

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 throughout the life-cycle of aluminium. Sustainable business value is achieved by integrating sustainability into the company's core business and strategy.

Contributing to a more sustainable and circular economy

Sustainability is a natural part of Gränges' core business and strategy. It helps to increase the company's long-term competitiveness and aims to create lasting value for Gränges and its stakeholders. With the global push for sustainable development and the transformation into a more circular and resource-efficient economy, Gränges' customers are increasingly recognizing the importance of using sustainable materials.

Aluminium is often called "the green metal" or "the metal of the future" thanks to its properties such as lightness, durability and infinite recyclability. Gränges works to leverage these unique properties in designing and manufacturing sustainable product offerings which can improve resource efficiency and climate performance along the value chain. Customer and end-user benefits include enhanced fuel and energy efficient vehicles and more energy efficient buildings.

Structured sustainability approach

Gränges has a structured approach to integrate sustainability into its business and value chain. The aim is to reduce undesired impacts of the company's operations and at the same time enforce positive contributions and opportunities that emerge from integrating sustainability aspects into the business.

» I'm very satisfied to see the good progress on many of our sustainability priorities for 2020. This demonstrates the strength of our structured way of working when integrating sustainability aspects across our operations and value chain."

Johan Menckel, CEO Gränges

The company's group-wide sustainability framework and accompanying 2025 targets is structured into five pillars, each governed by one member of Group Management who coordinates and facilitates the implementation of global priorities.

Sustainability commitments and initiatives

Gränges is a signatory to the UN Global Compact since October 2016 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.

The company is also committed to helping fulfil the 2030 Agenda and Sustainable Development Goals (SDGs). Gränges has identified those Sustainable Development Goals (SDGs) that are most relevant for its business and where the company has its largest impacts and contributions.

Industry collaboration is a crucial enabler to value creation throughout the life-cycle of aluminium. 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.

» [Read more about Gränges' sustainability governance, key performance indicators and targets on pages 111–127.](#)



» ALUMINIUM STEWARDSHIP INITIATIVE

One key industry initiative is the Aluminium Stewardship Initiative (ASI), a global non-profit organization which defines global standards for sustainability performance and chain-of-custody in the aluminium value chain. Gränges has been a member of ASI since 2019. Gränges' plant in Shanghai achieved certification against ASI's Performance Standard (PS) in July 2019 and in February 2021, a provisional PS certification was also achieved for Gränges' site in Finspång.¹⁾ The certification demonstrates that Gränges' products are produced responsibly and sustainably and provides assurance to customers and other stakeholders that Gränges meets the increased sustainability requirements. Gränges aims to certify all sites against ASI's Performance Standard by 2025.

1) The provisional certification follows the ASI interim policy regarding audits and audit-related travel due to the COVID-19 situation.



Sustainability framework and 2025 targets



**SUSTAINABLE
PRODUCT OFFERINGS**



**RESPONSIBLE AND
SUSTAINABLE SOURCING**



**SUSTAINABLE
OPERATIONS**



**DIVERSE AND HIGH-
PERFORMING TEAMS**



**ETHICAL BUSINESS
PRACTICES**

>> MATERIAL TOPICS, 2025 TARGETS AND 2020 PERFORMANCE

Eco-responsible innovation

— Target not available.¹⁾

Responsible sourcing

○ 100 per cent of all significant suppliers²⁾ to be committed to Gränges' Supplier Code of Conduct or equivalent standard.

Workplace safety

○ Total Recordable Rate to be < 3.0 recordable accidents per million hours worked.
● Severity Rate to be < 50 lost workdays per million hours worked.

Career and leadership development

● 100 per cent of all employees to receive annual performance and development discussion.

Ethics and anti-corruption

● 100 per cent of all employees to be annually trained in Gränges' Code of Conduct.
● 100 per cent of all white-collar employees to be annually trained in anticorruption.

Product life-cycle sustainability performance

● 80 per cent of Gränges' products to have third-party verified sustainability information available.

Sourced recycled aluminium

● 20 per cent of total sourced metal inputs to be recycled aluminium.³⁾

Water management

● All Gränges sites to have implemented a local water management plan.

Diversity and equality

● At least 30 per cent of senior management⁵⁾ to be women.

Energy

● The share of renewable energy (electricity, heat, fuels) to increase.⁴⁾
○ Energy intensity to be reduced by 17 per cent.⁴⁾

Employee wellbeing

● Employee engagement index to reach at least 85.

Emissions and climate impact

● Carbon emissions intensity from purchased materials and services (scope 3) to be reduced.⁴⁾
○ Carbon emissions intensity from own operations and purchased energy (scope 1+2) to be reduced by 25 per cent.⁴⁾

>> SUSTAINABLE DEVELOPMENT GOALS (SDGs)



Read more on page 30.



Read more on pages 31–32.



Read more on pages 33–35.



Read more on pages 36–37.



Read more on page 38.

Note: Minor edits to clarify target articulations have been done in 2020.

1) Gränges works to define and disclose a target for eco-responsible innovation.

2) Suppliers with a purchase value above SEK 5 million, CNY 5 million, or USD 0.5 million.

3) Gränges works to define and disclose an upgraded target for sourced recycled aluminium.

4) Versus baseline 2017.

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

● Positive or unchanged development 2020 versus 2019

○ Negative development 2020 versus 2019

Climate strategy: Reducing impacts along the value chain

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

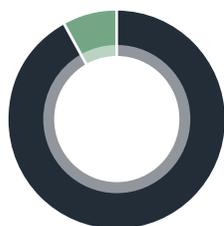
Taking a life-cycle perspective

Gränges works actively to take product stewardship and reduce climate impact along its value chain and across the life-cycles of its products. This means that Gränges looks at the climate impact all the way from extraction of bauxite until the products’ end-of-life. More details can be found in the infographics on page 29.

To achieve life-cycle benefits, Gränges actively collaborates with suppliers, customers and other business partners to identify and capture new opportunities to reduce the climate impact. Gränges works with its suppliers to source more recycled aluminium, low-carbon primary aluminium as well as energy from low-carbon sources. The company also works with its customers to design and develop innovative and sustainable product offerings, including alloys that are resource efficient in the use phase and which are recyclable at products’ end of life. Gränges also works internally to reduce its own energy intensity and increase the use of renewable energy.

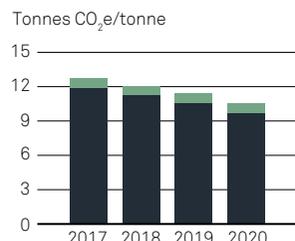
Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

Total carbon footprint, 2020



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

Total carbon intensity



Own operations and purchased energy (scope 1+2)
 Purchased materials and services (scope 3)

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 25 per cent versus 2017. The company has also set a directional target to reduce carbon emissions intensity from purchased materials and services (scope 3). Gränges strives to take a holistic approach in reducing the climate impact and the company tracks total carbon emissions intensity (scope 1+2+3) as the key metric to measure such performance.

Reducing the carbon footprint

In 2020, total carbon emissions intensity was reduced by 8 per cent versus 2019 and 18 per cent versus baseline 2017. This was mainly driven by expanded sourcing of recycled aluminium as well as low-carbon primary aluminium. In absolute figures, the total carbon footprint was reduced by 10 per cent versus 2019 and 27 per cent versus baseline 2017 to 3,510 ktonnes CO₂e (3,910). Emissions from purchased materials and services (scope 3) accounted for 92 per cent (93) of the total footprint whereas 8 per cent (7) related to emissions from own operations and purchased energy (scope 1+2).

The carbon emissions intensity from purchased materials and services was reduced by 8 per cent versus 2019 and 20 per cent versus baseline 2017. Carbon emissions intensity from own operations and purchased energy increased by 1 per cent versus 2019 and 3 per cent versus baseline 2017, mainly a result of higher energy intensity.

Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact from bauxite extraction to delivery of Gränges’ products to customers.¹⁾

¹⁾ The product manufacturing, use and end-of-life phases are excluded in Gränges’ climate impact calculations due to a lack of relevant data. Gränges will work to add these phases to its scope for calculations, to support customers to reduce climate impacts along the value chain.

>> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2020 performance
Carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO ₂ e/tonne	-25% ¹⁾	0.83 (0.82)
Carbon emissions intensity from purchased materials and services (scope 3), tonnes CO ₂ e/tonne	Reduce ¹⁾	9.6 (10.5)

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.
 1) Versus baseline 2017.

>> SOURCING LOW-CARBON ALUMINIUM

In 2020, Gränges initiated a collaboration with Alcoa to source EcoLum™ rolling slabs, part of Alcoa’s SUSTANA™ line of low-carbon products, produced at hydroelectric-powered aluminium smelters and guarantee no more than 4.0 tonnes CO₂e per tonne aluminium, including scope 1 and scope 2 emissions from bauxite mining and alumina refining. This carbon footprint is significantly lower than the industry average and the cooperation reinforces Gränges’ focus to collaborate along the value chain to reduce climate impact.

“Gränges has demonstrated a commitment to its customers by using sustainable materials, including our low-carbon EcoLum™. We are proud to partner with Gränges and demonstrate leadership in an economy that is becoming even more focused on sustainability and responsible production.”, says Tim Reyes, Executive Vice President and Chief Commercial Officer, Alcoa.

Reducing climate impact along the aluminium value chain

› Read more about the value chain on page 13.

PRIMARY ALUMINIUM PRODUCTION

Description in brief: Extraction, refining and smelting of primary aluminium.

Climate impact: The climate impact mainly comes from the energy intensive smelting process. GHG Protocol: Scope 3 (category Purchased goods and services).

Gränges' priorities:

- Collaborate with suppliers to expand sourcing of low-carbon primary aluminium produced using renewable energy.
- Promote increased supply chain traceability through dialogue with commodity traders.

Read more about Responsible and sustainable sourcing on pages 31–32.

SEMI-FABRICATION

Description in brief: Re-melting and casting, rolling and slitting. Read more on page 21.

Climate impact: The climate impact mainly comes from fuels and electricity used in Gränges' operations. GHG Protocol: Scope 1+2.

Gränges' priorities:

- Increase energy efficiency and the use of renewable energy in its own operations.
- Re-melt recycled aluminium efficiently to enable lower overall climate impacts.

Read more about Sustainable operations on pages 33–35.

ALUMINIUM RECYCLING

Description in brief: Collecting, sorting and recycling of aluminium.

Climate impact: The climate impact mainly comes from processing and transporting recycled materials. Recycled aluminium saves up to 95 per cent of the energy needed to produce primary aluminium. GHG Protocol: Scope 3 (categories Purchased goods and services and End-of-life treatment of sold products).

Gränges' priorities:

- Collaborate with suppliers to expand sourcing of recycled aluminium.
- Design and innovate alloys, processes and applications which allow for a higher share of recycled aluminium and which are efficiently dismantled, collected, sorted and recycled after products' end-of-life.

