

# Circular and sustainable aluminium solutions for a better future



Gränges is a global leader in aluminium rolling and recycling in selected niches. We are committed to creating circular and sustainable aluminium solutions in partnership with our customers and suppliers – for a better future.

Our solutions help customers grow and transition to climate neutrality. They are used for efficient climate control in transportation and buildings, electrification and battery components, recyclable packaging, and more.



# Contents

## 2024 in brief

- 04 Key events
- 05 Performance
- 06 CEO comment

## About Gränges

- 09 A global leader
- 10 Aluminium potential
- 11 Value chain
- 12 Solutions
- 13 Product portfolio
- 14 Investment case

## Strategy

- 16 Navigate
- 18 Trends
- 19 Case: Shandong acquisition
- 21 Case: Employee's safety
- 27 Case: First movers coalition
- 28 Financial targets and results
- 29 Sustainability targets and results

## The business

- 31 Markets
- 33 Case: Aluminium 2024
- 34 Gränges Eurasia
- 36 Gränges Americas
- 38 Case: New casting line

## Sustainability leadership

- 41 Ambitious goals & plans
- 42 Net-zero
- 44 Circular
- 45 Responsible
- 47 Case: Recycling partnerships

## Risk management

- 50 Market risks
- 52 Operational risks
- 55 Financial risks

## Corporate Governance Report

- 59 Chairman's comment
- 60 Corporate Governance
- 68 Board of Directors
- 71 Group Management

## Financial statements

- 73 Board of Directors' Report
- 80 Group
- 84 Notes Group
- 109 Five-year summary
- 110 Parent company
- 114 Notes Parent company
- 118 Proposed appropriation of retained earnings
- 119 Auditor's Report

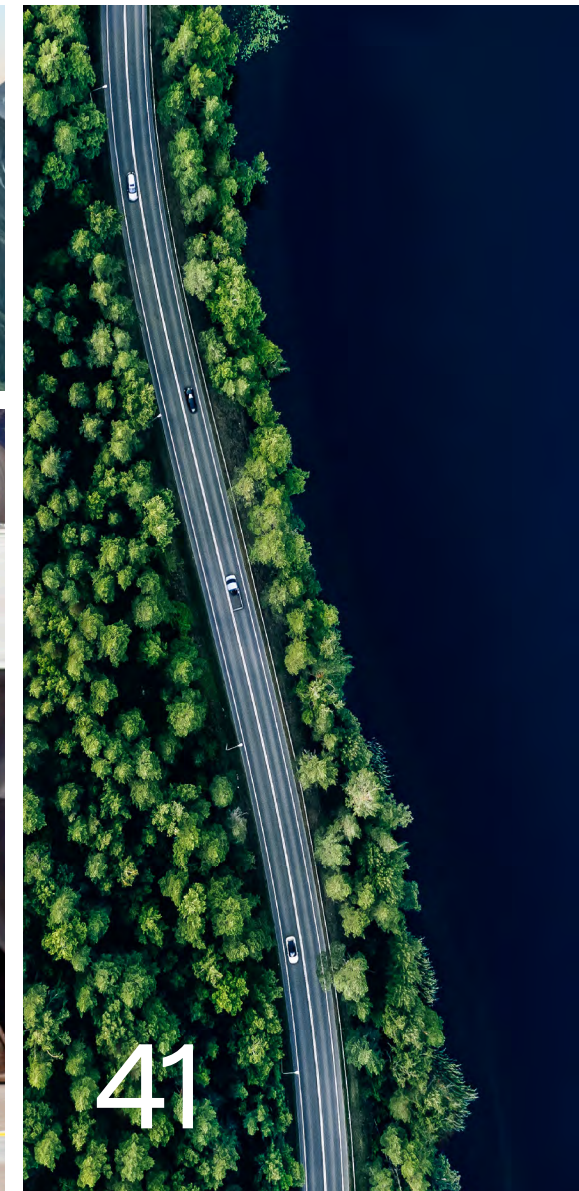
## Sustainability statement

- 124 General disclosures
- 132 Environmental information
- 154 Social information
- 163 Governance information

## Other information

- 175 The share and owners
- 177 Definitions
- 178 Glossary
- 179 Annual General Meeting 2025

Gränges formal Annual Report according to the Swedish annual accounts act comprises pages 73-118. The report is published in Swedish and in an English translation. The Swedish version takes precedence in the event of any discrepancies between the two versions.



# Key events



## Expanded in Asia

Gränges finalized a large acquisition in China, more than doubling local production capacity for electrification solutions as well as other segments. The acquisition and expanded partnership with the Shandong Innovation Group enable further expansion in the Asian market and overseas, and give access to more sustainable metal and energy sources.

## Finalized major capacity investments

Three major investments programs were completed: expanded recycling and casting operations in the US, additional capacity in Poland and doubling the capacity for battery cathode foil in Sweden. The construction of a new unit for sustainable aluminium casting in Yunnan, China is on track. The projects are planned to start production in the first half of 2025.

## Entered new partnerships for recycled aluminium

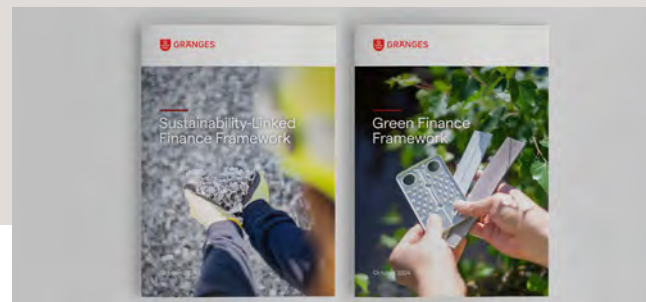
Gränges expanded existing partnerships with both suppliers and customers for closed-loop, high-recycling, low-carbon aluminium solutions. An example is the partnership with Scepter, Inc. in Americas and Europe, which helps Gränges advance toward its 2040 net-zero goal.

SEK **23.5** billion

Net sales

**506** ktonnes

Sales volume



## Advanced to Large Cap segment

Gränges advanced to the Large Cap segment in January 2025, a significant milestone reflecting a growth of market capitalization from SEK 3.2 billion in 2014 to SEK 14.3 billion.

## Named climate leader

Recognized by the Financial Times, Gränges was named a climate leader for its carbon emissions reduction, transparency, and ambitious climate goals.

## Joined coalition to drive decarbonization

Through membership in the First Movers Coalition, Gränges commits to sourcing low-carbon aluminium, reinforcing its industry-leading decarbonization path.

## Launched finance framework for green transition

To advance its net-zero ambition and support the transition towards a green aluminium industry, Gränges launched Green and Sustainability-Linked Finance Frameworks, enabling the issuance of Green Bonds and sustainability-linked bonds.

SEK **1.6** billion

Adjusted operating profit

**-35%**

Reduction in total carbon emissions intensity vs. 2017



## Performance highlights

Financial summary	2024	2023	Change
Sales volume, ktonnes	505.8	463.2	9.2%
Net sales, SEK million	23,506	22,518	4.4%
Adjusted operating profit <sup>1</sup> , SEK million	1,571	1,536	2.3%
Adjusted operating profit per tonne, kSEK	3.1	3.3	-0.2
Operating profit, SEK million	1,523	1,576	-3.3%
Profit for the year, SEK million	1,010	1,010	0.1%
Earnings per share basic	9.53	9.50	0.03
Earnings per share diluted	9.51	9.48	0.03
Adjusted cash flow before financing activities <sup>2</sup> , SEK million	63	2,826	-97.8%
Equity/assets, %	50.7	52.8	-4.0%
Financial net debt, SEK million	4,292	2,741	1,550
Financial net debt/EBITDA, SEK million	1.8	1.1	0.6
Return on capital employed, %	11.9	12.2	-0.3 ppt

Sustainability summary	2024	2023	Change
Carbon emissions intensity (scope 1+2), tonnes CO <sub>2</sub> e/tonne	0.64	0.66	-2%
Carbon emissions intensity (scope 3), tonnes CO <sub>2</sub> e/tonne	6.9	7.7	-11%
Sourced recycled aluminium, ktonnes	249	210	19%
Sourced recycled aluminium, %	46.2	41.6	4.6 ppt
ASI certifications, number of sites <sup>3</sup>	6	6	-

1) Adjusted for items affecting comparability.  
 2) Adjusted for expansion investments and acquisitions.  
 3) Number of aluminium rolling and recycling sites with Performance Standard and Chain of Custody Standard.

## Contents

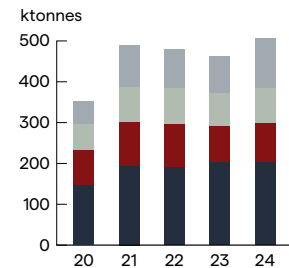
### 2024 in brief

- Key events
- Performance
- CEO comment
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

# Performance

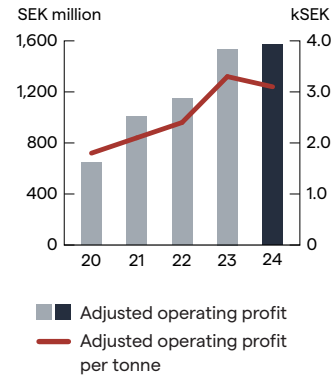


## Sales volume



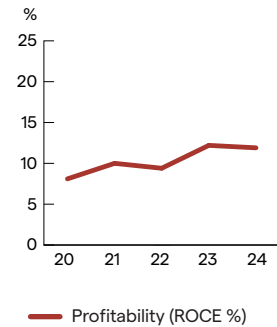
- Automotive
- HVAC
- Speciality packaging
- Other niches incl. battery

## Adjusted operating profit<sup>1) 2)</sup>



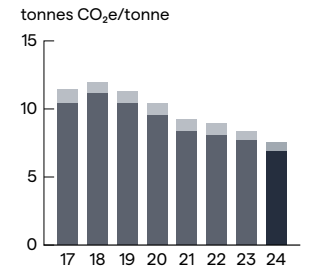
- Adjusted operating profit
- Adjusted operating profit per tonne

## Return on capital employed



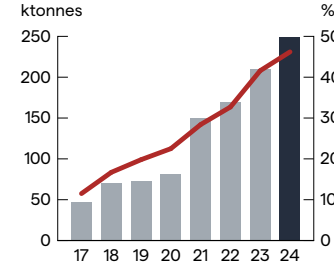
- Profitability (ROCE %)

## Carbon emissions intensity



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

## Sourced recycled aluminium<sup>4)</sup>



- Sourced recycled aluminium
- Share of recycled aluminium of total sourced metal inputs

### RESULT 2024

9.2%

#### Increase in volume

Sales volume increased by 9.2 percent to 505.8 ktonnes (463.2). Net sales increased to SEK 23,506 million (22,518).

2.3%

#### Increase in profit

Adjusted operating profit<sup>1) 2)</sup> increased to SEK 1,571 million (1,536) and adjusted operating profit per tonne was 3.1 kSEK (3.3).

1) Adjusted for items affecting comparability. For further information see Note 14.  
2) Read more about alternative performance measures on page 108.

-0.3 ppt

#### Decrease in return on capital employed

Return on capital employed decreased by 0.3 percentage points to 11.9 percent.

-11%

#### Reduction in total carbon emissions intensity (scope 1+2+3)

Carbon emissions intensity amounted to 0.64 tonnes CO<sub>2</sub>e/tonne for scope 1+2 and 6.9 tonnes CO<sub>2</sub>e/tonne for scope 3. Total carbon emissions intensity (scope 1+2+3) has now been reduced by 35 percent versus baseline 2017.<sup>3)</sup>

3) Baseline 2017 recalculated to include the facility in Konin. Shandong is not included in 2024 data.

4.6 ppt

#### Increase in sourced recycled aluminium

The share of sourced recycled aluminium increased to 46.2 percent (41.6), which is above the 2025 target level.

4) 2017-2020 exclude Gränges Powder Metallurgy and the facility in Konin. Shandong is not included in 2024 data.

### Contents

#### 2024 in brief

- Key events
- Performance
- CEO comment

#### About Gränges

- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

# A record-setting year and return to growth

2024 was a record year for Gränges in many ways. We delivered the highest-ever sales volume, earnings, and best sustainability performance, marking the completion of the successful first phase of our Navigate strategy.

We reached a record-high full-year sales volume of 506 ktonnes, a 9 percent increase driven by growth in both Gränges Americas and Gränges Eurasia. Despite overall soft markets, we saw good market share gains across all geographies and customer segments. Our adjusted operating profit also reached a new all-time-high of SEK 1,571 million, as new business wins and improved productivity more than offset price pressure.

## A new chapter for Gränges Asia

A key milestone in 2024 was the acquisition of a large production facility in Shandong, China. This is a transformational move for Gränges Asia, providing the scale, competitiveness, and partnerships needed to strengthen our position in one of the world's most important, innovative and competitive markets.

We successfully completed the acquisition in October, and rapidly ramped up production, reaching break-even profitability already in December – a major achievement in such a short time. The new operations are now fully integrated, and our aim for 2025 is to maintain the current production volume while optimizing pricing, mix, and cost structure to enhance profitability.



**2024 is certainly a year to be proud of. For the third year in a row, we achieved all-time-high financial and sustainability performance.**

Jörgen Rosengren,  
President and CEO



Contents

## 2024 in brief

- Key events
- Performance
- CEO comment
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

## Continued strong progress in sustainability

Our sustainability performance remained strong, continuing a long-term positive trend. In 2024, we achieved our lowest-ever carbon footprint, a 35 percent reduction since 2017. We have increased our recycling volume fivefold since the same reference year, ending the year at a recycling rate of 46 percent. This puts us firmly on track towards our long-term climate and recycling goals and our 2040 net-zero commitment.

The joint venture for sustainable aluminium in Yunnan, China, formed in 2023, progressed as planned. Our new recycling and casting operation, powered by renewable electricity, is set to come online in 2025. It will play a key role in significantly reducing Gränges' total carbon footprint.

Strong partnerships with customers, suppliers and the broader industry is absolutely essential for driving decarbonization across the value chain. In 2024, Gränges joined the First Movers Coalition. We also entered several partnerships with suppliers and customers to facilitate closed-loop recycling and product flows.

## Completed first step of Navigate strategy

In the first three years of the Navigate plan, we have built a solid foundation for sustainable and profitable growth. 2024 marked the completion of the first phase: Restore.

We made significant progress towards our long-term financial targets set in 2021. Since then, adjusted operating profit and net profit have increased by 60 percent and 70 percent, respectively, in a challenging market. In 2024, we continued to deliver good cost savings from procurement, metal management, and labor productivity. Cost savings together with strong volume growth more than offset a significant price pressure.

We completed our multi-year expansion program enhancing our capacity and capabilities. Our second recycling and casting center in Americas will enable us to deliver products with a very low carbon footprint. The new cold-rolling mill in Konin boosts capacity and enables further growth in Europe, and our investment in battery foil capabilities in Finspång addresses an important growth market. With the addition of our Shandong facility, total capacity reaches 800 ktonnes, a 40 percent increase since 2021. Our global teams will now focus on optimizing the utilization of these assets, prioritizing mix, cost, and productivity.

Our team also grew stronger. We now have 3,500 employees worldwide, including 600 new colleagues in Shandong. We continued to empower our people through training, leadership development, and safety and culture initiatives. The results are visible in a significantly increased employee engagement index and net promoter score. Our code of conduct, shared values and leadership principles help us become the employer of choice in each of our locations.

## Positioned for sustainable growth

2024 is certainly a year to be proud of. For the third year in a row, we achieved all-time-high financial and sustainability performance. We returned to growth and picked up speed during the course of the year. We made a transformational acquisition in Asia, and finalized the first phase of our Navigate plan. In short: we made our company much stronger.

Looking ahead, our ambition remains clear—we will stay focused on long-term sustainable growth while maintaining the flexibility to navigate short-term challenges. As an industry leader, we aim to further strengthen our competitiveness and expand our market share.

I feel optimistic about 2025 and confident in our ability to drive continued success for Gränges. Despite external uncertainties, we have shown that we can chart our own course. With a solid foundation, a strong plan, and a fantastic team, we are well-positioned for the future.

I want to thank all 3,500 Gränges colleagues for their dedication and outstanding efforts throughout the year. I look forward to continuing our journey – building the world's leading aluminium rolling and recycling company.

Jörgen Rosengren, President and CEO



**In the first three years of the Navigate plan, we have built a solid foundation for sustainable and profitable growth. 2024 marked the completion of the first phase: Restore.**

Jörgen Rosengren,  
President and CEO

Contents

### 2024 in brief

- Key events
- Performance
- CEO comment
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information



# About Gränges

Contents

2024 in brief

**About Gränges**

This is Gränges

Aluminium potential

Value chain

Solutions

Product portfolio

Investment case

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

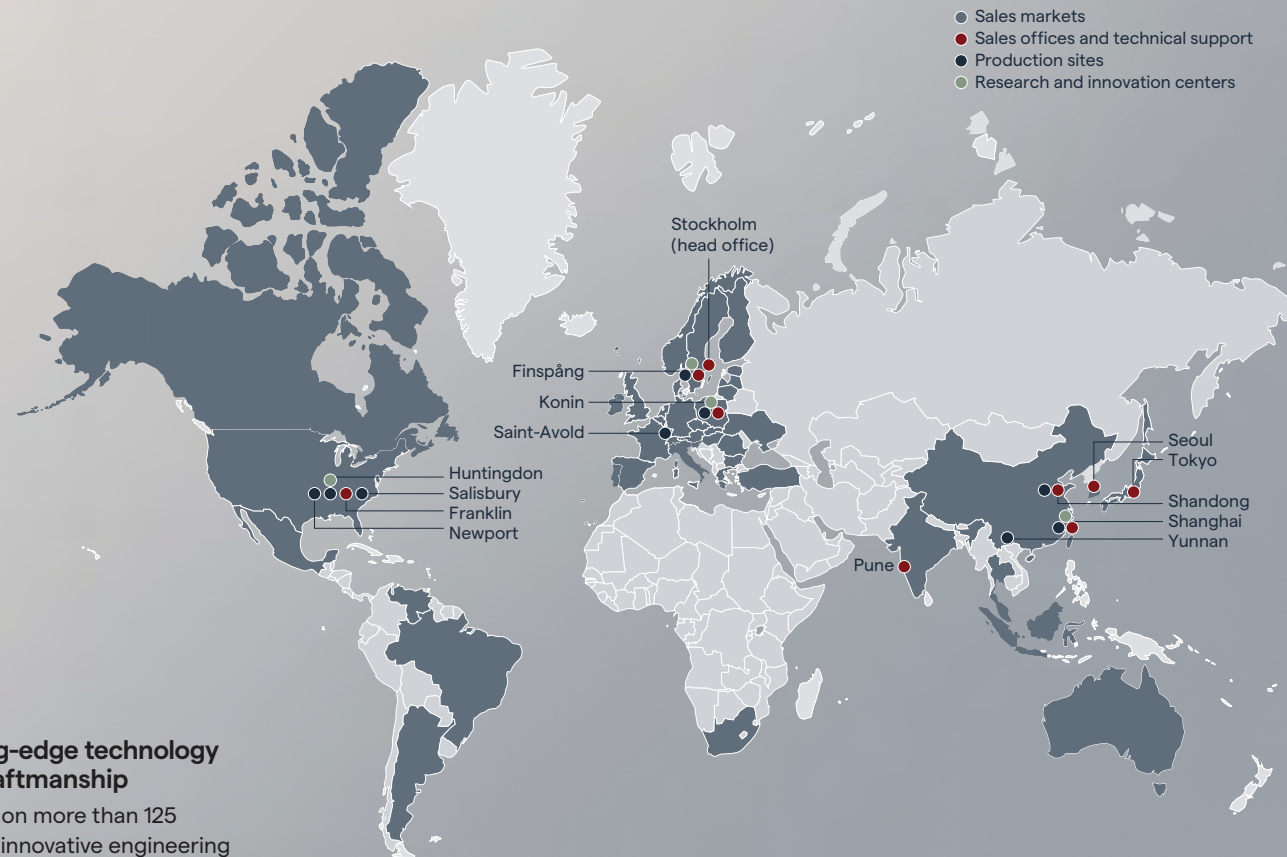
Sustainability statement

Other information



Gränges is a global leader in aluminium rolling and recycling in selected niches. The company is creating circular and sustainable aluminium solutions in partnership with customers and suppliers – for a better future.

# A global leader



## Sustainability at the core

Sustainability is central in Gränges' business and strategy. Gränges has a strong commitment to minimize the environmental impact of its operations, uphold ethical business practices, and provide a safe and good working environment. The aim is to develop sustainable and circular aluminium solutions.

## Long-term partnerships

With customized product development, regional production, sales and technical support, Gränges meets customers globally in an efficient and sustainable way. Its solutions help customers grow and transition to climate neutrality. This also lays the foundation for Gränges' continued expansion.

## Leading-edge technology and craftsmanship

Building on more than 125 years of innovative engineering and materials development, Gränges is a world leader in high-performance aluminium rolling and recycling. With a long heritage of supplying the automotive industry, Gränges is an experienced and trusted partner in delivering consistently high-quality solutions.

## Global presence

Gränges Eurasia and Gränges Americas are Gränges' two business areas. Gränges Eurasia comprises Asia Pacific and Europe and Gränges Americas includes North and South America. In Asia Pacific, China is the main market. Other key markets include India, Thailand, South Korea and Japan. Poland, Czech Republic, Sweden, France and Germany are the largest markets in Europe. The main markets in Americas are the US and Mexico.

## Contents

### 2024 in brief

#### About Gränges

- This is Gränges
- Aluminium potential
- Value chain
- Solutions
- Product portfolio
- Investment case

#### Strategy

- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

506 ktonnes

Sales volume

SEK 23.5 billion

Net sales

SEK 1.6 billion

Adjusted operating profit

800 ktonnes

Total annual production capacity

-35%

Reduction in total carbon emissions intensity vs 2017

46%

Share of sourced recycled aluminium



Aluminium plays an important role in the shift towards a circular economy.

# The aluminium potential

With its light weight, infinite recyclability, durability, and strength, aluminium contributes significantly to the sustainability of a variety of products. It is for example used in making lightweight vehicles, energy-efficient buildings, and resource-efficient packaging. Through its inherent sustainable qualities, energy and emission savings can be achieved both operationally and in product use.

At the same time, the production of aluminium is highly energy intensive. The aluminium industry accounts for about two percent of the world's direct industrial carbon emissions. While overall demand for aluminium is expected to increase by almost 40 percent by 2030<sup>1</sup>, increased demand for low-carbon aluminium solutions highlights its importance in mitigating climate impact.

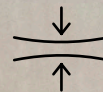
## Inherent qualities



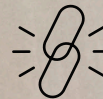
Light weight



Infinite recyclability



Durability



Strength



## Contents

2024 in brief

### About Gränges

This is Gränges

→ Aluminium potential

Value chain

Product portfolio

Solutions

Investment case

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

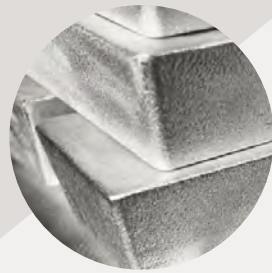
Other information

1) Report Reveals Global Aluminium Demand to Reach New Highs After Covid  
– International Aluminium Institute

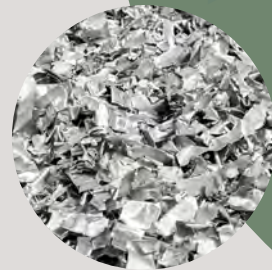
# A strong contributor to the circular economy

To ensure a positive contribution to the circular economy, Gränges is committed to improving the overall footprint of the aluminium value chain. In this work, strong partnerships and collaboration are essential.

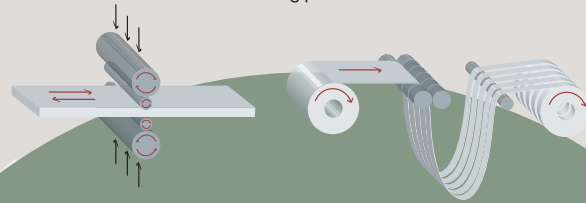
**Primary aluminium production**  
Bauxite is extracted from mines and refined into pure aluminium oxide, called alumina. Molten aluminium is extracted from the alumina through an electrolytic process called smelting. Gränges buys primary aluminium from commodity traders and directly from smelters.



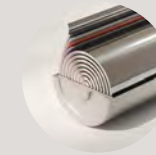
**Aluminium recycling**  
Recycled aluminium is collected and sorted. Gränges strives to recirculate all scrap from its own production process. In addition, Gränges buys recycled aluminium from customers and recycling companies as well as scrap from end-of-life products.



**Re-melting and casting, rolling and slitting**  
Gränges creates customized alloys by adding other metals in the re-melting process. The alloys are solidified into slabs or coils in the casting process, and transformed into coils and sheets in the rolling and slitting process.



**Product manufacturing**  
Gränges customers produce a range of products including automotive heat exchangers, HVAC and speciality packaging.



**Product use**  
Key uses include vehicles, systems for heating, ventilation and air-conditioning in buildings, speciality packaging, as well as aluminium foil in food packaging.



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

Contents

2024 in brief

**About Gränges**

- This is Gränges
- Aluminium potential
- Value chain
- Solutions
- Product portfolio
- Investment case

Strategy

- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information



# Solutions that enable a sustainable society

Gränges' aluminium solutions are used in some of the world's most demanding applications. Their properties, such as low weight and recyclability, support the transition to a more sustainable economy.



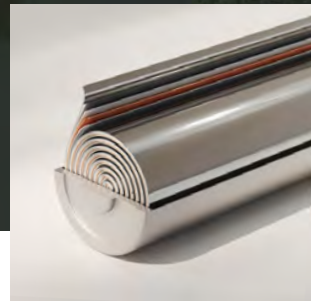
## Efficient climate control in vehicles...

Gränges is a market leader in automotive heat exchanger material – it's in every other car produced today.



## ...and in buildings

Heating, ventilation and air conditioning (HVAC) is the second largest market. Gränges' materials are used in both industrial and domestic air conditioning and heat pump systems.



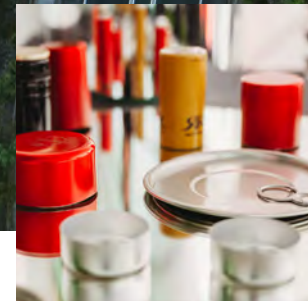
## Electrification and battery components

Aluminium is a key material in the electrification revolution. Regional battery supply chains are being established and Gränges is the only company with a global footprint of cathode foil production 2024.



## Light, durable material for buildings and more

Thanks to its versatile and durable properties, aluminium is used in a range of different applications in buildings, wind turbines, transformers and heat exchangers for industrial use.



## Recyclable packaging

Aluminium foil provides a complete barrier to light, oxygen, moisture, and bacteria, making it ideal for packaging. Aluminium packaging is extremely versatile and is used in a wide range of applications for the food, beverage and pharmaceutical industries.



## Contents

2024 in brief

### About Gränges

This is Gränges

Aluminium potential

Value chain

→ Solutions

Product portfolio

Investment case

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

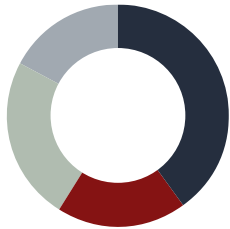
Financial statements

Sustainability statement

Other information

# Diversified portfolio

Sales volume per customer market 2024



40%

Automotive

- Radiators
- Battery cooling plates
- Heaters
- Condensers
- Evaporators
- Oil coolers
- Chillers
- Structural applications
- Heat shields

18%

HVAC

- Evaporators
- Condensers
- Radiators
- Microchannel heat exchangers

25%

Other niches

- General engineering coils and strips
- Wind turbines – oil coolers
- Transformers – conductor strips
- Building products
- Battery – cathode foil, casing, boxes

17%

Speciality packaging

- Containers – food
- Closures – beverages
- Household foil
- Converter foil strips



Contents

2024 in brief

**About Gränges**

This is Gränges

Aluminium potential

Value chain

Solutions

→ Product portfolio

Investment case

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

# Reasons to invest in Gränges

## 01 Well positioned to capitalize on long-term growth trends

- Global strength and local presence suited to regionalized supply chains
- Strong position in attractive niche markets driven by electrification and sustainability
- Commitment to sustainability as a key business driver
- Strong culture, entrepreneurial mindset, and industry-leading expertise

## 02 Financially attractive business model

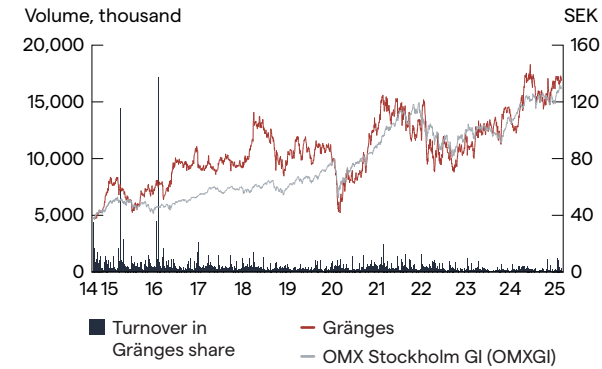
- Long track record of stable margin and cash generation, high profit growth and strong returns
- Mutually reinforcing financial and sustainability performance
- Efficient capital allocation to highest returns with continuous dividend growth

## 03 Navigate plan: high ambition for sustainable growth

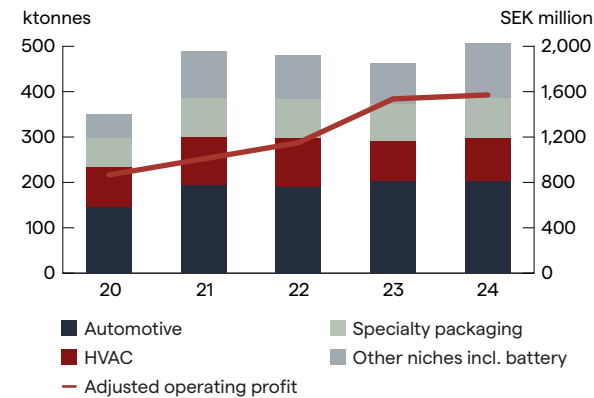
- Strong foundation for growth with restored industry-leading financial and sustainability performance
- Building the world's best aluminium flat-rolling and recycling company
- Invest in sustainable growth, including continued value creation acquisitions



Share price development vs. index



Sales volume and adjusted operating profit



34%

Proposed dividend's share of profit

342%

Total shareholder return since the stock listing 2014

Contents

2024 in brief

About Gränges

This is Gränges

Aluminium potential

Value chain

Solutions

Product portfolio

→ Investment case

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information



# Strategy

Contents

2024 in brief  
About Gränges

**Strategy**

Navigate  
Trends

Navigate: Build  
Financial targets and results  
Sustainability targets and results

The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information


Gränges' Navigate plan aims to build industry leadership and long-term sustainable growth. It leverages three accelerating megatrends – sustainability, electrification, and regionalization – to guide short and long-term work.

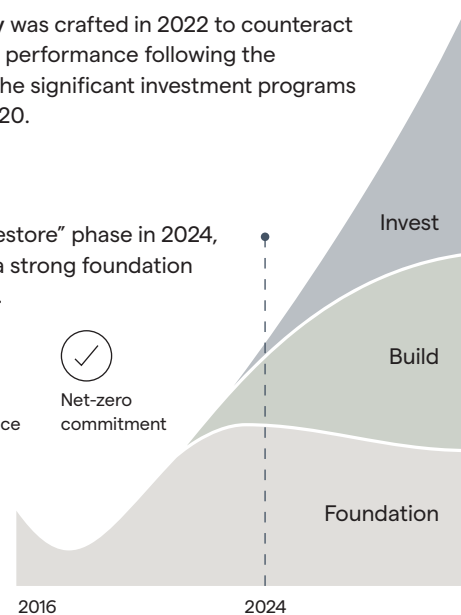


# Our plan for long-term sustainable growth

The Navigate strategy was crafted in 2022 to counteract the subdued financial performance following the pandemic and finish the significant investment programs between 2016 and 2020.

By completing the "Restore" phase in 2024, Gränges established a strong foundation for continued growth.

-   
 Finalized investment program
-   
 Restored performance
-   
 Net-zero commitment



**+60%**

Adjusted operating profit  
(increase from 2021)

**+40%**

Annual production capacity  
(increase from 2021)

**-35%**

Carbon emission intensity  
(reduction vs baseline 2017)

- Contents
- 2024 in brief
- About Gränges
- Strategy**
- Navigate
- Trends
- Navigate: Build
- Financial targets and results
- Sustainability targets and results
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information



# Three parts of Navigate



Invest

The “Invest” part of Navigate aims at high-return, low-risk capital investments in sustainable growth, with a focus on recycling, optimization and debottlenecking, new markets, and M&A and partnerships.

Gränges continuously evaluates value-creating investment opportunities. We focus on areas that drive growth and stable returns when combined with the existing business, and that contribute positively to sustainability.

All major investment programs were being finalized in 2024: expanded recycling and casting operations in the US for near-

zero aluminium solutions, doubled capacity for battery cathode foil in Sweden, and increased production capacity in Poland.

We entered into new partnerships for green energy and aluminium, as well as new closed-loop partnerships with recycling companies. A good example is the joint venture for sustainable aluminium in Yunnan, China, where we start production in 2025. In the fourth quarter 2024, we finalized an acquisition in China. It significantly increases our production capacity and ability to compete and scale our business. Access to green energy and aluminum further advances our sustainability commitment. Following a fast production ramp up, we intend for it to drive growth in Asia for years to come.

Build

The “Build” part of Navigate aims to create a world-leading company in aluminium rolling and recycling. It’s based on Gränges’ business model and covers the areas Improve, Innovate & Grow, and Source Green & Recycle with People, Safety and Sustainability at the core.

In the plan, global and regional perspectives are combined. This way of working enables focus, entrepreneurship and accountability in each region. At the same time, it drives the Group’s performance and strategy globally. We intend to be a partner to grow with for our customers and suppliers. In an increasingly circular industry, partnerships are key to create value throughout the value chain. Read more on page 20–26.



Foundation

The first part of Navigate, which was completed in 2024, aimed to provide a solid foundation for sustainable growth.

#### Restored performance

Through the Navigate plan, Gränges restored financial performance, achieving improved profitability already in 2023 and a return to strong growth in 2024. Optimized production and pricing strategies secured higher, more stable returns, while a strong market position drove market share gains in attractive niches. We also further improved sustainability performance, reaffirming Gränges’ leading position.

#### Finalized investment programs

With the three large investment programs being finalized toward the end of 2024, Gränges reached a long-awaited milestone: a production capacity of 640 ktonnes. This gives ample room to grow, shifting the focus to utilization and optimization. Finalizing the investment programs also creates an opportunity for a stronger free cash flow with the opportunities that that brings.

#### Established strong foundation

Gränges’ foundation rests on a customer-focused organization, strong regional teams, and a shared plan engaging 3,500 people globally. It is supported by a common Code of Conduct, core values, and leadership expectations. Our global footprint and 2040 net-zero commitment further solidify this foundation.

- Contents
- 2024 in brief
- About Gränges
- Strategy**
  - Navigate
    - Trends
    - Navigate: Build
    - Financial targets and results
    - Sustainability targets and results
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

# Harnessing key global trends for growth



Three global trends impacting business and society create large opportunities for Gränges.



## Sustainability

Consumer demand for sustainable products is rising. Climate change signals an urgent need for change. Regulatory requirements are tightening, and investors demand sustainability performance. The shift to a sustainable society and circular business models is crucial for future success, requiring fossil-free energy sources, innovative materials, and increased recycling.

Through leadership in recycling and sustainable aluminium solutions, Gränges helps customers and partners grow and transition to climate neutrality. Value chain partnerships are crucial in driving this change.



## Electrification

Electrification is transforming transportation and other industries, affecting supply chains, vehicle designs, and travel habits. Growth in electric vehicles, battery and wind-power increases demand for aluminium production. Thermal management, where Gränges holds an especially strong position, is crucial for electric vehicle safety.

Gränges has built a strong pipeline of growth opportunities that benefit from electrification, building on decades of expertise in demanding automotive applications.



## Regionalization

Shifts in global trade and supply chains are driven by geopolitics, technology trends, and environmental concerns. Global instability causes supply shortages and logistical challenges. Companies aim to increase resilience, shorten supply chains, and reduce cross-region dependencies.

Gränges' presence in the Americas, Asia, and Europe with regional production and close customer relations serves local supply chains effectively. At the same time, our global setup makes Gränges an ideal growth partner for customers worldwide.

- Contents
- 2024 in brief
- About Gränges
- Strategy**
  - Navigate
- Trends
  - Navigate: Build
  - Financial targets and results
  - Sustainability targets and results
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

## Shandong acquisition drives growth in Asia



**The acquisition** of a cost-efficient casting and hot-rolling facility in Shandong province, China, completed in 2024 marked an important expansion of the footprint in Asia. Building on its partnership with Shandong Innovation Group (SIG), the move also provides scalable downstream capabilities and access to low-carbon aluminium.

Gränges' sustainable solutions for electrification – such as battery casings, foil, and cooling plates – have driven strong demand in Asia, resulting in significant volume growth and high capacity utilization. The Shandong facility, combined with operations in Shanghai, lays a solid foundation for deeper market penetration and diversification.

### Strengthening competitiveness

With enhanced production capacity, Gränges is well-positioned to meet growing demand in sectors transitioning toward electrification and sustainability.

“By expanding our production capabilities and reinforcing our partnership with SIG, we are poised to boost our competitive edge and increase our share in the Asian market,” said Colin Xu, President of Gränges Asia.

### Advancing the supply chain

Colin Xu further emphasizes the importance of strengthening the efficiency and sustainability of Gränges' supply chain.

“Expanding our footprint and forming strong partnerships are key to meeting market demands for high-quality, sustainable products,” Xu added. “This move positions us to capture further market share in low-carbon and circular aluminium solutions for the EV and battery sectors.”

### About the transaction

Gränges' Chinese subsidiary acquired the Shandong facility by purchasing 100 percent of its shares. In conjunction with this acquisition, Gränges completed a directed share issue in its Chinese subsidiary, granting SIG a 20 percent ownership stake. In 2025, the transaction is expected to contribute marginally to Gränges' earnings per share after minority interests.

### Shandong quick facts

- Production capacity: 160 ktonnes
- Number of employees: 600



**Expanding our footprint and forming strong partnerships are key to meeting market demands for high-quality, sustainable products.**

Colin Xu  
President Gränges Asia



Contents

2024 in brief  
About Gränges

### Strategy

Navigate  
Trends

→ Navigate: Build  
Financial targets and results  
Sustainability targets and results

The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Safety

Gränges has an unwavering commitment to safety excellence, “Always Safe”. Our aim is to rank among the industry’s top performers. We work systematically to reduce risk, to develop a leading safety management system, and to build a safety culture at all levels.



## Priorities

Gränges’ safety priorities centers on three key areas: risk reduction, leading safety management system, and safety culture enhancement.

In 2024, a large effort went into the completion of key risk program gap actions across all locations. Gränges implemented a program to effectively address high-severity incidents. Electronic safety management systems were deployed, enabling better tracking and trend analysis. The EHS cross-audit program continued while completing actions from previous audits. Competency improvement saw significant advancement with the expansion of the Always Safe Global Core Team, which implemented six specialized sub-teams for specific risk programs. Monthly global safety calls, chaired by the CEO, facilitated best practice exchange, while safety training efforts were intensified.

Safety culture improvement initiatives included strengthening behavior-based safety observation programs across all regions as well as frontline leadership development. Safety Day, Safety Week and Family Day activities were organized in all three regions with numerous engagement and recognition activities.

## Achievements

2024 marked significant progress in Gränges’ safety journey. A notable achievement was the reduction in potential serious injury cases for the Group compared to the 2023 baseline, with all regions showing significant improvements.

The company successfully closed gap actions across regions, demonstrating its commitment to continuous improvement. The expansion of the Always Safe Core Team increased engagement in driving the group’s safety improvement agenda.

Safety trainings continued and the local subject-matter expert teams developed successfully. Safety workshops with the global leadership team generated strong engagement and commitment to Gränges’ 2025 safety ambitions.

## Focus forward

Looking ahead, Gränges’ strategy focuses on the following key areas to further strengthen safety performance.

We will ensure robust management of key risks to reduce serious incident and injury rates while implementing advanced safety management systems across all locations.

Driving a strong safety and leadership culture remains paramount, and Gränges will ensure to make its safety ambitions visible throughout the organization, with 6S playing a crucial role in this effort.

These focus areas will guide the company’s continued journey toward operational excellence and a zero-harm workplace.

Contents

2024 in brief

About Gränges

**Strategy**

    Navigate

    Trends

→ Navigate: Build

    Financial targets and results

    Sustainability targets and results

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

## Gränges leads the way for employees' safety



**Gränges has taken** significant strides to enhance workplace safety, reinforcing its commitment to safeguarding employees through cutting-edge solutions and proactive measures. By addressing key risk areas, the company has implemented significant upgrades in mobile equipment, cranes, and pedestrian safety measures, setting a benchmark for safety in the industry.

### Innovations in mobile equipment and crane safety

Recognizing mobile equipment and cranes as major risk areas, a thorough assessment was conducted to identify opportunities for risk mitigation. As a result, the company has implemented advanced safety features, including warning light systems on mobile equipment. These lights, which include blue and red spotlights and red halo lights, significantly enhance visibility for both operators and pedestrians. Similarly, anti-collision devices have been installed on cranes operating on shared runways, ensuring smoother operations and minimizing risks. Enhanced warning systems and visible danger zones help prevent accidents, contributing to a 37 percent year-over-year reduction in the PSIF (Potential Serious Injury or Fatality) rate.

### Redefining pedestrian safety

Safety upgrades don't stop at equipment. Significant improvement to pedestrian safety by installing walkways and gates has been made. High-risk intersections feature "Smart Gates," which function like railroad crossings, using scanning lasers, cross arms, and locking mechanisms to ensure pedestrian safety. While these improvements have resulted in increased travel time, the extended routes encourage safer, more deliberate navigation, significantly reducing rushed behaviors that can lead to accidents.

Alex Morschett, Electrical Engineering in Huntingdon, encapsulates this ethos:

"The new safety gates and walkways are more than just upgrades – they represent a shift in how we approach safety. It's been a big change, but this is now the standard for how we operate. It's not just about compliance, it's who we are. Safety is ingrained in everything we do and are a reflection of our commitment to keeping everyone safe, always."

### Raising the bar

Significant investments and implementation of comprehensive training programs reflect the commitment from Gränges' management. The Global Mobile Equipment Crane Team's regular meetings facilitated the exchange of ideas and led to the implementation of best practices. This collaborative approach ensures that best practices are globally adopted, enhancing safety standards. By trialing advanced technologies, Gränges demonstrates its forward-thinking approach to safety. Gränges continues to raise the bar for workplace safety, ensuring that every employee returns home safe each day.



Contents

2024 in brief  
About Gränges

#### Strategy

Navigate  
Trends

→ Navigate: Build  
Financial targets and results  
Sustainability targets and results

The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# People

People make the difference. A strong team and company culture are key to our past and future success, and something that cannot easily be copied. Gränges aims to drive employee engagement and to be an employer of choice in each location.



## Priorities

Gränges aims to be an employer of choice in each location where we operate, building on our global position and local uniqueness. We aim to provide an attractive workplace that ensures safety and employee wellbeing, while fostering a welcoming and inclusive culture and pride.

Developing the right teams involves effective onboarding, career paths, and individual development plans, alongside leadership training at all levels. Team engagement in our Navigate plan is essential, with the Global leadership accountable for the company success and clear strategic communication.

Strong safety and leadership culture remains a top priority, emphasizing continuous improvement, accountability, building trust, and fostering leadership that supports personal, team, and business growth.

## Achievements

Gränges' continued execution of our people plans boosted business performance in all regions and further solidified our regional setup. As an employer of choice, Gränges leveraged its global brand and local uniqueness.

We continued to invest heavily in growing leadership capabilities. All regions continued learning and development programs for first-line managers focusing on safety, leadership skills, culture and values. The senior leadership program continued. Together with the Global Leadership Summit, it contributed to forming a strong global leadership network, and helped build engagement in our Navigate plan. We further clarified the expectations of global leaders in Gränges on each other, covering self-leadership, people leadership and business leadership.

Each region promoted engagement in Gränges' core values, while global policy trainings and a new sustainability training increased awareness of our global way of working and ambitions.

The bi-annual employee survey reflected a strong improvement in the Employee Engagement Index.

## Focus forward

Gränges will continue to execute its Navigate plan based on our commitment: "People make the difference". Utilizing our global position and local appeal, we will continue to build strong, engaged teams.

We will continue to focus on the key areas:

- Employer of choice, each geography
- Right teams, skills and development
- All teams engaged in Navigate
- Strong safety and leadership culture

### Contents

2024 in brief  
About Gränges

#### Strategy

Navigate  
Trends

→ Navigate: Build  
Financial targets and results  
Sustainability targets and results

#### The business

Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Sustainability

Sustainability is a strong driver and enabler of long-term competitiveness and value creation for Gränges. We aim to drive sustainable growth by creating circular and sustainable aluminium partnerships and solutions.



## Priorities

Gränges works to strengthen its value proposition for circular and sustainable aluminium solutions that support customers in their decarbonization efforts. We execute plans to achieve carbon emissions reduction, enhance circularity, and promote responsible business practices. This involves investing in operational improvements to increase energy efficiency and resource utilization, expanding recycling capabilities, and developing innovative new methods and solutions. Building long-term closed-loop partnerships with suppliers and customers to boost recycling rates as well as sourcing green energy and metals remain top priorities.

We have also implemented an updated Responsible Sourcing Program and further enhanced sustainability engagement across the organization. In 2024, we developed and rolled out a new group-wide sustainability training, supported by local activities. Gränges also actively participates in sustainability initiatives and networks.

## Achievements

Gränges continued to show a very strong sustainability performance in 2024: record-low carbon emissions, alongside record-high recycling rates in both percentage and tonnage. We also upgraded our global responsible sourcing process, now including suppliers with an annual purchase value above 500 kSEK. This expansion enhances sustainability practices throughout the supply chain.

We increased the already strong sustainability engagement in the Gränges team with a new sustainability training program for white-collar employees, achieving 100 percent participation. Additionally, Gränges joined the First Movers Coalition, underscoring its commitment to accelerate the decarbonization of the aluminium industry.

To support Gränges' sustainability ambitions and pathway to net-zero, the company published an updated Green Finance Framework and a Sustainability-Linked Finance Framework to allow for the issuance of green bonds and sustainability-linked bonds. Also, a sustainability-linked credit facility was refinanced.

## Focus forward

Looking ahead, Gränges will continue to strengthen its value proposition for circular and sustainable solutions. Concurrently, we are advancing our 2030 plans for decarbonization, recycling, and responsible sourcing, aiming for year-over-year achievements and continued progress toward our 2030 and 2040 targets. We believe in setting ambitious goals, since those who move faster will be tomorrow's winners.

Gränges aims to increase sustainability engagement among employees and external stakeholders and reinforce responsible business practices. We will continue to collaborate with partners to create market-leading, differentiated sustainable offerings.

### Contents

2024 in brief

About Gränges

#### Strategy

Navigate

Trends

→ Navigate: Build

Financial targets and results

Sustainability targets and results

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

# Improve

Gränges works with continuous improvements related to three themes: “a workplace to be proud of”, “always better and smarter”, and “efficient and competitive”. Success will depend on a systematic approach clearly defined, which is communicated and trained.



## Priorities

### A workplace to be proud of

Across all regions, Gränges is implementing a comprehensive 6S program, targeting full implementation by year-end 2027. The program starts with establishing acceptable housekeeping standards and quality, followed by implementing audit programs and setting visual benchmarks for excellence. Employee contributions and smart ideas are recognized and adopted which enhances employee engagement and pride.

### Always better and smarter

As part of this commitment, Gränges combines traditional operational excellence with advanced technological solutions. Our emphasis is on data-driven decision-making, and on enhancing safety, productivity, flexibility and quality through automation of standard process controls.

### Efficient and competitive

Each facility is implementing ambitious plans to drive year-over-year improvement in all operational areas. Key priorities include; enhancing sustainability by reducing energy intensity and utilizing more scrap, asset optimization focusing on critical equipment productivity, cost reduction through yield improvements and digitalization, boosting customer satisfaction with high quality and timely deliveries, and capacity expansion for capturing growth opportunities.

## Achievements

Operations delivered substantial improvements across all regions in 2024.

Gränges realized significant growth in all regions. This was due to substantial throughput improvement across all facilities. A focus on productivity and cost control yielded significant saving, helping to protect margins during a very competitive period for our industry.

Good metal management is critical in our industry, and helped significantly toward our results in 2024. All regions reached record-high scrap utilization rates, driving down our carbon footprint. Energy efficiency and people productivity gains in all regions both contributed to and benefited from growth. Implementation of GPS continuous improvement and 6S initiatives moved forward according to plan, though much work remains.

## Focus forward

Looking ahead, the primary focus across all regions will be to reinforce and drive improvements in line with the three themes embedding them into daily operations through comprehensive training programs at all levels.

Integrating the large acquisition in Shandong, China, and making it a safe, productive and profitable growth driver will need particular emphasis in 2025.

The aim with all these actions is to deliver on our Navigate plan, ensuring sustainable growth and value creation.

### Contents

2024 in brief  
About Gränges

### Strategy

Navigate  
Trends

→ Navigate: Build  
Financial targets and results  
Sustainability targets and results

### The business

Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information



# Innovate & Grow

Gränges strives to achieve niche leadership through long-term partnerships with industry leaders, create and maintain a customer portfolio with a stable contribution, and innovate for growth and performance, starting from a deep knowledge of customer needs.



## Priorities

In 2024, Gränges further strengthened our long-term partnerships with key customers.

We aim for the number 1 or 2 position in carefully selected high-value market niches by collaborating closely with leading companies in each segment. A robust customer portfolio ensures high and stable contributions to business performance.

Our commitment also included achieving a growing contribution margin and industry-leading utilization rates that are stable through changing business cycles. By strategically manage contract renewals, spreading them over several years, and increase the diversity of our customer mix, we build resilience against market downturns.

Innovation is a cornerstone of the strategy for growth and performance. In 2024, a lot of effort went into new products for various electrification applications, and into high-circularity, low-carbon product development. We always strive to base innovation of materials, products and processes on our deep understanding of customer needs and supplier capabilities.

## Achievements

Gränges successfully expanded its market share in standard flat-rolled products for both building and automotive industries, outperforming market growth through competitive positioning and being a good and dedicated long-term partner.

Despite challenging automotive market conditions, a good pipeline of new projects was secured, notably in battery cooling plate and battery casing applications.

We commercialized new alloys with low carbon footprint and enhanced scrap content across all markets, and demonstrated the capability to produce materials with over 95 percent total scrap content.

Significant progress was made toward a successful end-of-life partnership with several customers and suppliers. Forming a truly closed-loop supply chain is essential in driving towards our circularity ambition.

## Focus forward

Looking ahead, we will optimize the utilization of the new production capacity to further grow our market share.

Additionally, Gränges will develop processes and alloys to handle more difficult scrap categories, for instance with challenging alloying elements, impurities, or in difficult formats. Often this requires closed-loop scrap recycling collaboration with both customers and suppliers.

These initiatives are key to reinforcing market leadership in high-value niches and ensuring long-term sustainable growth.

Contents

2024 in brief  
About Gränges

### Strategy

Navigate  
Trends

→ Navigate: Build  
Financial targets and results  
Sustainability targets and results

The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Source Green & Recycle

To be leading in green sourcing and recycling, and to move Gränges toward becoming a globally recognized recycling company, we prioritize four areas: green sourcing of energy and metals, recycling, customer and supplier partnerships, and responsible sourcing.



## Priorities

Gränges emphasizes responsible, competitive, and strategic sourcing as vital components of its operations.

The main priorities are to improve the procurement processes for refining metals, reducing costs, minimizing carbon emissions, and increasing circularity. Ongoing improvements in procurement effectiveness and efficiency are needed to consistently meet productivity targets year after year.

Another priority is to reduce supply chain risks through increased traceability and to identify strategic long-term partnerships with the right suppliers and customers.

Sourcing of low-carbon primary aluminium and increasing the use of clean electricity is also an important part. The focus during 2024 has also been implementation of the new responsible sourcing program.

## Achievements

Gränges made significant strides in its recycling efforts. Each region successfully increased its year-over-year recycling volumes and share, taking a big step toward our target of 500 ktonnes recycled volume by 2030.

Gränges Europe and Asia concentrated on eliminating the sale of internal scrap, streamlining the processes for greater efficiency and sustainability. Gränges Americas and the operations in Konin increased the volume of scrap sourced from customers. Metal management initiatives led to substantial financial benefits, delivering an impressive improvement in EBIT on a year-over-year basis.

Carbon emissions were reduced substantially as a result of increased use of recycled aluminium. We also continued our focus on increasing the sourcing of low-carbon primary aluminium, which boasts 50–80 percent lower emissions compared to traditional 'brown' aluminium, and also contributed to this improvement.

We secured new contracts and entered into new partnerships in Europe and the Americas, for low-carbon metals supply and recycling. The large acquisition in Asia strengthened our access to low-carbon metal and energy.

Gränges' operations in Finspång and in Asia achieved 100 percent renewable electricity, while Americas and Konin sourced renewable electricity via certificates.

## Focus forward

Looking ahead, we will continue to drive improvements and activities to achieve targets for recycling, green sourcing and procurement savings. Focus will also be to increase the share of green primary and electricity with a roadmap to reach 100 percent by 2030.

Realize further procurement savings targets for metal and variable costs and monitor continuously. Follow up implementation of our new Responsible Sourcing Program is also an essential part of the plan.

### Contents

2024 in brief

About Gränges

#### Strategy

    Navigate

    Trends

→ Navigate: Build

    Financial targets and results

    Sustainability targets and results

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

# Shaping tomorrow's aluminium: Gränges commits to First Movers Coalition



In a strategic move to reinforce its commitment to sustainability leadership, Gränges joined the World Economic Forum's First Movers Coalition (FMC) in 2024. This membership strengthens the company's position in driving the aluminium industry's decarbonization efforts while advancing towards its own 2040 net-zero target.

The FMC represents a powerful alliance of global companies using their collective purchasing power to accelerate decarbonization across heavy-emitting sectors.

"The First Movers Coalition conference in Geneva brought together key aluminium industry players to discuss concrete steps for sector decarbonization," says Sandra Rumélius, Director of Sustainability Reporting at Gränges. "The discussions focused on critical pathways including energy electrification, direct emissions reduction, increased recycling, and value chain efficiencies. The upcoming FMC report will provide a roadmap for aluminium industry transformation based on these insights."

The conference explored demand dynamics for low-carbon aluminium through 2030 and beyond, analyzing the Cleantech project landscape and identifying opportunities for accelerating clean technology adoption. Discussions also examined the crucial roles of public policy and private finance in sector decarbonization, while emphasizing the need for improved sector transparency.

As part of its membership, Gränges has made ambitious 2030 commitments: ensuring at least 10 percent of its annual primary aluminium procurement is low-carbon and sourcing minimum 50 percent from secondary aluminium. These targets align with the company's broader sustainability strategy and SBTi-validated climate goals.

"Strong partnerships and collaboration across the value chain are essential for successful decarbonization of the aluminium industry. Supporting upstream transition to low-carbon technologies is a critical action in our net-zero plan", Sandra Rumélius continues.

Rob van Riet, the Interim Head of FMC, acknowledged Gränges' significant role: "Gränges not only joins FMC as the 100th member but brings invaluable sector expertise. Their purchasing influence is crucial for scaling low-carbon primary and secondary aluminium, reinforcing FMC's mission."

The initiative reinforces Gränges' ability to meet increasing customer demands for sustainable products, positioning the company as a preferred partner in the low-carbon economy transition, while creating new opportunities for collaboration and innovation in sustainable aluminium solutions.



Supporting upstream transition to low-carbon technologies is a critical action in our net-zero plan.

Sandra Rumélius  
Director Sustainability Reporting



Contents

2024 in brief  
About Gränges

**Strategy**

Navigate  
Trends

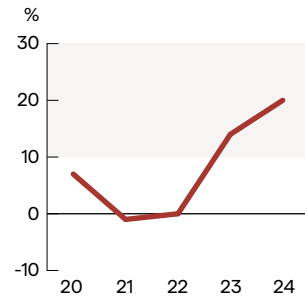
→ Navigate: Build  
Financial targets and results  
Sustainability targets and results

The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Financial targets and results



## Profit growth



— Profit growth<sup>1)</sup>

<sup>1)</sup> Average 3y CAGR during the last three years

### TARGET

**>10%**

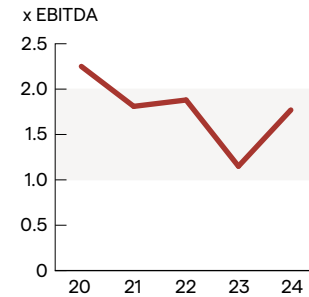
Average yearly operating profit growth above 10 percent

### RESULT 2024

**20%**

Operating profit increased by 2.3 percent compared to previous year, corresponding to 20 percent average 3y CAGR during the last three years. The increase was primarily driven by market share gains and improved productivity.

## Capital structure



— Leverage (financial net debt / EBITDA)

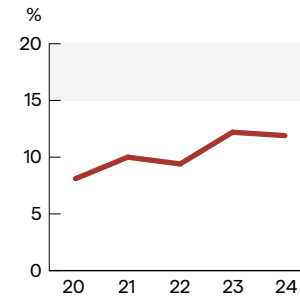
**1–2x<sub>EBITDA</sub>**

Financial net debt normally between 1–2 times adjusted EBITDA

**1.8x<sub>EBITDA</sub>**

Financial net debt increased by SEK 1,550 million to SEK 4,292 million, corresponding to 1.8 times adjusted EBITDA. The increase was due to the completion of several capacity expansion investments, as well as increased working capital driven by higher sales volume and the ramp-up of the new production facility in Shandong, China.

## Profitability



— Profitability (ROCE %)

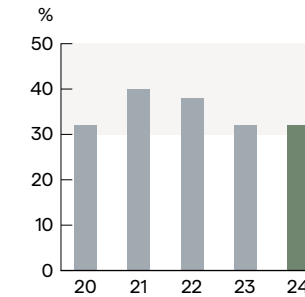
**>15%**

Return on capital employed above 15 percent

**11.9%**

Return on capital employed decreased by 0.3 percentage points to 11.9 percent. The decrease in return on capital employed was fully attributable to the added capital employed in Asia from the acquisition and ramp-up of the new production facility in Shandong, China.

## Dividend



■ Dividend (dividend % of net income)

**30–50%**

Dividend between 30–50 percent of profit for the year

**34%**

The Board of Directors proposes a dividend of SEK 3.20 (3.00) per share for the 2024 fiscal year, corresponding to 34 (32) percent of the profit attributable to owners of the parent company for the year.

Contents

2024 in brief  
About Gränges

### Strategy

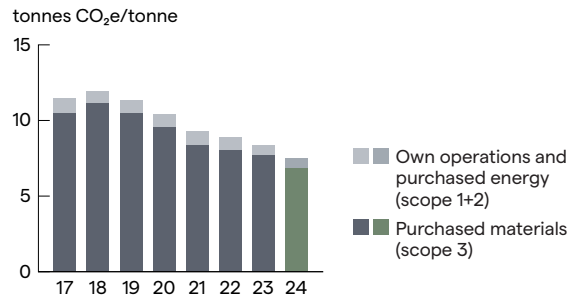
Navigate  
Trends  
Navigate: Build

→ Financial targets and results  
Sustainability targets and results

The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Sustainability targets and results

## Net-zero



TARGETS 2030

TARGETS 2040

Scope 1+2    Scope 3    Scope 1+2+3  
**-56%**   **-66%**   **Net-zero**

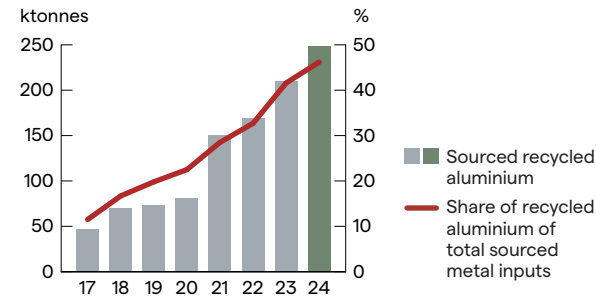
Minimum reduction in carbon emissions intensity versus baseline 2017

RESULTS 2024

Scope 1+2    Scope 3    Scope 1+2+3  
**-2%**    **-11%**    **-11%**

Scope 1+2 intensity decreased by 2 percent to 0.64 tonnes CO<sub>2</sub>e/tonne (0.66) and scope 3 decreased by 11 percent to 6.9 (7.7). Total carbon emissions intensity (scope 1+2+3) has been reduced by 35 percent versus baseline 2017.

