



Rana Gruber's vision is to be a world-class sustainable mineral producer and seeks sustainable solutions in daily activities.

ESG REPORTING

Rana Gruber will soon have existed for 60 years, yet Rana's mining history originates back to the 1700s. As such, Rana Gruber is part of a proud history, and the company stands on the shoulders of miners who have been extracting iron ore from the local mountains for centuries.

Mining is a fundamental part of the Rana community's identity and history. Moreover, Rana Gruber is one of the region's largest and most important employers. It is therefore clear that the company carries several obligations, one of which is taking on a corporate social responsibility, which extends beyond being a large workplace. Rana Gruber strives to conduct its business with loyalty, care, and respect towards all: customers, suppliers, employees and shareholders, as well as society, and the environment.

Norway's new government saluted the mineral sector towards the end of 2021, as minister of trade and industry, Jan Christian Vestre, stated that the world will need the mining industry if the green transition is to succeed. He expressed ambitious goals for making the industry's operations in Norway the most sustainable in the world. Rana Gruber is ready to contribute.

The company's vision is to be a world-class sustainable mineral producer and seeks sustainable solutions in daily activities. In 2022, Rana Gruber will therefore start

a strategy process aimed at committing even further to the global effort required to reach the UN's Sustainable Development Goals. To this end, Rana Gruber will look for ways to raise its ambitions in a number of ways.

Rana Gruber is required to report on several responsibilities under sections 3-3a, 3-3b and 3-3c of the Norwegian Accounting Act. The purpose of this ESG section is to provide an account of the company's work relating to the environment, society, and corporate governance.

In what follows, the company reports direct and indirect greenhouse gas (GHG) emissions in accordance with the recognised international standard: the GHG Protocol. In the future, the company will also report in accordance with other recognised international standards, such as the Global Reporting Initiative, the Task Force on Climate-Related Financial Disclosures, and the Towards Sustainable Mining (TSM) system. This will provide open and readily available information on the company's sustainability/ESG work, while simultaneously helping the company to improve its work in the relevant areas.

The environment

The company is well aware that mining has a negative impact on nature, climate, and the environment. The international mining industry (including coal mining) is responsible for huge amounts of GHG emissions. According to the McKinsey report "Climate risk and decarbonization: What every mining CEO needs to know", it accounts for up to seven per cent of the total global emissions. Another major impact factor is direct interference with nature.

Due to the environmental impact of the mining sector in general, and Rana Gruber in particular, the company aims to become an iron-ore producer contributing to a far more sustainable value chain than that of today. To this end, the company has set ambitious goals and aim to become the world's first iron-ore producer with zero

CO₂ emissions by the end of 2025. Even at present, Rana Gruber is one of the iron ore producers with the lowest CO₂ emissions across all geographies (9.29 kilograms CO₂-equivalents per tonne produced iron ore concentrate on the Scope 1 and 2 emissions detailed below).

Location wise, Rana Gruber has some advantages. There is a short distance from the mining site to the harbour at Gullsmedvik, meaning that there is no need for long-distance rail transport. Hence, Rana Gruber has a good starting point for meeting the zero emissions target.

Moreover, Rana Gruber's iron ore is processed entirely by using renewable energy from the hydropower stations around Mo i Rana. Work is also underway for changing the machines and vehicles powered by fossil

fuels to machines and (autonomous) vehicles powered by electricity. In addition, the company has both committed to contribute to the partial electrification of the regional railway (Nordlandsbanen), and is involved in a pilot project related to hydrogen-powered locomotives, in collaboration with Sintef and the Norwegian University of Science and Technology (NTNU).

Rana Gruber has a permit to operate pursuant to the Norwegian Pollution Control Act. The company collaborates closely with the Norwegian Directorate of Mining, and the Norwegian Environment Agency, and reports annually to both these entities.

ANNUAL GHG EMISSIONS PER SCOPE

In tonnes CO ₂ equivalents	2019	2020	2021	Per cent share of total emissions
Scope 1 total	12 266	13 675	14 352	
Transportation	11 754	13 597	13 636	71%
Stationary Combustion	512	78	716	4%
Scope 2 total	748	884	991	
Electricity location based	748	884	991	5%
Scope 3 total	3 229	3 725	3 860	
Waste	235	354	239	1%
Fuel & Energy related activities	2 994	3 372	3 621	19%
Total	16 242	18 284	19 202	100%
<i>Electricity market based</i>	26 170	38 877	39 837	

Key Performance Indicator	2019	2020	2021
Tonne iron ore	1 607 971	1 558 997	1 652 376
kgCO ₂ e (Scope 1 & Scope 2)	13 013 500	14 558 600	15 342 500
kgCO ₂ e/tonne iron ore	8.09	9.34	9.29

CARBON ACCOUNTING PRINCIPLES AND REPORTING METHODOLOGY

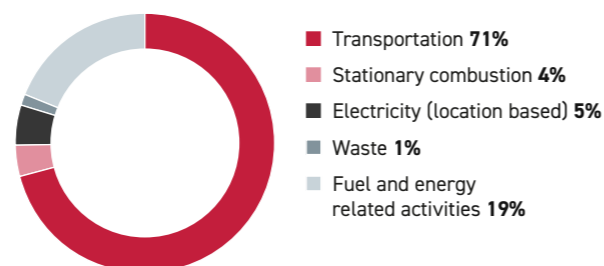
Methodology

The carbon accounting has involved greenhouse gas inventory accounting principles, which are described in the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) developed by the World Resources Institute and the World Business Council for Sustainable Development. In alignment with the GHG Protocol, the carbon accounting took into consideration CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃ when converting consumption data to tonnes CO₂-equivalents

RANA GRUBER'S CARBON ACCOUNTS

The following diagram and table detail the emissions of Rana Gruber.

GHG EMISSION PER CATEGORY 2021



(tCO₂e). The Global Warming Potential used in the calculation of CO₂e is based on the Fourth Assessment Report of the Intergovernmental Panel on Climate Change.

Organisational boundary

Rana Gruber operates and controls five iron ore deposits. All deposits are located in Storforshei and Ørtfjell in the Dunderland Valley in Norway. In total, Rana Gruber operates at, and has mineral rights connected to, more than 23 000 000 m² (5 700 acres). To determine the "organisational boundary" – which defines the oper-

ations that make up a business or entity for the purpose of consolidating GHG emission in a carbon accounts – Rana Gruber uses the "control approach". On this approach, the organisational boundary is set such that the reported emissions are only those associated with operations over which the company has control. In Rana Gruber's case, the control in question is that which the GHG Protocol defines as "operational control", meaning that Rana Gruber has the full authority to introduce and implement operating policies at the relevant operations. In other words, Rana Gruber's carbon accounts concerns the emissions associated with those operations over which Rana Gruber has operational control.

Operational boundary

While the organisational boundary determines which operations an entity shall take into account in its carbon accounting, the "operational boundary" determines which direct and indirect emissions shall be included in the carbon accounts. Within the operational boundary, the GHG Protocol distinguishes between three "scopes".

Scope 1 concerns all direct emissions stemming from owned, leased, and rented assets. This includes emissions from transportation and stationary combustion, such as leased company cars, rail transport, and emissions from heavy machinery used to operate the mines. The total emissions of scope 1 amount to 14 352 tonnes CO₂ equivalents (tCO₂e). 80 per cent of total emissions in scope 1 derive from rail transport (2 018.3 tCO₂e) and rented tank facilities (9 493 tCO₂e).

