RANA GRUBER

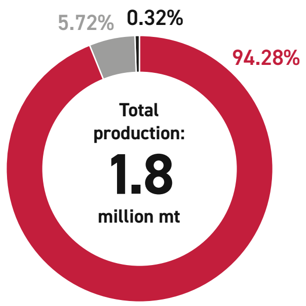
Annual report 2023

Contents

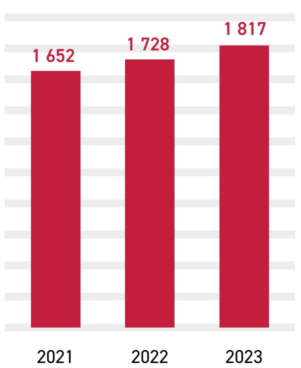
Highlights

- Record high production
- All-time high revenues and adjusted net profit
- NOK 11.1 per share paid out as dividend to shareholders in 2023
- Increased product quality, on track to achieve the Fe65 target by the end of 2024
- Successfully deployed six heavy electric machinery units

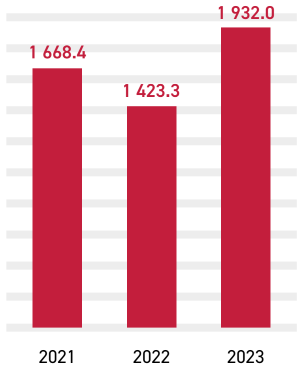
PRODUCTION SPLIT 2023



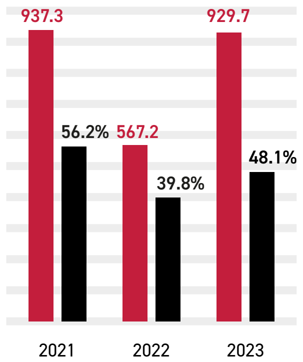
CONCENTRATE PRODUCTION
In thousand mt



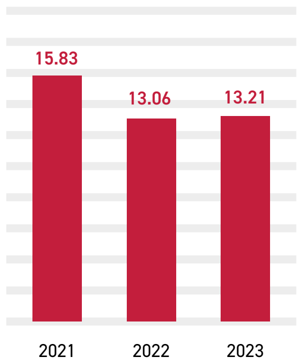
REVENUES
NOK million



EBITDA
EBITDA (NOK million)
EBITDA margin (%)



EARNINGS PER SHARE
NOK



Amounts in NOK million, except where indicated otherwise	2023	2022
Revenues	**1 932.0**	1 423.3
EBITDA	**929.7**	567.2
EBITDA margin (%)	**48.1**	39.8
Net profit	**489.7**	484.2
Adjusted net profit	**654.8**	391.8
Cash cost	**901.8**	835.9
Cash cost per mt produced (NOK)	**495**	482
EPS (NOK)	**13.21**	13.05
DPS (NOK) paid out in 2023	**11.1**	6.16
Equity ratio (%)	**50.0**	57.0

For explanation of EBITDA, EBITDA margin, adjusted net profit, cash cost, and cash cost per mt produced, see appendix to the financial statements.

Letter from the CEO

A year of record production

2023 has been a year of extraordinary success in the history of Rana Gruber, marking our strongest production performance as we approach our 60th anniversary. We proudly produced 1.817 million metric tons of concentrate, a record achievement.

This year was not only about quantity, we also reached several key milestones in our strategic projects, positioning Rana Gruber for the future.

Our concentrate production increased just above five per cent from 2022 thanks to small improvements at every stage of our operation - from mining to processing. This accomplishment is a credit to the dedicated efforts of our engineers and operators.

The quality of our product is also higher than ever before. At the end of 2023 we successfully conducted a test in our processing plant, producing iron ore with a content of 64 per cent. This breakthrough does not only demonstrate our capability, but it also guides our improvement strategies to achieve a target of a 65 per cent iron ore content by the end of 2024.

Decarbonisation the steel industry

In 2023, we continued our mission to contribute to the decarbonisation of the value chain. The progress and intensive work on the Fe65 project have been encouraging, prompting us to explore possibilities beyond Fe65. Together with Cargill, we are also investigating the possibility to develop a product that could reduce the emissions in the steel industry even further.

Another significant development in 2023 was the introduction of six fully electric production machines and is now in full operation. This marks a key step in our measures to electrify our entire operation. Our aim is to establish a new standard in the iron ore industry. For the fourth year in a row, our direct and indirect greenhouse gas emissions per ton of produced iron ore have decreased. To reach our zero emissions objective, we're employing innovative technology and ensuring the necessary equipment is available.

"Our efforts towards a more sustainable steel industry will continue in 2024 and Rana Gruber will be in front."

Our commitment to Environmental, Social, and Governance (ESG) principles extends beyond the electrification project. During the last year, we have systematically addressed sustainability aspects through comprehensive risk assessments related to climate and environmental impact, human rights, working conditions, equality and diversity. These efforts are described in the ESG report included in this annual report.

Attracting highly skilled talents

Our most critical resources are our employees. At the end of 2023, our team grew to 372, up from 312 last year. The increase reflects our strategic projects and insourcing of key workstreams. It is pleasing to see that Rana Gruber attracts talent in a pressured labour market.

Safety remains a top concern at Rana Gruber. Our goal is always zero injuries, with tailored safety measures providing a healthy work environment. The safety culture has been an important part of the onboarding of new employees throughout the year. Despite robust safety measures, we experienced one production-related injury this year, leading to a short-term absence. Incidents like this are being thoroughly reviewed to enhance our safety protocols and minimise risks, reinforcing our commitment to providing a secure work environment for all employees.

Strong iron ore market and a weak Norwegian currency

2023 has been another year of volatile iron ore prices. The prices hit a low of USD 93.75/mt in May and increased slowly until the end of December. This upward trend continued, resulting in a price of approximately 140 USD/mt at the end of the year. Throughout the year, the Norwegian currency also weakened and made a significant contribution to our financial result and strengthened our competitiveness.

60th Anniversary

2024 marks an important year for Rana Gruber as we will celebrate 60 years of continuous operation. We strongly believe our strategic initiatives give us a solid foundation for the future, and we anticipate reaching several milestones in 2024 – setting the stage for many more decades of growth and success at Rana Gruber. In 2023, we paid out NOK 411 273 000 in dividends, i.e., NOK 11.1 per share. Looking ahead to 2024, we are confident in our ability to maintain robust dividend pay-outs to our shareholders, while simultaneously funding our strategic projects through operational cash flow.

Gunnar Moe
CEO, Rana Gruber

Gunnar Moe

About Rana Gruber

Rana Gruber is an iron ore producer located in Mo i Rana in the north of Norway. The operations involve iron ore mining and mineral processing to yield iron ore concentrate in addition to one specialised product. All three products are extracted and processed without use of chemicals.

We control five iron ore deposits, all of which are located within a short distance from each other and the crusher. The longest distance between a deposit and the production plant by the seaside is 35 kilometres.

Rana Gruber has among the lowest carbon emissions per unit produced iron ore concentrate in the entire industry. Nevertheless, we aspire to eliminate all carbon emissions through electrifying all operations. All the electricity we consume is produced from hydropower at the local generating station in the region.

We have an extensive reserve of iron ore. These resources are expected to maintain current production levels and guarantee decades of future supply. This assurance is founded on over 200 years of mining expertise derived from these abundant resources.

We operate at the beginning of the value chain for the ferrous industry. After the production of iron ore concentrate and Colorana, the products are shipped to different customers.

RANA GRUBER 60 1964 - 2024

High quality products

Iron ore is an essential component in modern society as it is used everything from buildings and bridges, to electronic devices. Rana Gruber produces and sells iron ore to the global steel industry - mainly through European steel mills. We produce three products, each with distinct applications:

Hematite

Hematite constituted 94.28 per cent per cent of our total production in 2023. The product is used in metallurgical applications. Key customers are steel manufacturers, mainly in Europe. They process steel for various purposes, including constructing buildings, infrastructure, and serving the automotive industry. We have an off-take agreement with the global corporation Cargill that provide industrial products, food, ingredients and agricultural solutions and has ambitious goals for responsibility and sustainability. Cargill assists us with sales, marketing, technical support, product development, and risk management.

Magnetite

Our magnetite is a pure iron-oxide concentrate, produced without the use of processing chemicals. The product is therefore free of any chemical additives, and highly valued by water treatment chemical producers. The magnetite is sold to chemical producers, which use the product to make water treatment chemicals. These chemicals are used in public water purification systems.

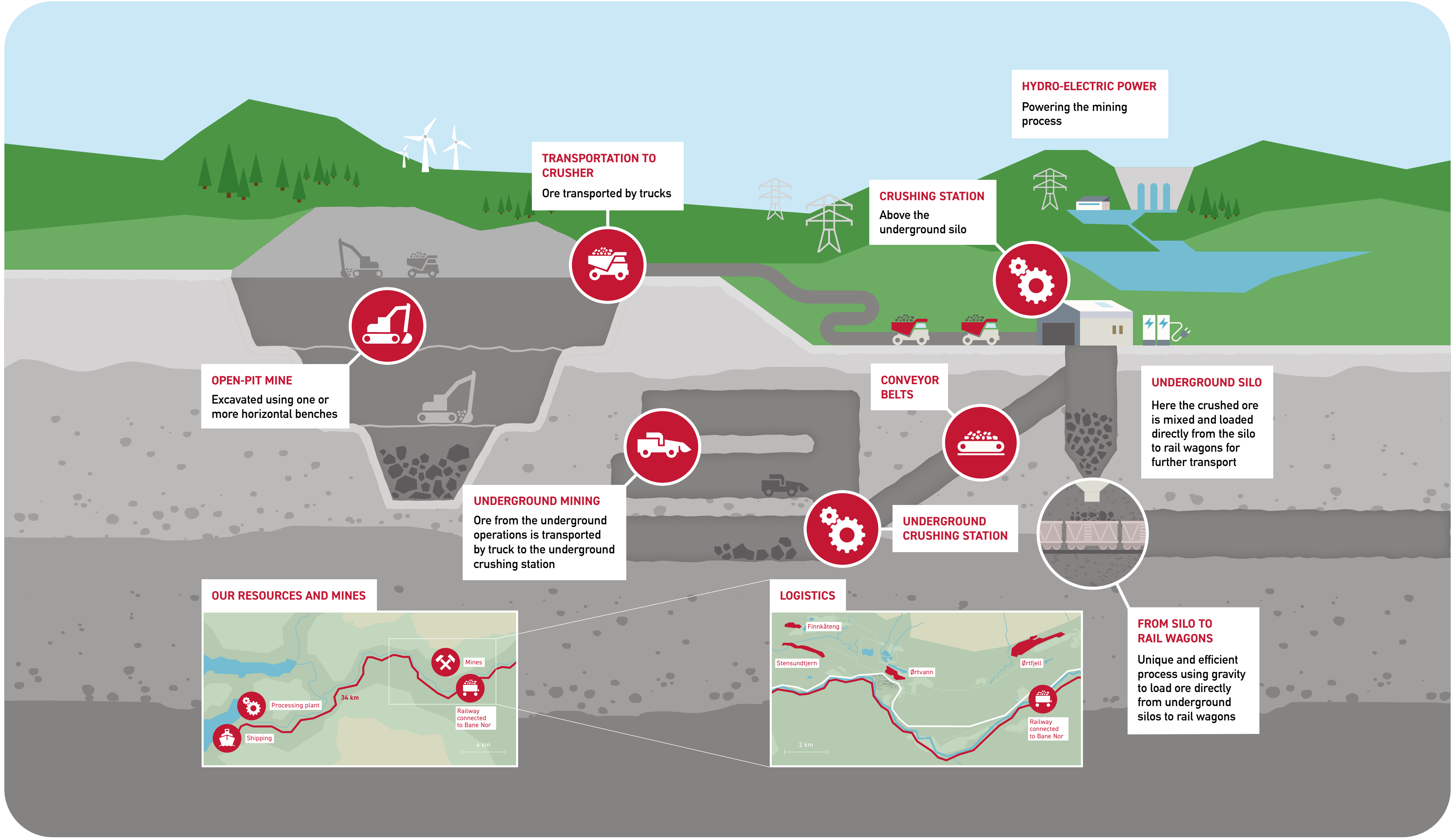
Colorana®

Our specialised product Colorana is based on magnetite concentrate and is used both for colorants and highly advanced products such as magnetic stripes and chemical processes. Customers are located all over the world and are within a diverse group of industries and market segments, such as concrete, paint, plastics, the automotive industry, heat management, and toner production. The demand for Colorana depends on growth within the industries and markets.

Resources and mines

We operate our own mines with iron ore deposits. The mines are located 35 kilometres north-east of the city Mo i Rana, in Storforshei and Ørtfjell in the Dunderland Valley. The iron ore mining takes place at our iron ore deposits at Ørtfjell in both open-pit and underground mines.

Our organisation possess a vast resource base, with a significant portion officially designated as reserves. We have an on-going exploration drilling program to expand the resource and reserve bases. This initiative not only enhances our understanding of the geological and physical properties of the rock masses but also enables greater precision in our long-term mine planning.



The Ørtfjell deposit is our main deposit and is located on our own property. It is connected to the existing infrastructure, including a silo, crusher, railway, and a network of roads. The deposit plays a substantial role in our overall resource base and reserves, making up a significant proportion of both. It is designated for extensive mining operations over the coming decades, underscoring its critical importance in our long-term plans. In addition, there are three smaller deposits in areas called Finnkåteng, Ørtvann, and Stensundtjern.

The current open-pit mines in Ørtfjell will be completed by the end of 2025. At the Stensundtjern deposit, there is currently ongoing regulation and planning of pit-design. The exact date of when the deposit will be operational will be decided within 2024. This deposit has a much higher amount of magnetite, compared to the current open pit in Ørtfjell. We therefore expect a steady increase in magnetite M40 production in the coming years.

Favorable logistics

All our mines are located substantially higher than sea level , ensuring highly energy-efficient transportation to the processing plant at the port. Even the mining and processing is largely based on gravity, which enables energy-efficient operations in our entire chain of logistics.

Ore loaded directly from silo to rail wagons
Ore is loaded directly from underground silos to rail wagons, using gravity for efficient processing.

Connection to public railway
Fully loaded rail wagons connect directly to the public railway (Nordlandsbanen) and move to the processing plant. The processing plant is located lower in the landscape than the mines, reducing the energy required for ore transportation.

Short distance to processing plant
The processing plant is located only 35 km from the mines.

Processing
The processing plant is integrated with the shipping location at our own port.

Loading
Our products hematite and magnetite are loaded on vessels at our own ice-free port terminal. Most products are sold to customers free on board.