## Circular



TARGETS 2030

**500 ktonnes** (10x 2017)

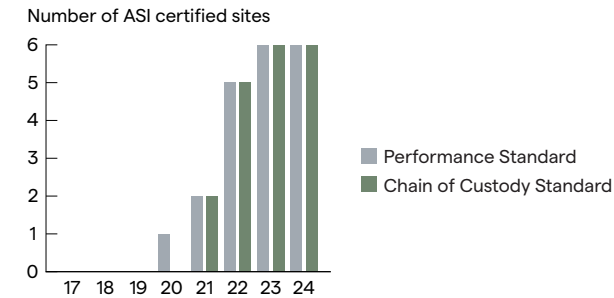
Sourced recycled aluminium volume

RESULTS 2024

**249 ktonnes**

The share of sourced recycled aluminium increased by 4.6 percentage points to 46.2 percent (41.6). The volume of sourced recycled aluminium increased by 19 percent to 249 ktonnes (210), which corresponds to 5.3x the volume in 2017.

## Responsible



TARGETS 2030

**100%**

Sustainable suppliers

RESULTS 2024

**100%**

All of Gränges' aluminium rolling and recycling sites are certified in accordance with ASI Performance Standard and Chain of Custody Standard.

Contents

2024 in brief  
 About Gränges

**Strategy**

- Navigate
- Trends
- Navigate: Build
- Financial targets and results

→ Sustainability targets and results

- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

The production facility in Shandong, China, is not included in 2024 data.



# The business

Contents

2024 in brief

About Gränges

Strategy

**The business**

Markets

Gränges Eurasia

Gränges Americas

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

Gränges is a global leader in aluminium rolling and recycling, leveraging technology, production capabilities, and industry-leading expertise to address complex demands. With strong, long-term customer and supplier partnerships, Gränges delivers innovative and sustainable aluminium solutions that continue to push the boundaries in the aluminium industry.

# Globally powered, locally committed

## Market characteristics

The market for rolled aluminium materials, in which Gränges operates, is in general characterized by advanced technology, complex production processes, and customer-driven development with long-term relationships. There is also a market for more standardized products with a lower degree of customization and product complexity.

## Advanced technology and production processes

The market is relatively difficult to enter. This is due to the capital-intensive nature of the industry and the high level of competence and experience required to develop and produce new and customized materials. These skills are also critical for flexible and efficient production processes, and for guaranteeing a high and stable performance in terms of volume, time, cost and quality. All this requires well-tuned manufacturing capabilities refined over a long time, tight cooperation with customers and suppliers and, for some end-customer markets, a global supply capacity.

## Customer-driven development

Gränges constantly faces new and increased customer demands for materials with, for instance, lower weight, greater strength, higher corrosion resistance or lower environmental impact. Our development of new materials, products and solutions is conducted in close cooperation with customers and often with suppliers, based on long-term relationships. We strive to be at the forefront of developing circular and sustainable aluminium solutions in partnership with our customers and suppliers.

## Competitors

The competition varies in size and strategic focus and differs between regions and end-customer markets. Global competitors such as Arconic, Novelis and UACJ are present on several geographical markets, and there are also local competitors in each region where Gränges operates.



## Contents

2024 in brief

About Gränges

Strategy

**The business**

→ Markets

Gränges Eurasia

Gränges Americas

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

# Customer markets



Gränges' customers are found in the automotive, HVAC, specialty packaging, and battery industries as well as in other niche markets such as transformers and wind turbines.



## Automotive

The automotive industry encompasses all vehicle types, including light to heavy, combustion, electric, and hybrids. Light-vehicle production is important for Gränges' heat-exchanger materials sales. The increasing share of electric vehicles is expected to boost demand for Gränges' materials further.

The aluminium properties, such as low weight and recyclability, are highly sought after and drives demand for new products like battery cathode foil, casings, and cooling plates. This provides Gränges with opportunities to offer new products to a growing market beyond traditional heat exchanger applications. Gränges has a leading position in rolled aluminium for brazed heat exchangers, with an estimated 25 percent global market share. According to the international research firm S&P Global, global light vehicle production showed a 0.4 percent decline during 2024.



## HVAC

The HVAC industry encompasses systems for heating, ventilation, and air conditioning in residential, commercial, and industrial settings. Market growth is driven by consumer confidence, construction activity, and energy efficiency demand. The need for reduced energy consumption, enhanced recyclability, and coolant restrictions drives advancements in HVAC product design, drives demand for Gränges' aluminium materials as a replacement for copper solutions.

Gränges provides materials for both brazed and mechanically assembled aluminium heat exchangers. Gränges' key HVAC market is North America, where we enjoy a leading position. Production of HVAC units is a key driver of Gränges America's sales. The trade association AHRI reported a 12 percent increase in US HVAC unit shipments in 2024.



## Specialty packaging

Aluminium is suitable for packaging due to its ability to withstand differences in temperatures and its quality of being infinitely recyclable. Aluminium foil provides an absolute barrier against light, oxygen, moisture, and bacteria, rendering it ideal for packaging across the food, beverage, and pharmaceutical industries.

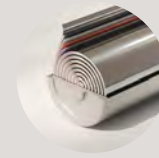
Gränges is a leading supplier of aluminium foil for food packaging in North America, with products such as semi-rigid containers, known for their flexibility and extensive use for pre-packaged food. In Europe, Gränges provides aluminium bottle closures. For decades, the use of foil has grown, and demand for Gränges' materials is set to rise, underpinned by decarbonization and aluminium's crucial role in achieving climate neutrality.



## Other niches

Examples of other niche markets are transformers, heat exchangers for industrial applications, wind turbines, building sheet applications and coil and sheet for general engineering applications.

Gränges is a major supplier of winding material for transformers in North America. Thanks to the significant cost and weight advantages of aluminium compared with copper, aluminium plays an important role in the design of power grids and large power transformers in that region.



## Battery

The battery industry is expecting continued high growth, for many years, despite weaker demand of electric vehicles in Europe and Americas in 2024. According to S&P Global, the battery materials market, is projected to grow 30 percent annually from 2022 to 2026. This growth is primarily driven by automotive electrification. Well-established players in Asia have announced new factories in Europe and North America. Despite this, there remains a shortage of battery materials and components for these regions. Aluminium is an important material in batteries. Gränges provides the critical materials for batteries, leveraging its global reach, deep automotive expertise, and sustainability focus.

Completed investment projects, and the recent Shandong facility acquisition highlight Gränges' commitment to industry leadership. As a result, Gränges has built up a strong pipeline of new customers and projects related to electrification.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business**
  - Markets
    - Gränges Eurasia
    - Gränges Americas
  - Sustainability leadership
  - Risk management
  - Corporate Governance Report
  - Financial statements
  - Sustainability statement
  - Other information



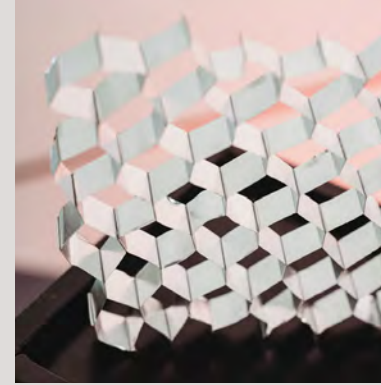
# Strong presence in the European market

Aluminium 2024 in Düsseldorf was a key platform for Gränges to solidify its position as a leader in the aluminium industry, reinforcing relationships with key customers and industry partners.

This biennial event provides an invaluable opportunity for Gränges to showcase its innovative portfolio and engage directly with suppliers and stakeholders, fostering discussions on future opportunities and sustainable practices within the aluminium sector.

Gränges was particularly honored to be recognized by Brose Group as a key supplier, a distinction awarded to only a select few among thousands.

“This is truly an energizing moment – partnership in action! It’s incredibly inspiring to connect with our customers. These interactions genuinely invigorate me, and the increasing interest in Gränges from the market is tremendously exciting,” said Fredrik Spens, President Gränges Europe.



## Contents

2024 in brief  
About Gränges  
Strategy

## The business

→ Markets

Gränges Eurasia  
Gränges Americas

Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Gränges Eurasia



Gränges Eurasia managed to increase both sales volume and operating profit through commercial flexibility, price management and productivity improvements despite challenging market conditions. The general economic environment remained challenging, especially in the automotive market. However, both excess market inventory in some segments and backlogs in others normalized during the year.



## Performance summary

Financial summary, SEK million	2024	2023	Change
Sales volume external, ktonnes	276.0	242.6	13.7%
Sales volume internal, ktonnes	18.8	21.7	-13.3%
<b>Total sales volume</b>	<b>294.8</b>	<b>264.3</b>	<b>11.5%</b>
Total revenue external	12,092	11,192	8.0%
Total revenue internal	992	1,142	-13.2%
<b>Total net sales</b>	<b>13,083</b>	<b>12,334</b>	<b>6.1%</b>
Adjusted operating profit	631	595	6.0%
Adjusted operating profit per tonne, kSEK	2.1	2.3	-0.2
Return on capital employed, %	7.6	7.8	-0.2 pp

Sustainability summary	2024	2023	Change
Carbon emissions intensity (scope 1+2), tonnes CO <sub>2</sub> e/tonne	0.37	0.38	-1%
Carbon emissions intensity (scope 3), tonnes CO <sub>2</sub> e/tonne	9.1	10.6	-14%
Sourced recycled aluminium, ktonnes	113	77	46%
Sourced recycled aluminium, %	35	26	9 pp
ASI certifications, number of sites	3	3	-

- Sales markets
- Sales offices and technical support
- Production sites
- Research and innovation centers

295 ktonnes

Sales volume

SEK 0.6 billion

Adjusted operating profit

-14%

Reduction in total carbon emissions intensity vs. 2023

35%

Sourced recycled aluminium

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business**
  - Markets
    - Gränges Eurasia
    - Gränges Americas
  - Sustainability leadership
  - Risk management
  - Corporate Governance Report
  - Financial statements
  - Sustainability statement
  - Other information

## Market and sales

Gränges Eurasia experienced a mixed market development in 2024. Demand in Europe for products to Other niches increased compared to 2023 due to stronger customer demand in combination with a normalization of inventory levels among distributors and stockists. Demand for Specialty packaging also increased on the back of normalized inventory levels as well as stable customer demand. However, demand from Automotive customers saw a more muted development in Europe as backlogs were now fully depleted. On the other hand, sales in Asia increased, driven by new business and a stable general market demand. For 2024 total sales volume increased by 11.5 percent to 294.8 ktonnes (264.3) and net sales increased by 6.1 percent to SEK 13,083 million (12,334).

## Increased adjusted operating profit

The adjusted operating profit in 2024 for Gränges Eurasia increased to SEK 631 million (595), corresponding to an adjusted operating profit per tonne of 2.1 kSEK (2.3). Higher sales volume and productivity improvements were key drivers of the increased adjusted operating profit in 2024. The adjusted operating profit for 2023 included a total of SEK 107 million related to energy cost compensation and positive timing effects from surcharge clauses in customer contracts in Europe. No energy cost compensation or timing effects from surcharge clauses were included in 2024.

## Progress towards sustainability targets

In 2024, the production sites in Finspång, Konin and Shanghai continued to make progress towards the 2025 and 2030 sustainability targets. Aluminium recycling increased to record levels, due to a strong team effort and continued positive effects from strengthened partnerships with suppliers and customers to secure access to recycled aluminium. The increased recycling had a positive impact on Gränges Eurasia's carbon footprint.

An important milestone in 2024 was the acquisition of the casting and hot-rolling facility in Shandong, China from the partner Shandong Innovation Group (SIG). Through the acquisition, Gränges gains access to nearby supply of low-carbon recycled and primary aluminium as well as good energy supply.



## Extension of strategic partnership in China

In 2024, Gränges extended the strategic partnership with Shandong Innovation Group (SIG) by acquiring an efficient, low-cost casting and hot-rolling facility in the Shandong province in China. The partnership also gives Gränges access to scalable downstream capabilities as well as nearby supply of low-carbon recycled and primary aluminium. The partnership was created to meet the increasing demand for Gränges' electrification solutions including battery casing, battery foil, battery cooling plates and other components.

## Commercial success in several segments

The efforts to secure new business and customers continued during the year, with great results from the commercial team. Both Gränges Asia and Gränges Europe succeeded in securing new customers and significantly stronger market shares in several customer segments. Gränges Asia increased sales of battery cooling plate and battery casing materials for electric vehicles significantly while Gränges Europe secured several new contracts for materials for next-generation electric vehicle platforms as well as for traditional thermal management applications.



## Expansion projects progress according to plan

During 2024, the construction work for the two large remaining expansion projects in Europe was largely completed. The production of the expansion project in Konin is expected to start ramp-up in the beginning of 2025. Once the new mill is operating at full capacity the total capacity in Konin is expected to increase by 30 ktonnes. The construction of a new battery cathode foil production facility in Finspång will also start production in 2025, thereby doubling Gränges' capacity of battery foil for the European and American markets. The interest from leading global battery manufacturers and OEMs remained high during the year despite the general market slowdown for electric vehicles in Europe.



Contents

2024 in brief

About Gränges

Strategy

**The business**

Markets

→ Gränges Eurasia

Gränges Americas

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

# Gränges Americas



Gränges Americas continued to deliver good results during 2024 supported by strong market positions and new business. Despite weakened demand in some market segments, Gränges Americas managed to keep focus on long-term value creation with continued investments in sustainable facilities, taking advantage of strong macro trends such as regionalized supply chains and sustainability.



## Performance summary

Financial summary, SEK million	2024	2023	Change
Sales volume external, ktonnes	229.8	220.6	4.2%
Sales volume internal, ktonnes	-	-	-
<b>Total volume</b>	<b>229.8</b>	<b>220.6</b>	<b>4.2%</b>
Total sales, external	11,414	11,326	0.8%
Total sales, internal	-	-	-
<b>Total net sales</b>	<b>11,414</b>	<b>11,326</b>	<b>0.8%</b>
Adjusted operating profit	1,068	1,029	3.7%
Adjusted operating profit per tonne, kSEK	4.6	4.7	-0.1
Return on capital employed, %	19.1	18.5	0.6 ppt

Sustainability summary	2024	2023	Change
Carbon emissions intensity (scope 1+2), tonnes CO <sub>2</sub> e/tonne	1.02	1.03	-1%
Carbon emissions intensity (scope 3), tonnes CO <sub>2</sub> e/tonne	3.6	3.8	-5%
Sourced recycled aluminium, kton	136	133	3%
Sourced recycled aluminium, %	62	63	-1 ppt
ASI certifications, number of sites	3	3	-

230 ktonnes

Sales volume

SEK 1.0 billion

Adjusted operating profit

-4%

Reduction in total carbon emissions intensity vs. 2023

62%

Sourced recycled aluminium

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business**
  - Markets
    - Gränges Eurasia
    - Gränges Americas
  - Sustainability leadership
  - Risk management
  - Corporate Governance Report
  - Financial statements
  - Sustainability statement
  - Other information



### Market and sales

Gränges Americas experienced a mixed market development during 2024. The underlying demand for HVAC products, Speciality packaging and Other niche products was stable or increased compared to a weak 2023 due to a gradual normalization of downstream inventory. Demand from Automotive decreased compared to last year mainly due to a lower general production rate of new vehicles. In total, sales volume for Gränges Americas in 2024 increased by 4.2 percent to 229.8 ktonnes (220.6) and net sales increased by 0.8 percent to SEK 11,414 million (11,326).

### Record adjusted operating profit

The adjusted operating profit for 2024 increased by 3.7 percent to SEK 1,068 million (1,029), corresponding to an adjusted operating profit per tonne of 4.6 kSEK (4.7). A lower average fabrication price was more than offset by higher sales volume, good metal management and improved productivity.

### Progress towards sustainability targets

In 2024, Gränges Americas continued to improve the sourcing and use of recycled aluminium, both in collaboration with scrap processing companies and through closed-loop customer programs. The volume of sourced recycled aluminium reached 136 ktonnes or 62 percent of total sourced metal inputs. This led to a reduced carbon intensity from purchased materials (scope 3) by 5 percent versus 2023 and 56 percent versus baseline 2017.

### Investments in recycling and casting centers

The construction work for the second of two investments in new recycling and casting centers in Huntingdon was successfully completed during the last quarter of 2024, with an estimated ramp-up during the beginning of 2025. The investment will reduce raw material costs and contribute positively to the sustainability performance by reducing both energy and carbon emission intensity.

### Successful commercial activities offset economic slowdown

2024 was characterized by a general economic slowdown and a challenging macro-economic environment. Despite the challenging conditions, Gränges Americas managed to continue strengthening its market position for the future while also delivering good results. Lower demand, especially in Automotive, was compensated for by winning business both in terms of new customers but also increasing the share of existing ones.

Contents

2024 in brief

About Gränges

Strategy

**The business**

Markets

Gränges Eurasia

→ Gränges Americas

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

## New casting line enables near-zero products and sustainable growth



An all-electric channel induction furnace feeding a twin-roll casting line for aluminium.

In late 2024, Gränges Americas reached a major milestone with the commissioning of the first all-electric casting line in the US. The USD 52 million investment is the third investment in the casting and recycling centers in Huntingdon, Tennessee, since 2019. Powered by renewable electricity, this all-electric caster sets a new benchmark for carbon neutral, aluminium production.

Overall, aluminium casters in the US rely on natural gas – a cost-efficient but less sustainable energy source. Gränges’ decision to build an all-electric caster reflects its commitment to future-proofing production while meeting the growing demand for circular and sustainable aluminium solutions.

“This investment reflects our dedication to advancing sustainable manufacturing,” said Patrick Lawlor, President of Gränges Americas. “By investing in the first all-electric casting line in the US, we are meeting the demand for high-quality solutions that reduce the environmental impact. This aligns with our ambition to lead the industry toward a more sustainable future.”

A long-term contract with a scrap provider will ensure a consistent supply of recycled aluminium, reinforcing Gränges’ commitment to circularity. To further reduce the climate impact, the company will purchase green electricity certificates for solar power, securing renewable electricity for the electric furnace.

“Strong partnerships across the value chain are essential for enabling the green transition,” Lawlor added. “Collaboration with scrap suppliers and renewable electricity providers is key to delivering products with a minimal carbon footprint and driving long-term sustainable growth.”

“

**Collaboration with scrap suppliers and renewable electricity providers is key to delivering products with a minimal carbon footprint and driving long-term sustainable growth.**

Patrick Lawlor, President,  
Gränges Americas



Contents

2024 in brief  
About Gränges  
Strategy

**The business**

Markets

Gränges Eurasia

→ Gränges Americas

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information

# Sustainability leadership



Contents

2024 in brief

About Gränges

Strategy

The business

**Sustainability leadership**

Ambitious goals and plans

Net-zero

Circular

Responsible

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

Other information



Gränges' ambition is to create circular and sustainable aluminium solutions for a better future. Sustainability, alongside People and Safety, is a key driver of the company's long-term competitiveness and value creation. These elements are at the core of Gränges' business and strategy, emphasizing their central role in differentiating the company within the industry.

# A key business driver

## Key achievements

- Record low carbon emissions
- All time high recycling volumes
- Executed on the 2030 decarbonization plans
- Launched finance framework to support green transition
- Implemented updated responsible sourcing process
- Launched a new sustainability training for white-collar employees
- Joined the First Movers Coalition

## Sustainability recognition

Gränges received several external sustainability and ESG recognitions with top ratings, demonstrating the company's ambitious sustainability plans and proven results.



## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership**
  - Ambitious goals and plans
  - Net-zero
  - Circular
  - Responsible
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information



# Ambitious long-term goals and plans

Gränges' long-term plan support the creation of sustainable and circular aluminium solutions to drive sustainable growth. The plan focuses on three key areas with accompanying long-term goals which show a clear direction for the sustainability efforts. The plan also supports the ten principles of UN Global Compact as well as to fulfil the United Nations' 2030 Agenda and sustainability goals.

Invest in sustainable

- ✓ Supply and recycling
- ✓ Operations
- ✓ Customers and sectors

2030 Sustainability goals



Sustainable growth



Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership**
  - Ambitious goals and plans
  - Net-zero
  - Circular
  - Responsible
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

Gränges is committed to mitigating climate change and has set a goal to reach net-zero by 2040. The company strives to reduce the climate impact along the value chain – from its own operations and from the materials sourced.

# Net-zero

## Gränges' climate impact

As a manufacturer of rolled aluminium products, Gränges' largest climate impacts originate in its value chain, particularly from sourcing metals. In 2024, 9 percent of the company's total carbon emissions originated from own operations (scope 1+2) and 91 percent from the value chain (scope 3).

The company is committed to reaching net-zero carbon emissions by 2040, with mid-term 2030 goals for scope 1+2 and scope 3 in place. These goals have been validated by the Science Based Targets initiative to align with the Paris Agreement.

## Continued execution on the net-zero plan

Gränges' decarbonization plan identifies five key pathways to reduce carbon emissions from own operations and the value chain. Recycling growth accounts for more than half of the 2030 plan, followed by low-carbon primary aluminium, and renewable electricity. During the year, all regions continued

to execute on the plan. Actions to reduce own emissions (scope 1+2) include operational efficiency improvements to reduce energy consumption and increasing the use of renewable electricity. Gränges' facilities in Finspång, Shanghai and Newport sourced 100 percent renewable electricity in 2024, while the facility in Konin sourced a share of its consumption through guarantess of origin.

Continued recycling growth was the main driver to reduce scope 3 emissions, achieved through long-term recycling partnerships, increased sourcing of scrap based slabs, and closed-loop recycling from customers. Gränges total recycling volumes increased by 19 percent compared to last year. Other activities to reduce scope 3 emissions included a focus on R&I to develop scrap-based alloys in Gränges' facilities in Europe and Shanghai, along with increased sourcing of low-carbon primary aluminium.



Ahead of plan towards net-zero goal



- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership**
  - Ambitious goals and plans
  - Net-zero
  - Circular
  - Responsible
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

### TARGETS

## Net-zero

By 2040

## -56%

Reduction in carbon emissions intensity from scope 1+2 by 2030 vs. 2017

## -66%

Reduction in carbon emissions intensity from scope 3 by 2030 vs. 2017

### RESULTS 2024

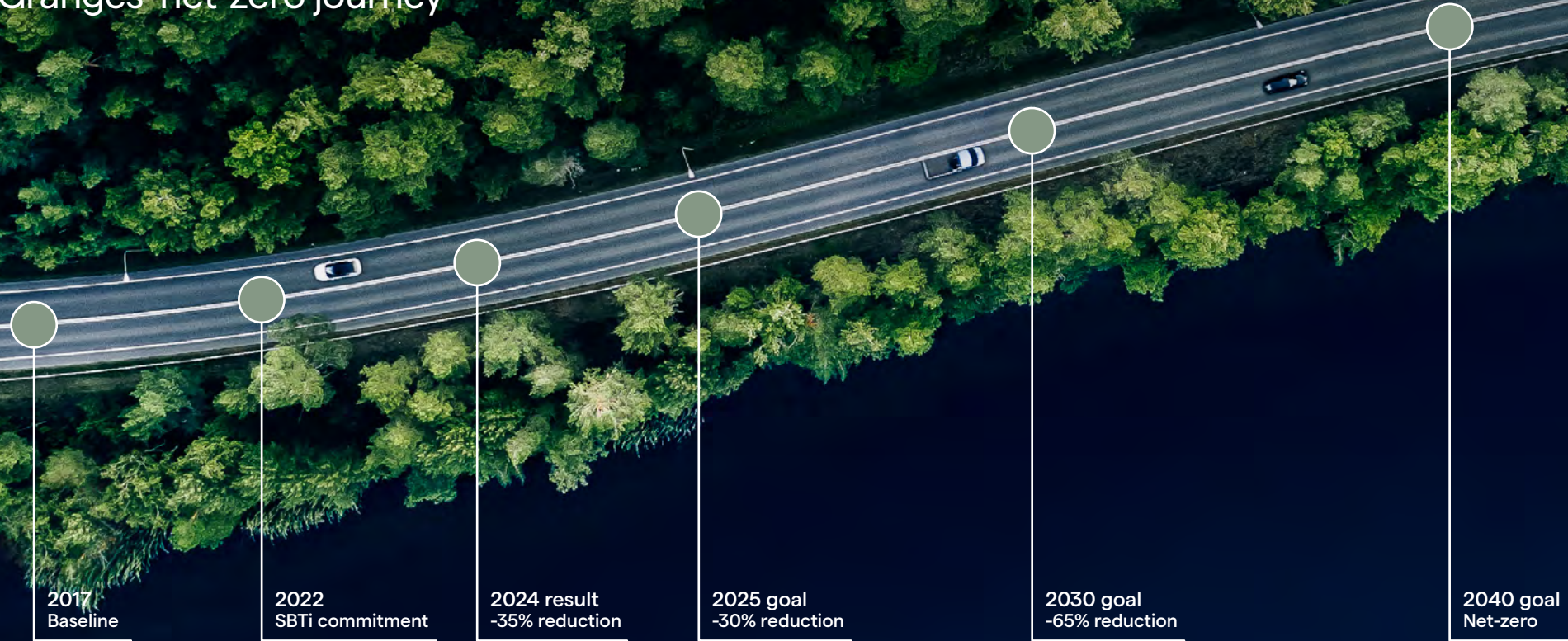
## -33%

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

## -35%

Reduction in scope 3 carbon emissions intensity vs. 2017

# Gränges' net-zero journey



- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership**
  - Ambitious goals and plans
  - Net-zero
  - Circular
  - Responsible
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

## Gränges' five pathways to net-zero and prioritized activities

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



Gränges invests in circular business models, closed-loop partnerships, recycling capacity, and circular alloy development to increase the usage of recycled materials in its products.

# Circular

## Increased recycling drives decarbonization

Aluminium recycling reduces the need for raw materials extraction and is key to decarbonizing the aluminium value chain and enabling a circular economy. By increasing the use of recycled aluminium, Gränges reduces the need for carbon intensive primary aluminium saving 95 percent of emissions. The conditions for recycled aluminium vary geographically and the feasibility to increase usage depends on the type of production and local availability. Gränges aims to reach 500 ktonnes of recycling volumes by 2030, a tenfold increase from the 2017 baseline.

## Record-high recycling volumes

In 2024, Gränges achieved record-high recycled volumes of 249 ktonnes, representing a 5.3x increase from the 2017 baseline. This success was driven by strong recycling partnerships, investment in recycling capacity and product development. For example, Gränges' facility in Shanghai increased its recycled volumes by 74 percent compared to 2023 and the facility in Finspång by 51 percent.

Initiatives during the year included a new long-term partnership with Federal Metals securing access to post-consumer scrap in Gränges Americas, closed-loop recycling partnerships with customers, and increased sourcing of external scrap, mainly through scrap-based slabs.

## Partnership to secure low-carbon primary aluminium

In addition to recycling, a key driver for reducing scope 3 emissions is to expand the sourcing of low-carbon primary aluminium. Gränges relies on the primary aluminium sector's transitioning to low-carbon products and production to reach its net-zero goal. Availability currently varies by geography and renewable energy conditions. To increase the use of low-carbon primary aluminium, Gränges focuses on long-term partnerships with suppliers.

During the year, Gränges Americas signed a long-term agreement with Rio Tinto and secured access to low-carbon primary aluminium.

## Developing scrap-friendly alloys

Gränges actively focuses on alloy design, and research and innovation to improve the recycling ratio and enhance alloy recyclability. The company ensures that the chemical composition allow both pre- and post-consumer scrap to be remelted, meeting customer demand for sustainable products. Gränges collaborates with customers in the heat exchanger, HVAC, and battery markets to jointly develop sustainable and circular alloys aligned with customers' requirements on material characteristics.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership**
  - Ambitious goals and plans
  - Net-zero
  - Circular
  - Responsible
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

### TARGETS

500 ktonnes

Volume sourced recycled aluminium by 2030

### RESULTS 2024

249 ktonnes

Sourced recycled aluminium

46%

Share of sourced recycled aluminium

Gränges is committed to responsible business practices in all aspects – towards employees, partners, communities, and the environment. The company focuses on strong business ethics, workplace safety, a motivated and inclusive workforce, corruption prevention, transparency, community involvement, and responsible sourcing.

# Responsible

## Strong business ethics

Gränges upholds high ethical standards, guided by its Code of Conduct and core values: Sustainable, Action oriented, and Committed. These principles guide employees in their daily actions and establish the foundation for responsible and ethical business conduct.

## Workplace safety

Gränges continuously works to improve the work environment and increase the health and safety awareness and behavior among employees. Focus areas include preventing and mitigating key safety risks, improving physical safety environment, fostering a safety and leadership culture as well as building safety skills and knowledge across the organization.

## Motivating and inclusive workplace

At Gränges, a strong team and company culture are key to success. Local people plans focus on engagement, team development, and a strong safety and leadership culture. The company is also committed to being an open and inclusive employer, with zero tolerance for discrimination.

## Corruption prevention

Gränges has zero tolerance and acts rapidly, stringently, and vigorously if discovering corruption or unethical behavior. Gränges' Anti-Corruption Policy outlines anti-corruption principles, and annual trainings are conducted to equip white-collar employees with the knowledge how to act in specific situations.

## Transparency and traceability

Transparency is a cornerstone in Gränges' sustainability approach. It helps to manage risks, improve efficiency, and build trust with stakeholders and partners. The company collaborates with organizations such as SBTi, EcoVadis, ASI, and CDP to verify its sustainability commitments and claims.

## Community involvement

Beyond being an employer, Gränges plays an active role in supporting strong and resilient communities. Regular stakeholder dialogues ensure alignment with sustainability goals and address key concerns.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership**
  - Ambitious goals and plans
  - Net-zero
  - Circular
- Responsible
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

### TARGETS

100%

Sustainable suppliers by 2030

### RESULTS 2024

88%

SCoC commitment (updated program)

All sites

Certified against ASI's Sustainability Standards

82

Engagement index

100%

Participation in Code of Conduct training



# Promoting responsible sourcing and production



With a supplier base of 3,300 suppliers globally, Gränges has an indirect impact on environmental and social sustainability in the society. It is therefore essential to engage with its suppliers to jointly improve sustainability performance and mitigate supply chain risks.

## ASI certifications to ensure responsible production

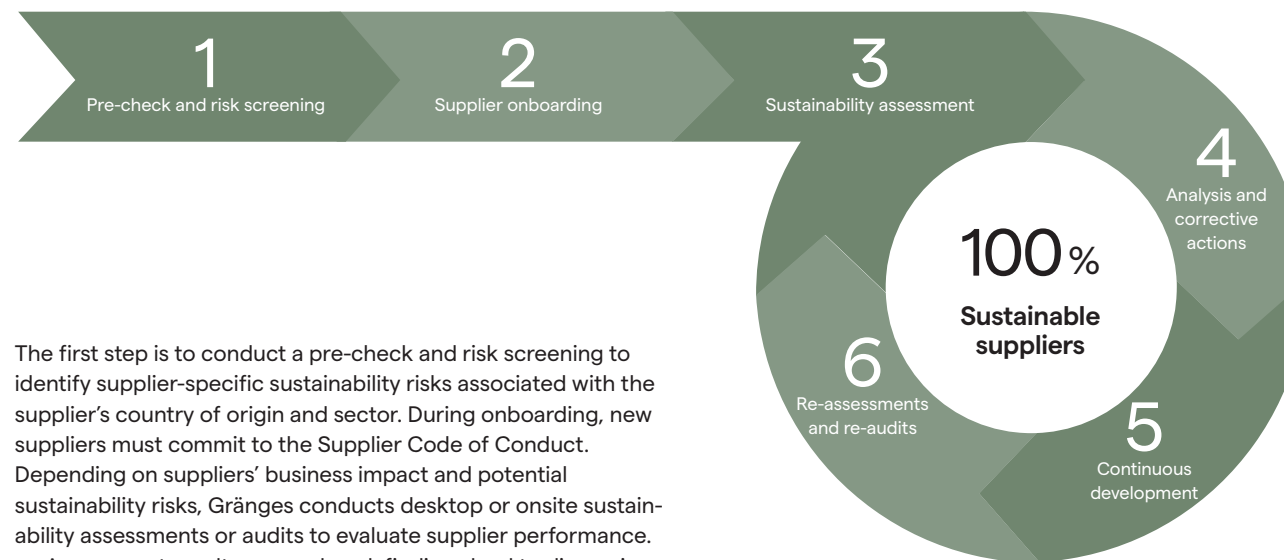
To promote responsible aluminium production and stewardship, Gränges has been a member of the Aluminium Stewardship Initiative (ASI) since 2019. Gränges uses ASI certifications to provide assurance to its customers and other business partners that Gränges is committed to meeting their increased sustainability requirements and demand for sustainable aluminium. All facilities have been certified in accordance with ASI Performance and Chain of Custody Standard since 2023.

## Responsible Sourcing Program

Gränges' Responsible Sourcing Program enforces responsible practices to mitigate risks in the supply chain. In 2024, Gränges finalized and initiated the roll-out of its updated program across the organization. The company aims for 100 percent sustainable suppliers by 2030, measured as the share of purchase value from active suppliers who are approved as sustainable following the Responsible Sourcing Program.

## A six step program

In line with the Responsible Sourcing Policy, all business units must implement a local responsible sourcing program which covers suppliers with an annual spend above SEK 500 thousand or equivalent in local currency.



The first step is to conduct a pre-check and risk screening to identify supplier-specific sustainability risks associated with the supplier's country of origin and sector. During onboarding, new suppliers must commit to the Supplier Code of Conduct. Depending on suppliers' business impact and potential sustainability risks, Gränges conducts desktop or onsite sustainability assessments or audits to evaluate supplier performance.

Assessment results are analyzed, findings lead to discussions on corrective actions, and supplier performance ratings are integrated into local supplier reviews. Continuous development involves providing training to suppliers, while re-assessments and re-audits occur at least every three years to ensure ongoing compliance and improvement. Refer to the sustainability statement page 163 for a full description of the program.

Contents

2024 in brief  
About Gränges  
Strategy

The business

**Sustainability leadership**

Ambitious goals and plans  
Net-zero  
Circular

→ Responsible

Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

## Gränges expands sustainability efforts with dual recycling partnerships



Gränges has taken significant steps towards its 2040 net-zero goal through two strategic partnerships that underscore its commitment to sustainable aluminium solutions during 2024. These collaborations focus on recycled and low-carbon materials, advancing Gränges' commitment to delivering circular products to its customers, paving the way for a greener future in the aluminium industry.

### Circularity with Scepter

Gränges Americas entered a ten-year agreement with Scepter, Inc., a leader in aluminium recycling, to source recycled aluminium ingots with a carbon emissions intensity of just 0.3 tonnes CO<sub>2</sub>e per tonne or lower. Paired with the use of renewable electricity at Gränges' US plants, this partnership enables the company to offer industry-leading low-carbon solutions.

"This agreement advances our sustainability goals and strengthens our position as a leader in closed-loop recycling and circularity partnerships for the HVAC, specialty packaging, building and construction, and automotive sector", said Patrick Lawlor, President of Gränges Americas.

Scepter's CEO, Garney Scott, added, "We are proud to partner with Gränges, a company at the forefront of sustainability and decarbonization. This agreement allows us to deliver high-quality low-carbon ingots and supports mutual growth."

### Pioneering post-consumer scrap recycling with Federal Metals

Gränges Americas also signed a long-term strategic partnership with Federal Metals to introduce post-consumer scrap into its production. This initiative will process post-consumer HVAC units into usable aluminium scrap for Gränges' Huntingdon facility. Unlike pre-consumer scrap, this marks Gränges' first use of post-consumer materials, a milestone in its sustainability journey.

It enables Gränges to work with HVAC customers in a closed-loop recycling system, where scrap from used HVAC units is remelted into aluminium coils for new products. The process reduces carbon emissions by over 90 percent compared to primary aluminium, conserving valuable resources.

"This partnership is a milestone in our sustainability efforts," Patrick Lawlor said. "Incorporating post-consumer scrap lowers our carbon footprint and provides a meaningful recycling solution for our HVAC customers."

Federal Metals' expertise in processing post-consumer HVAC units positions Gränges as a pioneer in integrating HVAC scrap into new products, and the company is setting a new standard for the aluminium foil sector.

Contents

2024 in brief  
About Gränges  
Strategy  
The business

### Sustainability leadership

Ambitious goals and plans  
Net-zero  
Circular

→ Responsible  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information



# Risk management

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

**Risk management**

Market risks

Operational risks

Financial risks

Corporate governance report

Financial statements

Sustainability statement

Other information





As a Group with operations in different parts of the world, Gränges is exposed to various risks and uncertainties. Gränges' risk management process aims to identify, assess, and reduce risks related to the Group's business and operations.

# Robust risk management, a cornerstone of our foundation

Gränges works actively with risk management to monitor and minimize risks in a structured and proactive manner. A systematic approach to risk management enables Gränges to maintain focus on its core business and its customers and spend less time on dealing with unwanted situations.

Gränges also promotes a risk awareness culture where employees are encouraged to speak up and propose improvements and actions to mitigate risks, as transparency is fundamental for dealing effectively with risks.

Gränges' risk management process requires all regional management teams to review, rank and prioritize risks on an annual basis and to maintain updated risk mitigation plans.

The regional risk assessment and mitigation plans also form the basis for an annual risk review in the Group Management Team. The purpose of this review is to make sure that effective risk mitigation plans and processes are in place from a Group perspective, including whether a specific risk should be owned and managed by the Group Management Team or by the regional Presidents.

A summary of Gränges' main risks can be found on the following pages.



## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

# Market risks



## Macro and regulatory

With its global production footprint and customer base, Gränges is exposed to macro and regulatory risks. Such risks relate to external impact that could change the dynamics of the demand for Gränges' products or affect Gränges' ability to meet demand for its products. Examples of such external impact are general economic slowdown, cost inflation, pandemic, war, other force majeure event, access to labor, political priorities, trade barriers, sanctions, protectionism, and environmental legislations. Changes in macro environment and regulations could result in financial losses and/or cause other harm to the company or its customers. On the other hand, Gränges could also benefit from such changes.

### Risk mitigating activities

- **Continuous monitoring and rigorous contingency plans:** Gränges continuously monitors legislative and regulatory developments in different markets, and proactively assesses external risks and opportunities that may influence the company's strategy and operations. Rigorous contingency planning is a standard part of the yearly planning cycle.
- **Global presence:** Gränges' presence in three regions balances the shift in demand throughout the economic cycle. It also provides flexibility to transfer production and re-route supply flows if macro or regulatory changes should have a negative impact on the current setup.
- **Diversified portfolio:** A diversified product portfolio reduces Gränges' cyclicality and reduces the company's dependence on a specific industry should macro or regulatory changes cause disruption.

## Commercial

Commercial risks are primarily related to Gränges' relations with customers and external market competition, which can have a direct negative impact on financial performance. Examples of such risks include customer relations, reputation and brand, contract risk, pricing, competition and substitution, quality, technology and R&I, as well as M&A and partnerships. The most evident consequences from realized commercial risks are loss of ability to obtain new customers, suppliers and partners, as well as to maintain such existing relationships. The many information and media channels available make it more challenging for Gränges to control how the company is perceived compared to relevant competitors in the markets.

### Risk mitigating activities

- **Customer collaboration:** Gränges works closely with customers in product development for future applications to ensure a continued high quality and adherence to customer requirements.
- **Operational excellence programs:** Gränges ensures high-quality products and efficient production processes through established programs for 6S and lean operations.
- **Competitive cost level:** Gränges works to maintain a low cost level based on its global presence, which enables competitive pricing.
- **Research and innovation:** Extensive research and innovation enable Gränges to continue to develop advanced materials and solutions to meet new demands.
- **Strategy for partnerships and acquisitions:** Gränges adheres to an established process for finding and executing acquisitions and partnerships, validated through several historical corporate acquisitions.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
    - Operational risks
    - Financial risks
  - Corporate Governance Report
  - Financial statements
  - Sustainability statement
  - Other information

## Supply chain

Supply chain risks include critical suppliers' failure to deliver quality or material to Gränges, sustainability risks in the value chain as well as legal risks. Gränges' products use large amounts of input materials. Insufficient supply or inadequate quality of products delivered would imply that Gränges cannot produce certain products of the quality expected from customers. Reductions or shutdowns of larger suppliers could also impact Gränges' ability to manufacture and deliver products.

Social risks and human rights violations are mainly related to indigenous rights in the extraction, mining and smelting activities. Extractive activities also carry a risk of forced and child labor, although there are few reports of this in aluminium mining. Environmental risks mainly occur in mining activities where there are risks related to, for instance, biodiversity loss, leakage and air emissions. Further, refining and smelting activities are energy- and water-intensive processes. Corruption risks are mainly linked to mining approvals, regardless of the country's level of economic development or political system. Mismanagement of these risks may lead to undesirable effects on operational and financial results, such as increased costs, delayed deliveries, and possible claims from customers. It can also lead to reputational losses.

### Risk mitigating activities

- **Supplier agreements:** Gränges has agreements with suppliers in each market to ensure deliveries based on estimated volumes.
- **Own production:** Gränges has its own cast houses in the production facilities which makes the company less sensitive to supply issues regarding for example aluminium slabs.
- **Responsible Sourcing Policy and program:** All sites are to operate a local responsible sourcing program covering suppliers with an annual spend above SEK 500 thousand or equivalent in local currency. The program is used as a platform to enforce sustainable practices, ensure continuous improvement, develop collaboration, and build supplier relationships.
- **Risk screening:** Potential supplier-specific sustainability risks are identified based on environmental, social, and corruption risks associated with the supplier's country of origin and sector. The risk scoring model used is validated by a third-party.
- **Supplier Code of Conduct:** Suppliers are requested to commit to Gränges' Supplier Code of Conduct. By committing, suppliers declare to observe applicable laws and regulations, including the principles of the UN Global Compact, and to promote the implementation of these principles in their own supply chains.
- **Sustainability assessment:** Suppliers are addressed with third-party audits or thirdparty desktop assessments to further disclose sustainability performance – depending on the suppliers' business impact and sustainability risk.
- **Analysis, corrective actions and continuous development:** Suppliers are contacted to discuss mitigation actions if non-compliances are noted. Trainings are provided as applicable to support suppliers and help them improve.

### Contents

2024 in brief  
About Gränges  
Strategy  
The business  
Sustainability leadership  
**Risk management**  
→ Market risks  
Operational risks  
Financial risks  
Corporate Governance Report  
Financial statements  
Sustainability statement  
Other information

# Operational risks



## Workplace safety

Health and safety risks mainly relate to incidents or accidents in the cast house or rolling mills, which can cause damage to fingers, hands, feet and legs. Other risks are exposure to chemicals and the risk of fire, which can be hazardous to employees' health. Further, employees and other individuals may be injured if the implementation of safety procedures is unsuccessful or inefficient. Unsafe workplaces can lead to increased employee turnover as well as higher operating costs and production interruptions. Safety and health incidents can also lead to reputational damage for the company. The facilities may be interrupted if Gränges fails to implement safety processes or if implemented processes are not efficient and, if they are not remedied quickly and time efficiently, could prevent normal execution of the work. All of the above examples can have a negative impact on Gränges' operations, reputation, financial position, and results.

### Risk mitigating activities

- **Occupational Health & Safety (OHS) Policy:** Gränges' Occupational Health & Safety Policy covers principles regarding safety performance. All employees and contracted workers are required to follow the policy.
- **Safety certifications:** Gränges aims to have all its sites certified in accordance with ISO 45001 safety management standards. The sites in Shanghai and Konin are certified against this standard and the sites in US and Finspång are preparing for certifications.
- **Global OHS Key Risk Standards:** Gränges has standards issued for identified key risk areas of the business. Gap assessments and action plans relative to the global standards are conducted yearly.
- **Daily monitoring and management:** Gränges has strict safety routines and continuously invests in safety measures to prevent and mitigate workplace accidents and injuries. A 6S system has been implemented to ensure a clean, orderly and safe work environment.
- **Incident reporting:** Gränges focuses on preventing workplace injuries and ensuring safe behavior. Workplace safety analysis is carried out and all incidents are registered and classified in incident reporting systems.
- **Health and safety training:** Gränges arranges comprehensive health and safety training for all employees at least annually. Targeted safety training is also carried out for specific safety aspects.
- **Best practice sharing:** Gränges shares safety experiences and best practices through internal cross audits and safety meetings.

## Employee

Employee risks are mainly related to lack of access to and difficulty to attract and retain qualified and skilled employees, due to high competition on the labor market. Gränges operates in a traditional industry where competition for qualified employees is high. Job opportunities are located outside metropolitan areas which tends to reduce the number of available qualified candidates. There are also risks relating to not having a diverse workforce as this is a prerequisite for a productive and innovative organization. If Gränges fails to attract, develop, retain and motivate qualified personnel needed in the business, it would make it more difficult for the company to deliver goods and services in accordance with customers' expectations. As a result, it could lead to significant future loss of revenue, increased costs and lack of diversity, which may have a significant negative impact on Gränges' operations, earnings, and financial position.

### Risk mitigating activities

- **Attractive workplace:** Gränges strives to offer good working conditions and interesting career development opportunities to attract, develop and retain qualified employees.
- **Structured recruitment process:** The company runs a structured recruitment process to ensure that the company hires competent and skilled employees. All else being equal, individuals from underrepresented groups are given recruitment priority.
- **Leadership development:** Gränges conducts regular performance and development discussions to ensure motivated and engaged employees. The company also works actively with training opportunities, talent management and succession planning as well as strengthening the corporate culture and core values.
- **Local diversity plans:** Gränges supports an inclusive work environment which leverages employees' different perspectives, experiences, and ideas. Trainings are regularly held on the importance of inclusion and having a diversified workplace.
- **Health and wellbeing:** Gränges offers its employees occupational and non-occupational health services including access to occupational health care, regular health checks, and access to medical care.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

## Environmental and climate

Environmental risks are mainly related to emissions to water, soil and air or releases of environmentally hazardous substances resulting from incidents and accidents in Gränges' production facilities, such as fire, oil spill, or leakages. Such events may have financial, non-financial, as well as regulatory repercussions. Other environmental risks are related to natural resource scarcity. Climate transition risks include emerging regulation to incentivize reduced carbon emissions as well as carbon pricing mechanisms which could lead to higher costs for Gränges, for example increased costs in carbon taxes. Other transition risks include shifting customer and consumer preferences towards products carrying a lower climate impact, which could reduce the demand for Gränges' products if not addressed properly. Regulatory restrictions on air pollution is another transitional risk which could result in demands for reduced production at Gränges' production facilities. Climate physical risks are mainly related to acute physical risks with increased severity and frequency of extreme weather events. This could disturb not only direct operations but also the infrastructure supporting the production, including electricity supply and transportation. The potential financial consequences may include decreased revenue from reduced sales volumes and increased costs to repair potential damages at the sites. .

### Risk mitigating activities

- **Environmental Policy:** Gränges Environmental Policy covers principles regarding environmental performance. All employees and contracted workers are required to follow the policy.
- **Environmental management certifications:** Gränges aims to have all its sites certified in accordance with the ISO 14001 (environmental management) and ISO 50001 (energy management) standards. All sites are certified against ISO 14001. The sites in Finspång, Saint-Avold, Shanghai, Huntingdon, Salisbury, and Newport are certified against ISO 50001.
- **Ambitious climate agenda:** Gränges works actively to take product stewardship and has committed to net-zero emissions by 2040.
- **Daily monitoring and management of emissions:** Gränges monitors and manages emissions to air as part of the daily operations. Local authorities continually monitor compliance to ensure that emissions of nitrogen oxides, sulfur dioxide, particulate matter, volatile organic compounds (VOC) and, in some regions, oil emissions, are within permissible limits.
- **Incident reporting:** Gränges' employees report environmental risk observations in site-specific incident management systems. Risks are managed in accordance with standardized routines and integrated as part of daily operations. Key risks are raised to the regional management teams and mitigation activities are implemented accordingly. Gränges takes a precautionary approach to environmental risks.
- **Continuous monitoring of legislation:** Gränges closely monitors changes in environmental policy and legislation.
- **Emergency planning:** Emergency planning and preparations are integrated in management systems, maintained at the site level including assessment of emergency situations and crisis management action plans.

## Production and disruption

Production risks are related to critical machine breakdowns, both hardware or software, as well as major incidents such as a fire or explosion occurring in the production sites. Critical machine breakdowns could give rise to production stops, preventing or making it more difficult for Gränges to meet its commitments to its customers. Unplanned stops in production facilities could also result in defective products or products of inferior quality. Power failures or cuts could lead to breakage in the coils in the cold-rolling process, resulting in the need to discard the coils, or could lead to sparks, which increases the risk of fire.

### Risk mitigating activities

- **Maintenance plans and machinery:** Gränges has maintenance plans to manage critical machinery. The company also ensures access to spare parts and service staff to continually maintain critical machinery. Furthermore, Gränges has invested in state-of-the-art fire protection systems and customary insurance policies.
- **Fire protection:** Gränges works diligently with internal and external resources to strengthen its fire protection programs, including equipment upgrades, training etc. Gränges also continues to work closely with relevant city fire departments at each facility to stage fire drills, improve response times, and define clear points of contact in case of an emergency.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

## Ethical and compliance

Gränges operates in many different markets, with local laws and regulations. It can sometimes be challenging as complex market conditions can lead to situations where employees are uncertain how to act. Misconduct, fraud, violation of laws and regulations and internal policies, or other improper acts carried out by Gränges' employees, representatives or partners could have an adverse effect on Gränges' business, reputation, profit and financial position. Such action could involve a breach of applicable regulations on, for example, public procurement, secrecy, contractual costs, internal control of financial reporting, the environment and trade. The risk of corruption and bribery exists in some markets where Gränges conducts business. Corruption can prevent economic development, distort competition, lead to increased costs and destroy confidence, reputation and brand.

### Risk mitigating activities

- **Code of Conduct:** Gränges Code of Conduct outlines ethical principles and gives guidance to employees on how to act and conduct business. All employees and board members, as well as temporary staff, must follow the principles. All employees should annually conduct training in the Code of Conduct.
- **Anti-Corruption Policy:** Gränges Anti-Corruption Policy outlines principles to prevent bribery and other types of corruption. All Gränges' employees and board members must adhere to the policy and all white-collar employees should annually conduct training in anti-corruption.
- **Whistleblower Function:** Gränges has a Whistleblower Function which is managed by an external company and can be accessed online or via telephone.
- **Continuous monitoring and management:** Gränges continuously monitors legislative and regulatory developments through external partners, and through membership in various industry organizations.
- **Global trainings:** Gränges regularly informs its employees of relevant changes that the company must follow. The company also trains relevant employees to ensure good knowledge and understanding of legal risks and requirements.

## IT

IT risks relate to disruptions in important IT systems or the digital infrastructure, which could have a direct impact on production, financial reporting and other important business processes. Gränges is therefore exposed to risk relating to interruptions and disruptions in its IT infrastructure caused by computer viruses, power failure, human or technical errors, sabotage, weather or nature-related events, or problems caused by failures in care and maintenance. IT attacks, errors or damage to IT systems, operational disruptions and incorrect or faulty deliveries of IT services from Gränges' IT providers leading to extensive production stops could have a material adverse effect on Gränges' business. It could lead to an inability to deliver products or services in time to customers or other stakeholders, which could lead to financial and reputational losses. Errors in the handling of financial systems could affect the company's financial reporting. The risk of unauthorized intrusion into Gränges' systems may result in financial losses and other damage. Failure to adequately restrict access to information may result in unauthorized knowledge or use of confidential information.

### Risk mitigating activities

- **Information Technology Policy:** Gränges has an established Information Technology Policy which outlines how IT is governed in Gränges and establishes roles, responsibilities, decision mandates and key principles.
- **Information Technology Security Policy:** Gränges has an established Information Technology Security Policy which all employees and contractors must adhere to.
- **IT security management:** Gränges has implemented processes to handle IT security and to mitigate risks related to incidents. These processes are continuously improved according to the latest best practice. The IT environment is proactively monitored 24/7 and abnormal patterns are immediately acted upon.
- **Regular internal audits:** Gränges conducts yearly internal audits to identify IT security risks, covering internal and external perspectives. These risks are reported to Group Management and mitigation activities are implemented accordingly.
- **Communication and training:** Gränges conducts mandatory annual training and informs its employees and contractors continuously to create awareness and understanding of information and cyber security.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

# Financial risks



## Currency

Currency risk arises when Gränges' sales are denominated in other currencies than costs. Sales contracts are mainly denominated in USD, EUR, and CNY, depending on where the customers are located, while costs are mainly in USD, CNY, PLN, and SEK. Changes in foreign exchange rates have an impact on Gränges' income statement, balance sheet, and cash flow. Over time, changes in foreign exchange rates may also affect the company's long-term competitiveness and earnings capacity.

### Risk mitigating activities

- **Financial Management Policy:** The Financial Management Policy is the governing policy that regulates the company's management of foreign exchange risk.
- **Financial instruments:** Gränges uses financial instruments, mostly forward contracts, to reduce the company's exposure to changes in foreign exchange rates. Gränges is hedging currency exposure partially up to 24 months in advance depending on currency.

## Commodity price

Commodity price risk is primarily related to the price of aluminium, which is Gränges' single most important input factor and largest expense. Besides aluminium, Gränges also uses various alloying metals in the production, such as manganese, magnesium and silicon, although in significantly lower volumes. In addition to the global metal prices, there are also regional premiums that reflect the local availability of material which affect the commodity price exposure. Price changes in aluminium and alloying metals may have a negative impact on Gränges' operating profit if they are not passed on to the customers.

### Risk mitigating activities

- **Metal Management Policy:** The Metal Management Policy is the governing policy that regulates the Group's management of metal price risk. The principle is that metal price risk should be passed on to customers and that Gränges shall minimize the open exposure that occurs due to time lag or other imbalances.
- **Market pricing in contracts:** Aluminium is a standardized, exchange traded commodity. Gränges uses market prices set on the London Metal Exchange (LME) and Shanghai Futures Exchange (SHFE) as the basis in both purchases and sales to ensure hedgeable terms in contracts.
- **Natural hedge:** Gränges uses matching price clauses in the contractual agreements of purchases and sales, to the extent possible, to reduce the metal price exposure.
- **Financial instruments:** Gränges uses financial instruments to manage the metal price risks. Financial hedges are solely used to reduce exposure and not for the purpose of speculation.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information

## Energy price

Energy price risks relate largely to changes in energy prices that can adversely affect Gränges' operating profit. Long-term changes in market prices may affect Gränges' operating profit if these are not passed on to the customers. Both re-melting and casting of aluminium are energy-intensive processes and energy costs are Gränges' third largest expense, after metal and personnel costs. Gränges primarily uses energy in the form of natural gas, electricity, and liquefied petroleum gas, and mainly uses energy in furnaces where aluminium is re-melted. Energy prices may vary as a result of political and economic factors outside Gränges' control, such as access to and demand on local and regional markets, government regulations and the introduction of additional energy taxes.

### Risk mitigating activities

- **Financial Management Policy:** The Financial Management Policy is the governing policy that regulates the Groups' management of energy price risk.
- **Hedging and delivery agreements:** Gränges uses hedging and delivery agreements to secure future energy prices and supply.
- **Energy price clauses in customer contracts:** Gränges is able to mitigate the effect of increased energy prices through pricing mechanisms in customer contracts.
- **Energy reduction:** Gränges is actively working on reducing energy consumption from its own operations and thereby reducing energy price exposure. Furthermore, Gränges is diversifying and optimizing the energy mix by reducing the dependence on natural gas.

## Interest rate

Gränges' interest rate risk is primarily related to the Group's interest-bearing liabilities. The majority of Gränges' interest-bearing debt has a floating interest rate and is denominated in SEK, USD, and CNY. Changes in interest rates may affect the Group's results and cash flow and/or the fair value of financial assets and liabilities.

### Risk mitigating activities

- **Financial Management Policy:** The Financial Management Policy is the governing policy that regulates the company's management of interest rate risk and states the target for the duration of the interest-bearing debt portfolio.
- **Financial instruments:** Gränges can adjust the duration of the interest-bearing debt portfolio either by fixing interest rate terms in underlying agreements or by using financial instruments such as interest rate swaps to reduce the exposure to changes in market interest rates.
- **Continuous follow-up:** Gränges monitors the development of interest rates and the impact that changes may have on the income statement. Sensitivity analyses are conducted on a regular basis.

## Liquidity

The liquidity risk is related to Gränges' ability to meet all payment obligations. Cash flow from operations, future payment commitments, available cash and credit lines are factors that, among others, affect the liquidity risk.

### Risk mitigating activities

- **Financial Management Policy:** The Financial Management Policy is the governing policy that regulates a minimum level of available liquidity, including committed credit facilities from banks. The liquidity risks are monitored at Group level.
- **Liquidity forecasts:** Gränges forecasts liquidity for the upcoming 12 months on a regular basis to ensure sufficient available liquidity in relation to payment obligations. Excess liquidity is managed by the Group's treasury function.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information



## Credit

Credit risk arises when counterparties fail to fulfill their obligations toward Gränges, potentially leading to financial losses. Credit risk primarily relates to trade receivables from customers and exposures to financial counterparties, such as banks or other financial institutions.

### Risk mitigating activities

- **Continuous follow-up:** Gränges' trade receivables exposure is managed and followed up continuously in local credit committees. The need for provisions is tested every quarter, or when necessary, according to pre-defined criteria.
- **Credit ratings and agreements:** Gränges manages credit risk with financial counterparties by choosing counterparties with good credit ratings, by limiting the exposure per counterparty and by using agreements such as ISDA Master Agreement.

## Refinancing

Refinancing risk refers to the possibility that existing loans or other financing sources cannot be renewed or replaced when they mature, potentially leading to liquidity constraints. It also includes the risk that new financing may only be obtained at significantly higher costs, impacting profitability and financial stability.

### Risk mitigating activities

- **Financial Management Policy:** The Financial Management Policy is the governing policy that regulates refinancing risk.
- **Financial planning:** Refinancing risk is limited through adequate financial planning, a robust financing strategy and a defined leverage target.

## Property damage

Property damage risk refers to the potential harm to Gränges' production facilities, including buildings, machinery, equipment, inventories, and other assets, caused by events such as fires, floods, storms, or other perils. The consequences of property damage could be loss of production, increased costs and unexpected financing needs, which in turn may lead to difficulties for Gränges to obtain sufficient financing at a reasonable cost.

### Risk mitigating activities

- **Insurance:** Gränges has customary insurance policies in order to minimize financial exposure in the event of property damage and business interruption.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management**
  - Market risks
  - Operational risks
  - Financial risks
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information



# Corporate Governance Report

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

**Corporate Governance Report**

Chairman's comment

Board of Directors

Group Management

Financial statements

Sustainability statement

Other information

# Chairman's comment

Dear shareholder, 2024 was an eventful year for Gränges. Chairman of the Board, Fredrik Arp, gives his view.



## How would you summarize Gränges' business performance in 2024?

2024 was a record year for Gränges – the third consecutive year of strong performance. It's gratifying to see how both the management team and the Navigate strategy continue to demonstrate resilience and effectiveness. The strategic direction set three years ago has been successfully implemented across all regions, driving engagement and growth despite various challenges.

## What do you believe lies behind success?

I see that leadership is paying off. Jörgen Rosengren is an experienced and highly capable CEO who, together with his management team, has set a solid framework for growth, productivity, safety, and employee engagement. Implementing a new strategy takes time – but to the Board's great satisfaction it is incredibly rewarding to see these efforts bearing fruit.

## How do you view the leadership culture at Gränges?

From my interactions, I can see that good leadership is deeply embedded within the company. We continuously assess and develop our leadership teams, invest in leadership training, and emphasize preparedness and succession planning. The recent employee survey confirms that Gränges is improving not only in performance but also in employee satisfaction – a strong indicator of effective leadership.

## What are your key take aways from the Board visit to China?

Our recent trip to China was highly productive, and it was a pleasure to have our two new board members, Mikael Bratt and Cecilia Daun Wennborg, experience Gränges firsthand.

We visited Shandong and met with our new minority owners, SIG. We continued to Gränges' operations in Shanghai, and also learned more about our investment in Yunnan. I am very satisfied with the strong alignment on the next steps to take, after having met with local management and discussed the path forward. The management team is experienced, knowledgeable, and highly motivated, which was great to witness in person. I was particularly excited to see our growth in the EV sector – within battery plates and casings.

I am convinced that the structural measures we've implemented – expanding into broader markets, forming strong upstream partnerships, and enhancing long-term sustainability – will drive future success. While it will take some time to fully convert this into financial gains, we are on the right track.