Scope 2 concerns indirect emissions from the generation of electricity purchased by the company. These emissions can be calculated in two ways: by means of the location-based method and the market-based method. The location-based method calculates emissions by using the average emissions intensity of the grid that provides the company with electricity. The calculated emissions are then the result of that which actually generated the electricity consumed by the company. The market-based method calculates emissions by using emission factors related to supplier-specific properties, as described in the contractual agreement under which the company has purchased electricity. The calculated emissions are then the result of that which, according to the contract under which the company purchased electricity, generated the electricity purchased by the company. These methods can yield different results for scope 2 emissions, since the source of the electricity which a company actually gets from the grid may diverge from the source described in the contract under which the company purchased electricity.

Both the location-based and the market-based method have been employed in the carbon accounting of Rana Gruber. As described in the table, the location-based emissions amount to 991 tCO₂e, while the market-based emissions amount to 39 837 tCO₂e. According to the International Energy Agency, the location-based energy is based on 95 per cent renewable sources.

Scope 3 concerns indirect emissions stemming from upstream and downstream activities in Rana Gruber's value chain, which involve sources that Rana Gruber neither owns nor controls. In the carbon accounts of 2021, two categories of emissions are included. The first is downstream emissions associated with the waste generated in the operations. The second is emissions from fuel and energy-related activities, which concern emissions from the production, processing, and transportation of fuel, in addition to emissions from the generation of the electricity which is lost in the distribution network but which belongs to Rana Gruber's purchased (albeit not consumed) electricity. Other indirect emissions belonging to scope 3 were not included in the carbon accounts of 2021, but the company aims to include these in future carbon accounts. In total, the scope 3 emissions of 2021 amount to 3 860 tCO₂e.

Quantification

Rana Gruber uses consumption and activity data to calculate CO₂e emissions from their monthly operations throughout the year. The calculation method is based on the average-data method implemented through the CEMAsys software. The average-data method involves emission factors determined by the Ministry of Climate and Environment (Norway), the Department of Environment, Food and Rural Affairs (UK), the International Energy Agency, and the Norwegian Environment Agency.



To the Board of Directors in Rana Gruber AS

Report on Rana Gruber AS's greenhouse gas emissions reporting

We have undertaken a limited assurance engagement of the accompanying statement of Rana Gruber AS's measurements and reporting of greenhouse gas emissions ("GHG emissions") for the period 1 January 2019 – 31 December 2021. Measurements and reporting of GHG emissions are presented in the ESG report section of Rana Gruber's 2021 annual report.

Our limited assurance engagement comprises whether Rana Gruber has developed measurements and reporting of GHG emissions and whether the GHG emissions are presented according to the GHG Protocol Corporate Accounting and Reporting Standard published by the World Resources Institute and the World Business Council for Sustainable Development (criteria). The GHG Protocol Corporate Accounting and Reporting Standard is available at <https://ghgprotocol.org/corporate-standard>.

Tasks and responsibilities of management

Management is responsible for Rana Gruber's GHG emissions reporting and that the GHG emissions are measured and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Their responsibility includes developing, implementing and maintaining internal controls that ensure appropriate measurement and reporting of GHG emissions.

Our independence and quality control

We are independent of the company in accordance with applicable laws and regulations and the Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our independent statement, and we have fulfilled our ethical obligations in accordance with these requirements and IESBA Code. We use ISQC 1 - Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and maintains a comprehensive quality control system including documented policies and procedures of the ethical standards, professional standards and applicable legal and regulatory claim.

The Auditors responsibilities

Our responsibility is to express a limited assurance conclusion on Rana Gruber's GHG emissions reporting based on the procedures we have performed and the evidence we have obtained. We have performed our work and will issue our statement in accordance with the International Standard on Assurance Engagements ISAE 3410 Assurance Engagements on Greenhouse Gas Statements. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Rana Gruber AS's use of GHG Protocol Corporate Accounting and Reporting Standard as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Through inquiries, obtained an understanding of Rana Gruber AS's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Rana Gruber AS's methods for estimating emissions based on energy use and emission factors for the use of different energy sources are appropriate and have been consistently applied and reported.
- Performed procedures to assess the completeness of the reported emissions sources, data collection methods, source data and relevant assumptions applicable to estimate emissions from a selection of Rana Gruber's emission sources. The test procedures were chosen taking into consideration the emission sources' contribution to total emissions and our understanding of the risk of material errors in measurements and reporting of emissions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Rana Gruber AS's GHG statement has been prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard published by the World Resources Institute and the World Business Council for Sustainable Development.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Rana Gruber AS's GHG statement for the period 1 January 2019 – 31 December 2021, is not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard published by the World Resources Institute and the World Business Council for Sustainable Development.

Oslo, 10 February 2022
PricewaterhouseCoopers AS

Gorm F. Nymark
State authorized public accountant (Norway)

(Digitally signed)

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CERTIFICATIONS

Rana Gruber has an overriding goal of minimising the environmental impact of its operations. Several certifications have been obtained, including ISO 9001:2015 (quality management), ISO 14001:2015 (environmental management) and EN 12878.

The company is also working to obtain a sustainable mine certification in collaboration with Norwegian Mineral Industry. Membership of this trade association commits one to participate in the Towards Sustainable Mining (TSM) initiative. Launched in 2004 by the Mining Association of Canada, TSM provides a system to help mining companies and their operations to evaluate and administer their environmental and social responsibilities. It provides a fully tested reporting programme used in several countries around the world.

Rana Gruber has committed to comply with TSM's guiding principles. These principles aim at safeguard of the environment, a secure workplace, and protection of indigenous communities and other stakeholders.

The TSM initiative covers eight operational areas:

1. The prevention of child and forced labour.
2. Contact with NGOs, local communities and indigenous peoples.
3. Crisis management and communication.
4. Health, safety and the environment (HSE).
5. Tailing management.
6. Management of energy consumption and GHG emissions.
7. Water stewardship.
8. Biodiversity conservation management.

Known as assessment protocols (or just protocols), these operational areas have been designed to help the reporting businesses to understand and comply with TSM's guiding principles.

REDUCING NEGATIVE IMPACT ON NATURE

Rana Gruber works continuously to reduce negative impact on nature. The company is therefore determined to ensure that sites are rehabilitated in the best possible way, which involves refilling and revegetating open-cast mines after extraction is terminated. This is done in accordance with legal regulations and in cooperation with relevant local and national governmental institutions.

In this context, the Stortjønna lake (see pictures above), provides a good example. When extraction was terminated in this area, Rana Gruber collaborated closely with Statskog to rehabilitate it in the best possible way for after-use. Stortjønna was filled with rocks and then covered with soil to allow the natural restoration of vegetation. The goal was to enable migration routes for elk and other wild animals, angling and outdoor life, and rough grazing. Just two years after extraction ended at Stortjønna, plants and trees are now starting to grow, and elk have reclaimed their migration route.

Rana Gruber's goal is to rehabilitate active open-cast mining sites to the extent possible, for the purposes listed above, and for the benefit of the local community. The company is determined to ensure that sites are rehabilitated in the best possible way.