Shipping and transport
Every month, two or three Panamax vessels are loaded with hematite, and two or three short sea vessels are loaded with magnetite. The Colorana® iron oxide pigments are packed into bags and placed on pallets for dispatch via truck or a combination of truck and rail transport to the final customer.

Our strategy

Rana Gruber holds a long-term perspective in all aspects of the business and maintains a strong focus on safety, responsibility, and sustainability.

Cutting CO_2 emissions

Rana Gruber aims to be an industry leader within sustainability through becoming the world's first carbon free iron ore producer. The company is therefore replacing equipment running on fossil fuel with electric equipment. The electric equipment is powered by electricity produced from the local hydro power plant.

Reducing carbon emissions is also expected to give a price premium as iron ore concentrate produced without carbon emissions will enable the steel mills deliver more sustainable products.

Replacing an annual consumption of five million litres diesel with renewable power in our operations is also expected to be cost saving.

All the company's investments in new machinery and infrastructure related to the transition to electrical equipment, will be done through cash flow, government grants and lease contracts.

Streamlining for Fe65

Rana Gruber's iron ore reserves are unique in several ways. The ore easily separates from the gangue during the beneficiation process, resulting in a high iron content in the iron ore concentrate. The separation process is based on physical principles such as magnetic properties and specific gravity of the minerals.

The market prices for hematite concentrate depends on the iron content in the product. Hematite with higher iron content provides steel mills the ability to a more effective production processes with less carbon emissions, and therefore higher prices. The European steel industry aims to considerably reduce emissions before 2030, and many aim to be carbon neutral before 2050. As the demand for higher grade hematite increases, Rana Gruber are working to lift the iron content in the hematite product from around 63 per cent to 65 per cent. Ongoing advancements are being made, and the target of 65 per cent is expected to be realised in 2025.

We are also investigating the opportunities to lift the purity of our hematite product beyond 65 per cent in line with the future demand and development in the steel industry. Considerable R&D and extensive work with the mineral processing is conducted to analyse the reserves

and to identify the optimal production method. Extensive work and tests are ongoing with the aim to conclude if the quality is up to par and financially favourable.

Market activities and strategic partnerships

Rana Gruber has a strategic partnership with global leading commodity trader Cargill, which allows for valuable and unique market insight. In collaboration with Cargill, we have been analysing the future of the European steel industry. Insight from several analysis show that the steel industry is moving in the direction of utilising higher quality iron ore, as well as, developing new technology to achieve the European climate objectives.

As European steel producers transition away from traditional production technology, towards more sustainable methods it requires a hematite concentrate with an iron content above 66.5 per cent. The activity and pursuit of higher quality facilitates a transition towards a low-emission society.

We are working together with Cargill to gain recognition from steel producers for our iron ore product to establish Rana Gruber as a supplier for a particular iron ore quality going forward. This is a long-term endeavour.

Increasing magnetite production volumes

M40 is a unique, natural, chemical free, high-grade magnetite concentrate with demand exceeding the supply. Our target is to increase the M40 production volume by 50 per cent. This product is sold to European chemical industry who use the magnetite to make water treatment chemicals. These chemicals are used in water purification systems.

Rana Gruber's magnetite is traded through fixed-price agreements, and the company is experiencing strong demand for the final product. This has provided Rana Gruber with the opportunity to leverage market dynamics and reduce fluctuations in the price.

To increase the magnetite production, we have completed the design of the new production process and are currently planning the organising of the upgrade. This is part of the integrated process to upgrade the processing plant.

The goal is to increase the magnetite production volume of 100 000 metric tons per year, which would be an increase of 50 per cent compared to 2021 levels.

A driving force in the local community

Through generations, Rana Gruber has been a cornerstone for the historical development of the local community and the city of Mo i Rana. Our company has been vital to the creation of local jobs, cultural life and has attracted settlement, suppliers, and business in the region.

We pride ourselves on caring for both our employees and the local community, which has resulted in the high attractiveness of Rana Gruber as an employer. Our recruitment power is strong as we offer a professional working environment that is widely recognised in the industry and beyond the borders of Norway. We strive to employ the best and attract everyone from operators to academics. Because of this, we have managed to continuously strengthen our workforce throughout the year.

Contributing to cleaner steel industry

Rana Gruber facilitates greener steel production with less CO_2 emissions from its customers.

"I am incredibly proud to be part of this project," says Kristina Linder.

In 2019, she moved from Kiruna in Sweden to Mo i Rana to serve as Research Director at Rana Gruber, which is working to become the world's first CO_2-free iron ore producer. The focus extends to the electrification of all mining-related machinery and equipment, machinery and equipment. Nevertheless, it is through higher iron content in the ore supplied to the steel mills that Rana Gruber can make a major climate difference.

Today, the steel industry accounts for seven per cent of global CO_2 emissions, according to the EU's Joint Research Centre. Iron ore is an important input factor in the steel industry and their substantial efforts within the sector to curtail coal consumption during production. A slight increase of percentage points in iron content holds the potential to significantly reduce emissions from steel mills.

That's why Rana Gruber is aggressively exploring this opportunity. Today, the iron content of Rana Gruber's concentrate is 63 per cent. The goal is to increase the iron content to at least 65 per cent by 2025.

In addition, Rana Gruber is investigating the possibility of further lifting the iron content of its product - to 67 per cent.

"Research project Fe67 seems promising, but is not yet complete," says Linder.

Easy to crush

Since the early 1900s, Rana Gruber has extracted raw materials from the iron-ore-rich mountainsides of Ørtfjell in the Dunderland valley in Mo i Rana.

"The nature here in Mo has made the ore very special. While it may not have an abundance of iron in it, the rock is easily crushable. This provides good conditions for liberating the ore from waste rock, enabling us to produce a high quality product and extract a greater proportion of iron," explains Linder.

Three steps

How should the quality of the ore be increased?

"Through three steps: firstly, we conduct research on how to optimise production. Secondly, we are upgrading the production method at the processing plant. Lastly, in collaboration with our partner Cargill, we proactively prepare the market for the forthcoming improved product. This involves readying customers and potential clients, ensuring they consider the enhanced quality in their investment evaluations," says the research manager.

Higher iron ore quality comes with a higher price tag. Steel produced from high-quality ore translates to better remuneration for the steel mills. Additionally, it leads to reduced CO_2 taxes and secures more cost-effective financing in the long term.

Pilot at NTNU

Rana Gruber has built a pilot circuit for the iron ore product FE67 at the Department of Geoscience and Petroleum at NTNU in Trondheim.

"The pilot circuit functions as a small-scale processing plant where we explore various techniques for separating ore from waste rock. We assess the effectiveness of different separation equipment and processes tailored to our ore. The pilot trials are usually extensive enough to provide a good indication of how these methods will perform on an industrial scale," says Linder.

ESG REPORT 2023

Contents

Highlights of 2023

- CO_2 emissions from own operations (Scope 1 +2) have been reduced by 11 per cent from 2022.
- CO_2 emissions (Scope 1 + 2) per ton iron ore concentrate was 7.17 kg - a reduction of 15.3 per cent from 8.47 in 2022.
- Development in mapping of Scope 3 emission with more categories added in the climate accounts of 2023.
- The transition to electric operations went according to plan. Six pieces of heavy electric machinery were put into operation.
- The first charging niche for electric machinery was installed at the end of 2023.
- A comprehensive work was done to assess potential health and safety hazards regarding the electrification in the mine.
- The water mist system for preventing spreading of dust outside the processing plant was improved.
- A new measuring system for Colorana was fully calibrated and fully functional.
- A partnership with the environmental foundation Bellona was established.
- The Towards Sustainable Mining (TSM) certification process went according to plan.
- A renewed permit has been granted by the Norwegian Environmental Authority.
- A new equality, diversity and inclusion strategy was established.
- The first steps towards compliance with the European Sustainability Reporting Standards (ESRS) have been initiated through a double materiality assessment.
- The first assessment of nature-related risks and opportunities (TNFD) were conducted.

Abbrevations explained

CSRD	EUs Corporate Sustainability Reporting Directive
DNV	Det Norske Veritas
EFRAG	European Financial Reporting Advisory Group
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
ESG	Environmental, social, governance
ESRS	European Sustainability Reporting Standards
FSB	The Financial Stability Board
ETI	Ethical Trading Initiative Act
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GHG Protocol	Greenhouse Gas Protocol
GRI	Global Reporting Initiative
HSE	Health, safety and environment
ICoC	Internal code of conduct
IEA	International Energy Agency
ILO	International Labour Organisation Convention
IPBES	UN Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
ISPS	International Ship and Port Facility Security Course
LEAP approach	An approach for companies to locate, evalutate, assess and prepare nature-related matters
LGBTQ+	Lesbian, gay, bisexual, transgender, queer or questioning, or another diverse gender identity
NGO	Non-governmental organisations
NINA	Norwegian Institute for Nature Research
OECD	The Organisation for Economic Co-operation and Development
OECD Guidelines	The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
SCoC	Supplier code of conduct
SDGs	Sustainable Development Goals
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures
TSM	Towards Sustainable Mining
WWF	World Wide Fund for Nature

Introduction

Paving the way for sustainable mining

Rana Gruber's Environment and sustainability manager, Nancy Schreiner, looks back at 2023 as the company has taken important steps towards carbon free production.

– How would you describe the sustainability work at Rana Gruber?

– At Rana Gruber, we have set ambitious sustainability goals. Our ambition is to lead the industry in responsible mining and to be the first in the world to achieve carbon-free production. We shall reduce our environmental impact, create a safe, attractive and inclusive work environment, be transparent and contribute positively to the local society. In order to achieve these goals, we have to work hard every single day.

– Rana Gruber is an important part of Norway's history and the company upholds a proud mining tradition. The miners have extracted iron ore from the mountains of Mo i Rana since the 18th century, and the company has existed for almost 60 years. Mining is therefore a fundamental part of Rana municipality's common identity and storytelling, and today, Rana Gruber is a cornerstone in the region.

– As a mining company, how is your responsibility for the environmental issues conducted?

– We are proud of our history but also conscious of our responsibility. At Rana Gruber, we take responsibility for the future and the everyday life we create. To work in a sustainable way is not about lofty ambitions, but also nitty-gritty work. The fruit of this work is that Rana Gruber has one of the industry's lowest carbon emissions. And we are on track to deliver iron ore from a carbon free production.

– What are the most noticeable actions of the ESG-measures?

– If we are to achieve our ambitions, the substitute of fossil powered machinery is crucial. 2023 marks the first year of new electric machinery working at full speed. From January onwards, our first operational electric tunnel rig was working at capacity. Later in the year a production drilling rig was deployed. In May, the first electric haul machine was also deployed. A total of six electric machines were put into operation in 2023 – each replacing fossil driven machinery.

This work is going ahead at full speed. We hope to see several new electric machines in 2024.

– How is the mine affected by the transformative electrification process?

– The transition to electric machinery has a few practical implications. The most obvious one is perhaps the charging infrastructure inside the mine. In January 2023 we set up the first charging niche for the electric equipment. The machines run on swappable batteries – so the minute a battery is flat, it is replaced with a fully

New electric equipment from Sandvik

charged one. In 2024 we plan to establish three or four additional charging niches. In addition, to enhance safety measures, it is necessary to smooth out the roads within the mine, mitigating the fire hazard associated with the increasing presence of battery-driven machinery in operation.

– What was the biggest challenge in 2023?

– One particular issue has been of great concern. The train from the mine to the processing plant is an integral part of our internal transport infrastructure. The train track is, however, owned and controlled by the government, which increased the prices for use of the track to a great extent. In addition, there is also great political uncertainty regarding the transition to an electric train system, which today still runs on fossil fuel. A halt in the plans to electrify the train system will impede our original outlook on our carbon free ambition. However, this development is to a large extent out of our hands as all decisions are made at government level. We are closely watching any developments regarding the train transport situation, as any decision will impact our ambitions going forwards.

– Sustainability encompasses more than just the electrification of machinery. Can you provide examples of other areas where the sustainability practices and principles in the company are making a significant impact?

– We keep improving in many areas. For instance, we are continuing to work on enhancing the quality of the hematite product. A better-quality product from our part enables less emissions and waste from the downstream steel mills. At the outdoor areas at the quay, we improved the water mist system to prevent dust from spreading. As part of our sustainability strategy, we also revised and implemented a new equality, diversity and inclusion strategy that will lay the foundations for the coming years when we continue to build competence and recruit new employees.

– Any milestones you would like to mention for 2023?

– Mining activities have a great impact on nature. This is something we are well aware of, and we are doing what we can to lower that impact as much as possible. To enhance our work on nature related matters, we have assessed nature dependencies as well as risks and opportunities. The assessment was done in relation to the new framework developed by the Task Force on Nature-related Financial Disclosures (TNFD), just weeks after the framework was finalised. Although we have to work further on the assessment, I am happy to be able to share our first statement already this year.

– And the way forward?

– Our sustainability strategy is a great fundament for our continuous efforts. We are constantly looking into areas where we can improve – big and small. We aim to be a leader in the transition to sustainable and responsible mining and will continue to work hard to reach our ambitions and goals going forward.

Sustainability reporting

The ESG report shows how environment, social matters and governance is an important and integral part of Rana Gruber's commitment to transparency and sustainability. It provides an overview of the company's efforts to reduce the environmental footprint, support employees, the local community and create long-term value for stakeholders. The ESG report covers all activities in Rana Gruber's own operations. Further, some indirect operations are covered, for example, certain activities in the carbon accounts and a statement of due diligence assessment of human rights and decent working conditions.

Rana Gruber has adopted several recognised frameworks for sustainability reporting. The report is prepared in accordance with the GRI Universal Standards 2021. Further, the company provides a statement on climate risk in line with the recommendations from the TCFD. As of 2023, the company has also started the adaptation of the framework for disclosure on nature risk, recommended by the TNFD. Both statements are to be found in the appendix of the report. As a member of the Norwegian Mineral Industry, Rana Gruber has prepared the ESG report in accordance with the Canadian reporting framework Towards Sustainable Mining (TSM).

The adaption of GRI and other reporting frameworks is a preparation for Rana Gruber's transition to the new European Sustainability Reporting Standards (ESRS) provided through the EUs Corporate Sustainability Reporting Directive (CSRD). Rana Gruber will start the transition towards adoption of ESRS in the reporting year of 2024, with the aim to be fully compliant with the directive and the standard in the reporting year of 2025. This will include a more comprehensive disclosure of value chain activities.

As part of the preparation Rana Gruber has undertaken a double materiality assessment in accordance with the guidelines in the ESRS. For further information on how the assessment was conducted, please see the chapter on materiality assessment chapter Double materiality assessment on page 24.

