		<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> </ul>	
 9.4	<b>Industry, innovation and infrastructure</b>	<ul style="list-style-type: none"> <li>Gränges works to develop sustainable products and solutions. The company works to leverage properties of aluminium (lightweight, recyclable etc.) to enable transition to low-carbon and efficient automotive applications (increase fuel efficiency in vehicles) and in other industries such as HVAC.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> </ul>

UN SDG number and applicable targets	UN SDG name	Gränges' contributions to the UN SDGs	Gränges' material topics
 10.3	<b>Reduced inequalities</b>	<ul style="list-style-type: none"> <li>Gränges works to ensure equal opportunities and to eliminate discrimination among its workforce. This is followed up by for example employee surveys every second year.</li> <li>Gränges works to promote an open and non-discriminatory workplace in its supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Responsible sourcing</li> </ul>
 11.6	<b>Sustainable cities and communities</b>	<ul style="list-style-type: none"> <li>Gränges works to leverage the sustainability properties of aluminium (lightweight, recyclable etc.) and develops HVAC solutions that contribute to energy efficient and sustainable buildings.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> </ul>
 12.2 12.4 12.5 12.6	<b>Responsible consumption and production</b>	<ul style="list-style-type: none"> <li>Gränges works to improve material efficiency and recycling rates and to minimize harmful emissions and waste. The company performs chemical substance hazard analysis and substitutes chemicals to reduce exposure to personnel.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> <li>Responsible sourcing</li> <li>Sourced metals</li> <li>Waste management</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges integrates sustainability information into its reporting cycle and publishes an annual sustainability report.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> <li>Responsible sourcing</li> <li>Sourced metals</li> <li>Waste management</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges works to ensure sustainable procurement practices and traceable practices in the supply chain. The company works to promote and improve product life-cycle sustainability performance.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> <li>Responsible sourcing</li> <li>Sourced metals</li> <li>Waste management</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges works to develop innovative products that can reduce energy needs in usage.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Product stewardship</li> <li>Responsible sourcing</li> <li>Sourced metals</li> <li>Waste management</li> </ul>
 13.1 13.3	<b>Climate action</b>	<ul style="list-style-type: none"> <li>Gränges works to counteract climate change throughout the value chain. With regards to its own operations, Gränges works to improve energy efficiency and has initiated efforts to increase use of renewable energy.</li> <li>Gränges develops sustainable products aimed at improving customers' and end-users' energy efficiency.</li> <li>Gränges works to understand the climate risks and build resilience into the company's operations and supply chain.</li> <li>Gränges has set a 2025 target to reduce carbon emissions intensity from own operations and purchased energy (scope 1+2) by 25 per cent versus 2017 and to reduce carbon emissions intensity from sourced metal inputs (scope 3) by at least 30 per cent to 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable innovation</li> <li>Emissions and climate impact</li> <li>Energy</li> <li>Responsible sourcing</li> </ul>
		<ul style="list-style-type: none"> <li>Gränges has zero tolerance for bribery and other types of corruption in its operations, and has set a 2025 target that white-collar employees are to be trained each year.</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and anti-corruption</li> </ul>
 16.5	<b>Peace, justice and strong institutions</b>	<ul style="list-style-type: none"> <li>Gränges has zero tolerance for bribery and other types of corruption in its operations, and has set a 2025 target that white-collar employees are to be trained each year.</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and anti-corruption</li> </ul>
 17.16	<b>Partnerships for the goals</b>	<ul style="list-style-type: none"> <li>Gränges has been a signatory of the UN Global Compact since 2016, and collaborates with industry associations and local community networks to support and enhance the partnership for sustainable development.</li> <li>Gränges works to promote and improve the sustainability performance (life-cycle perspective) of aluminium through value chain collaboration. One example is Gränges' participation in Aluminium Stewardship Initiative (ASI).</li> </ul>	<ul style="list-style-type: none"> <li>Product stewardship</li> <li>Responsible sourcing</li> </ul>

## EU Taxonomy

In 2021, Gränges conducted an analysis together with an external advisor to identify eligible economic activities for the currently adopted environmental objectives climate change mitigation and climate change adaptation. The company has identified 'Manufacture of aluminium through secondary aluminium recycling', to be an eligible activity, which is part of the economic activity 3.8. Manufacture of aluminium.

SEK million		Proportion of taxonomy-eligible economic activities (%)	Proportion of taxonomy non-eligible economic activities (%)
<b>Turnover</b>	18,130	28	72
<b>Capex</b>	925	27	73
<b>Opex</b>	614	28	72

To calculate the proportion of taxonomy eligible economic activities and related turnover, Capex and Opex, Gränges has used the share of aluminium scrap as a proxy.

**Turnover:** Gränges has calculated the proportion of taxonomy eligible economic activities as share of sourced aluminium scrap in relation to net sales of goods as presented in the consolidated income statement.

**Capex:** Gränges has calculated the proportion of taxonomy eligible economic activities as share of sourced aluminium scrap in relation to Capex related to manufacturing. This includes the total of business combinations and acquisitions for intangible assets, property, plant and equipment and right-of-use-assets.

**Opex:** Gränges has calculated the proportion of taxonomy eligible economic activities as share of sourced aluminium scrap in relation to Opex related to manufacturing. This includes the total of repair and maintenance expenses, R&D costs, short-term leases and leases of low-value.

## Sustainability-Linked Bond

On 23 September 2021, Gränges successfully issued a five-year SEK 600 million senior unsecured Sustainability-Linked Bond under the company's MTN programme. The new bond is due in 2026 and has a coupon of three months Stibor + 1.20 per cent. 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 per cent by 2025 compared to 2017.