## What is Gränges' key to success in the volatile market environment?

We operate in a market affected by geopolitical factors, like shifting trade policies, a constant topic on the Board's agenda. We closely monitor these changes and how Gränges can adapt accordingly. I'm glad that we have several members with thorough expertise in these matters.

Our global reach combined with regionalized supply chains is a key advantage. Most of our products are produced and sold in the same region which builds strong independent businesses. The regions collaborate, share knowledge, and innovate while operating independently. As globalization shifts, new business constellations emerge, and I see Gränges as agile and flexible, ready to act swiftly when opportunities arise.

## Sustainability results are impressive. What are your thoughts?

It has been a remarkable journey for us, and it remains a top priority. A prime example is our latest investment in the U.S., where we are ramping up a new electric melting furnace powered entirely by 100 percent green electricity. This demonstrates Gränges' commitment to integrating sustainability into operations. Looking ahead, one possibility is supporting companies that haven't yet progressed as far in their sustainability journey – whether through partnerships, investments, or other initiatives.

## Transitioning to the next phase of the Navigate strategy – what lies ahead?

With completion of the first phase of Navigate, "Restore", we have a solid foundation for growth in place. Now we're accelerating the second step to "Build" a leader in our industry. This shift is a direct result of the ability to manage and develop the business effectively.

We have a strong team, and significant opportunities ahead. Key focus areas include fostering a strong safety culture, driving volume growth by taking market share and new business, maximizing utilization and productivity of the 800 ktonnes global capacity, while enhancing further sustainability advancements.

The journey is ongoing. Some areas are very well-developed, while much of the groundwork for the next 1–2 years is already in place. All in all, we are well positioned for further growth across all regions, leveraging our investments to create long-term value.

Stockholm, March 2025  
Fredrik Arp, Chairman of the Board of Directors

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
- Chairman's comment
- Board of Directors
- Group Management
- Financial statements
- Sustainability statement
- Other information

# Corporate governance in Gränges

Good and sound corporate governance ensures that the company is run as responsibly, efficiently and sustainably as possible in the interests of the shareholders. Good corporate governance creates order and system for the Board of Directors and management and contributes to increased trust and confidence among existing and potential owners, customers, legislators, the public and other stakeholders. In this way, the business sector's freedom to develop is ensured, as is the supply of capital and competence.

Gränges' corporate governance is based on Swedish regulations and Swedish legislation, primarily the Swedish Companies Act and the Swedish Annual Accounts Act, Nasdaq Stockholm's regulatory structure for issuers, the Swedish Corporate Governance Code ("the Code"), the Articles of Association as well as other relevant internal and external regulations and policies.

Gränges complies with the Swedish Corporate Governance Code and this Corporate Governance Report has been prepared as part of Gränges' application of the Code. Gränges does not report any deviations from the Code regarding the financial year 2024. The company's auditors have made a statutory examination of this corporate governance report. The Code is available on [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

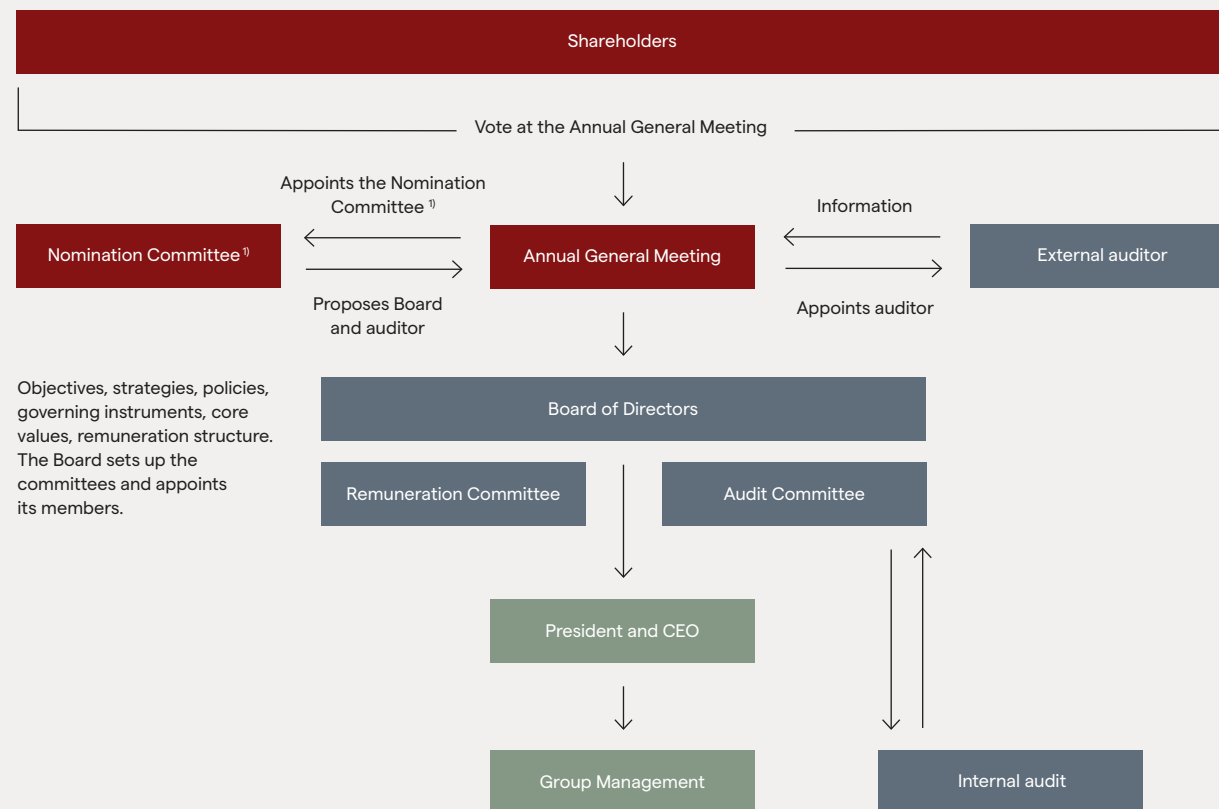
During 2024, Gränges has followed Nasdaq Stockholm's regulatory framework for issuers and good practice in the stock market. No violations of applicable stock exchange rules or good practices in the stock market have been reported regarding Gränges by the Nasdaq Stockholm Disciplinary Board or the Stock Market Board in 2024. The CEO has no external commitments that can be considered contrary to the company's interests. All relevant corporate governance related information is available on Gränges' website.

## Organization

Gränges is a global leader in aluminium rolling and recycling in selected niches. We're committed to creating circular and sustainable aluminium solutions in partnership with our customers and suppliers – for a better future. Our solutions help customers grow and transition to climate



The governance, management, and control of Gränges are distributed among the shareholders at the Annual General Meeting, the Board of Directors and the CEO under Swedish Company Law, the Swedish Code of Corporate Governance, and the Articles of Association.



1) Appointed in accordance with an instruction for the Nomination Committee decided by the Annual General Meeting.

### Examples of external steering instruments

- Swedish Companies Act
- Swedish Annual Accounts Act and IFRS
- Nasdaq Stockholm's regulatory structures for issuers
- EU Market Abuse Regulation, no 596/2014 (MAR)
- Swedish Corporate Governance Code ("The Code")

### Examples of internal steering instruments

- Articles of Association
- Rules of Procedure for the Board of Directors and committees, instructions for CEO
- Code of Conduct (including regulations and guidance regarding whistleblowing)
- Insider Policy
- Financial Management Policy
- Accounting Policy
- Communication Policy
- Anti-Corruption Policy

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information



neutrality. They are used for efficient climate control in transportation and buildings, electrification and battery components, recyclable packaging, and more. The Group has 3,500 employees and net sales of SEK 23.5 billion in 2024. Gränges has production facilities and conducts sales in Asia Pacific, Europe, as well as North and South America. The total annual production capacity amounts to 800 ktonnes. The production facilities are located in Finspång (Sweden), Konin (Poland), Saint-Avold (France), Shanghai and Shandong (China), as well as in Huntingdon (Tennessee), Salisbury (North Carolina), and Newport (Arkansas) in the US. Further, Gränges holds, taking into account non-controlling interests, a 39.2 percent ownership stake in a recycling and casting operation in Yunnan, China, as well as a 40 percent stake in a company in Shanghai engaged in metal stamping.

The production facility in Shandong was acquired during the year, while 20 percent of Gränges' operations in Shanghai were sold to the same party from whom the facility was acquired.

Gränges has two business areas: Gränges Eurasia and Gränges Americas. Gränges Eurasia includes four production facilities with direct chill casting and hot rolling technology in Finspång (Sweden), Konin (Poland), and Shanghai and Shandong (China), as well as Gränges Powder Metallurgy in Saint-Avold (France). Gränges Americas uses continuous casting technology and includes three production facilities in Huntingdon, Salisbury, and Newport in the US. Gränges Eurasia is headed by the CEO and Gränges Americas is headed by the President Americas.

The Group's parent company, Gränges AB, is a Swedish publicly listed company with reg.no. 556001-6122. Its registered office is in Stockholm with its head office at Linnégatan 18.

### The share and shareholders

Gränges' share was listed on Nasdaq Stockholm on October 10, 2014, and in January 2025, Gränges was upgraded to the Large Cap segment. The share capital in Gränges amounts to SEK 142 million, distributed among 106,308,618 shares that give the right to an equal number of votes and an equal share in the company's assets and profit. On December 31, 2024, the number of known shareholders totalled 12,347. The Fourth Swedish National Pension Fund (AP4) was the largest shareholder, followed by AFA Insurance and Swedbank Robur Funds. 77.6 percent of the shareholders held 500 shares or fewer and the ten largest shareholders held 49.6 percent of the total number of shares. Foreign-based share ownership amounted to 47.4

percent of the capital. No shareholder had a holding of more than 10 percent of the total number of shares. There are no restrictions on how many votes each shareholder may represent and represent at a general meeting.

The Annual General Meeting (AGM) held on May 8, 2024 decided to authorize the Board of Directors to, on one or more occasions until the AGM 2025, issue new shares.

Information about the shareholdings of the Board and Group Management can be found on pages 68–71. More information about the Gränges share and shareholders, including a table of shareholdings as of December 31, 2024, can be found on pages 175–176.

### Annual General Meeting

The Annual General Meeting (AGM), which is the company's highest decision-making body, allows all shareholders to exercise the influence that their respective shareholdings represent.

#### Annual General Meeting 2024

The AGM 2024 was held on May 8, 2024 at GT 30, Grev Turegatan 30, Stockholm.

At the meeting, 51.2 percent of the shares in the company were represented.

The AGM decided to re-elect Fredrik Arp, Steven Armstrong, Mats Backman, Martina Buchhauser, Peter Carlsson, and Gunilla Saltin and new election of Mikael Bratt and Cecilia Daun Wennborg. The AGM re-elected Fredrik Arp as the Chairman of the Board of Directors.

The AGM granted the members of the Board of Directors and the Chief Executive Officer discharge from liability towards the company for management of the company in 2023.

The AGM re-elected the registered accounting company Ernst & Young AB as the company's auditor, and authorized public accountant Andreas Troberg was appointed by Ernst & Young AB as auditor in charge.

#### Other resolutions taken during the AGM included:

- To adopt the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet for the 2023 financial year,
- To resolve on a dividend of SEK 3,00 per share, in total SEK 318,925,854, into two payments of SEK 1.50 per payment,
- To resolve, in accordance with the Nomination Committee's

proposal, the Board of Directors (the Board) to consist of eight members elected by the AGM, with no alternates, for the period up to the close of the next AGM,

- To resolve, in accordance with the Nomination Committee's proposal, that fees for the period until the conclusion of the AGM 2024 will be in accordance with the following. The Chair of the Board will receive SEK 890,000 and each of the other elected Board members will receive SEK 375,000. Furthermore, a fee of SEK 190,000 will be paid to the Chair of the Audit Committee and SEK 80,000 to the other members. A fee of SEK 70,000 will be paid to the Chair of the Remuneration Committee and SEK 35,000 to the other members. All employee representatives shall receive unchanged SEK 40,000 each, for the corresponding period.
- To resolve that fee will be paid to the auditor in accordance with approved invoices,
- To resolve, in accordance with the Board's proposal, on approval of the Board's remuneration report on remuneration to CEO and Deputy CEO in accordance with Chapter 8, Section 53 a of the Swedish Companies Act,
- To resolve, in accordance with the Board's proposal, on approval of one long-term incentive program, LTI 2024, for senior executives and other key employees. The program is a three year program with a combination of warrants (actual or synthetic) and restricted share units. The number of warrants shall not exceed 1,000,000 and shall be issued free of charge. Upon transfer of the warrants, a market-based premium calculated according to the Black & Scholes Option Pricing Model shall be paid. The number of transferred restricted share units shall not exceed 500,000.
- To resolve, in accordance with the Board's proposal, to authorize the Board, on one or more occasions until the next AGM, to decide on a rights issue and/or convertible bonds. An issue can be decided with or without regard to shareholders' preemption rights. Following this authorization, a total maximum number of shares equivalent to 10 percent of the total number of outstanding shares in the company on the date of the General Meeting's authorisation resolution, may be issued on a rights issue and/or through the conversions of convertible bonds.

The complete minutes of the AGM are available at [www.granges.com](http://www.granges.com).

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information



## Nomination Committee

The Nomination committee represents Gränges' shareholders and proposes nominations for Chairman of the Board, Board members, auditor and auditor's fee, chairman of the AGM, as well as fees for Board and committee work to the AGM. In addition, the Nomination Committee shall submit proposals for Nomination Committee instructions if required.

Gränges' Nomination committee for the AGM 2025 consists of representatives of the company's three largest shareholders as of August 31, 2024 and the Chairman of the Board. The member representing the largest shareholder shall be Chairman of the Nomination committee, unless the Nomination Committee agrees otherwise.

### As of August 31, 2024, Gränges' three largest shareholders were:

The Fourth Swedish National Pension Fund (AP4), Swedbank Robur and AFA Insurance which were invited to nominate candidates for the Nomination Committee. The Nomination Committee ahead of the AGM 2025 had the following composition: Jannis Kitsakis (AP4), Anders Algotsson (AFA Insurance), Jan Dworsky (Swedbank Robur), and Fredrik Arp (Chairman of the Board of Gränges). The Chairman of the Nomination Committee is Jannis Kitsakis.

## Nomination Committee for the 2025 AGM

Appointed by / Name	Percentage of votes on December 31, 2024
AP4 / Jannis Kitsakis <sup>1)</sup>	8.9
AFA Insurance / Anders Algotsson <sup>1)</sup>	6.7
Swedbank Robur / Jan Dworsky <sup>1)</sup>	5.9
Chairman of the Board of Gränges AB / Fredrik Arp <sup>1,2)</sup>	0.0

1) Independent in relation to the company and company management.

2) For exact number of shares, see page 68.

Shareholders have been able to submit proposals and comments to the Nomination Committee until January 31, 2025. The Nomination Committee's proposals are published through the notice to the AGM. In connection with the notice, the Nomination Committee publishes a motivated statement on the company's website that supports its proposals to the Board and a report on how the Nomination Committee's work has been conducted.

## Work of the Nomination Committee ahead of AGM 2025

Since the Nomination committee was constituted in the autumn of 2024, it has held three documented meetings. In addition to these meetings, the nomination committee has had several shorter non-documented video meetings as well as communication through email and telephone. The Nomination committee has taken note of the results from the evaluation of the board's work that was carried out in autumn 2024. The result of the evaluation was predominantly positive and also provided the nomination committee with insight into the competencies present in the board. The Nomination committee has also had discussions with the CEO of Gränges and a selection of board members, and has concluded that the board's work has been carried out in a very good and satisfactory manner.

Through the Nomination Committee, Gränges applies the rule 4.1 of the Code as diversity policy when preparing proposals for Board members. The rule means that the Board of Directors shall have a composition that is appropriate to the company's operations, stage of development and other circumstances, characterized by versatility and breadth regarding competence, experience and background of the members elected by the AGM. Gender balance shall be pursued.

Ahead of the 2025 Annual General Meeting, the Nomination Committee has assessed whether the composition of the current Board meets the requirements of the Code's diversity policy and has found that this is the case. However, the Nomination Committee also works continuously with the identification and evaluation of potential new Board members in order to broaden the Board in terms of background and competencies.

An assessment has also been made, as previous year, of each individual board member's ability to devote sufficient time and commitment to the work of the board and the assessment has turned out positively.

## The Board of Directors

The main responsibility of the Board of Directors (the Board) is to manage Gränges' affairs in the best interests of the company and shareholders, as well as to safeguard and promote a good corporate culture. The Board is also responsible that there is an appropriate system for follow-up and control of the Company's operations and the risks associated with its operations.

The Board continuously assesses Gränges' financial position and ensures that the company's financial position can be satisfactorily verified. The Board decides on issues related to the Group's strategic direction and organization, and decides on key acquisitions, investments and divestments. The Board continuously evaluates the work of the CEO and Group Management.

The basis for the Boards work is the Board's Rules of Procedure, the CEO instructions and the principles for division of duties between the CEO, Chairman of the Board, the Board and various committees established by the Board. The Board's Rules of Procedure and the CEO instructions are revised and updated annually. Through a systematic and structured process, the Board annually evaluates its work to develop procedures and efficiency. In 2024, the evaluation was carried out under the leadership of the Chairman of the Board. The outcome of the evaluation, which also is reported in the section about the Nomination Committee, was consistently positive.

At the statutory Board meeting, following directly on the 2024 AGM, the Board's Rules of Procedure including Rules of Procedure for the Remuneration and Audit Committees was established, as well as the CEO instructions. The Rules of Procedure governs the work and responsibilities of the Board, the frequency of Board meetings, as well as the division of duties between the Board members, between the Board committees, and between the Board and the CEO.

Prior to each Board meeting, the members receive an agenda and basis for decisions. Each Board meeting includes a review of current business conditions, as well as the Group's earnings, financial position, and outlook. Other issues addressed include competition and market conditions. The Board regularly reviews the general risk situation from various aspects, and the Group's work on health and safety, including accident statistics. The Board also has a system for continuous follow-up of decisions and open questions.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information

### Composition of the Board of Directors

According to the Articles of Association, Gränges' Board of Directors shall consist of at least four and at most eight AGM-elected members with a maximum of four deputies. The Board has a quorum if more than half of the board members, including employee representatives, are present. The Board should consist of a well-balanced mix of the competencies required to manage Gränges' work responsibly and successfully. The assessment is that Gränges' Board has a suitable composition, regarding the company's operations, development phase and general circumstances, characterized by versatility and breadth regarding the competence, experience and background.

In accordance with the law on Board representation of private sector employees, staff is entitled to appoint two Board members and two deputy Board members. The employee organizations have exercised this right in 2024.

Information about Board members can be found on pages 68–70 and at [www.granges.com](http://www.granges.com).

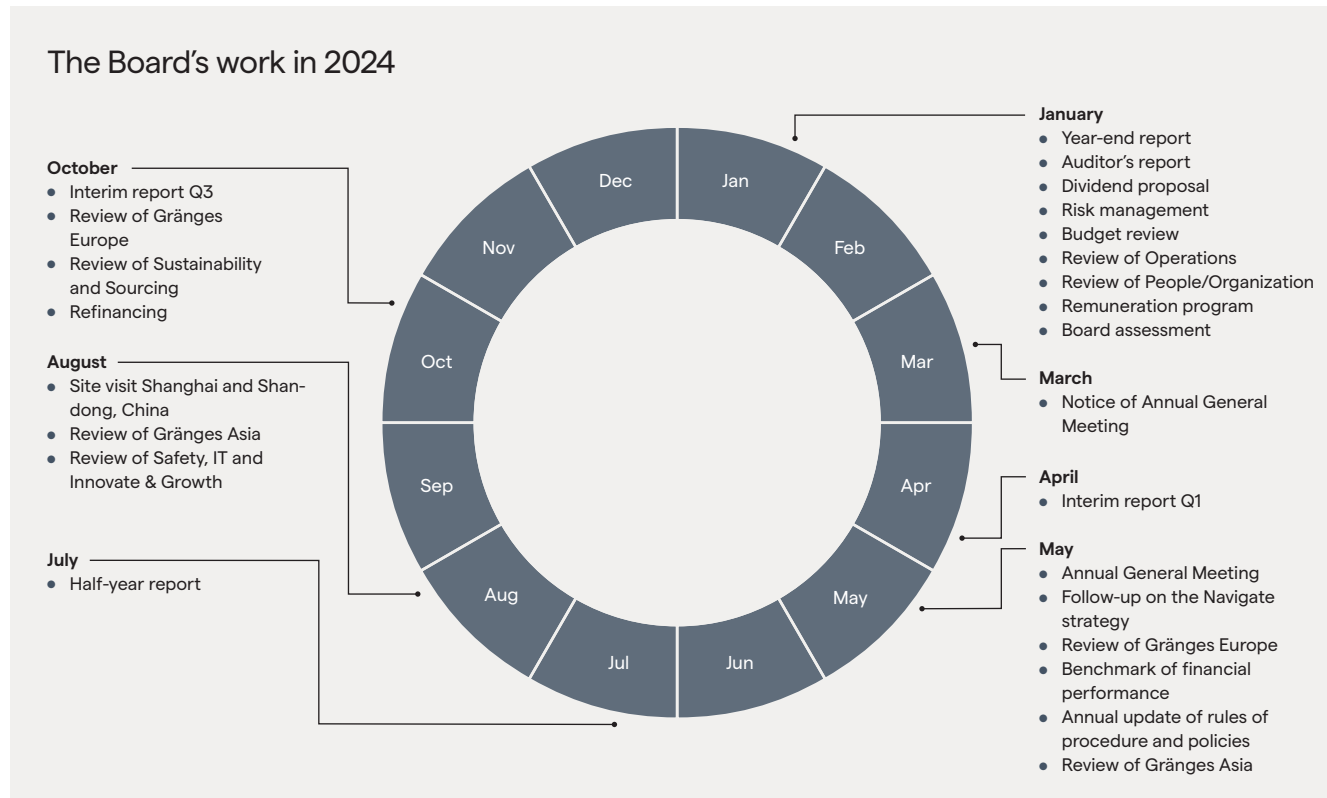
### Chairman of the Board

The Chairman of the Board of Directors has a special responsibility to ensure that the work of the Board is well organized and conducted efficiently, and that the Board fulfils its duties and obligations. The Chairman of the Board organizes and leads the work, is responsible for contacts with the owners in ownership matters and ensures that the work of the Board is evaluated annually. The Chairman of the Board of Directors is responsible for the day-to-day contact with CEO. To enable the work, the Chairman ensures that there are appropriate instructions on the division of duties between the Board on one hand, and the CEO and the bodies set up by the Board on the other.

### The work of the Board of Directors in 2024

In 2024, eight documented board meetings were held, and the board was quorate on all occasions. Gränges' CEO and Deputy CEO, who also serves as CFO, participated in all meetings. On two occasions, the board held sessions without the presence of representatives from the executive management team.

Key matters addressed by the board during the year included the follow-up of the Navigate strategy, continued investment in products for the battery market, and decisions aimed at strengthening the company's competitiveness and reducing its climate impact. A significant decision during the year was to expand the strategic partnership in Asia to support continued growth in electrification.



The Board also prioritizes health and safety and monitors it continuously.

### Remuneration Committee

According to the Rules of Procedure for the Board of Directors, the Remuneration Committee shall comprise of the Chairman of the Board and one or more Board members, who should be independent in relation to the company and Group Management. During the year, the committee consisted of four members and two meetings were held.

The Remuneration Committee submits proposals to the Board on CEO's salary and other terms of employment and sets out limits for other Group Management's salaries and terms of employment by adopting guidelines for remuneration principles. The committee evaluates the application of these guidelines. The committee also has the task of monitoring and

evaluating ongoing, and during the year completed, programs for variable remuneration to Group Management.

A statement of remuneration to senior executives can be found in Note 10.

In 2024, the Remuneration Committee also worked on finalizing proposals for a partially new long-term incentive program. The new program, LTI 2024, was approved at the Annual General Meeting in 2024. Its aim is to align the interests of key personnel with the shareholders' interest in a good development of the Gränges share value over the long term. Additional information about LTI 2024 and previously resolved remuneration which is not yet payable is available in the Board of Directors Report.

Information about members of the Remuneration Committee can be found on pages 68–69.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information

## Board composition, attendance and remuneration 2024

Name	Elected year	Independent in relation to the company/ owners	Attendance			Board of Directors' fees, SEK	Audit Committee fees, SEK	Remuneration Committee fees, SEK	Total fees, SEK
			Board meetings	Audit Committee meetings	Remuneration Committee meetings				
Fredrik Arp	2020	X	8/8	n/a	2/2	876,667	-	70,000	946,667
Steven Armstrong	2022	X	8/8	n/a	2/2	370,000	-	35,000	405,000
Mats Backman	2018	X	7/8	4/4	n/a	370,000	176,667	-	546,667
Mikael Bratt <sup>1)</sup>	2024	X	3/4	n/a	1/1	250,000	-	23,333	273,333
Martina Buchhauser	2021	X	8/8	4/4	n/a	370,000	76,667	-	446,667
Peter Carlsson	2016	X	8/8	n/a	2/2	370,000	-	35,000	405,000
Cecilia Daun Wennborg <sup>1)</sup>	2024	X	4/4	2/2	n/a	250,000	53,333	-	303,333
Katarina Lindström <sup>2)</sup>	2016	X	3/4	1/2	n/a	120,000	23,333	-	143,333
Hans Porat <sup>2)</sup>	2016	X	4/4	n/a	1/1	120,000	-	11,667	131,667
Gunilla Saltin	2023	X	8/8	4/4	n/a	370,000	76,667	-	446,667
Emma Hansen Lamprecht	2023		7/8	n/a	2/2	40,000	-	-	40,000
Tobias Johansson	2023		8/8	1/1	n/a	40,000	-	-	40,000
Jennie Bjerner <sup>3)</sup>	2024		1/1	n/a	n/a	10,000	-	-	10,000
Åke Larsson <sup>3)</sup>	2024		0/0	n/a	n/a	6,667	-	-	6,667
Emelie Gunnstedt <sup>4)</sup>	2022		5/5	2/2	n/a	30,000	-	-	30,000
Robert Dahlqvist <sup>4)</sup>	2023		6/7	n/a	n/a	20,000	-	-	20,000
<b>Total fees</b>						<b>3,613,333</b>	<b>406,667</b>	<b>175,000</b>	<b>4,195,000</b>

1) Elected as new Board members during the Annual General Meeting on May 8, 2024.

2) Resigned as Board members on May 8, 2024.

3) Employee representative on the Board since the end of 2024.

4) Resigned from the role of employee representative on the Board in 2024

### Audit Committee

According to the Rules of procedure for Board of Directors, the Audit Committee should comprise of at least three AGM-elected Board members, and the majority of them should be independent of the company and Group Management. The Board elects the Chairman of the Audit Committee who should not be Chairman of the Board. The Audit Committee meets before each quarterly report, and in addition if necessary. The Audit Committee supports the Board of Directors in fulfilling its responsibilities in internal control and accounting, and to ensure the quality of Gränges' financial and sustainability reporting.

The Audit Committee analyses and highlights key accounting issues affecting the Group and monitors the financial reporting process to ensure quality. The Audit Committee also is informed of the company's impairment test and its assump-

tions, assists the Nomination Committee to prepare proposals for auditors and their fees, and assesses the independence of the external auditor.

The company's risk management process is based on production processes and flows. The Audit Committee considers the identified risk areas. Based on the outcome of that, the committee determines the focus and scope of the internal auditing and establishes an internal audit plan. Gränges' internal audit function must ensure that the company has sufficient internal control systems for financial and sustainability reporting. It is performed on a rolling schedule and is conducted by the company's Group accounting function with support from the subsidiaries' accounting functions, except for the business that is the subject of the audit. The purpose of applying so called cross-functional audits between the units is to exchange experiences and achieve best practice within the

Group. To ensure the regularity of the audit and to obtain an external perspective, an external party is also involved in the performance of the internal audit.

In 2024, internal audits of Gränges' operations in Konin, Poland and Shanghai, China were conducted.

In conjunction with the quarterly reviews of the company's financial performance and position, the Audit Committee takes part of management's assessment of the areas where estimates are important to the Group.

The Audit Committee annually sets a number of focus areas. In 2024 two of these areas have been the refinancing (see Note 30 for further information) and integrating sustainability reporting into the committee's activities, aligning it with the same way as financial reporting.

The Audit Committee had four meetings in 2024. The auditor attended on all of the meetings during the year and reported on controls and audit planning throughout the year.

Information about members of the Audit Committee can be found on pages 68–69.

### Auditor

The auditor, elected at the AGM, is responsible for reviewing the annual accounts and accounting, and examining the Board's and CEO's management of the company.

According to the Articles of Association, Gränges should have at least one and at most two auditors. Registered auditing firms may be appointed as auditors. At the 2024 AGM, Ernst & Young AB was appointed auditor and announced that the authorized public accountant Andreas Troberg is auditor in charge until the 2025 AGM.

The external audit of the parent company and Group accounts, and of the administration of the Board of Directors and CEO, is conducted according to International Standards on Auditing (ISA), and with generally accepted auditing standards in Sweden. The auditor conducts a general review of the quarterly report for the third quarter and audits the Annual Report and the consolidated accounts. The auditor reports the results of the audit of the Annual Report and consolidated accounts as well as the review of the Corporate Governance Report through the auditor's report and a special report on the Corporate Governance Report, which is presented to the AGM. In addition, the auditor submits reports on audits performed to the Audit Committee twice a year and to the Board once a year.

Information about auditor fees can be found in Note 12.



### Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

### Corporate Governance Report

Chairman's comment

Board of Directors

Group Management

Financial statements

Sustainability statement

Other information





## CEO and Group Management

The CEO is appointed by the Board of Directors and is responsible for the day-to-day management of the company in accordance with the Board's instructions and guidelines. Group Management is responsible for developing and implementing the Group's overall strategies, for example product and customer strategies, acquisitions and divestments. The matters are prepared by Group Management to be decided upon by the Board.

### Gränges' Group Management comprises six members:

President and CEO, Deputy CEO and CFO, President Asia, President Europe, President Americas and SVP Sustainability.

Group Management holds monthly meetings to review the results and financial position of the Group.

More information about Group Management can be found on page 71. Information about remuneration to senior executives can be found in Note 10.

### Sustainability governance

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

global sustainability performance to the Board of Directors, who reviews and monitors performance against the company's targets. The Board of Directors is the body which approves the company's global sustainability strategy, long-term targets, and policies, and adopts the annual sustainability report.

The Group Sustainability function, headed by the SVP Sustainability, is responsible for leading the development and execution of Gränges' global sustainability plan and long-term targets as well as issuing sustainability-related policies. Other responsibilities include regular communication and reporting on Gränges' sustainability performance and progress to internal and external stakeholders as well as coordinating a continuous stakeholder dialogue. The SVP Sustainability also chairs two cross-regional teams within Sustainability and Source Green & Recycle (SG&R), in which all regional sustainability and SG&R leads are represented. The teams are responsible for leading Gränges' global sustainability and SG&R efforts. Ensuring best practice sharing across the organization is also a key objective for both of the teams.

The regional Presidents are responsible for developing and executing local sustainability plans and targets, aligned with the global strategy and local needs. A systematic follow-up of all regions' sustainability efforts is done as part of the regional semi-annual Business Boards, chaired by the CEO and represented by the GMT.

Gränges has published a sustainability report each year since 2015 and will continue to publish a report annually. The sustainability information in this report has been prepared in accordance with GRI Standards as well as the EU Corporate Sustainability Reporting Directive (CSRD), in line with the applicable European Sustainability Reporting Standards (ESRS). The report and its contents have partially been externally assured by the company's auditors EY, refer to the GRI and ESRS content index on pages 169-172.

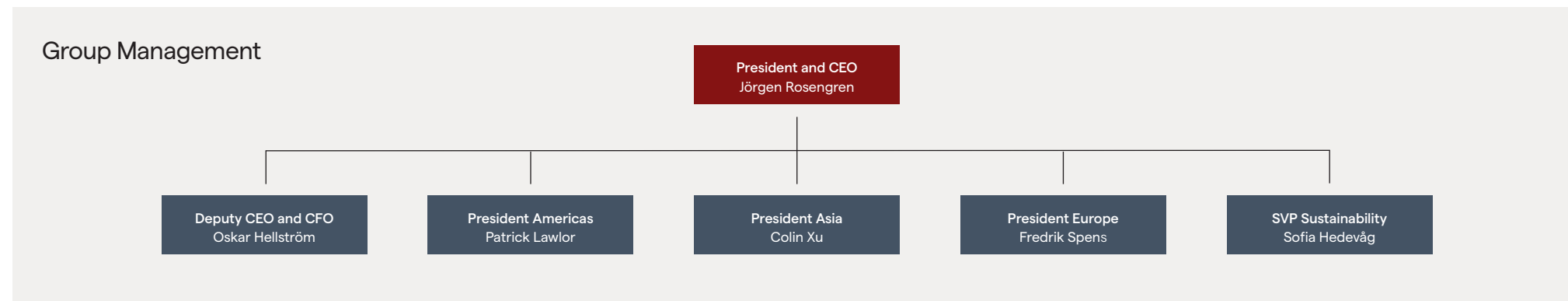
The statutory sustainability report in accordance with the Swedish Annual Accounts Act has been issued by Gränges' Board of Directors, see details on page 75. The report relates to the financial year 2024 and covers all fully-owned operations of the Group at the start of 2024.

### Internal control and risk management regarding financial reporting

Under the Swedish Companies Act and the Code, the Board is responsible for ensuring that the company has good internal control and routines that ensure compliance with established principles for financial reporting and internal control. The Board must also ensure that financial reporting complies with the Companies Act, applicable accounting standards, and other requirements for listed companies.

#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information



## Framework

Gränges' internal control complies with the established international framework Internal Control Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to the COSO model, review and assessment are carried out in the areas of Control environment, Risk assessment and risk management, Control activities, Information and communication, and Monitoring and follow-up.

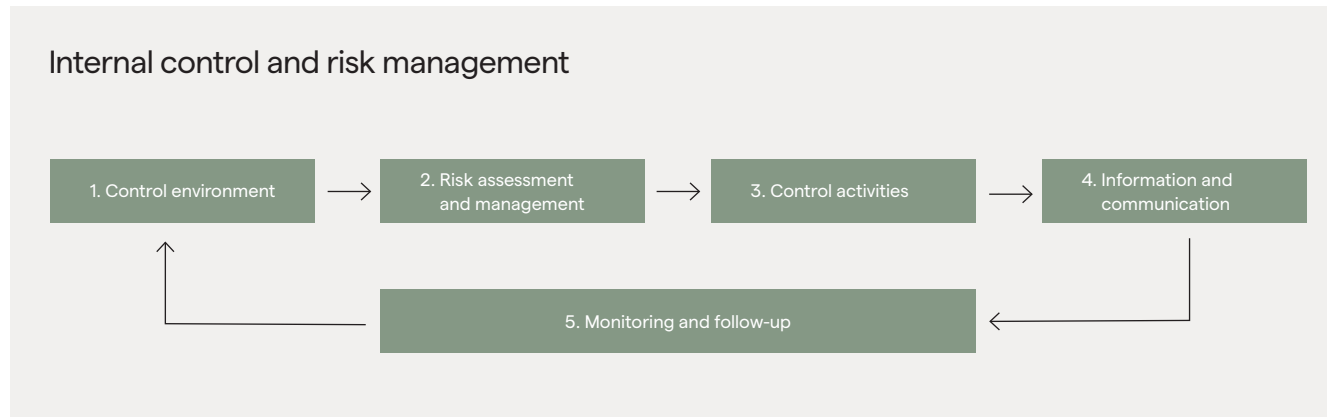
Gränges' process for internal control is designed to ensure with reasonable certainty the quality and accuracy of financial reporting and ensure that reporting is prepared in accordance with applicable laws and regulations, accounting standards, and other requirements for listed companies in Sweden. This requires a healthy control environment, reliable risk assessment, established control activities, and that information, communication, and monitoring works satisfactorily.

### 1. Control environment

The control environment is defined by the Group's organizational structure, Group Management's working methods and values, and other roles and responsibilities within the organization. The Audit Committee assists the Board of Directors with essential accounting issues and monitors the internal control of the financial reporting. To maintain an effective control environment and robust internal controls, the Board has delegated the day-to-day responsibility to the CEO, who in turn has allocated responsibilities to other Group Management members.

Quality in the financial reporting is ensured through different measures and routines. The company has policies and procedures for financial reporting, including the Financial Management Policy, the Metal Management Policy, the Investment Policy and the Group Accounting Policy, which are reviewed annually. In addition to the above, there are important group-wide steering documents such as the Code of Conduct, the Insider Policy and the Information Policy. There is continuous work to further develop policies and procedures.

Gränges has an externally managed Whistleblower Function which can be accessed via the company's intranet, the external website, by telephone or by mail. The function aims to detect irregularities that may seriously harm Gränges' business or employees, and it enables employees and external business partners to provide information anonymously and without fear of retaliation. By quickly discover and remediate 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 2024, twelve cases (six) were reported through the Whistleblower Function, of which five cases were investigated as qualified whistleblower cases in accordance with current Swedish legislation. The investigations revealed one case of irregularities.

### 2. Risk assessment and management

To handle the internal and external risks that Gränges' organization is exposed to, regular risk assessments are carried out. Risks that may affect financial reporting are identified, measured, and managed. This is an integral part of the daily reporting to Group Management and the Board and forms the basis for assessing risks of errors in financial reporting.

Gränges' operations are characterized by processes with established routines and systems. Risk assessment therefore often occurs within the framework of these processes. Managers identify, monitor, and evaluate risks, which creates the basis for making well-rounded and correct business decisions at all levels. Financial risks such as currency, commodity, refinancing, and counterparty risk, as well as interest rate and credit risk, are mainly handled by the parent company's accounting and finance functions according to the Financial Management Policy, the Metal Management Policy and Group Accounting Policy.

A description of the Group's risks and risk management can be found on pages 50–57.

### 3. Control activities

The main purpose of control activities is to prevent and discover material errors in financial reporting at an early stage, thereby being able to manage and resolve them. Control activities are conducted at a general level as well as at more detailed levels throughout the Group and are both manual and automated in nature. Routines and activities have been designed to manage and resolve material risks related to financial reporting, which are identified in the risk assessments. Depending on the character and type of control activity, corrective action, implementation, documentation, and quality assurance, occur at a group or subsidiary level. As is the case for other processes, each manager is responsible for the completeness and accuracy of the control activities.

The Group has a common consolidation system, where the legal entities report, which provides good internal control of financial reporting. Most controls and processes are automated and authorization to access IT systems is limited. Control activities are performed at all levels of the Group. One example is the established controller function that analyses and monitors deviations and reports its findings to the Group. Group Management has regular meetings with the subsidiary managers to discuss operations, financial position, and results, as well as key financial and operative key figures. The Board

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information



continually analyses reports on operations in which Group Management describes the previous period, and comments on the Group's financial position and results. Significant fluctuations and deviations are therefore followed up, which limits the risks of errors in the financial reporting.

The closing of the books and work on the annual reporting are processes where there are further risks of errors in financial reporting. Naturally, this work is less repetitive and often includes several parts where estimates are made. Important control activities include ensuring there is a well-functioning reporting structure in which subsidiaries report using standardized models, and important income and balance sheet items are specified and commented.

#### 4. Information and communication

Effective and correct internal and external information is important to ensure full and accurate financial reporting on time. Gränges' financial reporting follows the Group guidelines and policies and is updated and communicated regularly by the Group Management to all relevant employees.

The accounting function has operational responsibility for day-to-day financial reporting, and works to ensure that the Group's guidelines, policies, and instructions are applied uniformly across the Group. The accounting function also identifies and communicates deficiencies in financial reporting.

Policies, guidelines, and manuals are regularly updated and are available on the company's intranet.

All communication from Gränges must be timely, reliable, correct, and up to date. External communication should be in accordance with the Group's Information Policy, Nasdaq's regulatory framework for issuers, and other applicable regulations. The financial information should provide the capital and equity markets with a comprehensive and clear picture of the company, its financial position, development, and strategy. All financial reports and pressreleases are published simultaneously to Nasdaq Stockholm, Finansinspektionen (FI) and the company's external website.

#### 5. Monitoring and follow-up

The Board's monitoring of the internal control of financial reporting takes place primarily through the Audit Committee, including the monitoring of the internal audit, and through contact with the external auditors. External auditors annually monitor selected areas of internal control within the framework

of the Group audit and report the outcome of their audit to the Audit Committee and Group Management. Essential observations are also reported directly to the Board. Regarding the 2024 audit, the auditors have monitored the internal control in selected key processes and have reported their findings to the Audit Committee.

The governance, management, and control of Gränges are distributed among the shareholders at the Annual General Meeting, the Board of Directors and the CEO under Swedish Company Law, the Swedish Code of Corporate Governance, and the Articles of Association.

#### Auditor's report on the corporate governance statement

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

#### Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2024 on pages 58-71 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 standard RevR 16 The auditor's examination of the corporate governance 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 corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 17 March 2025  
Ernst & Young AB

Andreas Troberg  
Authorized Public Accountant

#### Internal steering documents

Gränges' has a number of steering documents in form of Policies and Procedures that apply to all Gränges Group employees. These documents provide a framework and serve as a guide for the conduct of business at Gränges, delineating the distribution of responsibilities among the Board, Group Management, and employees. The adoption of Group Policies occurs either through approval by the Board or Group Management.

In addition to these overarching global steering documents, Gränges has local steering documents that specifically outline mandatory local requirements, unique tasks, roles, or functions within individual local organizations. These documents also encompass standards, procedures, or instructions applied at the local level to ensure alignment with regional contexts. This two-tiered approach enables Gränges to uphold a unified global standard while addressing the specific nuances and requirements of diverse local environments.

#### Global policies

The global policies set out the mandatory requirements and principles for all Group companies and employees of Gränges Group. Gränges has the following global policies:

- Code of Conduct
- Accounting Policy
- Anti-Corruption Policy
- Authorization Policy
- Environmental Policy
- Financial Management Policy
- Global Privacy Policy
- Information Policy
- Information Technology Policy
- Information Technology Security Policy
- Insider Policy
- Insurance Policy
- Internal Control Policy
- Investment Policy
- Metal Management Policy
- Occupational Health & Safety Policy
- Responsible Sourcing Policy
- Supplier Code of Conduct Policy
- Whistleblower Policy including procedure

Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
- Financial statements
- Sustainability statement
- Other information

# Board of Directors



## Fredrik Arp

Chairman of the Board

**Born:** 1953

**Education:** M.Sc. Economics and Ec. Doctor h.c., Lund University.

**Position:** Chairman of the Board. Elected to the Board in 2020. Chairman of the Remuneration Committee.

**Other assignments:** Chairman of the Board in Bravida Holding AB and Nolato AB.

**Previous positions:** Chairman of the Board in, among others Ahlsell AB, Bröderna Edstrand AB, Munksjö AB, Thule AB, Parques Reunidos SA and Qioptiq SA. Board member of, among others Swedfund International AB, Vattenfall AB, Getinge AB and Technogym S.p.a. CEO for PLM AB, Volvo Personvagnar AB and Trelleborg AB.

**Own and related parties' shareholding:** 13,636 shares.



## Steven Armstrong

Board member

**Born:** 1964

**Education:** BA (Hons) in Business Studies & Economics, East London University.

**Position:** Board member. Elected to the Board in 2022. Member of the Remuneration Committee.

**Other assignments:** Chairman of the Board in Morgon Motor Company. Member of the Board of Governors of the University of East London.

**Previous positions:** Various management positions within Ford, among others Corporate Officer at Ford Motor Company, President at Changan Ford, Ford Brazil and Ford South America. Chairman, President and CEO at Ford Europe. SVP Purchasing and COO at Volvo Cars. COO at Getrag Ford Transmissions.

**Own and related parties' shareholding:** 0 shares.



## Mats Backman

Board member

**Born:** 1968

**Education:** B.Sc. Business Administration, Stockholm University.

**Position:** Board member. Elected to the Board in 2018. Chairman of the Audit Committee.

**Other assignments:** Executive Vice President Group Finance and CFO in Volvo Group.

**Previous positions:** Operating Partner Triton. Group CFO in Trustly. CFO and Executive Vice President of Financial Affairs in Veoneer, Inc. CFO at Autoliv, Inc. Various management positions within Sandvik Group, including as CFO.

**Own and related parties' shareholding:** 15,000 shares.



## Mikael Bratt

Board member

**Born:** 1967

**Education:** Studies in Business Administration, University of Gothenburg.

**Position:** Board member. Elected to the Board in 2024. Member of the Remuneration Committee.

**Other assignments:** President, CEO and member of the Board of Directors of Autoliv Inc. Member of the Advisory Board of the United Nations Road Safety Fund.

**Previous positions:** President Passive Safety, Autoliv. Various management positions within Volvo Group, including CFO and part of the Group executive management. Board member of Höganäs AB.

**Own and related parties' shareholding:** 5,100 shares.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

**Corporate Governance Report**

Chairman's comment

→ Board of Directors

Group Management

Financial statements

Sustainability statement

Other information

# Board of Directors



## Martina Buchhauser

Board member

**Born:** 1966

**Education:** M.Sc. Management, Stanford University.

**Position:** Board member. Elected to the Board in 2021. Member of the Audit Committee.

**Other assignments:** Senior advisor at H&Z Management Consulting and member of the Advisory Board at NextSource Materials Inc.

**Previous positions:** Member of the Advisory Board at OP Mobility and Sono Motors. Chief Procurement Officer of Volvo Cars Corporation and member of the management team. Senior Vice President Purchasing and Supplier Network for Interior at BMW. Vice President of Procurement at MAN Truck & Bus. Various executive roles in the Purchasing, Supply Chain and Quality area of Opel and General Motors.

**Own and related parties' shareholding:** 0 shares.



## Peter Carlsson

Board member

**Born:** 1970

**Education:** B.Sc. Business Administration and Tech. Doctor h.c., Luleå University of Technology.

**Position:** Board member. Elected to the Board in 2016. Member of the Remuneration Committee.

**Other assignments:** Board member of Northvolt, Orbital Systems and Q Group.

**Previous positions:** CEO at Northvolt. Vice President Supply Chain and Chief Procurement Officer at Tesla Motors. Senior Vice President and Chief Procurement Officer at NXP Semiconductors. Head of Sourcing at Sony Ericsson. Board member in Metso and Rosti Group.

**Own and related parties' shareholding:** 10,000 shares.



## Cecilia Daun Wennborg

Board member

**Born:** 1963

**Education:** BS. in Business Administration, Stockholm University.

**Position:** Board member. Elected to the Board in 2024. Member of the Audit Committee.

**Other assignments:** Board member of, among others, Getinge AB (publ), Loomis AB (publ), Bravida Holding AB (publ), Oncopeptides AB (publ), Atvexa AB (publ) and Chairman of the Board for Almi AB, and member of Swedish Securities Council.

**Previous positions:** Deputy CEO and CFO of Ambea AB, CEO and CFO of Carema Vård och Omsorg AB, acting CEO of Skandiabanken, Head of Swedish Operations at Skandia and President of Skandia Link, and among others Board member of Hotell Diplomat AB, Eleda AB, Atos Medical Holding AB (publ), Hoist Finance AB (publ), Sophiahemmet and ICA Gruppen AB (publ).

**Own and related parties' shareholding:** 5,000 shares.



## Gunilla Saltin

Board member

**Born:** 1965

**Education:** Ph.D. in chemical engineering, University of Idaho, MBA from the Stockholm School of Economics, and M.Sc. in chemical engineering from the Royal Institute of Technology, Stockholm.

**Position:** Board member. Elected to the Board in 2023. Member of the Audit Committee.

**Other assignments:** Managing Director of Tata Steel Nederland's Downstream business and Member of the Management Board.

**Previous positions:** Board member of LKAB. CEO of Mondi's Uncoated Fine Paper business. Various positions at Södra Group, for example, the positions as Executive Vice President Södra Cell and Site Manager Södra Cell Värö.

**Own and related parties' shareholding:** 2,400 shares.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

**Corporate Governance Report**

Chairman's comment

→ Board of Directors

Group Management

Financial statements

Sustainability statement

Other information

# Board of Directors – Employee representatives



## Emma Hansen Lamprecht

Board member –  
Employee representative

**Born:** 1994

**Education:** Strategic purchasing, TUC Higher Vocational Education.

**Description:** Strategic purchaser, employed at Gränges since 2021. Employee representative of the Board since 2023.

**Other assignments:** Chairperson of the Unionen club board and the PTK board representing Gränges Sweden.

**Own and related parties' shareholding:** 0 shares.



## Tobias Johansson

Board member –  
Employee representative

**Born:** 1976

**Education:** Natural farming, High School.

**Description:** Process operator, employed at Gränges since 1998. Employee representative of the Board since 2024 and deputy since 2023.

**Other assignments:** Board member of IF Metall at Gränges Finspång.

**Own and related parties' shareholding:** 0 shares.



## Jennie Bjerner

Deputy board member –  
Employee representative

**Born:** 1984

**Education:** Bachelor in Industrial Engineering and Management, Jönköping university.

**Description:** Product development engineer, employed at Gränges since 2014. Deputy employee representative of the Board since 2024.

**Other assignments:** Board member of Sveriges Ingenjörer/Academics Association representing Gränges Sweden.

**Own and related parties' shareholding:** 30 shares.



## Åke Larsson

Deputy board member –  
Employee representative

**Born:** 1969

**Education:** Industrial Technology Program, High School

**Description:** Material Inspector, employed at Gränges since 1988. Deputy employee representative of the Board since 2024.

**Other assignments:** Board member of IF Metall at Gränges Finspång.

**Own and related parties' shareholding:** 0 shares.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

**Corporate Governance Report**

Chairman's comment

→ Board of Directors

Group Management

Financial statements

Sustainability statement

Other information



## Auditor

### Andreas Troberg

Auditor in charge Ernst & Young AB

**Born:** 1976

**Description:** Authorized public accountant and member of FAR.

**Other assignments:** Alfa Laval, Munters and Lantmännen.

# Group Management



**Jörgen Rosengren**  
President and CEO

**Born:** 1967  
**Education:** M.Sc. Electrical Engineering, Lund Institute of Technology.  
**Position:** President and CEO since 2021. Member of Group Management since 2021.  
**Other assignments:** Board member in OEM International AB.  
**Previous positions:** President & CEO in Bufab Group, 2012–2021. Vice President, Global Category Manager in Husqvarna Group, 2004–2011, Electrolux 2003, McKinsey & Company, 1997–2002, Philips Electronics 1993–1997.  
**Own and related parties' shareholding:** 145,000 shares, 60,217 restricted share units and 519,600 warrants.



**Oskar Hellström**  
CFO and Deputy CEO

**Born:** 1979  
**Education:** M.Sc. Engineering, Linköping University and B.Sc. Business Administration & Economics, Stockholm University.  
**Position:** CFO since 2013 and Deputy CEO since 2017.  
**Other assignments:** Member of Group Management since 2013.  
**Other assignments:** Board member in Beijer Alma AB.  
**Previous positions:** CFO in Sapa Heat Transfer, 2011–2013. Director Group Development & Control in Sapa Group, 2009–2011. Strategy Manager in Sapa Group, 2008–2009. Consultant at Booz Allen Hamilton, 2005–2008.  
**Own and related parties' shareholding:** 60,000 shares, 43,591 restricted share units, 40,000 call options and 255,000 warrants.



**Sofia Hedevåg**  
SVP Sustainability

**Born:** 1980  
**Education:** M.Sc. Business Administration, Stockholm School of Economics.  
**Position:** SVP Sustainability since 2020. Member of Group Management since 2021.  
**Other assignments:** –  
**Previous positions:** Member of extended Group Management 2020–2021. VP Sustainability in Gränges 2017–2020. VP Group Business Control at Swedish Match 2014–2017. Director Corporate Sustainability & Business Analysis at Swedish Match 2012–2014. Various positions at Swedish Match 2008–2012.  
**Own and related parties' shareholding:** 4,250 shares, 16,213 restricted share units and 215,000 warrants.



**Patrick Lawlor**  
President Americas

**Born:** 1964  
**Education:** B.Sc. Economics and certified Accountant, College of Commerce, Dublin.  
**Position:** President Americas since 2016. Member of Group Management since 2016.  
**Other assignments:** Board member in Aluminium Association in the US.  
**Previous positions:** President Americas in Sapa Extrusions, 2010–2015. CFO in Sapa Extrusion North America, 2009–2010. CFO in Indalex, Inc., 2007–2009. Several management positions in Norsk Hydro, 1997–2007.  
**Own and related parties' shareholding:** 99,355 restricted share units and 65,000 synthetic call options and 257,500 synthetic warrants.



**Colin Xu**  
President Asia

**Born:** 1976  
**Education:** M.Sc. Economics and Business Administration, MBA, China Europe International Business School.  
**Position:** President Asia since 2013. Member of Group Management since 2013.  
**Other assignments:** Supervisor in Shanghai Realman Energy Technology Co.  
**Previous positions:** MD in Sapa Heat Transfer Shanghai, 2011–2013. Sapa Heat Transfer Shanghai, 2001–2010, with several leading management positions since 2003.  
**Own and related parties' shareholding:** 34,812 restricted share units and 255,000 synthetic warrants.



**Fredrik Spens**  
President Europe

**Born:** 1975  
**Education:** M.Sc. Engineering, Royal Institute of Technology, Stockholm.  
**Position:** President Europe since 2022. Member of Group Management since 2022.  
**Other assignments:** –  
**Previous positions:** MD in Gränges Finspång AB, 2020–2022. VP Sales and Marketing, Gränges Finspång AB, 2017–2020. Head of Product Area Primary Products in Sandvik Materials Technology, 2014–2017, different senior positions at Sandvik, 2006–2014. Consultant at BTS, 2000–2006.  
**Own and related parties' shareholding:** 4,500 shares, 31,821 restricted share units and 255,000 warrants.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report**
  - Chairman's comment
  - Board of Directors
  - Group Management
  - Financial statements
  - Sustainability statement
  - Other information



# Financial statements

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information



# Board of Directors' Report



The Board of Directors and the Chief Executive Officer of Gränges AB (publ), corporate registration number 556001-6122, hereby submit the annual accounts and consolidated accounts for the financial year January 1–December 31, 2024.

## Operations

Gränges is a global leader in aluminium rolling and recycling in selected niches and is committed to creating circular and sustainable aluminium solutions in partnership with its customers and suppliers. The solutions help customers grow and transition to climate neutrality and are used for efficient climate control in transportation and buildings, electrification and battery components, recyclable packaging, and more.

The product range comprises a variety of rolled aluminium for thermal management systems, specialty packaging and other niche markets, and a comprehensive range of clad and unclad rolled aluminium products used for applications with high demands on functionality and performance.

Gränges has long-term customer relationships and in 2024, the company's ten largest customers accounted for 45 percent of the net sales.

Gränges' geographical end-customer markets are Asia Pacific, Europe and North and South Americas. The end-customers are found in the automotive, HVAC, specialty packaging, and battery industries as well as in other niche markets such as transformers and wind turbines.

Gränges has eight production facilities located in Shanghai and Shandong in China, Finspång in Sweden, Konin in Poland, Saint-Avoid in France as well as in Huntingdon (Tennessee), Salisbury (North Carolina), and Newport (Arkansas) in the US. The production facilities in Finspång, Shanghai, Huntingdon and Konin also have important centres of excellence for research and innovation, working in close partnership with customers. The annual production capacity at year-end, excluding the production capacity in Shandong, amounted to 640 ktonnes.

Gränges has two business areas: Gränges Eurasia and Gränges Americas. Gränges Eurasia includes four production facilities with direct chill casting and hot rolling technology in Finspång (Sweden), Konin (Poland), Shanghai and Shandong (China), as well as the Gränges Powder Metallurgy business unit in Saint-Avoid (France). Gränges Americas uses continuous casting technology and includes three production facilities in Huntingdon, Salisbury, and Newport in the US. Gränges Eurasia is headed by the CEO and Gränges Americas is headed by the regional President for the Americas region. The grouping of the businesses into two business areas, Gränges Eurasia and Gränges Americas, is considered to constitute the Group's operating segments and is consistent with the internal reporting submitted to the highest executive decision maker, the CEO.

In addition to the subsidiaries, Gränges owns, taking into account non-controlling interests, 40 percent of a Shanghai-based company, engaged in metal stamping. Additionally, it owns 39.2 percent of a company working on developing a recycling and casting operation in Yunnan, China, a province known for its abundant hydropower.

The Group's parent company, Gränges AB, is a Swedish publicly listed company with its head office on Linnégatan 18, Stockholm.

The Gränges share is listed on Nasdaq Stockholm and is part of the Large Cap segment since January 2025.

## Summary of the year

Gränges has achieved notable cost savings through procurement, metal management, and labor productivity enhancements thru the year. In both the Americas and Europe, these savings, alongside robust volume growth, effectively counter-

balanced significant price pressures. In Asia, additional volume from the newly acquired facility in Shandong came at a breakeven profit. Overall, Gränges' adjusted operating profit amounted to SEK 1,571 million, best result ever.

Reflecting on 2024, Gränges marked its third consecutive year of record-breaking financial and sustainability performance. The company successfully concluded the first phase of the Navigate plan, yielding impressive results despite market challenges. Over three years, adjusted operating profit and net profit surged by 60 percent and 70 percent, respectively. Additionally, recycling volumes increased fivefold, and the carbon intensity of products decreased by 35 percent since 2017. The multi-year capacity expansion program is nearly complete, with all new assets expected to be fully operational by the second half of 2025. This expansion will elevate the company's annual production capacity to 800 ktonnes, a 40 percent increase from 2021. Furthermore, significant investments have resulted in improved employee satisfaction, attributed to enhanced workplace safety, comprehensive leadership training at all levels, and strengthened team engagement.

## Acquisition

In 2024, Gränges' Chinese subsidiary acquired 100 percent of the shares in Shandong Chuangge New Materials Science & Technology Co., Ltd, which then changed its name to Gränges Aluminium (Shandong) Co., Ltd, or "Gränges Shandong." The shares were acquired from the Chinese company Shandong Innovation Group (SIG), to which Gränges' Chinese subsidiary directed a share issue corresponding to a 20 percent ownership stake. The transaction has been classified as an asset acquisition.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

→ Board of Directors' Report

Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information



## Strategy

Gränges strategy, Navigate, is based on three parts – restore, build and invest – where the long-term target is sustainable growth. It's about continuing to build the world's best aluminium rolling and recycling company based on Gränges business model.

The sustainable growth plan focuses on factors that Gränges can influence, while recognizing the volatility and unpredictability of the environment.

Gränges executes the plan in three steps and in 2024, the restore phase was completed, thereby creating a strong foundation for continued growth. Further, Gränges has an ambitious program during 2025 to build a world-leading aluminium technology company in terms of people and sustainability, safety and profitability, innovation and growth. Finally, Gränges will start to invest in sustainable growth, with a focus on the period 2025–2030.

## Financial targets

As part of the strategy, Gränges has four financial targets:

- **Profit Growth:** Average yearly adjusted operating profit growth above 10 percent.

In 2024, adjusted operating profit increased by 2.3 percent compared to last year, corresponding to 16 percent average 3y CAGR during the last three years. The increase was primarily driven by market share gains and improved productivity.

- **Capital structure:** Financial net debt normally between 1–2 times adjusted EBITDA.

In 2024, financial net debt increased by SEK 1,550 million to SEK 4,292 million, corresponding to 1.8 times adjusted EBITDA.

The increase was due to the completion of several capacity expansion investments, as well as increased working capital driven by higher sales volume and the ramp-up of the new production facility in Shandong, China.

- **Profitability:** Return on capital employed above 15 percent. In 2024 return on capital employed decreased by 0.3 percentage points to 11.9 percent. The decrease in return on capital employed was fully attributable to the added capital employed in Asia from the acquisition and ramp-up of the new production facility in Shandong, China.

- **Dividend:** Dividend between 30–50 percent of profit for the year.

The Board of Directors proposes a dividend of SEK 3.20 (3.00) per share for the 2024 fiscal year, corresponding to 34 (32) percent of the profit attributable to owners of the parent company for the year.

## Market

Gränges is a global leader in aluminium rolling and recycling in selected niches and supplies products and solutions for thermal management systems, specialty packaging and selected niche applications. Gränges' key markets are Automotive currently representing 40 percent, HVAC representing 18 percent, Specialty packaging and Other niches representing 17 percent and 25 percent respectively in 2024.

Short-term sales to the Automotive industry are primarily driven by the number of vehicles produced. Medium and long term, the increasing share of electric vehicles is expected to have a further positive impact on demand for Gränges' products. Sales to the HVAC industry are influenced in the short term by consumer confidence and the general activity within building and construction. In the medium and long term, increased requirements on energy efficiency of HVAC units are expected to have a further positive impact on the demand for Gränges' products. The demand for materials for Specialty packaging tends to be relatively stable in its nature and sales to Other niche applications are largely driven by the general economic activity.