The report provides details on material topics identified in the materiality assessment and is structured according to the company's efforts related to environmental, social and governance (ESG) matters. The disclosures are adapted from the GRI-standard and all disclosures are provided in the GRI content index in the appendix of the report. The index provides an overview of the disclosures and how they correspond to the GRI Universal Standards, including references to where information of the individual disclosures may be found.

The ESG report contains carbon accounts for 2023. Rana Gruber applies greenhouse gas (GHG) inventory accounting principles as its reporting methodology, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. More information about the carbon accounts can be found in the appendix of the report.

To comply with disclosure requirements set out in the Norwegian law, the ESG report also includes statements prepared in accordance with the requirements of the Norwegian Equality and Anti-Discrimination Act and The Norwegian Transparency Act and can be found in the appendix section of the report. The Transparency statement is also available on the company's website, in line with the requirements of the law.

The ESG report covers the fiscal year from the first of January 2023 to 31 December 2023. It is published as part of the annual report of 2023.

A few restatements and adjustments have been done in this year's report:

1. Climate Change: Business travel (Scope 3)
2. Own Workforce: Salaries
3. Own Workforce: Management category
4. Own Workforce: Work-related ill health

An error in the carbon accounts for 2022 was detected and refers to business travels. The numbers for 2022 refers to January (2023) only but is corrected in this year's report, the Carbon accounts on page 123 for further details.

In the disclosed salary figures for 2021, only the fixed salary has been included. A substantial portion of the overall compensation is derived from bonuses and incentive schemes. As a result, the provided numbers do not represent actual disbursements. Numbers from 2023 therefore report actual payments, see page 120.

There is also a change in how salaries for management are reported. The 2023 numbers for this category now include executive management.

In the report from 2022, there were reported two incidents of work-related ill health that led to absence. This was not the case and is corrected in this report.

In 2023, Rana Gruber increased its number of electric cars.

The carbon accounts are externally revised by PwC. The rest of the ESG report has not been revised.

For more information about sustainability and the sustainability reporting of Rana Gruber, please contact:

Nancy Schreiner, Environment and sustainability manager of Rana Gruber, at nancy.schreiner@ranagruber.no

Double materiality assessment

The materiality assessment is a process by which the company determines material information on sustainability impacts, risks, and opportunities. The double materiality assessment provides insight into both how the company's operations impact people and the environment and how sustainability matters impact the company and its financial situation. The outcome of the assessment is an overview of material topics and material information to be disclosed by the company to give a comprehensive statement on sustainability matters.

In preparation for the adaptation of the ESRS, Rana Gruber conducted a double materiality assessment in 2023. The assessment was done according to the guidelines developed by the European Financial Reporting Advisory Group (EFRAG) and mapped Rana Gruber's impact on the environment, people and society and how external conditions related to sustainability affects the company. The assessment was conducted by the management team using a four-step model and all topic standards in the ESRS were assessed, including sub-level topics.

Understanding the context

The first step was to map and understand the context in which Rana Gruber operates. According to ESRS the materiality assessment shall consider the company's entire value chain, including the upstream and downstream value chain, in addition to its own operations. The aim is to understand where impact, risks and opportunities arises.

Rana Gruber conducted the materiality assessment with the whole value chain in mind but acknowledges that there is a need for assessing upstream- and downstream activities to more extend going forward. The reason for this is that there are activities that the company currently has little information about, particularly in terms of the supply chains.

The ESRS also highlights the importance of stakeholder dialog and the interest of stakeholders being considered in the materiality assessment. This includes a mapping of stakeholders that might be affected by the company's activities or that might be users of the sustainable statement. Rana Gruber used the stakeholder mapping conducted for the materiality assessment of 2022 as basis for the assessment of stakeholder's interest regarding material impacts, risks, and opportunities. For further information please see chapter on stakeholder engagement on page 26.

The assessment was made based on the following time horizons, recommended by EFRAG:

Short: zero to two years
Medium: two to five years
Long: more than five years

Identify impact, risks, and opportunities

The second step in the process was to identify impacts, risks, and opportunities. All sustainable matters in the ESRS were covered in the assessment as were the activities across the value chain (upstream, own operations and downstream). Insights from the materiality assessment conducted in 2022 was used as a starting point. This assessment was conducted in line with GRI and was therefore limited to assessing Rana Gruber's impact on people and environment as well as the importance of stakeholders. In addition, as the double materiality assessment shall consider risk and opportunities related to sustainable matters, insight from assessments on climate risk (TCFD), nature risk (TNFD) as well as assessments conducted on equality and due diligence with regards to human rights were included in the process.

The management team in Rana Gruber identified other positive and negative impacts, risks and opportunities not covered in the previous assessments during a workshop.

Access the significance of impacts, risks, and opportunities

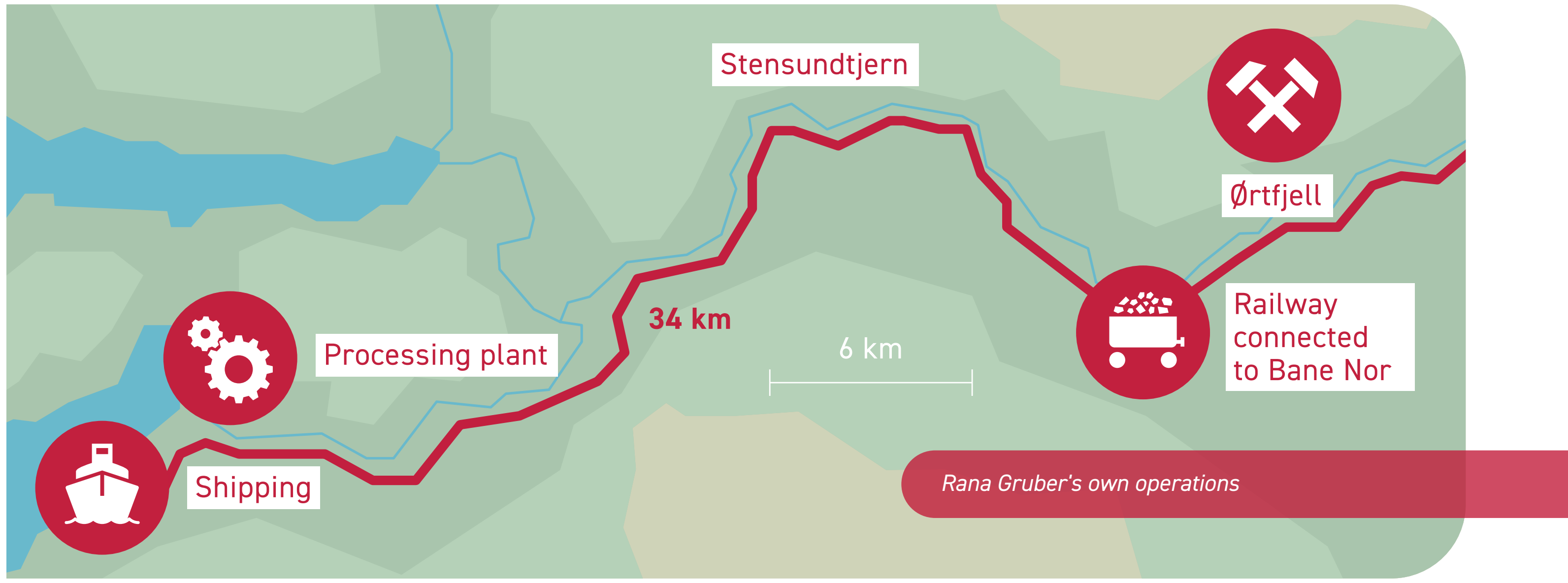
The third step in the assessment was an accessing of the impacts, risks and opportunities identified in the previous step. The company used factors recommended by EFRAG to access the significance:

Impact
Both negative and positive impacts were assessed, using the following factors to determine the significance:

Negative impact
- **Scale:** How extensive the negative impact is on people or the environment.
- **Scope:** How prevalent the negative impact is.
- **Irremediability:** The extent to which and in what manner the negative impact can be restored or remedied.

Positive impact
- **Scale:** How extensive the positive impact is on people of the environment
- **Scope:** How prevalent the positive impact is

The assessment conducted in the reporting year did not distinguish between actual and potential impacts. The reason for this is that the company needs more detailed information about actual impacts to determine this. The assessment therefore treated all impacts equally.

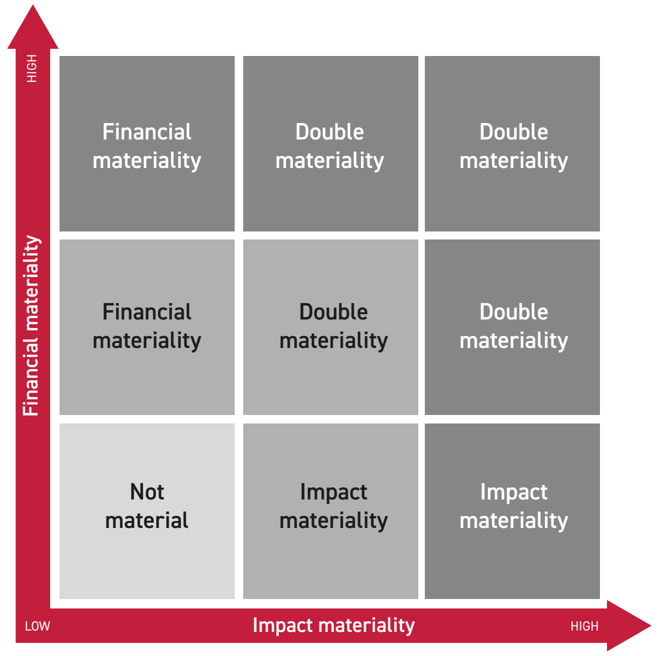


Risks and opportunities
To assess the financial impact of the identified risks and opportunities, the following factors where used:

- **Probability:** The likelihood of the positive of negative effect occurring
- **Scope:** The likelihood of the positive of negative effect occurring
- **Time horizon:** Time horizon for when the positive or negative effect occurs

Each sustainable matter (topic level) covered in the ESRS was accessed, using the following threshold values: Small, medium and large.

According to the guidelines developed by EFRAG all sustainable matters significantly affected by the company (impact materiality) or that have a financial effect on the company (financial materiality) shall be considered material. Rana Gruber used the thresholds for determining material topics as explained in the model on the right.



Based on the assessment, Rana Gruber has identified the following topics as material as of 2023:

Environmental
- Climate change
- Pollution
- Water and marine resources
- Biodiversity and ecosystems
- Resource use and circular economy

Social
- Own workforce
- Workers in the value chain
- Affected communities

Governance
- Business conduct

The ESG Report is structured by material topics which are disclosed in detail in the following chapters in accordance with the GRI Universal Standards 2021.

Stakeholder engagement

Rana Gruber strives for an open and honest dialogue with its stakeholders through conversations and meetings, as part of the daily operations.

The company has an extensive dialogue with the local environment in which it operates, the employees, and with authorities and industry associations.

Rana Gruber regularly informs about its work in quarterly reports, half-yearly reports, and annual reports. The company takes feedback seriously and works continuously with stakeholder dialogue. The insight built up through this dialogue forms the basis for the company's priorities when it comes to various topics within the company's sustainability work.

Who	Topics of importance	Dialogue with the company
Employees	■ Safe operations and a reliable workplace, equality and anti-discrimination	Work environment committee, wage negotiations, general meetings, development meetings, operations meetings, and employee representative meetings
Customers	■ Financial sustainability and ability to deliver products ■ Premium for sustainability focus ■ CO_2 emissions	Status meetings, both directly and indirectly with main business partner Cargill and customers
Shareholders	■ Responsible operations ■ Reliability ■ Sustainability	Quarterly reports and presentations, annual general meeting, and stock exchange announcements
Local community	■ Good relationship with Rana Gruber ■ Local impact: Role as employer and role model ■ Local noise and pollution ■ Information spreading locally and availability for questions	Through media coverage, organised meetings etc
Authorities	■ Future industry ■ Nature management ■ Safety ■ Jobs	Meetings with ministers, ministries, and local authorities. Contact with the Directorate of Mining and the Norwegian Environment Agency. Indirect contact with authorities through membership in the Federation of Norwegian Industries and the Norwegian Mineral Industry
Suppliers	■ Good relationship with Rana Gruber ■ Local impact: Role as employer and partner ■ The Transparency Act	Meetings
Trade unions, employee and employer organisations	■ Collaboration between employers, trade unions, and authorities for decent working conditions ■ Descent salary and safe working conditions	Meetings with trade unions, and contact through membership in the Confederation of Norwegian Enterprise (NHO) and the Federation of Norwegian Industries
NGOs	■ Ambitions and plans relating to climate ■ Nature management	Contact with Bellona
Industry organisations	■ Common reporting standard for the industry ■ Cooperation with authorities	Contact with TSM, and membership in the Federation of Norwegian Industries and the Norwegian Mineral Industry
Bank and finance	■ Good sustainability strategies and plans ■ Implementation of strategy	Meetings with banks
Potential investors	■ Good sustainability strategies and plans ■ Implementation of strategy	Quarterly reports and presentations, and stock exchange announcements
Media	■ Economy ■ Responsible operations ■ Nature management ■ Local cooperation ■ Equality	Contact with media outlets and journalists
Education and research institutions	■ Apprenticeships ■ Research projects ■ Equality (recruit women)	Contact with the Science Centre in Nordland, Kunnskapsparken Helgeland, the Norwegian University of Science and Technology, and the rock blasting and mining class at Fauske upper secondary school

Sustainability strategy

Rana Gruber aims to be a leading business within sustainability in the mining industry, and the ambitions below have been set in a long-term perspective. It is important for the company to set specific goals and assess uncertainties related to goal achievement, so that necessary measures can be identified, and the company can assign responsibility in the organisation and thus achieve its goals.

In order to ensure a sustainable business and transition to a carbon free operation, it will be important for Rana Gruber to think holistically about the operations, suppliers, and employees. The company´s material topics provide a basis of the systematic measures in Rana Gruber's sustainability strategy and ambitions.

Rana Gruber's is in the process of adapting to the ESRS. In 2024, the company will revise the sustainability strategy and ambitions to comply with the requirements in the standard to cover all material topics identified by the double materiality assessment.

The following ambitions were set in 2022, where the former material assessment was the basis of the strategy. Where relevant, the ambitions have been placed to revise the material topics identified by the double materiality assessment conducted in the fall of 2023.

Environmental

Material topic	Ambition
Climate change	■ Deliver CO_2 free products
Pollution	■ In progress
Water and marine resources	■ Minimise the discharge of solids into the river
Biodiversity and ecosystems	■ Minimise tailings and find alternative uses for the tailings and surplus masses. ■ Rehabilitate and ensure the revegetation of affected areas
Resource us and circular economy	■ Utilisation of resources in the best possible way.