Read more about Responsible and sustainable sourcing on pages 31–32.

PRODUCT MANUFACTURING

Climate impact: The climate impact comes from customers' product manufacturing, when processing the materials sourced from Gränges. GHG Protocol: Scope 3 (category Processing of sold products).

Gränges' priorities:

- Collaborate with customers to design and develop innovative and sustainable aluminium products, including alloys that are resource efficient in the product manufacturing and use phase, and which are recyclable at the end of life.

Read more about Sustainable product offerings on page 30.

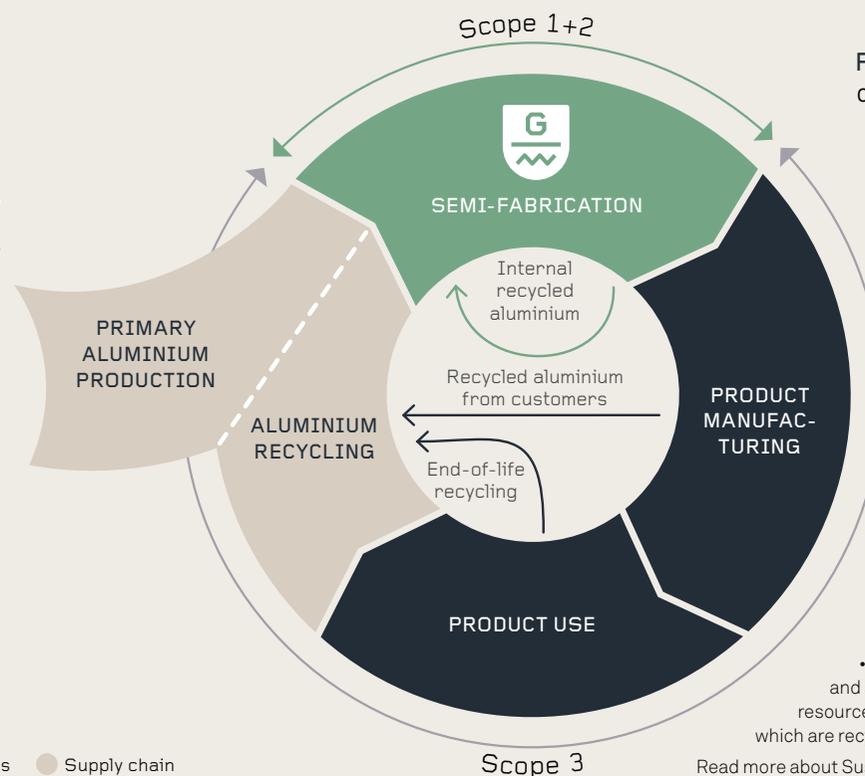
PRODUCT USE

Climate impact: The climate impact comes from using the products which contain Gränges' materials. Aluminium's lightweighting properties can lead to substantial fuel and carbon emissions savings compared to other materials. GHG Protocol: Scope 3 (category Use of sold products).

Gränges' priorities:

- Collaborate with customers to design and develop innovative and sustainable aluminium products, including alloys that are resource efficient in the product manufacturing and use phase, and which are recyclable at the end of life.

Read more about Sustainable product offerings on page 30.



● Gränges' operations ● Customers and end-users ● Supply chain

Developing sustainable product offerings

Gränges' products contribute to increased business and sustainability benefits for customers and end-users. Aluminium's unique properties improve resource efficiency and climate performance along the value chain, thus supporting the transition towards a circular and sustainable economy.



Aluminium as an enabler for sustainability

Gränges works to leverage the advantages of aluminium by designing and manufacturing offerings which can improve customers' and end-users' sustainability performance from both an operational and product perspective. A study¹⁾ from 2016 concluded that lightweighting of transport vehicles leads to substantial fuel and carbon emissions savings. The potential lifetime saving for a passenger car was estimated between 500 kg to 2,000 kg of carbon dioxide per 100 kg weight reduction.

ECO-RESPONSIBLE INNOVATION

Improving customer and end-user sustainability performance

Developing products that can improve customers' sustainability performance is a top priority at Gränges. Aluminium helps to increase customers' operational resource efficiency and the climate performance of their products. It can also contribute to improved workplace health and safety, where Gränges' TRILLIUM® material for example reduces customers' exposure to flux due to the build-in fluxing agents. Aluminium also delivers significant energy and climate savings in the use phase, which can often entirely offset the initial energy consumption required to produce the metal.

Gränges works to incorporate sustainability aspects into product development with a focus on products' full life-cycle performance. The biggest opportunities for improving products' sustainability performance is in the early stages of the product development process, when the product characteristics are decided. Gränges has an ambition to design offerings that are based on more recycled aluminium and that can be efficiently dismantled, collected, sorted and recycled downstream the value chain and after products' end-of-life. The company also works to develop products which can reduce fuel consumption and improve energy efficiency in the use phase.

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

PRODUCT LIFE-CYCLE SUSTAINABILITY PERFORMANCE

Transparent sustainability information on products

Having clear sustainability information on product level 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.

In 2020, Gränges' operations in Finspång developed and implemented a life-cycle and carbon footprint assessment (LCA/CF) tool which enables declarations of environmental impacts on a product level, starting with the products' carbon footprint. This is in line with 2025 target to provide third-party verified sustainability information for 80 per cent of its products. To ensure transparency and credibility, Gränges engaged the external party IVL Swedish Environmental Research Institute to verify the methodology, process and routines used in the assessment. The carbon footprint assessments have been conducted in accordance with ISO 14040, ISO 14044 and ISO 14067.

In 2020, 19 per cent (-) of the company's products had third-party verified sustainability information available. Going forward, Gränges intends to expand the information to also cover other environmental impact categories and sustainability aspects, and to also include the use phase in the product climate impact calculations. The company also intends to implement the tool in its other operations.

>> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2020 performance
Share of products with third-party verified sustainability information available, %	80	19 (-)

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

>> NEW LCA TOOL AND METHODOLOGY

To support customers to evaluate the climate impact along their value chain and increase their sustainability performance based on a fact based approach, Gränges' operations in Finspång in the end of 2020 implemented third-party verified product sustainability information, starting with the carbon footprint. The company can offer customers third-party verified carbon footprint certificates and a detailed Carbon footprint report¹⁾ which describes the methodology and key assumptions used. The model covers the carbon footprint impact from bauxite mining to inbound transports and Gränges' own activities up until delivery from the site and can be applied on the full product portfolio in Gränges' operations in Finspång. Data is initially updated on an annual basis.

1) Available on Gränges' website: www.granges.com/sustainability/sustainable-product-offerings/

Ensuring responsible and sustainable sourcing

Gränges promotes responsible and sustainable practices in its supply chain and works to incorporate 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.



A global supply chain

In 2020, Gränges had approximately 2,300 suppliers (2,500), of which 140 (158) were defined as significant¹⁾. About 81 per cent (77) of the purchase value from these suppliers was direct materials (primary ingots, rolling slabs, alloying elements, and recycled aluminium) whereas indirect materials and services accounted for 19 per cent (23).

RESPONSIBLE SOURCING

Global responsible sourcing programme

In 2020, Gränges developed a new global Responsible Sourcing Policy²⁾ which outlines group-wide principles and requirements on responsible sourcing. The policy applies to all Gränges' sites and concerns individuals who are in contact with suppliers. In line with the policy, all sites are to operate a local responsible sourcing programme covering significant suppliers, as outlined in the infographics on this page. Gränges sees the responsible sourcing programme as a platform to enforce sustainable practices, ensure continuous improvement, develop collaboration and build lasting relationships with its suppliers.

Global supplier sustainability requirements

Gränges has a Supplier Code of Conduct which all significant suppliers are requested to sign. The intention is to increase awareness and transparency of responsible and sustainable business practices in Gränges' supply chain. 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 2020, 97 per cent (99) of significant suppliers had a valid commitment to the Supplier Code of Conduct or had an equivalent standard in place.

Sustainability risk screening and desktop assessments

To ensure compliance with Gränges' Supplier Code of Conduct and to identify and mitigate sustainability risks in the supply chain, 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. Suppliers identified to have a potential medium or high sustainability risk are thereafter required to complete an evidence-based desktop sustainability assessment, currently managed by EcoVadis, a provider of sustainability analyses and ratings. In 2020, 25 of Gränges' significant suppliers had a third-party verified sustainability assessment available. More information about the process for risk screening and desktop assessments can be found in the Responsible Sourcing Policy²⁾.

Supplier follow-up and engagement

Results from the desktop assessments are integrated into the local supplier review procedures, e.g. supplier scorecards, discussions and on-site visits. The company 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 included. In 2020, five on-site supplier audits (seven) were conducted. Going forward, Gränges aims to further harmonize the processes of the desktop sustainability assessments with the audits. The company also aims to provide sustainability training to support suppliers on their paths to becoming more sustainable companies.

>> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2020 performance
Share of all significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % of purchase value	100	97 (99)
Share of recycled aluminium of total sourced metal inputs, %	20 ¹⁾	22.5 (19.8)
Share of renewable energy, %	Increase ²⁾	13 (8)
Carbon emissions intensity from purchased materials and services (scope 3), tonnes CO ₂ e/tonne	Reduce ²⁾	9.6 (10.5)

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.
 1) Gränges works to define and externally disclose an upgraded target.
 2) Versus baseline 2017.

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. Deviations can lead up to blocked purchase orders and business termination.



1) Suppliers with a purchase value above SEK 5 million, CNY 5 million or USD 0.5 million.
 2) Available on Gränges' website: www.granges.com/sustainability/policies/

EMISSIONS AND CLIMATE IMPACT – SOURCED METAL INPUTS

Reducing climate impact

In line with the company’s climate strategy, as described on pages 28–29, Gränges works to reduce its climate impact by sourcing more recycled aluminium, low-carbon primary aluminium produced using renewable energy, as well as energy from low-carbon sources. The company strives to more actively choose input material and supplier based on climate performance and carbon emissions reduction activities and targets. Gränges also plans to more actively have a dialogue with commodity traders to promote responsible sourcing and increased supply chain traceability.

In 2020, the carbon emissions intensity from purchased materials and services was reduced by 8 per cent versus 2019 and 20 per cent versus baseline 2017, driven by expanded sourcing of both recycled aluminium and low-carbon primary aluminium.

SOURCED RECYCLED ALUMINIUM

Promoting circularity

Gränges works to reduce the climate impact from purchased materials and services by expanding the use of recycled aluminium as this 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 end-of-life recycling 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.