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

SPT 3: Increase the share of aluminium scrap to at least 30 per cent of total sourced metal inputs by 2025.<sup>1)</sup>

Target	KPI	2021	2020	2019	2018	2017
<b>SPT 1</b>	Total carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO <sub>2</sub> e/tonne	0.88	0.83	0.82	0.76	0.81
<b>SPT 2</b>	Total carbon emissions intensity from sourced metal inputs (scope 3), tonnes CO <sub>2</sub> e/tonne	8.4	9.6	10.5	11.2	11.9
<b>SPT 3</b>	Share of aluminium scrap of total sourced metal inputs, %	28.5	22.5	19.8	16.7	11.5

Total carbon emissions intensity from own operations and purchased energy (scope 1+2) amounted to 0.88 tonnes CO<sub>2</sub>e/tonne in 2021. Excluding Gränges Konin and Gränges Powder Metallurgy, the intensity was reduced by 11 per cent to 0.73 (0.83). Gränges has now reduced carbon intensity (scope 1+2) by 8 per cent compared to baseline 2017.<sup>2)</sup>

Total carbon emissions intensity from sourced metal inputs (scope 3) amounted to 8.4 tonnes

CO<sub>2</sub>e/tonne in 2021. Excluding Gränges Konin and Gränges Powder Metallurgy, the intensity was reduced by 3 per cent to 9.3 (9.6). Gränges has now reduced carbon intensity (scope 3) by 20 per cent compared to baseline 2017.<sup>2)</sup>

The share of sourced aluminium scrap reached 28.5 per cent in 2021. Excluding Gränges Konin and Gränges Powder metallurgy, the share increased by 2.5 percentage points to 25.0 (22.5).

<sup>1)</sup> Recycled aluminium has been renamed to aluminium scrap.

<sup>2)</sup> Baseline 2017 has been recalculated to include Gränges Konin. Updated numbers for baseline 2017 are 0.96 for SPT1 and 10.5 for SPT2. The table above shows reported figures, where 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy.

## Sustainability performance summary

	Target 2025	2021	2020	2019	2018	2017	Note
<b>Sustainable innovation</b>							
Products with third-party verified sustainability information available, %	100	35	19	-	-	-	1
<b>Responsible and sustainable sourcing</b>							
Significant suppliers <sup>1)</sup> , number	-	240	140	158	143	116	2
Significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % of purchase value	100	98	97	99	98	-	2
Significant suppliers with a third-party verified sustainability assessment, number	-	33	25	-	-	-	2
On-site supplier audits, number	-	24	5	7	10	-	2
Aluminium scrap of total sourced metal inputs, %	≥30	28.5	22.5	19.8	16.7	11.5	3
Renewable energy, %	≥20 <sup>5)</sup>	15	13	8	9	9	4
Carbon emissions intensity from sourced metal inputs (scope 3), % reduction vs baseline 2017	-30 <sup>5)</sup>	-20	-20	-12	-6	-	5
ASI Performance Standard/Chain of Custody certification, number of sites	All	2/2	1/0	0/0	0/0	0/0	-
<b>Resource-efficient operations</b>							
<i>Environmental indicators</i>							
Total energy use, GWh	-	1,703	1,220	1,216	1,231	1,236	4
Energy intensity, % reduction vs baseline 2017	-17 <sup>5)</sup>	5	10	7	-1	-	4
Carbon emissions intensity from own operations and purchased energy (scope 1+2), % reduction vs baseline 2017	-25 <sup>5)</sup>	-8	3	1	-6	-	5
Water withdrawal, thousand m <sup>3</sup>	-	4,176	2,864	3,203	3,468	3,346	7
Local water management plans, number of sites	All	3/7	2/5	0/5	0/5	0/5	7
<i>Workplace safety indicators</i>							
Recordable workplace accidents, number	-	35	20	17	23	28	8
Lost workday cases, number	-	22	11	10	14	14	8
Fatalities, number	-	0	0	0	0	0	8
Total Recordable Rate, number of recordable accidents per million hours worked	≤3.0	6.5	5.5	4.4	6.1	7.8	8
Severity Rate, number of lost workdays per million hours worked	≤50	139	109	142	165	112	8

	Target 2025	2021	2020	2019	2018	2017	Note
<b>Diverse and high-performing teams</b>							
Employees on average <sup>2)</sup> , number	-	2,648	1,647	1,797	1,699	1,568	-
Employees at year end <sup>3)</sup> , number	-	2,712	1,774	1,782	1,803	1,637	9
Employees with permanent contract, %	-	96	98	97	95	-	9
Employees with temporary contract, %	-	4	2	3	5	-	9
Full-time employees, %	-	100	100	100	100	-	9
Part-time employees, %	-	0	0	0	0	-	9
White-collar employees, %	-	26	30	31	30	31	9
Blue-collar employees, %	-	74	70	69	70	69	9
Employees receiving annual performance and development discussion, %	100	67	100	100	99	-	10
Women in Board of Directors/ Group Management <sup>3)</sup> , %	-	43/20	43/14	43/13	43/13	50/13	11
Women among senior management <sup>3)</sup> , %	≥30	18	21	20	20	20	11
Women in total workforce <sup>3)</sup> , %	-	13	15	14	14	14	11
Employee engagement index, 0–100	≥85	-	78	-	77	-	12
Sick-leave <sup>2)</sup> , %	-	3.7	2.0	1.6	1.6	2.0	12
Employee turnover <sup>2)</sup> , %	-	18.7	16.0	11.8	9.1	7.4	12
Employees covered by collective bargaining agreements, %	-	78	68	68	70	70	-
<b>Ethical business practices</b>							
Employees trained in Gränges' Code of Conduct, %	100	100	100	99	99	-	13
Employees trained in anti-corruption, % white collar	100	100	100	100	-	-	13
Incidents related to corruption, number	-	0	0	0	0	0	13

Note: 2017–2020 exclude Gränges Konin and Gränges Powder Metallurgy.

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

2) Expressed as full-time positions.

3) Expressed as headcount on December 31.

4) Employees eligible to participate in Gränges' long-term incentive (LTI) programme.

5) Versus baseline 2017, recalculated to include Gränges Konin.

## Notes

### >> 1 Product stewardship

**Comment:** In 2021, Gränges Shanghai developed and implemented a local version of Gränges' life-cycle and carbon footprint assessment tool to enable declarations of environmental impacts on a product level, starting with the products' carbon footprint. The tool has previously been implemented in Gränges Finspång. This means that in total, 35 per cent of Gränges' products had verified sustainability information available in 2021. Excluding Gränges Konin and Gränges Powder Metallurgy, the corresponding figure was 43 per cent (19).

**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 aspects. 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: <https://www.granges.com/sustainability/sustainable-innovation-and-sales/>. 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 Gränges Eurasia. Data is not available for 2019 since the project was initiated at the end of the year. Numbers for 2020 do not include Gränges Konin and Gränges Powder Metallurgy.