## Sales

For 2024, Gränges' sales volume increased by 9.2 percent to 505.8 ktonnes (463.2) compared to the previous year. Net sales amounted to SEK 23,506 million (22,518) and changes in foreign exchange rates had a net positive effect on net sales of SEK 106 million.

## Operating profit

For 2024, adjusted operating profit increased to SEK 1,571 million (1,536), and adjusted operating profit per tonne was 3.1 kSEK (3.3). Higher sales volume, improved cost productivity and good metal management more than offset the lower average fabrication price. Changes in foreign exchange rates had a net negative impact of SEK -26 million during year compared with the previous year. The adjusted operating profit for 2023 included a total of SEK 107 million related to energy cost compensation and positive timing effects from surcharge clauses in customer contracts. No energy cost compensation or timing effects from surcharge clauses were included in 2024.

Operating profit amounted to SEK 1,523 million (1,576) and includes items affecting comparability of SEK -48 million (40). For further information see Note 14.

## Profit for the period and earnings per share

During 2024, profit before tax decreased to SEK 1,251 million (1,261) in comparison to previous year. Profit or loss from associates and joint ventures was SEK -8 million (1) and finance income and costs amounted to SEK -265 million (-316). Income tax for the year was SEK -240 million (-252) and the effective tax rate was 19 percent (20). The profit for the year amounted to SEK 1,010 million (1,010) and diluted earnings per share attributable to owners of the parent company increased to SEK 9.51 (9.48).

## Cash flow

For 2024, cash flow from operating activities was SEK 489 million (3,291). Cash flow from investing activities amounted to SEK -2,076 million (-1,449) and included capital expenditure of SEK -1,325 million (-1,227) and the acquisition of the Shandong facility of SEK -752 million.

Cash flow before financing activities amounted to SEK 1,587 million (1,842). Cash flow from financing activities was SEK 1,913 million (-2,250) and includes dividend payment of SEK -319 million, new loans of SEK 7,571 million, repayment of loans of SEK -5,887 million, and a directed share issue in Gränges' Chinese subsidiary of SEK 752 million.

Cash and cash equivalents amounted to SEK 850 million (461) on December 31, 2024.

## Financial position

Gränges' total assets amounted to SEK 21,396 million (16,688) on December 31, 2024. The equity to assets ratio was 50.7 percent (52.8) on December 31, 2024

Financial net debt was SEK 4,292 million (2,741) on December 31, 2024, corresponding to 1.8 (1.1) times adjusted EBITDA.

## Gränges Eurasia

### Market and sales

Gränges Eurasia experienced a mixed market development in 2024. Demand in Europe for products to Other niches increased compared to 2023 due to stronger customer demand in combination with a normalization of inventory levels among distributors and stockists. Demand for Specialty packaging also increased on the back of normalized inventory levels as well as stable customer demand. However, demand from automotive customers saw a more muted development in Europe as backlogs were now fully depleted. On the other hand, demand

## Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

### Financial statements

→ Board of Directors' Report  
Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

in Asia continued to grow, driven by new business and a stable general market demand.

For 2024 total sales volume increased by 11.5 percent to 294.8 ktonnes (264.3) and net sales increased by 6.1 percent to SEK 13,083 million (12,334).

### Operating profit

The adjusted operating profit in 2024 for Gränges Eurasia increased to SEK 631 million (595), corresponding to an adjusted operating profit per tonne of 2.1 kSEK (2.3). Higher sales volume and productivity improvements were key drivers of the increased adjusted operating profit in 2024.

## Gränges Americas

### Market and sales

Gränges Americas experienced a mixed market development during 2024. The underlying demand for HVAC products, specialty packaging and other niche products was stable or increased over a week 2023 due to low comparables and a gradual normalization of downstream inventory. Demand from automotive decreased compared to last year mainly due to a lower general production rate of new vehicles.

In total, sales volume for Gränges Americas in 2024 increased by 4.2 percent to 229.8 ktonnes (220.6) and net sales decreased by 0.8 percent to SEK 11,414 million (11,326).

### Operating profit

The adjusted operating profit for 2024 increased by 3.7 percent to SEK 1,068 million (1,029), corresponding to an adjusted operating profit per tonne of 4.6 kSEK (4.7). The lower average fabrication price was more than offset by higher sales volume, good metal management and improved productivity.

## Outlook

Gränges expects continued price pressure. In addition, it's expect that increasing prices for aluminium scrap, changes to the Chinese export taxation, and labor cost inflation will weigh on operating profit. Gränges' ambition though is to continue to offset these effects by volume growth, cost reduction and productivity improvement.

## Employees

The average number of employees was 2,926 (2,718) during 2024.

## Research and development

Gränges actively focuses on alloy design and research and development to improve the recycling ratio and enhance alloy recyclability. The company ensures that the chemical composition allow both pre- and post-consumer scrap to be remelted, meeting customer demand for sustainable products. Gränges collaborates with customers in the heat exchanger, HVAC, and battery markets to jointly develop sustainable and circular alloys aligned with customers' material characteristics and requirements.

The Group is running a large number of development projects but the criteria for recognizing the projects as intangible assets are currently not met. Total costs for research and development projects in 2024 amount to SEK 72 million (65).

## Sustainability

Sustainability is central in Gränges' business and strategy. Gränges has a strong commitment to minimize the environmental impact of its operations, uphold ethical business practices, and provide a safe and good working environment. The aim is to develop sustainable and circular aluminium solutions

As part of the strategy, Gränges has three sustainability targets:

- **Net-zero:** Reduce carbon emissions intensity from scope 1+2 by at least 25 percent and from scope 3 by at least 30 percent by 2025. Gränges long-term goal is to reach net-zero by 2040.

In 2024, scope 1+2 intensity decreased by 2 percent to 0.64 tonnes CO<sub>2</sub>e/tonne (0.66) and Scope 3 intensity decreased by 11 percent to 6.9 (7.7). Total carbon emissions intensity (Scope 1+2+3) has been reduced by 35 percent versus baseline 2017.

- **Circular:** Increase the share of sourced recycled aluminium to at least 30 percent of total sourced metal by 2025.

Gränges ambition is to reach 500 ktonnes recycled aluminium by 2030.

In 2024, the share of sourced recycled aluminium increased by 4.6 percentage points to 46.2 percent (41.6) The volume of sourced recycled aluminium increased by 19 percent to 249 ktonnes (210), which corresponds to 5.3x the volume in 2017.

- **Responsible:** All sites to have achieved certifications in accordance with the Aluminium Stewardship Initiative (ASI) Performance Standard (PS) and Chain of Custody (CoC) Standard by 2025.

All of Gränges' aluminium rolling and recycling sites are certified in accordance with ASI Performance standard and Chain of Custody Standard, thereby achieving the 2025 goal. By 2030, Gränges' goal is to have 100% of sustainable suppliers, as defined in the company's Responsible Sourcing Program.

Gränges' 2024 sustainability report has been prepared in accordance with the Annual Reports Act on sustainability reporting as well as GRI Standards. The statutory Sustainability Report according to the Swedish Annual Accounts Act is found on pages 124-172. For Gränges' reporting according to the EU taxonomy see pages 142-146.

## Parent company

Gränges AB is the parent company of the Gränges Group. The operations include Group Management and Group functions such as finance, treasury, sustainability and communications. For the 2024, net sales in the parent company was SEK 174 million (137). Profit for the year was SEK 59 million (1,182) and included dividend from the American subsidiary of SEK 55 million.

## The Gränges share and ownership

The share capital in Gränges amounts to SEK 142 million, divided into 106,308,618 shares, each with a quota value of SEK 1.339775. Gränges only has one class of shares.

At December 31, 2024 Gränges had no shareholder that owned more than 10 percent of Gränges' capital and votes.

## Operating risks and uncertainty factors

As a Group with operations in different parts of the world, Gränges is exposed to various risks and uncertainties such as raw material price risk, market risk, operational and legal risk, as well as financial risks related to foreign exchange rates, interest rates, liquidity and refinancing. Gränges' risk management process entails to identify, assess and reduce risks related to the Group's business and operations. In the section risk management on pages 48-57 Gränges' risks and risk management is further described. For a more comprehensive description of the financial risks, see Note 31.

## Board of Directors issue authorization

The Board of Directors are authorized by the annual general meeting 2024 to, on one or more occasions until the next Annual General Meeting, issue new shares and/or convertible bonds.



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

→ Board of Directors' Report  
Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information



An issue of new shares and/or convertible bonds can be done with or without regard to shareholders' pre-emption rights. Following this authorization, a total maximum number of shares equivalent to 10 percent of the total number of outstanding shares in the company on the date of the General Meeting's authorization resolution, may be issued in new share issues and/ or through the conversions of convertible bonds (this does not prevent convertible bonds from being combined with conversion terms which, if applied, may result in a different number of shares).

### Current guidelines for remuneration to senior managers

Current guidelines for remuneration to senior managers were adopted at the Annual General Meeting on June 14, 2023. Senior managers refer to the CEO and the Deputy CEO of the Group, and senior managers included in Gränges' Group Management.

Gränges shall offer remuneration levels and terms of employment which are necessary to recruit, develop, and retain individuals in Group Management. These individuals shall possess the expertise, motivation and capacity required to uphold, develop, and implement overall value-additive strategic targets for the Gränges Group and, moreover, to support its long-term interests. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and remuneration levels. These guidelines ensure that individuals in Group Management, regardless of geographical market, may be offered competitive total remuneration, and are aimed at creating increased transparency on remuneration issues. Applicable laws and other relevant regulatory frameworks (both Swedish and foreign) in this area must be complied with at all times.

The basic principle is that the remuneration must be competitive and consist of a balanced combination of fixed salary, variable remuneration, pension benefits, other benefits and terms for dismissal/severance payment. Furthermore, the Board of Directors may prepare, and the General Meeting resolve on, share and share-price related incentive programs. Such a combination of remuneration fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

### Fixed salary

The fixed salary shall consist of customary base salary. The salary shall be based on responsibility, performance, expertise and the complexity and scope of the task. In the event of full payment of variable remuneration, the fixed annual base salary shall comprise 40 percent of the total cash remuneration, with the exception for persons holding the position as Regional President, where the percentage is no less than 33.33 percent.

### Variable remuneration – STI and LTI

The variable remuneration shall comprise both short-term and long-term incentives, without there being any guarantee of variable remuneration.

An annual short-term incentive program (STI), which provides a cash variable remuneration, shall be offered to the Group Management. The outcome of STI shall be governed by financial and non-financial parameters for the Gränges Group. The financial objective must be related to value creation and the non-financial objective must be linked to the carbon footprint of the business, which is a long-term sustainability goal. The objectives must be designed so that they both promote the Group's business strategy and long-term sustainability goals. At the end of the measurement period for fulfilment of the predefined parameters for payment of STI, a comprehensive evaluation shall be conducted to assess the extent to which these parameters have been met. With regards to financial objectives, the evaluation will be based on the latest financial information made public by the company. With regard to the sustainability objectives, the assessment shall be based on what the company has stated in the sustainability report.

Maximum remuneration for STI is 60 percent of the fixed annual base salary for each individual in Group Management, with exception for the persons holding the position as Regional President, for whom the maximum remuneration can be up to 100 percent of the fixed annual base salary.

The Board shall annually evaluate whether a long-term incentive program (LTI) is to be adopted or, if a share or share price-related LTI program, is to be proposed to the Annual General Meeting. These programs can be cash-based or related to the share/share price. Share or share price-related LTI programmes are resolved upon by the Annual General Meeting and are therefore not covered by these guidelines. All LTI programmes must have a clear connection to the Group's business strategy and long-term sustainability goals.

The company does not have any potential deferral periods, but has according to agreements, possibility to reclaim variable remuneration.

### Pension

Pension shall be paid in accordance with the relevant national legislation of the country in which each person in Group Management operates and it shall be on market terms.

The pension shall be based on a defined contribution pension plan, except for cases where a defined benefit pension is required by law or collective bargaining agreement. The pensionable salary shall comprise the fixed annual base salary and, when required by law or collective bargaining agreement, variable remuneration.

For the CEO, the pension premiums shall amount to 35 percent, calculated on fixed monthly remuneration, and are thus premium defined. The retirement age for the CEO is 65 years of age.

For other individuals in Group Management, the pension provision shall not amount to more than 30 percent of the base salary, unless a higher percentage arises due to law or collective bargaining agreement. The retirement age for other individuals in Group management is 60–68 years, depending on the country of employment.

### Other benefits

Benefits which are not directly related to fixed salary and variable remuneration, for example a company car and medical care benefits, shall promote the performance of the work and be consistent with standard practice on the market for this target group. The total costs as a consequence of such benefits may not exceed 20 percent of the fixed annual base salary.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### Special remuneration

Additional cash variable remuneration may be paid out under extraordinary circumstances, provided that such extraordinary arrangements are limited in time, and may only be awarded on an individual basis either for the purpose of recruiting or retaining individuals in Group Management or as remuneration

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
- Board of Directors' Report
- Group
- Notes Group
- Parent company
- Notes Parent company
- Proposed appropriation of retained earnings
- Auditor's Report
- Sustainability statement
- Other information



for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 20 percent of the fixed annual base salary and may not be awarded more than once per year and per individual. Any resolution on such remuneration shall be adopted by the Board of Directors based on a proposal from the Remuneration Committee.

#### Remuneration to directors

In certain cases, board directors elected by the General Meeting should be able to receive fees and other remuneration for work carried out on behalf of the company, alongside their work on the Board of Directors. Fees at market rates, approved by the Board of Directors, may be payable for such services.

#### Terms for termination etc.

There is a mutual notice of termination period of six months as between the CEO and the company. Upon termination by the company, severance remuneration without set-off is also paid for an additional twelve months. The mutual notice of termination period for the Deputy CEO and other individuals in Group Management shall correspond to six months. Upon termination by the company, severance remuneration for an additional twelve months is paid, without setting off the first six months.

#### Salary and terms of employment for other employees

In the preparation of the guidelines, salary and terms of employment for employees of the company have been taken into account by including information on the employees' total remuneration, the components of the remuneration, and increase and rate of increase of remuneration over time, in the Remuneration Committee's and the Board of Director's basis of decision when evaluating the reasonableness of the guidelines and appurtenant limitation.

#### The decision-making process to determine, review and implement the guidelines

The Board of Directors resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to individuals in Group Management. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting for adoption. The

guidelines shall be in force until new guidelines are adopted by the General Meeting.

The Remuneration Committee shall monitor and evaluate programs for variable remuneration for individuals in Group Management, the application of the guidelines, and the current remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and company management. The CEO and other members of Group Management do not participate in the Board of Director's and/or the Remuneration Committee's processing of, and resolutions regarding, remuneration-related matters insofar as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the company's framework for governance, consisting out of a code of conduct, policies and guidelines.

#### Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, part of the work of the Remuneration Committee is to prepare the Board of Director's resolutions regarding remuneration issues, which includes resolutions on derogations from the guidelines.

#### Long-term incentive program – LTI 2024

The Board of Directors has considered that it is important, and in the interest of all shareholders that senior managers and other key individuals, who are deemed to be important for the company's continued development, should be able to take part in and work for a positive value development of the company's shares and thereby achieve increased community of interests with the company's shareholders. A long-term incentive program is further expected to create conditions for retaining and recruiting competent staff to Gränges, providing competitive remuneration and reconciling the interests of the shareholders and management.

At the annual general meeting held on May 8, 2024, it was resolved in accordance with the Board of directors' proposal to implement a long-term incentive program in the form of a

combination of warrants (actual and synthetic) and restricted share units ("LTI 2024") by the company carrying out an issue of warrants and approving the transfer of these warrants as well as an issue of synthetic warrants, and an issue of restricted share units to senior managers and other key individuals in Gränges AB (publ) and its subsidiaries. The warrants have been transferred in accordance with the allocation, prior potential overallocation, set out below:

- (a) Chief Executive Officer: 150,000 warrants.
- (b) Group management: a maximum of 75,000 warrants per person, and
- (c) Other key individuals: a maximum of 25,000 warrants per person.

Upon transfer of the warrants, a market premium has been paid calculated in accordance with the Black & Scholes warrant valuation model. In order to encourage participation in the program, a subsidy has been paid which, after deduction of tax and other applicable fees, amounts to 50 percent of the premium paid for each warrant (the "net contribution"). If the participant terminates his/her employment or is terminated within three years from the payment of the premium, an amount corresponding to the net contribution shall be repaid to Gränges. The same applies if the participant has disposed warrants acquired within the framework of LTI 2024 within a period of three years from the payment of the warrant premium. However, the repayment obligation shall be reduced in relation to how long the participant has worked in Gränges during the term of the warrants and in relation to the number of disposed warrants, respectively.

A custom cash-based alternative for foreign participants who do not have the opportunity to invest in Gränges' warrants has been designed.

The restricted share units have been allotted to the participants in accordance with the STI 2024 performance outcome and have been converted into a number of shares by dividing the amount by the volume-weighted average price of the Gränges share during ten trading days following the publication of the year-end report for 2024.

Payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group's employ.

#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
- Board of Directors' Report
- Group
- Notes Group
- Parent company
- Notes Parent company
- Proposed appropriation of retained earnings
- Auditor's Report
- Sustainability statement
- Other information

## Information on previously resolved remuneration which is not yet payable

In order to stimulate long-term involvement and exposure to the Gränges share, senior managers and other key personnel have been offered participation in long-term incentive programs, following decisions at the annual general meetings in 2020, 2022, and 2023.

### LTI 2023

Warrants were transferred, prior potential overallotment, in accordance with the allocation set out below.

- (a) CEO: 180,000 warrants;
- (b) Group management: 90,000 warrants per person; and
- (c) Other key employees: a maximum of 30,000 warrants per person.

Upon transfer of the warrants, a market premium was paid calculated in accordance with the Black & Scholes warrant valuation model. In order to encourage participation in the warrant program, a subsidy was paid which, after deduction of tax and other applicable fees, amounted to 50 percent of the premium paid for each warrant (the “net contribution”). If the participant resign or the participant’s employment is terminated within three years from the date of payment of the net contribution the contribution has to be refunded to Gränges. The same applies if the participant sells the warrants during a period of three years from the payment of the warrant premium. However, the repayment obligation shall be reduced in relation to how long the participant has worked in Gränges during the term of the warrants and in relation to the number of disposed warrants, respectively.

Restricted share units within LTI 2023 have been allotted to the participants in accordance with the STI 2023 performance outcome and have been converted into a number of shares by dividing the amount by the volume-weighted average price of the Gränges share during ten trading days following the publication of the year-end report for 2023. However, the number of shares allotted for the CEO and President Gränges Americas has not exceeded 30,000, for other members of Group Management not more than 20,000, and for other participants not more than 10,000.

Payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group’s employ.

### IP 2022

warrants were transferred, prior potential overallotment, in accordance with the allocation set out below.

- (a) CEO: 180,000 warrants;
- (b) Group management: 90,000 warrants per person; and
- (c) Other key employees: a maximum of 30,000 warrants per person.

Upon transfer of the warrants, a market premium was paid calculated in accordance with the Black & Scholes warrant valuation model. In order to encourage participation in the warrant program, a subsidy was paid which, after deduction of tax and other applicable fees, amounted to 50 percent of the premium paid for each warrant (the “net contribution”). If the participant resign or the participant’s employment is terminated within three years from the date of payment of the net contribution the contribution has to be refunded to Gränges. The same applies if the participant sells the warrants during a period of three years from the payment of the warrant premium. However, the repayment obligation shall be reduced in relation to how long the participant has worked in Gränges during the term of the warrants and in relation to the number of disposed warrants, respectively.

### LTI 2022

Restricted share units have been allotted to the participants in accordance with the STI 2023 performance outcome and have been converted into a number of shares by dividing the amount by the volume-weighted average price of the Gränges share during ten trading days following the publication of the year-end report for 2022.

Payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group’s employ.

### IP 2020

The participants in IP 2020 invested an amount corresponding to up to 50 percent of an annual basic salary before tax in call options and shares and received in connection thereto a cash contribution which, after tax, amounts to 50 percent of the annual basic salary, which in the programme is called the “net contribution”. If the participant resign or the participant’s employment is terminated within three years from the date of payment of the net contribution the contribution has to be refunded to Gränges in its entirety.

## Events after the end of the year

No significant events have occurred after the year.



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

→ Board of Directors’ Report  
Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor’s Report

Sustainability statement

Other information

# Financial statements content



<b>Group</b>	
Consolidated income statement	80
Consolidated statement of comprehensive income	80
Consolidated balance sheet	81
Consolidated statement of changes in equity	82
Consolidated cash flow statement	83
Notes to the consolidated financial statements	84
Alternative performance measures	108
Five-year summary	109
Definitions	177

<b>Parent company</b>	
Parent company income statement	110
Parent company balance sheet	111
Parent company statement of changes in equity	112
Parent company cash flow statement	113
Notes to the parent company financial statements	114
Proposed appropriation of retained earnings	118
Auditor's Report	119

<b>Notes Group</b>	
Note 1 General information	84
Note 2 Basis of preparation of consolidated financial statements	84
Note 3 New accounting standards	84
Note 4 Accounting standards	85
Note 5 Significant accounting assessments and assumptions	88
Note 6 Operating segment information	89
Note 7 Geographic breakdown of net sales, non-current assets and average number of employees	89
Note 8 Revenue from contracts with customers	90
Note 9 Lease income	90
Note 10 Payroll expenses	90
Note 11 Pensions	93
Note 12 Remuneration to auditors	95
Note 13 Other operating expenses	95
Note 14 Items affecting comparability	95
Note 15 Associates and joint ventures	95
Note 16 Financial income and costs	95
Note 17 Taxes	96
Note 18 Earnings per share	97
Note 19 Supplementary information to the consolidated cash flow statement	97
Note 20 Intangible assets	98
Note 21 Property, plant and equipment	99
Note 22 Right-of-use-assets and lease liabilities	99
Note 23 Other non-current receivables	100
Note 24 Inventories	100
Note 25 Overview of financial instruments	100
Note 26 Current receivables	102
Note 27 Equity	102
Note 28 Other provisions	102
Note 29 Other current liabilities	102

Note 30 Financing and interest-bearing liabilities	103
Note 31 Financial risk	103
Note 32 Derivatives and hedging	106
Note 33 Acquisition	107
Note 34 Guarantees and contingent liabilities	107
Note 35 Related party transactions	107
Note 36 Events after the balance sheet date	107

<b>Notes Parent company</b>	
Note 1 Accounting principles	114
Note 2 Financial risk management	114
Note 3 Breakdown of net sales by area of operation	114
Note 4 Operating lease payments	114
Note 5 Remuneration to auditors	114
Note 6 Payroll expenses	115
Note 7 Financial income and costs	115
Note 8 Taxes	115
Note 9 Supplementary information to parent company cash flow statement	115
Note 10 Shares in Group companies	116
Note 11 Share capital	116
Note 12 Pensions	116
Note 13 Other provisions	116
Note 14 Interest-bearing liabilities	117
Note 15 Accrued expenses and deferred income	117
Note 16 Pledged assets and contingent liabilities	117
Note 17 Related party transactions	117
Note 18 Proposed appropriation of retained earnings	117

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

## Consolidated income statement

SEK million	Note	2024	2023
Sales revenues		23,439	22,354
Other operating revenues		66	165
<b>Net sales</b>	6, 7, 8, 9, 35	<b>23,506</b>	<b>22,518</b>
Cost of materials		-15,490	-14,730
Payroll expenses	10, 11	-2,360	-2,154
Other operating expenses	12, 13	-3,226	-3,246
Depreciation, amortization and impairment charges	20, 21, 22	-859	-853
Items affecting comparability	14	-48	40
<b>Operating profit</b>		<b>1,523</b>	<b>1,576</b>
Profit from associates and joint ventures	15	-8	1
Financial income	16	27	36
Financial costs	16	-292	-352
<b>Profit before taxes</b>		<b>1,251</b>	<b>1,261</b>
Income tax	17	-240	-252
<b>Profit for the year</b>		<b>1,010</b>	<b>1,010</b>
<b>Profit for the year attributable to</b>			
– owners of the parent company		1,013	1,010
– non-controlling interests		-3	0
<b>Earnings per share</b>			
Earnings per share attributable to owners of the parent company, basic, SEK	18	9.53	9.50
Earnings per share attributable to owners of the parent company, diluted, SEK	18	9.51	9.48

## Consolidated statement of comprehensive income

SEK million	Note	2024	2023
<b>Profit for the year</b>		<b>1,010</b>	<b>1,010</b>
<i>Items not to be reclassified to profit/loss for the year</i>			
Remeasurement of pensions before tax	11	18	-11
Tax on above	17	-7	2
<b>Total items not to be reclassified to profit/loss for the year</b>		<b>11</b>	<b>-9</b>
<i>Items to be reclassified to profit/loss for the year</i>			
Change in hedging reserve before tax	32	-138	-2
Tax on above	17	11	3
Translation differences		648	-195
<b>Total items to be reclassified to profit/loss for the year</b>		<b>522</b>	<b>-194</b>
<b>Comprehensive income for the year</b>		<b>1,543</b>	<b>806</b>
<b>Comprehensive income for the year attributable to</b>			
– owners of the parent company		1,540	806
– non-controlling interests		3	0



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
    - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information



# Consolidated balance sheet



SEK million	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	20	1,514	1,474
Property, plant and equipment	21	9,417	7,642
Right-of-use assets	22	316	220
Deferred tax assets	17	70	38
Interests in associates and joint ventures	15	234	226
Other non-current receivables	23	218	208
<b>Total non-current assets</b>		<b>11,769</b>	<b>9,808</b>
<b>Current assets</b>			
Inventories	24	5,129	3,744
Receivables	25, 26, 32, 35	3,648	2,656
Interest-bearing receivables	25, 30	0	20
Cash and cash equivalents	19	850	461
<b>Total current assets</b>		<b>9,627</b>	<b>6,880</b>
<b>TOTAL ASSETS</b>		<b>21,396</b>	<b>16,688</b>

SEK million	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27	142	142
Share premium		1,885	1,885
Reserves		1,626	1,110
Retained earnings		6,589	5,670
<b>Equity attributable to owners of the parent company</b>		<b>10,242</b>	<b>8,808</b>
Non-controlling interests		597	2
<b>Total equity</b>		<b>10,838</b>	<b>8,809</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	627	609
Pension liabilities	11	244	255
Interest-bearing liabilities	25, 31	1,866	2,403
Other provisions	28	57	51
Other non-current liabilities	25, 31	87	78
<b>Total non-current liabilities</b>		<b>2,881</b>	<b>3,395</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	25, 31	3,611	1,055
Current tax liabilities		33	81
Other provisions	28	50	57
Other current liabilities	25, 30, 32	3,982	3,289
<b>Total current liabilities</b>		<b>7,677</b>	<b>4,483</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,396</b>	<b>16,688</b>

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
    - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

# Consolidated statement of changes in equity



SEK million	Note	Reserves				Retained earnings including profit for the year	Total Gränges' shareholders	Non-controlling interests	Total equity
		Share capital	Share premium	Hedging reserve	Translation reserve				
<b>Opening balance at January 1, 2024</b>		142	1,885	65	1,045	5,670	8,808	2	8,809
Profit for the year		-	-	-	-	1,013	1,013	-3	1,010
Items in other comprehensive income		-	-	-125	640	11	527	6	533
<b>Group comprehensive income</b>		-	-	-125	640	1,024	1,540	3	1,543
Dividend		-	-	-	-	-319	-319	-	-319
Share swap	32	-	-	-	-	50	50	-	50
Received warrant premiums		-	-	-	-	9	9	-	9
Exercise of call options		-	-	-	-	-6	-6	-	-6
Directed share issue to non-controlling interests	27	-	-	-	-	160	160	592	752
<b>Total transactions with owners</b>		-	-	-	-	-106	-106	592	486
<b>Closing balance at December 31, 2024</b>		142	1,885	-60	1,685	6,589	10,242	597	10,838
<b>Opening balance at January 1, 2023</b>		142	1,885	64	1,239	4,873	8,204	2	8,206
Profit for the year		-	-	-	-	1,010	1,010	0	1,010
Items in other comprehensive income		-	-	1	-195	-9	-203	-	-203
<b>Group comprehensive income</b>		-	-	1	-195	1,000	806	0	806
Dividend		-	-	-	-	-266	-266	-	-266
Share swap	32	-	-	-	-	72	72	-	72
Received warrant premiums		-	-	-	-	9	9	-	9
Exercise of call options		-	-	-	-	-18	-18	-	-18
<b>Total transactions with owners</b>		-	-	-	-	-203	-203	-	-203
<b>Closing balance at December 31, 2023</b>		142	1,885	65	1,045	5,670	8,808	2	8,809

- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
    - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

# Consolidated cash flow statement



SEK million	Note	2024	2023
Operating profit		1,523	1,576
Depreciation and impairment charges		876	853
Change in net working capital etc.		-1,557	1,036
Income taxes paid		-352	-173
<b>Cash flow from operating activities</b>		<b>489</b>	<b>3,291</b>
Investments in property, plant, equipment and intangible assets	20, 21	-1,325	-1,227
Investments in associates and joint ventures	15	-	-223
Acquisition	33	-752	-
Divestments	21	0	1
<b>Cash flow from investing activities</b>		<b>-2,076</b>	<b>-1,449</b>
Dividend		-319	-266
Share swap		50	72
Received option/warrant premiums		9	9
Exercise of call options		-6	-18
Directed share issue	27	752	-
Interest paid		-282	-350
Interest received		25	34
New loans		7,571	6,723
Repayment of loans		-5,887	-8,454
<b>Cash flow from financing activities</b>		<b>1,913</b>	<b>-2,250</b>
<b>Cash flow for the year</b>		<b>326</b>	<b>-408</b>
<b>Cash and cash equivalents at January 1</b>		<b>461</b>	<b>879</b>
Cash flow for the year		326	-408
Translation differences on cash and cash equivalents		63	-11
<b>Cash and cash equivalents at December 31</b>	19	<b>850</b>	<b>461</b>

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
    - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

# Notes to the consolidated financial statements



## 1 General information

The Group's parent company, Gränges AB, is a Swedish public listed company. Company registration number is 556001-6122, and its registered office is in Stockholm with its head office on Linnégatan 18, SE-114 47 Stockholm. This document was approved for publication by the Board of Directors of Gränges AB on March 14, 2025.

## 2 Basis of preparation of consolidated financial statements

### Basis of preparation

The Gränges Group includes, in addition to the parent company Gränges AB, directly and indirectly held subsidiaries of Gränges AB.

Significant accounting principles applied in preparing these consolidated financial statements are described below. Unless otherwise stated, these principles have been applied consistently for all the years presented. The consolidated financial statements have been prepared and presented in compliance with the IFRS Accounting Standards, as adopted by the EU, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The financial statements are prepared under the historical cost convention, except for certain financial assets and liabilities, including derivatives, which are measured at fair value.

Preparing financial statements in accordance with IFRS requires the use of important accounting estimates. Management is also required to make certain judgements in applying the Group's accounting principles. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact on the consolidated accounts are described in Note 5.

An asset or liability is classified as current when it is a part of an entity's normal operations, is primarily held for trading, matures within 12 months or consists of cash and cash equivalents at the balance sheet date. Other items are classified as non-current. A dividend is classified as a liability only upon formal approval by a general meeting of shareholders.

Unless otherwise stated, all amounts are stated in SEK million. Negative amounts refer to expenses or outgoing payments (cash flow).

### Items affecting comparability

Items affecting comparability are presented in Note 14 and refer to non-recurring income and expenses.

The primary purpose of separating significant non-recurring items is to facilitate understanding of the underlying business development.

### Consolidation

#### Subsidiaries

All companies over which the Group exercises a controlling influence are classified as subsidiaries. The Group controls a company when it is exposed to or has the right to a variable return from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are included in the consolidated accounts as of the date when the control is transferred to the Group and are consolidated up to the date when the controlling influence ceases.

Business combinations are accounted for in accordance with the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business and equity interests issued by the Group. The consideration also includes fair value of all assets or liabilities resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related expenditures are expensed as incurred.

Intercountry transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

#### Associates and joint ventures

Shares in companies where the Group, in collaboration with others, exercises joint control are classified as joint ventures, while cases where the Group holds significant influence are considered associates. Joint arrangements and associates are included in the Group's financial reports from the date when joint control is established and are excluded from the date when this control is lost.

Gränges has assessed that the ownership in Yunnan Chuangge New Materials Science & Technology Co., Ltd should be classified as an associate, while the ownership in Zhejiang Gränges Sheng'an Aluminum Co., Ltd is classified as a joint venture. Refer to Note 15 for additional information on these joint arrangements.

Associates and joint ventures are accounted for using the equity method, meaning that the investment is initially recognized in the Group's statement of financial position at cost. The carrying amount is then increased or decreased to reflect the Group's share of the profit

or loss and other comprehensive income from its associates and joint ventures. The Group's share of the profit or loss is presented under the line "Profit from associates and joint ventures" in the income statement and under the line "Investments in associates and joint ventures" in the balance sheet.

### Foreign currency translation

#### Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial statements are presented in Swedish krona (SEK), which is the Group's presentation currency.

#### Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates applying on the transaction date or the date when the items were remeasured. Foreign exchange gains and losses arising from payments of such transactions and upon translation of monetary assets and liabilities in foreign currency at closing day rates are recognized in the income statement. The exception is when the transactions constitute hedges and meet the criteria for hedge accounting of cash flows or net investments, in which case any gains and losses are recognized in other comprehensive income.

Financial receivables and liabilities in foreign currency are stated at the closing rate and any gain or loss is recognized in financial items in the income statement. Other monetary items in foreign currency are carried at the closing rate and any gain or loss is recognized in operating items in the income statement.

## 3 New accounting standards

New standards, amendments and interpretations effective from January 1, 2024 or later have not had any material impact on these financial statements.

New standards, amendments and interpretations effective from January 1, 2025 are not expected to have any significant impact on the Group's financial statements. Gränges is currently evaluating how the, by IASB, issued IFRS 18 Presentation and Disclosures in Financial Statements standard will impact the financial report. The standard will be applicable for reporting periods starting from January 1, 2027, and onwards.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report Group
  - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

### Material accounting policies

#### Revenue from contracts with customers

Revenue is recognized to depict the transfer of promised goods or services to Gränges' customers in an amount that reflects the compensation which expects to be entitled to in exchange for those goods or services.

Gränges mainly sells rolled aluminium products for heat exchangers and selected niche applications. Revenue is generated through sale of material that is produced for a certain customer and application.

Revenue is recognized at the point in time when control is transferred to the customer.

The transaction price for Gränges' products is based on the added value Gränges offers in terms of material properties and production complexity (fabrication price), and the price of the raw material, aluminium (metal price). The cost of the aluminium is mainly passed on to the customer through metal price clauses where the aluminium price is usually determined in connection with the delivery. Commodity price risk is described in Note 31.

In determining the transaction price for Gränges' products the Group considers the effect of variable consideration. The variable consideration, early payment discounts and retrospective volume discounts, is estimated at contract inception and included in the transaction price only to the extent that it is highly probable that a significant reversal of accumulated revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, Gränges updates the estimated transaction price including updating its assessment of whether an estimate of variable consideration is constrained.

Other revenue is limited and do under normal circumstances primarily refer to rental revenue from properties in Finspång, Sweden. The rental revenue is recognized on a straight-line basis over the lease term.

Gains or losses on the sale of property, plant and equipment are accounted for as "Other operating revenues" or "Other operating expenses" and are included in the income statement.

#### Assets

##### Intangible assets

The Group has expenses for research and development. Expenditure for research is carried as a cost immediately while expenditure for development is recognized as an intangible asset if the underlying economic factors are identifiable and represent future economic benefits controlled by the Group.

The Group is running a large number of development projects but the criteria for recognizing the projects as intangible assets are currently not met as the future economic benefits for the company

cannot be identified and because it is not possible to obtain any degree of certainty during the development phase of the intangible assets.

Capitalized expenditure for internally generated or specially adapted software is recognized as intangible assets. These are depreciated on a straight-line basis over ten years.

The customer relationships acquired as part of business combination are recognized at their fair value at the date of acquisition and are amortized on a straight-line basis over their estimated useful lives of 12 to 20 years.

Goodwill arises from business combinations and refers to the amount by which the purchase price exceeds the fair value of the identifiable acquired net assets. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of the cash-generating unit to which the goodwill is attributed to is compared with the recoverable amount, which is the highest of the value in use and the fair value less cost of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Other acquired intellectual property rights are amortized over the time of the rights.

##### Property, plant and equipment

Property, plant and equipment are tangible, long-lived assets which are intended for the production or delivery of goods or for administrative purposes. They are stated at cost in the balance sheet less accumulated depreciation and impairment. Maintenance of assets is recognized in operating expenses when the maintenance is carried out while more significant periodic maintenance and expenses for replacements and improvements are accounted for as an investment and added to the cost of the assets.

To distribute the cost down to the estimated residual value, items of property, plant and equipment are depreciated on a straight-line basis, divided into different components, over their useful lives using the following percentage rates:

- buildings and land improvements 10–40 years,
- machinery, inventory and installations 5–30 years,
- fixtures and vehicles 5–20 years,
- IT equipment 5 years.

Useful lives and residual values of assets are reviewed each year and adjusted where required.

If the residual value exceeds the carrying amount no further depreciation charges are recognized. This applies especially to buildings.

If there are indications of impairment of an asset, the asset is written down to its recoverable amount if this is lower than the carrying amount. The recoverable amount is the higher of net realizable value and value in use.

Loan expenses directly attributable to the production of the Group's own property, plant and equipment are recognized as part of the cost of the asset.

##### Inventories

Inventories are measured at the lower of cost and net realizable value. Purchased goods are measured at cost in accordance with the FIFO principle while own-produced finished goods and products in progress are measured at production cost. A deduction is made for obsolescence. The net realizable value is the estimated selling price less selling costs. For a description of inventories as hedged item in a fair value hedge see "Fair value hedging", under section "Financial Instruments".

##### Financial instruments

The Group's financial assets consist of cash and cash equivalents, lending, accounts receivables as well as derivatives. Purchases and sales of financial assets are recognized at the transaction date, which is the date when the Group undertakes to buy or sell the asset. Accounts receivables are recognized when the invoice has been sent. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred essentially all risks and benefits associated with ownership to another party.

The Group's financial liabilities consist of borrowings and accounts payable as well as derivatives. Financial liabilities are recognized in the balance sheet when the counterparty has performed and a contractual obligation to pay exists. Accounts payables are recognized when the invoice has been received. Financial liabilities are removed from the balance sheet when the contractual obligation has been fulfilled or in some other way is extinguished.

Financial instruments are initially recognized at fair value plus transaction costs, which applies to all financial assets and liabilities that are not measured at fair value through profit and loss. These are initially recognized at fair value excluding transaction costs.

Financial assets and liabilities are in general not netted even when there is a legal right of netting the carrying amounts and an intention to settle them by a net amount or to simultaneously realize the asset and settle the liability. The legal right must not depend on future events and must be legally binding for the company and the counterparty both in case of normal business activities and in the event of default, insolvency or bankruptcy.

Interest income and interest expense are recognized using the effective interest method and accounted for under "Financial income" and "Finance expenses" respectively.

#### Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

#### Financial statements

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

## Derivatives

Derivatives are classified either as measured at fair value through profit and loss or as hedging instruments for which hedge accounting is applied. Derivatives are measured at fair value at the balance sheet date and accounted for as assets or liabilities. Gains and losses on changes in fair value are recognized in profit or loss when the derivative is not part of a hedge relationship which meets the criteria for hedge accounting. Purchases and sales of derivatives are recognized at the transaction date.

## Hedge accounting

The Group uses the following criteria for classifying a derivative or other financial instrument as a hedging instrument: (1) the hedging instrument is expected to be very effective in offsetting changes in the fair value of or cash flows for an identifiable item (hedged item), (2) the hedge efficiency can be reliably measured, (3) satisfactory documentation is drawn up before the hedging instrument is acquired showing, in particular, that the hedge relationship is effective, (4) in case of the use of cash flow hedges, that the future transaction is deemed to be highly probable, and (5) the hedge relationship is reviewed on a regular basis.

Gains and losses on the hedging instrument are recognized in the income statement at the same time as gains and losses from the hedged item.

## Fair value hedging

Changes in the fair values of derivatives designated as hedging instruments are recognized immediately in the income statement. Changes in the fair value of the hedged item (inventory) relating to the hedged risk are recognized in the income statement in the same way and are recognized as an adjustment on the hedged item's carrying amount. Hedge accounting is discontinued if: (a) the hedge instrument has expired, been terminated, exercised or sold or (b) the hedge no longer meets the aforementioned criteria for hedging. In the case of a discontinued hedge, changes in the fair value of the hedged item are recognized in the balance sheet until the hedged item (inventory) is recognized as cost of materials in the income statement.

## Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income and accumulated in the hedging reserve until the hedged transaction is executed. At that time the accumulated gains or losses on the hedging instrument will be reclassified to the income statement. Accrued and realized interest from cash flow hedges related to interest rate risk is reported in interest expense together with the related hedged item.

The ineffective portion of the hedging instrument is recognized immediately in the income statement. When a hedging instrument has expired, been sold, exercised or terminated, the accumulated gains or losses will remain in the hedging reserve and will be recognized in the

income statement upon execution of the hedged transaction. If the hedged transaction is no longer expected to occur, the accumulated gain or loss on the hedging instrument will be recognized immediately in the income statement.

## Operating segments

Gränges has two business areas, Gränges Eurasia and Gränges Americas, which are considered to constitute the Group's operating segments and are in consistent with the internal reporting submitted to the highest executive decision maker, which consists of the CEO.

Gränges Eurasia includes four production facilities with direct chill casting and hot rolling technology in Finspång (Sweden), Konin (Poland), Shanghai and Shandong (China), as well as Gränges Powder Metallurgy's facility in Saint-Avold (France). The largest end customer market for Gränges Eurasia is heat exchanger material for the automotive industry.

Gränges Americas uses continuous casting technology and includes three production facilities in Huntingdon, Salisbury, and Newport. The largest end-customer markets for Gränges Americas are heat exchanger material for the HVAC industry and speciality packaging material. Gränges Americas also serves as a distributor of heat exchanger material for the automotive industry from Gränges Eurasia on the North and South American market.

Gränges Eurasia is headed by the CEO and Gränges Americas is headed by the Regional President for the Americas region.

Group functions and other items that cannot be allocated to Gränges Eurasia or Gränges Americas are reported in Other and eliminations. The segment reporting presents volume, net sales, adjusted operating profit, capital employed and return on capital employed for each segment. Financial items and taxes are reported and followed up for the Group as a whole. No detailed breakdown is presented for the number of employees or items in the balance sheet, in addition to capital employed. Capital employed does not include any tax items or accrued interest per segment.

## Share-based payment

The Group has investment programs for senior managers and other key employees where participants have invested in shares, call options and warrants in Gränges AB (publ). The participants have received conditional cash contributions intended for the investments. If the participant terminates their employment or is terminated within three years from the date of payment of the contributions, an amount corresponding to the cash contribution less tax ("net contribution") shall be repaid to Gränges. Further, the participants undertake not to sell the shares, call options or warrants within three years, should this happen the participant will be liable for repayment of an amount corresponding to the net contribution pro rata number of sold shares, call options or warrants corresponding to the original allocation.

The cash contributions and attributable social security contributions are reported as personnel costs in the income statement over the vesting period of three years.

The call options and warrants have been based on market bases and the option premium has been determined by an independent appraiser according to a generally accepted valuation model (Black-Scholes). The premiums are reported in equity.

No new shares are issued by Gränges in respect of the shares that can be acquired by the participants through the exercise of issued call options. The shares are instead delivered by Gränges entering into a share swap agreement with a third party on market terms, through which the third party, in its own name, has acquired and transfers shares to the participants upon exercise. The financial exposure that arose during the issue of the call options has been hedged through the aforementioned share swap agreement. The share swap is considered an equity instrument and reported in equity. The swap is settled in cash.

Adapted synthetic programs for foreign participants who do not have the opportunity to invest directly in Gränges' share or related financial instruments have been designed. The synthetic programs are cash-settled programs and give rise to commitment that are valued at fair value with recalculation every balance sheet day based on Gränges' share price and is reported as personnel costs, with corresponding liability. The financial exposure that arises has been hedged by entering into financial instruments with a third party where the revaluation at fair value is reported as part of the operating profit.

## Other principles

### Right-of-use assets

Carrying amounts for right-of-use assets and lease liabilities are based on cash flows at present value during expected contract periods. Discount rates are determined on the basis of assumptions regarding interest rates for loans during the corresponding period and with corresponding collateral. Right-of-use assets with contracts shorter than 12 months or which terminate within 12 months from the transition date are classified as short-term contracts and are therefore not included in the reported lease liabilities or rights of use. In addition, rights of use for office equipment or other low-value assets have also been classified as low-value contracts and are not included in the reported liabilities or right-of-use assets.

Right of use assets are depreciated from the commencement date of the contract and follow the depreciation period that is the shortest of the economic life or the contract period. At the commencement of a new lease agreement, an assessment is made whether it is reasonable or not to exercise an option to extend the lease, or the use of the opportunity to purchase the underlying assets, or utilize early termination. This means that Gränges as a lessee itself determines which contract length is considered reasonable instead of taking into account the termination clause in the agreements.



## Contents

### 2024 in brief

### About Gränges

### Strategy

### The business

### Sustainability leadership

### Risk management

### Corporate Governance Report

### Financial statements

#### Board of Directors' Report Group

#### → Notes Group

#### Parent company

#### Notes Parent company

#### Proposed appropriation of retained earnings

#### Auditor's Report

### Sustainability statement

### Other information

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash equivalents with maturities of up to three months and only subject to insignificant changes in value.

**Pensions**

The Gränges Group's pension system in Europe and US primarily consists of defined contribution plans, but defined pension benefit plans also exist.

For defined contribution pension plans the company has a responsibility to make contractual payments for its employees' future pensions. Future pensions are determined by the size of contributions and the return on the plan assets. After the contributions have been paid the company has no further payment obligations under the defined contribution plan. No provisions are therefore made in the balance sheet.

The company's pension costs for its defined contribution plans consist of payments to employees' pension plans during the reporting period and are accounted for as payroll expenses.

Defined benefit pension plans are based on a promise from the company to the employees that they will receive a certain pension upon retirement, normally defined as a percentage of their final salary. The company is responsible for the size of the future pension benefit and the economic value of this obligation are recognized in the income statement and balance sheet.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For the Swedish plans, mortgage bonds are used to determine the discount rate.

The cost relating to service during the current period is accounted for as payroll expenses. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in financial costs in the income statement.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

**Provisions**

Provisions are recognized for potential loss-making contracts and for restructuring when the decision to restructure is made. Provisions do not cover any potential future operating losses. As regards restructuring reserves, there must exist a detailed plan identifying which operations will be restructured as well as a well-founded expectation among those affected by the restructuring. It must also be possible to reliably estimate the cost of the restructuring. The outcome of the Group's long-term incentive programs is dependent on the Gränges' share's total return. Expected costs for LTI are reported as provision.

Provisions are calculated based on the best estimate of expected costs. If the effect is significant, expected future cash flows will be discounted.

**Contingent liabilities and contingent assets**

A contingent liability or contingent asset is a potential obligation or potential asset whose existence is uncertain and which will be confirmed by the occurrence or non-occurrence of a specific future event, such as the outcome of legal proceedings or the final settlement of an insurance claim. If the probability that the liability has been incurred exceeds 50 percent a provision is recognized in the balance sheet. If the probability is lower a contingent liability is shown as an additional disclosure in the financial statements, unless the probability of an outgoing payment is remote. An asset is only recognized in the balance sheet if it is highly probable that the Group will receive the asset. Disclosures regarding contingent assets are given where an inflow of resources is probable.

**Tax**

Income tax is the sum of current tax and changes in deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. Current tax is recognized at the amount that is expected to be paid to the tax authorities based on the taxable income that is reported for the units included in the consolidated financial statements. The income tax is determined using tax rates that have been enacted on the balance sheet date. Uncertain tax positions are taken into account when calculating current tax if it is considered more than 50 percent probability that the position will lead to an additional tax expense.

Deferred tax in the balance sheet has been calculated at the nominal tax rate based on temporary differences for assets and liabilities at the balance sheet date.

A provision for deferred tax on retained earnings in foreign subsidiaries is recognized to the extent that it is likely that the dividend will be distributed in a near future.

Deferred tax assets are reviewed continually and recognized in the balance sheet only to the extent that it is likely that future taxable profits can be used.

Deferred tax liabilities and deferred tax assets are offset insofar as this is possible under local tax laws and regulations.

**Financial assets at amortized cost**

The model for the financial assets in this category is to receive contractual cash flows, which have been assessed to only consist of payments of principal and interest. Assets in this category comprise of accounts receivables and other receivables as well as cash and cash equivalents. They are included in current assets, with the exception of items maturing later than 12 months from the end of the reporting period, which are classified as non-current assets.

Accounts receivables are always classified as current assets. The assets in this category are carried at amortized cost in the balance sheet applying the effective interest rate method. Accounts receivables are measured at the amount expected to be paid, that is after deducting expected credit losses.

The Group applies an impairment model based on forward-looking expected credit losses (ECL). The ECL allowance applies to all items (from initial recognition). An analysis of expected credit losses is performed using a provision matrix adjusted for the market location of the customer to measure expected credit losses, where historical, current and forward-looking factors are taken into consideration. The ECL allowance is based on the life-time ECL for all accounts receivables.

Expected credit losses are calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For accounts receivables expected credit losses are calculated without discount. The asset's carrying amount is written down and the impairment loss including future changes in expected credit losses are recognized in the consolidated income statement.

The Group defines credit-impaired assets as assets which are past-due more than 90 days or assets with other observable information indicating a measurable decrease in estimated future cash flows.

**Accounts payable**

Accounts payables are obligations to pay for goods or services which have been acquired from suppliers or service providers in the course of the company's operating activities. Accounts payable are classified as current liabilities and are measured at amortized cost.

**Contents**

2024 in brief
About Gränges
Strategy
The business
Sustainability leadership
Risk management
Corporate Governance Report
<b>Financial statements</b>
Board of Directors' Report
Group
→ Notes Group
Parent company
Notes Parent company
Proposed appropriation of retained earnings
Auditor's Report
Sustainability statement
Other information

**Borrowings (loans)**

Borrowings are initially recognized at fair value, net of transaction costs. Subsequently loans are carried at amortized cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognized in the income statement over the term of the loan by applying the effective interest method.

**Lease liabilities**

Leasing liabilities are based on calculated present value of payments during expected contract periods. Primarily the discount rate is based on implicit rate in the agreement. When implicit rate cannot be identified, the marginal loan interest rate is used instead, which corresponds to the interest rate the company would be offered if the acquisition was financed with loans from a financial institution.

**Cash flow**

The cash flow statement, which has been prepared using the indirect method, shows cash flows from operating activities, investing activities and financing activities, and explains changes in “Cash and cash equivalents” for the reporting period.

**Acquisitions**

The acquisition method is used to account for the acquisitions of subsidiaries and operations, which are considered business combinations under IFRS 3. All payments to acquire a business are recorded at fair value at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

At asset acquisitions the individual assets and liabilities acquired are recognized and measured based on their fair values at the acquisition date according to the relevant IFRS standards. No goodwill is recognized in an asset acquisition; instead, the excess cost over the fair value of the individual net assets acquired is allocated to the acquired assets.

**Non-controlling interests**

Non-controlling interests are recognized as a separate item in the Group's equity.

**Government grants**

Government grants are recognized in the financial statements when it is a reasonable assurance that the grant will be received. The grants are accounted for either as income or a reduction of expenses, and are in the latter case, matched with the expenses which they are intended to compensate for. Government grants attributable to investments are accounted for as a reduction of the cost of the asset and reduces the basis for the depreciation.

## 5 Significant accounting assessments and assumptions

In preparing Gränges' consolidated accounts, it is necessary to make a number of assessments and assumptions which can influence the carrying amounts of assets and liabilities. Future events and changes in operating parameters may make it necessary to make other assessments and assumptions. When preparing the financial statements,

management makes its best assessments in areas of significant importance. Accounting items where changes in assessments and assumptions would have a significant impact on the consolidated financial statements during next financial year are:

Accounting item	Note	Assessments and assumptions that are of significant importance for carrying amounts
Pension liability	11	The present value of the pension obligations depends on a number of factors which are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net pension expense (income) include the discount rate.
Taxes	17	The tax rate in China depends on whether Gränges qualifies as a high technology company. This qualification entails an income tax rate of 15 percent instead of the ordinary rate of 25 percent. However, to obtain the classification special requirements established need to be met and approved by local authorities. Gränges considers it to be more likely than not that the special requirements will be met for the financial year 2024 and therefore applies a tax rate of 15 percent for the Chinese operation for 2024.
Intangible assets	20	Impairment test for goodwill is carried out annually or throughout the year if an indication occurs that may result in the need for impairment. Important assumptions on the basis of impairment testing are forecasts of future cash flows, which include assumptions for sales growth and operating margin. The discount rate is set based on assumptions about the weighted average cost of capital. Other intangible assets are amortized on a straight-line basis over the estimated useful life, and therefore a changed assessment of the useful life entails a change in carrying amount. Impairment test for other intangible assets is carried out if an indication occurs that may result in the need for impairment. No intangible assets have been impaired during 2024.
Property, plant and equipment	21	Depreciation of property, plant and equipment is recorded over the estimated useful life of components and tested for impairment if an indication of impairment is identified. Changes in assumptions regarding the recoverable amount and estimated useful life may lead to significant changes in value. Ongoing expansion investments regarding the production facilities are essential in their nature. Depreciation begins when the new facilities are put into use and the balance sheet's valuation and accounting are dependent on compliance with timetables and investment calculations. In 2024, tangible assets amounting to SEK 17 million were impaired due to production equipment being taken out of use.
Inventories	24	Valuation of production costs is done using calculation models based on current prices and cost levels, where direct and indirect production-related costs are attributed to manufactured products. For estimation of obsolescence, assumptions and assessments are based on the turnover rate and how realizable the inventory is. In 2024, inventory obsolescence amounted to SEK 42 million.
Acquisition	33	The accounting treatment of an acquisition depends on the assessment of whether it constitutes a business combination under IFRS 3 or an asset acquisition. This assessment requires evaluating whether the acquired set of activities and assets meets the definition of a business. Key considerations include the existence of inputs, processes, and the ability to generate outputs. In 2024, Gränges completed an acquisition amounting to SEK 752 million, which has been assessed and classified as an asset acquisition and accounted for accordingly.

**Contents**

2024 in brief
About Gränges
Strategy
The business
Sustainability leadership
Risk management
Corporate Governance Report
<b>Financial statements</b>
Board of Directors' Report
Group
→ Notes Group
Parent company
Notes Parent company
Proposed appropriation of retained earnings
Auditor's Report
Sustainability statement
Other information



## 6 Operating segment information

SEK million	2024				2023			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	229.8	276.0	-	505.8	220.6	242.6	-	463.2
Sales volume internal, ktonnes	-	18.8	-18.8	0	-	21.7	-21.7	0
<b>Total sales volume</b>	<b>229.8</b>	<b>294.8</b>	<b>-18.8</b>	<b>505.8</b>	<b>220.6</b>	<b>264.3</b>	<b>-21.7</b>	<b>463.2</b>
Income statement								
Net sales, external	11,414	12,092	-	23,506	11,326	11,192	-	22,518
Net sales, internal	-	992	-992	0	-	1,142	-1,142	0
<b>Total net sales</b>	<b>11,414</b>	<b>13,083</b>	<b>-992</b>	<b>23,506</b>	<b>11,326</b>	<b>12,334</b>	<b>-1,142</b>	<b>22,518</b>
Depreciation, amortization and impairment charges	-465	-388	-5	-859	-442	-406	-5	-853
Items affecting comparability	-15	-84	51	-48	-8	37	11	40
Operating profit	1,053	547	-76	1,523	1,021	632	-77	1,576
Adjusted operating profit <sup>1)</sup>	1,068	631	-127	1,571	1,029	595	-88	1,536
Adjusted operating profit per tonne, kSEK	4.6	2.1	n/a	3.1	4.7	2.3	n/a	3.3

1) Adjusted for items affecting comparability, see Note 14 for further information.

## 7 Geographic breakdown of net sales, non-current assets and average number of employees

Net sales are distributed regionally based on where the customers are located. Non-current assets and the average number of employees are based on where Gränges is located.

2024 SEK million	Poland	Sweden	Rest of Europe	China	Rest of Asia Pacific	USA	Rest of North and South Americas	Total
Net sales	2,158	372	4,330	3,077	1,629	9,920	2,020	23,506
Non-current assets <sup>1)</sup>	2,605	1,657	104	1,545	0	5,335	-	11,247
Average no. of employees	815	494	30	711	11	865	-	2,926

2023 SEK million	Poland	Sweden	Rest of Europe	China	Rest of Asia Pacific	USA	Rest of North and South Americas	Total
Net sales	2,159	474	4,095	2,341	1,567	9,749	2,129	22,518
Non-current assets <sup>1)</sup>	2,426	1,270	107	850	0	4,684	-	9,336
Average no. of employees	812	481	29	533	9	854	-	2,718

1) Excluding deferred tax assets, interests in associates and joint ventures, interest-bearing receivables and other non-current receivables.

The ten largest customers accounted for 45 percent (41) of sales. No customer accounted for more than 10 percent of total sales in 2024 or 2023.



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

## 8 Revenue from contracts with customers

Gränges is a global supplier of rolled aluminium products for thermal management systems, specialty packaging, and selected niche applications. Gränges' customers are found in the automotive, HVAC, specialty packaging, and battery industries as well as in other niche markets such as transformers and wind turbines. Gränges has two business areas: Gränges Americas and Gränges Eurasia.

The transaction price for Gränges' products is based on the added value Gränges offers in terms of material properties and production complexity (fabrication price), and the price of the raw material, aluminium. The fabrication price is to a large extent pre-defined while the aluminium price is variable and based on metal price clauses connected to the market price.

### Net sales by business area

SEK million	2024	2023
<i>Gränges Americas</i>		
Fabrication revenue	4,718	4,852
Raw material and other revenue	6,691	6,465
<b>Revenue from contracts with customers</b>	<b>11,409</b>	<b>11,317</b>
Other revenue	5	9
<b>Total net sales Gränges Americas</b>	<b>11,414</b>	<b>11,326</b>
<i>Gränges Eurasia</i>		
Fabrication revenue	5,099	5,239
Raw material and other revenue	7,947	6,916
<b>Revenue from contracts with customers</b>	<b>13,045</b>	<b>12,156</b>
Other revenue	38	178
<b>Total net sales Gränges Eurasia</b>	<b>13,083</b>	<b>12,334</b>
<i>Other and eliminations</i>		
Fabrication revenue	-587	-737
Raw material and other revenue	-405	-406
<b>Revenue from contracts with customers</b>	<b>-992</b>	<b>-1,142</b>
Other revenue	-	-
<b>Total net sales other and eliminations</b>	<b>-992</b>	<b>-1,142</b>
Total fabrication revenue	9,230	9,355
Total raw material and other revenue	14,233	12,976
<b>Total revenue from contracts with customers</b>	<b>23,462</b>	<b>22,331</b>
Total other revenue	43	188
<b>Total net sales</b>	<b>23,506</b>	<b>22,518</b>

Other revenue is limited and mainly relate to rental revenue from properties in Finspång, Sweden. In 2023 an insurance compensation of SEK 106 million related to a fire in the Konin facility, Poland is included.

In determining the transaction price for Gränges' products the Group considers the effect of variable consideration. The variable consideration (early payment discounts and retrospective volume discounts) is estimated at contract inception and included in the transaction price only to the extent that it is highly probable that a significant reversal of accumulated revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The variable consideration is recognized as accrued expenses in the balance sheet.

The fabrication price allocated to the remaining (unsatisfied or partially unsatisfied) performance obligations in contracts with customers is shown in the table below.

### Remaining performance obligations at December 31

SEK million	2024	2023
Within 1 year	6,298	5,085
After 1 year but within 2 years	1,602	1,923
After 2 years	673	31
<b>Total<sup>1)</sup></b>	<b>8,574</b>	<b>7,039</b>

1) Corresponding to sales volume of 444 ktonnes (377).

Since the raw material price is variable, based on metal price clauses, Gränges only disclosures the amount of fabrication price allocated to the remaining performance obligations in contracts with customers.