CHEMICAL-FREE PRODUCTION

Companies involved in mining activities, like Rana Gruber, know that they have a negative impact on nature. The key question is therefore how this impact can be minimised. Most mining companies use chemicals in their operations, which helps to produce better, cleaner, and more expensive products. Despite these advantages, Rana Gruber has developed a chemical-free production, for the sake of environmental concerns.



*Before and after:
Tailings from Rana Gruber have been used to fill up areas around the city of Mo i Rana.*





The water curtain plant in full operation. At normal water volumes, a satisfactory purification is achieved.

Photo: Thor Båsmo

WASTE MANAGEMENT

A universal challenge for all mining companies is waste management. Justified criticism has been directed at the industry because of the way the industry has pursued mineral processing and waste handling. Rana Gruber has a system for marine deposition in the Rana Fjord. These waters were bereft of life in the 1970s following massive pollution from coking-plant discharges. After the closing of this facility in 1979, the fjord has regenerated faster than expected. Tailings from Rana Gruber have been beneficial in this specific case, since they consist of clean sand and function as a lid locking in the old pollution on the seabed. As a result, life has returned to these waters. Naturally, however, there is no ecosystem of seabed-dwelling organisms.

Rana Gruber monitors the discharge of tailings to the sea, both continuously and through planned controls with assistance from consultants (seabed scanning and sampling of bottom sediments). The company also looks at alternative waste management solutions, together with partners and the government, for the purpose of identifying better and more sustainable solutions for the future.

Rana Gruber is aiming to look at alternative solutions, together with partners and the government, for the purpose of identifying better and more sustainable waste management solutions for the future.

SPILLING TO WATER

Rana Gruber currently holds a permit from the Norwegian Environment Agency to spill solid particles into the Rana River after ore extraction at the mine. This is issued pursuant to Norway's Act on Protection Against Pollution and Waste. In 2022, the company will assess the risks of pollution, such as its negative impacts on nature.

Spilling of fine particles to the Rana river

When extracting ore, fine particles are generated both from drilling and from transport. These particles follow the production water through the mine. The purifying plant in the mine consists of three settling pools and one clean water pool. The production water passes through a settling basin so that particles are sedimented (and later deposited), while purified water is released to the Rana river. Spilling of fine particles (i.e. so-called suspended substance) to the Rana river has a limit value of 50 mg/l. At normal water volumes, a satisfactory purification is achieved.

However, in the event of heavy rainfall and melting of snow, huge amounts of water enter the mine and thereby the purification plant. In such events, the interval between water entering and leaving the basin is too short to achieve a satisfactory sedimentation, which results in more suspended substances entering the Rana river. Because of this, the company is working to

improve the purification system and to reduce the spilling of suspended substances to the river.

EMISSIONS TO AIR

Rana Gruber has introduced several measures to reduce emissions to air. One measure is to store products under a water mist system, which prevents dust from escaping the surrounding areas.

A second measure is related to the combustion of rubber, which takes place in an incinerator about once a month. During combustion, smaller amounts of sulphur and dust are emitted to the air. With the help of an external laboratory, emissions are sampled at certain intervals. This monitoring enables the company to keep emissions far below the permitted limit.

A third measure is the filtering system used in the production of COLORANA, specifically, in the production of iron oxide pigment. The filtering systems run continuously and emits very small amounts of dust. In the event of system failure or damaged filter bags, however, the emissions may increase for a limited time.

There has been some challenges with obtaining representative measurements from the filtering systems. The company has therefore worked to get an emission meter installed, so that the company can monitor emissions and avoid exceeding the permitted emission limits. In the

current transitional phase, however, emission measurement will be done with the use of an external laboratory.

RANA GRUBER WINS THE RENEWABLES AWARD

Rana Gruber was awarded the Renewables Award for November 2021. The award is administered by Energy Norway, a non-profit industry organisation representing about 300 companies involved in the production, distribution and trading of electricity in Norway. The jury's statement was as follows:

Rana Gruber's efforts to explore the potential of electrical solutions in the mining industry may speed up the process of phasing in heavy, electrical machines. This has global significance, as the world must deal with an all-time-high demand for minerals, while simultaneously cutting emissions. If Rana Gruber succeeds in reaching their zero-emission targets while creating industrial jobs, the company deserves appropriate credit.





Rana Gruber always puts health and safety first, and seeks to have a constructive dialogue with relevant stakeholders.

Social matters

Mining requires high standards for safety and cooperation in face of challenges related to the operations, employees, and the local community. Rana Gruber always puts health and safety first, and seeks to have a constructive dialogue with relevant stakeholders. The company is a well-organised business characterised by instructive collaboration between the management and employee organisations. This collaboration also extends to the local community, the authorities, and other relevant organisations.

HSE

The health and safety of employees, customers and partners are always a top priority at Rana Gruber.

A dedicated policy sets high HSE standards for the working environment at all sites and plants. The aim is to offer a workplace that is free of accidents, as the result of accurate and detailed training modules, systems, and procedures, e.g. the use of top quality personal protective equipment (PPE).

The company has acquired substantial experience on operating safely, and consequently no employees have incurred serious injuries over the past ten years.

Measures are adopted in cooperation with the unions to safeguard production and operation, while simultaneously avoiding excessive workloads on employees in the event of accumulation of absence related to sickness. Dialogue and flexibility are important factors in this collaboration.

During the covid-19 pandemic, the prevalence of sick leave has increased. This is both due to the required precaution connected with Covid-19 symptoms, and the care for sick children.

Just as in 2020, great attention was needed to deal with the pandemic in 2021. Rana Gruber has introduced a "traffic light" model, with measures tailored to fit the instructions given by the authorities. These measures include working from home, reorganising working hours to reduce potential close contacts, testing, keeping a safe distance, and the use of PPE. In addition, visits and travel have been minimised, with measures to reduce risks which could affect the operations.

SAFE WORKING CONDITIONS

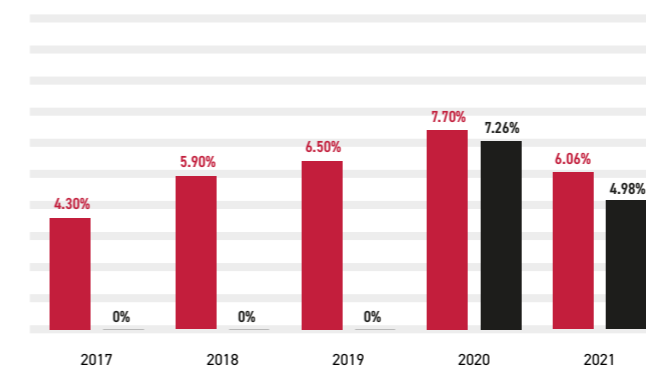
Working conditions at Rana Gruber must be secure and hygienic. Company policy includes health checks for employees, keeping track of lost working hours, and registering and reporting potential occupational hazards. The company's workforce turnover is low, and great emphasis is placed on ensuring a good and secure working environment for employees.

At Rana Gruber, there is an established culture for reporting abnormal conditions or incidents, and the company handbook – which describes safety routines – is issued to all employees.

Rana Gruber conducts a health survey every three years to map possible employee problems relating to dust, noises, fumes, chemicals, working hours, job satisfaction, psychosocial factors and the like. Due to the pandemic, the 2021 survey has been postponed until 2022.