*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.

**Long-term target:** Gränges' 2025 target is that 100 per cent of its products have third-party verified sustainability information available.

#### Products with third party verified sustainability information

%	2021	2020	2019
<b>Gränges Eurasia</b>	<b>65</b>	<b>48</b>	<b>–</b>
Finspång	100	100	–
Konin	0	0	–
Shanghai	100	0	–
<b>Gränges Americas</b>	<b>0</b>	<b>0</b>	<b>–</b>
<b>Gränges total</b>	<b>35</b>	<b>19</b>	<b>–</b>

### >> 2 Responsible sourcing

#### Significant suppliers

Significant suppliers, number	2021	2020	2019
<b>Gränges Eurasia</b>	<b>143</b>	<b>55</b>	<b>52</b>
Finspång	42	32	33
Konin	67	–	–
Shanghai	21	13	14
<b>Gränges Americas</b>	<b>97</b>	<b>85</b>	<b>106</b>
<b>Gränges total</b>	<b>240</b>	<b>140</b>	<b>158</b>

#### Supplier Code of Conduct commitments

Significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % purchase value

	2021	2020	2019
<b>Gränges Eurasia</b>	<b>97</b>	<b>94</b>	<b>98</b>
Finspång	100	93	100
Konin	97	–	–
Shanghai	97	97	97
<b>Gränges Americas</b>	<b>99</b>	<b>100</b>	<b>100</b>
<b>Gränges total</b>	<b>98</b>	<b>97</b>	<b>99</b>

#### Supplier audits

Audits conducted among significant suppliers, number

	2021	2020	2019
<b>Gränges Eurasia</b>	<b>23</b>	<b>4</b>	<b>7</b>
Finspång	5	0	2
Konin	7	–	–
Shanghai	11	4	5
<b>Gränges Americas</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Gränges total</b>	<b>24</b>	<b>5</b>	<b>7</b>

## » CONT. NOTE 2

**Comment:** In 2021, 218 suppliers, corresponding to 98 per cent of the total purchase value from significant suppliers, 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. Excluding Gränges Konin and Gränges Powder Metallurgy, this corresponds to 158 suppliers (127) and 98 per cent (97) respectively. In 2021, 33 of Gränges' significant suppliers had a third-party verified desk-top sustainability assessment available. Gränges also conducted 24 on-site supplier audits in 2021, of which 2 suppliers were new. Excluding Gränges Konin and Gränges Powder Metallurgy, the number was 17 (5). Supplier audits are conducted periodically depending on suppliers' strategic importance and results from supplier performance assessments, and they mainly focus on ensuring compliance with Gränges' quality and delivery requirements. In total, 16 significant suppliers were added to the supplier base in 2021 and will be included in the annual responsible sourcing process from 2022. Excluding Gränges Konin and Gränges Powder Metallurgy this corresponds to 10 suppliers (4).

**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 Powder Metallurgy is included in the data for Gränges Eurasia. Numbers for 2019 and 2020 do not include Gränges Konin and Gränges Powder Metallurgy.

*Significant supplier* is defined as all metal suppliers (suppliers of primary ingots, purchased slabs, aluminium scrap, 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 value has been converted to SEK using average currency rates for 2021.

**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.

**Long-term target:** Gränges' 2025 target is that 100 per cent of significant suppliers are committed to Gränges' Supplier Code of Conduct or equivalent standard.

## » 3 Sourced metals

**Weight of sourced metal inputs**

ktonnes	2021	2020	2019
Primary aluminium	363.9	272.7	287.8
Aluminium scrap	150.4	81.4	72.9
Alloys	14.3	7.5	7.8
<b>Gränges total</b>	<b>528.7</b>	<b>361.7</b>	<b>368.4</b>

**Weight of sourced aluminium scrap**

ktonnes	2021	2020	2019
<b>Gränges Eurasia</b>	<b>58.7</b>	<b>11.2</b>	<b>14.8</b>
Finspång	10.2	7.6	12.3
Konin	43.9	–	–
Shanghai	4.7	3.6	2.5
<b>Gränges Americas</b>	<b>91.7</b>	<b>70.3</b>	<b>58.0</b>
<b>Gränges total</b>	<b>150.4</b>	<b>81.4</b>	<b>72.9</b>

**Share of sourced aluminium scrap**

Aluminium scrap of total sourced metal inputs, %	2021	2020	2019
<b>Gränges Eurasia</b>	<b>20.0</b>	<b>6.9</b>	<b>7.8</b>
Finspång	11.3	11.1	13.9
Konin	43.0	–	–
Shanghai	4.7	3.8	2.4
<b>Gränges Americas</b>	<b>39.0</b>	<b>35.2</b>	<b>32.5</b>
<b>Gränges total</b>	<b>28.5</b>	<b>22.5</b>	<b>19.8</b>

**Comment:** In 2021, the share of sourced aluminium scrap reached 28.5 per cent. Excluding Gränges Konin and Gränges Powder Metallurgy, the share increased by 2.5 percentage points to 25.0 per cent (22.5). The increase was driven by all regions' increased sourcing of aluminium scrap both through commodity traders as well as through recycling companies and customers.

**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. Numbers for 2019 and 2020 do not include Gränges Konin and Gränges Powder Metallurgy.

*Share of sourced aluminium scrap* is defined as sourced aluminium scrap used as input materials [tonnes] divided by total sourced metal input materials [tonnes].

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

**Long-term target:** Gränges' 2025 target is that at least 30 per cent of total sourced metal inputs is aluminium scrap.

## >> 4 Energy

### Total energy use

GWh	2021	2020	2019
Natural gas	1,016.8	778.4	756.8
Electricity	595.1	390.6	400.1
Liquified petroleum gas	51.7	40.4	45.6
Steam	16.4	–	–
Diesel	12.2	6.9	9.8
District heating	10.5	3.8	3.3
Petrol	0.1	0.1	0.1
<b>Gränges total</b>	<b>1,702.9</b>	<b>1,220.2</b>	<b>1,215.7</b>

### Energy intensity

MWh/tonne	2021	2020	2019
<b>Gränges Eurasia</b>	<b>2.8</b>	<b>2.4</b>	<b>2.3</b>
Finspång	2.4	2.4	2.2
Konin	3.5	–	–
Shanghai	2.4	2.5	2.4
<b>Gränges Americas</b>	<b>4.2</b>	<b>4.5</b>	<b>4.7</b>
<b>Gränges total</b>	<b>3.4</b>	<b>3.6</b>	<b>3.5</b>
Development vs baseline 2017, %	5		

Note: Development versus baseline 2017, recalculated to include Gränges Konin. Development between 2020 and 2019 versus baseline are not applicable due to comparability.