## 9 Lease income

Future minimum lease payments relating to leases and other leases as lessor attributable to non-cancellable agreements are distributed on the balance sheet date over the following maturity dates:

SEK million	2024	2023
Within 1 year	15	16
Within 2–5 years	19	34
After 5 years	5	5
<b>Total future lease income</b>	<b>40</b>	<b>55</b>

Lease income amounts to SEK 17 million (15) during 2024 and refer to rental income from properties in Finspång, Sweden.

## 10 Payroll expenses

### Average number of employees

	2024		2023	
	Average no. of employees	Of which, women	Average no. of employees	Of which, women
<b>Gränges AB</b>				
Sweden	25	12	24	10
<b>Subsidiaries</b>				
Sweden	470	97	456	95
China	711	100	533	57
US	865	123	854	125
Poland	815	79	812	74
Other countries	41	7	38	6
<b>Group total</b>	<b>2,926</b>	<b>418</b>	<b>2,718</b>	<b>366</b>



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

## Board members and other senior executives

	2024		2023	
	No. at balance sheet date	Of which, women	No. at balance sheet date	Of which, women
Board members elected by AGM	8	3	8	3
CEO, Deputy CEO and other senior executives	6	1	6	1

## Salaries, remuneration, social security contributions and pension costs

SEK million	2024				2023			
	Salaries and remuneration (of which, variable portion) <sup>1)</sup>	Social security contributions	Pension cost	Total	Salaries and remuneration (of which, variable portion) <sup>1)</sup>	Social security contributions	Pension cost	Total
<b>Gränges AB</b>								
Board, CEO, Deputy CEO and other senior executives	-44 (-21)	-15	-6	-65	-39 (-18)	-14	-6	-58
Other employees	-42	-13	-14	-69	-37	-12	-15	-65
<b>Subsidiaries</b>								
Other senior executives	-25 (-13)	-1	-1	-27	-26 (-14)	0	-1	-27
Other employees	-1,732	-393	-73	-2,199	-1,571	-372	-61	-2,004
<b>Group total</b>	<b>-1,844</b>	<b>-422</b>	<b>-94</b>	<b>-2,360</b>	<b>-1,673</b>	<b>-398</b>	<b>-83</b>	<b>-2,154</b>

1) Government grants have reduced salaries and benefits by SEK 3 million (3) during 2024.

## Salaries and other remuneration to the Board members, CEO, Deputy CEO and other senior executives

### Board members

From the Annual General Meeting (AGM) in 2024, the Board of Directors consisted of a total of ten full members, of which eight were elected by the AGM and two are employee representatives. All members elected by the AGM are independent from the company and the company's main owners.

The Chairman and the other seven members of the Board, elected by the AGM, receive Directors' fees in accordance with the resolutions adopted by the AGM.

### CEO and other senior executives

The remuneration paid to the CEO, Deputy CEO and other senior executives consists of a basic salary, variable remuneration, other benefits and pension. Senior executives refer to the members of Group Management. The basic salary for the CEO is deliberated in the Remuneration Committee and adopted by the Board of Directors. For all other senior executives including deputy CEO the salaries are decided by the CEO with the support of the Chairman of the Board. The variable remuneration is based on results achieved in relation to defined targets

and is made up of two components, a short-term incentive program (STI) and a long-term incentive program (LTI). Further, there are four investment programs, IP 2020, IP 2022, LTI 2023 and LTI 2024.

The contract between the company and the CEO stipulates a mutual six-month period of notice. Additionally, in the case of termination by the company, severance pay is payable without deduction for an additional 12 months. The contracts between the company and the Deputy CEO, and other members of the Group Management stipulate a mutual six-month period of notice. Additionally, in the case of termination by the company, severance pay is payable for an additional 12 months, without deduction for the first six months.

### Pension

The retirement age for the CEO is 65 years. The CEO has a direct pension in the form of a company-owned endowment insurance. The premiums to the endowment insurance amounts to 35 percent of the basic salary. For other senior executives, including the Deputy CEO, the retirement age is 60–65 years depending on the country of employment and the pensions are premium-based and amount to a maximum of 30 percent of the base salary.

## Variable remuneration

### Short-term incentive program (STI)

The outcome of STI shall be governed by financial and non-financial parameters for the Gränges Group. The financial objective is related to value creation and the non-financial objective is linked to the carbon footprint of the business. Maximum remuneration for STI is 60 percent of the fixed annual base salary for each individual in Group Management, with exception for the persons holding the position as Regional President, for whom the maximum remuneration can be up to 100 percent of the fixed annual base salary.

### Long-term incentive programs (LTI 2021, LTI 2022, and LTI 2023)

Gränges' long-term incentive programs are offered to the company's senior executives and certain selected key persons. The programs are designed to replicate share ownership. An amount corresponding to the outcome from STI for each year and participant is set aside in a so-called LTI bank. Provided that the participant is still employed by Gränges, one third of the amount for LTI 2021 is paid during the years 2023, 2024, and 2025, for LTI 2022 during the years 2024, 2025, and 2026 and for LTI 2023 during the years 2024, 2025, and 2026. The payments are adjusted for the total return of the Gränges share. The costs for the long-term incentive programs are recognized during the performance years and are shown in the Remuneration and other benefits table.

### Investment programs (IP 2020, IP 2022, LTI 2023 and LTI 2024)

The 2020 AGM resolved on an investment program, IP 2020, in which the participants invested an amount corresponding to up to 50 percent of the annual base salary before tax in shares and call options in Gränges AB (publ). The participants received a conditional cash contribution which, after tax deducted (net contribution), amounted to 50 percent of the investment amount. The cash contribution is recognized over the vesting period of three years and the cost is shown in the table Remuneration and other benefits. The premium amounted to SEK 7.38 per call option. Each call option gives the right to acquire 1.13 shares in the company at an exercise price of SEK 77.10. The number of call options issued as of December 31, 2024 was 82,000 (622,704). An adapted synthetic program for foreign participants who do not have the opportunity to invest directly in Gränges shares was designed. The total number of synthetic options amounts to 251,455 (601,680) and synthetic shares to 17,026 (64,976) as of December 31, 2024. The commitment to the synthetic program is hedged with share derivatives and is recognized as a payroll expense and is shown in the Remuneration and other benefits table.

The 2022 AGM resolved on an additional investment program, IP 2022. A subsidy was paid which, after deduction of tax, amounted to 50 percent of the premium paid for each warrant (net contribution). The cash contribution is recognized over the vesting period of three years and the cost is shown in the table Remuneration and other benefits. The premium amounted to SEK 14.63 per warrant. Each warrant gives



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

the right to acquire 1 share in the company at an exercise price of SEK 87.53. The number of warrants issued as of December 31, 2024 was 540,000 (540,000). An adapted synthetic program for foreign participants who do not have the opportunity to invest directly in Gränges shares was designed. The total number of synthetic warrants amounts to 360,000 (360,000) as of December 31, 2024. The commitment to the synthetic program is hedged with share derivatives and is recognized as a payroll expense and is shown in the Remuneration and other benefits table.

The 2023 AGM resolved on an additional investment program, LTI 2023. A subsidy was paid which, after deduction of tax, amounted to 50 percent of the premium paid for each warrant (net contribution). The cash contribution is recognized over the vesting period of three years and the cost is shown in the table Remuneration and other benefits. The premium amounted to SEK 16.14 per warrant. Each warrant gives the right to acquire 1 share in the company at an exercise price of SEK 115.66. The number of warrants issued as of December 31, 2024 was 595,000 (595,000). An adapted synthetic program for foreign participants who do not have the opportunity to invest directly in Gränges shares was designed. The total number of synthetic warrants amounts to 465,000 (465,000) as of December 31, 2024. The commitment to the synthetic program is hedged with share derivatives and is recognized as a payroll expense and is shown in the Remuneration and other benefits table.

In May 2024 AGM resolved on an additional long term incentive program, LTI 2024, where warrants (including overallotment) have been transferred in accordance with the following:

(a) CEO: 159,600 warrants.

(b) Group management: a maximum of 77,500 warrants per person and

(c) Other key employees: a maximum of 26,600 warrants per person.

A subsidy has been paid which, after deduction of tax, amounts to 50 percent of the premium paid for each warrant (net contribution). The cash contribution is recognized over the vesting period of three years and the cost is shown in the table Remuneration and other benefits. The premium amounted to SEK 14.95 per warrant. Each warrant gives the right to acquire 1 share in the company at an exercise price of SEK 145.98. The number of warrants issued as of December 31, 2024 was 584,800. An adapted synthetic program for foreign participants who do not have the opportunity to invest directly in Gränges shares was designed. The total number of synthetic warrants amounts to 414,700 as of December 31, 2024. The commitment to the synthetic program is hedged with share derivatives and is recognized as a payroll expense and is shown in the Remuneration and other benefits table.

### Other benefits

Other benefits includes company cars and medical care benefits.

### Remuneration and other benefits in 2024

SEK million	Basic salary/ Directors' fee	STI <sup>1)</sup>	LTI <sup>2)</sup>	Total variable remuneration	Other benefits	Pension cost	Total
<b>Board of Directors</b>							
Fredrik Arp	-0.9	-	-	-	-	-	-0.9
Steven Armstrong	-0.4	-	-	-	-	-	-0.4
Mats Backman	-0.5	-	-	-	-	-	-0.5
Mikael Bratt	-0.3	-	-	-	-	-	-0.3
Martina Buchhauser	-0.4	-	-	-	-	-	-0.4
Peter Carlsson	-0.4	-	-	-	-	-	-0.4
Cecilia Daun Wennborg	-0.3	-	-	-	-	-	-0.3
Katarina Lindström	-0.1	-	-	-	-	-	-0.1
Hans Porat	-0.1	-	-	-	-	-	-0.1
Gunilla Saltin	-0.4	-	-	-	-	-	-0.4
<b>Senior executives</b>							
CEO Jörgen Rosengren	-7.2	-4.2	-4.3	-8.5	-0.5	-2.4	-18.6
Deputy CEO Oskar Hellström	-5.4	-3.2	-2.7	-6.0	-0.7	-1.6	-13.8
Other senior executives (4 individuals)	-18.3	-14.7	-5.3	-20.1	-2.5	-2.7	-43.6
<b>Total</b>	<b>-35.0</b>	<b>-22.2</b>	<b>-12.4</b>	<b>-34.5</b>	<b>-3.8</b>	<b>-6.7</b>	<b>-80.0</b>

### Remuneration and other benefits in 2023

SEK million	Basic salary/ Directors' fee	STI <sup>3)</sup>	LTI <sup>4)</sup>	Total variable remuneration	Other benefits	Pension cost	Total
<b>Board of Directors</b>							
Fredrik Arp	-0.9	-	-	-	-	-	-0.9
Steven Armstrong	-0.4	-	-	-	-	-	-0.4
Mats Backman	-0.5	-	-	-	-	-	-0.5
Martina Buchhauser	-0.4	-	-	-	-	-	-0.4
Peter Carlsson	-0.4	-	-	-	-	-	-0.4
Katarina Lindström	-0.4	-	-	-	-	-	-0.4
Hans Porat	-0.4	-	-	-	-	-	-0.4
Carina Andersson	-0.3	-	-	-	-	-	-0.3
<b>Senior executives</b>							
CEO Jörgen Rosengren	-6.9	-3.3	-3.1	-6.5	-0.2	-2.2	-15.7
Deputy CEO Oskar Hellström	-5.2	-2.5	-3.3	-5.9	-1.4	-1.6	-14.1
Other senior executives (4 individuals)	-17.2	-8.6	-10.7	-19.3	-1.3	-2.7	-40.6
<b>Total</b>	<b>-33.0</b>	<b>-14.5</b>	<b>-17.2</b>	<b>-31.6</b>	<b>-2.9</b>	<b>-6.6</b>	<b>-74.1</b>

1) The amounts are attributable to 2024 but disbursed in 2025.

2) The CEO has received a cash contribution of SEK 2.4 million, corresponding to a net contribution of SEK 1.2 million related to LTI 2024. The Deputy CEO has received a cash contribution of SEK 1.1 million, corresponding to a net contribution of SEK 0.6 million related to LTI 2024. Other senior executives have received cash contributions of SEK 2.3 million, corresponding to net contributions of SEK 1.1 million, respectively gross salary deductions of SEK 1.1 million related to LTI 2024. The cash contributions are recognized over the vesting period of three years.

3) The amounts were attributed to 2023 but disbursed in 2024.

4) In 2023 the CEO received a cash contribution of SEK 2.9 million, corresponding to a net contribution of SEK 1.5 million related to LTI 2023. The Deputy CEO received a cash contribution of SEK 1.5 million, corresponding to a net contribution of SEK 0.7 million related to LTI 2023. Other senior executives received cash contributions of SEK 2.4 million, corresponding to net contributions of SEK 1.1 million, respectively gross salary deductions of SEK 1.5 million related to LTI 2023. The cash contributions are recognized over the vesting period of three years.



### Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report

Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

Gränges has pension plans in Sweden, Poland and the US. Approximately 81 percent (80) of the employees in Sweden are covered by defined contribution pension plans, with the remainder covered by defined benefit plans. All permanent full-time employees in the US are eligible for the defined contribution plan. Approximately 6 percent (7) of permanent full-time employees in the US are eligible for the defined benefit pension plan.

### Defined contribution plans

Employees of Gränges in the Swedish and American operations are mainly covered by pension plans classified as defined contribution plans. Defined contribution plans are arrangements in which the company pays annual contributions to its employees' pension plans and where future pensions are determined by the amount of contributions paid and the return on the pension assets. In Sweden employees covered by a collective bargaining agreement have defined contribution pension plans, as do salaried employees born after 1979 under the ITP1 supplementary pension plan.

### Defined benefit plans

The defined benefit pension plan in Sweden applies for salaried employees covered by the ITP2 supplementary pension plan, based on a collective agreement between the Confederation of Swedish Enterprise and the trade unions for salaried employees in the private sector. The pension plan is a net plan under which the pension obligation is not linked to changes in Swedish social insurance schemes. Under the applicable collective agreement, all salaried employees born in 1979 or after are covered by a defined contribution plan. This means that the scope of the defined benefit plan will be reduced over time. The Group also operates defined benefit pension plans for hourly union employees in the US under broadly similar regulatory frameworks. However, these plans are closed to new entrants.

The Swedish plans are based on final salary at the time of retirement and length of service and provide a guaranteed level of pension payments for life. The American plans have a benefit based on a combination of pension factors and length of service. In the Swedish plans, pensions in payment are generally updated in line with the retail price index, whereas in the US plans, pensions do not receive inflationary increases once in payment. With the exception of this inflationary risk in Sweden, the plans face broadly similar risks, including the risk of increased life expectancy and sensitivity to changes in interest rates.

The defined benefit plans are accounted for as a provision in the balance sheet. Swedish plans are unfunded, but US plans are partially funded. To secure unfunded accrued pension rights of their employees in Sweden, companies need to take out a Credit Insurance Policy with Försäkringsbolaget PRI Pensionsgaranti. PRI Pensionsgaranti also administers and calculates the Group's unfunded pension obligations.

The Group's pensions in Sweden are regulated by the Act (1967:531) respecting retirement pensions.

The Gränges Benefits Committee in the US is responsible for the oversight and management of the plans' investments. It has a written Investment Policy. The aim of the investment decisions made by the Committee is to achieve optimal returns while taking into account a reasonable level of risk. Investments are diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. An asset liability management assessment is conducted periodically.

### Assumptions for defined benefit plans

The assumptions are defined in consultation with professional actuaries. Assumptions on future salary adjustments and sales are specific to the Group. The discount rate is determined by reference to high-quality corporate bonds traded in a well functioning market, which reflect the duration of the pension obligation. In Sweden the discount rate is based on secured mortgage bonds.

### Assumptions for defined benefit plans

	Sweden		US		Poland	
	2024	2023	2024	2023	2024	2023
Discount rate, %	3.5	3.3	5.5-5.6	5.0-5.3	5.5	5.5
Future salary adjustments, %	3.1	2.9	n/a	n/a	2.7	3.7
Income base amount, %	2.8	2.6	n/a	n/a	n/a	n/a
Inflation, %	1.8	1.6	n/a	n/a	n/a	n/a
Employee turnover, %	5.0	5.0	4.0-20.0	4.0-20.0	1.0-5.0	1.0-5.0
Weighted average remaining duration, years	16.0	17.0	12.0	12.0	n/a	n/a

The assumptions for life expectancy in Sweden are based on DUS23 (DUS21) life expectancy tables.

The mortality assumption in the US is based on the Pri-2012 (Pri-2012) mortality tables, Scale MP-2021 (MP-2021).

### Distribution of pension costs

SEK million	Sweden		US		Poland		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Defined contribution plans	-43	-37	-39	-34	-	-	-83	-71
Current service costs	-5	-5	-3	-1	-1	0	-9	-7
Administrative expenses	-	-	-4	-5	-	-	-4	-5
<b>Pension costs recognized as operating expenses</b>	<b>-49</b>	<b>-42</b>	<b>-47</b>	<b>-40</b>	<b>-1</b>	<b>0</b>	<b>-96</b>	<b>-83</b>
Interest on net pension liabilities recognized as a financial expense	-7	-7	-2	-2	-1	0	-9	-10
<b>Pensions costs recognized in the income statement</b>	<b>-56</b>	<b>-49</b>	<b>-49</b>	<b>-43</b>	<b>-1</b>	<b>-1</b>	<b>-105</b>	<b>-93</b>
Actuarial gains and losses recognized in the statement of comprehensive income	-2	-27	18	-1	0	-2	16	-30
Return on plan assets greater than discount rate	-	-	1	19	-	-	1	19
<b>Total pension costs</b>	<b>-58</b>	<b>-77</b>	<b>-29</b>	<b>-25</b>	<b>-1</b>	<b>-3</b>	<b>-88</b>	<b>-104</b>

### Distribution of pension liabilities at December 31

SEK million	Sweden		US		Poland		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Present value of unfunded pension obligations	-212	-207	-21	-38	11	-10	-244	-255
Present value of funded and partially funded pension obligations	-	-	-279	-254	-	-	-279	-254
Funded plan assets	-	-	279	254	-	-	279	254
<b>Total pension liabilities</b>	<b>-212</b>	<b>-207</b>	<b>-21</b>	<b>-38</b>	<b>11</b>	<b>-10</b>	<b>-244</b>	<b>-255</b>

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

## Changes in the present value of pension obligations

SEK million	Sweden		US		Poland		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Pension obligations at January 1	-207	-177	-292	-388	-10	-7	-509	-572
Current service costs	-5	-5	-3	-1	-1	0	-9	-7
Interest on pension provision	-7	-7	-15	-18	-1	0	-23	-26
Actuarial gains and losses recognized in the statement of comprehensive income:								
– due to changes in financial assumptions	0	-12	16	-6	1	-1	18	-19
– due to changes in demographic assumptions	-	-2	3	-	0	0	3	-3
– due to experienced-based adjustments	-3	-13	-1	5	-1	-1	-5	-8
Benefits paid during the year	7	6	24	29	1	0	32	35
Other	3	4	0	73	0	0	3	77
Translation differences	-	-	-31	15	-1	0	-32	14
<b>Pension obligations at December 31</b>	<b>-212</b>	<b>-207</b>	<b>-300</b>	<b>-292</b>	<b>-11</b>	<b>-10</b>	<b>-523</b>	<b>-509</b>

## Changes in the present value of plan assets

SEK million	Sweden		US		Poland		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Plan assets at January 1	-	-	254	338	-	-	254	338
Administrative expenses	-	-	-4	-5	-	-	-4	-5
Interest on plan assets	-	-	13	16	-	-	13	16
Return on plan assets greater than discount rate	-	-	1	19	-	-	1	19
Employer contributions	-	-	13	1	-	-	13	1
Benefits paid during the year	-	-	-24	-29	-	-	-24	-29
Other	-	-	0	-74	-	-	0	-74
Translation differences	-	-	25	-13	-	-	25	-13
<b>Plan assets at December 31</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>254</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>254</b>
<b>Net pension liabilities</b>	<b>-212</b>	<b>-207</b>	<b>-21</b>	<b>-38</b>	<b>-11</b>	<b>-10</b>	<b>-244</b>	<b>-255</b>

## Distribution of plan assets

SEK million	Sweden		US		Poland		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<i>Quoted</i>								
Equity instruments	-	-	119	110	-	-	119	110
Interest-bearing securities	-	-	151	138	-	-	151	138
<b>Total</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>248</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>248</b>
<i>Unquoted</i>								
Cash	-	-	9	6	-	-	9	6
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>6</b>
<b>Total plan assets</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>254</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>254</b>

## Sensitivity analysis of the effect on the pension liabilities (+increase/-decrease in pension liabilities)

SEK million	Sweden	US	Total
Discount rate, %	+0.5	-15	-12
	-0.5	17	12
Increased/decreased life expectancy, years	+1	7	9
	-1	-7	-9

The sensitivity analysis is based on a change in an individual actuarial assumption while other assumptions remain unchanged. This method shows the obligation's sensitivity to a single assumption. This is a simplified method, as actuarial assumptions are normally correlated.

## Defined benefit pension liabilities terms

SEK million	Sweden	US	Poland	Total
Benefits scheduled for disbursement within 12 months	8	26	1	34
Benefits scheduled for disbursement within 1–5 years	41	128	3	173
Benefits scheduled for disbursement after 5 years or more	331	115	7	454

Contributions to plans for post-employment remuneration are estimated at SEK 8 million for the financial year 2025.



## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

## 12 Remuneration to auditors

SEK million	2024	2023
EY		
Audit engagement	-8.9	-8.0
Audit services in addition to audit engagement	-1.1	-1.0
Tax advisory services	-0.1	-0.1
Other	-1.3	-0.3
<b>Total remuneration to auditors</b>	<b>-11.5</b>	<b>-9.5</b>

Audit engagement refers to the examination of the annual report and accounting records and of the Board of Directors and CEO's management of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examinations or the performance of such other tasks. Audit services in addition to audit engagement is mainly related to review of interim reports.

Tax advisory services include advice on tax, including transfer pricing issues, as well as value-added tax.

Other mainly relates to the review of Gränges' sustainability targets in the sustainability-linked bond as well as specific information in the sustainability notes.

## 13 Other operating expenses

SEK million	2024	2023
Energy and utility expenses	-931	-928
Freight expenses	-568	-527
Consumable material	-487	-509
Repair and maintenance expenses	-483	-453
Consultant fees	-195	-201
Insurance	-82	-77
Travel expenses	-40	-46
Vehicle operating expenses	-44	-42
Other	-397	-464
<b>Total other operating expenses</b>	<b>-3,226</b>	<b>-3,246</b>

Government grants have reduced other operating expenses by SEK 62 million (39) during 2024.

## 14 Items affecting comparability

SEK million	2024	2023
Onboarding costs Shandong	-31	-
Write-downs of tangible assets	-17	-
Insurance compensation	-	40
<b>Total items affecting comparability</b>	<b>-48</b>	<b>40</b>

Following the acquisition of Shandong (see Note 33 for further information), costs for integration and start-up, amounting to SEK 31 million, occurred in 2024. These costs have been considered as items affecting comparability and excluded from the adjusted operating profit.

Further, in 2024, impairments of fixed assets amounting to 17 MSEK were made for production equipment that have been taken out of use. The write-downs have been considered as items affecting comparability.

In May 2022, a fire occurred in one of the rolling mills in Gränges' production facility in Konin, Poland. Insurance compensation less deductibles corresponding to the costs of the fire has been recognized as part of the adjusted operating profit, while compensation in addition to cost coverage is treated as an item affecting comparability. The insurance claim was fully settled in the third quarter of 2023, and compensation in addition to the costs for the fire amounted to SEK 40 million, constituting an item affecting comparability in 2023.

## 15 Associates and joint ventures

Gränges has a joint arrangement with Zhejiang Gränges Sheng'an Aluminum Co., Ltd which provides stamping capacity for Gränges' customers in China. Gränges owns, taking into account non-controlling interests, 40 percent of the company and the holding is classified as a joint venture and is accounted for using the equity method.

In 2023 Gränges entered into a collaboration with Shandong Innovation Group to build a recycling and casting operation in the hydro-power-rich province of Yunnan, China. Thru a joint company Gränges has secured access to low-carbon primary aluminium with energy-efficient delivery from a nearby smelter, and to renewable energy for the casting operations. The operation is expected to commence in 2025,

with a gradual increase in capacity starting from mid-year. Gränges owns, taking into account non-controlling interests, 39.2 percent of the company and the holding is classified as an associate and accounted for using the equity method.

### Investments accounted for in accordance with the equity method

SEK million	Zhejiang Gränges Sheng'an Aluminum Co., Ltd	Yunnan Chuangge New Materials Science & Technology Co., Ltd	Total
<b>Carrying amount at January 1, 2024</b>	<b>19</b>	<b>207</b>	<b>226</b>
Share of profit/loss	2	-10	-8
Translation differences	1	14	15
<b>Carrying amount at December 31, 2024</b>	<b>22</b>	<b>212</b>	<b>234</b>
<b>Carrying amount at January 1, 2023</b>	<b>19</b>	<b>-</b>	<b>19</b>
Acquisitions/sales	-	223	223
Share of profit/loss	1	0	1
Translation differences	-1	-16	-17
<b>Carrying amount at December 31, 2023</b>	<b>19</b>	<b>207</b>	<b>226</b>

No capital injection is deemed to be required to any of the companies in 2025.

## 16 Financial income and costs

SEK million	2024	2023
Interest income	25	34
Net foreign exchange gain	1	2
<b>Total financial income</b>	<b>27</b>	<b>36</b>
Interest expense	-243	-302
Net interest expense, pensions	-9	-10
Interest expense on lease liabilities	-13	-12
Other financial expenses	-27	-28
<b>Total financial costs</b>	<b>-292</b>	<b>-352</b>
<b>Total financial income and costs</b>	<b>-265</b>	<b>-316</b>

Other financial expenses primarily consisted of costs for financing and bank fees.



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
  - Sustainability statement
  - Other information

## 17 Taxes

### Tax expense

SEK million	2024	2023
Profit before taxes	1,251	1,261
Current tax	-284	-241
Deferred tax	44	-11
<b>Total tax</b>	<b>-240</b>	<b>-252</b>
Tax as % of profit before taxes	19	20

### Reconciliation of the Group's tax rate

The following table shows a reconciliation of reported tax and tax calculated on Swedish tax rate of 20.6 percent (20.6). The main tax components are shown below.

SEK million	2024	2023
Earnings before tax multiplied by nominal tax rate in Sweden	-258	-260
Effect of foreign operations with tax rates other than 20.6% (20.6)	10	17
Non-deductible expenses	-8	-9
Non-taxable income	13	14
Tax subsidies abroad	30	34
Other income tax paid abroad	-14	-64
Adjustment of tax in respect of prior years	-14	16
<b>Total tax</b>	<b>-240</b>	<b>-252</b>

Gränges' Chinese subsidiary has for tax purpose received a pre-qualification as a High and New-Technology Enterprise for the three-year period 2022 to 2024. The pre-qualification means that the company preliminary pays 15 percent in corporate income tax instead of the ordinary tax of 25 percent for the period. In order to finally obtain the lower tax rate, the company must meet special requirements established by the authorities in China for each one of the three years. Gränges currently considers it to be more likely than not that the special requirements will be met for the financial year 2024 and therefore applies a tax rate of 15 percent for the Chinese operation. If the ordinary tax rate of 25 percent had been applied for 2024, tax as a percentage of profit before tax for the Group would not have deviated significantly from the current 19 percent. The company intends to apply for High and New-Technology Enterprise status for an additional three-year period, 2025–2027, by submitting a new application in 2025.

Tax subsidies abroad mainly refers to state tax credits in the US as well as deduction in China where an enterprise enjoy 200 percent deduction for eligible research and development expenses for income tax purpose.

### Change in deferred tax in the income statement

SEK million	2024	2023
Change in deferred tax in balance sheet	14	-1
Change in deferred tax, hedging reserve in other comprehensive income	-11	-3
Change in deferred tax, actuarial gains and losses on pensions in other comprehensive income	7	-3
Acquisition	12	-
Translation effects in other comprehensive income	22	-5
<b>Change in deferred tax in the income statement</b>	<b>44</b>	<b>-11</b>

### Deferred tax on temporary differences

SEK million	2024			2023		
	Deferred tax asset (+)	Deferred tax liability (-)	Net deferred tax	Deferred tax asset (+)	Deferred tax liability (-)	Net deferred tax
Intangible assets	0	-97	-97	0	-85	-85
Property, plant and equipment	31	-864	-833	27	-782	-755
Financial instruments	19	-20	-1	20	-20	0
Pension provisions	54	-52	2	39	-34	4
Other non-current items	73	-6	66	49	-17	32
<b>Total non-current items</b>	<b>176</b>	<b>-1,039</b>	<b>-862</b>	<b>135</b>	<b>-939</b>	<b>-804</b>
Inventories	40	-1	39	35	-2	34
Other current items	220	0	220	157	0	157
<b>Total current items</b>	<b>260</b>	<b>-2</b>	<b>259</b>	<b>192</b>	<b>-2</b>	<b>190</b>
Tax losses	47	-	47	44	-	44
Set-off	-413	413	0	-332	332	0
<b>Net deferred tax assets (+) / liabilities (-)</b>	<b>70</b>	<b>-627</b>	<b>-557</b>	<b>38</b>	<b>-609</b>	<b>-571</b>

### Deferred tax

Deferred tax consists of the Group's tax items, which are settled in the future. The table below specifies deferred tax assets and tax liabilities relating to temporary differences between the carrying amounts and tax bases of assets and liabilities.

Deferred tax assets in respect of tax losses have been taken into account in full since the company is of the opinion that sufficient income will be generated in the future to be utilized against the tax losses. The tax losses are mainly attributable to Sweden and can be carried forward indefinitely.

Deferred tax assets on other non-current items mainly refers to lease liabilities.

Deferred tax assets on other current items mainly refers to accrued expenses in China.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information



## 18 Earnings per share

Earnings per share are calculated by dividing the profit for the year attributed to owners of the parent company by the weighted average number of outstanding shares.

In 2020, Gränges issued call options as part of the investment program IP 2020, which has led to a dilution of the weighted average number of outstanding shares for 2024 by 89,521 (152,733) shares. In 2022, Gränges issued warrants under the investment program IP 2022, resulting in a dilution of 85,361 (11,719) shares for the same period. In 2023, additional warrants were issued through the investment program LTI 2023, leading to a further dilution of 4,991 shares (-). The investment program LTI 2024 has not resulted in any dilution. For further information on the investment programs, see Note 10.

	2024	2023
Profit for the year attribute to owners of the parent company (SEK million)	1,013	1,010
Weighted average number of outstanding shares, basic	106,308,618	106,308,618
Weighted average number of outstanding shares, diluted	106,488,491	106,473,070
<b>Earnings per share attribute to owners of the parent company, basic, SEK</b>	<b>9.53</b>	<b>9.50</b>
<b>Earnings per share attribute to owners of the parent company, diluted, SEK</b>	<b>9.51</b>	<b>9.48</b>

## 19 Supplementary information to the consolidated cash flow statement

### Reconciliation between opening and closing balance of liabilities whose cash flows are recognized in financing activities

SEK million	2024	2023
<b>Net interest-bearing liabilities at January 1</b>	<b>3,439</b>	<b>5,022</b>
Cash flow	1,684	-1,731
<i>Non-cash items</i>		
Translation differences	213	117
Change in accrual borrowing costs	0	6
New and remeasured leases	140	25
<b>Net interest-bearing liabilities at December 31</b>	<b>5,476</b>	<b>3,439</b>

### Cash and cash equivalents

SEK million	2024	2023
Cash and bank balances	850	461
<b>Total cash and cash equivalents</b>	<b>850</b>	<b>461</b>



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report Group
  - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

SEK million	Goodwill	IT	Customer relationships	Other	Total
<b>Carrying amount at January 1, 2024</b>	<b>979</b>	<b>60</b>	<b>419</b>	<b>16</b>	<b>1,474</b>
Acquisitions	-	-	-	0	0
Impairment	-	-	-	-	-
Amortization	-	-11	-44	-8	-62
Translation differences	68	4	29	1	102
<b>Carrying amount at December 31, 2024</b>	<b>1,047</b>	<b>52</b>	<b>404</b>	<b>10</b>	<b>1,514</b>
<b>Cost at December 31, 2024</b>	<b>1,047</b>	<b>305</b>	<b>642</b>	<b>58</b>	<b>2,054</b>
Accumulated amortization and impairment	-	-252	-237	-48	-539
<b>Carrying amount at December 31, 2024</b>	<b>1,047</b>	<b>52</b>	<b>404</b>	<b>10</b>	<b>1,514</b>
<b>Carrying amount at January 1, 2023</b>	<b>959</b>	<b>69</b>	<b>448</b>	<b>22</b>	<b>1,499</b>
Acquisitions	-	1	-	2	2
Impairment	-	-	-	-	-
Amortization	-	-11	-43	-7	-60
Translation differences	20	-1	13	1	33
<b>Carrying amount at December 31, 2023</b>	<b>979</b>	<b>60</b>	<b>419</b>	<b>16</b>	<b>1,474</b>
<b>Cost at December 31, 2023</b>	<b>979</b>	<b>298</b>	<b>599</b>	<b>89</b>	<b>1,967</b>
Accumulated amortization and impairment	-	-239	-180	-73	-492
<b>Carrying amount at December 31, 2023</b>	<b>979</b>	<b>60</b>	<b>419</b>	<b>16</b>	<b>1,474</b>

### Impairment test of goodwill

Impairment testing for goodwill is made annually or continuously during the year if an event that may result in impairment need arises. Gränges has defined the two business areas Gränges Eurasia and Gränges Americas to constitute cash-generating units (CGUs). Goodwill for Gränges Eurasia amounts to SEK 621 million (589) and for Gränges Americas to SEK 427 million (390) as of December 31, 2024.

The annual impairment test of goodwill was carried out during the fourth quarter 2024. The forecast period is five years with an average growth rate of 13.0 percent (7.1) for Gränges Eurasia and 3.4 percent (4.4) for Gränges Americas. Estimated growth rate beyond the forecast period amounts to 2.0 percent (2.0) for both of the CGUs. Cash flows have been discounted at a present value using a discount rate calculated at 8.3 percent (8.3) after tax, corresponding to 8.5 percent (8.5) before tax.

Through sensitivity analysis, it has also been tested whether negative changes in assumptions about discount rates or growth rates would result in the impairment of goodwill. The analysis showed that the goodwill value could be maintained even if the discount rate was increased by 2 percentage points or if the assumed growth rate beyond the forecast period was reduced by 2 percentage points.

### IT

IT mainly refers to capitalized production and ERP systems.

### Customer relationships

The majority of the customer relationships arose in conjunction with the acquisition in US during 2016 and in Poland 2020. The acquired businesses had a number of customers that they have had long relationships with. The customer relationships are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives.

### Other

The Group is running a large number of development projects but the criteria for recognizing the projects as intangible assets are currently not met. Total costs for research and development projects amount to SEK 72 million (65) for 2024.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

## 21 Property, plant and equipment

SEK million	Land, land improvements and buildings	Machinery and equipment	Fixed assets under construction	Fixtures, vehicles, etc.	Total
<b>Carrying amount at January 1, 2024</b>	<b>1,805</b>	<b>4,393</b>	<b>1,316</b>	<b>128</b>	<b>7,642</b>
Asset acquisition	321	339	-	2	661
Acquisitions <sup>1)</sup>	0	9	1,304	12	1,325
Divestments and disposals	0	-3	-	-2	-5
Transferred assets, fixed assets under construction	207	558	-784	20	0
Impairment	0	-18	-	-	-18
Depreciation	-97	-607	-	-31	-735
Translation differences	131	322	88	5	546
<b>Carrying amount at December 31, 2024</b>	<b>2,366</b>	<b>4,993</b>	<b>1,924</b>	<b>134</b>	<b>9,417</b>
<b>Cost at December 31, 2024</b>	<b>3,239</b>	<b>11,827</b>	<b>2,002</b>	<b>500</b>	<b>17,568</b>
Accumulated depreciation and impairment	-873	-6,834	-79	-366	-8,151
<b>Carrying amount at December 31, 2024</b>	<b>2,366</b>	<b>4,993</b>	<b>1,924</b>	<b>134</b>	<b>9,417</b>
<b>Carrying amount at January 1, 2023</b>	<b>1,797</b>	<b>4,446</b>	<b>917</b>	<b>111</b>	<b>7,271</b>
Acquisitions <sup>1)</sup>	-	1	1,216	8	1,225
Divestments and disposals	0	-1	-	-2	-3
Transferred assets, fixed assets under construction	123	609	-768	37	0
Impairment	-6	-	-41	-	-47
Depreciation	-95	-573	-	-28	-696
Translation differences	-14	-89	-7	2	-108
<b>Carrying amount at December 31, 2023</b>	<b>1,805</b>	<b>4,393</b>	<b>1,316</b>	<b>128</b>	<b>7,642</b>
<b>Cost at December 31, 2023</b>	<b>2,526</b>	<b>10,231</b>	<b>1,391</b>	<b>454</b>	<b>14,603</b>
Accumulated depreciation and impairment	-722	-5,838	-74	-326	-6,961
<b>Carrying amount at December 31, 2023</b>	<b>1,805</b>	<b>4,393</b>	<b>1,316</b>	<b>128</b>	<b>7,642</b>

1) Includes government grants of SEK 3 million (8) for 2024. The grant has reduced the acquisitions.

## 22 Right-of-use-assets and lease liabilities

SEK million	Land and buildings	Machinery and equipment	Fixtures, vehicles, etc.	Total right-of-use-assets	Total lease liabilities
<b>Carrying amount at January 1, 2024</b>	<b>86</b>	<b>114</b>	<b>20</b>	<b>220</b>	<b>237</b>
Acquisitions	82	10	48	140	140
Interest expense on lease liabilities	-	-	-	-	13
Extension and termination options	0	0	-	0	0
Lease payments	-	-	-	-	-71
Depreciation	-18	-21	-21	-60	-
Remeasurements	-	-	-	-	-
Canceled contracts	0	0	-	0	0
Translation differences	5	10	0	16	16
<b>Carrying amount at December 31, 2024</b>	<b>156</b>	<b>113</b>	<b>47</b>	<b>316</b>	<b>335</b>
<b>Cost at December 31, 2024</b>	<b>202</b>	<b>217</b>	<b>78</b>	<b>496</b>	
Accumulated depreciation	-46	-104	-30	-180	
<b>Carrying amount at December 31, 2024</b>	<b>156</b>	<b>113</b>	<b>47</b>	<b>316</b>	
<b>Carrying amount at January 1, 2023</b>	<b>88</b>	<b>138</b>	<b>20</b>	<b>246</b>	<b>261</b>
Acquisitions	9	-	14	23	23
Interest expense on lease liabilities	-	-	-	-	12
Extension and termination options	0	0	-	0	0
Lease payments	-	-	-	-	-58
Depreciation	-17	-20	-14	-50	-
Remeasurements	3	-	0	3	3
Canceled contracts	0	-1	0	-1	-1
Translation differences	2	-4	0	-2	-2
<b>Carrying amount at December 31, 2023</b>	<b>86</b>	<b>114</b>	<b>20</b>	<b>220</b>	<b>237</b>
<b>Cost at December 31, 2023</b>	<b>134</b>	<b>202</b>	<b>43</b>	<b>379</b>	
Accumulated depreciation	-48	-88	-23	-159	
<b>Carrying amount at December 31, 2023</b>	<b>86</b>	<b>114</b>	<b>20</b>	<b>220</b>	

The expense related to short-term leases and leases of low-value assets for 2024 amounts to SEK 8 million (10). The expense related to variable lease payments not included in the lease liabilities is not significant.

For further information about non-current and current lease liabilities, see Note 30. For maturity analysis for lease liabilities, see Note 31.



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

## 23 Other non-current receivables

SEK million	2024	2023
Derivatives	208	197
Other non-current receivables	9	11
<b>Total other non-current receivables</b>	<b>218</b>	<b>208</b>

## 24 Inventories

SEK million	2024	2023
Raw materials	1,307	1,007
Work in progress	1,738	1,350
Finished goods and merchandise	1,898	1,197
Derivatives	-19	9
Other	247	221
Provision for obsolescence	-42	-41
<b>Total inventories</b>	<b>5,129</b>	<b>3,744</b>

Inventories are measured at the lower of cost and fair value after deduction of selling costs.

The amount of inventories recognized as an expense is included in cost of materials and amounted in 2024 to SEK 15,490 million (14,730) including the change in the provision for obsolescence of SEK 2 million (-3).

## 25 Overview of financial instruments

2024 SEK million	Note	Measurement level	Financial instruments at fair value through profit or loss	Derivatives included in hedge accounting	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total	Of which interest- bearing
<i>Non-current assets</i>								
Non-current financial receivables	31, 32	-	-	-	-	-	-	-
Non-current derivatives	23, 32	2	-	208	-	-	208	-
<b>Total</b>			<b>-</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>208</b>	<b>-</b>
<i>Current assets</i>								
Accounts receivable	26	-	-	-	2,897	-	2,897	-
Other current receivables		-	-	-	467	-	467	-
Current derivatives	26, 31, 32	2	63	55	-	-	117	0
Cash and cash equivalents		-	-	-	850	-	850	850
<b>Total</b>			<b>63</b>	<b>55</b>	<b>4,214</b>	<b>-</b>	<b>4,331</b>	<b>850</b>
<i>Non-current liabilities</i>								
Non-current financial liabilities	30	-	-	-	-	1,818	1,818	1,818
Non-current derivatives	32	2	48	13	-	-	60	48
<b>Total</b>			<b>48</b>	<b>13</b>	<b>-</b>	<b>1,818</b>	<b>1,878</b>	<b>1,866</b>
<i>Current liabilities</i>								
Current financial liabilities	30	-	-	-	-	3,611	3,611	3,611
Accounts payable	29	-	-	-	-	2,586	2,586	-
Other current liabilities	29	-	-	-	-	464	464	-
Current derivatives	29, 31, 32	2	76	80	-	-	156	0
<b>Total</b>			<b>76</b>	<b>80</b>	<b>-</b>	<b>6,661</b>	<b>6,818</b>	<b>3,611</b>
<b>Total financial instruments (receivables + / liabilities -)</b>			<b>-61</b>	<b>170</b>	<b>4,214</b>	<b>-8,479</b>	<b>-4,156</b>	<b>-4,627</b>

### Measurement of financial instruments

The Group uses the following hierarchy to determine the fair values of financial instruments:

- Level 1: Quoted, unadjusted prices in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the instrument.
- Level 3: Non-observable inputs that have significant impact on the fair value of the instrument.

### Currency forwards

Fair value of currency forward contracts is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remaining contract period.

### Aluminium futures

Aluminium futures are measured at observable quoted prices on LME (London Metal Exchange) and SHFE (Shanghai Futures Exchange) for similar assets and liabilities.



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

**Interest-bearing receivables and liabilities**

The fair value of interest-bearing assets and liabilities is provided for disclosure purposes and is estimated by discounting the future cash flows of principal and interest at the current market rate. In the fair value measurement of borrowings, the credit spread has remained constant unless there is clear evidence that a change in the Group's creditworthiness has resulted in an observable change in the credit spread. As per December 31, 2024, the fair value of borrowings amounted to SEK 5,487 million (3,469).

**Other receivables and liabilities**

For other receivables and liabilities, which are short-term, the carrying amount is considered to reflect the fair value.

No transfers from one level to another in the valuation hierarchy were made in 2024 and 2023.

2023 SEK million	Note	Measurement level	Financial instruments at fair value through profit or loss	Derivatives included in hedge accounting	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total	Of which interest- bearing
<i>Non-current assets</i>								
Non-current financial receivables	31, 32		-	-	-	-	-	-
Non-current derivatives	23, 32	2	-	197	-	-	197	-
<b>Total</b>			-	<b>197</b>	-	-	<b>197</b>	-
<i>Current assets</i>								
Accounts receivable	26		-	-	2,116	-	2,116	-
Other current receivables			-	-	116	-	116	-
Current derivatives	26, 31, 32	2	123	103	-	-	226	19
Cash and cash equivalents			-	-	461	-	461	461
<b>Total</b>			<b>123</b>	<b>103</b>	<b>2,693</b>	-	<b>2,919</b>	<b>481</b>
<i>Non-current liabilities</i>								
Non-current financial liabilities	30		-	-	-	2,378	2,378	2,378
Non-current derivatives	32	2	25	30	-	-	55	25
<b>Total</b>			<b>25</b>	<b>30</b>	-	<b>2,378</b>	<b>2,433</b>	<b>2,403</b>
<i>Current liabilities</i>								
Current financial liabilities	30		-	-	-	1,054	1,054	1,054
Accounts payable	29		-	-	-	2,380	2,380	-
Other current liabilities	29		-	-	-	134	134	-
Current derivatives	29, 31, 32	2	119	56	-	-	175	1
<b>Total</b>			<b>119</b>	<b>56</b>	-	<b>3,568</b>	<b>3,744</b>	<b>1,055</b>
<b>Total financial instruments (receivables + / liabilities -)</b>			<b>-21</b>	<b>214</b>	<b>2,693</b>	<b>-5,946</b>	<b>-3,061</b>	<b>-2,977</b>



## Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

## 26 Current receivables

SEK million	2024	2023
Accounts receivable	2,897	2,116
Derivatives	117	207
Other current receivables	467	200
<b>Total financial receivables</b>	<b>3,481</b>	<b>2,523</b>
Advances to suppliers/accrued income	109	94
Tax receivables	58	40
<b>Total current receivables</b>	<b>3,648</b>	<b>2,656</b>

### Change in provisions for expected credit losses

SEK million	2024	2023
Provisions for expected credit losses at January 1	-36	-22
Expected credit losses recognized in income statement	-2	-13
Used during the year	4	0
Translation differences	-1	0
<b>Provisions for expected credit losses at December 31</b>	<b>-35</b>	<b>-36</b>

### Accounts receivables maturity structure

SEK million	2024	2023
Not yet due	2,416	1,796
Overdue 1–30 days	406	275
Overdue 31–60 days	58	30
Overdue 61–90 days	14	12
Overdue more than 90 days	38	39
Provisions for expected credit losses at December 31	-35	-36
<b>Accounts receivable, carrying amount at December 31</b>	<b>2,897</b>	<b>2,116</b>

The maturity structure of overdue receivables has been relatively stable over time and reflects the fact that Gränges operates in certain regions and markets where payments from customers are generally somewhat slow. Overdue accounts receivable are allocated across the whole customer base.

Credit losses have historically been relatively small and stable. Five customers accounted for 19 percent of total outstanding accounts receivable at December 31, 2024 (five customers accounted for 30 percent of the total outstanding accounts in 2023).

A more detailed description of the customer base is given in Note 8.

## 27 Equity

	2024	2023
Opening numbers of shares	106,308,618	106,308,618
<b>Closing numbers of shares</b>	<b>106,308,618</b>	<b>106,308,618</b>

SEK million	2024	2023
Share capital, opening balance	142	142
<b>Share capital, closing balance</b>	<b>142</b>	<b>142</b>

The articles of association for Gränges AB state that the share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000. The number of shares shall be not less than 75,000,000 and not more than 300,000,000.

The share capital comprises a single class of share and amounts to SEK 142 million as of December 31, 2024. Share capital is divided into 106,308,618 shares, each with a quota value of SEK 1.339775. For earnings per share and dilutive effect, see Note 18.

In conjunction with the acquisition of Shandong, see Note 33, Gränges carried out a directed share issue in its Chinese subsidiary to the Chinese company, Shandong Innovation Group (SIG). The share issue amounted to CNY 500 million (equivalent to SEK 752 million) and represents a 20 percent ownership stake in Gränges' Chinese operation.

Gränges and SIG have since earlier an established business relationship that includes a long-term supply partnership and jointly owns an operation focused on sustainable aluminium products in Yunnan. For further information on Yunnan see Note 15 for associates and joint ventures. The 20 percent ownership stake that SIG now has in Gränges' Chinese operation is intended to strengthen the strategic partnership and support the ongoing electrification growth in Asia.

## 28 Other provisions

SEK million	Employee benefits	
	2024	2023
<b>Carrying amount at January 1</b>	<b>108</b>	<b>68</b>
Provisions made during the year	54	77
Provisions used during the year	-62	-35
Unutilized provisions reversed during the year	1	0
Reclassifications	0	0
Translation differences	8	-2
<b>Carrying amount at December 31</b>	<b>108</b>	<b>108</b>
of which non-current	57	51
of which current	50	57

A provision for employee benefits is recognized in accordance with agreements entered for long-term incentive programmes and other personnel obligations.

## 29 Other current liabilities

SEK million	2024	2023
Accounts payable	2,586	2,380
Derivatives	156	174
Non-interest-bearing liabilities	464	134
<b>Total non-interest-bearing financial liabilities</b>	<b>3,206</b>	<b>2,688</b>
Employee-related liabilities	427	319
Accrued expenses	288	210
Employee withholding tax	10	9
Other current liabilities	50	63
<b>Total other current liabilities</b>	<b>3,982</b>	<b>3,289</b>



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

## 30 Financial and interest-bearing liabilities

### Financing

Gränges' interest-bearing liabilities include financing from banks, financial institutions, and the credit market.

During the fourth quarter of 2024, Gränges refinanced a sustainability-linked Credit Facility agreement, comprising a SEK 3,000 million Revolving Credit Facility and a USD 70 million Term Loan. The agreement has an initial tenor of three years, with an option to extend for an additional two years. There is also an option to increase the amount of the revolving credit facility by SEK 500 million. Additional sustainability-linked financing from banks and financial institutions includes term loans of USD 20 million and SEK 200 million. The applicable margins on these agreements are linked to Gränges' sustainability performance.

Gränges' non-current interest-bearing liabilities consisted of term loans of USD 70 million (120), SEK 200 million (400), and bonds of SEK 600 million (600) issued under Gränges' MTN program (Medium Term Note). The Revolving Credit Facility of SEK 3,000 million (3,500) was unutilized as of December 31, 2024.

Current interest-bearing liabilities consisted of interest-bearing loans of SEK 200 million (0), USD 20 million (0), and CNY 1,075 million (145), as well as commercial papers of SEK 1,374 million (797). Overdraft facilities were utilized with PLN 45 million (1).

The loan facilities are subject to financial covenants, including a Net Debt to EBITDA ratio and an Interest Coverage Ratio. The covenants were fulfilled as of December 31, 2024.

Gränges' sustainability-linked bond of SEK 600 million matures in September 2026. The bond is tied to three Sustainability Performance Targets (SPTs). Gränges' ability to fulfill the SPTs will affect the repayment amount of the bond at the maturity date. A step-up of 0.40 percent per SPT will be applicable to the redemption price, which equals a maximum of 101.2 percent of the nominal value in total, should the targets not be fulfilled.

Under the current loan agreements, Gränges has entered into customary undertakings not to pledge assets or otherwise use its property to give creditors priority over existing lenders.

SEK million	Carrying amount	
	2024	2023
<i>Non-current interest-bearing liabilities</i>		
Interest-bearing loans	960	1,591
Bonds in MTN program	600	600
Interest-bearing derivatives	48	25
Lease liabilities	258	187
<b>Total non-current interest-bearing liabilities</b>	<b>1,866</b>	<b>2,403</b>
<i>Current interest-bearing liabilities</i>		
Interest-bearing loans	2,040	205
Bonds in MTN program	-	-
Overdraft Facilities	121	3
Commercial papers	1,374	797
Interest-bearing derivatives	0	1
Lease liabilities	76	50
<b>Total current interest-bearing liabilities</b>	<b>3,611</b>	<b>1,055</b>
<b>Total interest-bearing liabilities</b>	<b>5,477</b>	<b>3,459</b>
<i>Interest-bearing receivables</i>		
Current interest-bearing derivatives	0	20
Cash and cash equivalents	850	461
<b>Total interest-bearing receivables</b>	<b>850</b>	<b>480</b>
<b>Net interest-bearing liabilities</b>	<b>4,627</b>	<b>2,978</b>

## 31 Financial risk

### Financial risk management

Gränges operates globally and is exposed to various financial risks – such as market risk related to currency rates, commodity prices and interest rates, but also to liquidity risk and credit risk. Gränges uses derivatives and other financial instruments to mitigate these risks in accordance with the Group's Financial Management Policy which is decided by the Board.

Gränges manages financial risks in a non-speculative manner and all transactions in financial derivatives are executed in order to limit financial risks within the Group.

### Currency risk

#### Transaction exposure

Gränges is exposed to currency risk as sales and purchases are largely made in different currencies. Movements in the exchange rates may cause fluctuations in the value of financial instruments, such as debt instruments, accounts receivables and accounts payables, and the value of expected and contracted cash flows. In 2024, sales volume to countries outside Sweden accounted for 98 percent (98) of Gränges' total sales volume. The largest currencies were USD, CNY and EUR.

The sales price for Gränges' products is divided into a metal price component for the raw material and a conversion price component covering Gränges' processing costs and margin. The cost of the aluminium is passed on to the customer through metal price clauses. Both purchase and sales price for the metal component are generally based on the same price index and in the same currency, for example the London Metal Exchange (LME) or Shanghai Futures Exchange (SHFE). Therefore, no material currency exposure arises from the metal price component. The largest portion of Gränges' cost base for processing is in USD, CNY, PLN and SEK while the conversion price is set primarily in USD, CNY and EUR. The conversion price is generally contracted for a longer period of time.

The Group's sensitivity to exchange rate fluctuations before currency hedges is shown in the table on the next page.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

2024	Change, %	Effect on operating profit, SEK million
USD/CNY	+/-10%	+/-79
USD/SEK	+/-10%	+/-35
EUR/SEK	+/-10%	+/-72
EUR/PLN	+/-10%	+/-134
USD/PLN	+/-10%	-/+7

The objective of Gränges' currency hedging activities is to minimize the effect of rapid changes in currency rates in the short and medium term by hedging a part of the Group's foreign currency exposure. Transaction exposure is hedged up to 24 months in advance. In 2024, 50–75 percent of the forecasted currency exposure of the coming 12 months was hedged.

The Group's total outstanding currency hedges at the balance sheet date are shown in the table below.

#### Currency contracts linked to hedging of future income and expenses

	2024		2023	
	Net volume, million	Price	Net volume, million	Price
EUR/SEK	-53	11.46	-62	11.38
USD/SEK	-25	10.38	-23	10.58
USD/CNY	-60	6.94	-84	6.98
EUR/PLN	-95	4.44	-92	4.58
USD/PLN	27	4.06	1	3.98

Gränges applies hedge accounting. The various types of hedging are described in Note 32.

#### Translation exposure

As SEK is the presentation currency for the Group, Gränges is exposed to currency risk upon translating net investments in foreign operations to SEK. This refers mainly to CNY, USD and PLN where changes in exchange rates may impact the consolidated balance sheet. The translation exposure related to net investments in foreign operations was SEK 6,084 million (4,446) at December 31, 2024.

Gränges is also exposed to currency risk when translating income statements from foreign operations to SEK. The translation exposure related to the adjusted operating profit was SEK 1,533 million (1,427) for full year 2024. As such, a 10 percent depreciation of SEK against all currencies would have a positive impact on the adjusted operating profit of SEK 153 million (143).

Gränges does not hedge the translation exposure.

#### Commodity price risk

The price of aluminium is Gränges most significant commodity price risk. Aluminium is traded on the LME and SHFE and the prices set on these exchanges are used as basis for Gränges metal purchases and sales. Commodity price exposure arises as there is a time lag between purchase of raw materials and sales of finished goods. Price changes that may occur may affect Gränges operating profit negatively.

Gränges primarily reduces the exposure by matching price terms from suppliers with price terms offered to its customers. Furthermore, Gränges is also using financial derivatives, such as forwards and futures contracts with LME and SHFE as underlying price index, to reduce the metal price exposure.

As per December 31, 2024, Gränges had sold a net volume of 57,700 tonnes (46,750) based on LME and 28,695 tonnes (10,885) based on SHFE.

#### Interest rate risk

Gränges' interest rate risk is primarily related to the Group's interest-bearing liabilities and assets. The majority of Gränges' borrowings have variable interest rates. The average duration of the loan portfolio may be prolonged either by changing interest rate terms in loan agreements or by using financial instruments, such as interest rate swaps. As per December 31, 2024, the average duration of the loan portfolio was eight months (twelve), including interest rate swaps.

#### Credit risk

Credit risks related to accounts receivable and other current assets is managed as part of the commercial risk and is monitored continuously by the legal entities. Gränges' customers are spread over various countries and geographic markets. Credit losses have historically been low due to the relatively strong financial position of Gränges' customers as well as strict credit procedures. Credit insurances are used occasionally.

Gränges' credit risks related to financial instruments are managed by choosing counterparties with a good credit rating and by limiting the risk per counterparty. Gränges also enters into ISDA agreements with financial counterparties, which entails a right to offset assets and liabilities in relation to the same counterparty in the case of a credit event.

#### Sensitivity analysis

Gränges financial instruments are exposed to different type of market risks which can affect the income statement or equity. Financial instruments, especially derivatives, are used as a means of hedging financial and operational exposures.

The table below shows a partial analysis of the sensitivity of financial instruments, where the isolated effect on the income statement and other comprehensive income is calculated. This is done on the basis of a chosen hypothetical change in market prices or prices in the balance sheet at December 31, 2024. In accordance with IFRS, the analysis only covers financial instruments and is not intended to provide a full overview of the Group's market risk, for example:

- For currency hedges of concluded contracts changes in the fair value of the hedging instrument will affect the income statement while changes in the fair value of the underlying hedged contract that is offset by the hedging instrument will not be shown, as this is not a financial instrument.
- If one of the parameters changes the analysis will not take into account any correlations with other parameters.
- Financial instruments in the functional currency of individual units do not create a currency risk and are therefore not included in this analysis. For the same reason the currency exposure is not included upon translation of such financial instruments into the presentation currency.

Generally, the effect on the income statement and other comprehensive income of financial instruments shown in the table is expected to offset the effects of the hedged items in cases where the financial instruments are included in a hedging relationship.

Accounting effects of changes in market risk are recognized in the income statement and other comprehensive income depending on classification according to hedge accounting. Effects which are accounted for in the income statement also affect other comprehensive income in addition to the figures presented in the table.

SEK million	Accounting before tax effects on			
	Income statement		Other comprehensive income	
	2024	2023	2024	2023
Interest rate risk: +/-1 % parallel shift in yield curves, all currencies	-/+21	-/+14	-	-
Currency risk: +/-10 % change in FX rate, USD/SEK	-/+8	-/+3	-/+19	-/+20
Currency risk: +/-10 % change in FX rate, EUR/SEK	-/+8	-/+10	-/+42	-/+39
Currency risk: +/-10 % change in FX rate, CNY/USD	-	-	-/+37	-/+51
Currency risk: +/-10 % change in FX rate, USD/PLN	+/-7	-/+2	+/-14	+/-3
Currency risk: +/-10 % change in FX rate, EUR/PLN	-/+4	-/+1	-/+184	-/+119
Price risk: +/-20 % change in LME prices	-/+243	-/+177	-/+35	-/+24



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information



## Liquidity risk

Liquidity risk is the risk that Gränges will be unable to fulfil its payment obligations. Gränges' Financial Management Policy stipulates metrics to ensure adequate liquidity in the Group. Cash flow from operating activities is managed centrally and Gränges monitors both short and long-term liquidity in the Group.

The table below shows the maturity structure for the Group's contractual financial liabilities. The amounts refer to non-discounted future cash flows and may therefore differ from the recognized figures. All

variable interest cash flows have been calculated at the rate prevailing on the balance sheet date and all future cash flows in foreign currency are translated to SEK using the closing rate at year-end. The table also includes derivatives which are recognized as assets at the balance sheet date, as derivatives can include both positive and negative cash flows, and the fair value varies over time. Financial liabilities are managed using operating cash flow, liquid and interest-bearing assets and available credit facilities.

2024 SEK million	Carrying amount	Contractual cash flows	<1 year	1-2 years	2-4 years	>4 years
Lease liabilities	-335	-425	-77	-65	-97	-186
Other interest-bearing liabilities	-5,148	-5,407	-3,678	-869	-860	-
Accounts payable	-2,586	-2,586	-2,586	-	-	-
Other current liabilities	-10	-10	-10	-	-	-
Net-settled derivatives <sup>1)</sup> – aluminium derivatives	-24	-	-	-	-	-
Inflow	-	57	57	-	-	-
Outflow	-	-82	-82	-	-	-
Gross-settled derivatives <sup>1)</sup> – currency derivatives	-16	-	-	-	-	-
Inflow	-	61	60	1	-	-
Outflow	-	-77	-75	-2	-	-
<b>Total</b>	<b>-8,119</b>	<b>-8,468</b>	<b>-6,390</b>	<b>-935</b>	<b>-957</b>	<b>-186</b>

2023 SEK million	Carrying amount	Contractual cash flows	<1 year	1-2 years	2-4 years	>4 years
Lease liabilities	-237	-238	-54	-40	-57	-188
Other interest-bearing liabilities	-3,225	-3,549	-1,141	-1,536	-872	-
Accounts payable	-2,380	-2,380	-2,380	-	-	-
Other current liabilities	-5	-5	-5	-	-	-
Net-settled derivatives <sup>1)</sup> – aluminium derivatives	-51	-	-	-	-	-
Inflow	-	63	63	-	-	-
Outflow	-	-114	-114	-	-	-
Gross-settled derivatives <sup>1)</sup> – currency derivatives	112	-	-	-	-	-
Inflow	-	177	163	14	-	-
Outflow	-	-65	-61	-4	-	-
<b>Total</b>	<b>-5,787</b>	<b>-6,112</b>	<b>-3,529</b>	<b>-1,567</b>	<b>-929</b>	<b>-188</b>

1) Including derivatives recognized as assets.



## Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

## Financial statements

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

## 32 Derivatives and hedging

The table below shows the fair value of all outstanding derivatives grouped by their treatment in the financial statements.

### Derivatives and hedging

SEK million	2024		2023	
	Assets (+)	Liabilities (-)	Assets (+)	Liabilities (-)
<b>Cash flow hedges</b>				
Share derivatives	207	-	183	-
Currency derivatives	49	-39	98	-21
Interest rate derivatives	-	-11	-	-26
Commodity derivatives	7	-43	20	-39
<b>Total</b>	<b>263</b>	<b>-93</b>	<b>300</b>	<b>-86</b>
<b>Fair value hedges</b>				
Currency derivatives	6	-14	37	-9
Commodity derivatives	51	-39	42	-75
<b>Total</b>	<b>57</b>	<b>-52</b>	<b>79</b>	<b>-84</b>
<b>Other derivatives – changes in fair value recognized in income statement</b>				
Currency derivatives	6	-71	43	-60
Interest rate derivatives	-	-	-	-
Commodity derivatives	-	-	1	-1
<b>Total</b>	<b>6</b>	<b>-71</b>	<b>44</b>	<b>-60</b>
<b>Total derivatives</b>	<b>326</b>	<b>-217</b>	<b>423</b>	<b>-230</b>

### Cash flow hedges

Gränges' purchases of aluminium forwards and futures with LME and SHFE as price base and currency forwards are identified as hedging instruments in the category cash flow hedges. All derivatives that are classified as hedging instruments in cash flow hedges are accounted for at fair value in the balance sheet. Changes in fair value are recognized in other comprehensive income and accumulated in the hedging reserve in equity and are reclassified to the income statement when the hedged cash flows are recognized in the income statement.

No gain or loss has been recognized in the income statement as a result of ineffective hedging in 2024 and 2023. All expected cash flows that were hedged in 2024 still qualify for hedge accounting.

### Change in hedging reserve

SEK million	2024	2023
<b>Opening hedging reserve before tax</b>	<b>74</b>	<b>71</b>
Reclassified to income statement	-48	2
Change in value during the year	-87	1
<b>Closing hedging reserve before tax</b>	<b>-61</b>	<b>74</b>
Deferred tax, hedging reserve	7	-4
<b>Closing hedging reserve after tax</b>	<b>-54</b>	<b>70</b>

A negative hedging reserve will result in a negative recognition in the income statement in the future. Accumulated hedging gains and losses from cash flow hedges which were recognized in the hedging reserve as at December 31, 2024 and are expected to be recognized in the income statement (before tax) are SEK -26 million for 2025 and SEK 196 million after 2025.

### Fair value hedging

Gränges is using aluminium forwards and futures to hedge the inventory. Currency exposure related to the inventory is hedged with currency forwards. Metal and currency derivatives are jointly designated as a hedging instrument in the fair value hedge. Gain and loss on hedged items, as well as the hedging instrument, are recognized as currency gain and loss in the income statement. The value of inventory is adjusted with the change in fair value of the hedged item. Gain on the hedging instruments amounted to SEK 9 million (17) in 2024 and loss on the hedged items attributable to the hedged risk amounted to SEK -9 million (-17) in 2024.

### Interest rate derivatives

Gränges uses financial derivatives, such as interest rate swaps and cross-currency swaps in order to manage interest rate risk and currency risk. Interest rate swaps are used to convert floating interest rate to fixed interest rate. Cross-currency swaps are used to convert external financing in SEK to PLN. As per December 31, 2024, the nominal value of the interest rate swaps was USD 50 million and the nominal value of cross-currency swaps was PLN 150 million.

### Share swap

Gränges has, in accordance with the resolution at the Annual General Meeting 2020, entered into a share swap agreement in order to be able to deliver shares to the participants in the incentive programme, IP 2020. The number of shares in the share swap amounted to 92,659 on December 31, 2024. The share swap is considered an equity instrument reported in equity.

### Offsetting

Financial assets and liabilities subject to an enforceable master netting arrangement or similar agreement relate to the Group's derivatives. Gränges has entered into ISDA-agreements with relevant financial counterparties.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
- Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information



SEK million	Gross amounts	Offset	Net amounts in balance sheet	Derivatives not intended to be settled net	Collaterals received/ pledged	Net amounts
<b>2024</b>						
Derivative assets	118	-	118	56	-	62
Derivative liabilities	-159	-	-159	-56	-	-103
<b>2023</b>						
Derivative assets	240	-	240	123	-	117
Derivative liabilities	-180	-	-180	-123	-	-57

### 33 Acquisition

On October 25 2024, Gränges' Chinese subsidiary acquired 100 percent of the shares in Shandong Chuangge New Materials Science & Technology Co., Ltd, which was then renamed Gränges Aluminium (Shandong) Co., Ltd, or "Gränges Shandong". The shares were acquired from the Chinese company Shandong Innovation Group, to whom Gränges' Chinese subsidiary directed a share issue representing a 20 percent ownership stake. For more details on the share issue, see Note 27.

The transaction has been classified as an asset acquisition, resulting in the acquisition of the following assets:

Asset acquisition Gränges Shandong	CNY million	SEK million
Property, plant and equipment	440	661
Deferred tax assets	8	12
Inventories	2	4
Receivables	50	74
<b>Total acquired assets</b>	<b>500</b>	<b>752</b>
<b>Paid purchase price for acquired assets</b>	<b>-500</b>	<b>-752</b>

### 34 Guarantees and contingent liabilities

#### Contingent liabilities

SEK million	2024	2023
Guarantees	5	4
<b>Total contingent liabilities</b>	<b>5</b>	<b>4</b>

#### Disputes

From time to time disputes with counterparties arise in the ongoing operations. The Group regularly makes assessments and provisions if necessary in the accounts. Currently, the Group is not involved in any major litigation that is expected to substantially affect the accounts negatively.

#### Environmental issues

Companies in the Gränges Group have for a long time had industrial manufacturing at facilities in Finspång, Västerås and Upplands Väsby. The operations in Västerås and Upplands Väsby have been discontinued for a long time. In light of the public review of potentially polluted areas in Sweden conducted by the by the Swedish Environmental Protection Agency and country administrative boards, Gränges has become involved in reviews and investigations regarding facilities where industrial manufacturing has historically been conducted. For example, industrial production has been conducted by various operators at Gränges' facility in Finspång since the 16th century.

Gränges has conducted sampling related to its previous operations in Upplands Väsby. The results indicate the presence of certain contaminants, which may require both Gränges and third party to take risk-reducing measures. However, there is currently no such obligation for Gränges, and no provision or contingent liability has been made.

### 35 Related party transactions

Intra Group transactions are executed in accordance with specific arrangements at arm's length and shared costs in Gränges are allocated among the companies in the Group using allocation formulas depending on the types of expenditure.

Transactions with Zhejiang Gränges Sheng'an Aluminum Co., Ltd are specified in the table below.

SEK million	2024	2023
<b>Transactions with joint ventures</b>		
Sales	21	13
Accounts receivable	7	3

For information on remuneration and benefits to board members and senior executives, see Note 10.

There are no other significant transactions with related parties.

### 36 Events after the balance sheet date

No significant events have occurred after the balance sheet date.



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

→ Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

Auditor's Report

Sustainability statement

Other information

## Alternative performance measures

Gränges makes use of the alternative performance measures return on capital employed, net debt, equity to assets ratio and cash conversion. Gränges believes that these performance measures are useful for readers of the financial reports as a complement to other performance measures when assessing the possibility of dividends, the implementation of strategic investments, and the Group's ability to meet financial commitments. Further, Gränges uses the alternative performance measures adjusted operating profit, adjusted operating profit per tonne and adjusted EBITDA, which are measures that Gränges considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability. For definitions of the measures, see page 177.

SEK million	2024	2023
<b>Adjusted operating profit</b>		
Operating profit	1,523	1,576
Items affecting comparability	48	-40
<b>Adjusted operating profit</b>	<b>1,571</b>	<b>1,536</b>
<b>Adjusted operating profit per tonne</b>		
Adjusted operating profit	1,571	1,536
Sales volume, ktonnes	505.8	463.2
<b>Adjusted operating profit per tonne, kSEK</b>	<b>3.1</b>	<b>3.3</b>
<b>Adjusted EBITDA</b>		
Adjusted operating profit	1,571	1,536
Depreciation and amortization	859	853
<b>Adjusted EBITDA</b>	<b>2,430</b>	<b>2,389</b>
<b>Return on capital employed</b>		
Total assets less cash and cash equivalents and interest-bearing receivables, rolling 12 months average	17,853	16,735
Non-interest bearing liabilities, rolling 12 months average	-4,848	-4,355
Pensions, rolling 12 months average	249	234
<b>Capital employed (rolling 12 months average)</b>	<b>13,254</b>	<b>12,613</b>
Adjusted operating profit	1,571	1,536
<b>Return on capital employed, %</b>	<b>11.9</b>	<b>12.2</b>

SEK million	2024	2023
<b>Financial net debt/Adjusted EBITDA</b>		
Cash and cash equivalents and interest-bearing receivables	-851	-480
Interest-bearing liabilities	5,477	3,459
Lease liabilities	-335	-237
<b>Financial net debt</b>	<b>4,292</b>	<b>2,741</b>
Adjusted EBITDA, rolling 12 months	2,430	2,389
<b>Financial net debt/Adjusted EBITDA</b>	<b>1.8</b>	<b>1.1</b>
<b>Equity to assets</b>		
Equity	10,838	8,809
Total assets	21,396	16,688
<b>Equity to assets, %</b>	<b>50.7</b>	<b>52.8</b>
<b>Adjusted cash flow before financing activities</b>		
Cash flow before financing activities	-1,587	1,842
Cash flow from expansion investments	898	761
Cash flow from acquisitions	752	-
Cash flow from investments in associates and joint ventures	-	223
<b>Adjusted cash flow before financing activities</b>	<b>63</b>	<b>2,826</b>
<b>Cash conversion</b>		
Adjusted cash flow before financing activities	63	2,826
Adjusted operating profit	1,571	1,536
<b>Cash conversion, %</b>	<b>4</b>	<b>184</b>

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
    - Notes Group
    - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information



# Five-year summary



SEK million	2024	2023	2022	2021	2020
Sales volume, ktonnes	505.8	463.2	479.3	488.9	350.6
<b>Income statement</b>					
Net sales	23,506	22,518	24,492	18,130	11,008
Adjusted EBITDA <sup>1)</sup>	2,430	2,389	2,064	1,686	1,201
Adjusted operating profit <sup>1)</sup>	1,571	1,536	1,150	1,008	648
Operating profit	1,523	1,576	1,136	833	584
Profit for the year	1,010	1,010	700	595	363
Adjusted EBITDA margin	10.3	10.6	8.4	9.3	10.9
Adjusted operating margin	6.7	6.8	4.7	5.6	5.9
Operating margin	6.5	7.0	4.6	4.6	5.3
Net margin	4.3	4.5	2.9	3.3	3.3
<b>Balance sheet</b>					
Non-current assets	11,769	9,808	9,249	8,323	7,633
Current assets	9,627	6,880	8,280	7,444	6,020
Equity	10,838	8,809	8,206	6,932	5,970
Non-current liabilities	2,881	3,395	3,783	3,297	3,068
Current liabilities	7,677	4,483	5,541	5,539	4,614
<b>Cash flow</b>					
Operating activities	489	3,291	1,102	988	1,414
Investing activities	-2,076	-1,449	-993	-926	-1,736
Cash flow before financing activities	-1,587	1,842	109	62	-322
Financing activities	1,913	-2,250	-86	-793	1,149
Cash flow for the year	326	-408	23	-732	827

1) Adjusted for items affecting comparability (see Note 14 in the notes to the consolidated accounts).

## Capital structure, return indicators and employees

Capital employed	15,709	12,043	12,583	10,574	9,262
Net debt	4,870	3,233	4,377	3,643	3,292
Equity/assets ratio, %	50.7	52.8	46.8	44.0	43.7
Financial net debt/Adjusted EBITDA, multiple	1.8x	1.1x	1.9x	1.8x	-
Capital employed (rolling 12 months average)	13,254	12,613	12,292	10,117	8,028
Return on capital employed, %	11.9	12.2	9.4	10.0	8.1
Equity (rolling 12 months average)	9,564	8,660	7,725	6,521	4,752
Return on equity, %	10.6	11.7	9.1	9.1	7.6
Average number of employees	2,926	2,718	2,694	2,648	1,792

	2024	2023	2022	2021	2020
<b>Data per share, SEK<sup>1)</sup></b>					
Earnings per share <sup>2)</sup> , basic	9.53	9.50	6.59	5.60	4.21
Earnings per share <sup>2)</sup> , diluted	9.51	9.48	6.58	5.58	4.21
Equity	101.78	82.74	77.14	65.04	69.13
Cash flow from operating activities	4.59	30.91	10.36	9.27	16.38
Dividend	3.20 <sup>3)</sup>	3.00	2.50	2.25	1.10
Dividend yield, %	2.43	2.59	2.93	2.12	1.10
Share price at year-end	131.70	116.00	85.30	106.10	100.20
Weighted outstanding ordinary shares, basic in thousands	106,308.6	106,308.6	106,308.6	106,308.6	86,324.8
Weighted outstanding ordinary shares, diluted in thousands	106,488.5	106,473.1	106,374.2	106,578.6	86,336.6
<b>Sales volume by business area, ktonnes</b>					
Gränges Americas	229.8	220.6	248.9	252.4	219.4
Gränges Eurasia	294.8	264.3	254.5	263.5	154.0
Other and eliminations	-18.8	-21.7	-24.2	-26.9	-22.8
<b>Total</b>	<b>505.8</b>	<b>463.2</b>	<b>479.3</b>	<b>488.9</b>	<b>350.6</b>
<b>Sales volume by end-customer, ktonnes</b>					
Automotive	201.5	202.6	189.8	193.7	146.1
HVAC	91.3	86.0	104.5	105.7	86.2
Speciality packaging	87.6	80.0	86.8	85.6	64.4
Other niches	125.5	94.5	98.3	103.9	53.9
<b>Total</b>	<b>505.8</b>	<b>463.2</b>	<b>479.3</b>	<b>488.9</b>	<b>350.6</b>
<b>Net sales by business area, SEK million</b>					
Gränges Americas	11,414	11,326	13,115	9,488	6,748
Gränges Eurasia	13,083	12,334	12,633	9,648	5,037
Other and eliminations	-992	-1,142	-1,256	-1,007	-778
<b>Total</b>	<b>23,506</b>	<b>22,518</b>	<b>24,492</b>	<b>18,130</b>	<b>11,008</b>

1) Calculated on weighted outstanding ordinary shares, diluted.

2) Calculated on profit attributable to the owners of the parent company.

3) Dividend for 2025 as proposed.

## Contents

### 2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

### Financial statements

Board of Directors' Report

→ Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation of retained earnings

Auditor's Report

Sustainability statement

Other information

## Parent company income statement

SEK million	Note	2024	2023
Net sales	3	174	137
Payroll expenses	6	-134	-123
Other operating expenses	4, 5	-97	-53
Depreciation, amortization and impairment charges		0	0
<b>Operating loss</b>		<b>-58</b>	<b>-39</b>
Dividends from subsidiaries		55	1,243
Financial income	7	279	365
Financial costs	7	-219	-347
<b>Financial items</b>		<b>116</b>	<b>1,261</b>
<b>Profit before taxes</b>		<b>58</b>	<b>1,222</b>
Tax on profit for the year	8	1	-40
<b>Profit for the year</b>		<b>59</b>	<b>1,182</b>

The parent company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as profit for the year.



- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

# Parent company balance sheet



SEK million	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		0	0
Shares in Group companies	10	3,768	3,767
Deferred tax assets	8	52	49
Receivables from Group companies		1,181	1,106
Other non-current receivables		207	190
<b>Total non-current assets</b>		<b>5,209</b>	<b>5,112</b>
<b>Current receivables</b>			
Receivables from Group companies		2,298	2,390
Other receivables		35	149
Prepaid expenses and accrued income		27	22
<b>Total current receivables</b>		<b>2,360</b>	<b>2,561</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		135	19
<b>Total cash and cash equivalents</b>		<b>135</b>	<b>19</b>
<b>Total current assets</b>		<b>2,496</b>	<b>2,580</b>
<b>TOTAL ASSETS</b>		<b>7,705</b>	<b>7,691</b>

SEK million	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital	11	142	142
<b>Total restricted equity</b>		<b>142</b>	<b>142</b>
<b>Non-restricted equity</b>			
Retained earnings		3,758	2,842
Profit for the year		59	1,182
<b>Total non-restricted equity</b>		<b>3,818</b>	<b>4,024</b>
<b>Total equity</b>		<b>3,960</b>	<b>4,166</b>
<b>Provisions</b>			
Pension liabilities	12	41	38
Other provisions	13	5	6
<b>Total provisions</b>		<b>46</b>	<b>44</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	14	1,618	2,242
Other liabilities		1	1
<b>Total non-current liabilities</b>		<b>1,619</b>	<b>2,243</b>
<b>Current liabilities</b>			
Other provisions	13	13	10
Liabilities to Group companies		148	273
Interest-bearing liabilities	14	1,794	797
Accounts payable		6	4
Other liabilities		75	107
Accrued expenses and deferred income	15	43	45
<b>Total current liabilities</b>		<b>2,080</b>	<b>1,237</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,705</b>	<b>7,691</b>

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

# Parent company statement of changes in equity



SEK million	Restricted equity		Non-restricted equity		Total equity
	Share capital	Retained earnings	Profit for the year		
<b>Opening balance at January 1, 2024</b>	142	2,842	1,182		4,166
Appropriation of retained earnings:					
Carried forward	-	1,182	-1,182		0
Dividend	-	-319	-		-319
Comprehensive income for the year	-	-	59		59
Share swap	-	50	-		50
Received warrant premiums	-	9	-		9
Exercise of call options	-	-6	-		-6
<b>Closing balance at December 31, 2024</b>	142	3,758	59		3,960
<b>Opening balance at January 1, 2023</b>	142	3,052	-8		3,187
Appropriation of retained earnings:					
Carried forward	-	-8	8		-
Dividend	-	-265	-		-265
Comprehensive income for the year	-	-	1,182		1,182
Share swap	-	72	-		72
Received warrant premiums	-	9	-		9
Exercise of call options	-	-18	-		-18
<b>Closing balance at December 31, 2023</b>	142	2,842	1,182		4,166

- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information



# Parent company cash flow statement



SEK million	Note	2024	2023
Operating loss		-58	-39
Change in net working capital etc.		401	-35
Taxes paid		1	-6
<b>Cash flow from operating activities</b>		<b>345</b>	<b>-80</b>
Investments in Group companies	10	-	-781
<b>Cash flow from investing activities</b>			<b>-781</b>
Dividend paid to shareholders		-319	-266
Dividend received from subsidiaries		55	722
Share swap		50	72
Warrant premiums		9	9
Exercise of call options		-6	-18
Interest paid		-198	-326
Interest received		262	365
New loans	9	5,770	6,237
Repayment of loans	9	-5,512	-7,935
Financial intra-group transactions		-340	1,791
<b>Cash flow from financing activities</b>		<b>-228</b>	<b>651</b>
<b>Cash flow for the year</b>		<b>117</b>	<b>-211</b>
<b>Cash and cash equivalents at January 1, 2024</b>		<b>19</b>	<b>229</b>
Cash flow for the year		117	-211
<b>Cash and cash equivalents at December 31, 2024</b>		<b>135</b>	<b>19</b>

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
    - Notes Parent company
    - Proposed appropriation of retained earnings
    - Auditor's Report
  - Sustainability statement
  - Other information

# Notes to the parent company financial statements



## 1 Accounting principles

The Parent Company financial statements have been prepared in accordance to the Annual Accounts Act and RFR 2 Reporting for Legal Entities. Application of RFR 2 entails that the Parent Company is to apply all IFRS and interpretations approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligation Vesting Act and in regard to the connection between accounting and taxation. Changes in RFR 2 has not had material impact on the financial reports of the parent company.

An account of the Gränges Group's accounting policies are described in Note 4 Accounting standards in the consolidated financial statements. The main deviations between the accounting policies applied by the Gränges Group and the parent company are described below.

Gränges Group applies IAS 19 Employee Benefits in the consolidated financial statements. The Parent Company applies the principles of the Pension Obligations Vesting Act. Consequently there are differences between the Gränges Group and the Parent Company in the accounting of defined benefit pension plans.

Group contributions received from subsidiaries are recognized as appropriations.

The parent company applies RFR 2 IFRS 16 item 1 and recognizes leases in the income statement on a straight-line basis over the lease term.

## 2 Financial risk management

Gränges' financial risks are monitored centrally in the Group, see notes to the consolidated financial statements, Note 31 Financial risk.

The parent company uses derivatives and other financial instruments to mitigate the risk exposure in the subsidiaries. There is generally no net exposure in the parent company as external positions are offset with intercompany contracts. Hedge accounting is not applicable for these contracts in the parent company.

Foreign exchange and interest rate risk related to financing is managed with foreign exchange and interest rate derivatives. The underlying exposure arises as a large share of the parent company's external financing is in SEK and the majority of the intercompany loans are in foreign currency. The interest-bearing liabilities of the parent company is further described in Note 14 Interest-bearing liabilities.

## 3 Breakdown of net sales by area of operation

SEK million	2024	2023
Intra-group service charges	174	137
<b>Total breakdown of net sales by area of operation</b>	<b>174</b>	<b>137</b>

## 4 Operating lease payments

### Distribution of lease payments

Future minimum lease payments relating to leases and other leases in the capacity of lessees attributable to non-cancellable agreements are distributed on the balance sheet date over the following maturity dates:

SEK million	2024	2023
Within one year	-6	-6
Later than one year but within five years	-10	-1
<b>Total future minimum lease payments</b>	<b>-16</b>	<b>-7</b>

Leasing costs amount to SEK 6 million (5) during 2024.

## 5 Remuneration to auditors

SEK million	2024	2023
<b>Ernst &amp; Young AB</b>		
Audit engagement	-1.8	-2.0
Audit services in addition to audit engagement	-0.3	-0.3
Tax advisory services	-0.1	-0.1
Other	-1.3	-0.3
<b>Total remuneration to auditors</b>	<b>-3.5</b>	<b>-2.7</b>

Audit engagement refers to the review of the annual report and accounting records and of the Board of Directors and CEO's management of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examinations or the performance of such other tasks.

Audit services in addition to audit engagement is primarily of review of interim reports.

Tax advisory services include advice on tax, including transfer pricing issues, as well as value-added tax.

Other mainly relates to the review of Gränges' sustainability targets in the sustainability-linked bond as well as specific information in the sustainability notes.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
  - Sustainability statement
  - Other information

## 6 Payroll expenses

Salaries and remuneration totalled SEK -86.3 million (-76.6), and social charges were SEK -47.3 million (-46.5), whereof SEK -19.4 million (-17.2) refers to pension costs. Pension costs of SEK -2.4 million (-2.4) refers to the CEO. The company's outstanding pension obligations for the CEO are SEK 7.4 million (5.3) and to former CEO SEK 10.5 million (10.5).

Read more about the average number of employees, salaries and remuneration, including incentives, in Note 10 to the consolidated financial statements.

## 7 Financial income and costs

SEK million	2024	2023
Interest income from Group companies	252	340
External interest income	25	25
Net foreign exchange gain	2	-
<b>Total financial income</b>	<b>279</b>	<b>365</b>
Interest expense to Group companies	-13	-17
External interest expense	-177	-301
Interest expense, pensions	-1	-1
Net exchange loss	-	-1
Other financial expenses	-27	-28
<b>Total financial costs</b>	<b>-219</b>	<b>-347</b>
<b>Total financial income and costs</b>	<b>61</b>	<b>18</b>

## 8 Taxes

### Tax expense for the year

SEK million	2024	2023
Profit before taxes	58	1,222
Current tax	-2	-53
Deferred tax	4	13
<b>Total tax</b>	<b>1</b>	<b>-40</b>
Tax as % of profit before taxes	1.9	-3.3

### Reconciliation of effective tax

SEK million	2024	%	2023	%
Profit before taxes	58	-	1,222	-
Tax at applicable tax rate	-12	-20.6	-252	-20.6
Non-deductible expenses	-1	-2.1	-1	-0.1
Non-taxable income	17	28.6	265	21.7
Adjustment of tax in respect of prior years	0	0.0	0	0.0
Foreign taxes	-2	-4.0	-53	-4.3
<b>Total tax</b>	<b>1</b>	<b>1.9</b>	<b>-40</b>	<b>-3.3</b>

Non-taxable income mainly refers to received dividend from subsidiaries.

### Deferred tax

SEK million	2024	2023
Tax loss carry forwards	47	44
Pension obligations	5	4
Other items	1	1
<b>Total deferred tax asset (+) / liability (-)</b>	<b>52</b>	<b>49</b>

Deferred tax asset in respect of tax losses have been taken into account in full since the company is of the opinion that sufficient income will be generated in the future to be utilized against the tax losses. The tax losses amount to SEK 227 million (212) per December 31, 2024 and can be carried forward indefinitely.

## 9 Supplementary information to parent company cash flow statement

### Reconciliation between opening and closing balance of liabilities whose cash flows are recognized in financing activities

SEK million	2024	2023
<b>Interest-bearing liabilities at January 1</b>	<b>3,039</b>	<b>4,640</b>
Cash flow	258	-1,698
<i>Non-cash items</i>		
Translation difference	114	92
Change in accrual borrowing costs	0	6
<b>Interest-bearing liabilities at December 31</b>	<b>3,412</b>	<b>3,039</b>

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

## 10 Shares in Group companies

SEK million	Reg. no	Registered office	Share of capital and votes, %	Carrying amount, opening balance	Investments	Carrying amount, closing balance
Gränges Finspång AB	556002-6113	Finspång, Sweden	100/100	186	-	186
Gränges India Pvt Ltd. <sup>1)</sup>	-	Pune, India	99.99/99.99	-	-	-
Gränges India Pvt Ltd.	-	Pune, India	0.01/0.01	0	-	0
Gränges Skultuna AB	556913-7358	Skultuna, Sweden	100/100	0	-	0
Gränges Americas Inc.	-	Delaware, USA	100/100	671	-	671
Gränges International Inc.	-	Delaware, USA	100/100	66	-	66
Granges Aluminium (Shanghai) Co., Ltd.	-	Shanghai, China	80/80	256	-	256
Granges Aluminium (Shandong) Co., Ltd. <sup>1)</sup>	-	Shandong, China	80/80	-	-	-
Zhejiang Granges Sheng'an Aluminium Co., Ltd. <sup>1)</sup>	-	Shanghai, China	40/40	-	-	-
Yunnan Chuangge New Materials Science & Technology Co., Ltd. <sup>1)</sup>	-	Yunnan, China	39.2/39.2	-	-	-
Gränges Japan Ltd.	-	Tokyo, Japan	100/100	3	1	4
Gränges Powder Metallurgy GmbH	-	Velbert, Germany	100/100	38	-	38
Gränges Powder Metallurgy SAS	-	Saint-Avoid, France	100/100	80	-	80
Gränges Konin S.A.	-	Warsaw, Poland	100/100	2,467	-	2,467
Remal Sp. z.o.o. <sup>1)</sup>	-	Konin, Poland	84.5/84.5	-	-	-
<b>Total shares in Group companies</b>				<b>3,767</b>	<b>1</b>	<b>3,768</b>

<sup>1)</sup> Indirect ownership

## 11 Share capital

	2024	2023
Numbers of shares	106,308,618	106,308,618
<b>SEK million</b>	<b>2024</b>	<b>2023</b>
Share capital	142	142

The articles of association for Gränges AB state that the share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000. The number of shares shall be not less than 75,000,000 and not more than 300,000,000.

The share capital comprises a single class of share and amounts to SEK 142 million (142) as of December 31, 2024. Share capital is divided into 106,308,618 shares (106,308,618), each with a quota value of SEK 1.339775.

Earnings per share and dilutive effect is presented in the Group's Note 18.

## 12 Pensions

SEK million	2024	2023
Pension obligations at January 1	38	34
Pension costs	3	4
Interest expense, pensions	1	1
Pension payments	-2	-2
<b>Pension obligations at December 31</b>	<b>41</b>	<b>38</b>

Actuarial basis for calculating the capital value pursuant to the Pension Obligations Vesting Act are defined by the Swedish Financial Regulatory Authority. Application of the Pension Obligations Vesting Act is a condition for the right to make tax deductions.

## 13 Other provisions

SEK million	2024	2023
<b>Non-current provisions</b>		
Provisions for long-term incentive programme (LTI)	4	5
Other provisions	1	1
<b>Total non-current provisions</b>	<b>5</b>	<b>6</b>
<b>Current provisions</b>		
Provisions for long-term incentive programme (LTI)	13	10
<b>Total current provisions</b>	<b>13</b>	<b>10</b>

A provision for employee benefits is recognized in accordance with agreements entered for long-term incentive programmes and other personnel obligations.



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report

Group

Notes Group

Parent company

→ Notes Parent company

Proposed appropriation of retained earnings

Auditor's Report

Sustainability statement

Other information

## 14 Interest-bearing liabilities

As per December 31, 2024, the parent company's non-current interest-bearing liabilities consisted of term loans from banks and financial institutions of USD 70 million (120) and SEK 200 million (400), and bonds of SEK 600 million (600) issued under Gränges' MTN programme (Medium Term Note).

Current interest-bearing liabilities consisted of interest-bearing loans of SEK 200 million (0), USD 20 million (0) and commercial papers of SEK 1,374 million (797). Gränges revolving credit facility of SEK 3,000 million was unutilized at December 31, 2024.

The loan facilities are subject to financial covenants, including a Net Debt to EBITDA ratio and an Interest Coverage Ratio. The covenants were fulfilled as of December 31, 2024.

SEK million	Carrying amount	
	2024	2023
<i>Non-current interest-bearing liabilities</i>		
Interest-bearing loans	960	1,591
Bonds in MTN programme	600	600
Interest-bearing derivatives	58	51
<b>Total non-current interest-bearing liabilities</b>	<b>1,618</b>	<b>2,242</b>
<i>Current interest-bearing liabilities</i>		
Interest-bearing liabilities	420	-
Commercial papers	1,374	797
Interest-bearing derivatives	0	1
<b>Total current interest-bearing liabilities</b>	<b>1,794</b>	<b>797</b>
<b>Total interest-bearing liabilities</b>	<b>3,412</b>	<b>3,039</b>

## 15 Accrued expenses and deferred income

SEK million	2024	2023
Personnel-related liabilities	37	30
Other accrued expenses and deferred income	7	15
<b>Total accrued expenses and deferred income</b>	<b>43</b>	<b>45</b>

## 16 Pledged assets and contingent liabilities

### Contingent liabilities

SEK million	2024	2023
Guarantee commitment PRI Pensionsgaranti	1	1
Contingent liabilities for subsidiaries	1,297	820
<b>Total contingent liabilities</b>	<b>1,298</b>	<b>821</b>

### Pledged assets

For the credit facilities described in Note 30 of the Group, Gränges AB has entered a customary undertaking to not pledge assets or in a similar manner use its property to give creditors a better right than the banks that are providing the credit facility.

### Disputes

The company is not a party to any dispute. As long as the company does not have any legal or formal obligation as a result of a past event, and it is uncertain whether an outflow of economic resources will be required to settle a future obligation, nothing is recognized in the income statement or balance sheet.

## 17 Related party transactions

No board member or senior executive of Gränges AB or its subsidiaries has independently or through a company or related party had any direct involvement in a business transaction concluded by Gränges AB that was or is of an unusual character or subject to unusual terms and conditions.

SEK million	2024	2023
Sales to related parties	174	137
Purchases from related parties	39	6
Interest income on receivables from related parties	252	406
Interest expenses on liabilities to related parties	13	7
Interest-bearing receivables from related parties	3,292	2,832
Interest-bearing liabilities to related parties	28	8
Non-interest-bearing receivables from related parties	187	550
Non-interest-bearing liabilities to related parties	38	101

## 18 Proposed appropriation of retained earnings

The Board of Directors proposes that the retained earnings of:

SEK	
Retained earnings	3,758,310,971
Profit for the year	59,268,588
<b>Non-restricted equity</b>	<b>3,817,579,559</b>

Be appropriated as follows:

Dividend to shareholders of 3.20 SEK per share	340,187,578
Carried forward	3,477,391,982
<b>Total</b>	<b>3,817,579,559</b>

The proposed dividend of SEK 340 million, or SEK 3.20 per share, represents 34 percent of the Group's profit attributable to owners of the parent company for 2024. In preparing its dividend proposal the Board of Directors has taken account of the company's financial position, cash flow and outlook.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
  - Sustainability statement
  - Other information

# Proposed appropriation of retained earnings



The Board of Directors proposes that the retained earnings of:

SEK	
Retained earnings	3,758,310,971
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<b>Total</b>	<b>3,817,579,559</b>

The proposed dividend of SEK 340 million, or SEK 3.20 per share, represents 34 percent of the Group's profit attributable to owners of the parent company for 2024. In preparing its dividend proposal the Board of Directors has taken account of the company's financial position, cash flow and outlook.

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted for use in the EU, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Company and describes substantial risks and uncertainties that the Group companies faces.

Stockholm, March 14, 2025  
The Board of Directors of Gränges AB (publ)

Fredrik Arp  
Chairman of the Board

Jörgen Rosengren  
Chief Executive Officer

Steven Armstrong  
Member of the Board

Mats Backman  
Member of the Board

Mikael Bratt  
Member of the Board

Martina Buchhauser  
Member of the Board

Peter Carlsson  
Member of the Board

Cecilia Daun Wennborg  
Member of the Board

Gunilla Saltin  
Member of the Board

Emma Hansen Lamprecht  
Member of the Board

Tobias Johansson  
Member of the Board

We submitted our audit report on March 17, 2025  
Ernst & Young AB

Andreas Troberg  
Authorized Public Accountant

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
  - Auditor's Report
- Sustainability statement
- Other information

This information is such that Gränges must disclose pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on Tuesday, March 18, 2025.

# Auditor's Report

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

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Gränges AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 73–118 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Valuation of finished goods and work-in-process products

#### Description

As described in Note 24 of the consolidated financial statements, inventories of finished goods and merchandise and work in progress products are recorded at 3 636 MSEK in the consolidated balance sheet per the 31st of December 2024, equivalent to 17 % of the Company's total assets. Inventories are valued at the lowest of acquisition cost and net realizable value.

The acquisition cost of inventories is based on the cost of production less obsolescence write-downs, if applicable. The valuation at production cost is performed using inventory valuation models where direct and indirect production-related costs are allocated to products. Incorrect assumptions and calculations related to direct and indirect production costs affect the valuation of goods produced which affects recorded inventory and the cost of goods sold. For this reason, we have determined that this is a key audit matter.

A description of the Company's inventory valuation method for finished goods and merchandise and work in progress products, as well as significant judgments and assumptions in relation to this, is presented in Note 4 and Note 5 under the notes to the consolidated financial statements.

#### How our audit addressed this key audit matter

In our audit for the financial year, we have assessed the Company's routines for accounting for finished goods and merchandise and work in progress products, and whether the Company's accounting principles for inventory is compliant with applicable standards.

We have also performed procedures to verify calculation models and assessed the reasonableness of applied prices, consumption rates and assumptions regarding the allocation of indirect production costs. We have also performed procedures on metal hedging related to inventory.

Finally, we have also reviewed the disclosures provided in the annual report.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report
  - Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
- Auditor's Report
- Sustainability statement
- Other information



### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–72 and 123–181. The report on management remuneration for the financial year 2024 which will be issued after the date of this auditor’s report is also considered other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

If we, in connection with reading the management remuneration report, conclude that there is a material misstatement we are required to report this to the board of directors and request correction.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director’s responsibilities and tasks in general, among other things oversee the company’s financial reporting process.

### Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors’ Report Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
- Auditor’s Report
- Sustainability statement
- Other information





We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Gränges AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

### The auditor's examination of the ESEF report

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Gränges AB for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Gränges AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements**
  - Board of Directors' Report Group
  - Notes Group
  - Parent company
  - Notes Parent company
  - Proposed appropriation of retained earnings
- Auditor's Report
- Sustainability statement
- Other information



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, Hamngatan 26, 111 47, Stockholm, was appointed auditor of Gränges AB by the general meeting of the shareholders on May 8, 2024 and has been the company's auditor since May 10, 2007.

Stockholm 17 March 2025

Ernst & Young AB

Andreas Troberg  
Authorized Public Accountant

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

**Financial statements**

Board of Directors' Report  
Group

Notes Group

Parent company

Notes Parent company

Proposed appropriation  
of retained earnings

→ Auditor's Report

Sustainability statement

Other information

# Sustainability statement



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate governance report

Financial statements

**Sustainability statement**

General disclosures

Environmental information

Social information

Governance information

Other information

# Contents

<b>General disclosures</b>	124
About Gränges' sustainability statement	124
Sustainability governance	125
Statement on Due Diligence	126
Risk management and internal controls	126
Sustainability strategy	127
Double Materiality Assessment	128
Stakeholder dialogues	130
Policies	131
<b>Environmental information</b>	132
Climate change	132
Sustainable finance	141
EU Taxonomy	142
Pollution	147
Water resources	148
Recycling and sustainable materials	150
<b>Social information</b>	154
Own workforce	154
Workers in the value chain	161
<b>Governance information</b>	162
Business conduct	162
Responsible sourcing	163
<b>GRI/ESRS Index</b>	169
<b>Auditor's Limited Assurance Report</b>	173

## General disclosures

### About Gränges' sustainability statement

#### Scope of the report

The sustainability information in this report relates to the financial year 2024 and covers all fully owned operations of the Gränges Group at the start of 2024. Refer to Note 10 for the parent company for a list of group companies. The scope of consolidation follows the same principles as the financial statements. The newly acquired facility in Shandong, China, is not included in the sustainability data. The facility will be included in the reporting year 2025 following a review of the data collection process to ensure accuracy and quality.

The Sustainability statement is based on the results from Gränges' Double Materiality Assessment. Gränges' sustainability plan covers the full value chain, and the information related to each sustainability topic is extended to include value chain information where material. Information relating to the upstream value chain is included for Responsible sourcing, Circularity, and Climate. Information relating to the downstream value chain is only material for Recycling and Circularity.

#### Statutory reporting and reporting principles

The statutory sustainability report according to the previous wording in the Annual Accounts Act that applied before July 1, 2024 has been issued by Gränges' Board of Directors, read more on page 75. The report has been prepared in accordance with GRI Standards as well as the EU Corporate Sustainability Reporting Directive (CSRD), in line with the applicable European Sustainability Reporting Standards (ESRS), refer to the GRI and ESRS content index on page 169.

Gränges has published a sustainability report each year since 2015. This report is published on March 18, 2025, and the company will publish a report annually.

### Disclosures in relation to specific circumstances

#### Sources of estimation and outcome uncertainty

Refer to each section in this statement for more information regarding reporting principles, definitions and estimations.

#### Changes in preparation and reporting errors in prior periods

Gränges' previously disclosed Sustainability notes in 2024 have been updated to align with ESRS requirements, and are now part of the Sustainability Statement. The 2024 report includes an updated materiality assessment, a restructuring of the order and presentation of the sustainability disclosures, and expanded key performance indicators in line with ESRS. A content index which combines GRI and ESRS disclosure requirements can be found at the end of this statement.

In 2024, Gränges has validated its Double Materiality Assessment. Results confirm the same material topics as in previous assessments, with the addition of two new material sub-topics: Air pollution and Corporate culture.

For the 2024 sustainability statement, phase-ins for specific ESRS disclosures have been applied, refer to the GRI and ESRS content index on page 169 for more details.

Two restatements have been made relating to scope 3 emissions and waste, refer to page 138 and 153 for further information.

#### For more information, please contact:

Sofia Hedevåg, SVP Sustainability  
sofia.hedevag@granges.com  
+46 733 03 79 79



### Contents

2024 in brief
About Gränges
Strategy
The business
Sustainability leadership
Risk management
Corporate Governance Report
Financial statements
<b>Sustainability statement</b>
→ General disclosures
Environmental information
Social information
Governance information
Other information



## Sustainability Governance

### The role of the administrative, management and supervisory bodies

#### Board of Directors and Group Management

The Board of Directors is the highest governing body for sustainability, addressing and deciding on issues related to Gränges' strategic direction and organization on an ongoing basis. The Board of Directors, including employee representatives and employee deputies, consists of 12 members, 42% women and 58% men. For more information on composition, experience, employee representation, and independence, refer to the Corporate Governance report on pages 68–70.

Gränges' Board of Directors has assigned the Audit Committee to be responsible for the follow-up of Gränges' sustainability reporting. In addition to the company's internal sustainability expertise, the Board also has access to external specialist knowledge in sustainability. Furthermore, ongoing training initiatives are conducted to enhance the Boards' competence in specific sustainability issues.

Gränges' Group Management Team (GMT) ensures that Gränges' global sustainability plan, long-term targets and policies are aligned with the company's vision and strategy. Group Management also reviews and monitors regional performance against sustainability targets, as well as makes decisions related to global sustainability priorities. Regional and group performance is reviewed on a regular basis and other sustainability topics when needed.

#### The Group Sustainability function

The Group Sustainability function is headed by the SVP Sustainability, who is also a member of GMT. The function is responsible for leading the development and execution of Gränges' global sustainability plan, which is aligned with the findings from the Double Materiality Assessment and identified material impacts, risks and opportunities. Other responsibilities include setting long-term targets, issuing sustainability-related policies, regular communication and reporting on Gränges' sustainability performance and progress to internal and external stakeholders, as well as coordinating continuous stakeholder dialogues.

#### Cross-regional teams to drive global efforts

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

#### Regional Presidents

The regional Presidents are responsible for developing and executing local sustainability targets and plans, aligned with the global plan and the local needs.

### Information on sustainability topics addressed by Group Management and the Board

#### Board of Directors

In 2024, eight scheduled Board meetings were held. Sustainability performance is presented by the CEO in each meeting as part of the business update and SVP Sustainability reports to the Board of Directors on an annual basis presenting performance, progress and plans towards the long-term goals. Topics raised during the year included key activities within decarbonization, sustainability value proposition, responsible sourcing and sustainability engagement as well as performance and focus for next year. In addition, the regional Presidents annually present regional plans and efforts to the Board of Directors, including sustainability.

In conjunction with the quarterly reports, Gränges presents key figures linked to the company's long-term goals to the Board. In addition, SVP Sustainability and Director Sustainability Reporting participate in the quarterly Audit Committee meetings, presenting an update on the sustainability performance and agreed sustainability focus areas for the year. In 2024, this included the Double Materiality Assessment, progress against Gränges' limited assurance scope and progress on the CSRD readiness plan.

#### Group Management

Sustainability is an integrated part of the GMT meetings and agenda. Financial and sustainability performance is reviewed on a monthly basis.

A systematic follow-up of all regions' sustainability efforts is done as part of the regional semi-annual Business Boards, chaired by the CEO and represented by the GMT. GMT also functions as a Sustainability Board for the Sustainability and SG&R cross-regional teams. The teams present their work twice a year to the Sustainability Board with the aim to receive feedback or make decision on specific global projects.

### Integration of sustainability-related performance in incentive schemes

One important part of sustainability governance is linking variable remuneration to sustainability performance to push for progress against the company's sustainability goals. Gränges provides variable remuneration to senior managers which consists partly of an annual incentive program (STI) and partly of several parallel long-term programs called LTI, both of which provide cash compensation.

80 percent of the STI program is linked to financial objectives and 20 percent is linked to non-financial. The objectives have been designed so that they both promote the Group's business strategy and long-term sustainability goals. The non-financial objective is linked to the total carbon emission intensity (scope 1+2+3) performance.

GMT is responsible for designing the incentive program and providing a proposal of outcomes, which is approved by the Board of Directors. For more information about Gränges' incentive programs, refer to page 76.

#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



## Statement on Due Diligence

Gränges’ works actively to identify, prevent, and limit actual and potential negative impact that the company’s activities have on people and the environment. The due diligence procedures are guided by the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights. See below table for a mapping of the information provided in this sustainability statement about Gränges’ due diligence process.

Gränges will further strengthen and formalize its due diligence processes in line with the upcoming EU Corporate Sustainability Due Diligence Directive (CSDDD) in 2025.

Core elements of due diligence	Page reference in the sustainability statement
Embedding due diligence in governance, strategy and business models	41, 127
Engaging with affected stakeholders in all key steps of the due diligence	130
Identifying and assessing adverse impacts	46–46, 49, 128–129, 163
Taking actions to address those adverse impacts	20–23, 26, 45–46, 49, 126, 154–156, 161–163
Tracking the effectiveness of these efforts and communicating	49, 51–52, 130, 154–160, 162–163, 165–166

## Risk management and internal controls over sustainability reporting

### Risk management

Sustainability-related risks are identified and evaluated as part of Gränges’ Enterprise Risk Management (ERM) process and have been an integral component for many years. This process requires regional management teams to annually review, rank, and prioritize risks and maintain updated risk mitigation plans. These plans form the basis for an annual risk review by the Group Management Team, with a summary presented to the Board of Directors. Sustainability risks are prioritized on the same premises as operational and financial risks.

In 2024, Gränges reviewed and assessed its sustainability risks as part of the updated Double Materiality Assessment. The thresholds for identifying financial materiality were aligned with those used in the ERM process, such as the likelihood and financial impact on Group EBIT.

Additionally, Gränges initiated a scenario-based analysis in line with the Task Force on Climate-related Financial Disclosures’ (TCFD) recommendations. The company ensured that the sustainability risks identified in the DMA process and scenario analysis are reflected in the ERM process, with aligned definitions and thresholds.

For more details on Gränges’ risk management process and main risks, refer to the Risk Management section on pages 49–57.

### Internal control

In 2024, Gränges expanded the scope of internal controls related to sustainability reporting to further strengthen and improve data quality and information provided in the sustainability statement. Gränges follows the Committee of Sponsoring Organizations’ (COSO) recommendations on internal control for sustainability reporting.

During the year, Gränges focused on clarifying objectives, risks, and control activities for sustainability reporting as well as increasing the scope of internal audit procedures. The company will continue to enhance internal control procedures and plans to revise the company’s Internal Audit policy to clarify and define principles related to sustainability reporting as part of the annual policy review process.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



## Sustainability strategy

Sustainability is a strong driver and enabler of long-term competitiveness and value creation for Gränges. The company aims to drive sustainable growth through the creation of circular and sustainable aluminium solutions for a better future. Sustainability, together with People and Safety, is at the core of Gränges' business and strategy, signaling that these are central for differentiation and competitiveness. To ensure resilience of Gränges' strategy and business model, the company continuously works to evaluate and adapt these to manage impacts and risks as well as to create opportunities.

With its position as a semi-manufacturer in the aluminium value chain, Gränges is committed to ensure a positive contribution to the circular economy by creating strong partnerships and collaboration both upstream with suppliers and downstream with customers.

### Gränges' sustainability plan

Gränges' sustainability plan focuses on three key areas crucial for creating sustainable and circular aluminium solutions: net-zero, circular, and responsible. Each area is accompanied by long-term goals and covers material topics identified through the Double Materiality Assessment.

### Net-zero

Gränges' goal is to have net-zero carbon emissions by 2040. The company also has mid-term 2030 goals for scope 1+2 and scope 3 respectively. Both 2040 and 2030 goals have been validated by SBTi to be in line with science. The company invests in sustainable operations and sourcing, and recycling to reduce the life-cycle climate impact of its products.

### Circular

Gränges' goal is to reach 500 ktonnes sourced recycled aluminium by 2030. This equals ten-folding the volume from the base year 2017. The company invests in circular business models, closed-loop partnerships, recycling capacity, and circular alloy development to increase the usage of recycled materials in its products.

### Responsible

Gränges' goal is to have 100 percent sustainable suppliers by 2030, as defined in the company's Responsible Sourcing Program. The company invests in safety, business ethics, and people to ensure responsibly produced aluminium and responsible business practice throughout the value chain.

Since 2017, Gränges has delivered positive sustainability results each year, demonstrating that the sustainability plan leads to real and impactful action. The company has worked for a long time to integrate sustainability into its business and work-streams and its highly engaged people and organization work every day to make the sustainability plan happen and to build Gränges' business for the future.

### Reference strategy, business model, and value chain

A longer description of Gränges' strategy, business model, value chain, products and the integration of sustainability is presented in the sections About Gränges, Strategy and The business on pages 9-38. The sustainability plan and material topics are presented in the sections: Sustainability Leadership section, ESRS standards in the sustainability statement, and in the Double Materiality Assessment.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

### Invest in sustainable

- ✓ Supply and recycling
- ✓ Operations
- ✓ Customers and sectors

### 2030 Sustainability goals



Sustainable growth

## Double Materiality Assessment

In 2022, Gränges conducted its first Double Materiality Assessment (DMA) to identify material sustainability topics. Following the draft principles of the European Sustainability Reporting Standards (ESRS), the assessment covered the entire Gränges Group and its upstream and downstream value chains. The assessment included identifying relevant sustainability topics across the value chain, taking into account factors such as geographical location, business relationships, business transactions, industry-related sustainability topics, and market shifts. This was further supplemented by consultations with affected stakeholders to obtain feedback on the significance of each topic. Additionally, an internal survey was conducted in which members of Gränges' global leadership team rated each topic based on its perceived sustainability and financial impact. No additional screening of assets or operational sites, nor consultations with affected communities, have been deemed necessary for the identification of impacts, risks, and opportunities in the value chain, as the analysis has been validated through consultations with relevant stakeholders within Gränges' operations.

### Methodology and process of validated Double Materiality Assessment

With the final version of the ESRS launched in 2023, Gränges initiated a validation of the 2022 DMA results to ensure full alignment with the Corporate Sustainability Reporting Directive (CSRD) requirements. The methodology and process for the DMA was revised, taking into account a list of 37 sub-topics, with a particular focus on the new ESRS requirements for identifying impacts across the entire value chain. The validation of the 2022 results led to the identification of 23 potentially material sub-topics for further evaluation.

Actual and potential negative and positive impacts, risks, and opportunities were defined for each material sub-topic, serving as a basis for quantitative impact assessments according to

ESRS guidelines. The identification of risks and opportunities was conducted both based on their connections to identified impacts and dependencies, as well as through an independent assessment. To perform an information-based quantification of the impacts, risks and opportunities, sources such as industry reports, desktop analyses, and internal reports on supply chain risks were assessed. The validation was finalized in 2024.

### Impact materiality

The Group Sustainability function assessed the sustainability impacts that Gränges has or could have on society and the environment due to the company's activities or business relations from a value chain perspective. Impacts related to own workforce have taken into consideration groups that may be at greater risk including women and blue-collar workers represented in the topics diversity and health and safety.

The assessment criteria used followed the guidance and recommendations from the European Sustainability Reporting Standards (ESRS):

- **Scale:** How severe the negative impact is or how beneficial the positive impact is for people or the environment, on a scale from 0–5 (none to absolute)
- **Scope:** How widespread the negative or positive impacts are, on a scale from 0–5 (none to global/total)
- **Irremediability:** How difficult it is to remedy the impact, on a scale from 0–5 (very easy to remedy to non-remediable)
- **Likelihood:** For potential impacts, the likelihood of the impact occurring was scored on a scale from 0–5 (not at all likely to definitely)

The draft impact materiality was presented to the cross-regional Sustainability team, where participants were able to provide feedback and align on the results.

### Financial materiality

The VP Business Control & Risk Management together with Group Sustainability function assessed which risks and opportunities could affect Gränges' financial performance and position. The approach was fully aligned with the company's ERM definition and thresholds of financial impact. Two assessment criteria were used:

- **Likelihood:** The likelihood of risk/opportunity having a financial impact on Gränges, on a scale from 0–5 (not at all likely to very likely)
- **Financial impact:** Financial impact on Gränges Group EBIT, on a scale from 0–5 (none to very high)

The draft financial materiality assessment was presented to Gränges' Group Risk Boards, consisting of regional Presidents and regional CFOs, VP Group Accounting, VP Group Treasury, and the Group CFO.

### Final validation and approval

The final materiality assessments were validated by SVP Sustainability and Group CFO. Materiality thresholds were defined, and a final determination of which sustainability topics were deemed material was made. The results were presented to the GMT and the Board of Directors.

In total, 18 ESRS sub-topics were assessed to be material and are therefore included in the reporting scope. This aligns well with Gränges' focus areas and long-term ambitions. The results were consistent with the 2022 DMA, confirming that Recycling, Workplace Safety and Sustainable Materials are areas where Gränges has the largest impact.

Two new sub-topics were identified as material: Air pollution and Corporate culture. Five topics were deemed as not material in the final validation; Biodiversity loss, Substances of concern and very high concern, Water pollution, Soil pollution and Protection of whistleblowers. These topics remain important to Gränges and need to be addressed regionally based on local conditions, stakeholder expectations, and compliance requirements.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



## Material impacts, risks and opportunities



	ESG category	Material issues	Type of material issue	Value chain	Time horizon	Description	Gränges' focus areas
Environment	E1 Climate change	Climate change mitigation	I R O	Upstream, own operations, downstream	Short	GHG emissions emitted in the company's operations and value chain	Net-zero
		Climate change adaptation	I R	Own operations	Medium	Adaptation of operations to actual and future climate change	
		Energy	I R O	Upstream, own operations	Short	Energy usage in the company's operations and value chain	
	E2 Pollution	Air pollution	I R	Upstream, own operations	Short	Local emissions of pollutants to air in the company's operations	
	E3 Water and marine resources	Water resources	I	Upstream, own operations	Short	Water usage in the company's own operations and value chain	
E5 Circular economy	Resource inflows, including resource use	I R O	Upstream, own operations	Short Medium	Increasing aluminium recycling, promoting a circular economy and sourcing low-carbon aluminium	Circular	
	Resource outflows related to products and services	I R O	Own operations, downstream	Short	Product design to improve operational and product sustainability performance from a life-cycle perspective and waste production and management		
Social	S1 Own workforce	Working conditions	I R O	Own operations	Short	Offering fair working conditions for the company's own workforce	Responsible
		Health and safety	I R O	Own operations	Short	Own workforce's exposure to safety risks at the workplace	
		Employee wellbeing	I R O	Own operations	Short	Protecting the physical, mental, and psychosocial health and fostering wellbeing among the company's own workforce	
		Equal treatment and opportunities for all	I R O	Own operations	Short	Providing a non-discriminatory and inclusive work environment	
		Training and leadership	I R O	Own operations	Short	Providing training and career development opportunities to attract, develop, and retain employees	
		Other work-related rights in own operations	R O	Own operations	Short	Following and respecting international standards for human rights, including child, and forced labor	
	S2 Workers in the value chain	Labor and human rights	I	Upstream	Short	Following and promoting international standards for responsible labor practices and human rights in the value chain	
Governance	G1 Business conduct	Corporate culture	I	Own operations	Short	Upholding a set of beliefs and behaviors that guide how to interact and handle business transaction	
		Responsible sourcing	I	Upstream	Short	Enforcing responsible and sustainable practices in the supply chain	
		Corruption/bribery	I R	Upstream, own operations, downstream	Short	Incidents of corruption or bribery	

Refer to each standard introduction for more information on impacts, risks, and opportunities.

**I** Impact materiality      **R** Financial materiality: Risk      **O** Financial materiality: Opportunity

- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

## Stakeholder dialogue

Gränges frequently engages with key stakeholders in structured dialogues concerning sustainability topics, reporting content, and expectations regarding the company's sustainability performance or communications. These dialogues aim to align Gränges' priorities and strategy with stakeholder views. The Annual and Sustainability reports provide key stakeholders with accurate information about the company's activities and performance in sustainability.

Gränges conducted a comprehensive stakeholder dialogue as part of its first Double Materiality Assessment, refer to pages 128–129. Comprehensive dialogues will be conducted at least every three years as part of a thorough update of the Double Materiality Assessment. Gränges will annually conduct dialogues with key stakeholders to stay informed on stakeholder interests. Results from these dialogues are presented to GMT, and Gränges will amend sustainability topics based on stakeholder feedback if needed. No amendments of Gränges' business strategy or business model have been made as a result of stakeholder input.

All regions facilitate local stakeholder dialogues as well. The table to the right summarizes engagements held over the past year and their outcomes.

Key stakeholders	Dialogue forum	Outcome of the engagement
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Fairs, seminars</li> <li>• Ongoing dialogues</li> <li>• Customer questionnaires</li> <li>• Stakeholder surveys and in-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Product development</li> <li>• Adaptation of customer marketing of sustainable solutions</li> <li>• Responses to customer queries</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Annual performance reviews</li> <li>• Employee surveys every two years</li> <li>• Internal trainings</li> <li>• Intranet communication</li> <li>• Stakeholder surveys and in-depth interviews</li> <li>• Workplace meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Review of global trainings</li> <li>• Implementation of sustainability training</li> <li>• Internal policy reviews</li> <li>• Global and local engagement initiatives</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual and quarterly reports</li> <li>• Capital markets days</li> <li>• Quarterly conference calls</li> <li>• Investor and analyst seminars and meetings</li> <li>• Press releases</li> <li>• Stakeholder surveys and in-depth interviews</li> <li>• Sustainability questionnaires from ESG data providers</li> <li>• Gränges' website</li> </ul>	<ul style="list-style-type: none"> <li>• ESG rating improvement plans</li> <li>• Review of external communications</li> <li>• Responses to investor queries</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Ongoing dialogue</li> <li>• Stakeholder surveys and in-depth interviews</li> <li>• Supplier assessments</li> <li>• Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Updated Responsible Sourcing Program</li> <li>• Supplier improvement plans</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• Collaboration with universities and schools</li> <li>• Interns and student dissertations</li> <li>• Local cooperation, ongoing dialogue</li> <li>• Participation in networks and working groups</li> <li>• Stakeholder surveys and in-depth interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Site specific initiatives on community development</li> </ul>



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

## Sustainability policies

Gränges has a number of steering documents in the form of policies and procedures. Policies, key content, scope and policy owners are listed below. Additional information, including actions and targets for tracking the effectiveness of these policies, can be found in the respective material sustainability topics section of the Sustainability Statement.

Policy	Key content	Scope	Responsible	Reference
<b>Code of Conduct</b>	Gränges' Code of Conduct outlines ethical principles and gives guidance to employees on how to act and conduct business.	All employees, board members, and temporary staff (e.g. independent contractors, consultants etc.), intermediaries or others acting on behalf of Gränges.	<b>Group Management Team</b>	6.1 Business Ethics
<b>Global Environmental Policy</b>	Gränges' Global Environmental Policy provides an overview of general environmental requirements and specific environmental principles.	All legal entities, employees and contracted workers.	<b>SVP Sustainability</b>	4.1 Environmental information
<b>Greenhouse Gas Accounting Procedure</b>	Gränges' Greenhouse Gas Accounting Procedure is designed to ensure accuracy and consistency in the reporting of carbon emissions within Gränges Group.	All legal entities within the Gränges Group.	<b>Director Sustainability Reporting</b>	4.1 Environmental information
<b>Occupational Health and Safety Policy</b>	Gränges' Occupational Health and Safety policy outlines expectations on safety and compliance with legal requirements, continual improvement of OHS systems, clear definition of responsibilities, integration into business processes, and active employee involvement in safety programs.	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.	<b>Always Safe cross-regional team</b>	5.2 Workplace Safety
<b>Global Anti-Corruption Policy</b>	Gränges' Anti-Corruption Policy outlines principles to prevent bribery and other types of corruption.	All employees and board members.	<b>SVP Sustainability</b>	6.1 Business Ethics
<b>Global Responsible Sourcing Policy</b>	Gränges' Global Responsible Sourcing Policy outlines group-wide principles and requirements on responsible sourcing, including signing Gränges' Supplier Code of Conduct.	All legal entities within Gränges Group, especially those employees in direct or indirect contact with suppliers, and temporary staff and consultants who work on behalf of Gränges.	<b>SVP Sustainability</b>	6.2 Responsible Sourcing
<b>Supplier Code of Conduct</b>	Gränges' Supplier Code of Conduct requires the suppliers' commitment to support Gränges' values and principles when it comes to operating in accordance with responsible, ethical and sound business principles in compliance with all applicable laws and regulations.	All suppliers, contractors, and vendors.	<b>SVP Sustainability</b>	6.2 Responsible Sourcing
<b>Investment Policy</b>	Gränges' investment policy establishes the framework for all investments within the Gränges Group and include a requirement that all expansion investments must support Gränges' sustainability ambitions and decarbonization plan. Maintenance investments must do no harm on Gränges' sustainability ambitions and decarbonization plans.	All legal entities within the Gränges Group.	<b>CFO</b>	-



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
- General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

# Environmental information

## ESRS E1: Climate change

### Impact and our approach

The global aluminium industry, a harder-to-abate sector, contributes to about 2 percent of global greenhouse gas emissions annually, totalling 1.1 billion tonnes of CO<sub>2</sub>e. Aluminium's critical role in society is set to grow, with demand expected to rise by 81 percent by 2050 as sectors like energy, construction and transportation decarbonize their processes<sup>1)</sup>. To transition to a sustainable economy, it is key for players within the aluminium value chain to reduce emissions from a life-cycle perspective.