Varying conditions and availability

The conditions and availability of recycled aluminium differ geographically, and the feasibility to increase usage depends on type of production (clad versus unclad products) 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 recycled aluminium can be a significant constraint. It can also be a challenge to recycle aluminium since it is often used in combination with other materials, and since an efficient process requires good sorting, separating and re-melting technologies. Moreover, 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 challenging to recycle at end-of-life as the various constituents are difficult to separate and sort.

In Gränges’ operations in Shanghai and Finspång, where a high number of alloys for brazed heat exchanger applications are produced, strict sorting of recycled aluminium is required to secure that the materials fit well in the specific alloys produced. In Asia, the Chinese market for recycled aluminium continued to emerge, and Gränges operations increased the volumes of sourced recycled aluminium significantly during 2020, although from a low base. In Gränges’ operations in Finspång the share of sourced recycled aluminium decreased in 2020 due to lower production volumes as a result of impacts due to the COVID-19 pandemic.

In Gränges’ operations in Americas, where more standardized alloy applications are produced that allow for wider composition limits, it is possible to reach a higher share of sourced recycled aluminium. These operations recirculate all volumes of recycled aluminium from its own processes and in 2020 further expanded sourcing of recycled aluminium from commodity traders and customers.

In total, Gränges increased the share of sourced recycled aluminium to 22.5 per cent (19.8) in 2020, which means that the 2025 target was achieved. The company works to raise its ambition and will define and disclose an upgraded target.

Innovation key to increase circularity

Gränges’ Research & Innovation organization has an ambition to design alloys which can contain a high share of recycled aluminium and which can be collected, sorted, dismantled and recycled after usage, i.e. higher recyclability. Read more on page 30.

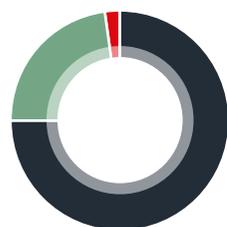


>> CREATING CIRCULAR BUSINESS MODELS

Gränges’ operations in Americas since a few years offer customers the service of picking up and bringing back processed aluminium from customers’ manufacturing process to be reinserted into Gränges’ production process. Such a circular business model leads to both business and sustainability benefits. The transportation is done in conjunction with Gränges’ product delivery and is managed either by a third-party or by Gränges. During the year, Gränges was running more than 15 such customer programs. In these programs, Gränges collaborates with some of the largest recycling companies in Americas.

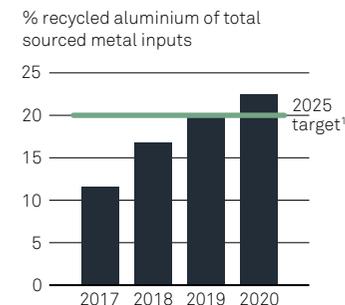
Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

Total sourced metal inputs, 2020



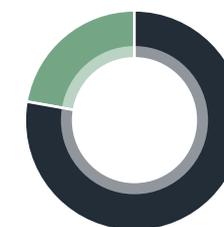
- Primary aluminium (ingots + slabs), 75%
- Recycled aluminium, 23%
- Alloying elements, 2%

Sourced recycled aluminium



¹⁾ Gränges works to define and disclose an upgraded target.

Sourced recycled aluminium per category, 2020



- Pre-consumer used materials, 78%
- Post-consumer used materials, 22%

Running sustainable operations

Efficient management of energy and materials is critical to Gränges as it improves the company's profitability, competitiveness, and environmental performance. Providing a safe work environment is also a top priority as the company strives towards operating an injury-free workplace.

Global principles for environment, health and safety (EHS)

Gränges' global EHS Policy¹⁾ 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 its operations, such as independent contractors and consultants who work on behalf of Gränges. In line with the policy, all sites are to operate certified management systems for health and safety, environment, and energy.

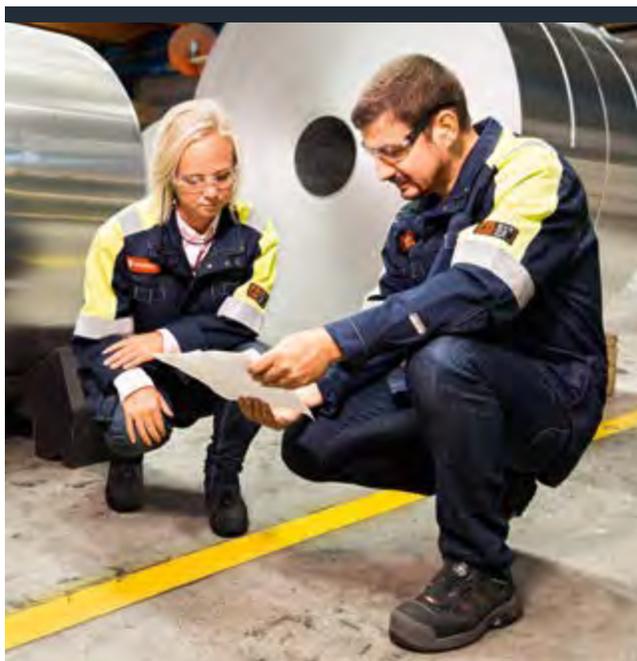
EMISSIONS AND CLIMATE IMPACT – OWN OPERATIONS

Reducing climate impacts

In line with the company's climate strategy, as described on pages 28–29, Gränges works to reduce energy intensity and promote the use of renewable energy. Emissions to air of greenhouse gases, nitrogen oxides, sulphur dioxide and particulate matter mainly come from the company's furnaces where aluminium is re-melted either via combustion using fossil fuels or via induction using electricity. The company also emits oil to air and water as a result of the cold rolling operations where oil is used to cool down the mill and lubricate the interface between the rolls and the material.

Gränges strives to take a holistic approach in reducing the climate impact along the aluminium value chain. This for example implies that the company may need to accept slight increases in energy consumption as a result of using more recycled aluminium in the re-melting facilities compared to using primary ingots. The reduction in carbon emissions from sourced metal inputs more than offsets the increase in operational emissions.

¹⁾ Available on Gränges' website: www.granges.com/sustainability/policies/



>> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2020 performance
Total Recordable Rate, number of recordable accidents per million hours worked	< 3.0	5.5 (4.4)
Severity Rate, number of lost workdays per million hours worked	< 50	109 (142)
Energy intensity, MWh/tonne	-17% ¹⁾	3.6 (3.5)
Carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO ₂ e/tonne	-25% ¹⁾	0.83 (0.82)
Number of sites having implemented a local water management plan	All sites	2/5 (0/5)

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.
1) Versus baseline 2017.

>> ENVIRONMENTAL MANAGEMENT CERTIFICATION IN HUNTINGDON

In July 2020, the environmental management system at Gränges' Huntingdon site in the US was successfully certified in accordance with the environmental management standard ISO 14001:2015. Through the certification, Gränges guarantees to continuously improve the environmental performance and ensure that environmental impacts are identified, measured, analysed and reduced. "Achieving this ISO certifica-

tion is not only a great accomplishment and a testament of hard work by our team in Huntingdon, it is also an excellent example of Gränges' strategic commitment to sustainability and continuous improvement. Our customers can be assured that we operate to the highest environmental management standards and that our environmental impacts are consistently reduced," says Patrick Lawlor, President Americas.

ENERGY

Reducing energy intensity

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. Important energy sources are natural gas, electricity, and liquefied petroleum gas and the main energy consumption occurs in the re-melting and casting processes. In 2020, Gränges conducted regional energy intensity opportunity assessments and updated its 2025 activity plans.

Promoting renewable energy

In the Finspång site, Gränges uses electricity in induction re-melters and liquefied petroleum gas in combustion melters. Since 2020, the operations in Finspång source specified electricity from 100 per cent (41) hydro power, sourced through the deregulated energy market in Sweden. In the production facilities in Shanghai and Americas, operations primarily use natural gas, and electricity is sourced from regulated energy markets which currently are mainly based on nuclear and non-renewable energy.

In 2020, Gränges conducted regional opportunity assessments and updated its 2025 activity plans to achieve a higher share of renewable energy.

WATER MANAGEMENT

Regional water conditions

Gränges uses water mainly for cooling purposes, such as cooling production equipment and preventing overheating and production disruptions. The production facilities in Americas 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 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.

Local water management plans

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

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. In 2020, Gränges implemented local water management plans in two sites: Finspång and Shanghai.

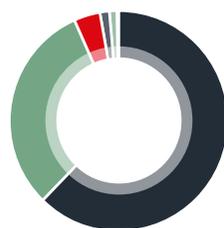
Gränges also includes water risks when conducting supplier sustainability assessments, as described on page 31.

>> RE-MELTING BENCHMARK TO REDUCE ENERGY CONSUMPTION

In 2020 Gränges conducted a re-melting furnace benchmark between the sites in Shanghai, Finspång and Americas. Furnace handling practices (i.e. loading of input materials, heating and melting, stirring, fluxing, skimming, settling etc.) were compared in order to reduce cycle times, energy consumption and dross generation. A main outcome was the introduction of a higher share of recycled aluminium to replace primary aluminium whilst limiting the increases in dross formation and energy input.

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

Energy use by type, 2020

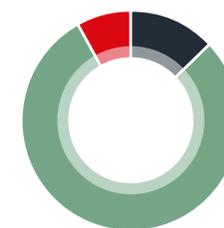


- Natural gas, 64%
- Electricity, 32%
- LPG, 3%
- Diesel, 0.6%
- District heating, 0.3%
- Petrol, 0.01%

Energy intensity

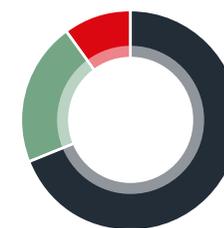


Renewable energy, 2020



- Renewable energy, 13%
- Non-renewable energy, 79%
- Nuclear energy, 8%

Water withdrawal by source, 2020



- Surface water, 69%
- Ground water, 21%
- Third-party water, 10%

WORKPLACE SAFETY

Striving towards an injury-free workplace

In all its activities, Gränges attempts to improve the working environment and the health and safety awareness and behaviour. Gränges strives towards a workplace that protects the health and fosters the wellbeing of employees and all persons directly or indirectly related to its operations. 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 and to drive safe behaviours, improve workplace efficiency and eliminate waste. Read more on page 22. In 2020, with the COVID-19 situation, all Gränges' locations implemented strict measures to avoid interpersonal contact and to apply the appropriate hygiene rules. Also, whenever possible, remote work was applied to limit business travel and replace in-person meetings.

Hazard identification and risk assessment

Gränges' operations entail 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 for repetitive and non-repetitive tasks involving experts and the people who do the job. This involves identifying hazards associated with work tasks, assessing 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.

Safety reporting and key activities

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 by employees in local incident reporting systems. Safety performance is reviewed weekly and monthly, and site-specific safety targets are set as part of the business planning cycle.