Social

Material topic	Ambition
Own workforce	■ Base the business on the collaboration between employers, trade unions, and authorities for decent working conditions, and be a safe and reliable employer. ■ Priorities safety and have zero work-related injuries. ■ Contribute to increased competence internally and in the external environment, including the company's partners. ■ Increase the share of female employees to 33 per cent by 2027.
Workers in the value chain	■ Establish better insight into the supply chain. Establish routines for due diligence assessments.
Affected communities	■ Be a stable and significant player in the local value creation.

Governance

Material topic	Ambition
Business conduct	■ In progress

The UN Sustainable Development Goals (SDGs)

The UN SDGs is the world's plan to eradicate poverty, fight inequality, and stop climate change by 2030. These goals highlight societal challenges, but also promote solutions for the future.

Sustainable Development Goals form the basis of the company's work with sustainability. In Rana Gruber's sustainability strategy, the company has incorporated four out of seventeen SDGs. The strategy shows how the company will contribute to the achievement of the global sustainable development goals:

8 DECENT WORK AND ECONOMIC GROWTH

Rana Gruber's contribution to SDG 8:

Employees being safe and having influence on the business are part of Rana Gruber's DNA. Rana Gruber has a long and strong tradition in the local environment, and fully supports the collaboration between employers, trade unions, and authorities to secure decent working conditions.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

RANA GRUBER'S CONTRIBUTION TO SDG 9:

Rana Gruber is working towards the goal of becoming the world's first supplier of CO_2-free iron ore. This requires the entire operations to be sustainable – from extraction of ore in the mines to processing and loading of ore in the vessels. The company has made good progress with this project.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

RANA GRUBER'S CONTRIBUTION TO SDG 12:

Rana Gruber works continuously to reduce the effects of interventions in nature and aims to rehabilitate and ensure the revegetation of affected areas.

13 CLIMATE ACTION

RANA GRUBER'S CONTRIBUTION TO SDG 13:

Rana Gruber wants to contribute to reducing the world's total CO_2 emissions. The global steel industry accounts for seven to eight per cent of total CO_2 emissions. Rana Gruber aims to contribute to lowering the emissions in this sector by delivering fossil-free products. The company has established carbon accounts and has concrete goals for a reduction in the company's total CO_2 emissions.

As part of the revision of the sustainability strategy to adapt to ESRS, the company will revise its contributions to the UN SDGs.

Sustainability governance structure

Rana Gruber's operations shall be conducted in accordance with high ethical standards. The company shall take an active social responsibility and must create value for shareholders in a sustainable way. Therefore, sustainability permeates all operations and the organisational structure of Rana Gruber.

The board of directors shall ensure that the company has appropriate corporate governance, including the oversight of strategic planning and review of strategic processes. This includes the sustainability strategy and that the board shall consider economic, social, and environmental conditions in their work.

The CEO, supported by the board of directors, has the ultimate operational responsibility for the implementation of the strategic processes, including sustainability. The board of directors is regularly informed by the executive management about Rana Gruber's sustainability work and is responsible for overseeing the management of impacts caused by the company's activities. The audit committee evaluates the work of the board of directors regularly.

In 2023, the board of directors has been giving updates on the company's work on sustainable matters such as equality, training and skill development in the organisation, environmental impact and the transition to fossil free production. In cases of critical concerns applicable for the company's work with sustainability, the CEO will communicate these to the board of directors if necessary. In 2023, there has been no cases of critical concerns that the company has been made aware of.

The environment and sustainability manager reports to the CEO. This person is responsible for the management of impacts, in collaboration with the CEO and other members of the executive management. The environment and sustainability manager are also responsible for preparing the information disclosed in the annual ESG report, with the CEO and the board of directors responsible for reviewing and approving the reported information.

ESG's work is a team effort involving the whole organisation.

Ylva Amalie Hagen (22) did the first test drive of the new all-electric mining machine, the LH518 IB loader.

Environment

Rana Gruber's ambitions is to lead the way for the decarbonisation of the global steel industry. The company acknowledges the impact mining operations have on climate and nature. Rana Gruber is nevertheless committed to continue to work systematically to reduce the company's climate and environmental impact Rana Gruber will also strive to use resources in an efficient and sustainable way in all parts of operations.

The company's work for the environment is based on the SDGs and the company's material topics relating to the environment: Climate change, pollution, water and marine resources, biodiversity and ecosystems and resource use and circular economy.

The company acknowledges that, in addition to having a direct impact from the company's own operations, the company also has an indirect impact related to upstream and downstream activities in the value chain. Rana Gruber is as of 2023 in the process of mapping the indirect emissions and suppliers' climate and environmental performances. The company's aim is to deliver products from a carbon free production. This is an ambitious task and will be a groundbreaking contribution to the decarbonisation of different sectors that depend on the products Rana Gruber produces.

Climate change

Climate change is the greatest challenge of our time. In the Sixth Assessment Report[1], the United Nations Intergovernmental Panel on Climate Change (IPCC) presents research that shows that climate change is accelerating and leading to consequences that are becoming increasingly intense. There is no trustworthy research that compellingly contradicts these foreboding findings, underscoring the urgent need for global cooperation and decisive action to mitigate the impacts of climate change.

To succeed in limiting global warming to 1.5 degrees, all sectors must adapt and contribute. The steel industry is no exception. The international mining industry (including coal mining) is responsible for huge amounts of greenhouse gas emissions. Perhaps as much as seven per cent of the total global emissions according to a 2020-report from McKinsey.[2] The demand for iron ore will continue to be high, and thus, the need for sustainable and low carbon solutions remains.

Rana Gruber's impact

The company is well aware that mining has an impact on the climate. During the materiality assessment Rana Gruber identified several positive and negative impacts of significance across the value chain:

Upstream activities

Rana Gruber is highly dependent on machinery and equipment, which is sourced from all over the world. Activities related to the sourcing of these resources, involves extraction and production of minerals and metals, which there are considerable emissions related to. Further, transportation of machinery and equipment on both land and sea contributes to greenhouse gas emissions. In 2022, Rana Gruber started to calculate scope 3 emissions. This calculation of the carbon accounts was further improved in 2023 and included some purchased products and services. The company will work to get more insight on scope 3 emissions going forward.

Own operations

The most significant negative impact in Rana Gruber's own operations is related to activities in the mine, especially the operations which are heavily dependent on the use of machinery. Activities in the mine and in the processing plant are also highly energy demanding.

1) Sixth Assessment Report (AR). United Nations Intergovernmental Panel on Climate Change (2021-2023)
2) Climate risk and decarbonisation: What every mining CEO needs to know. McKinsey (2020)

In the mines

Due to the work towards the ambition of carbon free production, Rana Gruber is one of the iron ore producers with the lowest CO_2 emissions across all geographies (7.17 kilograms CO_2-equivalents per ton produced iron ore concentrate, see details below).

Rana Gruber has some advantages in this transition. There is a short distance from the mining site to the port at Gullsmedvik, meaning that there is no need for long-distance transport. Further, Rana Gruber's processing plant is electricity powered. The company works to replace the machinery and vehicles powered by fossil fuels with machines and (autonomous) vehicles powered by electricity and has started the implementation of new electric machinery in the mine. This has contributed to a total reduction of 11 per cent of CO_2-equivalents per tons in Scope 1 for 2023 compared to 2022.

Downstream activities

Regarding emissions from downstream activities, Rana Gruber delivers iron ore to the production of steel, which is used in sectors such as construction, infrastructure, and car manufacturing. These sectors are responsible for significant greenhouse gas emissions. However, the steel industry in Scandinavia and Europe, to which the company delivers most of its iron ore, is at the forefront of developing sustainable solutions. Rana Gruber aims to contribute to lowering greenhouse gas emissions and make a positive impact in these industries going forward as a provider of carbon free iron ore.

Risks and opportunities

Climate change implies several risks that might affect Rana Gruber financially going forward. On the other hand, the transition to a low-carbon economy will also imply great business opportunities for the company.

In 2022, Rana Gruber conducted a climate risk assessment in accordance with the framework set by TCFD. The company has done a revision of the assessment in 2023 and the findings were implemented in the process of the double materiality assessment. In the process, Rana Gruber has identified several risks and opportunities of significance across the value chain:

Significant risk

Rana Gruber is exposed to physical risks due to climate change as well as transition risks related to the transitions to a low-carbon economy. Risks of significance involve physical risks like increased rainfall and flooding which might interrupt the company's own operations as well as acute and chronic physical risk leading to resource scarcity, price increases and delays in the supply chain. Transition risk of significance involves uncertainty related to the whether the EU Taxonomy will include hydropower. If not, this will impact Rana Gruber and the technical viability of the decarbonisation strategy. Increasing carbon taxes is also a financial risk of significance for Rana Gruber as well as increased costs related to the transition to lower emission machinery and technology in the company's operations.

If the transition to a low-carbon economy in the industries Rana Gruber provide with iron ore goes slower than expected, there is a risk that the company develops products the market is not ready for, and thus will not pay a price that corresponds to the effort that has been put in place by the company.

Overall, Rana Gruber has concluded that it is well equipped to meet physical challenges brought about by climate change and risks related to the transition to a low-carbon economy and has implemented measures to reduce its risk exposure.

For a complete statement on all physical risks and transition risks the company has identified, please see the TCFD statement in the appendix of the report.

Significant opportunities

Rana Gruber has identified several opportunities of financial significance related to the transition to a low-carbon economy.

The greatest business opportunity the company sees is being able to offer iron ore from carbon free production. The transition to a low-carbon economy will place stricter demands on the company's customers and their steel production, reinforced by legislation such as the EU Taxonomy. The company expects a major conversion from coal to hydrogen in the industries it delivers to, which will require higher purity and quality of the product to a growing market for low emission materials going forward. Further, the transition will lead to the development of new carbon free steel producers in Europe and the Nordics. The company has a close dialogue with customers and is experiencing an increasing demand for fossil free products across industries, especially in the European market where Rana Gruber is located at a strategically favourable location.

Rana Gruber also expects an increased demand for high-quality products in the transition to a low-carbon economy. This involves hematite products with a higher iron content and magnetite which are important components in batteries. Further, Rana Gruber expects an increased demand for new biproducts based on the company's current production. This might give Rana Gruber access to new and emerging markets.

For a complete statement on all opportunities the company has identified in relation to a low-carbon economy, please see the TCFD statement in the appendix of the report.

Rana Gruber's approach

Rana Gruber's vision is to be a world-class sustainable mineral producer and the company seeks sustainable solutions in its daily activities. The company's approach to climate issues is based on the Paris Agreement and the UN Sustainable Development Goal number 13.

Due to the 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 aims to become the world's first iron ore producer with zero greenhouse gas emissions and works continuously to reduce the climate footprint of its own operations.

Going forward Rana Gruber will assess how the company can contribute in a greater extent to reduce indirect greenhouse gas emissions related to upstream and downstream activities.

Rana Gruber's ambition

Rana Gruber aims to be the first company to deliver carbon free products.

The company seeks to replace fossil-fuelled driven machinery with electric machinery. The transition period depends on the availability of electric machines. The original goal was to achieve full electrification by the end of 2025. The electrification of the railway is also on hold for the time being. Nevertheless, Rana Gruber is still determined to become the world's first carbon free iron ore producer.

To achieve this, Rana Gruber measures its greenhouse gas emissions, diesel consumption, and degree of electrification. Furthermore, the company calculates CO_2 per tons produced iron ore concentrate.

Rana Gruber's contribution in 2023

All decisions regarding operations are made in line with the carbon free ambition. The decisive measure to achieve this ambition is the replacement of fossil-driven machinery and transport to carbon free alternatives. The company has made further progress to this end in 2023 – by implementing new electric machinery and increasing the number of electric cars.

In 2023 the company worked with external suppliers and advisors to prepare the best solutions for on-site infrastructure, especially with regard to charging and safety. These preparations were put into practice in 2023 when building charging niches for the heavy electric machines.

As the company plans to transition to an entirely electric machinery and car fleet, the roads inside the mine will be improved and smoothened out as a safety measure to mitigate the fire hazard that batteries in electric cars represent.

Highlights of 2023

- Reduction scope 1 emissions: 11 per cent (compared to three per cent in 2022)
- Reduction scope 2 emissions: Six per cent (compared to 30 per cent in 2022)
- Increase of categories added to scope 3 emissions in carbon accounts of 2023
- No emissions of the propane-driven heating facility (closed down during 2022)
- Started building the first charging niche (operational early 2024)
- Six types of heavy electric machines went into operations

The charging niche

Greenhouse gas emissions

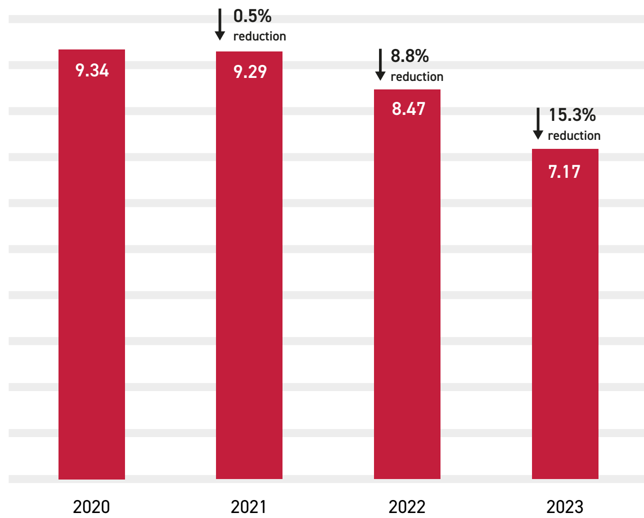
Rana Gruber reports its greenhouse gas emissions in accordance with the methodology and principles described in the greenhouse gas protocol (GHG Protocol). The major sources of greenhouse gas emissions in the company's own operations as of 2023 are related to the mining process with transportation, stationary combustion and electric power being the main sources of emissions.

In 2023, Rana Gruber further reduced its CO_2-equivalents per ton of iron ore concentrate produced from 8.47 kilograms to 7.17 kilograms. The internal target was set at 10 per cent. The actual reduction was 15.3 per cent. It is worth noting that this calculation includes a wider range of CO_2 emissions than previously.

The drop in kg CO_2e/ton is a result of mainly three factors. Firstly, there has been a reduction in the transport of grey waste in the open pit mine, resulting in lower diesel consumption. Secondly, the use of propane has been all but eliminated. Thirdly, the introduction of electric vehicles in the mine also contributed to reduction of diesel consumption.