Gränges' production is dependent on energy and input materials having an actual negative impact on the environment. This include the use of fossil fuels and primary aluminium with a highly energy-intensive production, emitting high share of greenhouse gas emissions.

#### Risks and opportunities

Identified climate risks include transitional risks from increased customer demand for low-carbon products, stricter requirements on product carbon emission performance, and increased carbon regulations and taxes being enforced. This can potentially lead to increased costs or

revenue loss if the company would not be able to meet requirements. Physical risks include acute and chronic risks stemming from extreme weather events such as tornados and flooding and shortage of natural resources, which could lead to potential decreased revenues and increased costs due to production losses and facility damage.

Identified opportunities include potential increased revenues due to securing customer contracts with specific requirements on product carbon footprint performance.

### Material impacts, risks, and opportunities

Material issue	Type of impact
Climate change mitigation	I R O
Climate change adaptation	I R
Energy	I R O

1) International Aluminium Institute (IAI) report - Aluminium Sector Greenhouse Gas Pathways to 2050

### Transition plan for climate change mitigation

Gränges is committed to combat climate change by investing in sustainable operations, sourcing and recycling to reduce the life-cycle climate impact of its products. The company is committed to reaching net-zero carbon emissions by 2040, with mid-term 2030 goals to reduce scope 1+2 absolute emissions by 42 percent and to reduce scope 3 emissions intensity by 57 percent from a 2021 baseline. The goals have been approved by the Science Based Targets initiative, aligning with the latest climate science and with the Paris Agreement's 1.5 degree goal.

Gränges has developed regional 2030 decarbonization plans, consolidated into a group-wide net-zero plan with five key pathways to reduce carbon emissions; Net-zero Gränges, Net-zero electricity, Recycling growth, Net-zero primary aluminium and Net-zero solutions and sectors.

Recycling growth accounts for more than half of the 2030 plan, followed by low-carbon primary aluminium, and renewable electricity. To implement the plan, the company will invest further in sustainable supply, recycling, long-term partnerships, new technologies, and product development.

The transition plan has been presented and approved by the Board of Directors. Twice a year, Gränges' business units present a status update, priorities and potential investments needed to achieve local decarbonization plan through regional boards, which are chaired by CEO and represented by the Global Management Team.

The company has not yet considered material impacts on people workers arising from the transition plan. This is an analysis to be conducted in 2025.

During the year, Gränges reduced its total absolute emissions by 3 percent compared to last year as a result of continued execution of the net-zero plan. The reduction was primarily achieved through recycling growth, increased low-carbon primary aluminium and renewable electricity. In addition, the company further investigated options to reduce scope 1 emissions.



#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

## Gränges' net-zero plan

### 1 Net-zero Gränges

Gränges' ambition is to have 100 percent net-zero fuels by 2040. Today, the company consumes energy mainly in its production processes related to remelting and casting. Energy sources used are natural gas, electricity, and liquified petroleum gas. To reach the ambition, Gränges must find ways to reduce and phase-out the use of natural gas and improve its energy intensity performance.

#### Phasing out fossil fuels

To transition to net-zero fuels, Gränges must find alternative energy sources to be able to phase out fossil fuels used in production or invest in new technologies or electrification. Today, this imposes challenges as current decarbonization technologies are still under development and not scalable or economically justifiable. Transitioning to biofuels is another option being investigated, however this also comes at a high cost. Phasing out fossil fuels is a long-term priority for Gränges and the business units are working on investigating different options to reduce scope 1 emissions. The company has already initiated activities to reduce the consumption of natural gas. For example, Gränges' facility in Finspång uses oxyfuel burners.

#### Improve energy intensity

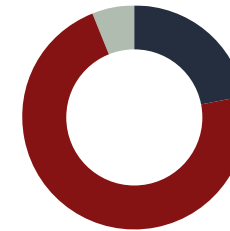
Gränges works actively to increase energy efficiency to reduce the scope 1+2 emissions from own operations and to reduce its energy costs. The company uses digital processes and tools to

analyze areas where energy can be saved. For example, in 2024 Gränges' facility in Shanghai continued to improve its energy intensity with a 9 percent reduction compared to 2023. This result was achieved through yield improvements and machine availability in casting operations reducing the use of natural gas. In addition, optimization processes to lower heating temperature in annealing processes and shorter holding time in homogenization process reduced energy consumption. Overall, Gränges' energy intensity remained at the same level 3.5 MWh/tonne as last year.

### 2 Net-zero electricity

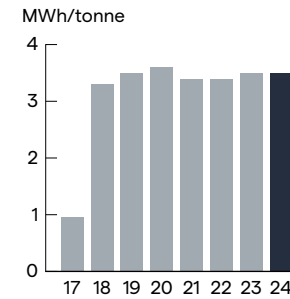
Gränges has an ambition to increase the use of renewable electricity to 100 percent by 2030, and investigates possibilities to increase renewable electricity usage through Power Purchase Agreements (PPA) or generating own renewable electricity. A short term possibility is to source renewable electricity through certificates, such as guarantees of origin (GOOs). Gränges facility in Shanghai, Finspång and Newport uses 100 percent renewable electricity in its production from either solar energy or hydro power. The facility in Konin used 82 percent of renewable electricity during the year through GOOs. Solar panels are installed on the roof of the production facility in Shanghai generating power to the facility and the Shanghai grid and community.

### Sourced energy mix



- Renewable energy, 23%
- Non-renewable energy, 72%
- Nuclear energy, 6%

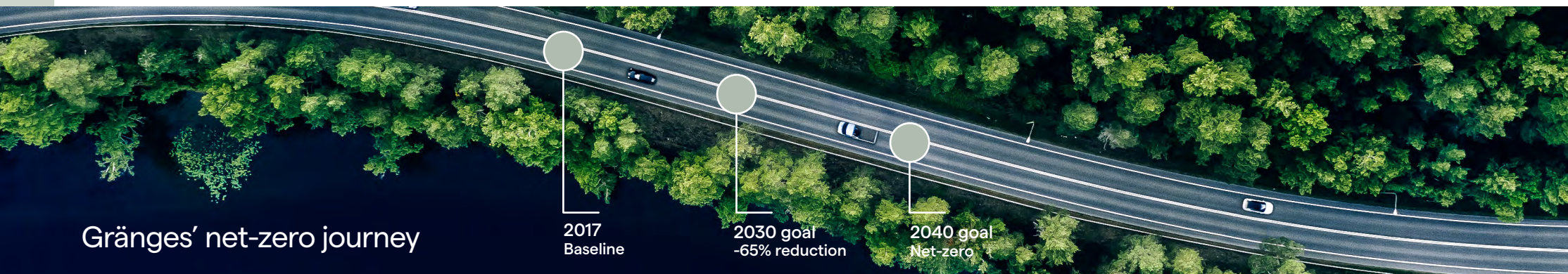
### Energy intensity



■ Energy intensity

#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



## Gränges' net-zero journey

2017  
Baseline

2030 goal  
-65% reduction

2040 goal  
Net-zero



### 3 Recycling growth

Increased recycling of aluminium lowers the need for raw materials extraction and accounts for more than half of Gränges' 2030 decarbonization plan. The market for recycled aluminium varies across regions and the demand for scrap is increasing. Key factors to secure increased volumes of recycled aluminium is to collaborate with recycling processing companies and forming circular business partnerships with customers and suppliers. Additionally, Gränges' work within research and innovation to develop new circular alloys with higher scrap content is also key for recycling growth.

The company aims to reach 500 ktonnes of recycling volumes by 2030. The company reached record-high recycling volumes of 249 ktonnes in 2024, equaling a share of 46 percent. Refer to pages 150–153 for more information on Gränges' recycling efforts.

### 4 Net-zero primary aluminium

Apart from recycling, expanding the use of net-zero primary aluminium has the greatest impact on Gränges' decarbonization journey to 2030. Hence, the company depends on the primary aluminium sector transitioning to low-carbon production.

One key activity for Gränges is to support and push suppliers to decarbonize. Another priority is to form value chain partnerships with suppliers who can provide low-carbon primary aluminium. Refer to pages 150–153 for more information on Gränges' efforts on sourcing sustainable materials.

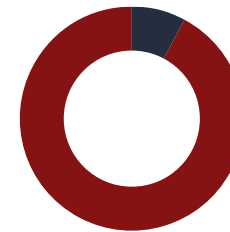
### 5 Net-zero solutions and sectors

To ensure that Gränges is part of the transition to a sustainable economy, the company is investing in sustainability markets targeting sectors such as the electrical vehicle market. Another key priority is partnering with customers to design and develop sustainable, circular solutions, and establish closed-loop business models.

Gränges has an ambition to design and manufacture sustainable solutions that can improve customers' operational performance as well as the sustainability performance of their products. Gränges can use its strong position in the value chain to establish partnerships with both suppliers and customers to create sustainable aluminium products. The company also focuses actively on alloy design and research and innovation to improve the recycling ratio as well as increasing the recyclability of the alloy.

### Total carbon footprint

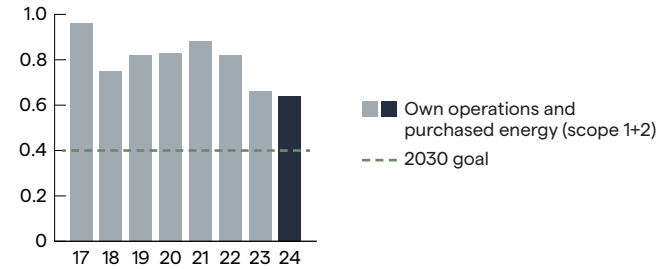
3,823 ktonnes



- Own operations and purchased energy (scope 1+2), 9%
- Purchased materials (scope 3), 91%

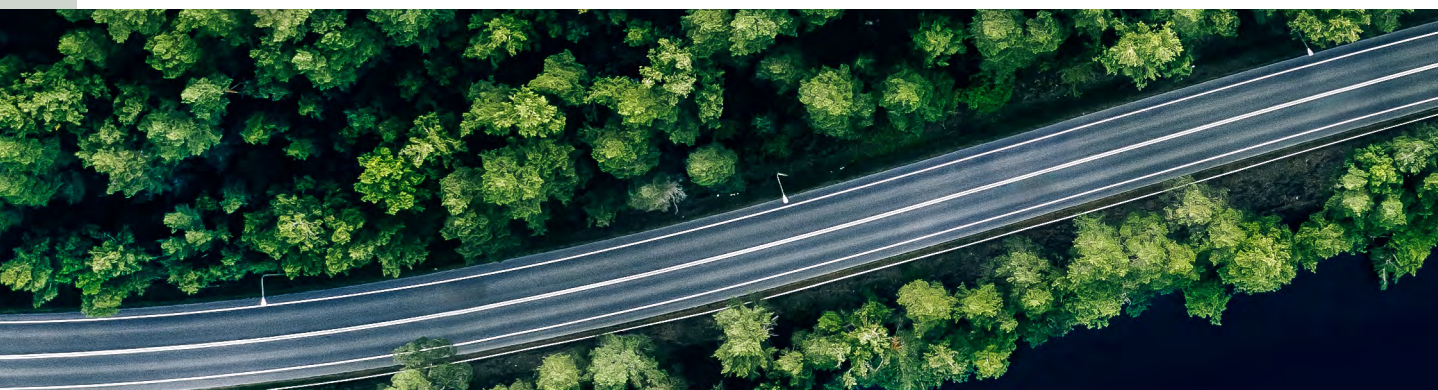
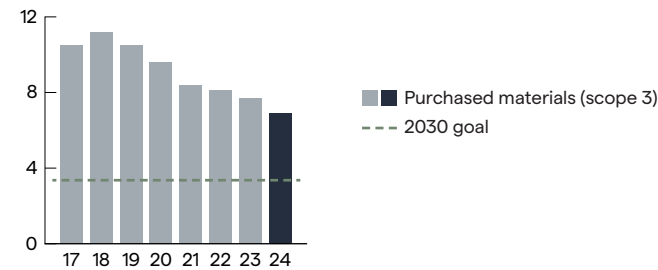
### Carbon emissions intensity, scope 1+2

tonnes CO<sub>2</sub>e/tonne



### Carbon emissions intensity, scope 3

tonnes CO<sub>2</sub>e/tonne



#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Climate-scenario analysis

To support Gränges' strategy for sustainable growth, the company initiated a climate-scenario analysis in 2024. The analysis was conducted with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The analysis covers Gränges' Group and examines two types of climate-related risks, transition risks and physical risks, as well as opportunities for Gränges under three different climate scenarios outlined in accordance with the Intergovernmental Panel on Climate Change's (IPCC's) forecasts on how carbon concentrations in the atmosphere will increase by 2100. The scenario analysis has been conducted with an assessment of the magnitude of risks and opportunities for each scenario, as well as their likelihood of occurrence, using three different time horizons; Short-term (2025–2030), Medium-term (2031–2050) and Long-term (2051–2100).

### Taking the green road, SSP1-1.9

This scenario represents a very low greenhouse gas emissions scenario, limiting global warming to 1.5 degrees Celsius above pre-industrial levels by the end of the century. Emissions rapidly decline to net-zero by about 2050 and become negative after that.

### Middle of the road, SSP2-4.5

This scenario represents a world where progress is made, but not at the pace required to achieve the most ambitious climate goals. Emissions rise slightly until around 2050, and the global temperature is projected to increase by 2.1–3.5 degrees Celsius by 2100.

### Fossil-fueled development, SSP5-8.5

This scenario represents a world with a significant increase in greenhouse gas emissions, with CO<sub>2</sub>e emissions tripling by 2075, and global temperature is projected to increase by approximately 3.3–5.7 degrees Celsius by 2100.

## Identified risks and opportunities

In 2024, Gränges conducted an initial evaluation of climate-related risks and opportunities across its entire value chain, based on the insights and expertise of employees. This assessment encompasses Gränges' own operations, upstream activities (including suppliers), downstream activities (such as customers), and the specific locations of these activities. The analysis was driven by a review of market trends, macro-political shifts, regulatory developments, energy and resource usage, market dynamics, products and services, technological advancements, as well as both acute and chronic climate events. Identified high level risks and opportunities include:

**Policy and legal:** Potential increased costs due to carbon regulations, enforced taxes and not meeting enhanced emissions-reporting obligations.

Climate scenario: Taking the green road (SSP1-1.9), Middle of the road (SSP2-4.5)

**Physical risk:** Potential decreased revenues and/or increased costs due to production loss and damage on facilities as a result of extreme weather impacts from hurricanes (potentially affecting the US facilities) and typhoons (potentially affecting the facilities in Shanghai).

Climate scenario: Fossil-fuelled development (SSP5-8.5).

**Product & services:** Potential increased revenues due to securing customer contracts with specific requirements on product carbon footprint performance.

Climate scenario: Fossil-fuelled development (SSP5-8.5).

In 2025, Gränges will further deepen the assessment and evaluate the company's resilience against identified risks.

## Policies related to climate change mitigation and adaptation

The governing policy is Gränges' Global Environmental Policy relating to minimizing adverse operational impact on the environment. In regards to climate change, the policy includes specific principles relating to emissions and energy including mitigating climate impact from Gränges' own operations (scope 1+2) and from the value chain scope 3, reducing energy consumption, improve energy intensity, and promote the use of renewable energy.

Gränges also has clear sustainability expectations on suppliers to reduce environmental risks in the supply chain. The company's Supplier Code of Conduct includes the same environmental principles as in the environmental policy. Gränges' requires its suppliers to adhere to the principles including reducing emissions from own operations and the value chain, as well as reduce energy consumption and promote the use of renewable energy.



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



## Targets

Topic	Target	Target year	Baseline	Outcome
Emissions and Climate impact	Net-zero across the value chain	2040	2021	In 2024, absolute total carbon emissions (scope 1+2+3) decreased by 3 percent to 3,823 ktonnes (3,951) and total carbon emissions intensity decreased by 11 percent to 7.5 (8.4). Gränges has reduced absolute total carbon emissions by 18 percent from baseline 2021.
	Reduce absolute scope 1 and 2 GHG emissions by 90 percent	2040	2021	Absolute scope 1+2 carbon emissions increased slightly to 327 ktonnes (310), which means that Gränges has decreased its absolute scope 1+2 emissions by 25 percent compared to baseline 2021. Absolute scope 3 emissions decreased to 3,496 ktonnes (3,641).
	Reduce scope 3 GHG emissions from purchased goods and services, fuel- and energy related activities, upstream transportation and distribution, business travel, and downstream transportation and distribution by 97 percent per tonnes packed product	2040	2021	Scope 1+2 carbon emissions intensity decreased to 0.64 ton CO <sub>2</sub> e/ton (0.66). Scope 3 carbon emissions intensity decreased by 11 percent to 6.9 tonnes CO <sub>2</sub> e/tonne, which means that Gränges has reduced scope 3 carbon emissions intensity by 19 percent compared to baseline 2021.
	Reduce absolute scope 1 and 2 GHG emissions by 42 percent	2030	2021	
	Reduce scope 3 GHG emissions from purchased goods and services, fuel- and energy related activities, upstream transportation and distribution, business travel, and downstream transportation and distribution by 57 percent per tonnes packed product	2030	2021	
	Reduce carbon emissions intensity from own operations (scope 1+2) by at least 25 percent	2025	2017	Scope 1+2 carbon emissions intensity decreased to 0.64 ton CO <sub>2</sub> e/ton (0.66). This is a reduction of 33 percent compared to 2017.
	Reduce carbon emissions intensity from purchased materials (scope 3) by at least 30 percent	2025	2017	Scope 3 carbon emissions intensity decreased to 6.9 tonnes CO <sub>2</sub> e/tonne (7.7). This is a reduction of 35 percent compared to 2017.
	Energy	Share of renewable energy at least 20%	2025	2017
Energy intensity reduction of 17%		2025	2017	Energy intensity amounted to 3.5 MWh/tonne (3.5). This is an increase of 6 percent compared to baseline 2017.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



# Emissions and climate impact

E1-4 & E1-6 GRI 305-1, 305-4

## Greenhouse gas emissions disaggregated by Scopes 1 and 2 and significant Scope 3

		Retrospective				Goals		
		2024	2023	Base year (2021)	% change 2024 vs 2023	2030	2040	Annual % target / Base year
<b>Scope 1 GHG emissions</b>	Gross Scope 1 GHG emissions (ktonne CO <sub>2</sub> e)	239	222	221	8%			
	Scope 1 GHG emissions from regulated emission trading schemes (%)	23	23	24	0%			
<b>Scope 2 GHG emissions</b>	Gross location-based Scope 2 GHG emissions (ktonne tCO <sub>2</sub> e)	245	243	268	1%			
	Gross market-based Scope 2 GHG emissions (ktonne CO <sub>2</sub> e)	88	88	214	0%			
<b>Scope 1+2 GHG emissions</b>	Gross location-based Scope 1+2 GHG emissions (ktonne CO <sub>2</sub> e)	484	465	489	4%			
	Gross market-based Scope 1+2 GHG emissions (ktonne CO <sub>2</sub> e)	327	310	435	6%			
	Carbon emissions intensity from scope 1+2 (ktonne CO <sub>2</sub> e/tonne)	0.64	0.66	0.88	-3%	-42%	-90%	-9%
<b>Significant Scope 3 GHG emissions</b>	Total Gross indirect (Scope 3) GHG emissions (ktonne CO <sub>2</sub> e)	3,496	3,641	4,203	-4%			
	1 Purchased goods and services	3,377	3,530	4,062	-4%			
	3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	56	53	82	5%			
	4 Upstream transportation and distribution	31	28	28	11%			
	6 Business traveling	0.4	0.4	0.4	0%			
	9 Downstream transportation	31	30	32	5%			
	Carbon emissions intensity from scope 3 (ktonne CO <sub>2</sub> e/tonne)	6.9	7.7	8.5	-11%	-57%	-97%	-8%
	<b>Total GHG emissions</b>							
	Total GHG emissions (location-based) (ktonne CO <sub>2</sub> e)	3,980	4,106	4,692	-3%			
	Total GHG emissions (market-based) (ktonne CO <sub>2</sub> e)	3,823	3,951	4,638	-3%		Net-zero	

Gränges goals are aligned with the latest climate science and consistent with the goals of the Paris Agreement. The approval from SBTi confirms Gränges' strong sustainability commitment and dedication to reducing the climate impact from its business and along the value chain. As part of the SBTi approval, Gränges conducted a full GHG inventory to identify where the largest climate impact occurs from a value chain perspective. The goals cover approximately 91 percent of Gränges emissions including both emissions from own operations scope 1+2 (9 percent), and from indirect emissions in the value chain scope 3 (91 percent). Categories included in the scope 3 emission targets are purchased goods and services (metals and packaging materials), upstream and downstream transportation, business travel and fuel and energy-related activities. The largest share of emissions originates from sourcing of metals which stands for 97 percent of Gränges scope 3 emissions. The base year for Gränges' climate goals approved by SBTi is 2021. Gränges will also continue to report on the

development towards its original baseline of 2017 to showcase the company's full decarbonization journey. With the SBTi approval Gränges has committed to the below SBTi goals:

### Net-zero goal

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

### Long-term goals

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

### Near-term goals

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

### Reporting principles and definitions:

Data is reported with a market-based approach. Data is reported at regional level monthly and consolidated quarterly and annually at group level using common definitions and principles. Data for Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Gränges does not have regulated emission trading schemes. Greenhouse gas emissions are presented as carbon dioxide equivalents. In accordance with the GHG Protocol, the definitions of the respective scopes are:



## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Total emissions of greenhouse gases

tonne CO <sub>2</sub> e	Scope 1			Scope 2			Scope 1+2			Scope 3			Scope 1+2+3		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Gränges Eurasia	81.9	75.9	72.1	29.5	26.3	120.8	111.5	102.2	193.0	2,730	2,881	2,730	2,842	2,984	2,923
Finspång	11.8	11.9	11.9	0.5	0.5	0.4	12.2	12.4	12.3	366	456	465	378	469	477
Konin	40.4	36.8	34.4	27.0	25.7	75.2	67.4	62.5	109.7	371	417	423	439	479	533
Shanghai	28.3	27.2	25.8	0.0	0.0	45.2	28.3	27.2	71.0	1,992	2,005	1,836	2,020	2,032	1,907
Gränges Americas	156.1	145.1	143.3	58.3	61.4	60.7	214.4	206.5	204.0	764	763	1,229	979	969	1,433
Gränges Total	239.1	222.1	215.4	87.9	87.7	181.5	327.0	309.8	396.9	3,496	3,641	3,959	3,823	3,951	4,356

## Carbon emissions intensity

tonne CO <sub>2</sub> e	Scope 1			Scope 2			Scope 1+2			Scope 3			Scope 1+2+3		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Gränges Eurasia	0.27	0.28	0.28	0.10	0.10	0.46	0.37	0.38	0.74	9.1	10.6	10.4	9.5	11.0	11.2
Finspång	0.14	0.14	0.14	0.01	0.01	0.00	0.15	0.14	0.15	4.3	5.2	5.5	4.5	5.3	5.6
Konin	0.42	0.46	0.40	0.28	0.32	0.87	0.70	0.78	1.27	3.9	5.2	4.9	4.6	6.0	6.2
Shanghai	0.24	0.26	0.29	0.00	0.00	0.50	0.24	0.26	0.79	16.9	19.4	20.5	17.1	19.7	21.3
Gränges Americas	0.74	0.72	0.64	0.28	0.31	0.27	1.02	1.03	0.90	3.6	3.8	5.5	4.6	4.8	6.4
Gränges Total	0.47	0.47	0.44	0.17	0.19	0.37	0.64	0.66	0.82	6.9	7.7	8.1	7.5	8.4	8.9

## Greenhouse gas emissions per net revenue

tonne CO <sub>2</sub> e/SEK	2024	2023	2022
Total GHG emissions (location-based) per net revenue	0.17	0.18	0.18
Total GHG emissions (market-based) per net revenue	0.16	0.18	0.18

Refer to page 80 in the Financial Statement for net sales.

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

**Scope 2** is defined as energy indirect emissions from the generation of purchased electricity, heat and steam consumed by Gränges, in

production facilities and office buildings. Emissions are calculated using specific data from Granges' electricity, heat, and steam suppliers.

**Scope 3** is defined as other indirect emissions. These include emissions from extraction, production and processing of metals, packaging materials, fuel and energy related activities (not included in scope 1 or scope 2), upstream and downstream goods transportation, packaging materials as well as business travel. Fuel and energy related activities include production of fuels used in Gränges' operations and in generation of purchased energy. Emissions from producing primary aluminium, purchased slabs, and recycled aluminium are based on regional industry averages, country specific factors or supplier data. Emissions from producing fuels are based on regional industry data and emissions from transportation and business travel are based on specific data from Gränges transport routes. 5 percent of scope 3 emissions is based on primary data.

**Carbon emissions intensity** is defined as total emissions of greenhouse gases (tonnes CO<sub>2</sub>e) divided by the total packed products (tonnes).

### Comments:

In 2024, total carbon emissions intensity (scope 1+2+3) decreased by 11 percent to 7.5 tonnes CO<sub>2</sub>e /tonne (8.4). The absolute emissions (market-based) were reduced by 3 percent to 3,823 ktonnes (3,951), equal to 3,980 ktonnes CO<sub>2</sub>e using a location-based approach. Carbon emissions intensity from own operations and purchased energy (scope 1+2) amounted to 0.64 tonnes CO<sub>2</sub>e/tonne (0.66), a reduction of 2 percent versus 2023. The decrease was mainly driven by higher production volumes. Carbon emissions intensity from purchased materials (scope 3) decreased by 11 percent to 6.9 tonnes CO<sub>2</sub>e/tonnes (7.7). The reduction was mainly driven by increased use of recycling aluminium replacing primary aluminium across all regions. Gränges does not have any biogenic emissions.

### Restatements:

- Scope 3 data 2023 for Gränges Americas and Gränges Group has been restated as a result of improved data relating to packaging materials in Gränges Americas.

## Contents

2024 in brief
About Gränges
Strategy
The business
Sustainability leadership
Risk management
Corporate Governance Report
Financial statements
<b>Sustainability statement</b>
General disclosures
→ Environmental information
Social information
Governance information
Other information

# Energy

E1-5.35 GRI 302-1

## Energy consumption and mix

	2024	2023	2022
Fuel consumption from coal and coal products (MWh)	-	-	-
Fuel consumption from crude oil and petroleum products (MWh)	64,539	51,900	64,261
Fuel consumption from natural gas (MWh)	1,096,516	1,018,900	989,172
Fuel consumption from other non-renewable sources (MWh)	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	221,358	225,410	331,101
<b>Total fossil energy consumption (MWh)</b>	<b>1,382,413</b>	<b>1,296,210</b>	<b>1,384,534</b>
Share of fossil sources in total energy consumption (%)	77	77	84
Consumption from nuclear sources (MWh)	102,473	97,019	104,013
Share of consumption from nuclear sources in total energy consumption (%)	6	6	6
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	401,774	373,157	273,225
Self-generated non-fuel renewable energy production (MWh)	2,285	-	-
Self-generated non-renewable energy production (MWh)	-	-	-
<b>Total renewable energy consumption (MWh)</b>	<b>401,774</b>	<b>373,157</b>	<b>273,225</b>
Share of renewable sources in total energy consumption (%)	23	22	16
<b>Total energy consumption (MWh)</b>	<b>1,784,187</b>	<b>1,681,300</b>	<b>1,657,786</b>

### Comment:

In 2024, the total energy use increased by 6 percent to 1,784 GWh (1,681) due to higher production volumes and by using more recycled aluminium in production which requires more energy to remelt. The share of renewable sources in total energy consumption increased, mainly driven by higher share of renewable electricity in the Konin facility.

### Reporting principles and definitions:

Data is reported at regional level and consolidated at group level using common definitions and principles. Renewable energy sources are defined as wind, solar, hydro, geothermal, tidal, and biomass. Non-renewable energy sources include LPG, natural gas, diesel and petrol. Self-generated non-fuel renewable energy refer to the solar panels installed on the production facility in Shanghai generating renewable electricity.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information





GRI 302-1

## Share of renewable energy

%	2024	2023	2022
<b>Gränges Eurasia</b>	47	48	34
Finspång	74	74	74
Konin	36	38	23
Shanghai	40	39	12
<b>Gränges Americas</b>	4	3	3
<b>Gränges Total</b>	<b>23</b>	<b>22</b>	<b>16</b>

### Comment:

In 2024, the share of renewable energy increased by 1 percentage point to 23 percent (22). This was a result of increased renewable electricity in the Konin facility. Gränges' facility in Shanghai sources 100 percent renewable electricity since 2023. The facility in Finspång sources specified electricity from 100 percent hydro power since 2020 and the facility in Konin sourced 82 percent renewable electricity from hydro power through guarantees of origin in 2024. Newport sources 100 percent from solar power through renewable energy credits (RECs).

### Reporting principles and definitions:

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

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

GRI 302-3

## Energy intensity

MWh/tonne	2024	2023	2022
<b>Gränges Eurasia</b>	2.6	2.7	2.8
Finspång	2.3	2.3	2.3
Konin	3.7	3.8	3.7
Shanghai	1.9	2.1	2.3
<b>Gränges Americas</b>	4.7	4.7	4.2
<b>Gränges Total</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>

### Comment:

In 2024, the energy intensity remained unchanged at 3.5 MWh/tonne (3.5).

### Reporting principles and definitions:

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

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

E1-5.40

## Energy intensity per net revenue

MWh/SEK million	2024	2023	2022
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	75.9	74.7	67.7

Refer to page 80 in the Financial Statement for net sales

### Comment:

In 2024, energy intensity per net revenue increased by 2 percent versus 2023 as a result of increased energy consumption compared to previous year.

### Reporting principles and definitions:

The aluminium sector is defined as a high climate impact sector. Hence, Gränges' total energy consumption and total net revenue is included in this KPI.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



## Sustainable financing

Gränges is committed to integrating sustainability into the financing of the group. The company's sustainable financing journey began in 2021 with the launch of a Green and Sustainability-linked Financing Framework. Under this framework, Gränges successfully issued its inaugural sustainability-linked bond in September 2021, further integrating its sustainability ambitions with the financing strategy. In the fourth quarter of 2022, Gränges took a significant step forward by incorporating a sustainability-linked structure into its main Credit Facility Agreement, which included a Revolving Credit Facility (RCF) and a Term Loan. Additionally, sustainability-linked structures were also included in new term loan agreements with Svensk Exportkredit, further strengthening Gränges' commitment to sustainable financing.

### Updated framework in 2024

Gränges updated and replaced the combined Green and Sustainability-linked Financing Framework from 2021 by publishing two new frameworks in the fourth quarter of 2024 – one Green Financing Framework and one Sustainability-linked Financing Framework. These new frameworks are designed to better align with international standards and Gränges' updated sustainability goals. A Second Party Opinion was issued by Sustainalytics for each framework. As part of this transition, Gränges refinanced its Credit Facility Agreement in the fourth quarter of 2024. The new agreement contains a SEK 3 billion revolving credit facility and a USD 70 million term loan. The applicable margin for these facilities are linked to the company's progress on two key performance indications (KPIs).

Through these initiatives, Gränges continues to demonstrate leadership in sustainable financing, aligning its financial structure with its long-term climate and environmental goals.

### Performance related to Sustainability-Linked Bond issued 2021

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

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

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

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

Target	KPI	2024	2023	2022	2021
SPT 1	Total carbon emissions intensity from own operations and purchased energy (scope 1+2), tonnes CO <sub>2</sub> e/tonne	0.64	0.66	0.82	0.88
SPT 2	Total carbon emissions intensity from sourced metal inputs (scope 3), tonnes CO <sub>2</sub> e/tonne	6.9	7.7	8.1	8.5
SPT 3	Share of recycled aluminium of total sourced metal input, %	46.2	41.6	32.7	28.5

#### Comment:

Total carbon emissions intensity from own operations and purchased energy (scope 1+2) amounted to 0.64 tonnes CO<sub>2</sub>e/tonne in 2024. Gränges has now reduced carbon intensity (scope 1+2) by 33 percent compared to baseline 2017. Total carbon emissions intensity from sourced metal inputs (scope 3) amounted to 6.9 tonnes CO<sub>2</sub>e/tonne in 2024. Gränges has now reduced carbon intensity (scope 3) by 35 percent compared to baseline 2017. The share of sourced recycled aluminium increased by 4.6 percentage points and reached 46.2 percent (41.6) in 2024.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

**Sustainability statement**

General disclosures

→ Environmental information

Social information

Governance information

Other information

## EU Taxonomy Report

In accordance with Article 8 of the EU Taxonomy Regulation EU 2020/852, turnover, capital expenditure (Capex) and operational expenditure (Opex) are reported on and defined as described below. Gränges has identified certain areas of the EU Taxonomy where there is a degree of interpretive flexibility. As a result, internal assessments and considerations are necessary due to the absence of comprehensive regulatory guidance in some areas. The Taxonomy disclosures for 2024 are based on the current analysis and interpretation of the Taxonomy regulation but may be subject to change as new regulatory guidance is issued, market practices develop or the Taxonomy regulation itself is expanded.

### Methodology for Eligibility Assessment

Gränges is a global leader in aluminium rolling and recycling, dedicated to delivering circular and sustainable aluminium solutions in collaboration with customers and suppliers. As a result, the company is eligible under the Climate Delegated Act for its Manufacture of Aluminium activity (CCM 3.8), since it encompasses the recycling of secondary aluminium. Gränges reports turnover, capital expenditures and operating expenditures related to the activity.

During 2024, Gränges reviewed eligible economic activities has been carried out with due consideration of the delegated acts Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental delegated act (Commission Delegated Regulation (EU) 2023/2486) and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485) as they constitute the foundation for the EU Taxonomy reporting.

The analysis, conducted by the Sustainability Group function in close collaboration with the Group Accounting function, concluded that the scope of this year's taxonomy reporting will remain unchanged from last year's reporting whereas the activity Manufacture of Aluminium (CCM 3.8) is fully eligible and remains the only eligible economic activity for Gränges. The company has not taken into account the draft FAQ published in December 2024. Given the late clarifications, the draft status

and potential changes to reporting through EU Omnibus, Gränges will review and take these into consideration in the 2025 report.

### Methodology for Identifying Taxonomy-Aligned Activities

Gränges has identified the manufacture of secondary aluminium (CCM 3.8) as an environmentally sustainable economic activity under the climate change mitigation objective, as it is aligned with the technical screening criteria specified in the Climate Delegated Act. Gränges conducts this activity by purchasing aluminium scrap from third parties and recycles this into new products.

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

### Analysis of Do No Significant Harm (DNSH)

To calculate the proportion of taxonomy aligned economic activities and related turnover, capex and opex, Gränges has used the share of sourced recycled aluminium as a proxy. The activity "Manufacture of secondary aluminium" (CCM 3.8) is seen as making a substantial contribution to climate change mitigation without harming any of the remaining objectives significantly. Gränges meets the criteria outlined in Appendix A of the Climate Delegated Act through its climate risk analysis, which is an integral part of Gränges risk management process. This analysis forms the basis for understanding how climate risks may impact the business in the long term. Over the course of the year, the climate risk analysis has been supplemented with scenario-based risk assessments.

As part of Gränges' DMA, risks related to negative environmental impact in terms of water quality preservation and the avoidance of water stress, as well as for the protection and restoration of biodiversity and ecosystems have been considered. The analysis concluded that Gränges does not

operate in water-stressed areas or biodiversity-sensitive areas and faces no significant risk of harming water quality, biodiversity or ecosystems and thus fulfills the criteria's outlines in Appendix B and D.

Gränges has also determined that no substances or chemicals are being manufactured, placed on the market, or used within the company that are listed in Appendix C and that could harm or pollute the environment. Gränges is aligned with the relevant regulations and guiding standards and will continue to monitor and report on its progress annually.

### Minimum safeguards

Gränges' activities are carried out in compliance with the minimum safeguards set out in the regulation related to international minimum rights and standards as being defined by the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights. The analysis refers to Gränges' Code of Conduct, that stipulates the responsibilities of how to act and how to conduct business responsibly. Gränges believes that fair working conditions enable its employees to realize their full potential. Gränges also requires its suppliers to operate in accordance with responsible, ethical, and sound business principles and in compliance with all applicable laws and regulations. That means to always compete in a fair manner and respect and support internationally proclaimed human rights. The requirements are stipulated in Gränges' Supplier Code of Conduct. Gränges' follow up on adherence through its Responsible Sourcing Program, including onsite audits and sustainability desktop assessments on high and medium risk suppliers. For more information on Gränges responsible sourcing program, refer to page 163.

During the year, Gränges conducted an assessment of compliance by mapping all requirements from the regulation and internally verifying adherence. This approach enables the company to demonstrate compliance with the minimum safeguards.



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

## Reporting principles and definitions of the KPIs

In line with the previously reported scope and alignment, Gränges has assessed all the operating expenses, investments and revenues connected to one activity, "Manufacture of Secondary Aluminium" (CCM 3.8). For the calculation of turnover, capex, and opex related to this activity, the company has applied the definitions set out in the EU Taxonomy Regulation, in accordance with the accounting principles followed in Gränges' consolidated financial statements. Gränges uses the equity method to consolidate its joint ventures. This means that the joint ventures, on a line-by-line basis, are not included when reporting on turnover, capital expenditure and operating expenditure related to the manufacture of secondary aluminium.

### Turnover

Gränges has calculated the proportion of Taxonomy aligned economic activities (the numerator) as share of sourced recycled aluminium in relation to net sales of goods. The reported total revenue (the denominator) is the Net sales as presented in the Group Consolidated income statement, SEK 23 506 million.

### Capital expenditures

Capex has been calculated as the share of sourced recycled aluminium (the numerator) in relation to capital expenditures related to manufacturing (the denominator). Capital

expenditures consist of additions to tangible and intangible assets during the financial year 2024. This includes the expenditures resulting from, acquisitions and asset acquisitions as presented in Group Note 20 Intangible assets; SEK 0 million, 21 Property, plant and equipment; SEK 1,986 million and 22 Right-of-use-assets and lease liabilities; SEK 140 million. Total capex amounts to SEK 2,127 million.

Gränges has not developed a capex plan to expand the scope of its taxonomy reporting, nor has it increased its alignment, as the activity covered is already fully aligned with the taxonomy.

### Operational expenditures

Opex has been calculated as the share of sourced recycled aluminium (numerator) in relation to operating expenses related to manufacturing (the denominator). This includes direct costs that are not capitalized and relate to research and development as presented in Group Note 20 Intangible assets; SEK 72 million, short-term leases and leases of low-value assets as presented in Group Note 22 Right-of-use-assets and lease liabilities; SEK 8 million, repair and maintenance expenses as presented in Group Note 13 Other operating expenses; SEK 483 million. Additionally any other direct expenditures associated with the ongoing maintenance of tangible fixed assets are included, SEK 297 million. Total opex amounts to SEK 860 million.

## Nuclear and fossil gas related activities

### Nuclear energy related activities

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

### Fossil gas related activities

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

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

# Turnover



Financial Year 2024

Code (2)	Year		Substantial contribution criteria							DNSH criteria ('Do No Significant Harm')							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)				
Economic activities (1)	MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of Aluminium	CCM 3.8	10,861	46.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	38.5%	-	T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		10,861	46.2%	46.2%	-	-	-	-	-	-	Y	Y	Y	-	Y	Y	38.5%		
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
Of which transitional		10,861	46.2%	46.2%						-	Y	Y	Y	-	Y	Y	38.5%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
Turnover of Taxonomy-eligible activities (A.1+A.2)		10,861	46.2%	46.2%	-	-	-	-	-							38.5%			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities (B)		12,645	53.8%																
Total		23,506	100%																

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



# Capital expenditures (Capex)



Financial Year 2024	Year	Substantial contribution criteria								DNSH criteria ('Do No Significant Harm')								Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Code (2)	Capex (3)	Proportion of Capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)			
Economic activities (1)	MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of Aluminium	CCM 3.8	635	29.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	45.3%	-	T	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		635	29.9%	29.9%	-	-	-	-	-	-	Y	Y	Y	-	Y	Y	45.3%			
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%			
Of which transitional		635	29.9%	29.9%						-	Y	Y	Y	-	Y	Y	45.3%		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Capex of Taxonomy-eligible activities (A.1+A.2)		635	29.9%	29.9%	-	-	-	-	-								45.3%			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Capex of Taxonomy-non-eligible activities (B)		1,492	70.1%																	
Total		2,127	100%																	

- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

# Operational Expenditure (Opex)



Financial Year 2024	Year	Substantial contribution criteria								DNSH criteria ('Do No Significant Harm')								Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Code (2)	Opex (3)	Proportion of Opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)			
Economic activities (1)	MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of Aluminium	CCM 3.8	417	48.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	45.2%	-	T	
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		417	48.5%	48.5%	-	-	-	-	-	-	Y	Y	Y	-	Y	Y	45.2%			
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%			
Of which transitional		417	48.5%	48.5%						-	Y	Y	Y	-	Y	Y	45.2%		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Opex of Taxonomy-eligible activities (A.1+A.2)		417	48.5%	48.5%	-	-	-	-	-								45.2%			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Opex of Taxonomy-non-eligible activities (B)		443	51.5%																	
Total		860	100%																	

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

# ESRS E2: Pollution

## Impact and our approach

As an industrial company, Gränges' production processes and use of fossil fuels result in emissions of other pollutants to air than CO<sub>2</sub>e emissions, posing a risk of pollution of air, soil and water which has an actual negative impact on the local environment. The most significant pollutants to air include particulate matter (PM), nitrogen oxides (NO<sub>x</sub>), and sulphur dioxide (SO<sub>2</sub>) resulting mainly from Gränges' remelting production processes. Emissions of these pollutants are strictly regulated by local authorities who continually monitor compliance to ensure that emissions are within limits.

### Risks

Non-compliance with environmental permits, including leakages or pollution, could result in increased costs related to fines or production stops, negatively impacting Gränges' financial performance. New regulatory restrictions on emissions may affect Gränges' operations and value chain and lead to increased costs.

## Material impacts, risks, and opportunities

Material issue	Type of impact
Air pollution	I R

## Actions related to pollution

Gränges' facilities keep regular maintenance of the production facilities to ensure emission levels comply with environmental permits. At least annually and at all sites, measurements are conducted in accordance with local legislation. Other emission reduction activities include installation of monitoring systems and bag house filters to reduce dust emissions and other gases released from the industrial processes. Gränges' facilities in Huntingdon and Finspång utilizes air wash systems to recover mill oil from the rolling operations resulting in reduction of TOC and VOC emissions.

On an annual basis, the company conducts activities according to its local environmental control programs. In 2024, Gränges Finspång installed a new gas purification system in order to reduce oil emissions into the air from the foil production.

## Policies

The governing policy is Gränges' Global Environmental Policy. In regards to pollution to air, the policy includes specific principles related to reducing the negative impacts on biodiversity, climate, and water, preventing local pollution, and phasing out hazardous materials.

## Targets

Gränges does not have global targets relating to pollution. Emissions to air are regulated and monitored as part of daily operations at all Gränges' sites, and are regularly controlled by local authorities to ensure emissions remain within acceptable limits. Compliance is a prerequisite for Gränges' continued license to operate.

ESRS E2-4 GRI 305-7

### Other emissions to air

Tonnes	Nitrogen oxides (NO <sub>x</sub> )			Sulphur dioxide (SO <sub>2</sub> )			Particulate matter (PM)		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
<b>Gränges Eurasia</b>	48.6	46.0	43.6	7.1	5.9	5.3	6.1	5.6	4.1
Finspång	9.8	10.6	11.1	0.1	0.1	0.1	0.3	0.2	0.1
Konin	12.5	9.9	8.7	4.2	3.1	2.7	2.4	2.2	1.1
Shanghai	26.3	25.5	23.9	2.8	2.7	2.6	3.4	3.2	2.9
<b>Gränges Americas</b>	85.6	108.6	108.4	0.3	0.7	0.7	9.8	8.4	8.4
<b>Gränges total</b>	<b>134.2</b>	<b>154.6</b>	<b>152.1</b>	<b>7.4</b>	<b>6.5</b>	<b>6.0</b>	<b>15.9</b>	<b>14.0</b>	<b>12.5</b>

### Comment:

Emissions of nitrogen oxides decreased during the year and particulate matter and sulphur dioxide increased somewhat compared to 2023. This was driven by increased propane and natural gas consumption as a result of more material charged in the furnaces given higher production volumes. Gränges did not generate nor use any microplastics during 2024.

### Reporting principles and definitions:

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. Other emissions are based on the amount of natural gas or LPG used in production and using conversion factors. Data on particulate matter is continuously tracked using monitoring systems such as dust sensors and at least once a year by local authorities through external measurements. Data on VOC and TOC not available.



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information

# ESRS E3: Water resources

## Impact and our approach

The aluminium value chain is considered a water-intensive industry, with an actual negative impact on the environment. The largest environmental impact occurs in the extraction of bauxite and production of primary aluminium in Gränges' supply chain. The company also relies on water in its own production processes, where it is used mainly for cooling purposes such as cooling equipment, preventing overheating, and production disruptions. Water efficiency is part of Gränges' sustainable operations plan, and the company works actively to reduce the water consumption and increase water recycling.

## Key impacts, risks, and opportunities

Material issue	Type of impact
Water resources	I

## Actions related to water resources

### Managing local water conditions

Water management is handled based on local circumstances, as production sites are located in areas with varying water stress and risk. The production facility in Huntingdon uses ground water, while Salisbury, Newport, and Shanghai use municipal water. The production facility in Konin uses both ground water and municipal water and the production facility in Finspång uses surface water withdrawn from two nearby lakes. No water sources are significantly affected by the water withdrawal or discharge from Gränges.

### Water risk assessment

Gränges annually reviews water risk at all production facilities using the World Resources Institute's Aqueduct Water Risk Atlas. The sites in Finspång and Newport are located in areas with low-to-medium risk, Saint-Avoid and Huntingdon in medium-to-high risk, Salisbury in high-risk, and Shanghai and Konin in extremely high-risk areas.

### Reusing water resources

Gränges works actively to ensure that natural resources such as water are used efficiently and recycled to the greatest extent. The production facilities in Huntingdon, Salisbury, Newport and Shanghai have closed-loop cooling systems with high degrees of water recirculation, reducing water consumption and the risk of water contamination. In Gränges Americas, cooling water towers have been installed. In the Shanghai facility, water-efficient cleaning equipment are in place to reduce water consumption in cleaning, degreasing and rinsing. All equipment at Gränges' sites are cooled with recycled water.

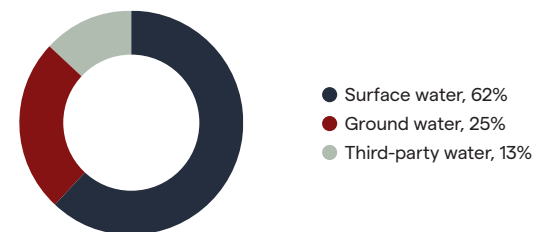
## Policies

The governing policy is Gränges' Global Environmental Policy. In regards to water, the policy includes specific principles related to reducing the negative impacts on water and water consumption. The policy sets clear expectations on Gränges' facilities to reduce the impact of water usage by reducing water consumption and waste-water generation in operations, as well as preventing local pollution of water.

## Targets

The company aims to implement local water management plans in all facilities by 2025. The water management plans include local targets and activities to address water-related impacts, such as water efficiency improvements, quality of effluent discharge, conservation activities, and local stakeholder engagement. At the end of 2024, Gränges had implemented local water management plans in 3 sites: Finspång, Newport and Shanghai. The site in Newport is certified in accordance with Alliance for Water Stewardship's (AWS) International Waters Stewardship Standards. The remaining facilities will implement a plan in 2025.

## Water withdrawal by source



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

GRI 303-3

## Water withdrawal by source

thousand m <sup>3</sup>	2024		2023		2022	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	2,261	0	2,751	0	2,879	0
Groundwater (total)	912	145	823	154	704	153
Third-party water (total)	457	355	423	354	509	399
– of which surface water	414	355	393	354	440	399
– of which ground water	43	0	30	0	69	0
<b>Gränges total</b>	<b>3,631</b>	<b>500</b>	<b>3,998</b>	<b>508</b>	<b>4,092</b>	<b>552</b>

E3-4 28

GRI 303-5

## Water consumption

m <sup>3</sup>	2024	2023	2022
Total water consumption	248,561	245,083	236,279
Total water consumption in m <sup>3</sup> in areas at water risk, including areas of high-water stress	235,808	232,427	223,485

Own KPI

## Water intensity

m <sup>3</sup> /tonnes	2024	2023	2022
Gränges Eurasia	9.3	12.1	13.2
Finspång	27.0	31.5	32.4
Konin	3.2	3.5	4.3
Shanghai	1.7	2.2	2.0
Gränges Americas	4.0	3.6	2.9
<b>Gränges total</b>	<b>7.1</b>	<b>8.5</b>	<b>8.4</b>

E3-4 29

## Water consumption per net revenue

m <sup>3</sup> /SEK million	2024	2023	2022
Total water consumption intensity	10.6	10.9	9.6

Refer to page 80 in the Financial Statement for net sales

### Comment:

In 2024, total water withdrawal decreased by 9 percent versus 2023 and water consumption decreased by 3 percent. This was driven mainly by efficiency improvements in production. Water intensity ended at 7.1 m<sup>3</sup>/tonne (8.5) and the decrease was mainly driven by water efficiency improvements and increased production volumes. No water sources are significantly affected by the water withdrawal or discharge from Gränges. Information on water recycled and reused and water storage is not disclosed as the company currently does not have a process for measuring these KPIs.

### Reporting principles and definitions:

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

**Water consumption** is defined as water withdrawals minus water discharges.

**Water withdrawal** is defined as water used in the production facility withdrawn from wetlands, rivers, lakes, own wells, municipal water suppliers or from other public or private water utilities (m<sup>3</sup>).

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

**Water intensity** is defined as total water withdrawal (m<sup>3</sup>) divided by the total packed products (tonnes).



Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

**Sustainability statement**

General disclosures

→ Environmental information

Social information

Governance information

Other information

# ESRS E5: Recycling and sustainable materials

## Impact and our approach

Aluminium plays an important role in the transition to a circular economy. The metal is in itself a circular material and allows for multiple recycling without losing its original properties. Recycling is also a key driver to reduce the carbon emissions in the industry as it requires only 5 percent of the energy consumption compared to producing primary aluminium. Circularity is a key focus area in Gränges' sustainability plan, emphasizing recycling and the use of sustainable materials like low-carbon primary aluminium. To increase the usage of recycled materials in its products, Gränges invests in circular business models, closed-loop partnerships, recycling capacity, and circular alloy development. This has an actual positive impact on the environment.

### Risks and opportunities

As the demand for sustainable materials rises due to its important role in decarbonizing the industry, costs may increase due to lower availability on the market and higher premiums on the materials. However, by increasing the use of recycled aluminium, the company reduces dependency on primary aluminium, cuts production waste, lowers emissions, and improves resource efficiency, all reducing the negative impact on the environment. This also creates financial opportunities as the company can meet the increasing demand of circular products with low-carbon footprint.

## Material impacts, risks, and opportunities

Material issue	Type of impact
Resource inflows, including resource use	I R O
Resource outflows related to products and services	I R O

## Defining resource inflows and outflows

Gränges has defined resource inflows as raw materials used in production including primary aluminium and recycled aluminium. Resource outflows include product design and waste.

## Actions related to resource inflows

### Increase the use of recycled aluminium

Recycling is a key area in Gränges' 2030 plan and to strengthen its position of being a leading recycling and rolling company. To advance towards the goal of 500 kton recycled aluminium by 2030, Gränges invests in recycling capabilities, capacity, and circular business models. The company sources pre-consumer used materials from customers and recycling companies and post-consumer used materials from recycling companies and continuously work with its sourcing strategy to increase the volumes. Collaboration with customers is key, where Gränges take back recycled aluminium from customers' manufacturing process and re-melt it into new products.

The company recirculates processed aluminium from its own operations and actively work to find opportunities to increase the recycling capabilities in production through the use of new technology, improvements in daily operations or investment in production facilities. In 2024, Gränges Americas formed a new long-term partnership with Federal Metals securing access to post-consumer scrap. Gränges' facilities in Europe and in Shanghai also continued to develop scrap supply partnerships. All facilities achieved record-high results in recycling.

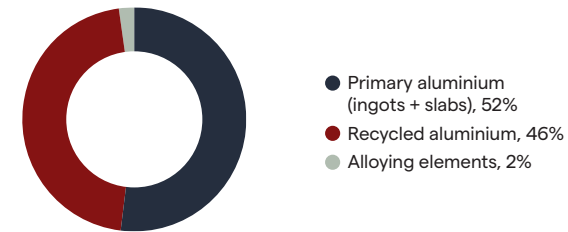
### Key challenges to secure recycled aluminium

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

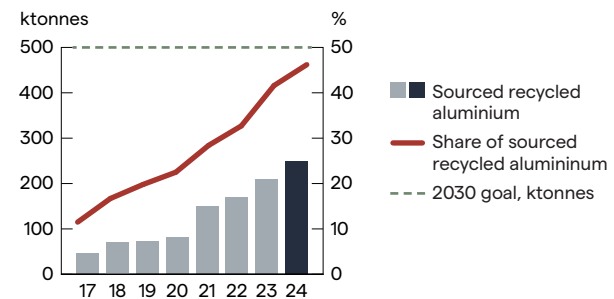
## Green sourcing of metal

Despite efforts to increase the recycling volumes in production, Gränges remains dependent on primary aluminium in its products. To reduce the negative impact on the environment, the company focuses on increasing the use of low-carbon primary aluminium which is a key decarbonization driver in Gränges net-zero plan. Currently, the availability varies depending on geography and renewable energy conditions. The company is dependent on the primary aluminium sector transitioning to low-carbon production and offering of products at reasonable costs to further reduce the negative impact on the climate. To secure low-carbon primary aluminium, Gränges works actively with suppliers to establish long-term partnerships to secure volumes. In addition, its investment in the joint venture with Shandong Innovation Group (SIG) in Yunnan secures access to low-carbon primary aluminium to Gränges' facility in Shanghai. This is expected to have a significant impact on the company's decarbonization performance over time. During the year, Gränges Americas signed a long-term agreement with Rio Tinto securing low-carbon primary aluminium.

## Sourced metal inputs



## Sourced recycled aluminium



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



## Actions related to resource outflows

### Product development through sustainable innovation

Gränges aims to design and manufacture sustainable solutions that can improve customers' operational performance as well as the sustainability performance of their products. Through its position in the value chain, the company has a great opportunity to establish partnerships and closed-loop collaborations to create sustainable aluminium products. Gränges actively focuses on alloy design and research and innovation to improve the recycling ratio, and increase alloy recyclability. In addition, the company also works to ensure that the chemical composition is designed so that both pre- and post-consumer scrap can be remelted.

The company can offer customers third-party verified carbon footprint certificates and a detailed carbon footprint report outlining the methodology. All facilities have a carbon footprint assessment tool in place, which means that 100 percent of Gränges' products have third-party verified carbon footprint information available.

### Waste

Gränges aims to reduce waste in all operations by recycling and reusing waste in production where possible, minimizing waste sent to landfill, and reducing the generation of hazardous substances. Hazardous waste includes dross generated in the remelting process and oil used to cool down the mill and

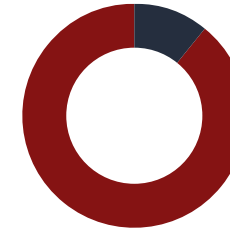
lubricate the interface between the rolls and the material. All sites have local waste handling procedures in place and actively work to reduce material consumption. For example, internal scrap is reused to the highest extent possible, reducing the need for primary aluminium as input material. The facility in Finspång recovers aluminium from dross on site using a dross press machine, and Gränges Americas has a woodchipper installed to recycle wood pallets instead of sending waste to landfill.

### Policies related to resource use and circularity

The governing policy is Gränges' Global Environmental Policy relating to minimizing adverse operational impact on the environment. In regards to resource use and circularity, the policy includes specific principles related to increasing the use of third-party verified low-carbon primary aluminium and recycled aluminium. It also covers waste management and the aim to reduce process waste and phasing out polluting substances.

Gränges also has clear sustainability expectations on suppliers to reduce environmental risks in the supply chain. The company's Supplier Code of Conduct includes the same environmental principles as in the environmental policy. Gränges' requires its suppliers to adhere to the principles including the use of sustainable materials, minimizing waste, improving energy intensity and preventing local pollution.

### Waste by type



- Hazardous waste, 11%
- Non-hazardous waste, 89%

## Targets

Topic	Target	Target year	Baseline	Outcome
Recycling	500 ktonnes sourced recycled aluminium	2030	2017	In 2024, the volume of sourced recycled aluminium reached 249 kton.
	30% recycled aluminium of total sourced metal inputs	2025	2017	In 2024, the share of sourced recycled aluminium reached 46.2 percent.
Circular alloys	100% of products to have third-party verified sustainability information	2025	-	All Gränges products have third-party verified sustainability information available.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



E5-4, E5-5

### Resource inflow and outflow

			2024	2023	2022
The rate of recyclable content in products	%	Resource outflow	46	42	33
Total weight of products and materials used	ktonnes	Resource inflow	540	505	517
Total weight of recycled components, secondary intermediary products and secondary materials used to manufacture products and services	ktonnes	Resource inflow	249	210	169
Total share of recycled components, secondary intermediary products and secondary materials used to manufacture products and services (including packaging)	%	Resource inflow	46.2	41.6	32.7

GRI 301-1

### Volume of sourced metal inputs

ktonnes	2024	2023	2022
Primary aluminium	279	283	334
Recycled aluminium	249	210	169
Alloys	13	12	15
<b>Gränges Total</b>	<b>540</b>	<b>505</b>	<b>517</b>

GRI 301-2

### Share of sourced recycled aluminium

Recycled aluminium of total sourced metal inputs, %	2024	2023	2022
<b>Gränges Eurasia</b>	<b>35.3</b>	<b>26.2</b>	<b>20.2</b>
Finspång	26.7	16.2	11.7
Konin	58.2	54.4	39.7
Shanghai	21.5	13.6	9.7
<b>Gränges Americas</b>	<b>62.0</b>	<b>63.2</b>	<b>48.3</b>
<b>Gränges Total</b>	<b>46.2</b>	<b>41.6</b>	<b>32.7</b>

#### Comment:

In 2024, the share of sourced recycled aluminium reached a record-high 46.2 percent (41.6), up by 4.6 percentage points. The increase was driven by strong recycling performance in all regions through strong recycling partnerships, investment in recycling capacity and product development. Total weight of recycled components, secondary intermediary products and secondary materials used to manufacture products and services does not include packaging. The rate of recyclable content in products reflect externally sourced recycled aluminium used in Gränges' products.

In 2024, 14 percent (14) of Gränges' sourced primary aluminium was defined as low-carbon in accordance with suppliers' specified and third-party verified carbon footprint certificates. All facilities purchased low-carbon primary aluminium during the year. Gränges Americas increased its share through signing long-term partnerships with Alcoa and Rio Tinto to secure access to low-carbon primary aluminium.

#### Reporting principles and definitions:

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

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

*Share of low-carbon primary aluminium* is defined as low-carbon primary aluminium used (tonnes) divided by total sourced metal input materials (tonnes). Data on low-carbon primary aluminium must be based on supplier specific data including valid CO<sub>2</sub> certificates.