Example of activities implemented in 2020 include improved segregation between pedestrians and mobile equipment (forklifts, overhead cranes, loaders etc.) at the Finspång site. The Americas operations implemented a new molten metal safety standard encompassing updated personal protective equipment and a new system of routine cast house audits, read more on page 22. The operations in Shanghai introduced a new app which employees can use to register unsafe conditions or behaviours and learn about applicable regulations and rules.

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 at least once a year, and regular courses are provided for production personnel, management and new employees. Production employees receive specific safety training covering aspects such as hand and finger injury prevention. All new employees attend safety training before starting.

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 plans and reported to the regional safety committees. Due to the COVID-19 situation and travel restrictions, Gränges only conducted one such assessment in 2020. 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.

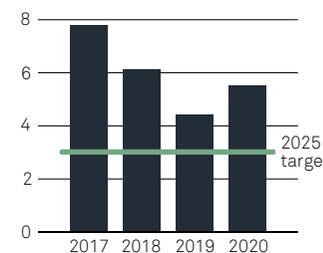
>> IMPROVED PEDESTRIAN SAFETY AT THE FINSPÅNG SITE

One of the main safety hazards in Gränges' production facility in Finspång is the potential interaction between pedestrians and mobile equipment (forklifts, overhead cranes, loaders etc.). Since many years, the site has made continuous efforts to improve 'pedestrian separation', and recently a strategic decision was taken to speed up the implementation of improvement activities. The project started with a risk assessment, conducted by the EHS staff, project department, managers and union safety representatives, and resulted in a master plan for 'pedestrian separation' both indoors and outdoors. Improvements implemented include the re-routing of walkways and eliminating points where pedestrians could interact with mobile equipment pathways. Where needed, walkways have also been protected with heavy rails and gates and a clear colour marking. Most of the workstations are now connected to a safe walkway.

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

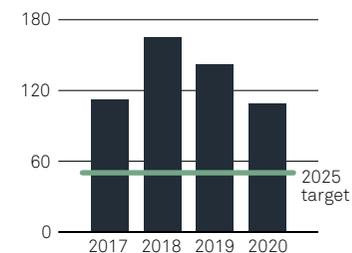
Total Recordable Rate

Number of recordable accidents per million hours worked



Severity Rate

Number of lost workdays per million hours worked



Building diverse and high-performing teams

Competent and committed employees form the foundation on which Gränges can be innovative and competitive. By being an open and inclusive employer, the company aims to provide a diverse workplace where employees can realize their full potentials and contribute to developing a high-performing organization. In 2020, Gränges had on average 1,647 employees (1,797), excluding Gränges Konin and Gränges Powder Metallurgy.¹⁾

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. With the COVID-19 pandemic in 2020, the company's focus on employee wellbeing was further enforced. Examples of COVID-19 related actions include flexible and remote work options, travelling guidelines to ensure the safety of employees who returned from private or business trips, updated meeting policies and as well as ensuring access to medical equipment and disinfection supplies.

Access to healthcare

To promote employee health and wellbeing, Gränges offers both occupational and non-occupational health services. Benefits include flexible work options, occupational health care, wellness grants, and support to employees who have recurrent illness. At the production facilities, employees and contracted workers have access to first-aid care. Off-site, employees are offered preventive and regular health checks, as well as access to medical care at licensed medical providers in case of occupational injury or illness. Gränges also offers non-occupational support with regards to tobacco and nicotine cessation, 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. In 2020, Gränges' operations in Finspång implemented a new financial wellness tool enabling employees to forecast their future pensions and to ensure financial stability at home and at work. The operations in Americas conducted wellness education and continued to run the financial wellness programme introduced in 2019.

1) Based on full-time positions.

Tracking employee satisfaction

Gränges regularly follows up on employees' general motivation and wellbeing via the annual performance and development discussion as described below. The company also conducts employee surveys every two years to track status, and in 2020, Employee engagement index reached 78 (77), up slightly versus the previous measurement and in line with relevant benchmark from other industrial companies. Gränges uses the results from the employee surveys to set local action plans.

CAREER AND LEADERSHIP DEVELOPMENT

Attracting and developing talent

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. To ensure employees are engaged and motivated, Gränges conducts annual performance and development discussions as well as compensation reviews.

A structured performance management process

Gränges runs a structured performance management process in which all employees have annual performance and development discussions. To ensure efficient and continuous competence development, talent management, and succession planning, all employees should also have an individual development plan. In 2020, all employees except for blue-collar employees at the Shanghai site had one, which represented 81 per cent (80) of the total workforce. Gränges works actively to provide career and leadership opportunities for employees and aims to fill every second management position job opening with internal candidates.



>> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2020 performance
Share of employees receiving annual performance and development discussion, %	100	100 (100)
Share of women in senior management ¹⁾ , %	> 30	21 (20)
Employee engagement index	> 85	78 (77)

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.
1) Employees eligible to participate in Gränges' long-term incentive (LTI) programme.

>> Gränges is a leader in many aspects of sustainability. Moving forward, it is very important that we make sustainability a core part of our corporate culture so that all employees can engage, support and integrate sustainability into their everyday work."

Rosa Laxamana, Supply Chain Manager
Gränges Americas

Competence development and training

Gränges works actively to offer opportunities for training and competence development in order to develop the leadership. Leadership training is conducted in line with regional needs and covers both current and potential leaders and talents. To enable more structured competence development, Gränges in 2020 started to implement a new learning management system, which going forward will enable a more efficient tracking of important metrics such as number of training hours per employee.

Gränges' operations in Finspång in 2020 initiated a local company training to increase employees' understanding of all parts of the business and to strengthen the company culture. All in all, 75 per cent of employees completed the training before COVID-19 restrictions made it difficult to finalize the training. Gränges' operations in Americas sent several managers to leadership training through Louisiana State University prior to the COVID-19 restrictions. The operations in Shanghai conducted internal training in ISO 14001 to increase the understanding of and align the operations with the environmental management system requirements.

DIVERSITY AND INCLUSION

An inclusive corporate culture

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. Important diversity aspects for Gränges include gender equality as well as ethnic and racial diversity, where the latter aspect is mainly applicable for the company's operations in 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.

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. Read more on page 20.

Striving 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 work in a structured way 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.

In 2020, Gränges had 21 per cent women (20) among senior management and 15 per cent (14) in the total workforce, a slight

increase versus 2019. Challenges for an improved gender balance include a low employee turnover rates in some regions, reduced workforce in some production facilities due to lay-offs and weaker market conditions, operating in rural areas where it is difficult to find the right competence, as well as operating in countries where gender roles largely are traditional.

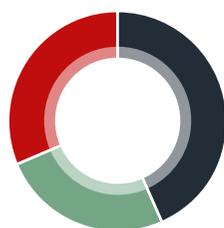
Group-wide principles and local plans

Gränges manages diversity and inclusion matters mainly on a local and regional 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 employee survey gaps between men and women, and to offer awareness activities to increase employees' understanding and identify potential diversity biases.

Due to a delayed central union agreement the operations in Finspång did not perform any gender-related disparity pay analysis in 2020. However, it was confirmed that the few pay gaps identified in 2019 were not the result of gender-related disparity.

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

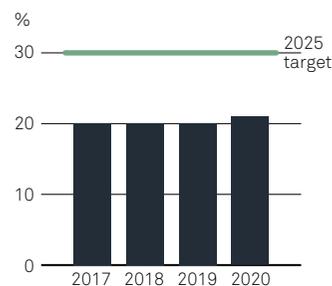
Employees by region, 2020¹⁾



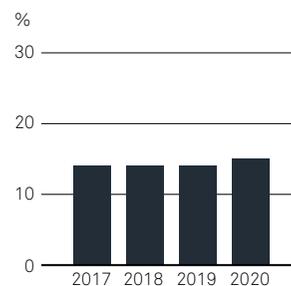
■ Americas, 43%
■ Europe, 25%
■ Asia, 31%

1) Based on full-time positions.

Women in senior management



Women in total workforce



>> INCREASED DIVERSITY FOCUS IN GRÄNGES FINSPÅNG

Gränges' operations in Finspång has in 2020 taken several actions to improve the work environment for women. Actions taken include more customized work-wear as well as discussions with forklift companies and the occupational health care ergonomist to adjust and tailor the settings of the forklifts to better fit individuals of all heights. Since 2019 a team of female safety representatives meets regularly to discuss for example ergonomics related to machines, clothes and equipment as well as attitudes and salary levels.

Securing ethical business practices

Gränges is committed to ethically sound business practices and operating in compliance with and beyond all applicable laws and regulations. All employees are expected to act in line with the company’s values and behave responsibly towards each other and business partners.



ETHICAL BUSINESS PRACTICES

Acting ethically and responsibly

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 standards¹⁾ 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 2020, Gränges made minor updates to the Code of Conduct and launched a new version.

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 is costly for Gränges as a company as well as for individuals and could lead to imprisonment and fines.

Gränges also requires that significant suppliers²⁾ commit to its Supplier Code of Conduct or an equivalent standard, which includes principles about prohibition of corruption, bribery, and improper benefits. More information can be found on page 31.

Annual online 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 combine facts and guidelines with practical ethical dilemmas. The 2020 training participation rate was 100 per cent for both the Code of Conduct (99) and anti-corruption (100).

Detecting irregularities

To detect irregularities that may seriously harm Gränges’ business or employees, Gränges has an externally managed Whistleblower function which can be accessed via the company’s intranet, the external website or by telephone. The function 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 2020, there were eight cases (two) reported through the Whistleblower function. All these cases related to internal working conditions and did not qualify as whistleblower cases in line with the GDPR regulation on storing and processing of personal data. No corruption incidents were detected, and no business contracts were breached or not renewed due to corruption.

>> PERFORMANCE SUMMARY

Key performance indicator	2025 target	2020 performance
Share of employees annually trained in Gränges’ Code of Conduct, %	100	100 (99)
Share of white-collar employees annually trained in anti-corruption, %	100	100 (100)

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

Ensuring effective implementation

Gränges regularly conducts internal audits of its local operations, 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. During 2020, one internal audit session were conducted. If needed and when applicable, Gränges also engages a third-party to conduct due diligence. No such due diligence was performed in 2020.

1) UN Global Compact, UN Universal Declaration of Human Rights, Sustainable Development Goals, and the OECD Guidelines for Multinational corporations.

2) Suppliers with a purchase value above SEK 5 million, CNY 5 million or USD 0.5 million.

Sustainability notes

About Gränges' sustainability report

The sustainability information in this report relates to the financial year 2020 and covers all fully owned operations of the Group at the start of 2020. This means that the sustainability report for 2020 does not cover Gränges Konin, which was acquired in November 2020, or Gränges Powder Metallurgy which was established in October 2020.¹⁾ Refer to page 104 for a list of group companies. The statutory sustainability report according to the Swedish Annual Accounts Act has been issued by Gränges' Board of Directors, read more on page 48.