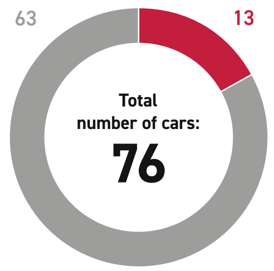
CO_2 EMISSIONS/TON OF IRON ORE CONCENTRATE

KgCO$_2$e/ton produced



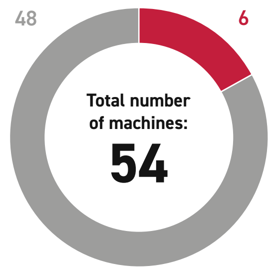
The company's key measure to reduce greenhouse gas emissions is to replace fossil-powered vehicles and machinery with electric alternatives. In 2023 the company had six big electric machines in operation. At year-end, the company also had 13 electric cars operating in and around the mine – a total of six charging stations are active and preparations are made to double that amount.

SHARE OF ELECTRIC CARS



Electric cars: 17.1%
Diesel cars: 82.9%

SHARE OF ELECTRIC MACHINERY IN THE MINE



Electric machines: 11.1%
Diesel machines: 88.9%

Another measure that has contributed to reducing emissions is the shutdown of the propane-driven heating facility. Heating of air in the underground mine has been done with propane up to the winter of 2022, when the company decided to replace the propane-based heating facility with an electric one. Since the autumn of 2022 the heating has been done exclusively with electricity and no propane was consumed in 2023.

Indirect emissions (scope 3) stem from upstream and downstream activities. The company acknowledges its impact on indirect emissions and is in the process of mapping scope 3 emissions according to the methodology in the GHG Protocol. As of 2023, the disclosed indirect emissions stem from fuel-and-energy-related activities, waste, business travel, upstream transportation, and some purchased products and services.

In 2023, the company collected more information about scope 3 emissions than in 2022, such as emissions from some purchased products and services. This resulted in more emissions being included in the carbon accounts. The company strives to have an improved overview of its scope 3 emissions and to include more categories in the carbon accounts going forward.

Greenhouse gas emissions per category in 2023

Category	2023 (tCO_2e)	2022 (tCO_2e)
Scope 1		
Transportation	**12 075.6**	13 728.2
Stationary combustion	**341.5**	214.2
Total Scope 1	**12 417.1**	13 942.4
Scope 2		
Electric vehicles	**0.4**	0.3
Electricity location based	**650.2**	691.2
Electricity market based	**52 675.0**	39 993.0
Total Scope 2 location based	**650.6**	691.5
Total Scope 2 market based	**52 675.4**	39 993.3
Scope 3		
Fuel and energy related activities	**3 488.3**	3 456.7
Waste	**438.7**	461.0
Purchased products and services	**4 090.7**	1 424.6
Business travels	**154.2**	73.3
Upstream transportation and distribution	**29.9**	12.5
Total Scope 3	**8 201.8**	5 428.1
Total Scope 1+2+3 location based	**21 269.5**	20 062.0
Total Scope 1+2+3 market based	**73 294.3**	59 363.8

In 2023, more business travels were undertaken, and a greater proportion of these travels were booked through the travel agency. The travel data is based on statistics from Rana Gruber's travel agency, Berg-Hansen.

The full carbon accounts, including a disclosure of standards, methodologies and emissions factors, is to be found in the appendix of the report. The climate accounts are externally assured by PwC.

Electrification and energy use

To succeed with the carbon free ambition, the company is dependent on efficient energy consumption and a transition to renewable energy. This applies to both the mining machinery, operation and the rail transportation from the mine to the processing plant. However, increasing uncertainty about the electrification of the rail system may alter this situation – and the decision is also not up to the company to take, as the train tracks are owned by the Norwegian government.

In 2023, the company's use of electric power has increased slightly from the previous year – around six per cent. The increase is due to more pumping in the open pit mine, a new heating system installed in November in addition to an expansion of the ventilation system in the mine.

The company expects the use of electric power to increase as more electric machinery will be used in the mine. In addition, Rana Gruber expects to use more electricity as the company increases overall overall production. At the same time, the company acknowledges that there is a potential to be more effective in terms of energy consumption and will work on this in the years ahead.

The company's fossil-driven mining machinery will be completely replaced by electricity-driven alternatives. An agreement was signed in 2022 with Sandvik on the supply of electric machines and support for the new on-site infrastructure, including training, operation and maintenance of the machines, including safety measures.

2023 marks the first year where new electric machinery was working year-round at full speed. From January onwards, the first operational electric tunnel rig worked at capacity. An electric production drilling rig was deployed later in the year and the first electric haul machine was deployed in May. Six electric machines are now in operation – each replacing fossil driven machinery. Several new electric machines is expected in 2024.

The Trans4Mine study from 2022, carried out by Sandvik, formed the basis to identify the required battery capacity for the electrification process. The study also provides insight about the expected electric power consumption as well as the optimal location of the charging niches. The first charging niche is at the very final stages in late 2023 and is expected to be operational in early January 2024.

One of the new electric loaders from Sandvik.

For the rail transport, there has been a governmental decision to electrify part of Nordlandsbanen track, to which Rana Gruber's rail transport is connected. Rana Gruber is currently awaiting explicit plans from authorities before further action..

The way forward

Rana Gruber's ambition is to lead the way for the decarbonisation of the global steel industry. The company aims to deliver carbon free products. This implies a transition to renewable energy and a replacement of fossil-driven mining machinery with electricity-driven.

High grade iron ore products help to reduce greenhouse gas emissions at the steel mills through less consumption of iron ore and less waste from the steel production process. Products with higher iron content are therefore key for reducing the environmental impact of the steel industry. Rana Gruber aims to increase the minimum iron content in its hematite product from 63 to 65 per cent. The company has implemented several measures to this end and expects to deliver the improved product by the end of 2024.

As regards indirect emissions, the company is in the process of mapping emissions in its upstream and downstream activities. The goal is to have an overview of all relevant scope 3 emissions by the end of 2025.

Pollution

Pollution adversely affects ecosystems, both in a local and global context. Contaminants from various sources lead to the degradation of air, water, and soil quality. Industrial discharge and improper waste disposal may all contribute to the disruption of natural habitats and the loss of biodiversity.

According to the EU, pollution is one of the five main drivers of biodiversity loss and significantly contributes to the on-going mass extinction of species. In addition, pollution is the largest environmental cause of multiple mental and physical diseases and of premature deaths, especially among children, people with certain medical conditions and the elderly. In the pursuit of a toxic-free environment, various initiatives, including the EU Action Plan "Towards Zero Pollution for Air, Water, and Soil,"[3]underscore the global commitment to comprehensively tackle pollution.

Companies can contribute to the action plan by placing emphasis on prevention, control, and reduction strategies of pollution stemming from their own operations as well as the supply chain.

In terms of reporting, the issue of pollution distinguishes itself from the disclosure on climate change. In line with the ESRS E2, the topic of pollution revolves specifically around the pollution of toxic materials in the air, water, and soil.

Rana Gruber's impact

The company is well aware of the environmental implications associated with mining, including pollution of air, water, and soil. During the double materiality assessment Rana Gruber identified several positive and negative impacts of significance across the value chain:

Upstream activities

There are several potential risks such as pollution from upstream activities in the company's value chain. Rana Gruber has however not been informed of any such actual pollution by any of its suppliers or business partners in the reporting year.

Several identified potential risks are, however, inherent in the production of purchased machinery, transportation, as well as other sources of other goods and services. These risks include potential emissions from shipping and other means of transport at land and sea, emissions of toxic chemicals in production processes of machinery, batteries etc. to air, sea and water. These potential emissions may also occur along the long and complicated supply chains of first-tier suppliers. Admittingly, obtaining a complete overview of upstream activities is challenging for the company, but it is crucial for Rana Gruber to get a better understanding of impact through the complete value chain going forward.

Own operations

Rana Gruber's pollution from its own operations is negligible. The company has however, identified potential sources of pollution to air and soil:

- Sulphur and dust emissions to the air from incineration of rubber
- Dust from the production of Colorana
- Dust escaping from the finished products at the outdoor areas of the quay
- Diesel and oil spills from machines and vehicles
- Noise from the mine and processing plant
- Microplastics from explosive charges

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 extraction process, for the sake of environmental concerns.

Rana Gruber initiated an extensive mapping project in 2023 that aims at gaining a comprehensive overview of all chemicals in use in all parts of the operation. This initiative will ensure a comprehensive evaluation of potential health risks associated with these substances.

8.6 per cent of the company's waste is classified as "hazardous waste" (117 000 kg in 2023) and is handled according to current laws and regulations. The company has routines for emptying oil separators and waste oil tanks, so that oil does not escape into the environment. The measures to mitigate the identified emissions are detailed below. Please note that greenhouse gas emissions and discharge of tailings to water are treated in chapters on material topics of climate change and water and marine resources respectively.

Downstream activities

There is a potential risk of pollution in downstream activities. Rana Gruber's products serve as input factors in steel production, primarily within continental Europe. While the company is not currently aware of any pollution issues in the associated factories, this aspect may be a subject for potential assessments going forward.

Similarly, there is a certain level of risk associated with emissions from downstream activities, including transportation, waste handling, emissions to water from landfills, construction, and various other factors. However, gaining a comprehensive overview of much of this risk proves challenging. While acknowledging the inherent difficulties in obtaining a complete overview, the company remains committed to proactive measures and continuous improvement.

Rana Gruber actively contributes to positive changes in pollution levels in specific areas. The company remains dedicated to enhancing the concentration quality of its products, as higher concentration will in turn result in diminished waste volumes and lower emissions in production facilities downstream.

3) EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil', European Commission (2021).

Working in the mines requires a range of technical skills.

In addition, Rana Gruber's magnetite product is used in water purification processes. Thus, the company contributes to a positive impact by facilitating efficient water cleansing processes.

Risks and opportunities

Risk management and proactive measures are important to continue to prevent pollution and Rana Gruber has adopted a responsible approach to the inherent risks within the operations.

Beyond the moral considerations, there are also financial incentives associated with potential fines and compensation claims in the event of significant adverse impacts. Furthermore, non-compliance with new and existing regulatory requirements poses an obvious reputational risk.

Significant risks

In light of the significant risks, stricter regulations from Norwegian authorities may result in increased expenses for assessment and measures to manage pollution in air, soil, and water. The escalating pace of regulations may necessitate additional documentation and resources.

Also, the costs associated with adhering to ISO standards and establishing close contact with regulatory bodies may further contribute to operational challenges.

Non-compliance with new and established regulatory requirements not only poses a risk to reputation but also contradicts the company's core values. Maintaining a positive reputation relies on adept communication and collaboration with local authorities and the local community.

Significant opportunities

As for significant opportunities, reputation gains can be attained by consistently and diligently implementing measures to address potential pollution. This commitment not only safeguards the company reputation but also reflects the dedication to responsible and sustainable practices. This enhances the appeal as a responsible and attractive employer and might secure access to capital due to increased ESG ratings.

The company sees several opportunities for improving control in upstream activities. Requirements related to procurement and supplier oversight contribute to enhanced control and risk reduction within supply chains. Regarding downstream activities, the market for magnetite products is expected to grow. As it is utilised for water purification it has the potential to become a significant product going forward.

Rana Gruber's approach

Rana Gruber aims to minimise pollution from its operations and eliminate the use of any toxic substances.

The company also takes measures to reduce pollution in the value chain, both upstream and downstream. Specifically, Rana Gruber has developed a supplier self-assessment to assess the environmental footprint of all suppliers and business partners. For more information about supplier assessments, please see the material topic of business conduct on page 73.

Rana Gruber's ambitions

As part of a long-term strategy, Rana Gruber is aiming to keep pollution of air, water, and soil to an absolute minimum. The company will revise the sustainability strategy in 2024 towards adaptation to the ESRS and will then revise ambitions and goals related to pollution.

A comprehensive mapping of all chemicals used in all parts of the operation started in 2023 and will be finalised in 2024.

Rana Gruber's contribution in 2023

Rana Gruber works continuously to reduce its impact on nature and has a goal of minimising the environmental impact of its operations. As part of the double materiality assessment conducted in the reporting year, Rana Gruber assessed pollution of air, soil and water as part of a nature-risk assessment, in line with the recommendations from the TNFD.

This assessment includes the LEAP-model, which among other things looks at the company's impact related to pollution. In addition to own operations, the assessment also highlights how the company indirectly may have positive and negative impacts related to upstream and downstream activities.

Pollution of air

Rana Gruber has implemented various measures to reduce emissions into the air. One of these measures involves the storing of products outdoors by the processing plant under a water mist system to prevent dust from dispersing into the surrounding areas, which could be a potential issue, especially in dry and windy conditions. This water mist system underwent improvements in 2023 when the system's coverage area was expanded - making it even less likely for dust to escape. The full impact of these enhancements will be noticeable, particularly during the summer months.

The outcomes of these enhancements will be evaluated and documented. To date, no complaints have been received following the expansion. Nevertheless, additional measures will be implemented to meet requirements related to watering and ensure the safety of those operating the machinery.

A second measure is related to the incineration of rubber, which takes place in an incinerator at the mine 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 have been 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. This system has been dramatically improved in 2023 and the filtering systems now run continuously and emit very small amounts of dust. In the event of system failure or damaged filter bags, however, the pollution may increase for a limited time.

There have been some challenges with obtaining representative measurement results from the filtering systems. The company has therefore worked to get an emission meter installed, enabling the system to monitor emissions and avoid exceeding the permitted emission limits. Now, this system continuously surveys the air, ensuring that any deviations from the established limits are promptly identified and addressed.

Pollution of soil

In own operations, hazardous waste, which might be a source of pollution, is handled according to current laws and regulations. The company has routines for emptying oil separators and waste oil tanks, so that oil does not pollute the environment.

No emissions, including acute discharges and oil spills from Rana Gruber's own operations and machinery, have been identified in 2023.

Emissions to the soil may also arise in upstream activities. The production of input factors such as machinery, process equipment, batteries, etc., can lead to the release of chemicals into the soil. The manufacturing of machinery involves extracting natural resources and occupying land areas (factories, etc.). Process equipment comprises components from various suppliers, including different metals, rubber, plastic, batteries, and wood. The extraction and production of these components pose a risk of emissions and local pollution to the soil and land areas.

Rana Gruber's products are refined further to a host of metal products. Downstream activities, such as construction (which produces steel from iron ore), and infrastructure, can potentially impact land areas and habitats. Iron ore /steel used in construction/installations can affect the soil where these structures are erected.

However, based on the company's current understanding, there are no reported cases of soil pollution in either upstream or downstream activities. This does not mean that it can be ruled out. The company remains vigilant and acknowledges the ongoing importance of monitoring and addressing potential environmental concerns.