### Share of renewable energy

%	2021	2020	2019
<b>Gränges Eurasia</b>	<b>29</b>	<b>39</b>	<b>19</b>
Finspång	74	74	31
Konin	13	–	–
Shanghai	12	12	9
<b>Gränges Americas</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Gränges total</b>	<b>15</b>	<b>13</b>	<b>8</b>

**Comment:** In 2021, total energy use was 1,702.9 GWh. Excluding Konin and Gränges Powder Metallurgy the energy use had increased by 13 per cent to 1,372.8 GWh (1,220.2), driven by a higher production volume. The energy intensity decreased by 5 per cent to 3.4 MWh/tonne (3.6), also when excluding Gränges Konin and Gränges Powder Metallurgy. The decrease was mainly driven by improved energy efficiency per tonne. The share of renewable energy increased by 2 percentage points and reached 15 per cent (13), also when excluding Gränges Konin and Gränges Powder Metallurgy. The increase was mainly driven by a lower share of coal in Gränges Americas' electricity mix. Gränges Finspång sources specified electricity from 100 per cent hydro power since 2020.

**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. Numbers for 2019 and 2020 do not include Gränges Konin and Gränges Powder Metallurgy.

*Energy intensity* is defined as total energy use [MWh] divided by the total packed products [tonnes].

*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.

**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' EHS Policy, which is reviewed annually and applies to all employees working at Gränges. The production sites in Finspång, Shanghai and Saint-Avold are certified in accordance with the energy management standard ISO 50001, while the sites in Americas and Konin are preparing for implementation.

**Long-term target:** Gränges' 2025 target is that energy intensity is reduced by 17 per cent versus baseline 2017, and that the share of renewable energy (electricity, heat, steam, fuels) is at least 20 per cent compared with baseline 2017.



## >> 5 Emissions and climate impact

### Total emissions of greenhouse gases

ktonnes CO <sub>2</sub> e	Scope 1			Scope 2			Scope 3			Scope 1+2+3		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>Gränges Eurasia</b>	<b>72.2</b>	<b>33.2</b>	<b>36.3</b>	<b>158.9</b>	<b>45.1</b>	<b>57.8</b>	<b>2,780</b>	<b>1,980</b>	<b>2,470</b>	<b>3,010</b>	<b>2,060</b>	<b>2,560</b>
Finspång	11.9	9.1	10.6	0.5	0.3	0.4	410	340	500	420	350	510
Konin	33.3	–	–	107.4	–	–	430	–	–	570	–	–
Shanghai	27.0	24.1	25.6	50.8	44.8	57.4	1,930	1,640	1,970	2,000	1,700	2,050
<b>Gränges Americas</b>	<b>148.3</b>	<b>135.2</b>	<b>129.7</b>	<b>54.9</b>	<b>65.0</b>	<b>59.1</b>	<b>1,390</b>	<b>1,250</b>	<b>1,150</b>	<b>1,590</b>	<b>1,450</b>	<b>1,340</b>
<b>Gränges total</b>	<b>220.6</b>	<b>168.4</b>	<b>166.0</b>	<b>213.8</b>	<b>110.1</b>	<b>116.9</b>	<b>4,170</b>	<b>3,230</b>	<b>3,620</b>	<b>4,600</b>	<b>3,510</b>	<b>3,910</b>

### Carbon emissions intensity

Tonnes CO <sub>2</sub> e/tonne	Scope 1			Scope 2			Scope 3			Scope 1+2+3		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>Gränges Eurasia</b>	<b>0.27</b>	<b>0.23</b>	<b>0.21</b>	<b>0.59</b>	<b>0.32</b>	<b>0.34</b>	<b>10.4</b>	<b>14.0</b>	<b>14.6</b>	<b>11.2</b>	<b>14.6</b>	<b>15.1</b>
Finspång	0.14	0.14	0.13	0.01	0.01	0.00	4.9	5.4	6.1	5.0	5.5	6.2
Konin	0.36	–	–	1.15	–	–	4.6	–	–	6.1	–	–
Shanghai	0.30	0.31	0.29	0.57	0.58	0.66	21.4	21.2	22.5	22.3	22.0	23.5
<b>Gränges Americas</b>	<b>0.65</b>	<b>0.69</b>	<b>0.73</b>	<b>0.24</b>	<b>0.33</b>	<b>0.33</b>	<b>6.1</b>	<b>6.4</b>	<b>6.5</b>	<b>7.0</b>	<b>7.4</b>	<b>7.6</b>
<b>Gränges total</b>	<b>0.45</b>	<b>0.50</b>	<b>0.48</b>	<b>0.43</b>	<b>0.33</b>	<b>0.34</b>	<b>8.4</b>	<b>9.6</b>	<b>10.5</b>	<b>9.3</b>	<b>10.4</b>	<b>11.3</b>
Development vs baseline 2017, %	6			-19			-20			-19		

Note: Development versus baseline 2017, recalculated to include Gränges Konin. Development between 2020 and 2019 versus baseline are not applicable due to comparability.