The sustainability information in this report has been prepared in accordance with GRI Standards: Core option and constitutes Gränges' Communication on Progress in line with UN Global Compact guidelines. The report and its contents 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 19 March 2020. Gränges intends to continue to publish a report annually.

For more information, please contact:
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1) Gränges Powder Metallurgy is based on Gränges' acquisition of the remaining 49 per cent of the shares in Getek GmbH and of Dispal®. Getek GmbH was at the start of 2020 a jointly owned production company.



Sustainability governance

Gränges' sustainability efforts are led by Group Management and the SVP Sustainability, who coordinates, facilitates and drives the global sustainability strategy, long-term targets and sustainability related policies. The SVP Sustainability also communicates on sustainability performance and progress to different stakeholders and coordinates a continuous stakeholder dialogue.

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.

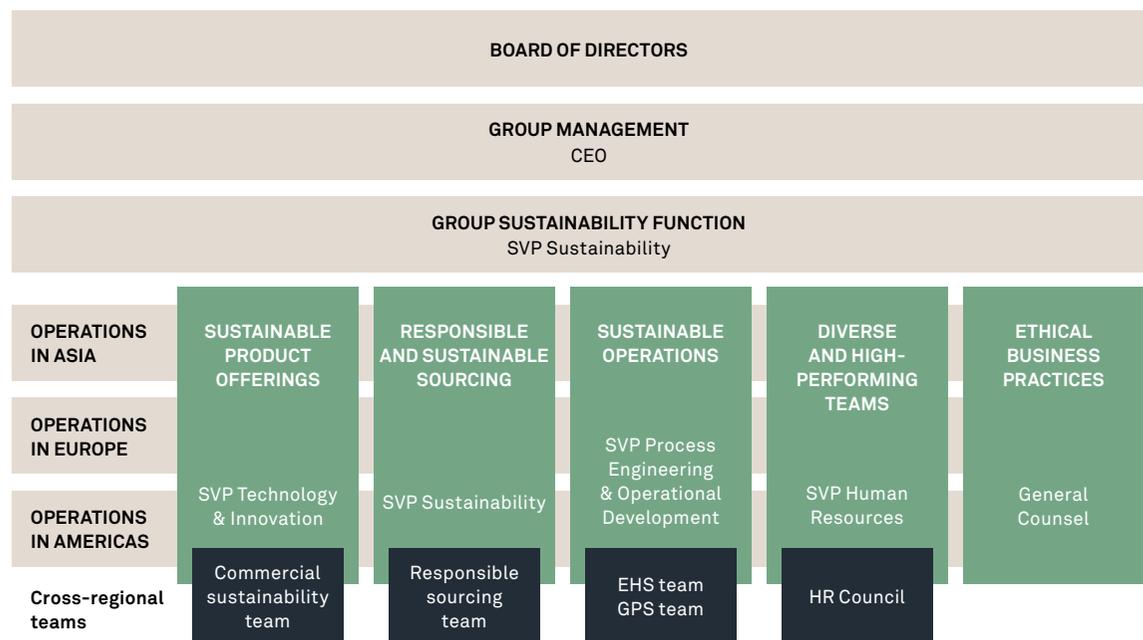
Group Management ensures that Gränges' global sustainability strategy, long-term targets and policies are aligned with the company's vision and strategy. Group Management also reviews and moni-

tors sustainability performance against sustainability targets, as well as makes decisions related to global sustainability priorities.

As illustrated below, each sustainability pillar is governed by one member of Group Management. This individual proposes global sustainability priorities and coordinates with Gränges' local operations through cross-regional teams to implement local sustainability activities within a specific sustainability pillar. From May 2020, the SVP Sustainability governs the sustainability pillar Responsible and sustainable sourcing.

The local operations in turn ensure that a local sustainability strategy, long-term targets and policies are in place and aligned with the global strategy and the local needs. Operations also report on local sustainability performance and progress.

GRÄNGES' SUSTAINABILITY ORGANIZATION



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. Also, 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 2020, Gränges conducted structured interviews with representatives from different stakeholder group 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 Gränges 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 work more on climate change, recycling of products' end-of-life, intensify communication about sustainable products and future opportunities, and quantify the contribution to a green transition. Input from stakeholders have been integrated into this 2020 sustainability report.

Stakeholder group	Dialogue forum	Key sustainability topics for stakeholders	Page
Customers	<ul style="list-style-type: none"> • Customer survey • Fairs, seminars • Ongoing dialogue • Questionnaires from customers • Stakeholder surveys and in-depth interviews 	<ul style="list-style-type: none"> • Customer satisfaction • Eco-responsible innovation • Energy and emissions • Health and safety • Product life-cycle performance • Recycled aluminium and raw materials • Supplier assessments 	14, 30 30 28–29, 32–34, 117–119 35, 36, 120, 122 30, 116 31–32, 117 31, 116
Employees	<ul style="list-style-type: none"> • Annual performance reviews • Employee surveys every two years • Internal training • Intranet communication • Stakeholder surveys and in-depth interviews • Workplace meetings 	<ul style="list-style-type: none"> • Diversity and equality • Emissions to air and water • Ethics and anti-corruption • Gränges' workplace • Health and safety • Product life-cycle performance • Supplier assessments 	37, 121 28–29, 32–33, 118–119 38, 122 35–37, 120–122 35, 36, 120, 122 30, 116 31, 116
Investors	<ul style="list-style-type: none"> • Annual General Meeting • Annual and quarterly reports • Capital markets days • Quarterly conference calls • Investor and analyst seminars and meetings • Press releases • Stakeholder surveys and in-depth interviews • Sustainability questionnaires from ESG data providers • Gränges' website 	<ul style="list-style-type: none"> • Customer satisfaction • Economic performance • Eco-responsible innovation • Energy and emissions • Ethics and anti-corruption • Gränges' workplace • Product life-cycle performance • Recycled aluminium and raw materials • Supplier assessments 	14, 30 2, 64–106 30 28–29, 32–34, 117–119 38, 122 35–37, 120–122 30, 116 31–32, 117 31, 116
Society	<ul style="list-style-type: none"> • Collaboration with universities and schools • Interns and student dissertations • Local cooperation, ongoing dialogue • Participation in networks and working groups • Stakeholder surveys and in-depth interviews 	<ul style="list-style-type: none"> • Community involvement • Energy and emissions • Health and safety 	www.granges.com/sustainability 28–29, 32–34, 117–119 35, 36, 120, 122
Suppliers	<ul style="list-style-type: none"> • Ongoing dialogue • Stakeholder surveys and in-depth interviews • Supplier assessments • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Customer satisfaction • Economic performance • Energy and emissions • Ethics and anti-corruption • Health and safety • Recycled aluminium and raw materials • Purchasing processes 	14, 30 2, 64–106 28–29, 32–34, 117–119 38, 122 35, 36, 120, 122 31–32, 117 31, 116

Materiality analysis and topic boundaries

In line with the principle of materiality, Gränges in 2020 validated its selection of material topics using input from the in-depth interviews described on page 112. Gränges' decision from 2018 to

prioritize 12 sustainability topics across five sustainability pillars was in 2020 assessed to be valid and relevant.

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	
Sustainable product offering	Eco-responsible innovation	–		x	x	30
	Product life-cycle sustainability performance	Materials stewardship ¹⁾	x	x	x	30, 116
Responsible and sustainable sourcing	Responsible sourcing	Supplier environmental assessment Supplier social assessment	x			31, 116
	Sourced recycled aluminium	Materials	x	x	x	31–32, 117
Sustainable operations	Emissions and climate impact	Emissions	x	x	x	28–29, 32–33, 118–119
	Energy	Energy	x	x		34, 117
	Water management	Water	x	x		34, 119
	Workplace safety	Occupational health and safety		x		35, 120
Diverse and high-performing teams	Employee wellbeing			x		36, 122
	Diversity and equality	Diversity and equal opportunity		x		37, 121
	Career and leadership development	Training and education		x		36–37, 121
Ethical business practices	Ethics and anti-corruption	Anti-corruption	x	x	x	38, 122

1) GRI G4 Mining and Metals Sector Supplement.

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, Nonferrous metals Society of Shanghai, Shanghai Aluminium Trade Association, Scandinavian Automotive Supplier Association, and Svenskt Aluminium.

Gränges' operations in Europe 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 114.

External reporting and evaluation

Gränges' sustainability performance and management are continuously assessed by customers, sustainability/ESG analysts and other stakeholders. This serve 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 Gränges' external reporting and sustainability evaluation.

Global Reporting Initiative (GRI): Gränges' sustainability report is conducted in line with GRI Standards: Core option. A complete GRI content index can be found on pages 123–125.

Global Compact: The sustainability information in this report constitutes Gränges' Communication on Progress in line with UN Global Compact guidelines.

MSCI: Gränges received a rating of AA in the MSCI ESG Ratings assessment 2020, which positioned Gränges among the top six per cent companies in the Metals and Mining sector (Non-Precious Metals).¹⁾ MSCI ESG Research provides MSCI ESG Ratings 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.

EcoVadis: Gränges was also awarded a silver medal in the 2020 EcoVadis sustainability ranking, which means that the company was rated among the top seven per cent of rated companies in the industry (manufacture of basic precious and other non-ferrous metals).

Aluminium Stewardship Initiative (ASI): Gränges has also achieved certifications against the ASI Performance Standard for the sites in Shanghai (July 2019) and Finspång (February 2021), which demonstrates that Gränges' products are produced responsibly and sustainably.