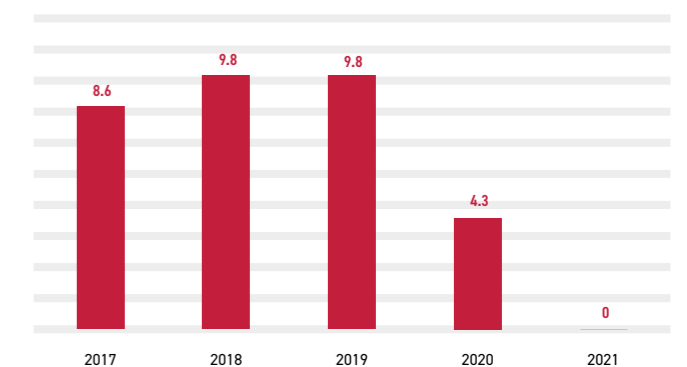
SICK LEAVE

■ Sick leave (%) ■ Sick leave - non-covid (%)



WORK RELATED INJURIES

H1-numbers



The left figure shows total sick leave figures (red) and total sick leave with covid-related leave left out (black).

The company conducts annual working environment assessments in order to map Rana Gruber employees' exposure to hazardous substances, dust, and noise. These assessments are based on guidelines and standards from the Norwegian Labour Inspection Authority. They involve a detailed occupational hygiene assessment, covering a minimum of six measurements in each group of workers with comparable exposure to an unwanted item, and a statistical assessment of the results. The analysed results are combined with risk assessments and a mapping of potential measures for reducing exposure to the unwanted item. These interventions always aim to remove the source of the unwanted item to the extent possible. Working environment assessments were conducted in 2021 for the mine and the rubber shop.

HIGH LEVEL OF UNIONISATION

Rana Gruber fully supports the tripartite collaboration between employers, unions, and the government in the Norwegian society. Close and trustful cooperation with the unions is crucial for the company's development and growth. As an employer, Rana Gruber both respects and encourages employees to form and join unions of their own choice. The level of workforce unionisation is close to 100 per cent.

The management holds regular joint meetings with elected union officers through the working environment committee (AMU), and collaborates on framing employment regulations which define rules on matters such as recruitment and dismissal, working hours and pay, and disciplinary rules for the company.

Rana Gruber wants to encourage constructive discussion and openness in negotiations, and makes provisions for communication with all employees, for the purpose of handling conflicts or other areas of concern. Moreover, employees have influence on the company's decisions through board representation, and through the general meeting as shareholders.

WHISTLEBLOWING

Each and every employee has the right to report irregularities in the company they work for. In addition, effective whistleblowing mechanisms can be a valuable resource for risk management, protection against financial losses, liabilities and reputational damage. The management in collaboration with union officials therefore ensure that the Rana Gruber's whistleblowing system for the reporting of irregularities is in place. The company is also responsible for making sure that whistleblowers do not experience any direct or indirect sanctions.

It is in Rana Gruber's interest that these mechanisms are well known among the employees, and the company will work continuously to train and guide employees in collaboration with union officials.

ANTI-CORRUPTION

Rana Gruber has a specific anti-corruption policy. In addition, the company has developed a set of guidelines that comply with Norwegian legislation and statutory regulations. This document applies to Rana Gruber and all its employees. The policy provides an overview of rules and procedures for preventing corruption, and explains how employees should behave in order to avoid it. All Rana Gruber managers are required to ensure that these procedures are well known in the organisation, and that a culture for compliance is established.

THE EQUALITY STATEMENT OF 2021

Mining is traditionally a male-dominated industry. In 2021, women accounted for 53 of Rana Gruber's 286 employees. The executive management team of four includes one woman, while the female proportion of the board of directors is 40 per cent.

As a matter of principle, the most qualified and suitable candidate will be chosen for employment at Rana Gruber. Nevertheless, the company realises that targeted efforts must be installed to meet the requirements set by the Norwegian Equality and Anti-Discrimination Act. The results of these efforts are described in this equality statement.

The statement has two parts. The first part contains a mapping of differences in salaries between men and women, and of and work done involuntarily part-time. The mapping was undertaken by the HR director, Anita B Mikalsen, in collaboration with union representatives in January 2022. The second part contains the results of an assessment of the company's work to promote gender equality and anti-discrimination, as well as those of a risk assessment related to these topics. These assessments were conducted by a team of representatives from the HR department and the unions in January 2022, and consisted of: Anita B. Mikalsen (HR director), Helene Solem (head of quality and HSE), Thomas Hammer (union representative of the technical officers), Jim Johansen (head of personnel), and Johan Hovind (club leader in Fellesforbundet).

This work was supervised by representatives from Sustainability AS and Risikotavler AS, according to a methodology based on the ISO 31000 standard for risk management. The board and management of Rana Gruber was also informed, and has approved, of this work.



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Part 1: Status for gender equality

Salary differences

The company has assessed whether there are differences in salary between men and women. The assessment was conducted by comparing average salary (including fixed salary, overtime pay and other variable supplements) within, but not across, four employee categories: operators, office/mercantile positions, technical officers, and managers.

The results for each employee category are displayed in the tables below, and explanatory comments are attached to each table.

Operators	Women	Men
Employees	33	195
Average yearly salary (NOK)	564 633	594 648
Payments in kind (NOK)	1460 equivalent	1460 equivalent

The operators category consists of team leaders, core workers, specialised workers, and auxiliary workers from all departments of the operations.

This category is covered by both general and company-specific collective agreements, which regulate how the salaries for this group are determined. Specifically, salaries and supplements are determined according to working conditions, seniority, and responsibilities, independent of other potential differences between individual employees. This means that operators who work in the same place, have the same responsibilities, and the same level of seniority, have the same salary.

The difference in average salary for women and men is largely based on the collective agreement's provisions for seniority supplements, as there are relatively few women with more than ten years of employment in the company. The difference can also be traced to the fact that there are fewer female team leaders, whose responsibility implies salary compensation, and to the fact that there are fewer women working in the underground mine, which involves working conditions with an associated compensation.

All employees received a gift bonus in December 2020, except one employee who received the bonus in January 2021. The bonus was based on the number of months employed by the company in 2020 and was the same for everyone who had been employed the same number of months.

Payments in kind consist of insurance schemes, which are the same for all employees in the company, regardless of position.

Office/mercantile positions	Women	Men
Employees	5	6
Average yearly salary (NOK)	696 796	637 475
Payments in kind (NOK)	1460 equivalent	1460 equivalent

The office/mercantile positions category includes office positions, mercantile positions, and positions within IT, warehousing, purchasing, marketing, personnel and finance. Some positions are covered by both general and company-specific collective agreements, while others do not fall under any collective agreement.

In this group, there is a relatively large proportion of women with several years of employment in the company compared to men, which has effects on the average salary. Two employees have received a compensation for extraordinary work pressure in 2020, which was issued in January 2021. Several other women received a similar compensation in 2020.

Technical officers	Women	Men
Employees	7	25
Average yearly salary (NOK)	695 903	745 029
Payments in kind (NOK)	1460 equivalent	1460 equivalent

The technical officers category includes employees with engineering background or other shorter practically oriented educational backgrounds.

Women and men with the same education, experience and responsibilities have similar salaries in this category. However, several men are seniors who have gone from management positions to technical officer positions, while keeping the same salary, which explains the difference in average salary. One technical officer has received compensation for particularly heavy workload at a given period, which was issued as a one-off compensation.