### Emissions by category scope 3

ktonnes CO <sub>2</sub> e	2021	2020	2019
Purchased goods and services	4,020	3,120	3,520
Fuel and energy related activities	80	60	60
Transportation incl. business travel	70	50	50
<b>Gränges total</b>	<b>4,170</b>	<b>3,230</b>	<b>3,620</b>

### Other emissions to air

Tonnes	Nitrogen oxides (NO <sub>x</sub> )			Sulphur dioxide (SO <sub>2</sub> )			Particulate matter (PM)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>Gränges Eurasia</b>	<b>46.2</b>	<b>31.0</b>	<b>33.5</b>	<b>5.5</b>	<b>2.5</b>	<b>2.6</b>	<b>4.5</b>	<b>3.1</b>	<b>3.4</b>
Finspång	11.6	8.5	10.4	0.1	0.0	0.0	0.2	0.1	0.1
Konin	8.8	–	–	2.8	–	–	1.1	–	–
Shanghai	25.3	22.6	23.1	2.7	2.4	2.5	3.3	3.0	3.3
<b>Gränges Americas</b>	<b>112.9</b>	<b>102.5</b>	<b>98.4</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>8.7</b>	<b>7.9</b>	<b>7.6</b>
<b>Gränges total</b>	<b>159.0</b>	<b>133.6</b>	<b>131.8</b>	<b>6.2</b>	<b>3.1</b>	<b>3.2</b>	<b>13.3</b>	<b>11.0</b>	<b>11.1</b>

**Comment:** In 2021, total carbon emissions intensity (scope 1+2+3) amounted to 9.3 tonnes CO<sub>2</sub>e/tonne. Excluding Gränges Konin and Gränges Powder Metallurgy, the intensity was reduced by 4 per cent to 10.0 tonnes CO<sub>2</sub>e/tonne (10.4) compared to 2020.

Carbon emissions intensity from own operations and purchased energy (scope 1+2) was 0.88 tonnes CO<sub>2</sub>e/tonne in 2021. Excluding Gränges Konin and Gränges Powder Metallurgy, the intensity was reduced by 11 per cent to 0.73 (0.83) versus 2020 mainly driven by more energy efficient production and a decrease in energy intensity in Gränges Americas and Gränges Asia.

Carbon emissions intensity from sourced metal inputs (scope 3) was 8.4 tonnes CO<sub>2</sub>e/tonne. Excluding Gränges Konin and Gränges Powder Metallurgy, the intensity was reduced by 3 per cent to 9.3 (9.6). The reduction was driven by a higher share of sourced aluminium scrap replacing primary aluminium in Gränges Americas and Gränges Finspång, and by increased sourcing of low-carbon primary aluminium in Finspång. The scope 3 intensity increased slightly in Shanghai because of lower volumes of low-carbon primary aluminium.

In 2021, total greenhouse gas emissions amounted to 4.600 ktonnes CO<sub>2</sub>e, 4.660 ktonnes CO<sub>2</sub>e with location-based approach.

Emissions of particulate matter, nitrogen oxides and sulphur dioxide increased in all production facilities compared to 2020 due to higher consumption of natural gas and liquified petroleum gas as a direct result of the increased production 2021.

**Reporting principles and definitions:** Data is reported with a market-based approach. 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. Numbers for 2019 and 2020 do not include Gränges Konin and Gränges Powder Metallurgy.

*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 and company owned vehicles. 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.

## &gt;&gt; CONT. NOTE 5

*Scope 3* is defined as other indirect emissions. These include emissions from extraction, production and processing of main purchased materials, fuel and energy related activities (not included in scope 1 or scope 2), upstream and downstream goods transportation 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 aluminium scrap are based on regional industry averages 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 CO<sub>2</sub>e] 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. Emissions of oil and VOC are not reported as methods and data collection procedures are currently being harmonized across the organization.

**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' EHS 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, where the Newport site achieved certification in January 2022. Emissions are monitored and managed as part of daily operations. Compliance is a prerequisite for Gränges' continued license to operate.

**Long-term target:** Gränges' 2025 target is that carbon emissions intensity from own operations and purchased energy (scope 1+2) is reduced by at least 25 per cent versus baseline 2017 and carbon emissions intensity from sourced metal inputs (scope 3) is reduced by at least 30 per cent versus the 2017 baseline.

## &gt;&gt; 6 Waste management

**Comment:** In 2021, Gränges included waste as a material topic in the company's sustainability framework as a result from stakeholder dialogues. Gränges aims to reduce waste in all operations with the ambition to recycle and reuse waste in production where possible. Waste management is handled locally, and all sites have a local waste handling procedure. All Gränges' production sites are required to annually report waste data to local authorities.

**Reporting principles and definitions:** Data on waste is not reported in 2021 as methods and data collection procedures need to be harmonized across the organization. Starting from 2022, Gränges aims to report on the total amount of waste, split by hazardous and non-hazardous waste.

**Regulations:** Gränges adheres to applicable waste regulations in the countries of operations; Gränges facility in Shanghai under the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (2020 Revision), Gränges 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).

**Policies:** The governing policy is the EHS policy, which is reviewed annually and applies to all employees working at Gränges. All sites have local waste handling procedures.

**Long-term target:** Gränges has not yet set a long-term target for waste management.

## >> 7 Water management

### Water withdrawal, by source

Thousand m <sup>3</sup>	2021		2020		2019	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	2,783	–	1,986	–	2,427	–
Groundwater (total)	749	118	597	–	530	–
Third-party water (total)	640	459	281	148	245	159
– of which surface water	478	459	162	148	175	159
– of which ground water	162	–	119	–	70	–
<b>Gränges total</b>	<b>4,176</b>	<b>577</b>	<b>2,864</b>	<b>148</b>	<b>3,203</b>	<b>159</b>

### Water withdrawal by region

Thousand m <sup>3</sup>	2021	2020	2019
<b>Gränges Eurasia</b>	<b>3,382</b>	<b>2,148</b>	<b>2,603</b>
Finspång	2,798	2,000	2,444
Konin	413	–	–
Shanghai	164	148	159
<b>Gränges Americas</b>	<b>793</b>	<b>717</b>	<b>601</b>
<b>Grängest total</b>	<b>4,176</b>	<b>2,864</b>	<b>3,203</b>

### Water intensity

m <sup>3</sup> /tonnes	2021	2020	2019
<b>Gränges Eurasia</b>	<b>12.6</b>	<b>15.2</b>	<b>15.4</b>
Finspång	33.5	31.3	29.8
Konin	6.6	–	–
Shanghai	1.8	1.9	1.8
<b>Gränges Americas</b>	<b>3.5</b>	<b>3.7</b>	<b>3.4</b>
<b>Grängest total</b>	<b>8.5</b>	<b>8.5</b>	<b>9.3</b>

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

**Comment:** In 2021, the total water withdrawal was 4,176 m<sup>3</sup>. Excluding Gränges Konin and Gränges Powder Metallurgy the withdrawal increased by 31 per cent to 3,755 m<sup>3</sup> (2,864). The increase was primarily due to higher production volumes in all facilities which led to an increased need for cooling water. The water intensity ended at 8.5 m<sup>3</sup>/tonne. Excluding Gränges Konin and Gränges Powder Metallurgy, the water intensity increased by 10 per cent to 9.4 m<sup>3</sup>/tonne driven primarily by Gränges Finspång. The site had a significantly higher production volumes and water use compared to 2020. The largest impact came from the re-melting plant which is the largest consumer of water. At the end of 2021, Gränges had implemented local water management plans in three sites: Finspång, Shanghai and Newport. The site in Newport was certified in accordance with Alliance for Water Stewardship's (AWS) International Waters Stewardship Standards 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 Gränges Eurasia. Numbers for 2019 and 2020 do not include Gränges Konin and Gränges Powder Metallurgy.