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



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	<ul style="list-style-type: none"> Gränges works to attract and safeguard competent employees and ensure proper working conditions, including access to essential health care services and medicines. 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. 	<ul style="list-style-type: none"> Employee wellbeing 	
	3.9			Good health and wellbeing
	4.4	<ul style="list-style-type: none"> Gränges works to attract and retain a skilled workforce and works closely with universities etc. to give students access to the corporate environment. 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. 	<ul style="list-style-type: none"> Career and leadership development 	
	5.1	<ul style="list-style-type: none"> 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. Gränges' operations in Europe annually performs a gender-related disparity pay analysis to find any non-objective gaps. Gränges works to promote an open and non-discriminatory workplace in its supply chain. 	<ul style="list-style-type: none"> Diversity and equality 	
	5.5			Gender equality
	6.3	<ul style="list-style-type: none"> 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. Gränges works to put in place mechanisms to identify water risks throughout the global supply chain. 	<ul style="list-style-type: none"> Responsible sourcing Water management 	
	6.4			Clean water and sanitation
	6.5			
	7.2	<ul style="list-style-type: none"> 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. Gränges works to improve energy intensity and has a target to reduce energy intensity by 17 per cent to 2025 compared with 2017. 	<ul style="list-style-type: none"> Energy 	
	7.3			Affordable and clean energy
	8.4	<ul style="list-style-type: none"> Gränges works to improve resource efficiency in its operations through energy and materials efficiency as well as increased use of recycled aluminium. Gränges works to ensure full employment and decent work with equal pay, and to ensure a working environment that promotes high safety standards. 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. 	<ul style="list-style-type: none"> Career and leadership development Diversity and equality Responsible sourcing Sourced recycled aluminium Workplace safety 	
	8.5			Decent work and economic growth
	8.7			
	8.8			
	9.4	<ul style="list-style-type: none"> Gränges works to develop sustainable products. 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. 	<ul style="list-style-type: none"> Eco-responsible innovation Product life-cycle sustainability performance 	

UN SDG number and applicable targets	UN SDG name	Gränges' contributions to the UN SDGs	Gränges' material topics
	10.3	<ul style="list-style-type: none"> 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. Gränges works to promote an open and non-discriminatory workplace in its supply chain. 	<ul style="list-style-type: none"> Diversity and equality
	11.6	<ul style="list-style-type: none"> Gränges works to leverage the sustainability properties of aluminium (lightweight, recyclable etc.) and develops HVAC solutions that contribute to energy efficient and sustainable buildings. 	<ul style="list-style-type: none"> Eco-responsible innovation Product life-cycle sustainability performance
	12.2	<ul style="list-style-type: none"> 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. Gränges integrates sustainability information into its reporting cycle and publishes an annual sustainability report. 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. Gränges works to develop innovative products that can reduce energy needs in usage. 	<ul style="list-style-type: none"> Eco-responsible innovation Product life-cycle sustainability performance Responsible sourcing Sourced recycled aluminium
	12.4		
	12.5		
	12.6		
	13.1	<ul style="list-style-type: none"> 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. Gränges develops sustainable products aimed at improving customers' and end-users' energy efficiency. Gränges works to understand the climate risks and build resilience into the company's operations and supply chain. Gränges has set a 2025 target to reduce carbon emissions intensity from own operations and purchased energy by 25 per cent versus 2017 and to reduce carbon emissions intensity from purchased materials and services. 	<ul style="list-style-type: none"> Eco-responsible innovation Emissions and climate impact Energy Responsible sourcing
	13.3		
	16.5	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ethics and anti-corruption
	17.16	<ul style="list-style-type: none"> 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. 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). 	<ul style="list-style-type: none"> Product life-cycle performance Responsible sourcing

Sustainability performance summary

	Target 2025	2020	2019	2018	Note
Sustainable product offerings					
Share of products with third-party verified sustainability information available, %	80	19	–	–	1
Responsible and sustainable sourcing					
Number of significant suppliers ¹⁾	–	140	158	143	2
Share of all significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % of purchase value	100	97	99	98	2
Number of significant suppliers with a third-party verified sustainability assessment	–	25	–	–	2
Number of on-site supplier audits	–	5	7	10	2
Share of recycled aluminium of total sourced metal inputs, %	20 ⁵⁾	22.5	19.8	16.7	3
Share of renewable energy, %	Increase ⁶⁾	13	8	9	4
Carbon emissions intensity from purchased materials and services (scope 3), tonnes CO ₂ e/tonne	Reduce ⁶⁾	9.6	10.5	11.2	5
Sustainable operations					
<i>Environmental indicators</i>					
Total energy use, GWh	–	1,220.2	1,215.7	1,231.4	4
Energy intensity, MWh/tonne	–17% ⁶⁾	3.6	3.5	3.3	4
Carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO ₂ e/tonne	–25% ⁶⁾	0.83	0.82	0.76	5
Water withdrawal, thousand m ³	–	2,864	3,203	3,468	6
Number of sites having implemented a local water management plan	All sites	2/5	0/5	0/5	6
<i>Workplace safety indicators</i>					
Number of recordable workplace accidents	–	20	17	23	7
Number of lost workday cases	–	11	10	14	7
Number of fatalities	–	0	0	0	–
Total Recordable Rate, number of recordable accidents per million hours worked	< 3.0	5.5	4.4	6.1	7
Severity Rate, number of lost workdays per million hours worked	< 50	109	142	165	7

	Target 2025	2020	2019	2018	Note
Diverse and high-performing teams					
Average number of employees ²⁾	–	1,647	1,797	1,699	–
Number of employees at year end ³⁾	–	1,774	1,782	1,803	8
Employees with permanent contract, %	–	98	97	95	8
Employees with temporary contract, %	–	2	3	5	8
Full-time employees, %	–	100	100	100	8
Part-time employees, %	–	0	0	0	8
White-collar employees, %	–	30	31	30	8
Blue-collar employees, %	–	70	69	70	8
Share of employees having annual performance and development discussion, %	100	100	100	99	9
Share of women in Board of Directors/ Group Management ³⁾ , %	–	43/14	43/13	43/13	10
Share of women among senior management ^{3),4)} , %	> 30	21	20	20	10
Share of women in total workforce ³⁾ , %	–	15	14	14	10
Employee engagement index	> 85	78	–	77	11
Sick-leave ²⁾ , %	–	2.0	1.6	1.6	11
Employee turnover ²⁾ , %	–	16.0	11.8	9.1	11
Share of employees covered by collective bargaining agreements, %	–	68	68	70	–
Ethical business practices					
Share of employees trained in Gränges' Code of Conduct, %	100	100	99	99	12
Share of white-collar employees trained in anti-corruption, %	100	100	100	–	12
Number of incidents related to corruption	–	0	0	0	12

Note: All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

1) Suppliers with a purchase value above SEK 5 million, CNY 5 million or USD 0.5 million.

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) Gränges works to define and disclose an upgraded target.

6) Versus baseline 2017.

Notes

1 Product life-cycle sustainability performance

Comment: In 2020, Gränges' operations in Finspång developed and implemented a life-cycle and carbon footprint assessment (LCA/CF) tool which enables declarations of environmental impacts on a product level, starting with the products' carbon footprint. In 2020, all products produced at the Finspång site had verified sustainability information available, which corresponded to 19 per cent (-) of the company's total products.

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. A verification report and statement is available on the company's website: www.granges.com/sustainability/sustainable-product-offerings/. Details about the methodology and key assumptions can be found in Gränges' Carbon footprint report, also available on Gränges' website.

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].

Governance and policies: The topic is managed by SVP Technology & Innovation in cooperation with the regional sales and product development representatives.

Long-term target: Gränges' 2025 target is that 80 per cent of its products have third-party verified sustainability information available.

2 Responsible sourcing

Significant suppliers

Number of significant suppliers	2020	2019	2018
Asia	13	14	18
Europe	42	38	35
Americas	85	106	90
Gränges total	140	158	143

Supplier Code of Conduct commitment

Share of all significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % of purchase value	2020	2019	2018
Asia	97	97	94
Europe	91	99	97
Americas	100	100	100
Gränges total	97	99	98

Supplier audits

Number of audits conducted among significant suppliers	2020	2019	2018
Asia	4	5	5
Europe	0	2	5
Americas	1	0	0
Gränges total	5	7	10

Comment: In 2020, 127 suppliers (154), corresponding to 97 per cent of the total purchase value from significant suppliers (99), had valid commitments to the Supplier Code of Conduct or had been assessed to have equivalent standards in place which are in line with Gränges' sustainability requirements. In Gränges' operations in Finspång, Europe, a few supplier contracts were renewed in 2020 without a commitment to the Supplier Code of Conduct. Efforts to have these suppliers sign the document will be initiated in 2021. In 2020, 25 of Gränges' significant suppliers had a third-party verified desktop sustainability assessment available. Gränges also conducted five on-site supplier audits (seven) in 2020, of which no supplier was new. The operations in Finspång, Europe, did not conduct any supplier audits due to COVID-19 impacts. Supplier audits are conducted periodically depending on suppliers' strategic importance and results from supplier performance assessments. In total, four new significant suppliers (19) were added to the supplier base in 2020 and will be included in the annual supplier sustainability responsible sourcing process from 2021. More information can be found on page 31.

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

Significant supplier is defined as a supplier with a total purchase value above SEK 5 million, CNY 5 million or USD 0.5 million. Local purchase value has been converted to SEK using average currency rates for 2020.

Governance and policies: The topic is managed by SVP Sustainability and the regional purchasing representatives. 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. Three 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 all significant suppliers are committed to Gränges' Supplier Code of Conduct or equivalent standard.

3 Sourced recycled aluminium

Weight of sourced metal inputs

ktonnes	2020	2019	2018
Primary aluminium	272.7	287.8	341.3
Recycled aluminium	81.4	72.9	70.4
Alloys	7.5	7.8	8.8
Gränges total	361.7	368.4	420.5

Weight of sourced recycled aluminium

ktonnes	2020	2019	2018
Asia	3.6	2.5	3.1
Europe	7.6	12.3	14.0
Americas	70.3	58.0	53.3
Gränges total	81.4	72.9	70.4

Share of sourced recycled aluminium

Share of recycled aluminium of total sourced metal inputs, %	2020	2019	2018
Asia	3.8	2.4	2.7
Europe	11.1	13.9	13.5
Americas	35.2	32.5	26.5
Gränges total	22.5	19.8	16.7

Comment: In 2020, the share of sourced recycled aluminium reached 22.5 per cent (19.8), up by 2.7 percentage points. The result was driven by the operations in Americas and Asia who expanded sourcing of recycled aluminium through commodity traders and collaboration with suppliers and customers. The operations in Finspång, Europe, showed a slight decline due to lower volumes which resulted in a lower inhouse production of slabs and a relatively higher volume of sourced slabs which contained a higher share of primary aluminium.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. All numbers exclude Gränges Konin and Gränges Powder Metallurgy.

Sourced recycled aluminium is defined as sourced recycled aluminium used as input materials [tonnes] divided by total sourced metal input materials [tonnes].

Governance and policies: The topic is managed by SVP Sustainability and the regional purchasing representatives. 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 20 per cent of total sourced metal inputs is recycled aluminium. Gränges works to define and disclose an upgraded target.