Managers	Women	Men
Employees	5	24
Average yearly salary (NOK)	1 070 517	998 921
Payments in kind (NOK)	1460 equivalent	1460 equivalent

The managers category ranges from operations managers to top management positions, except the CEO.

Most female managers belong to the higher management levels, while most male managers belong to lower management levels, which explains the difference in average salaries.

Some managers have received compensation for extreme workload over time, issued as a one-off compensation. One manager has also received a termina-

Employees		Temporary positions		Parental leave		Part time positions		Positions which are involuntarily part time	
Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
53	253	4	16	5	12	0	9	0	0

Part 2: Rana Gruber's work for equality and non-discrimination

Historically, there has been an active collaboration between the management and employee representatives through the unions and the company's working environment committee. The management has also had regular meetings with representatives of employee organisations.

In 2021, however, the company has seen the need to initiate systematic work to meet the requirements of the strengthened Equality and Anti-Discrimination Act, which requires employers to actively partake in work to promote gender equality and anti-discrimination, and to issue a statement on this work.

In January 2022, a team with representatives from the HR department and the unions was established. The team went through a checklist developed by the Norwegian Gender Equality and Anti-Discrimination Inspection Authority to map already existing principles and guidelines relating to equality and anti-discrimination, and to evaluate the company's previous work on these topics. In addition, the team conducted a risk assessment in accordance with the ISO 31000, which is a standard for the assessment of the risk for discrimination and gender inequality. The results of this work are described below.

Current Principles and Guidelines at Rana Gruber:

- Rana Gruber shall avoid discriminatory practices relating to gender, age, race, and religion, and the company does not tolerate physical, verbal, or sexual abuse or harassment in the workplace.
- The company should select the best qualified and most suitable candidate for all positions.
- The HR department should have the final say for recruitments. This is to ensure that considerations related to gender equality and diversity are taken into

tion bonus, in accordance with an employment contract, which was issued many years ago.

Work which is involuntarily part time

Part-time positions have only been established on request from employees for seniority or health reasons. The company has never advertised part-time positions.

account in the recruitment process. Relevant union representatives shall look at the list of applicants and provide input. First-line managers (i.e. managers of shifts and departments) shall participate in interviews together with the relevant line manager and HR manager. The final decision shall be made by the HR manager, and the union representative shall be informed of the decision.

- Considerations of equality and non-discrimination shall be taken into account in the personnel policy.
- The management shall collaborate with union representatives to ensure that matters worthy of criticism are communicated through the whistleblowing system.
- Rana Gruber shall conduct working environment assessments annually at various locations at the company's sites, and a health assessment shall be conducted every three years. The working environment assessments should be based on the Norwegian Labour Inspection Authority's guidelines and standards.
- All employees shall receive the company's handbook describing safety routines.

Weaknesses in previous work for equality, diversity and anti-discrimination:

- Although the company has several principles and guidelines to promote gender equality and anti-discrimination, the company has not developed specific goals and measures in any great detail. To improve upon this, more specific and detailed goals and measures are due during the first half of 2022.
- The vision, guidelines and work related to gender equality and diversity are not well communicated in the organisation.
- There has not been sufficient focus on minorities, for example, with regard to dietary requirements.

Potential obstacles for equality, diversity, and anti-discrimination:

- Mining has traditionally been a male-dominated industry, and in 2021 only 53 of the company's total of 286 employees were women.
- Several work tasks in the company are characterised by requirements for good health and physique.
- There is an internal style of communication and jargon that may be perceived as exclusive.
- Rana Gruber is located in a region with less ethnic diversity than some other regions, and the company does not experience any demands from employees or other stakeholders to do any active measures to promote ethnic diversity.
- Historically, the company has had several employees from the same families, which can present challenges related to facilitating family life.
- Mining and processing plants are by nature restrictive in terms of accessibility.
- The company has a requirement that employees must be competent in a Scandinavian language. This is rooted in safety concerns. Nevertheless, this can be an obstacle to a diverse workplace, especially for foreign jobseekers.
- The shift work model offers little flexibility for working hours, which can affect the facilitation of family life and thereby gender equality.

Measures

- The company's working environment committee – in collaboration with the management team and the board – shall use the above results to develop a strategy with associated measures with the purpose of promoting gender equality and anti-discrimination in all areas required by law. The goal is to have a strategy in place during the first half of 2022.
- The forthcoming strategy with associated measures shall be made well known within the company, and a separate plan for training in gender equality and diversity work shall be developed.
- The company shall map and initiate measures to meet the requirements for universal design.
- The company will look at the measures it has previously done on a case-by-case basis in relation to working conditions to assess whether these measures can be put into a system, which is communicated to the entire organisation.
- The company shall establish routines for involving the board, the management, and the employee organisations in the work for equality and anti-discrimination.

The company believes that an overall strategy with associated measures and guidelines will put the company in a better position to formalise and document the good practices that already exist. This in turn will contribute to promote equality, diversity, and anti-discrimination at Rana Gruber.

COMMITMENTS

Rana Gruber has great confidence in its employees and take their interests seriously. The company is committed to comply with the UN's universal declaration on human rights and the ILO convention, as well as the Ethical Trading Initiative Act, which regulates and defines rights and duties of companies and employees.

Rana Gruber wants to contribute to a sustainable steel industry and will apply for membership in Responsible Steel during 2022. Responsible Steel is the steel industry's first global standard and certification initiative.

Rana Gruber has an agreement with the Norwegian Environment Agency and the Directorate of Mining to allocate funds for clean-up, control, and monitoring of e.g. sea landfill, in the event of a closure or bankruptcy.

A RESPONSIBLE NEIGHBOUR

Rana Gruber has a broad and extensive collaboration with unions, neighbours, and local industry. The company funds sports clubs, charities, and music related activities, and thereby enables recipients to gain opportunities which would otherwise have been unattainable.

Recipients include:

- BUA
- Vitensenter Nordland
- Frelsesarmeen
- FK Bodø/Glimt
- Rana FK
- Dunderlandsdalen Skytterlag
- Smeltingedigen Musikkfestival
- Storforshei IF
- Skonseng UL
- Rana Håndballklubb
- Rana Friidrettsklubb
- Rana Slalåmklubb
- Storforshei Fritidsklubb
- Fageråsbakkene
- Polarsirkelen ski
- Polarsirkelen Casting og Fluefiskeforening
- Rana Kormakeri
- Mo Hornmusikk
- Bergringen
- Fotballbane på Storforshei



Rana Gruber CEO Gunnar Moe (to the far right) and controller Vegard Nerdal (in the middle) visiting FC Bodø/Glimt with former player, Runar Berg (to the left), when the sponsorship was announced in 2020.

Individuals who have received sponsorships:

- Håkon Skog Erlandsen
- Emilie Ågheim Kalkenberg (national team athlete)
- Robin Pedersen
- Benedicte Stien Schreiner
- Marthe Kråkstad Johansen (recruit national team athlete)
- Kristian Skjømming (recruit national team athlete)
- Oda Leiråmo
- Birk Fjellheim
- Emil Bergli

Rana Gruber is also a sponsor and co-owner of Arctic Circle Raceway, which is a motorsport facility located on a former mining area. In the beginning, Rana Gruber sponsored the construction, and thereafter the company

joined a group of investors to buy the facility. This is an example of how Rana Gruber, as a cornerstone company, contributes to activities in the local community.