Pollution of water

As of 2023, Rana Gruber's extracting process is chemical free and thus have no spilling of toxic material to water. However, as a natural part of the process when extracting iron ore, fine particles are generated and ultimately deposited to the local river (the Rana River). For a more in-depth discussion on water-related aspects, please see the dedicated chapter on the material topic of water and marine resources on page 42.

The way forward

Rana Gruber has eliminated the use of chemicals in the extracting process and keep other uses of toxic materials in own operations to an absolute minimum. However, to further reduce any potential negative impact the company will continue to look at measures to handle this.

A comprehensive mapping project that includes chemicals used in all parts of the operation is ongoing and will give the company a total overview.

The assessments conducted in the reporting year reveal that as far as pollution goes (spilling of toxic materials into the air, soil and water), this may be more relevant in the company's upstream and downstream activities. Rana Gruber will continue to assess, evaluate, and seek measures to mitigate the indirect impact related to upstream and downstream activities going forward.

Water and marine resources

The mounting pressures affecting marine ecosystems are jeopardising their abilities to self-renewal and resilience. With global demand for resources projected to double in 40 years, the waters and oceans, vital components of earth's life-support system, are being pushed beyond safe limits. Recognising the urgency, Rana Gruber commits to responsible practices, safeguarding marine biodiversity, and contributing to a sustainable future.

Rana Gruber's impact

A universal challenge for all mining companies is waste management. The industry has previously been subject to justified criticism due to poor waste handling, especially impacting water and marine resources. These particles are not toxic as such and thus detailed in this chapter instead of the disclosure on the material topic of pollution.

Rana Gruber has a system for marine deposition in the local fjord (the Rana fjord). These waters were bereft of life in the 1970s following massive pollution from coking plant discharges. After the closing of the coking plant 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. This matter is further disclosed in the chapter on the material topic of biodiversity and ecosystems on page 47.

Rana Gruber strives to restore nature in previous areas of operation.

During the double materiality assessment Rana Gruber identified several positive and negative impacts to water and marine resources of significance across the value chain:

Upstream activities

In broad terms, upstream activities pose various potential negative impacts on water and marine resources, particularly in the production of machinery, its associated input factors, and transportation.

The production of input factors and transportation involved in upstream activities may result in actual and potential impact such as pollution and waste discharged into fresh water and the oceans. This includes the possibility of chemical usage during production processes that may contribute to water and marine pollution. Furthermore, the substantial water consumption associated with raw material extraction and manufacturing processes at suppliers and sub-suppliers poses a considerable environmental concern.

The company's products are mainly transported by ships. These ships may contain contaminated ballast water that has the potential to disrupt local marine ecosystems and facilitate the introduction of invasive species.

Identifying and addressing the actual impact is challenging for the company due to the complex nature of the global supply chain with limited transparency. It is however something the company will strive towards going forward, among other things through supplier self-assessments.

Own operations

When extracting ore, fine particles are generated both from drilling and from transport. These particles follow the production water through the mine. Rana Gruber's operations are water intensive. However, given the abundance of this resource in the area where the company is located, the impact is considered relatively neutral. Nevertheless, there are notable concerns related to the discharge of tailings and solid particles into the Rana River and subsequently the Rana Fjord.

Recognising these challenges, Rana Gruber is committed to continuous monitoring and implement proactive measures to minimise any adverse effects on water and marine ecosystems, ensuring responsible and sustainable water resource management in the operations.

The Rana River is influenced by existing mining activities (Rana Gruber) and abandoned mines (iron ore mines), as well as power regulations, periods of low water flow, fine particulate glacier water, and runoff from sewage and agricultural activities, along with weather-related changes. Since 2020, the number of salmon caught in the salmon-bearing part of the river below Reinforsen has increased annually. The latest recipient study report conducted by the Norwegian Institute for Nature Research (NINA) on behalf of Rana Gruber indicates that the ecological condition, as classified by benthic invertebrates, is consistently rated as "good" to "very good" at the surveyed stations in the Rana River.

Downstream activities

In the downstream activities Rana Gruber has identified risks of pollution into rivers and waters from steel production, discharge from waste management, and potential negative influences from indirect suppliers and sub-suppliers.

The products that are manufactured from iron ore are naturally water intensive. Coupled with potential chemical usage in production processes, this poses risks to local freshwater sources and rivers surrounding factory facilities. As outlined in the section on upstream activities, sea transport introduces additional risks. These concerns are related to ballast waters and the potential for accidental leaks.

Risks and opportunities

Rana Gruber's operations carry inherent risks. This is especially related to the potential failure to address negative impacts which may lead to financial effects such as fines, compensation claims, reputational damage, and hindered access to capital.

Significant risks

The implementation of effective water purification processes is vital for mitigating the risks of harmful environmental impacts. Neglecting this aspect also poses a significant reputational risk. In severe cases, temporary shutdowns may be necessary with obvious financial repercussions. Proactive measures ensure regulatory compliance and readiness for an evolving environmental regulations framework, and also maintain a positive employer brand.

Physical risk, such as the event of heavy rainfall and melting of snow might lead to huge amounts of water may 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 of particles. This could result in more suspended substances entering the local river and subsequently the fjord. Because of this, the company monitors

The Rana River.

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

It's worth noting that, in this context, the substantial water volumes will contribute to diluting and reducing the concentration of particles.

Significant opportunities
The company may assess the need to invest in expanding the settling pools as a measure to reduce risk. In downstream activities, the company's magnetite product represents a growing opportunity as the market for water purification is expanding.

Rana Gruber's approach

Rana Gruber has set up a purifying plant within the mine that consists of three settling pools and one clean water pool. The production water passes through the settling basins so that particles are sedimented (and later deposited), while purified water is released to the Rana River. Spilling of fine particles (so-called suspended substance) to the Rana River have until December 2023 had a limit value of 50 mg/l. In connection with the changes in the permit, there are new regulations for emissions to the Rana River. The new limit value is 3 mg/l (annual mean) measured as the difference in concentrations upstream and downstream of the emission point. Rana Gruber is already working on measures to comply with new regulations in permits for pollution.

The company aims to minimise impacts on water and marine resources, such as pollution and waste. Rana Gruber has since the early 1990s not used chemicals in the iron ore extraction. The material that is discharged to the Rana River is solely tailings, i.e., pulverised rock.

The company 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, with a new permit obtained as the year was closing in 2023. A novel way of measuring the suspended particles will be introduced as a consequence of the new permit. This implies a relative measuring system, where samples will be taken from both upstream and downstream of the discharge point to measure the tailings impact on water quality.

Monitoring of potential emissions via water is required by law, and if it shows high values, measures will be initiated. The company 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). Rana Gruber 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.

Water consumption should be done in a responsible and sustainable way and the company has measures to limit unnecessary water use and use rainwater when possible. 25.1 million cubic meters of water from the river were used (not a limited resource). Rainwater is used for cleaning machines and the operation of drilling rigs in the mine.

Rana Gruber's ambitions

A key question for mining companies going forward is how impact on nature can be minimised. Rana Gruber wants to take its share of the responsibility to reduce negative impact and aims to do this through ambitions that minimise tailings and discharge of solids to the river.

Rana Gruber's aims, as a minimum, to comply with laws and regulations regarding discharge.

Rana Gruber's contribution in 2023

Rana Gruber works continuously to reduce its impact on nature and has a goal of minimising the environmental impact of its operations. As part of the double materiality assessment conducted in the reporting year, Rana Gruber assessed impact on water and marine resources, hence water use, water discharges and negative impact on marine resources.

This was conducted as part of a nature-risk assessment, in line with the recommendations from the TNFD, which includes the LEAP-model, which among other things looks at the undertakings impact on nature.

To reduce impact in the supply chain the company has developed a supplier self-assessment which aims to assess the environmental footprint of all suppliers and business partners that provide the company with goods and services. For more information on supplier assessment, please see the material topic of business conduct.

Water consumption, withdrawal and discharges
In the underground mine, water is mainly taken from a separate clean water basin with rainwater. The water is used for cleaning machines and the operation of drilling rigs. Drinking water and water for cooking in the mine is water purchased in cans.

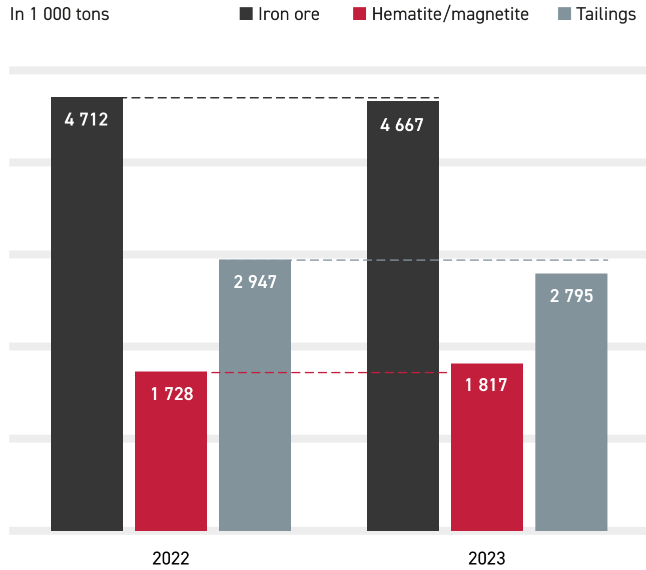
Water from the Rana River is used in the extraction process in the processing plant. In 2023, 25.1 million cubic meters of water from the river were used. The water in the river is not a limited resource so this does not affect the local community to any extent.

Both water from the municipality and water from Rana River run into the Rana fjord. A total of 25 142 139 M^3 was discharged by the company in 2023.

Rana Gruber used 108 789 M^3 third-party water from the municipality for cloakrooms, toilets, drinking water, fire hoses, and water outlets.

For further information about water consumption, water withdrawal and water discharges, please see Sustainability Data in the appendix of the report.

PRODUCT EXTRACTION AND TAILINGS



The graph illustrates how Rana Gruber has managed to extract more products (hematite and magnetite) without producing more tailings. Rana Gruber will strive to further improve this ratio.

The reason for the improved extraction in 2023 compared to 2022 is a combination of better iron yield in the process and a higher iron content in the ore.

The way forward

The plans to increase the ore extraction will not lead to elevated discharge to the fjord due to two key measures. Firstly, there has been a deliberate increase, with further ambitions, in the iron content (hematite and magnetite) in the ore, resulting in a reduction of tailings. Secondly, an improvement in the separation efficiency at the plant ensure that a smaller portion of pure hematite and magnetite contributes to tailings.

A new measuring system for monitoring the discharge of tailings to the sea will be implemented in 2024, using samples from upstream and downstream of discharge point to measure more accurately how tailings impact water quality.

The company also looks at alternative waste management solutions, in collaboration with business partners and the government, for the purpose of identifying better and more sustainable solutions for the future.

The company is well aware of the impact related to the production of goods and services in the supply chain. Assessment of impact by suppliers and business partners on water and marine resources will therefore be a focus for the company going forward.

Iron ore

Biodiversity and ecosystems

According to the IPPC Sixth Assessment Report[4], sustainable management of biodiversity and ecosystems is crucial for the ability to adapt to climate and environmental changes. Nevertheless, the development is going in the wrong direction. According to the UN Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), nature loss is as big a threat as climate change. As much as 75 per cent of all ecosystems on land and 66 per cent in the sea have been significantly altered as a result of climate change and human activity according to the World Wide Fund for Nature (WWF).[5]

A healthy environment is also important for a resilient economy. According to the World Economic Forum[6], more than half of the world's economy is strongly or moderately dependent on nature. Loss of biological diversity and ecosystem collapse is ranked as one of the five biggest threats humanity will face by 2030.

At the end of 2022, 188 countries landed on a landmark agreement to guide global action on nature. The Global Biodiversity Framework aims to address biodiversity loss, restore ecosystems and protect indigenous rights. The plan includes concrete measures to halt and reverse nature loss, including putting 30 per cent of the planet and 30 per cent of degraded ecosystems under protection by 2030. The agreements also put needed pressure on companies, with a requirement that large transnational companies monitor and assess the effects their business may have on biological diversity.

Rana Gruber's impact

A universal challenge for all mining companies is the impact on nature. During the double materiality assessment Rana Gruber identified several positive and negative impacts to biodiversity and ecosystems of significance across the value chain:

Upstream activities

Rana Gruber has an indirect impact on biodiversity and ecosystems related to the company's supply chain. Machineries and other equipment are dependent on extraction and processing for minerals and metals, where there potentially can be a great negative impact on biodiversity and ecosystems.

Another potential source of concern is associated with shipping activities which pose a potential negative impact through ballast water, which has the potential to carry invasive species that pose a threat to the local ecosystem.

Own operations

Rana Gruber's impact on biodiversity and ecosystems extends to freshwater, saltwater, and land. The company's operations on land, notably the open pit mine, have a visible footprint in the local area. Discharges of tailings may potentially affect the Rana River and the Rana Fjord, making these ecosystems focal points for consideration and mitigation efforts.

As mentioned in the chapter on water and marine resources, the waters in the Rana Fjord were bereft of life in the 1970s following massive pollution. In this specific case, tailings from Rana Gruber have been beneficial. The tailings 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 functional ecosystem of seabed-dwelling organisms (benthic fauna).

New requirements have been introduced for the fjord landfill, requiring studies of the dispersion and sedimentation of waste materials/particles above and near the landfill. A system for continuous measurement of particle concentration above the discharge point in the Rana Fjord will be established. Regular surveys of benthic fauna in the Rana River will be conducted to monitor water quality (recipient survey).

The Rana River is adjacent to the mines. There is salmon in the river and Rana Gruber has permission to discharge water and solids into it, in accordance with regulations that set limit values for pollution. For more information, please see the chapter on water and marine resources on page 42.

Rana Gruber's operations also carry potential impacts, notably from inadvertent diesel spills from machinery and the risk of forest fires. The open pit mine consists of rock, and a direct consequence of the operations is emissions of dust to the surrounding nature. The use of explosives in blasting activities carries the potential risk of causing the displacement of species in the affected areas. Lastly, the noise generated by operations may also impact the fauna in the vicinity.

4) Sixth Assessment Report (AR). United Nations Intergovernmental Panel on Climate Change (2021-2023)
5) The Living Planet Report 2022. World Wide Fund for Nature (2022)
6) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy. World Economic Forum (2020)

Downstream activities

Downstream activities entail potential indirect negative impacts on biodiversity and ecosystems. This regards for instance the manufacturing of metal products from Rana Gruber's iron ore products. Industries such as construction involves consumption of resources and land use that may impact biological diversity and thus may potentially lead to displacement of native flora and fauna. Rana Gruber is aware of the indirect influence and has a close dialogue with the customers.

Waste and disposal of byproducts into landfills from various operations may contaminate soil and ecosystems. In addition, downstream activities involve ship transport that may contribute to ecological disturbances. This relates to both inadvertent emissions and the spread of invasive species through ballast water.