4 Energy

Total energy use

GWh	2020	2019	2018
Natural gas	778.4	756.8	764.6
Electricity	390.6	400.1	407.4
Liquefied petroleum gas	40.4	45.6	46.2
Diesel	6.9	9.8	9.0
District heating	3.8	3.3	4.1
Petrol	0.1	0.1	0.1
Gränges total	1,220.2	1,215.7	1,231.4

Energy intensity

MWh/tonne	2020	2019	2018
Asia	2.5	2.4	2.3
Europe	2.4	2.2	2.1
Americas	4.5	4.7	4.3
Gränges total	3.6	3.5	3.3
Development versus prior year, %	3	7	-1
Development versus 2017 baseline, %	10	7	-1

Share of renewable energy

%	2020	2019	2018
Asia	12	9	10
Europe	74	31	36
Americas	3	2	2
Gränges total	13	8	9

Comment: In 2020, the total energy use increased slightly to 1,220.2 GWh (1,215.7). The energy intensity increased by 3 per cent compared to 2019 and reached 3.6 MWh/tonne (3.5), driven mainly by lower production volumes in the sites in Shanghai and Finspång due to COVID-19 impacts. This was, however, partly offset by improvements in the operations in Americas, where the energy intensity was reduced as a result of new production equipment. Gränges' total share of renewable energy increased to 13 per cent (8) driven by an increased share of renewable electricity in the mix. Gränges' operations in Finspång since 2020 source specified electricity from 100 per cent hydro power. The increase for Asia is partly explained by using a regional electricity mix in the 2020 reporting compared to a national average mix being used in previous years' reporting.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. All numbers exclude 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 [MWh] divided by the total energy used [MWh] using total energy use per source and the supplier-specific mix for delivered electricity and district heating.

Regulations: Gränges adheres to applicable energy regulations in the countries of operations; Gränges' operations in Asia under the Shanghai Energy Conservation Regulations and the operations in Europe under the Energy Efficiency Directive. Operations in Americas do currently not have any energy related regulations affecting its operations.

Governance and policies: The topic energy use and intensity is managed by SVP Process Engineering & Operational Development and the regional representatives from operations. The topic renewable energy is managed by SVP Sustainability and the regional purchasing representatives. The governing policy is Gränges' EHS Policy, which is reviewed annually and applies to all employees working at Gränges. The production sites in Finspång and Shanghai are certified in accordance with the energy management standard ISO 50001, while the sites in Americas 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, fuels) is increased versus baseline 2017.

5 Emissions and climate impact

Total emissions of greenhouse gases

ktonnes CO ₂ e	Scope 1			Scope 2			Scope 3			Scope 1+2+3		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Asia	24.1	25.6	27.5	44.8	57.4	61.1	1,640	1,970	2,250	1,700	2,050	2,340
Europe	9.1	10.6	11.3	0.3	0.4	0.4	340	500	590	350	510	600
Americas	135.2	129.7	128.7	65.0	59.1	56.0	1,250	1,150	1,400	1,450	1,340	1,580
Gränges total	168.4	166.0	167.5	110.1	116.9	117.4	3,230	3,620	4,230	3,510	3,910	4,520

Carbon emissions intensity

Tonnes CO ₂ e/tonne	Scope 1			Scope 2			Scope 3			Scope 1+2+3		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Asia	0.31	0.29	0.28	0.58	0.66	0.63	21.2	22.5	23.1	22.0	23.5	24.0
Europe	0.14	0.13	0.12	0.01	0.00	0.00	5.4	6.1	6.5	5.5	6.2	6.6
Americas	0.69	0.73	0.68	0.33	0.33	0.30	6.4	6.5	7.4	7.4	7.6	8.4
Gränges total	0.50	0.48	0.44	0.33	0.34	0.31	9.6	10.5	11.2	10.4	11.3	12.0
Development versus prior year, %	4	8	-2	-3	8	-12	-8	-7	-6	-8	-6	-6
Development versus 2017 baseline, %	11	6	-2	-8	-5	-12	-20	-12	-6	-18	-12	-6

Emissions by category (scope 3)

ktonnes CO ₂ e	2020	2019	2018
Purchased goods and services	3,120	3,520	4,120
Fuel and energy-related activities	60	60	60
Transportation incl. business travel	50	50	50
Gränges total	3,230	3,620	4,230

Other emissions to air – particulate matter

Tonnes	2020	2019	2018
Asia	3.0	3.3	3.6
Europe	0.1	0.1	0.2
Americas	7.9	7.6	7.3
Gränges total	11.0	11.1	11.1

Other emissions to air – nitrogen oxides (NO_x)

Tonnes	2020	2019	2018
Asia	22.6	23.1	25.5
Europe	8.5	10.4	11.2
Americas	102.5	98.4	97.9
Gränges total	133.6	131.8	134.7

Other emissions to air – sulphur dioxide (SO₂)

Tonnes	2020	2019	2018
Asia	2.4	2.5	2.7
Europe	0.0	0.0	0.1
Americas	0.6	0.6	0.6
Gränges total	3.1	3.2	3.4

Note: Data for sulphur dioxide 2018 has been updated due to a reporting error.

Comment: In 2020, the total carbon emissions intensity (scope 1+2+3) decreased by 8 per cent compared to 2019. The carbon emissions intensity from own operations and purchased energy (scope 1+2) increased by 1 per cent versus 2019 and 3 per cent versus baseline 2017, primarily driven by an increased energy intensity. The carbon emissions intensity from purchased materials and services (scope 3) decreased by 8 per cent versus 2019 and 20 per cent versus the baseline 2017, driven by an increased use of sourced recycled aluminium replacing primary aluminium in Americas and Asia and by sourcing of low-carbon primary aluminium in Finspång, Europe, and Asia. Emissions of particulate matter, nitrogen oxides and sulphur dioxide decreased in the operations in Asia and Finspång, Europe, compared to 2019 due to lower consumption of natural gas and liquified petroleum gas. In Americas however, these emissions increased due to a higher consumption of natural gas.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. All numbers exclude 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 and heat consumed by Gränges, in production facilities and office buildings. Emissions are calculated using specific data from Gränges' electricity and heat suppliers.

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 electricity. Emissions from producing primary aluminium, purchased slabs and recycled aluminium 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 CO₂e] divided by the total packed products [tonnes].

» CONT. NOTE 5

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. Gränges aims to report on these emissions next year.

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 Finspång is not included in the EU emissions trading system, EU ETS. In Asia, 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.

Governance and policies: The topic is managed by SVP Process Engineering & Operational Development (direct emissions from own operations), SVP Sustainability (indirect emissions from purchased energy and from purchased materials and services), and the regional operational and purchasing representatives. The governing policy is Gränges' EHS Policy, which is reviewed annually and applies to all employees working at Gränges. The production sites in Shanghai, Finspång, and Huntingdon are certified in accordance with the environmental management standard ISO 14001, while the Salisbury and Newport sites are preparing to implement an environmental management system. 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 25 per cent versus baseline 2017. The company also has a long-term target that carbon emissions intensity from purchased materials and services (scope 3) is reduced versus the 2017 baseline.

6 Water management

Water withdrawal, by source

Thousand m ³	2020		2019		2018	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	1,986	–	2,427	–	2,590	–
Groundwater (total)	597	–	530	–	620	–
Third-party water (total)	281	148	245	159	258	158
Gränges total	2,864	148	3,203	159	3,468	158

Third-party water withdrawal, by source

	2020	2019	2018
Surface water	162	148	177
Groundwater	119	–	81

Water withdrawal, by region

Thousand m ³	2020	2019	2018
Asia	148	159	158
Europe	2,000	2,444	2,609
Americas	717	601	702
Gränges total	2,864	3,203	3,468

Water intensity

m ³ /tonne	2020	2019	2018
Asia	1.9	1.8	1.6
Europe	31.3	29.8	28.9
Americas	3.7	3.4	3.7
Gränges total	8.5	9.3	9.2

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

Comment: In 2020, the total water withdrawal decreased by 11 per cent to 2,864 m³ (3,203) compared to 2019, primarily due to lower production volumes in the Shanghai and Finspång sites which led to a reduced need for cooling water. The operations in Americas, however, increased water withdrawal due to installation of a new cooling tower at the Newport site. As a result of the lower production volumes, the water intensity increased in all regions. The Group total water intensity, however, still decreased due to significantly lower water withdrawal in the operations in Finspång. In 2020, Gränges implemented local water management plans in the Finspång and Shanghai sites.

Reporting principles and definitions: Data is reported at regional level and consolidated annually at group level using common definitions and principles. All numbers exclude 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 [m³].

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 [m³] divided by the total packed products [tonnes].

Regulations: The water use and management for Gränges' operations in Asia 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.

Governance and policies: The topic is managed by SVP Process Engineering & Operational Development, and the regional representatives from operations. 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.

7 Workplace safety

Recordable accidents

Number of recordable accidents	2020	2019	2018
Asia	3	3	4
Europe	7	6	8
Americas	10	8	11
Gränges total	20	17	23

Total Recordable Rate (TRR)

Number of recordable accidents per million hours worked	2020	2019	2018
Asia	2.2	2.2	2.8
Europe	10.0	7.4	9.6
Americas	6.3	4.8	7.3
Gränges total	5.5	4.4	6.1

Lost workdays

Number of lost workdays	2020	2019	2018
Asia	202	100	228
Europe	93	88	73
Americas	102	360	319
Gränges total	397	548	620

Severity Rate

Number of lost workdays per million hours worked	2020	2019	2018
Asia	148	73	162
Europe	132	108	87
Americas	65	214	212
Gränges total	109	142	165

Comment: In 2020, Total Recordable Rate (TRR) was 5.5 (4.4). Despite the increase versus 2019, this was the second best performance since 2013. Severity Rate improved by 23 per cent to 109 (142) as the accidents had less serious consequences and led to fewer lost workdays. During 2020, there were 20 recordable workplace accidents (17), of which hand and finger injuries represented half of the accidents. Four of these accidents (three) were defined as serious, where one contracted worker and three employees were injured. Two of the serious accidents were caused by the “critical-five” hazard categories (read more on page 35), in this case molten metal as well as machine guarding – lockout and tagout.

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. All numbers 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.

Governance and policies: The topic is managed by SVP Process Engineering & Operational Development and regional safety representatives. 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 98 per cent of Gränges’ total employees in 2020, has 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 OHSAS 18001 (ISO 45001 from 2021), covering 29 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.

Internal safety assessments: Gränges generally conducts cross assessments every six months at the sites. Due to the COVID-19 situation in 2020, only one assessment was conducted at the Finspång site, covering in total 25 per cent of total employees. 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 the operations in Americas, each plant has an employee-managed safety committee supported by local management. Input and questions from contracted workers is captured in recurrent meetings. Due to the COVID-19 pandemic, no safety committee meetings was conducted in Americas in 2020. In the operations in Asia, safety committee meetings are conducted quarterly. In Finspång, safety committee meetings are held two to four times per year. 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 < 3.0 recordable accidents per million hours worked and that Severity Rate is < 50 lost workdays per million hours worked.

» CONT. NOTE 8

8 Total employees

Total number of employees by category

Number of employees	2020	2019	2018
Blue-collar	1,244	1,229	1,256
White-collar	530	553	547
Gränges total	1,774	1,782	1,803
Contracted workers	116	104	104

Employment contract and type, by gender and region 2020

Number of employees	Region			Gender	
	Asia	Europe	Americas	Women	Men
Permanent contract	486	480	775	259	1,482
Temporary contract	31	1	1	3	30
Gränges total	517	481	776	262	1,512

Number of employees	Gender	
	Women	Men
Full-time	254	1,511
Part-time	8	1
Gränges total	262	1,512

Comment: In 2020, the total number of employees decreased slightly to 1,774 (1,782). This was mainly driven by layoffs at the Finspång site due to the lower production volumes, partly offset by a continued high recruitment rate in the operations in Americas. The total number of contracted workers was 116 (104).