FUNDING OF THE NEW AIRPORT IN MO I RANA

The company will participate in the funding of the new Polarsirkelen Airport in Mo i Rana with NOK 15 million. The investment will be completed in Q1 2022 and the airport will improve the region's accessibility, and enhance recruitment and business activity of the company. Rana Gruber is already shareholder in the airport's holding company.

LOW-PROFILE AND HIGH-PROFILE COMMITMENTS

Some of Rana Gruber's sponsorships are high-profile, such as its commitment to FC Bodø/Glimt. The three-year



A collaborating team of local sponsors ensured that BUA's only employee, Sofie Helløy, could continue lending out sports gear for free.

sponsorship of NOK 3 million is directed at talent development by the Glimt Academy. The purpose is, among other things, the recruitment of football players from the Helgeland region – where Rana Gruber is situated – so that talents can play for a high quality club in their own region.

SAVING BUA

Rana Gruber has also helped small enterprises to survive during crises and hardships. One particularly noteworthy example, is the fundraising for BUA, a small company in Mo i Rana that lend out outdoor sports gear for free. Rana Gruber took action when this enterprise was about to lay off its only employee. This fundraising initiative enabled BUA to continue the important work of promoting healthy outdoor activities.

SUPPORT OF KNOWLEDGE AND EDUCATION

A top priority for the company is to enhance the expertise of Rana Gruber employees. This entails covering educational costs, such as course fees, learning materials, and PCs. Paid leave is also provided for meetings, travel, and examinations. This has encouraged both mas-

ter's degrees and PhDs. Upper secondary pupils have also received scholarships, and apprenticeships are offered with a range of specialisations.

This notwithstanding, one of the company's most valuable contributions is the recruitment of unskilled youngsters. Through training and mentoring, young dropouts end up with qualifications and new opportunities in life. Dropouts from upper secondary schools are among Norway's major concerns for youth and adolescents. Rana Gruber therefore believes that commitment to young individuals is among the most important contributions which Norwegian industrial companies can make to their communities.

Rana Gruber also supports research and educational institutions. The company funds Vitensenteret in Mo i Rana, a mining relevant educational program at the Norwegian University of Science and Technology, and the associated academic staff. In addition, the company has an academic partnership with the University of Tromsø.

Corporate governance

Rana Gruber seeks to maintain high standards for corporate governance and believes that good corporate governance is an important prerequisite for value creation.

The company's shares were admitted for trading on Euronext Growth Oslo in February 2021. The company has applied for a transfer to the main list at the Oslo Stock Exchange and expects that the first day of trading will be in March 2022. The company will therefore become subject to the Norwegian Code of Practice for Corporate Governance ("the code"), the recommendations of which the company aims to fulfill.

The board of directors ("the board") of Rana Gruber has prepared and approved of a corporate governance policy. The policy describes the company's main principles for corporate governance and establishes a framework of guidelines and principles that regulate the relationship between the company's shareholders, the board, the CEO, and the other management positions of the company.

Corporate governance at Rana Gruber shall be based on the following main principles:

- Rana Gruber shall at all times comply with all laws and regulations that apply to the company.
- The board shall ensure that the company has appropriate corporate governance.
- The company shall at all times seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance. If, in the opinion of the board, there are special considerations which indicate that the company should deviate from any of these recommendations, this must be justified separately. In each annual report, the board will give an account of the company's corporate governance.
- The company's operations must be conducted in accordance with high ethical standards. The company shall take an active social responsibility.
- The company must create value for shareholders in a sustainable way. In its work, the board shall take into account economic, social, and environmental conditions.
- The board shall ensure that the company has clear goals and strategies for its operations.
- The company should have equity that is adapted to the company's goals, strategy, and risk profile.
- The board shall ensure that the company has a clear and predictable dividend policy.
- The company shall avoid any unreasonable discrimination of shareholders.

- The company's transactions with related parties shall be based on normal business terms and arm's length principles.
- The company's shares must be freely tradeable.
- The board of directors should facilitate the participation of as many shareholders as possible at the company's general meeting, so that shareholders can exercise their rights.
- The board shall ensure that the company has good internal control and appropriate systems for risk management in relation to the scope and nature of the company's activities.

Rana Gruber's principles are consistent with the recommendations. A report on Rana Gruber's compliance with the code's recommendations follows herein.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Rana Gruber's corporate governance principles are determined by the board, which has the overall responsibility for ensuring that the company has a high standard of corporate governance. The board has prepared a corporate governance policy document addressing the framework of guidelines and principles which regulate the interaction between the shareholders, the board, and the chief executive officer (the CEO).

The corporate governance policy can be changed by the board and will be reviewed by the board on an annual basis.

Deviations from the Code: None

2. BUSINESS

Rana Gruber is a Norwegian iron ore producer and supplier established in 1964, with operations based on more than 200 years of mining experience. The business purpose is set out in the company's articles of association and reads as follows:

"The company's objective is to conduct production and sales of mining products and related activities, and through economically sound business operations create lasting and safe jobs in the company. The company shall seek to develop new products and businesses, and the company may participate in other companies as owner or otherwise to fulfil the above objectives."

It follows from the company's corporate governance principles that the company must create value for shareholders in a sustainable way, for which purpose the

board has defined clear objectives, strategies, and risk profiles related to the company's business activities. In its work, the board shall consider economic, social, and environmental conditions.

The board of directors evaluates these objectives, strategies, and risk profiles on a yearly basis.

Deviations from the Code: None

3. EQUITY AND DIVIDENDS

The board is committed to maintain a satisfactory capital structure for the company to support its goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The board will continuously assess the capital requirements related to the company's strategy and risk profile.

Equity

At 31 December 2021, the company's equity totalled NOK 581.8 million, which corresponds to an equity ratio of 51.5 per cent. The board considers Rana Gruber's financial position to be solid with the necessary capacity to support its objectives, strategy and risk profile.

Dividends

The company's current dividend policy is to target a dividend distribution of 70 per cent of the company's NGAAP net income with a policy range of 50-70 per cent, with an aim to have dividends paid quarterly. The board of directors notes that the company's current dividend policy will be adjusted in connection with the conversion of the company's financial reporting to the International Financial Reporting Standards (IFRS) adopted by the EU. However, the aim is to maintain the same cash dividend level as it would have been with continued NGAAP accounting principles.

When deciding whether to propose a dividend and when determining the dividend amount, the board of directors will take into account legal restrictions as well as capital expenditure plans related to announced strategic projects, financing requirements and the volatile nature of the market in which the company operates.

During the financial year 2021, the company's board of directors has resolved to distribute total dividends of NOK 11.05 per share. Total dividends distributed in 2021 include NOK 0.74 per share paid out prior to admission on Euronext Growth as well as an extraordinary dividend distribution of NOK 2.50 per share in December 2021. Ordinary quarterly dividend payments of NOK 7.81 were in the higher end of the policy range.

Board mandates

At the annual general shareholder meeting in 2021, the board was granted the following mandate:

"The board of directors of the company is authorised to determine dividends throughout the year based on the approved annual report for 2020. The authorisation is valid until the ordinary general meeting in 2022. The authorisation may not be used by the board of directors before it is registered in the Norwegian Register of Business Enterprises."