Risks and opportunities

The primary risks in relation to biodiversity and ecosystems are associated with the restoration of nature. Mining has obvious impacts on the environment it operates within, and as a business in the mining industry, Rana Gruber has an obligation to restore and rehabilitate these environments. There are also risks associated with pollution into the river.

On the flip side, opportunities arise in enhancing water purification technology and capacity. They may also be ways of mitigating risks related to ballast water. Also, the company is exploring opportunities in creating revenue from the sedimented tailings in the settling basins.

Significant risks

The company are morally obliged to restore the local areas where the mining operations have taken place. In addition to the moral aspect, large-scale interventions in nature carry the risk of reputational damage, thus emphasising the importance of responsible and sustainable practices.

The expense of revegetation efforts is substantial, highlighting the need for strategic planning to balance environmental restoration with economic considerations. On such example is the potential costs associated with redirecting river flows. The mining industry may potentially be subject to a series of new regulatory requirements. For instance, the introduction of a resource rent (ground rent tax) could have substantial economic consequences.

The risk of compensation claims poses a financial challenge, underscoring the need for effective risk mitigation strategies and responsible operational practices. Stricter monitoring requirements may result in additional costs to manage compliance, necessitating investments in monitoring technologies and practices. One such example is the monitoring of water quality. Please see chapter on water and marine resources for further details.

Stricter regulations for the storage of grey waste demand might adhere to enhanced storage practices, potentially incurring additional costs for compliance. The potential for more stringent regulations regarding pollution in ecosystems shows the importance of proactive measures to meet and exceed environmental standards.

Inadequate handling of negative impacts may result in fines and compensation claims, emphasising the financial consequences of insufficient environmental management. This might lead to a risk of reputational damage, potentially leading to reduced access to capital.

Significant opportunities

During the double materiality assessment, a host of opportunities for the company to explore was identified, both mitigating risks and potential business prospects.

Improving the water purification system presents a chance to elevate environmental standards and minimise the impact of mining activities on water resources. The company will consider both proactive measures and meeting regulatory expectations.

As the company builds competence in revegetation, this knowledge represents an expertise that may be of value to other companies. Selling expertise may open up new income possibilities.

Exploring the sale of by-products could be of interest to the company. The grey waste from tailings in the settling basins also offers economic potential. This by-product could be used in cement, for instance.

Additionally, investing in new technologies for grey waste management not only addresses environmental concerns but also positions the company as a responsible mining company. By demonstrating a commitment to responsible nature management, the company may attract investors who prioritise sustainability, thereby fostering long-term growth.

Rana Gruber's approach

Rana Gruber is committed to an ongoing effort to minimise its impact on biodiversity and ecosystems. Within its own operations, the company focuses on several areas, including rehabilitation of sites, waste management, spilling of water and emissions of the air.

Mining requires a wide range of specialised skills and competencies, including core logging.

The company follows the regulations and laws set by the Norwegian authorities in this area and is aware of its responsibility to conduct responsible mining operations. The company has an agreement with the Norwegian Environment Agency and the Directorate of Mining to allocate funds for clean-up, control, and monitoring of the sea landfill, in the event of a closure or bankruptcy.

The company's mining operations are conducted in accordance with the regulatory plan of the Directorate of Mining. The area where Rana Gruber operates is not defined as a vulnerable area nor does it contain red list species.

When assessing any new operations and changes to existing operations, Rana Gruber assesses the impact on nature and the ecosystem. The company will then comply with regulatory plans and permits from the Norwegian authorities, including the Norwegian Environment Agency and the Directorate of Mining. For instance, the company works to get more insight into nature and severity of the impacts on the local ecosystem. Rana Gruber and Rana Kommune are jointly developing Area Regulations for the Stensundtjern, Storforshei, and Ørtfjell regions. This collaborative effort includes mapping endangered species and karst areas to integrate environmental considerations effectively.

Regarding impact related to upstream activities, the company is in the process of assessing the environmental footprint of all suppliers and business partners that provide the company with goods and services.

Rana Gruber's ambitions

- Minimise tailings and find alternative uses for it
- Minimise discharge of solids to the river
- Rehabilitate and revegetate affected areas
- Ørtfjell: The company assesses biological diversity and valuates the karst areas
- Monitoring and measurements in the Rana Fjord

Rana Gruber's contribution in 2023

Rana Gruber works continuously to reduce its impact on nature and has a goal of minimising the environmental impact of its operations. As part of the double materiality assessment conducted in the reporting year, Rana Gruber assessed the impact on biodiversity and ecosystem.

This was conducted as part of a nature-risk assessment, in line with the recommendations from TNFD, which includes the LEAP-model, which among other things looks at the undertakings impact on nature.

To reduce impact in the supply chains the company has developed a supplier self-assessment which aims to assess the environmental footprint of all suppliers and business partners that provide the company with goods and services. Please see disclosure on supplier assessment in the chapter on the material topic of business conduct.

Rehabilitation of ecosystems

Rana Gruber is determined to ensure that sites are rehabilitated in the best possible way, which involves refilling and revegetating open-cast mines after extraction of ore 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 provides a good example. When extraction was terminated in this area, Rana Gruber collaborated closely with Statskog to rehabilitate the lake in the best possible way. 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 largest possible extent, for the purposes listed above, and for the benefit of the local community. The old mine site at Ørtfjell with open pits and waste dumps will not be revegetated actively. Old open pits that are emptied is reused as waste dumps today and will revegetate naturally since they are historic dumps where original soil and vegetation is not stored from the original removal. For new areas that are opened the soil and vegetations will be stored for future purposes like revegetation. This applies especially to the new open pit at Stensundtjern.

The way forward

The area of biodiversity and ecosystems is developing and both companies and the government has put in place measure and regulations that was not subject ten years ago. To reduce impact on the environment is of great importance to Rana Gruber and the company will among other things strive to dispose waste material as backfilling in old open pit areas where this is possible. This is however not always suitable due to large transportation distances, though each case will be considered individually.

Further, Rana Gruber will continue to map the indirect impact in supply chains by implementing environmental assessments of suppliers and business partners.

Recyling of waste is an important measure for enhanced circularity.

Resource use and circular economy

The major cause of climate and nature change is the world's enormous consumption of resources. According to a report from the International Resource Panel and the UN Environment Programme,[7] economic growth and consumption of materials, input factors, and energy have increased proportionally with greenhouse gas emissions since 1970.

Today, resources are consumed faster than we are able to recover and regenerate them. This contributes to nature losses that exceed tolerable limits, large amounts of waste, and increased greenhouse gas emissions. The Circularity Gap Report Norway[8] shows that the Norwegian economy is less circular than the world average and that as much as 97 per cent of the resources we extract do not return to the circuit. In order to safeguard and use resources in a more sustainable way in the future, a reduction in resource consumption and a transition to a circular economy is absolutely necessary. Business can play an important role in this transition.

Rana Gruber's impact

Mining involves utilisation of large amounts of resources. It is built on the extraction of natural resources and the use of input factors such as water, energy[9], and concrete. Furthermore, the degree of reuse of these resources is limited.

7) Sustainable trade in resources global material flows, circularity and trade. The International Resource Panel and the UN Environment Programme (2020).
8) The Circular Gap Report Norway. Circular Norway (2021).
9) Please note that energy use is disclosed under the material topic of climate change, in line with the ESRS.

However, iron and steel are the final products of the iron ore Rana Gruber produces. On this matter, it is important to note that, in general, steel and iron are products that are quite easy to recycle and upscale. In this matter, Rana Gruber collaborates with Celsa, a local business in Mo i Rana specialising in the upcycling of steel.

During the materiality assessment Rana Gruber identified several positive and negative impacts related to resource use and circular economy of significance across the value chain.

Upstream activities

Many products crucial for Rana Gruber's operations are resource-intensive to extract and produce. The production of raw materials, input factors, and products involves significant resource consumption. Globally, there is a low degree of circularity, indicating a limited emphasis on sustainable and circular practices in various industries. Additionally, challenges persist in waste management within supplier chains, highlighting the need for improved strategies in this area going forward.

A potential positive indirect impact can be achieved by Rana Gruber setting requirements for suppliers. For instance, a requirement for machinery and equipment to have a long lifespan including ensuring the availability of spare parts.

Additionally, battery management is a key aspect, with agreements in place with manufacturers to ensure proper handling and recycling. This involves integration into an established system for battery recycling, contributing to a more sustainable approach to managing electronic waste.

Own operations

When it comes to waste other than tailings, the company works continuously to reduce as much waste as possible and has an ambition not to generate residual waste in the future.

Rana Gruber's largest waste fractions are steel, paper, plastics, electronic waste, and waste oil. In terms of tonnage, the largest fraction is metal complexes, which are recycled by the local company Celsa.

To actively contribute to a circular economy, Rana Gruber places significant emphasis on the recycling of materials. Effective sorting and recycling not only yield clear environmental benefits but also contribute to cost reductions.

Downstream activities

The iron and steel products manufactured from the company's ore are inherently well-suited for recycling. In addition, the byproducts in terms of tailings may also become a product – for instance in cement.

Risks and opportunities

The risks identified by the company within this topic primarily stem from potential increases in regulatory requirements. Conversely, opportunities abound in the commercialisation of byproducts.

Significant risks

Significant risks include the potential for increased prices on unsorted waste as a political measure to enhance circular practices. In addition, virgin iron could become subject to regulation and higher pricing. This could in turn impact both demand and pricing dynamics. This scenario might necessitate technological adjustments to develop a product suitable for alloying with recycled metal.

Significant opportunities

In terms of significant opportunities, the commercialisation of by-products aligns with broader societal goals in achieving a circular economy. Additionally, waste fractions can be utilised to cover gray rock waste deposits, contributing to sustainable waste management practices on a larger scale.

Rana Gruber's approach

For Rana Gruber, it is important not to waste time, funds, or resources. The commitment to Lean mining applies to employees at all levels of the organisation and ensures that every activity is done as smartly and efficiently as possible. At the same time, all changes must have an environmental improvement effect.

In the company's own operations, resources should be utilised in the best possible way. This means making sure to utilise the resources the company extracts in the best possible way, minimising waste, and making sure to contribute to circular solutions where possible. The company will keep exploring opportunities in capitalising on by-products.

Rana Gruber has a collaborative approach with suppliers to ensure long lifespan and availability of spare parts for machinery. With a higher influx of batteries in operation, the company also requires that suppliers have appropriate plans for recycling when the batteries reach the end of their life cycle.

The batteries on the rigs are owned by the supplier Sandvik, whereas the batteries on the haul and load machines are owned by Rana Gruber. There is an agreement between the two companies that ensures that the batteries will be transferred to Sandvik when they are no longer serving their purpose at Rana Gruber. Sandvik will then replace battery cells and reuse these batteries.

An energy efficiency assessment of eight buildings was initiated in 2023. The goal was to assess various attributes, such as energy saving properties, heat leaks, resource use, etc and seek measures that will save energy and thus CO_2 emissions. This assessment is scheduled to be finalised by Q3 2024.

Rana Gruber's ambitions

- Utilise resources in the best possible way
- Assess how waste from the company are or can be reused
- Enhance the use of recycled materials
- 92.5 per cent sorting rate by the end of 2024

Rana Gruber's contribution in 2023

Rana Gruber works continuously to reduce the use of resources and to make a transition to the circular economy where possible. As part of the double materiality assessment conducted in the reporting year, Rana Gruber assessed impact related to resource use and circular economy.

Since the company mostly use natural resources, this was partly conducted as part of a nature-risk assessment, in line with the recommendations from the TNFD, which includes the LEAP-model, which among other things looks at use of natural resources. Another area the company may look into is increased use of recycled materials, specifically for packaging of the Colorana products.

To reduce impact in the supply chain the company has developed a supplier self-assessment which aims to assess the environmental footprint of all suppliers and business partners that provide the company with goods and services. For more information about supplier assessments, please see the chapter on the material topic of business conduct.

Waste handling

The company is committed to recycling all waste and has implemented measures, including improved signage, additional stations, and ongoing training initiatives to enhance sorting practices in the reporting year.

Østbø AS handles all waste for Rana Gruber and therefore provides the company's waste statistics.

Rana Gruber has a total of four outdoor waste stations at Ørtfjell, Ørtfjellmoen, Storforshei and Vika. Important measures in waste management include sorting and recycling.

The company has disposed of 10-15 tons of damaged pigment – Colorana – which unfortunately cannot be reused. This material has been stored for a while and will now be cast into blocks and waste is handled by an external supplier. This ensures secure storage without dust emissions into the air, water, or soil.

Of 1 366.5 tons of waste in 2023, 53.8 per cent went to recycling of materials. This concerns scrap iron, plastics, glass, electronic waste, cardboard/paper, etc. Combustible waste, such as wood, plastics, and residual waste is incinerated and recovered as energy. This accounts for 38.7 per cent of the total waste produced by the company. In 2023, the sorting rate was 86.1 per cent (compared to 86.3 in 2022). The company has implemented bonuses for high sorting rates, and the 2023 rate was sufficiently high for bonus payment to the employees.

For more information about waste handling including waste fractions and recycling please see Sustainability data in the appendix.

The way forward

On the global scale, utilisation of resources contributes to nature losses that exceed tolerable limits, large amounts of waste, and increased greenhouse gas emissions. A sustainable and circular use of materials and resources is therefore needed to reduce emissions and protect and restore nature.

Rana Gruber wants to take its share of the responsibility and aims to do this through its ambition that resources be utilised in the best possible way in the company's operations.

The company will continue to work to increase both the sorting rate and materials recycling. Rana Gruber will also continue to work on mapping resource utilisation and the potential for more sustainable solutions. Assessment of indirect impact by suppliers and business partners will therefore be an increased focus for the company going forward.

Social matters

Rana Gruber aims to be a safe and responsible employer that contributes to greater equality and diversity in the industry. The company is committed to protecting human rights and decent working conditions in its own operations and supply chains, and recognises that it can do more to drive positive change. Rana Gruber's work on social matters is based on the UN SDGs and the company's three material social issues: Its own workforce, workers in its value chain, and affected communities.

Own workforce

At Rana Gruber, the employees are the company's most valuable resource. The company aims to be a safe, reliable, and responsible workplace for its employees. Rana Gruber's work related to its own workforce includes the areas of working conditions, health and safety and equality and diversity. During the double materiality assessment, the company identified several positive and negative impacts related to these areas which are described below.

Please note that impact related to upstream and downstream activities are not relevant to disclose for the material topic as it is limited to the company's own workforce, in line with the ESRS.