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 is included in the data for Europe. All numbers exclude Gränges Konin and Gränges Powder Metallurgy. Data is based on headcount on 31 December.

Contracted worker is defined as individuals working on-site of 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.

Governance and policies: Not applicable as this is a general disclosure.

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

9 Career and leadership development

Performance and development discussion

%	2020	2019	2018
Asia	100	100	100
Europe	100	100	98
Americas	100	100	100
Gränges total	100	100	99

Comment: In 2020, 100 per cent (100) of all employees received a performance and development discussion.

Reporting principles and definitions: Data is reported at a regional level and consolidated annually at group level using common defini-

tions and principles. Data for Gränges AB is included in the data for Europe. All numbers 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.

Governance and policies: The topic is managed by SVP Human Resources and the regional human resources representatives.

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

10 Diversity and equality

Gender balance by region

Share of women in total workforce, %	2020	2019	2018
Asia	12	12	11
Europe	22	20	20
Americas	13	12	11
Gränges total	15	14	14

Share of women among senior management, %	2020	2019	2018
Asia	18	20	20
Europe	15	15	15
Americas	36	29	29
Gränges total	21	20	20

Comment: In 2020, the share of women among the total workforce increased by one percentage points to 15 per cent (14). The share of women among senior management also increased by 1 percentage points to 21 per cent (20).

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 is included in the data for Europe. All numbers exclude Gränges Konin and Gränges Powder Metallurgy. Data is based on headcount on 31 December.

Gender balance and age structure 2020

%	Women	Men	< 30 years	30–50 years	> 50 years
Board of Directors	43	57	0	14	86
Group Management	14	86	0	43	57
Senior management	21	79	0	62	38
White-collar	30	70	6	65	29
Blue-collar	8	92	17	57	26
Gränges total	15	85	14	59	27

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

Governance and policies: The topic is managed by SVP Human Resources and the regional human resources representatives. 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.

11 Employee wellbeing

%	2020	2019	2018
Sick-leave	2.0	1.6	1.6
Employee turnover	16.0	11.8	9.1
Employee engagement index	78	–	77

Comment: In 2020, total sick-leave increased to 2.0 per cent (1.6), driven by COVID-19 measures taken to mitigate the impact from the pandemic. Total employee turnover increased to 16.0 per cent (11.8) mainly as a result of impacts related to the COVID-19 outbreak. Such impacts include layoffs at the Finspång site due to a lower production volume as well as retirements and challenges to get employees to return at the Salisbury site in conjunction with and following a temporary idling of the plant. By gender, employee turnover was 16.6 per cent among men and 12.6 per cent among women and by category 17.0 per cent among blue-collar employees and 13.7 per cent among white-collar employees. Employee engagement index increased to 78 in 2020 versus 77 in the 2018 survey, which is in line with relevant benchmark for other industrial companies.

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 is included in the data for Europe. All numbers 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.

Governance and policies: The topic is managed by SVP Human Resources and the regional human resources representatives.

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

12 Ethics and anti-corruption

Code of Conduct training

Share of employees trained in the Code of Conduct, %	2020	2019	2018
Asia	100	100	100
Europe	100	98	98
Americas	100	100	100
Gränges total	100	99	99

Anti-corruption training

Share of white-collar employees trained in anti-corruption, %	2020	2019	2018
Asia	100	100	–
Europe	100	100	–
Americas	100	100	–
Gränges total	100	100	–

Incidents of corruption

Number	2020	2019	2018
Incidents of corruption	0	0	0
Incidents of terminated business contracts due to corruption	0	0	0

Comment: In 2020, Gränges continued to conduct its annual group-wide Code of Conduct and anti-corruption training. All employees, except blue-collar employees in Gränges' operations in Americas who conducted classroom training, were invited to complete a Code of Conduct e-learning and total training participation ended at 100 per cent (99). Gränges also conducted an anti-corruption e-learning which 100 per cent of all white-collar employees conducted. No corruption incidents were detected during 2020.

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 is included in the data for Europe. All numbers exclude Gränges Konin and Gränges Powder Metallurgy. Data for anti-corruption training is not available for 2018 as the training was launched in 2019. Data includes employees in duty and is adjusted for long-term sick-leave, parental leave, resignations and employees off duty for a longer period.

Governance and policies: The topic is managed by Gränges' General Counsel and the regional legal representatives. 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
GRI 101: Foundation 2016					
GRI 102: General disclosures 2016					
ORGANIZATIONAL PROFILE					
	102-1	Name of the organization		47	
	102-2	Activities, brands, products, and services		19, 24–25	
	102-3	Location of headquarters		18, 47	
	102-4	Location of operations		18, 47	
	102-5	Ownership and legal form		45–46, 49, 53	
	102-6	Markets served		16–18	
	102-7	Scale of the organization		2, 18, 36, 67	
	102-8	Information on employees and other workers		115, 121	
	102-9	Supply chain	1–10	13, 29, 31–32	
	102-10	Significant changes to the organization and its supply chain		21, 23, 31–32, 45–46	
	102-11	Precautionary Principle or approach	7	42	
	102-12	External initiatives		113–114	
	102-13	Membership of associations		113	
STRATEGY					
	102-14	Statement from senior decision-maker		3–5	
	102-15	Key impacts, risks, and opportunities		39–44	
ETHICS AND INTEGRITY					
	102-16	Values, principles, standards, and norms of behaviour		36–38	
	102-17	Mechanisms for advice and concerns about ethics		38	
GOVERNANCE					
	102-18	Governance structure		51–63, 111, 116–122	
STAKEHOLDER ENGAGEMENT					
	102-40	List of stakeholder groups		112	
	102-41	Collective bargaining agreements	3	115	
	102-42	Identifying and selecting stakeholders		112	
	102-43	Approach to stakeholder engagement		112	
	102-44	Key topics and concerns raised		112	

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
REPORTING PRACTICE					
	102-45	Entities included in the consolidated financial statements		104	
	102-46	Defining report content and topic Boundaries		112–113	
	102-47	List of material topics		113	
	102-48	Restatements of information		118	
	102-49	Changes in reporting		113	
	102-50	Reporting period		111	
	102-51	Date of most recent report		111	
	102-52	Reporting cycle		47, 111	
	102-53	Contact point for questions regarding the report		111	
	102-54	Claims of reporting in accordance with the GRI Standards		111	
	102-55	GRI content index		123–126	
	102-56	External assurance		111	

Material topics

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
Economic standards					
ANTI-CORRUPTION			10		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		38, 113, 122	
	103-2	The management approach and its components		38, 122	
	103-3	Evaluation of the management approach		38, 122	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures		38, 115, 122	
	205-3	Confirmed incidents of corruption and actions taken		38, 115, 122	
Environmental standards					
MATERIALS			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		31–32, 113, 117	
	103-2	The management approach and its components		31–32, 117	
	103-3	Evaluation of the management approach		31–32, 117	
GRI 301: Materials 2016	301-1	Materials used by weight or volume		31–32, 117	
	301-2	Recycled input materials used		31–32, 115, 117	
MATERIALS STEWARDSHIP			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		30, 113, 116	
	103-2	The management approach and its components		30, 116	
	103-3	Evaluation of the management approach		30, 116	
G4 MM: Materials Stewardship	G4-MM	Programs and progress relating to materials stewardship		30, 115–116	

Note: The GRI index includes a supplement from the Mining and Metals Sector Supplement

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
ENERGY			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		34, 113, 117	
	103-2	The management approach and its components		34, 117	
	103-3	Evaluation of the management approach		34, 117	
GRI 302: Energy 2016	302-1	Energy consumption within the organization		34, 115, 117	
	302-3	Energy intensity		34, 115, 117	
	302-4	Reduction of energy consumption		34, 115, 117	
WATER			7, 8		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		34, 113, 119	
	103-2	The management approach and its components		34, 119	
	103-3	Evaluation of the management approach		34, 119	
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource		34, 119	
	303-2	Management of water discharge-related impacts		34, 119	
	303-3	Water withdrawal		34, 119	
EMISSIONS			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		28–29, 32–33, 113, 118–119	
	103-2	The management approach and its components		28–29, 32–33, 118–119	
	103-3	Evaluation of the management approach		28–29, 32–33, 118–119	
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions		28–29, 33, 115, 118–119	
	305-2	Energy indirect (scope 2) GHG emissions		28–29, 33, 115, 118–119	
	305-3	Other indirect (scope 3) GHG emissions		28–29, 32, 115, 118–119	
	305-4	GHG emissions intensity		28, 32–33, 115, 118–119	
	305-5	GHG emissions reductions		28–29, 32–33, 115, 118–119	
	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions		118–119	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.
SUPPLIER ENVIRONMENTAL ASSESSMENT			7, 8, 9		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		31–32, 113, 116	
	103-2	The management approach and its components		31–32, 116	
	103-3	Evaluation of the management approach		31–32, 116	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		116	

GRI Standard	Disclosure number	Disclosure title	UNGC Principles	Page reference	Omissions
Social standards					
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		35, 113, 120, 122	
	103-2	The management approach and its components		35, 120, 122	
	103-3	Evaluation of the management approach		35, 120, 122	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		120	
	403-2	Hazard identification, risk assessment, incident investigation		35, 120	
	403-3	Occupational health services		36	
	403-4	Worker participation, consultation, and communication on occupational health and safety		35, 120	
	403-5	Worker training on occupational health and safety		35	
	403-6	Promotion of worker health		36	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		31	
	403-8	Workers covered by an occupational health and safety management system		120	
	403-9	Work-related injuries		35, 115, 120	
TRAINING AND EDUCATION					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		36–37, 113, 121	
	103-2	The management approach and its components		36–37, 121	
	103-3	Evaluation of the management approach		36–37, 121	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews		36, 115, 121	
DIVERSITY AND EQUAL OPPORTUNITY			1, 2, 6		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		37, 113, 121	
	103-2	The management approach and its components		37, 121	
	103-3	Evaluation of the management approach		36–37, 121	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees		36–37, 115, 121	
SUPPLIER SOCIAL ASSESSMENT			1, 2, 3, 4, 5, 6		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		31–32, 113, 116	
	103-2	The management approach and its components		31–32, 116	
	103-3	Evaluation of the management approach		31–32, 116	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		116	

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 2020, as defined in the Board of Directors report on page 48, 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 15 March 2021

Ernst & Young AB

Erik Sandström

Authorized Public Accountant