*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 [m<sup>3</sup>].

*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 per cent) or extremely high (> 80 per cent) in the area.

*Water intensity* is defined as total water withdrawal [m<sup>3</sup>] 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' EHS Policy, which is reviewed annually and applies to all employees working at Gränges.

**Long-term target:** Gränges' 2025 target is that all sites have implemented a local water management plan.

## >> 8 Workplace safety

### Recordable accidents

Number of recordable accidents	2021	2020	2019
<b>Gränges Eurasia</b>	<b>22</b>	<b>10</b>	<b>9</b>
Finspång	12	7	6
Konin	7	–	–
Shanghai	3	3	3
<b>Gränges Americas</b>	<b>13</b>	<b>10</b>	<b>8</b>
<b>Gränges total</b>	<b>35</b>	<b>20</b>	<b>17</b>

### Total Recordable Rate (TRR)

Number of recordable accidents per million hours worked	2021	2020	2019
<b>Gränges Eurasia</b>	<b>6.2</b>	<b>4.8</b>	<b>4.1</b>
Finspång	13.7	10.0	7.4
Konin	5.5	–	–
Shanghai	2.1	2.2	2.2
<b>Gränges Americas</b>	<b>7.3</b>	<b>6.3</b>	<b>4.8</b>
<b>Gränges total</b>	<b>6.5</b>	<b>5.5</b>	<b>4.4</b>

### Lost Workdays

Number of lost workdays	2021	2020	2019
<b>Gränges Eurasia</b>	<b>639</b>	<b>295</b>	<b>188</b>
Finspång	92	93	88
Konin	334	–	–
Shanghai	213	202	100
<b>Gränges Americas</b>	<b>107</b>	<b>102</b>	<b>360</b>
<b>Gränges total</b>	<b>746</b>	<b>397</b>	<b>548</b>

### Severity rate

Number of lost workdays per million hours worked	2021	2020	2019
<b>Gränges Eurasia</b>	<b>179</b>	<b>142</b>	<b>86</b>
Finspång	105	132	108
Konin	261	–	–
Shanghai	151	148	73
<b>Gränges Americas</b>	<b>60</b>	<b>65</b>	<b>214</b>
<b>Gränges total</b>	<b>139</b>	<b>109</b>	<b>142</b>

**Comment:** In 2021, Total Recordable Rate (TRR) was 6.5. Excluding Gränges Konin, TRR increased to 6.9 (5.5) as a result of COVID-19 related impacts in the production sites in Finspång and Salisbury. The facility in Salisbury had to re-hire many new employees after it was closed for several months in 2020 and the facility in Finspång was affected by restrictions to interact with operators, which had negative effects on safety statistics. In 2021, Severity Rate reached 139. Excluding Gränges Konin, the rate was reduced by 7 per cent to 101 (109). During 2021, there were 35 recordable workplace accidents, of which 6 were defined as serious.

**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 1 January–31 December. Data for employees covered by OHS management systems and internal safety assessments is based on headcount on 31 December. Data for Gränges Powder Metallurgy is not included in 2021 figures. Numbers for 2019 and 2020 exclude Gränges Konin and Gränges Powder Metallurgy.

*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' EHS 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 per cent of Gränges' total employees in 2021, 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. In the Shanghai site, the OHS system is certified in accordance with ISO 45001, covering 19 per cent of all Gränges' employees. The sites in Americas and Finspång have initiated pre-studies to implement OHS management systems in accordance with ISO 45001. The site in Konin is planning for certification in 2022.

*Internal safety assessments:* Gränges generally conducts cross assessments every six months at the sites. Due to the COVID-19 situation, only one assessment was conducted in 2021 at the Konin site, covering in total 31 per cent of total employees. The site in Finspång was assessed in 2020 and the remaining sites were assessed in 2018–2019.

*Safety committees:* Gränges has employee-managed safety committees at all plants which consult on the working environment and work for increased safety. Issues addressed include occupational health care, identifying and evaluating 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', each plant has an employee-managed safety committee supported by local management. Input and questions from contracted workers are captured in recurrent meetings. Monthly safety meetings are held in each facility and in Newport the aim is to meet twice a month starting in 2022. In Shanghai, safety committee meetings are conducted quarterly, in Finspång two to four times per year and in Gränges 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.

**Long-term target:** Gränges' 2025 target is that Total Recordable Rate (TRR) is  $\leq 3.0$  recordable accidents per million hours worked and that Severity Rate is  $\leq 50$  lost workdays per million hours worked.

## >> 9 Total employees

### Total number of employees by category

Number of employees	2021	2020	2019
Blue collar	2,004	1,244	1,229
White collar	708	530	553
<b>Gränges total</b>	<b>2,712</b>	<b>1,774</b>	<b>1,782</b>
Contracted workers	108	116	104

### Employment contract and type, by gender and region 2021

Number of employees	Region		Gender	
	Gränges Eurasia	Gränges Americas	Women	Men
Permanent contract	1,794	808	330	2,272
Temporary contract	109	1	22	88
<b>Gränges total</b>	<b>1,903</b>	<b>809</b>	<b>352</b>	<b>2,360</b>

Number of employees	Women	Men
Full-time	347	2,355
Part-time	5	5
<b>Gränges total</b>	<b>352</b>	<b>2,360</b>

**Comment:** In 2021, the total number of employees was 2,712. Excluding Gränges Konin and Gränges Powder Metallurgy, the total number of employees was 1,830 (1,774). The increase was mainly driven by a high recruitment rate in Finspång and Gränges Americas due to increased production. The total number of contracted workers was 108.