At the extraordinary general meeting held 8 December 2021, the board was granted the following mandate:

"The board of directors is authorised pursuant to the Private Limited Liability Companies Act section 9-4 to acquire shares in the company ("own shares") on behalf of the company with an aggregate nominal value of up to NOK 934 800 (the equivalent of 10 per cent of the company's share capital). The authority also encompasses contractual pledges over own shares."

Both mandates are valid until the annual general meeting in 2022.

In the event that a board mandate is proposed, the mandate should be limited to a specific purpose and treated as a separate issue, subject to vote by the general meeting. Board authorisations are valid for the period of time determined at the shareholders' meeting. The board's authorisations to increase the share capital or buy own shares will normally only be given for an interval lasting no longer than until the next annual general meeting after the authorisation is given.

Deviations from the Code: None

4. EQUAL TREATMENT OF SHAREHOLDERS

Rana Gruber has a single class of shares, and all shares carry the same voting and dividend rights. It follows from the company's guidelines for investor relations that all communication with shareholders shall be based on equal treatment.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. In the event that the board of directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the board, the justification of the increase will be publicly disclosed in a stock exchange announcement.

Deviations from the Code: None



Shareholders who are unable to attend a general meeting may cast an advance vote on matters to be considered at general meetings of the company.

5. SHARES AND NEGOTIABILITY

Rana Gruber's shares are freely tradeable and there are no restrictions on the ability to own, trade or vote for the shares.

Deviations from the Code: None

6. ANNUAL SHAREHOLDERS' GENERAL MEETING Notice calling the annual general meeting

Rana Gruber's highest decision-making body is the general meeting of shareholders. All shareholders have the right to participate in the general meetings of the company. It follows from Rana Gruber's corporate governance principles that the board of directors shall facilitate the participation of as many shareholders as possible at the general meeting, so that they can exercise their rights. The annual general meeting for 2022 will take place at 22 March 2022.

The full notice for general shareholder meetings shall be sent to the shareholders no later than 21 days prior to the meeting. The board will ensure that the notice includes information about resolutions and that supporting information is sufficiently detailed to allow shareholders to form a view on all matters to be considered at the meeting.

Shareholders will be able to vote on each individual proposition, including on each individual candidate nominated for election.

Shareholders who wish to participate in a general shareholder meeting, shall notify the company of this within a deadline which is set out in the notice of the general meeting, and which cannot be set earlier than five days prior to the meeting. The cut-off for confirmation of attendance shall be set as short as practically possible.

Shareholders may also send notification of their attendance, using the form provided, by post or email to the company's account manager DNB, or via the company's website, www.ranagruber.no.

In accordance with article 7 of the company's articles of association, documents relating to matters to be addressed at a general meeting of shareholders may be made available on Rana Gruber's website. The same applies to documents which by law must be included in or attached to the invitation to attend the general meeting. If the documents are made available in this way, the statutory requirement with respect to distribution to shareholders is not applicable. A shareholder may ask to be sent documents relating to matters to be discussed at

the general meeting. The company cannot demand any form of compensation for sending the documents to the shareholders.

Meeting chair and voting

The board, the chair of the nomination committee, and the company's auditor are expected to attend the general meetings. The general meeting elects a person to chair the meeting. The board of directors shall ensure that the general meeting is able to elect an independent chair.

Shareholders who are unable to attend a general meeting may cast an advance vote on matters to be considered at general meetings of the company. Such votes can also be cast by electronic communication. The right to vote in advance is conditional on the existence of a reassuring method for authenticating the sender. The board decides whether such a method is appropriate prior to the individual general meeting and may lay down more detailed guidelines for written advance votes. It shall be stated in the notice of the general meeting whether access to advance voting has been granted and what guidelines may be laid down for such voting.

Shareholders unable to attend may also vote by proxy and the company will nominate a person who can act as a proxy for shareholders. The procedures for electronic voting and proxy voting instructions are described in the meeting notification and published on the company website. The form provided by the company for shareholders to appoint a proxy should be drawn up so that separate voting instructions can be given for each matter to be considered by the meeting and each of the candidates nominated for election.

Minutes of the general meeting will be published as soon as possible via the Oslo Stock Exchange's messaging service www.newsweb.no (ticker: RANA) and on the company's website www.ranagruber.no.

Deviations from the Code: None

7. NOMINATION COMMITTEE

Rana Gruber has appointed a nomination committee as required by article 8 of the company's articles of association. At 31 December 2021, the nomination committee consisted of the following members:

- Leif Teksum, *chair*
- Lisbeth Flåggeng
- Robert Sotberg

Guidelines for the nomination committee have been approved by the general meeting. The primary tasks

of the nomination committee are to recommend and propose to the general meeting candidates and remuneration for the company's directors and nomination committee, and remuneration to the members of the board committees. The recommendation will include a proposal for appointment of chair and deputy chair to be elected by the general meeting. The members of the nomination committee's fees shall be determined by the general meeting.

According to the articles of association, the nomination committee shall consist of three members, including the chair, and the nomination committee members shall be shareholders or representatives of shareholders. The members of the nomination committee, including its chair, have been elected by the general meeting. The members of the nomination committee's period of service shall be two years unless the general meeting decides otherwise.

The nomination committee shall be composed so that the interests of the shareholder community are taken into account, and the members shall be independent of the company's board and executive management team.

In its work of proposing candidates, the nomination committee shall contact, among others, the largest shareholders, board members and the day-to-day management. A justification for proposing a candidate will be provided for each candidate separately.

The nomination committee's recommendation to the general meeting regarding the election of shareholder-elected board members, members of the nomination committee and fees should be available early enough to be sent to the shareholders together with the notice of the relevant general meeting.

Information regarding the composition of the nomination committee, which members are up for election, and how input and proposals may be submitted to the committee is posted on Rana Gruber's website under "Investors".

Deviations from the Code: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Composition

According to article 5 of Rana Gruber's articles of association, the board shall consist of a minimum of three and a maximum of eight directors. Directors are elected by the general meeting for a period of two years. The general meeting elects the chair of the board and the deputy chair of the board.

In appointing members to the board, it is emphasised that the proposed candidates shall have the necessary experience, competence, and capacity to hold in a satisfactory and independent manner, and that there is an appropriate replacement for each individual holding a position. The board should be composed so that it can safeguard the interests of the shareholder community and the company's need for competence and diversity. It should be taken into account that the board aims to function as a collegial body.

At 31 December 2021, Rana Gruber's board comprises eight directors, five of which were elected at the company's general meeting at 18 March 2021 for a period of two years. Three directors were elected by and among the employees in June 2020 for a two-year period. The current composition of the board is presented on page 38-39 of this report, including an overview of each individual board member's competence and attendance at board meetings, and whether they are independent.

Directors are encouraged to own shares in the company. At 31 December 2021, seven of the directors held shares in Rana Gruber.

Independence of the board

Rana Gruber's board is composed such that it is able to act independently of any special interests. All members of the board of directors are independent from the company's executive management. Being the chief executive officer of Leonhard Nilsen & Sønner – Eiendom AS, Frode Nilsen is not independent from the company's largest shareholder, Leonhard Nilsen & Sønner – Eiendom AS, which is also a material business partner to the company.

Deviations from the Code: None

9. THE WORK OF THE BOARD OF DIRECTORS

The board has adopted instructions to lay down rules for the work and management of the board, as well as the CEO's work in relation to the board.