#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
- Other information



## Products with third-party verified sustainability information

%	2024	2023	2022
<b>Gränges Eurasia</b>	100	100	67
Finspång	100	100	100
Konin	100	100	0
Shanghai	100	100	100
<b>Gränges Americas</b>	100	100	94
<b>Gränges Total</b>	<b>100</b>	<b>100</b>	<b>79</b>

## Resource outflows - Waste

		2024	2023	2022
<b>Waste diverted from disposal</b>	tonnes	39,446	28,190	24,863
<b>Hazardous waste</b>	tonnes	4,391	4,243	4,357
Whereof Preparation for reuse	tonnes	-	-	-
Whereof Recycling	tonnes	3,281	3,545	3,672
Whereof Other recovery operations	tonnes	1,110	698	685
<b>Non-hazardous waste</b>	tonnes	35,054	23,947	20,507
Whereof Preparation for reuse	tonnes	-	-	-
Whereof Recycling	tonnes	34,395	23,545	20,116
Whereof Other recovery operations	tonnes	659	402	391
<b>Waste directed to disposal</b>	tonnes	4,936	5,076	1,471
<b>Hazardous waste</b>	tonnes	411	460	386
Whereof waste incineration	tonnes	150	201	159
Whereof waste to landfill	tonnes	261	259	227
Whereof other disposal methods	tonnes	-	-	-
<b>Non-hazardous waste</b>	tonnes	4,525	4,616	1,085
Whereof waste incineration	tonnes	-	6	10
Whereof waste to landfill	tonnes	4,525	4,610	1,075
Whereof other disposal methods	tonnes	-	-	-
<b>Total amount of hazardous waste</b>	tonnes	4,803	4,703	4,743
<b>Total amount of waste generated</b>	<b>tonnes</b>	<b>44,382</b>	<b>33,266</b>	<b>26,334</b>
<b>Non-recycled waste</b>	tonnes	4,936	5,076	1,471
<b>Non-recycled waste</b>	%	11	15	6

### Comment:

Since 2023, all Gränges' sites have implemented the external party IVL Swedish Environmental life-cycle and carbon footprint assessment tools which enables declarations of environmental impacts on a product level, starting with the products' carbon footprint. This means that 100 percent of the company's products has third-party verified sustainability information available.

### Reporting principles and definitions:

Data is reported at regional level and consolidated annually at group level using common definitions and principles. Gränges will initially declare the products' carbon footprint impact but aims to expand the information to cover other environmental impact categories and sustainability topics. To ensure

transparency and credibility, Gränges has engaged the external party IVL Swedish Environmental Research Institute to verify the carbon footprint methodology, process, and routines. Verification reports and statements are available on Gränges' website. Details about the methodology and key assumptions can be found in local Carbon footprint reports, and is also available on Gränges' website. Data for Gränges Powder Metallurgy is included in the data for Eurasia.

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

### Comment:

In 2024, total waste amounted to 44 ktonnes of which 11 percent was hazardous materials and 89 percent non-hazardous materials. Gränges aims to reduce waste in all operations with the ambition to recycle and reuse waste in production where possible and minimize waste sent to landfill. In 2024, 89 percent of all waste was recycled and 11 percent was sent to landfill. Waste management is handled locally, and all sites have a waste handling procedure.

### Reporting principles and definitions:

Data is reported at regional level and consolidated annually at group level using common definitions and principles. Hazardous and non-hazardous waste are defined in accordance with national law.

The waste materials present in the production sites' waste streams consists mainly of waste oil, grease, oil filters, cardboard, metal, sand, wood, stone, dust, plastics and construction waste. Gränges does not have any radioactive waste.

### Restatements:

Due to a revision of the EU's waste definitions in 2024, gross volumes in Gränges Americas have been classified and reported as recycled non-hazardous waste. Gränges has previously included wastewater treatment as a waste category, which is not included in the ESRS waste categories. Hence, total waste amount generated 2023 and 2022 have been restated.

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

# Social information

## ESRS S1: Own workforce

### Impact and our approach

For Gränges, people and company culture are key to past and future success. The company believes that having healthy, safe, and engaged employees is vital for being innovative, productive, and competitive. Gränges has an actual positive impact on its employees through strong people management, focusing on engagement, inclusion, training, fair working conditions, and respecting human rights. The company prioritizes a safety-first culture and aims to continuously improve the working environment, especially in high-risk areas.

### Risks and opportunities

The company risks higher employee turnover, leading to increased recruitment costs, the need for new employee training, and potential production inefficiencies if not taking care of its employees. With the strong focus on safety and its people, Gränges has a greater opportunity to retain its employees.

### Material impacts, risks, and opportunities

Material issue	Type of impact
Working conditions	I R O
Health and safety	I R O
Employee wellbeing	I R O
Equal treatment and opportunities for all	I R O
Training and leadership	I R O
Other work-related rights in own operations	R O

### Health and safety

Gränges is committed to creating an injury-free workplace that safeguards the health and well-being of its employees and everyone directly or indirectly associated with its operations. No individual should be at risk of injury or work-related ill health while at a Gränges workplace.

### Actions related to safety

#### Safety organization

Group Management Team and regional Presidents have overall safety responsibility at Gränges. Each facility has appointed an Occupational Health and Safety (OHS) Manager to ensure site-specific safety management. Additionally, employee safety committees are established at each facility to consult on the working environment. A cross-regional safety team is responsible for leadership of Group safety efforts and sharing best practice.

#### OHS management systems

All production facilities have Occupational Health and Management (OHS) systems in place, to proactively and quickly eliminate safety hazards and to drive safe behavior. In 2024, 99 percent of Gränges' employees were covered by such a system. Gränges' ambition is that all facilities have an OHS system in line with ISO 45001, which is based on the general principles of the ILO Occupational Safety and Health convention. In 2024, the facilities in Shanghai and Konin have OHS systems certified in accordance with ISO 45001. The other facilities are planning for certification in 2025.

#### Global safety standards

Gränges continuously aims to improve the working environment and enhance health and safety awareness and behaviors in all its activities. The company has developed Global Safety Standards for identified key risk safety areas of the business, including mobile equipment (forklifts and crane/hoists), fire suppression, machine safety and lock, tag, verify, molten metal, confined space and fall protection. Each facility conducts annual self-assessments and identifies gaps to create action plans for risk reduction.

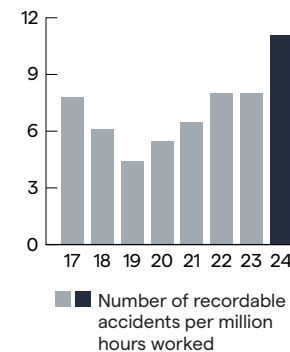
All regions have appointed subject matter experts (SMEs) for each key risk area to ensure continuous improvement and implementation of mitigating activities. These SMEs regularly meet and conduct cross-audit visits to share experiences and learnings, to enhance safety performance and culture across the Group. A cross-audit was conducted in Salisbury and follow-up of actions from previous audits were made. Additionally, regular employee meetings to increase safety awareness were held at each location.

#### Fostering a safety culture

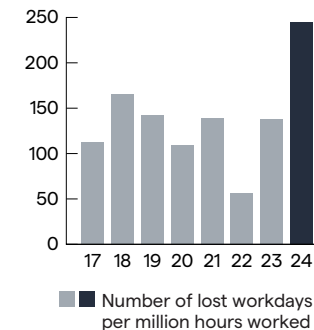
Employee engagement and awareness are key to continuous improvement. Comprehensive trainings are conducted at least annually for all employees, temporary staff, managers, and onsite contractors. New employees receive training as part of their onboarding, and specific trainings are provided for production employees, including aspects like hand and finger injury prevention. The facilities in Europe and in Shanghai arranged Safety Day or Week events to enhance employee safety awareness.

Gränges has implemented a Walk Observe Communicate (WOC) and behavior-based safety observation program at each facility, which was updated during the year. The WOC enables employees to observe activities and discuss risk behavior and improvements.

#### Total Recordable Rate



#### Severity Rate



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



## People

Gränges aims to be the preferred employer in every location it operates, striving to provide an attractive workplace that ensures safety and employee wellbeing, while fostering a welcoming and inclusive culture. The company believes a strong team and company culture is crucial for success. Gränges' people plan focuses on three areas: the team, talent and leadership, and culture and values.

### Actions related to people

#### Building the team

Gränges believes that fair working conditions and wellbeing benefits enable employees to realize their full potential. The company offers a competitive compensation package, and emphasizes a positive social and physical work environment, continuous training, and development opportunities. Employees receive occupational health services both on and off site, including flexible work options, wellness grants, regular health checks, and social protection against loss of income.

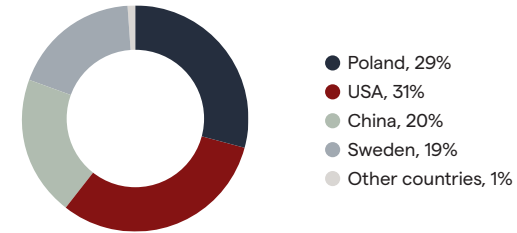
Gränges monitors employee motivation and wellbeing through annual performance and development discussion and biannual employee surveys. In 2024, the Employee Engagement Index reached 82 compared with 77 in 2022. The positive progress was largely driven by better goal clarity, helping employees understand their roles and contributions. The results guide the people plans and is used to set local action plans to improve employee wellbeing.

#### Talent and leadership

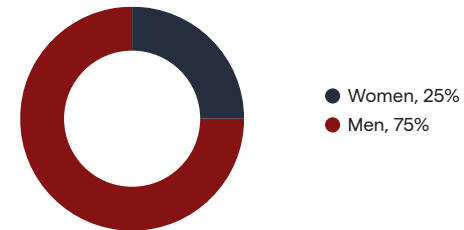
To retain top talent, Gränges recognizes the importance of engaging and motivating employees. Gränges has a structured talent management process and aims to develop one of the industry's best talent programs for managers, senior managers, and key experts. During the year, Gränges continued the implementation of first-line manager training program and the senior leadership program launched in 2023. The senior leadership program covers members from Gränges' global leadership team with the aim to provide participants with greater insights of the Navigate plan and leadership skills to make the plan happen. Mentorships and job rotations complement leadership training efforts.

Gränges also operates a structured performance management program that includes training and competence development aligned with regional needs for all employees. Every employee should have an annual performance and development discussion and an individual development plan to ensure continuous competency development, talent management, and succession planning. In 2024, 100 percent of employees had performance and development discussions (100).

#### Average number of employees per country



#### Women in senior management



#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



#### Core values



Sustainable



Action oriented



Committed



## Culture and values

Gränges' corporate culture and core values – Sustainable, Action oriented and Committed - guide employees daily actions and lay the foundation for conducting business responsibly, ethically, and open minded. The company is committed to being an open and inclusive employer, valuing diverse perspectives, experiences, and ideas. Gränges promotes equal opportunities and rights with zero tolerance for discrimination based on factors such as gender (including pregnancy), transgender identity or expression, ethnical or cultural origin, religion or other belief, disability, sexual orientation or age. During the year, regional campaigns and workshops were conducted with employees, with the aim to increase employee's awareness of these values.

Diversity aspects include gender equality as well as ethnic diversity, where the latter is mainly applicable for Gränges Americas. While diversity and inclusion matters are managed mainly at the local level, group-wide principles provide the foundation for priority activities. Gränges aims to further diversify its workforce but faces challenges due to the geographical locations of its production facilities, shift work in production, and a flexible job market.

## Respecting human rights and fair working conditions

Gränges upholds international standards on human rights and labor conditions and does not tolerate any form of forced or child labor. The company hires workers who are at least 15 years old or meet the applicable legal minimum age, whichever is higher, and restricts young workers from heavy, hazardous work and night shifts. Gränges does not have any employees below the age of 18. While the risk of child and forced labor is low in Gränges' operations, it has been identified as a greater risk in the company's supply chain, especially within the extractive industry.

Gränges ensures fair working hours, appropriate rest periods, and time off for all employees. Employee wages are fair, competitive, and compliant with local laws. The company ensures fair working hours, appropriate rest periods, and time off for all employees. Gränges also respects employees' rights to form worker's councils, collective bargaining units, or other representations, with 76 percent of employees covered by collective bargaining in 2024.

## Incident reporting

Gränges has a Whistleblower Function available for Gränges' employees and business partners to raise concerns. Refer to Business Conduct on page 162 for more information.

During the year, no incidents of discrimination or human rights breaches were reported. There was no related fines, penalties or compensation to be paid by Gränges related to discrimination or human rights.

## Policies

The governing policy relating to the company's own workforce is Gränges Code of Conduct, which is based on international standards such as the UN Global Compact, the Universal Declaration of Human Rights, the UN Sustainable Development Goals, and the OECD Guidelines for Multinational Corporations. This policy provides the foundation for responsible business practices, outlining group-wide principles and offering practical guidance on upholding these standards.

Health and safety principles are governed by Gränges' Occupational Health and Safety (OHS) Policy, detailing the company's efforts and expectations for maintaining a safe and healthy workplace.

- Contents
- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Targets

Topic	Target	Target year	Baseline	Outcome 2024
Health and Safety	Total Recordable Rate (TRR) ≤3.0	2026	-	The total recordable rate (TRR) was 10.1.
Health and Safety	Severity rate <50	2027	-	Severity rate was 245.
Diversity and inclusion	≥30 percent women in senior management	2025	-	The share of women in senior management was 25 percent.
Employee wellbeing	Employee Engagement Index ≥85	2026	-	Employee Engagement Index was 82 (scale 0–100).

\* The health and safety target years have been adjusted but the targets remain the same.

## People

S1-6 GRI 2-7

### Employee head count by gender

Gender	Number of employees (head count)
Male	2,487
Female	403
Other	N/A
Not disclosed	N/A
Total Employees	2,890

Refer to Note 10 in the Financial Statement for average number of employees.

S1-6 GRI 2-7

### Employees by contract type, broken down by gender, Head count

2024	Female	Male	Other	Not disclosed	Total
Number of employees	403	2,487	N/A	N/A	2,890
Number of permanent employees	363	2,325	N/A	N/A	2,688
Number of temporary employees	40	162	N/A	N/A	202
Number of non-guaranteed employees	0	0	N/A	N/A	0
Number of full-time employees	398	2,482	N/A	N/A	2,880
Number of part-time employees	5	5	NA	NA	10

#### Reporting principles and definitions:

Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Employee head count by country include countries with at least 50 employees representing at least 10 percent of the company's total number of employees. Data is based on headcount on 31 December. Data for employee turnover is based on average number of employees (expressed as present full-time positions).

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

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

S1-6 GRI 2-7

### Employee head count by country

Country	Number of employees (head count)
China	587
Poland	829
Sweden	545
United States of America	896

**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 fulltime employee.

**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.

S1-6

### Employee turnover

	2024	2023	2022
Employee turnover, %	13.9	14.0	17.7
Employee turnover, number of employees	393	380	477

S1-6 GRI 2-7

### Employees by contract type, broken down by region, Head count

2024	Eurasia	Americas	Total
Number of employees	1,994	896	2,890
Number of permanent employees	1,792	896	2,688
Number of temporary employees	202	0	202
Number of non-guaranteed employees	0	0	0
Number of full-time employees	1,984	896	2,880
Number of part-time employees	10	0	10

#### Comments:

In 2024, the total number of employees increased slightly from 2,808 to 2,890. The increase was mainly driven by an increase in white- and blue-collar in Grängess facility in Newport, US, and an increase of number of employees in Shanghai to reflect volume growth. Total number of contracted workers was 128 (134). Employee turnover reduced slightly 13.9 percent (14.0) compared to previous year. Data on gender reported as Other and Not Reported is not available 2024. The number of contracted workers was 128 (134).



#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Collective bargaining coverage and social dialogue - Top level

	Collective Bargaining Coverage	Collective Bargaining Coverage	Social dialogue
Coverage Rate	Employees – EEA (for countries with >50 employees representing >10% total employees)	Employees – Non-EEA (estimate for regions with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0–19%		United States of America	
20–39%			
40–59%			
60–79%			
80–100%	Sweden, Poland	China	Sweden, Poland

### Reporting principles and definitions:

Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Data is based on headcount on 31 December.

### Comments:

In 2024, Sweden, Poland and China had a collective bargaining coverage above 80 percent and Gränges Americas had a coverage below 19 percent. The company's total coverage rate amounted to 76 percent (75). Collective bargaining agreements are not represented by any European working group.

## Diversity

### Diversity metrics

%	Women	Men	<30 years	30–50 years	>50 years
Board of Directors	42	58	0	25	75
Group Management	17	83	0	67	33
Senior management	25	75	2	52	47
White-collar	29	71	8	63	29
Blue-collar	8	92	20	53	27
Total	14	86	17	56	27

### Comment:

In 2024, the share of women in Gränges' total workforce remained unchanged at 14 percent (14) and in senior management 25 percent (25). Gränges sees clear challenges to improve the gender balance including high turnover rates in some regions because of stronger employment markets, operating in countries where gender roles are traditional as well as operating in an industry with shift work. Gränges works to improve the gender balance both in the total workforce and among senior management.

### Reporting principles and definitions:

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

**Senior management** is defined as members included in Gränges' global leadership team.

### Diversity metrics

Number	Women	Men	<30 years	30–50 years	>50 years
Board of Directors	5	7	0	3	9
Group Management	1	5	0	4	2
Senior management	16	48	1	33	30
White-collar	236	579	64	517	234
Blue-collar	167	1,908	420	1,103	552
Total	403	2,487	484	1,620	786



## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



## Employee wellbeing

Own KPI

### Employee wellbeing

	2024	2023	2022
Sick leave, %	3.3	3.1	3.5
Employee Engagement Index (0-100)	82	-	77

## Career and leadership

S1-13 GRI 404-3

### Percentage of employees that participated in regular performance and career development reviews by gender

%	Female	Male	Total
The percentage of employees that participated in regular performance and career development reviews	100	100	100
Number of reviews in proportion to the agreed number of reviews by the management	100	100	100

S1-13 GRI 404-1

### Average number of training hours by gender

	Female	Male	Total
Average number of training hours	12.5	9.2	11.7

#### Comment:

In 2024, the total sick-leave was 3.3 percent (3.1). The Employee Engagement Index reached 82, a strong improvement compared to 77 in 2022. This was mainly driven by better goal clarity, helping employees understand their roles and contributions.

#### Reporting principles and definitions:

Data is reported at a regional level and consolidated annually at group level using common definitions and principles. Data for sick-leave 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 second year. Contracted workers are not included in these key performance indicators.

#### Comment:

In 2024, 100 percent (100) of Gränges' employees received a performance and development discussion. This constituted 100 percent of the number of reviews agreed by the management. During the year, the average training hours increased somewhat to 11.7 (11.0).

*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 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.

#### Reporting principles:

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

#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Health and Safety

S1-14

### Health and safety – Own workforce

	2024	2023	2022
Percentage of own workers in headcount who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	99	99	98
Percentage of own workers who are covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party	46	49	19
Number of fatalities as a result of work-related injuries and work-related ill health	0	0	1
Number of recordable work-related accidents (excluding fatalities)	57	44	43
Rate of recordable work-related accidents	10.1	8.0	8.0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,390	761	300

Own KPI

### Total Recordable Rate (TRR)

Number of recordable accidents per million hours worked	2024	2023	2022
Gränges Eurasia	8.1	5.6	5.7
Finspång	13.6	10.5	13.0
Konin	8.1	7.4	4.8
Shanghai	3.9	1.3	2.2
Gränges Americas	13.8	12.8	10.7
Gränges Total	10.1	8.0	8.0

Own KPI

### Severity Rate

Number of lost workdays per million hours worked	2024	2023	2022
Gränges Eurasia	363	194	73
Finspång	263	239	45
Konin	724	348	122
Shanghai	130	45	46
Gränges Americas	22	35	10
Gränges Total	245	138	56

#### Comment:

In 2024, the number of recordable accidents increased to 57 (44), leading to an increase in Total Recordable Rate (TRR) from 8.0 to 10.1. The Severity Rate increased to 245 (138) mainly driven by single recordable cases with high number of absence days in Gränges facilities in Shanghai and Konin.

Work-related hazards that pose a risk of serious injury include areas in which pedestrians move close to mobile equipment such as trucks, when working near molten metal, and at high altitudes. During the year, there was a continued focus on safety across all regions and several activities were completed to reduce the risk of serious injuries. All own employees and contracted workers working at Gränges' sites are covered by the companies' health and safety management system.

#### Reporting principles and definitions:

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

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

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

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

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

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

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

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



#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



# ESRS S2: Workers in the value chain

## Impact and our approach

With a global supplier and customer base, Gränges indirectly impacts society and workers in the value chain. Ensuring a responsible supply chain is a key element of the “Responsible” pillar in Gränges' sustainability plan.

Gränges acknowledges that it could have an indirect potential negative impact on people in the value chain if its suppliers do not follow and promote international standards for responsible labor practices and human rights. The company has identified risks of human and labor rights breaches within its supply chain and is actively working to mitigate these risks through its Responsible Sourcing Program.

## Key impacts, risks, and opportunities

Material issue	Type of impact
Labor and human rights	I

## Labor and human rights risk in the value chain

As part of its Responsible Sourcing Program, Gränges has conducted a comprehensive desktop risk assessment at both sector and country levels. Much of the aluminium supplies originates from countries where labor rights are not enforced despite being codified into local law. Violations of freedom of association and collective bargaining rights are common in the extractive and smelting sectors and there is a risk of forced and child labor in extraction, though few reports exist for aluminium mining specifically. Labor rights are at risk throughout the value chain where people’s health and safety are at risk in every stages. Gender equality is a specific concern due to under-representation of women in extractive, refining, and smelting activities.

Gränges’ sources input material from suppliers worldwide. The company conducts annual country risk assessments based on international indexes, covering human rights, labor rights, environmental and corruption risks. The human and labor rights risks are based on The World Justice Project Rule of Law index, Global rights index, Cato Institute’s Human Freedom Index and the Human Development Index. Results from the country risk assessments, along with sector risk assessments and purchasing spend data, guide the identification of high-risk suppliers.

## Actions related to workers in the value chain

### Responsible sourcing to reduce risks

Gränges’ Responsible Sourcing Program enforces sustainability practices in the supply chain and aims to mitigate sustainability risks. For further information on how Gränges ensures a responsible supply chain, refer to page 163. In 2025, the company will further analyze its impact on workers in the value chain as part of the implementation of the EU Directive on Corporate Sustainability Due Diligence.

## Policies

Gränges’ Code of Conduct establishes the foundation for responsible business conduct and include group-wide principles and practical guidance. The policy is based on international standards on human rights and labor conditions, including the UN Global Compact, UN Universal Declaration of Human Rights, UN Sustainable Development Goals, and the OECD Guidelines for Multinational Corporations.

Gränges’ Responsible Sourcing Policy outlines the company’s group-wide procedures and requirements related to responsible sourcing. The Supplier Code of Conduct outlines requirements on suppliers’ to support Gränges’ values and principles. The company is committed to operating responsibly, ethically, and in compliance with all applicable laws and regulations and expects its suppliers, contractors, and vendors to maintain similarly high sustainability standards and principles.

The Supplier Code of Conduct includes principles relating to an open and non-discriminatory workplace, health and safety workplace, human rights, and fair working conditions, including forced labor, minimum age, working hours, freedom of association, and right to collective bargaining.

## Targets

Gränges’ target to 2030 is to have 100 percent sustainable suppliers, measured as the share of purchase value from active suppliers approved as sustainable in Gränges’ Responsible Sourcing Program.



## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

# Governance information

## ESRS G1: Business conduct

### Impact and our approach

Responsible business practices boost company performance, improve risk management, and enhance reputation. Gränges is committed to operating with high integrity and in an ethical and responsible way, and being an ethically sound partner in all its relations and in the societies in which the company conduct business. The company expects its suppliers to maintain the equivalent high sustainability standards and principles.

#### Risks and opportunities

In the aluminium value chain, there is a potential corruption and bribery risk related to mining approvals, sales transactions, and the transportation industry. Such unethical practices could lead to reputational damage for Gränges and diminish customer trust. The company has zero tolerance for unethical or unlawful behavior such as bribery, corruption, or unfair competition. Gränges will always act rapidly and forcefully on discovering unethical behavior, to ensure compliance with international business standards and legislation, and to safeguard the company from economical or reputational harm.

### Material impacts, risks, and opportunities

Material issue	Type of impact
Corporate culture	I
Responsible sourcing	I
Corruption/bribery	I R

## Business ethics

### Corporate values and business conduct policies

Gränges' core values guide employees in their daily actions and establish the foundation for responsible and ethical business conduct. These values reinforce the company's culture and ambition, drawing from past successes and focusing on future needs. While these values are shared across the entire Group, the company culture remains flexible to accommodate regional differences.

Gränges' Code of Conduct lays the foundation for responsible business operations, offering group-wide principles and practical guidance. The local HR functions are responsible for ensuring that each manager distributes the Code of Conduct to subordinates and that training is conducted annually. The policy applies to all employees, board members, temporary staff (such as independent contractors and consultants), intermediaries, and others acting on behalf of Gränges worldwide.

Gränges also has an Anti-Corruption Policy outlining the company's anti-corruption principles and legal and ethical requirements to prevent corrupt practices.

### Global trainings to ensure effectiveness

To ensure effective implementation of group-wide policies and principles, Gränges provides annual Code of Conduct training for employees, the Board of Directors, and contracted workers. The company also requires all white-collar employees to annually conduct its Anti-corruption and IT security trainings. These trainings combine facts and guidelines with practical cases to enhance understanding of appropriate actions in various situations. The trainings are updated on a yearly basis to ensure

it is relevant and provide new insights to participants. High engagement was reflected in the participation rates of 100 percent in all three trainings. Gränges also launched its first sustainability training in which 100 percent of white-collar employees participated.

### Whistleblower Function to detect misconduct

The company promotes a culture where individuals are encouraged to speak up through an externally managed Whistleblower Function. Accessible via the company's website, intranet, or phone, this function allows employees and business partners to provide anonymous information without fear of retaliation. The goal is to ensure Gränges is informed of serious improprieties within the Group, handle submissions correctly per laws and regulations, and protect those who report in good faith from identity exposure or negative consequences.

The Whistleblower Function is managed by an external and independent party, with all reports received and handled by this entity. Gränges' Whistleblower Committee, which in 2024 was composed of the Internal Audit Manager and SVP Sustainability, collaborates with the external party. Every reported concern is taken seriously and receives fair and objective follow-up. Qualified Whistleblower cases are investigated, while non-qualified cases are delegated to designated representatives within each region provided that the whistleblower accepts this.

In 2024, 12 cases (6) were reported through the Whistleblower Function, of which five cases were investigated as qualified whistleblower cases in accordance with current Swedish legislation. The investigations confirmed one case of irregularity leading to the termination of one supplier contract and an employee had to leave Gränges.

88%

Commitment to Supplier Code of Conduct

100%

Of employees participated in Gränges' Code of Conduct training

100%

Of white-collar employees participated in Gränges' anti-corruption training



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
- Governance information
- Other information

## Responsible Sourcing

### Responsible sourcing practices

In the value chain of the aluminium industry there are potential risks of human rights violation and environmental concerns. It is therefore essential for Gränges to ensure responsible sourcing business practices to identify, prevent, and mitigate risks.

Gränges has certified all its aluminium rolling and recycling facilities and the chain of custody of the materials against the Aluminium Stewardship Initiative (ASI) Performance Standard and Chain of Custody Standard. These certifications assure customers and business partners of the company's commitment to meeting increasing sustainability requirements and the demand for sustainable aluminium.

### Gränges' Responsible Sourcing Program

Gränges' Responsible Sourcing Program enforces sustainability practices within its supply chain to mitigate risks. This year, the company has finalized its updated Responsible Sourcing Program and began implementation. As part of the new program, Gränges has committed to a 2030 goal of 100 percent sustainable suppliers. This is measured as the share of purchase value from active suppliers approved as sustainable in Gränges' Responsible Sourcing Program.

### A six step program

#### 1. Pre-check and risk screening

Potential supplier-specific sustainability risks are identified based on environmental, social, and corruption risks associated with the supplier's country of origin and sector. Country risks are based on rankings from relevant sustainability country indices within human rights, corruption, and environment. The sector risk score is based on a qualitative sector risk identification based on news articles, industry reports, NGO databases and reports as well as government and intentional organization reports. The risk scoring model used is validated by a third-party.

#### 2. Supplier onboarding

Supplier signs the company's Supplier Code of Conduct (SCoC) or has an equivalent standard in place, as part of onboarding new suppliers. The SCoC covers Gränges' social, environmental, and ethical sustainability requirements, including the ten principles of UN Global Compact. Sustainability trainings are conducted with high and medium risk suppliers to raise their sustainability awareness and efforts.

#### 3. Sustainability assessments

Gränges conducts regular sustainability assessments to ensure that suppliers comply with Gränges' SCoC and to further identify and mitigate sustainability risks in the supply chain. Suppliers are addressed with third-party audits or third-party desktop assessments to further disclose sustainability performance – depending on the suppliers' business impact and sustainability risk. Traders will be assessed using a self-assessment questionnaire.

#### 4. Analysis and corrective actions

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

#### 5. Continuous development

Gränges uses the responsible sourcing program as a platform to discuss sustainability efforts and ambitions with suppliers, as well as to ensure continuous improvements, joint collaborations, and lasting supplier relationships. Sustainability performance

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

#### 6. Re-assessment and re-audit

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

### Escalation routines to address breaches

If a supplier refuses to sign the SCoC, declines a third-party assessment, shows no willingness to align with the agreed Corrective Action Plan (CAP), or fails to make improvements within a specified timeframe, an escalation process is initiated. Each of Gränges' business units has a local escalation team and internal procedures to address deviations from the responsible sourcing program. Actions taken can result in blocked purchase orders and terminated business relationships.



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Policies

Gränges' Code of Conduct sets the foundation for responsible business operations, offering group-wide principles and practical guidance. The Anti-Corruption Policy governs business ethics, detailing the company's efforts to prevent bribery and corruption. The Whistleblower Policy provides information about the company's Whistleblower Function, how it works in practice and how reports are managed. The company encourages employees to speak up if any misconduct or irregularity is observed.

Gränges' Responsible Sourcing Policy outlines the company's group-wide procedures and requirements related to responsible sourcing. The Supplier Code of Conduct reflects suppliers' commitment to uphold Gränges' values and principles. Gränges is dedicated to maintaining ethical business practices and expects its suppliers and partners to meet high sustainability standards.



## Targets

Topic	Target	Target year	Baseline	Outcome
Responsible sourcing	100% sustainable suppliers	2030	NA	In 2024, Gränges initiated the implementation of the Responsible Sourcing Program, which will continue in 2025. Results will be presented in Gränges' Annual and Sustainability Report 2025.
Business ethics	100 percent of all employees are annually trained in the Code of Conduct	2025	NA	100 percent of employees participated in the Code of Conduct training.
	100 percent of all white-collar employees are annually trained in anti-corruption	2025	NA	100 percent of white-collar employees participated in the anti-corruption training.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



G1-4 GRI 205-3

## Incidents of corruption or bribery

	2024	2023	2022
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0	0
Number of confirmed incidents of corruption or bribery	1	0	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	1	0	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	1	0	0

GRI 205-2

## Anti-corruption training

Share of white-collar employees trained in anti-corruption, %	2024	2023	2022
<b>Gränges Eurasia</b>	100	100	100
Finspång	100	100	100
Konin	100	100	100
Shanghai	100	100	100
<b>Gränges Americas</b>	100	100	100
<b>Gränges Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Own KPI

## Code of Conduct training

Share of employees trained in the Code of Conduct, %	2024	2023	2022
<b>Gränges Eurasia</b>	100	100	99
Finspång	100	99	97
Konin	100	100	100
Shanghai	100	100	100
<b>Gränges Americas</b>	100	100	100
<b>Gränges Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Comment:

In 2024, Gränges continued to conduct its annual groupwide Code of Conduct and anti-corruption trainings. All employees who had access to computers conducted the group-wide e-learning Code of Conduct training, whereas blue-collar employees conducted classroom trainings. Total training participation ended at 100 percent (100). Gränges also conducted the annual anti-corruption e-learning training which 100 percent (100) of all white-collar employees conducted. One confirmed incident relating to contracts with business partners that were terminated or not renewed due to violations related to corruption and bribery was confirmed during 2024 and an employee had to leave Gränges.

### Reporting principles and definitions:

Data regarding corruption and bribery incidents are annually collected through Gränges' Whistleblower Function. Data for Code of Conduct and anti-corruption training participation is collected and consolidated annually via the e-learning system used for online training. Data for Gränges AB and Gränges Powder Metallurgy is included in the data for Gränges Eurasia. Data includes employees in duty and is adjusted for long-term sick-leave, parental leave, resignations and employees off duty for a longer period.

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## Responsible Sourcing

Own KPI

### Suppliers in scope

% of purchase value	2024	2023	2022
Gränges Eurasia	92	91	92
Finspång	88	87	91
Konin	90	92	94
Shanghai	99	95	95
Gränges Americas	89	72	61
<b>Gränges Total</b>	<b>90</b>	<b>83</b>	<b>76</b>

Own KPI

### Supplier Code of Conduct commitments

Significant suppliers committed to Gränges' Supplier Code of Conduct or equivalent standard, % of purchase value	2024	2023	2022
Gränges Eurasia	97	100	100
Finspång	98	100	100
Konin	95	100	100
Shanghai	100	100	100
Gränges Americas	74	100	100
<b>Gränges Total</b>	<b>88</b>	<b>100</b>	<b>100</b>

The result in 2024 is not comparable to previous years due to change in scope.

#### Comment:

In 2024, Gränges had 3,339 suppliers in its supplier base (3,572), of which 527 suppliers (272) were in scope of Gränges' Responsible Sourcing Program. This equalled 90 percent of the total purchase value. The increase in scope is due to Gränges' updated threshold of annual purchasing spend, from SEK 500 million to SEK 500 thousand or equal in local currency. As part of the updated Responsible Sourcing Program, Gränges updated its Supplier Code of Conduct. In 2024, suppliers representing 88 percent of Gränges' purchase value had valid commitments to the updated Supplier Code of Conduct or had been assessed to have equivalent standards in place.

#### Reporting principles and definitions:

Data is reported at a regional level by the purchasing organizations and consolidated annually at group level using common definitions and principles. Data for Gränges AB and Gränges Powder Metallurgy is included in data for Gränges Eurasia. All suppliers which have an annual purchase value above SEK 500 thousand or an equivalent amount in local currencies. Local purchase values have been converted to SEK using average currency rates for 2024.



#### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## List of datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 IRO-2)



Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x		x		158
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x		64
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x				126
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		NA
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		NA
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		NA
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		NA
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x	133-134
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x		NA
ESRS E1-4 GHG emission reduction targets paragraph 34	x	x	x		133-134, 136-137
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				139
ESRS E1-5 Energy consumption and mix paragraph 37	x				139
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x				140
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		138
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		137-138
ESRS E1-7 GHG removals and carbon credits paragraph 56				x	NA
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		NA
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		x			NA
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		x			NA
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		x			NA
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			x		NA
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	x				147
ESRS E3-1 Water and marine resources paragraph 9	x				148
ESRS E3-1 Dedicated policy paragraph 13	x				NA
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				NA
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	x				Not material
ESRS E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	x				149
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	x				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	x				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	x				Not material

### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
- Governance information
- Other information



Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	x				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	x				153
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x				153
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				153
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	x				156
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	x				156
ESRS S1-1 Human rights policy commitments paragraph 20	x				156
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			x		156
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	x				156
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	x				154, 156
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	x				156, 162
ESRS S1-14 Number of fatalities and number and rate of workrelated accidents paragraph 88 (b) and (c)	x		x		160
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				160
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				156
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	x		x		NA
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				161
ESRS S2-1 Human rights policy commitments paragraph 17	x				161
ESRS S2-1 Policies related to value chain workers paragraph 18	x				161
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		NA
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			x		126,161
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				156,162
ESRS S3-1 Human rights policy commitments paragraph 16	x				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	x		x		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	x				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	x				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				NA
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	x				NA
ESRS G1-4 Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	x		x		165
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	x				162, 164

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
- Governance information
- Other information



# GRI/ESRS Index

## General disclosures

GRI Standard	GRI Disclosure	Disclosure title	ESRS Disclosure	SDG	UNGC Principles	Page reference	Omissions	Limited assurance
<b>GRI 1: Foundation 2021</b>								
<b>GRI 2 General disclosures 2021</b>								
<b>The organization and its reporting practices</b>								
	2-1	Organizational details				9-13, 84		
	2-2	Entities included in the organization's sustainability reporting	ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i			124		
	2-3	Reporting period, frequency and contact point	ESRS 1 §73			124		
	2-4	Restatements of information	ESRS 2 BP-2 §13, §14 (a) to (b)			124, 138, 153		
	2-5	External assurance				173		
<b>Activities and workers</b>								
	2-6	Activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b), §42 (c)			9-13, 31-32, 34-37, 44		
	2-7	Employees	ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52			22,45,154-157		•
	2-8	Workers who are not employees	ESRS S1 S1-7 §55			157, 159-160		•
<b>Governance</b>								
	2-9	Governance structure and composition	ESRS 2 GOV-1 §21, §22 (a), §23			60-67, 75-76, 125		
	2-10	Nomination and selection of the highest governance body				62, 68-70, 75-76		
	2-11	Chair of the highest governance body				63, 68-70, 75-76		
	2-12	Role of the highest governance body in overseeing the management impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d)			65, 125		
	2-13	Delegation of responsibility for managing impacts	ESRS 2 GOV-1 §22 (c) i; GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)			65, 125		
	2-14	Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5 §36; IRO-1 §53 (d)			65, 125		
	2-15	Conflicts of interest				75-76, 162		
	2-16	Communication of critical concerns	ESRS 2 GOV-2 §26 (a); G1-3 §18 (c)			162		
	2-17	Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23			62-63, 68-70		
	2-18	Evaluation of the performance of the highest governance body				62-63		
	2-19	Remuneration policies	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13			63, 76-78, 91-93		
	2-20	Process to determine remuneration	ESRS 2 GOV-3 §29 (e)			63-64, 91-93		
	2-21	Annual total compensation ratio				91-92, 95		



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



GRI Standard	GRI Disclosure	Disclosure title	ESRS Disclosure	SDG	UNGC Principles	Page reference	Omissions	Limited assurance
<b>Strategy, policies and practices</b>								
	2-22	Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)			16-18, 40-46, 127		
	2-23	Policy commitments	ESRS GOV-4; MDR-P §65 (b) to (c) and (f); ESRS S1 S1-1 §19 to §21, and §AR 14; ESRS S2 S2-1 §16 to AR16 §17, §19 and §AR 16; ESRS G1 G1-1 §7 and §AR 1(b)			125-126, 131, 135, 147-148, 151, 156, 161, 164		
	2-24	Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS G1 G1-1 §9 and §10 (g)			125-126, 131, 135, 147-148, 151, 156, 161, 164		
	2-25	Processes to remediate negative impacts	ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c)			51-54, 125-126, 128, 130		
	2-26	Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)			156, 162		
	2-27	Compliance with laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)			125-126		•
	2-28	Membership associations	ESRS 1 §AR 16.			40, 125-126		
<b>Stakeholder engagement</b>								
	2-29	Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23			125, 130		
	2-30	Collective bargaining agreements	ESRS S1 S1-8 §60 (a)		3	156, 158		•
<b>Material topics</b>								
GRI 3: Material topics 2021	3-1	Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv			128		•
	3-2	List of material topics	ESRS 2 SBM-3 §48 (a) and (g)			129		
<b>Anticorruption</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS G1 G1-1 §7; G1-3 §16 and §18 (a) and G1-4 §24 (b)	16	10	128, 162		
GRI 205	205-2	Communication and training about anti-corruption policies and procedures	ESRS G1 G1-3 §20, §21 (b) and (c) and §AR 7 and 8			162		
	205-3	Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25			165		•
<b>Materials</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS E5 E5-1 §12; E5-2 §17; E5-3 §21	12	7,8,9	128, 150		
GRI 301	301-1	Materials used by weight or volume	ESRS E5 E5-4 §31 (a)			150-153		•
	301-2	Recycled input materials used	ESRS E5 E5-4 §31 (c)			150-153		•

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



GRI Standard	GRI Disclosure	Disclosure title	ESRS Disclosure	SDG	UNGC Principles	Page reference	Omissions	Limited assurance
<b>Energy</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS E1 E1-2 §25 (c) to (d); E1-3 §26; E1-4 §33	7, 13	7,8,9	128, 132		
GRI 302	302-1	Energy consumption within the organization	ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)			133-134, 139		•
	302-3	Energy intensity	ESRS E1 E1-5 §40 to §42			140		•
	302-4	Reduction of energy consumption	ESRS 1 §AR 16			133, 139		
<b>Water</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; ESRS E3 E3-1 §9; E3-2 §15, §17 to §18; E3-3 §20	6	7,8,9	128, 148		
GRI 303	303-1	Interactions with water as a shared resource	ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §AR 15 (a); E3-2 §15, §AR 20			148-149		
	303-2	Management of water discharge-related impacts	Not material			148-149		
	303-3	Water withdrawal	ESRS 1 §AR 16			148-149	Water recycled and reused, and water storage not available	
	303-5	Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) and (e)			149		•
<b>Emissions</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS E1 E1-2 §22; E1-3 §26; E1-4 §33 and §34 (b); ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20	13	7,8,9	128, 132		
GRI 305	305-1	Direct (scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)			132-134, 137-138		
	305-2	Energy indirect (scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)			132-134, 137-138		
	305-3	Other indirect (scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)			132-134, 137-138		
	305-4	GHG emissions intensity	ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)			138		
	305-5	GHG emissions reductions	ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c)			132-134, 136		
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	ESRS E2 E2-4 §28 (a); §30 (b) and (c); §AR 21; §AR 26			147	VOC and TOC not available	•
	<b>Waste</b>							
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21	12		128, 150		
GRI 306	306-1	Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30			150-151		
	306-2	Management of significant waste-related impacts	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)			151		
	306-3	Waste generated	ESRS E5 E5-5 §37 (a), §38 to §40			153		•
	306-4	Waste diverted from disposal	ESRS E5 E5-5 §37 (b), §38			153		•
	306-5	Waste directed to disposal	ESRS E5 E5-5 §37 (c), §38			153		•

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
- Governance information
- Other information



GRI Standard	GRI Disclosure	Disclosure title	ESRS Disclosure	SDG	UNGC Principles	Page reference	Omissions	Limited assurance
<b>Supplier environmental assessment</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS G1 G1-2 §12 and §15 (a)	6, 8, 10, 12, 13, 17		128, 154		
GRI 308	308-1	New suppliers that were screened using environmental criteria	ESRS G1 G1-2 §15 (b)			163		
<b>Occupational health and safety</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	3, 8		128, 154		
	403-1	Occupational health and safety management system	ESRS S1 S1-1 §23			154		
	403-2	Hazard identification, risk assessment, incident investigation	ESRS S1 S1-3 §32 (b) and §33			154-156, 160		
	403-3	Occupational health services				154-156, 160		
	403-4	Worker participation, consultation, and communication on occupational health and safety	ESRS 1 §AR 16, MDR-P, MDR-A, MDR-T			154-156, 160		
GRI 403	403-5	Worker training on occupational health and safety				154-155		
	403-6	Promotion of worker health				154-155		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4 §32 (a)			161		
	403-8	Workers covered by an occupational health and safety management system	ESRS S1 S1-14 §88 (a)			154		•
	403-9	Work-related injuries	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82			160		•
<b>Training and education</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			128, 154		
	404-1	Average hours of training per year per employee	ESRS S1 S1-13 §83 (b)			159		•
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a)			159		•
<b>Diversity and equal opportunity</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	5, 8, 10	1, 2, 6	128, 154		
GRI 405	405-1	Diversity of governance bodies and employees	ESRS 2 GOV-1 §21 (d); ESRS S1S1-6 §50 (a); S1-9 §66 (a) to (b)			158		•
<b>Supplier social assessment</b>								
GRI 3	3-3	Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS G1 G1-2 §12 and §15 (a)	6, 8, 10, 12, 13, 17	1, 2, 3, 4, 5, 6	128, 162-164		
GRI 414	414-1	New suppliers that were screened using social criteria	ESRS G1 G1-2 §15 (b)			163		

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information

## The auditor's report on the statutory sustainability report

To the general meeting of Gränges AB, corporate identity number 556001-6122 Engagement and responsibility

### Engagement and responsibility

The Board of Directors is responsible for that the statutory sustainability report on pages 123–172 has been prepared according to the previous wording in the Annual Accounts Act that applied before July 1, 2024.

### The scope of the audit

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

### Opinion

A statutory sustainability report has been prepared.

Stockholm March 17th, 2025

Ernst & Young AB

Andreas Troberg  
Authorized Public Accountant

## Auditor's Limited Assurance Report on Gränges AB's sustainability report 2024

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

To Gränges AB, corporate identity number 55556001-6122

### Introduction

We have been engaged by the Board of Directors of Gränges AB (Gränges) to undertake a limited assurance engagement of selected disclosures related to the double materiality analysis (IRO-1), environmental information (E1-5, E1-6, E2-4, E3-4, E5-4, E5-5), social information (S1-6, S1-7, S1-8, S1-9, S1-13, S1-14, S1-17), corporate governance information (G1-4), and the EU Green Taxonomy Regulation (EU) 2020/852 as reported in Gränges' sustainability report for the year 2024. The scope of the limited assurance engagement is specified on page 169–172.

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

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria for the above specified disclosures, as explained on page 124 and the pages stated above, and are the parts of the European Sustainability Reporting Standards (ESRS) issued by EFRAG that are applicable for the sustainability report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### Responsibilities of the Auditor

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

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited

assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The comparative figures for the above specified disclosures have not been reviewed, except for E1-5, E1-6, E5-4, S1-9, and S1-14, which were included in our limited review for the year 2023.

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

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

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

### Conclusion

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

Stockholm, 17 March 2025

Ernst & Young AB

Andreas Troberg  
Authorized Public Accountant

Outi Alestalo  
Specialist member of FAR



### Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement**
  - General disclosures
  - Environmental information
  - Social information
  - Governance information
  - Other information



# Other information

## Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

### **Other information**

The share and owners

Definitions

Glossary

Annual General Meeting 2025

# The share and owners



Gränges' shares are traded on Nasdaq Stockholm in the Large Cap segment since January 1, 2025. They are included in the Automobile & Parts category and traded under the ticker GRNG.

Since the IPO in October 2014 until the end of February 2025, the share price has risen by 254 percent. During the same period, shareholders have received a total return of 342 percent, including the reinvestment of dividends.

During 2024, the share price increased by 13.5 percent. At the end of 2024, the share price was SEK 131.70 corresponding to a market capitalization of SEK 14.0 billion. The highest price in 2024 was noted on June 24 at SEK 150.00, and the lowest price was SEK 97.50 on February 26. The average daily turnover was 129,364 shares (137,602) and total turnover of shares during the year was approximately 32 million (35).

## Share capital and ownership

The share capital in Gränges amounts to SEK 142 million, distributed among 106,308,618 shares, each with a quota value of SEK 1,339,775. Gränges has only one class of shares. On December 31, 2024, the number of known shareholders totaled 12,347 (12,117). The largest shareholder, The Fourth Swedish National Pension Fund (AP4), held 8.9 percent of the total share

capital, followed by AFA Insurance with 6.7 percent, and Swedbank Robur Funds with 5.9 percent. The ten largest shareholders held 49.6 percent of the share capital. Foreign-owned share ownership amounted to 47 percent.

The Annual General Meeting (AGM) held on May 8, 2024 resolved, in accordance with the Board of Directors' proposal, to authorize the Board of Directors to, on one or more occasions until the AGM 2025, issue new shares and/or convertible bonds. An issue can be decided with or without regard to shareholders' pre-emption rights. Following this authorization, a total maximum number of shares equivalent to 10 percent of the total number of outstanding shares in the company on the date of the AGM's authorization resolution, may be issued in new share issues and/or through the conversions of convertible bonds. There are no other pre-emption clauses, refusal clauses or other restrictions to the transfer of shares in the company by law, the company's articles of association or any other document to which the company is a party.

## Dividend and dividend policy

Gränges' dividend policy is to pay a dividend of between 30 and 50 percent of the profit for the year. When determining the dividends, the Board of Directors considers the company's financial position, cash flow and outlook.

Gränges' Board of Directors proposes a dividend of SEK 3.20 (3.00) per share for the 2024 fiscal year, in total SEK 340 million (319). The proposed dividend corresponds to 34 percent (32) of the profit attributable to owners of the parent company for 2024.

## +342%

Total shareholder return since the stock listing 2014

## 34%

Proposed dividend's share of profit 2024

## Share information

Market	Nasdaq Stockholm
Segment	Large Cap Stockholm
Ticker symbol	GRNG
ISIN code	SE0006288015
Listed since	October 10, 2014
Currency	SEK
Number of shares	106,308,618

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information**
- The share and owners
  - Definitions
  - Glossary
  - Annual General Meeting 2025



## Share capital development

Date	Event	Change in number of shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK
1 Jan 2014		-	37,319,693	-	932,992,325
14 Aug 2014	Decrease in share capital	-	37,319,693	-832,992,325	100,000,000
15 Sep 2014	Share split	37,319,693	74,639,386	-	100,000,000
18 Nov 2016	Rights issue	516,000	75,155,386	691,324	100,691,324
4 Apr 2017	Rights issue	20,000	75,175,386	26,796	100,718,120
31 May 2017	Rights issue	337,000	75,512,386	451,504	101,169,624
6 Dec 2017	Rights issue	5,000	75,517,386	6,699	101,176,323
9 Nov 2020	Rights issue	2,442,268	77,959,654	3,272,090	104,448,413
17 Dec 2020	Rights issue	28,194,804	106,154,458	37,774,700	142,223,113
28 Dec 2020	Rights issue	154,160	106,308,618	206,540	142,429,652

## Ownership

Largest shareholders	Shares	Share of capital and votes, %
Fourth Swedish National Pension Fund	9,485,590	8.9
AFA Insurance	7,145,847	6.7
Swedbank Robur Funds	6,259,957	5.9
KGH LTD	5,520,000	5.2
First National Pension Fund	5,300,000	5.0
Dimensional Fund Advisors	4,792,350	4.5
Handelsbanken Funds	4,489,589	4.2
Vanguard	4,070,525	3.8
Third Swedish National Pension Fund	2,858,847	2.7
Unionen	2,813,103	2.6
<b>Total 10 largest shareholders</b>	<b>52,735,808</b>	<b>49.6</b>
Total other shareholders	53,572,810	50.4
<b>Total</b>	<b>106,308,618</b>	<b>100.0</b>

## Geographical distribution

Country	Number of known shareholders	Share of capital, %
Sweden	11,972	52.6
United States	62	19.3
Cayman Islands	1	5.2
France	17	2.3
Germany	13	2.3
Other	282	9.4
Anonymous	n/a	8.8

## Share distribution

Number of shares	Number of known shareholders	Share of capital, %
1-500	9,576	1.2
501-1,000	1,292	1.0
1,001-5,000	1,130	2.3
5,001-10,000	130	0.9
10,001-50,000	126	2.7
50,001-100,000	14	1.0
100,001-	79	82.2
Anonymous	n/a	8.8

## Share data

Per share	2024	2023
Earnings, SEK <sup>1)</sup>	9.51	9.48
Equity, SEK <sup>1)</sup>	101.78	82.72
Cash flow from operating activities, SEK <sup>1)</sup>	4.59	30.91
Share price at end of period, SEK	131.70	116.00
Dividend, SEK	3.20 <sup>2)</sup>	3.00
Dividend rate, %	34.0	32.0
Dividend yield, %	2.43	2.59

1) Profit attributable to owners of the parent company dividend with weighted outstanding ordinary shares, diluted.

2) The Board of Director's proposal to the AGM 2025

## Contents

- 2024 in brief
- About Gränges
- Strategy
- The business
- Sustainability leadership
- Risk management
- Corporate Governance Report
- Financial statements
- Sustainability statement
- Other information**
- The share and owners
- Definitions
- Glossary
- Annual General Meeting 2025

Source: Monitor by Modular Finance AB as of December 31, 2024. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen). The verification date may vary for foreign shareholders.



# Definitions



## Adjusted EBITDA

Adjusted operating profit before depreciation and impairment charges

## Adjusted cash flow before financing activities

Cash flow before financing activities excluding cash flow from non-maintenance investments and acquisitions

## Adjusted operating profit

Operating profit excluding items affecting comparability

## Adjusted operating profit per tonne

Adjusted operating profit divided by sales volume

## Average number of employees

The average number of employees converted to full-time positions

## Capital employed

Total assets less cash and cash equivalents and interest-bearing receivables, minus non-interest-bearing liabilities, excluding pensions

## Carbon emissions intensity

Total emissions of greenhouse gases (tonnes CO<sub>2</sub>e) divided by the total packed products (tonnes)

## Carbon emissions scope 1+2

Direct emissions from Gränges' operations and indirect emissions from purchased electricity, heat and steam consumed by Gränges

## Carbon emissions scope 3

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

## Cash conversion

Adjusted cash flow before financing activities divided by adjusted operating profit

## Cash flow before financing activities

Cash flow from operating activities plus cash flow from investing activities

## Earnings per share

Profit attributable to owners of the parent company divided by the total number of shares

## Equity to assets

Equity divided by total assets

## Financial net debt

Cash and cash equivalents and interest-bearing receivables minus interest-bearing liabilities, excluding lease liabilities

## Financial net debt/Adjusted EBITDA

Financial net debt divided by adjusted 12-months rolling EBITDA

## Items affecting comparability

Non-recurring income and expenses

## ktonnes

Volume expressed in thousands of metric tonnes

## Operating profit

Profit before net financial items and tax

## Return on capital employed

Adjusted operating profit divided by average capital employed during the past 12-months period

## Return on equity

Profit for the period divided by average equity during the past 12-months period

## Sales volume

Volumes sold in metric tonnes

## SEK

Swedish Krona

## Share of sourced recycled aluminium

Sourced recycled aluminium used as input materials (tonnes) divided by total sourced metal input materials (tonnes)

## Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

## Other information

The share and owners

→ Definitions

Glossary

Annual General Meeting 2025

# Glossary



## **Alloy**

Material composed of one metal with additions of other metals and/or elements.

## **Aluminium strip**

Rolled aluminium in coil form.

## **Battery casing materials**

Battery cell casing materials are used for electric vehicles and energy storage applications. Features are a low carbon footprint, flexible formability and light weight.

## **Battery cathode foil (BCF)**

A critical component in the lithium-ion battery cells necessary for the transition to electric vehicles.

## **Battery cooling plates**

The most important heat exchanger to handle temperature inside the battery is the cooling plate. Electrical vehicles and battery packs need stable temperature control to function in an optimal way.

## **Brazing**

Joining of metals through melting and solidification.

## **Brazed heat exchanger**

Brazed plate heat exchangers represent the most compact, rugged and cost-effective means of transferring heat in many industrial, process, and refrigerant applications.

## **Casting**

Method to convert molten metal to a desired solid form.

## **Cathode foil**

Thin flat rolled aluminium product for cathode current collector in lithium-ion batteries.

## **Cladding**

A layer of metal bonded to a dissimilar metal or alloy.

## **Heat exchanger**

A device for transferring heat from one medium to another.

## **HVAC**

Heating, Ventilation and Air Conditioning systems including heat exchangers.

## **LME**

London Metal Exchange.

## **Rolled aluminium**

Aluminium that has been hot and/or cold rolled to desired gauge.

## **SBTi**

The Science Based Target initiative is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) that defines and promotes best practice in emissions reductions and net-zero targets in line with climate science.

## **SHFE**

Shanghai Futures Exchange.

## **Slab**

Input material to the rolling process that is produced by casting.

## **Thermal management**

The capability to control a system's temperature through technology based on heat transfer and thermodynamics concepts. Thermal management implies practicing all processes and methods to decrease (or increase) the temperature of a targeted system. It is a critical element in all types of electronic equipment, for example in heat exchangers and batteries.

Contents

2024 in brief

About Gränges

Strategy

The business

Sustainability leadership

Risk management

Corporate Governance Report

Financial statements

Sustainability statement

**Other information**

The share and owners

Definitions

→ Glossary

Annual General Meeting 2025

# Annual General Meeting 2025



Gränges' 2025 Annual General Meeting will be held on Monday May 12, 2025, at IVA Conference Center, Stockholm.

## Participation

Shareholders wishing to attend the Annual General Meeting must be registered as shareholders in the share register maintained by Euroclear Sweden AB as of Friday, May 2, 2025, and have notified the company of their intention to attend no later than Tuesday, May 6, 2025.

Registration of participation must be provided in writing to Gränges AB, "Årsstämma", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. When registering, shareholders must state their name (company name), personal ID or company registration number, address and daytime telephone number, as well as any assistants. The information provided is only used for Gränges' Annual General Meeting. More information about registration can be found in the notice convening the Annual General Meeting, which is expected to be published Monday March 31, 2025.

## Nominee-registered shares

Shareholders whose shares are registered with a nominee must, to have the right to attend the Annual General Meeting, have their shares temporarily reregistered with Euroclear Sweden AB on Tuesday May 6, 2025, at the latest. The nominee should therefore be notified in good time before the date mentioned.

## Notice convening the Annual General Meeting

Gränges' notice convening the Annual General Meeting 2025 is expected to be published Monday, March 31, 2025 by a press release. The notice will be published on the company's website as well as in Post- och Inrikes tidningar (The Official Swedish Gazette).

All documents according to the Swedish Companies Act will be available at the company's head office and on the website, [www.granges.com](http://www.granges.com), no later than Monday, April 21, 2025 and will be sent immediately and free of charge for the recipient to the shareholders who request it and state their postal address. Printed information can be ordered via [info@granges.com](mailto:info@granges.com). The Annual General Meeting shareholder register will be available at the company's head office at Linnégatan 18 in Stockholm. All documents, including the Annual General Meeting shareholder register, are presented by keeping them available in this way.

## Dividend

The Board of Directors proposes a dividend of SEK 3.20 (3.00) per share for the 2024 fiscal year, in total SEK 340 million (319). Proposal for record dates for the dividend will be announced in connection with the notice convening the Annual General Meeting. At the same time a proposal for dates for distribution of the dividend, provided that the Annual General Meeting approves the proposal, will also be announced. The payment will be distributed through Euroclear Sweden AB.

Further information about the Annual General Meeting, including the minutes, is available on the company's website: [www.granges.com](http://www.granges.com).

## Annual and Sustainability Report

Gränges' Annual and Sustainability Report is available on the company's website, [www.granges.com](http://www.granges.com), in Swedish and English. The Annual and Sustainability Report is also available in printed format and can be ordered at [info@granges.com](mailto:info@granges.com).

## Financial calendar 2025

Interim report, Q1	April 25
Annual General Meeting 2025	May 12
Half-year report, Q2	July 11
Interim report, Q3	October 23
Year-end report 2025	January 29, 2026

For questions regarding investor relations please contact:

Sara Lander Hyléen  
VP Communication & Investor Relations  
[sara.hyleen@granges.com](mailto:sara.hyleen@granges.com), +46 70 916 16 41

Contents

2024 in brief  
About Gränges  
Strategy  
The business  
Sustainability leadership  
Risk management  
Corporate Governance Report  
Financial statements  
Sustainability statement

## Other information

The share and owners  
Definitions  
Glossary  
→ Annual General Meeting 2025

# People make the difference

A strong team and company culture are key to our past and future success, and something that cannot easily be copied. Gränges aims to drive employee engagement and to be an employer of choice in each location. Our core values – Sustainable, Action oriented and Committed – define the way we work. They guide us in our daily actions and lay the foundation for how we conduct business responsibly and ethically.



At Gränges we say, “People make the difference!” This was certainly true in 2024, when we achieved all-time-high financial and sustainability performance. It’s an honor to lead this amazing team.

Jörgen Rosengren, President and CEO



## Addresses

### Head office

Gränges AB  
Box 5505  
SE-114 85 Stockholm  
Sweden  
Phone: +46 8 459 59 00

### Visiting address

Linnégatan 18  
SE-114 47 Stockholm  
Sweden

[www.granges.com](http://www.granges.com)

Corp. identity no. 556001-6122

### Gränges Europe

Box 5505  
SE-114 85 Stockholm  
Sweden  
Phone: +46 122 838 00

### Visiting address

Linnégatan 18  
SE-114 47 Stockholm  
Sweden

### Gränges Asia

Gränges Aluminium  
(Shanghai) Co., Ltd  
1111 Jiatang Highway  
201807 Shanghai  
China  
Phone: +86 215 954 1111

### Gränges Americas

Gränges Americas Inc.  
501 Corporate Centre Drive,  
Suite 280  
Franklin, Tennessee 37067  
USA  
Phone: +1 615 778 2000