**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. Numbers for 2019 and 2020 exclude Gränges Konin and Gränges Powder Metallurgy. 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:** Not applicable as this is a general disclosure.

**Long-term target:** Not applicable as this is a general disclosure.

## >> 10 Career and leadership

### Performance and development discussion

%	2021	2020	2019
<b>Gränges Eurasia</b>	<b>52</b>	<b>100</b>	<b>100</b>
Finspång	100	100	100
Konin	0	–	–
Shanghai	100	100	100
<b>Gränges Americas</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Gränges total</b>	<b>67</b>	<b>100</b>	<b>100</b>

### Total training hours

Average hours of training	2021	2020	2019
Women	6.7	–	–
Men	5.4	–	–
White collar	6.6	–	–
Blue collar	5.1	–	–
<b>Gränges total</b>	<b>5.5</b>	<b>–</b>	<b>–</b>

**Comment:** In 2021, 67 per cent of Gränges' employees received a performance and development discussion. Excluding Gränges Konin and Gränges Powder Metallurgy, the performance was 100 per cent (100). Gränges Konin is in the process of implementing a structured approach to conduct performance and development discussions that will be in effect starting from 2022. During the year, the average training hours was 5,5 hours per employee.

**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. Numbers for 2019 and 2020 exclude Gränges Konin and Gränges Powder Metallurgy. 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.

**Long-term target:** Gränges' 2025 target is that 100 per cent of all employees annually have a performance and development discussion.

## >> 11 Diversity and inclusion

### Gender balance by region

Share of women in total workforce, %	2021	2020	2019
<b>Gränges Eurasia</b>	<b>13</b>	<b>17</b>	<b>15</b>
Finspång	20	21	19
Konin	9	–	–
Shanghai	11	12	12
<b>Gränges Americas</b>	<b>13</b>	<b>13</b>	<b>12</b>
<b>Gränges total</b>	<b>13</b>	<b>15</b>	<b>14</b>

Share of women among senior management, %	2021	2020	2019
<b>Gränges Eurasia</b>	<b>14</b>	<b>16</b>	<b>17</b>
Finspång	0	0	0
Konin	0	–	–
Shanghai	17	18	20
<b>Gränges Americas</b>	<b>30</b>	<b>36</b>	<b>29</b>
<b>Gränges total</b>	<b>18</b>	<b>21</b>	<b>20</b>

### Gender balance and age structure

%	Women	Men	<30 years	30–50 years	>50 years
Board of Directors	43	57	0	0	100
Group Management	20	80	0	60	40
Senior Management	18	82	0	72	28
White-collar	30	70	8	65	27
Blue-collar	7	93	16	56	27
<b>Gränges total</b>	<b>13</b>	<b>87</b>	<b>14</b>	<b>59</b>	<b>27</b>

**Comment:** In 2021, the share of women in Gränges' total workforce was 13 per cent. Excluding Gränges Konin and Gränges Powder Metallurgy, the share of women was 15 per cent (15). The share of women among senior management was 18 per cent, or 21 per cent (21) excluding Gränges Konin and Gränges Powder Metallurgy. Gränges sees clear challenges to improve the gender balance including a high turnover rate in some regions because of stronger employment markets, operating in rural areas where it is difficult to find the right competence, as well as operating in countries where gender roles are traditional. With that said, Gränges works to improve the gender balance both in the total workforce and among senior management.

**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. Numbers for 2019 and 2020 exclude Gränges Konin and Gränges Powder Metallurgy. Data is based on headcount on 31 December.

*Senior management* is defined as employees eligible to participate in Gränges' long-term incentive (LTI) programme.

**Policies:** The governing policy is the Diversity Policy, which is reviewed annually and applies to all employees working at Gränges.

**Long-term target:** Gränges' 2025 target is that at least 30 per cent of senior management are women.

## >> 12 Employee wellbeing

%	2021	2020	2019
Sick leave	3.7	2.0	1.6
Employee turnover	18.7	16.0	11.8
Employee engagement index	–	78	–

**Comment:** In 2021, the total sick-leave was 3.7 per cent, with COVID-19 still being a driving force for the increase in long-term sickness cases. In 2021, the total employee turnover was 18.7 per cent. Excluding Gränges Konin and Gränges Powder Metallurgy, the employee turnover was 22.6 per cent (16.0). One of the main reasons for the high turnover rate was a stronger employment market compared to last year. The high turnover rate could mainly be seen in Gränges Americas where COVID-19 had a vast impact on the American workforce including early retirements as well as a more competitive market to attract and retain employees. By gender, employee turnover was 18.3 per cent among men and 21.9 per cent among women and by category 21.4 per cent among blue-collar employees and 11.2 per cent among white-collar employees. Since the employee survey is conducted every second year and not in 2021, there was no result for Employee engagement index.

**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. Numbers for 2019 and 2020 exclude Gränges Konin and Gränges Powder Metallurgy. 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 updated annually and applicable for all employees and board members in entities owned by Gränges.

**Long-term target:** Gränges' 2025 target is that Employee engagement index should reach at least 85.

## >> 13 Ethics and anti-corruption

### Code of Conduct training

Share of employees trained in the Code of Conduct, %	2021	2020	2019
<b>Gränges Eurasia</b>	<b>100</b>	<b>100</b>	<b>100</b>
Finspång	100	100	98
Konin	99	–	–
Shanghai	100	100	100
<b>Gränges Americas</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Gränges total</b>	<b>100</b>	<b>100</b>	<b>99</b>

### Anti-corruption training

Share of white collar employees trained in anti-corruption %	2021	2020	2019
<b>Gränges Eurasia</b>	<b>100</b>	<b>100</b>	<b>100</b>
Finspång	100	100	100
Konin	100	–	–
Shanghai	100	100	100
<b>Gränges Americas</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Gränges total</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Incidents of corruption

Total number	2021	2020	2019
Incidents of corruption	0	0	0
Incidents of terminated business contracts due to corruption	0	0	0

**Comment:** In 2021, Gränges continued to conduct its annual group-wide 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 in Gränges Americas and Gränges Konin conducted classroom training or individual training, depending on COVID-19 restrictions. Total training participation ended at 100 per cent (100), also excluding Gränges Konin and Gränges Powder Metallurgy. Gränges also conducted the annual anti-corruption e-learning training which 100 per cent (100) of all white-collar employees conducted. No confirmed corruption incidents were detected during 2021.