The board shall ensure proper organisation of the company's activities and supervise the company's day-to-day management. The board shall determine the necessary plans and budgets for the company's activities.

The board's primary responsibility shall be (i) participating in the development and approval of the company's strategy, (ii) performing necessary monitoring functions and (iii) acting as an advisory body for the executive management team. The board is also responsible for ensuring that the operation of the company is compliant with the

company's values and ethical guidelines. The chair of the board is responsible for ensuring that the board's work is performed in an effective, efficient and correct manner.

All members of the board shall receive information about the company's operational and financial development regularly. The company's strategies shall also be subject to review and evaluation by the board at a regular basis..

It follows from the company's corporate governance principles that transactions with related parties shall be based on normal business terms and arms-length principles. A presentation of the agreements with LNS AS, LNS Greenland AS and LNS Mining, which are all related parties of the shareholder LNS Eiendom AS, is included in the board of directors' report on page 31.

According to the instructions for the board and CEO, a board member with prominent personal or financial interests in a particular matter (or with relation to a person with such interests, as defined in the Public Limited Liability Companies Act, section 1-5) shall not participate in the consideration of or decision related to that matter. Board members must also not participate in any action the board might take concerning a loan or other credit to themselves or actions concerning a guarantee for their own debt.

A board member shall inform the board if he or she, directly or indirectly, has a significant interest in an agreement entered into by the company.

Additional information on transactions with related parties can be found in Note 28 to the 2021 financial statements.

The board evaluates its own performance and expertise once a year.

Sub-committees of the board

Audit committee

Pursuant to the Norwegian Public Limited Liability Companies Act and the listing rules of the Oslo Stock Exchange, the company shall have an audit committee. The audit committee is appointed by the board.

The committee's main tasks are to prepare the board's follow-up of the financial reporting process, monitor the performance of the company's internal control and risk management systems, and maintain an ongoing dialogue with the elected auditor.

At 31 December 2021, the audit committee comprised the following:



Rana Gruber has established guidelines for the company's reporting of financial and other information based on the ideal of transparency and equal treatment of all participants in the securities market.

- Hilde Rolandsen, chair
- Morten Støver, member

The board has decided not to appoint a remuneration committee.

Deviations from the Code: None

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board shall ensure that Rana Gruber has a sound internal control, and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The internal control and the systems for risk management shall also encompass the company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to manage exposure to risks in order to ensure the successful conduct of the company's business, and to support the quality of financial reporting and compliance with relevant laws and regulations.

The board shall carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.

The board shall provide an account in the annual report of the main features of the company's internal control

and risk management systems as they relate to the company's financial reporting.

Internal control of financial reporting is achieved through day-to-day follow-up by the management, and supervision by the audit committee.

Deviations from the Code: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of directors shall be reasonable and reflect the board's responsibilities, expertise, time invested and the complexity of the business. The remuneration to the directors is not performance-related and does not include share option elements.

The annual general meeting shall determine the board's remuneration after considering recommendations by the company's nomination committee. Additional information on remuneration paid to directors for 2021 is presented in note 28.3 to the financial statements. The company will establish guidelines for remuneration of the board of directors and executive management for approval at the ordinary general meeting in 2022.

None of the board directors or companies with which they are associated have assignments for the company other than their appointment as a member of the board.

The board shall be informed if individual directors perform tasks for the company or any company entities other than exercising their role as directors. Fees for any such services shall be approved by the board. Work in sub-committees may be compensated in addition to the remuneration received for board membership.

Deviations from the Code: None

12. SALARY AND OTHER REMUNERATION FOR EXECUTIVE PERSONNEL

The board will adopt separate guidelines on the remuneration of executive management which will be presented to the shareholders for approval at the ordinary general meeting in 2022 in the form of a separate document.

Further information about remuneration of executive personnel is provided under note 28.3 to the financial statements.

Deviations from the Code: None

13. INFORMATION AND COMMUNICATIONS Investor relations

Rana Gruber has established guidelines for the company's reporting of financial and other information based on the ideal of transparency and equal treatment of all participants in the securities market. The purpose of these guidelines is to ensure simultaneous access to accurate, relevant and up-to-date information about Rana Gruber. In addition, the guidelines shall contribute to investor relations being exercised in accordance with applicable laws, rules, and recommendations.

These guidelines also include principles for the company's contact with shareholders other than through general meetings.

The company's ambition is to comply with the Oslo Stock Exchange's Code of Practice for IR.

Financial information

The company holds open investor presentations in connection with the company's quarterly reports. Presentations prepared for investors in connection with the quarterly reports are made publicly available together with the reports. Important events that affect the company will be reported immediately. The company publishes an annual financial calendar with an overview of dates for financial reporting and other important events.

Quiet period

In the 30 days period prior to the publication of results, Rana Gruber will minimise meetings and contact with

investors, analysts, media, or other parties as relating to the company's results and future outlook. This is to ensure that all interested parties in the market are treated equally.

Deviations from the Code: None

14. TAKEOVERS

The board has established guidelines on how to act in the event of a take-over bid.

It follows from these guidelines, that if an offer is made for the purchase of shares in Rana Gruber, the board shall comply with the general principle of equal treatment of all shareholders, and, as far as possible, ensure that the company's activities are not unnecessarily interrupted. The board will do its best to ensure that shareholders receive the necessary information and time to assess the offer.

The board of directors shall not seek to prevent an offer to purchase shares unless it believes such an action can be defended with regard to the company's or shareholders' interests. The board will not exercise any authority or make any decisions aimed at counteracting such offers, unless this has been approved by the company's general shareholder meeting after the offer has been made public.

If an offer is made for the purchase of shares in the company, the board shall give a statement in accordance with statutory requirements and the Norwegian Code of Practice for Corporate Governance.

If an offer is made for the purchase of shares in the company, the board shall obtain a valuation from an independent expert. If an offer is made by a major shareholder, a member of the board or the day-to-day management, or related parties or related parties thereof, or others who have recently held such a position, who are either buyers or a person with a special interest in the takeover bid, the board shall obtain an independent valuation.

Any transaction that is in effect a disposal of the company's activities shall be submitted for approval by the general meeting.

Deviations from the Code: None

15. AUDITOR

The auditor makes an annual presentation of the auditing plan to the audit committee. Further, the auditor provides the board with a written confirmation that the requirement of independence has been met.

The auditor participates in all meetings of the audit committee and in the board meeting that deals with the annual report. The auditor reports to the audit committee and board on his assessment of the internal control on the financial reporting process.

At these meetings, the auditor reports on any material changes in the company's accounting principles and assessments of material accounting estimates and key aspects of the audit, and comments on any material estimated accounting figures. There have been no disagreements between the auditor and management on any material matters.

Once a year, the board of directors reviews the company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement.

The board and the audit committee have met with the auditor without representatives of executive management being present regarding the preparation of the annual report for 2021.

The board of directors has established guidelines in respect of the use of the auditor by the company's executive management for services other than the statutory financial statement audit.

At the annual general meeting, the board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other specific assignments. Compensation paid is presented in note 28.3 to the financial statements.

The board shall arrange for the auditor to attend all general meetings.

Deviations from the Code: None



Rana Gruber is part of a proud history, and the company stands on the shoulders of miners who have been extracting iron ore from the local mountains for centuries.