**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. 2020 and 2019 numbers exclude Gränges Konin and Gränges Powder Metallurgy. Data includes employees in duty and is adjusted for long-term sick-leave, parental leave, resignations and employees off duty for a longer period. The anti-corruption training was conducted in October 2021 while the Code of Conduct training was conducted October 2021 to January 2022, slightly delayed due to COVID-19 restrictions.

**Policies:** The governing policy is Gränges' Code of Conduct which is updated 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.

**Long-term target:** Gränges' 2025 target is that 100 per cent of all employees are annually trained in the Code of Conduct, and that 100 per cent of all white-collar employees are annually trained in anti-corruption.

# GRI content index

## General disclosures

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
<b>GRI 101: Foundation 2016</b>					
<b>GRI 102: General disclosures 2016</b>					
<b>ORGANIZATIONAL PROFILE</b>					
	102-1	Name of the organization		53	
	102-2	Activities, brands, products, and services		5, 7, 21–22	
	102-3	Location of headquarters		6, 53	
	102-4	Location of operations		6, 53	
	102-5	Ownership and legal form		44–46, 55, 60	
	102-6	Markets served		6, 12–13	
	102-7	Scale of the organization		2, 6, 41–42	
	102-8	Information on employees and other workers		123, 131	
	102-9	Supply chain	1–10	9, 32, 35–37	
	102-10	Significant changes to the organization and its supply chain		35–37, 45–46, 94	
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	102-16	Values, principles, standards, and norms of behaviour		41–43	
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	102-18	Governance structure		53–69, 118	
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GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
<b>REPORTING PRACTICE</b>					
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	102-47	List of material topics		120	
	102-48	Restatements of information		118	
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## Material topics

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
<b>Economic standards</b>					
<b>ANTI-CORRUPTION</b>			10		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		43, 120, 133	
	103-2	The management approach and its components		43, 133	
	103-3	Evaluation of the management approach		43, 133	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures		43, 123, 133	
	205-3	Confirmed incidents of corruption and actions taken		43, 123, 133	
<b>Environmental standards</b>					
<b>MATERIALS</b>			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		35–37, 120, 125	
	103-2	The management approach and its components		35–37, 125	
	103-3	Evaluation of the management approach		35–37, 125	
GRI 301: Materials 2016	301-1	Materials used by weight or volume		35–37, 125	
	301-2	Recycled input materials used		35–37, 123, 125	
<b>MATERIALS STEWARDSHIP</b>			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		33–34, 120, 124	
	103-2	The management approach and its components		33–34, 124	
	103-3	Evaluation of the management approach		33–34, 124	
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GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		38, 120, 126	
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<b>WATER</b>			7, 8		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		39, 120, 129	
	103-2	The management approach and its components		39, 129	
	103-3	Evaluation of the management approach		39, 129	
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource		39, 129	
	303-2	Management of water discharge-related impacts		39, 129	
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<b>EMISSIONS</b>			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		31–32, 120, 127–128	
	103-2	The management approach and its components		31–32, 127–128	
	103-3	Evaluation of the management approach		31–32, 127–128	
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions		31–32, 123, 127–128	
	305-2	Energy indirect (scope 2) GHG emissions		31–32, 123, 127–128	
	305-3	Other indirect (scope 3) GHG emissions		31–32, 123, 127–128	
	305-4	GHG emissions intensity		31–32, 123, 127–128	
	305-5	GHG emissions reductions		31–32, 123, 127–128	
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions		127–128	Emissions of oil and VOC are not reported due to differences in measurement methods between Gränges' production facilities, which currently do not give comparable results. The methods are governed by local environmental permits.
<b>WASTE</b>			12		
GRI 306: Waste	103-1	Explanation of the material topic and its Boundaries		39, 128	
	103-2	The management approach and its components		39, 128	
	103-3	Evaluation of the management approach		39, 128	
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		35–37, 120, 124–125	
	103-2	The management approach and its components		35–37, 124–125	
	103-3	Evaluation of the management approach		35–37, 124–125	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		124–125	

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
<b>Social standards</b>					
<b>OCCUPATIONAL HEALTH AND SAFETY</b>					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		40, 120, 130, 132	
	103-2	The management approach and its components		40, 130, 132	
	103-3	Evaluation of the management approach		40, 130, 132	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		130	
	403-2	Hazard identification, risk assessment, incident investigation		40, 130	
	403-3	Occupational health services		42	
	403-4	Worker participation, consultation, and communication on occupational health and safety		40, 130	
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<b>TRAINING AND EDUCATION</b>					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		41–42, 120, 131	
	103-2	The management approach and its components		41–42, 131	
	103-3	Evaluation of the management approach		41–42, 131	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews		41, 123, 131	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			1, 2, 6		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		41–42, 120, 132	
	103-2	The management approach and its components		41–42, 132	
	103-3	Evaluation of the management approach		41–42, 132	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees		41–42, 123, 132	
<b>SUPPLIER SOCIAL ASSESSMENT</b>			1, 2, 3, 4, 5, 6		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		35–37, 120, 124–125	
	103-2	The management approach and its components		35–37, 124–125	
	103-3	Evaluation of the management approach		35–37, 124–125	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		124–125	

## 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

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2021, as defined in the Board of Directors report on page 55, and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement 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 us with sufficient basis for our opinions.

### Opinions

A statutory sustainability statement has been prepared.

Stockholm, 16 March 2022

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant

## Auditor's Limited Assurance Report on Gränges AB's sustainability performance targets 2021

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 on page 122 in Gränges' sustainability report for the year 2021.

- 2021 outcome for total carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO<sub>2</sub>e/tonne (GRI disclosure 305-4 GHG emissions intensity)
- 2021 outcome for total carbon emissions intensity from sourced metal inputs (scope 3), tonnes CO<sub>2</sub>e/tonne (GRI disclosure 305-4 GHG emissions intensity)
- 2021 outcome for the share of recycled aluminium of total sourced metal inputs, % (GRI disclosure 301-2 Recycled input materials used)

### 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 the pages 125 and 127, 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 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 ISQC 1 (International Standard on Quality Control) 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 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, 16 March 2022  
Ernst & Young AB

Andreas Troberg  
Authorized Public Accountant

Outi Alestalo  
Specialist member of FAR