Rana Gruber's impact

Working conditions

As a mining company, the work at Rana Gruber requires physically demanding work and extensive use of machinery and equipment. Working hours are largely shift-based. Rana Gruber therefore implements several measures to ensure that the employees have a healthy and safe workday. The company depends on competent and engaged staff members who want to develop the mining industry in the right direction with them. A lack of professional competence in the industry is a challenge and training require time and resources.

Health and safety

As the mining industry is characterised by physically demanding work and extensive use of machinery and equipment, there is a risk of injury during working hours.

Operating the machinery in the mines can be a varied job and the driving conditions on the mine roads can potentially cause back and neck strain. Further, mine workers are often exposed to respirable dust and quarts, and may also be exposed to chemicals and gases, particularly in the laboratory and rubber shop, which pose a potential risk to workers' health.

With regards to the workers mental health, excessive noise and working underground in the dark can be challenging. In the processing plant, noise has the most severe impact. Lastly, the regular performance of strenuous manual tasks such as milling, which is carried out six to eight times a year by hired personnel, requires special attention to safety and consistent follow-up. These high-risk tasks require the use of additional safety equipment and strict adherence to internal safety procedures and routines.

Measures to deal with these impacts and to increase health and safety for employees are of the highest priority in Rana Gruber. Road maintenance, work rotation and individual adaptations of machines are initiated as preventive measures for neck- and back injuries. Health and safety measures to prevent ingestion of respirable dust and quarts are implemented as well as protection for noise both in the mine and the processing plant. The canteen in the mine has light adapted to natural daylight and all employees have cover for mental and physical health in the health insurance provided by the company.

To mitigate the health risks associated with exposure to chemicals and gases, the management has initiated a thorough risk assessment of all chemicals used in the operations, which will continue in 2024.

Rana Gruber's employees are the company's most valuable resource.

Equality and diversity

Mining is traditionally a male-dominated industry. In 2023, Rana Gruber carried out an assessment of the company's work with equality and non-discrimination. The assessment was made on the basis of a checklist prepared by the Equality and Anti-Discrimination Ombud – adapted to the company's work to comply with the Equality and Anti-Discrimination Act.

The assessment shows conditions that may contribute to preventing equality and diversity in the business. Among other things, the company's operations are largely based on shift work, which can be a challenge for work-life balance and prevent equality. Furthermore, the work is by its nature physically demanding and requirements for strong physique can contribute to discrimination. Historically, this has made it challenging to recruit women to the industry.

Due to security reasons, the company has a requirement that all employees must speak Norwegian. This language requirement can be an obstacle to a diverse workplace and thus contribute to discrimination. Furthermore, Rana Gruber is located in a region that is not characterised by great ethnic diversity.

The mines and processing plants are limited in terms of accessibility. The administration building from 2012, on the other hand, is adapted to several mercantile functions and meets the requirements for universal design. This also includes workers who are not employed, but controlled by Rana Gruber, such as temporary employees and substitutes.

For more information about conditions the company has identified as possible obstacles to equality and anti-discrimination, please see the Norwegian Equality and Anti-Discrimination Act in the appendix of the report.

Risks and opportunities

The company has conducted an assessment on equality and diversity and the findings were implemented in the process of the double materiality assessment. In the process of assessing financial materiality, Rana Gruber identified risks and opportunities of significance related to working conditions, health and safety and equality and diversity.

Significant risks

Potential risks associated with Rana Gruber's workforce include a possibility of high staff turnover leading to increased recruitment costs. The turnover rate for 2023 was 5.5 per cent. The management also identified access to future working capital and expertise as a financial risk. This risk is related to the potential of insufficient training for mining professionals in the future and a changing market. These risks are enhanced due to the lack of gender equality in the industry in general, and Rana Gruber in particular.

The most significant health and safety risks relate to the potential for injury during operations. Further, the company annually assesses its HSE performance against the Towards Sustainable Mining indicators (TSM). The company recognises the need for greater competence in the TSM protocol to strengthen its implementation in the HSE system and future documentation and evaluation. This will ensure a safe, supportive, and healthy working environment.

In terms of equality and diversity, Rana Gruber recognises that the low representation of women in the mining industry at large may continue to prevent the possibility of recruiting more women and is a central negative impact on the potential diverse and equal workforce that Rana Gruber aims to have. Currently 17.5 per cent of the company's employees are women. A lack of diversity is also a challenge due to the limited ways to facilitate work for physically challenged employees in the mines.

Significant opportunities

To address the potential risk of high staff turnover, higher recruitment costs and the potential of a lack of mining professionals in the future, Rana Gruber has identified the possibility for employees to have ownership through stocks as an opportunity. This can serve as a powerful motivator for individuals within the organisation as well as enhancing work engagement and the reputation as an attractive employer in the region.

The opportunity in health and safety lies in having a strong and effective HSE management system in place to reduce the risk of injury. For more information on this matter, please see the disclosure on approach and contributions in the reporting year that follows in the chapter.

To address the challenges of low gender equality in the industry and company, Rana Gruber will continue its work to increase gender equality and diversity by strengthening the company's employer branding strategy. These measures could lead to effects such as lower turnover, higher competence as well as a more stable workforce.

Rana Gruber's approach

Rana Gruber has great confidence in its employees and takes their interests seriously. The company is committed to complying with the UN's Universal Declaration of Human Rights and the International Labour Organisation convention (ILO), as well as the Ethical Trading Initiative Act (ETI), which regulates and defines the rights and duties of companies and employees.

The company shall be a safe, reliable, and responsible employer. Further, Rana Gruber places great importance on the employees' physical and mental health and aims to enhance diversity throughout the organisation.

Working conditions

A good corporate culture that promotes a safe and engaging workplace where all employees are respected for who they are is crucial for Rana Gruber. The company believes this contributes to a positive working environment, increases well-being among employees and promotes creativity and innovation. In addition, it may attract and retain talent. Such a culture is therefore essential to ensure a sustainable and successful future for the company.

Rana Gruber has a long and strong tradition in the local community. As an employer, the company respects and encourages employees to form and join unions of their own choice as close and trustful cooperation with the unions is crucial for the company's development and growth. As a result, almost 100 per cent of Rana Gruber's employees are members of a local trade union that is affiliated with a national union in Norway. Moreover, temporary employees who are union members have the same rights and entitlements as their full-time counterparts as they are covered by the collective agreement.

The tripartite cooperation between trade unions, employers, and the authorities is maintained through regular cooperation meetings with union representatives to discuss rules on issues such as recruitment and dismissal, working hours, salary practices, sick leave and parental leave.

Rana Gruber's employees receive comprehensive health and safety training regularly.

Each and every employee has the right to report irregularities in the company they work for. Effective whistleblowing mechanisms can be a valuable resource for risk management, protection against financial losses, liabilities, and reputational damage. In collaboration with union officials, the management therefore ensures that Rana Gruber's whistleblowing system for the reporting of irregularities is in place. For more on whistleblowing, please see the material topic of business conduct on page 73.

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

Training and skill development

The company's commitment to developing and promoting talent, along with a comprehensive training program has proved to enhance the workforce's overall skill set and competence, and the company believes that a strong sense of ownership to the work is key to a thriving and healthy workforce.

All employees are taught about, among other things, the company, operations, safety, and work tasks. Furthermore, specialised training is provided when needed in the various units of the operations. The training mainly takes place through the company's digital training platform. The department managers are responsible for necessary and relevant training.

The company aims to provide all employees with the necessary training to perform a number of different tasks. This involves extra training and courses that make the operations less vulnerable in connection with holidays and illness. When several people are able to perform different tasks, it is also easier to ensure efficient job rotation, which can prevent the risk of strain injuries and makes the workday less repetitive.

As the work tasks in the company are largely characterised by specialist work, in some cases it can be challenging for employees to perform tasks that are different from the ones they usually do. The company always tries to find solutions for employees who want different work tasks, with the aim of finding solutions and facilitate a flexible work life within the company's scope of possibilities.

The focus on competence also entails covering educational costs, such as course fees, learning materials, and PCs. Paid leave is also provided for meetings, travel, and examinations related to education. This has encouraged both master's degrees and PhDs. The company has also awarded scholarships and apprenticeships with a range of specialisations to upper secondary students. In 2023, Rana Gruber had nine employees pursuing higher education, as well as five employees studying for a professional certificate (fagbrev). The workforce was further enriched by the addition of 26 young apprentices and 14 temporary employees.

Rana Gruber also supports research and educational institutions through funding of the Science Centre 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. This support is important to develop the skills the industry needs in the future, as well as attracting new employees.

Rana Gruber's employees complete an annual employee performance interview with their manager. In 2023, the review was completed by 97 per cent of the employees. The process is facilitated by a digital tracking system that provides both managers and employees with an overview of individual perspectives on various aspects of the organisation. Responses are limited to managers and employees, ensuring that each individual's right to privacy is protected. The system provides valuable statistical insight into overall completion rates. It also enables the organisation to enhance its understanding of the company as a whole and identify areas where potential discrepancies need to be addressed and improved.

In addition to the annual performance review, Rana Gruber employees complete an annual employee survey in October 2023. The results reflected a workplace with a high level of satisfaction, pride, and teamwork: The employee satisfaction score was 82 per cent - exceeding the industry average. When asked to describe Rana Gruber's working culture, the three most frequently mentioned words were 'collaborative', 'trusting' and 'friendly'. In addition, a notable 84 per cent expressed pride in being associated with the company and as many as 90 per cent said they would recommend Rana Gruber to their peers as a satisfactory place to work.

Benefits for employees

At Rana Gruber, no distinction is made between employees in terms of insurance schemes, pensions, and other rights. Everyone has access to life insurance, disability insurance, health insurance, pension provision and parental leave. This includes full-time and part-time employees, temporary employees, and apprentices. The exception is contracted personnel who are employed by other companies.

To promote a healthy and active lifestyle the company´s welfare group coordinates initiatives such as hiking, trips to the climbing park and the Science Center, as well as quizzes and raffles. In addition, the company sports association (Bedriftsidrettslaget), which has nearly 100 members, arranges local events and competitions, such as the annual hiking trip competition, an important and appreciated event within the company. Additionally, low-threshold activities are organised in both summer and winter.

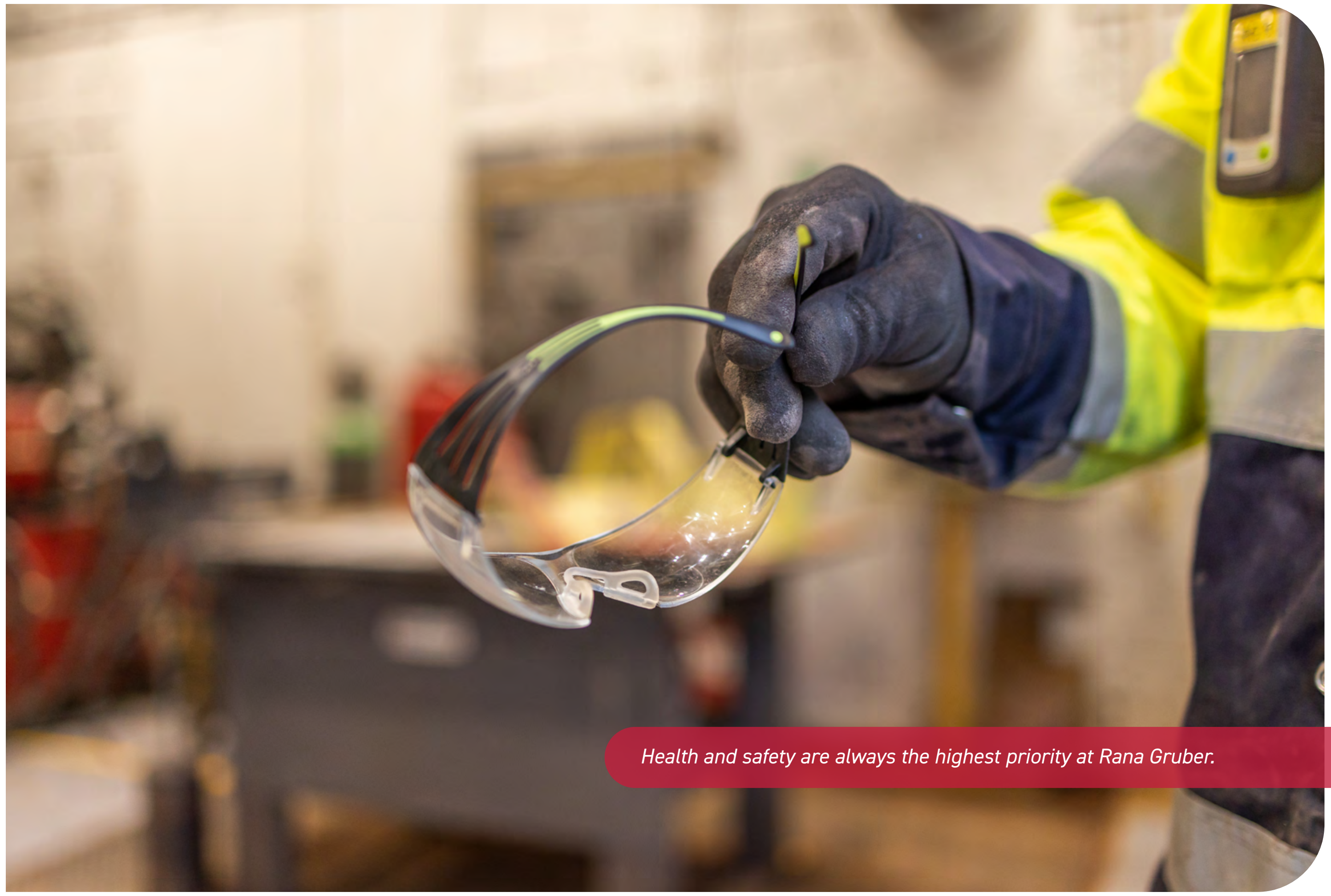
The company has a well-established culture for reporting hazardous situations or incidents, and the company's employee handbook – which describes safety procedures – has been handed out to all employees. Rana Gruber has a whistleblowing mechanism, and the management collaborates with employee representatives to ensure that the company has a culture for reporting malpractice, misconduct or other conditions of concern. For further information about whistleblowing, please see the chapter on the material topic of business conduct on page 73.

Health and safety

The health and safety of employees, customers, and partners are always the highest priority at Rana Gruber. The aim is to offer a workplace that is free of accidents, as the result of accurate and detailed training modules, systems, and procedures, including the use of quality personal protective equipment. The company has substantial experience of safe operations.

Health and safety management system

Rana Gruber has a dedicated policy that sets high HSE-standards for the work environment at all sites of the operations. The policy is governed through the health and safety management system which is available to all employees, including temporary employees and contracted personnel. The health and safety system follows the requirements for risk assessment and deviation management, ISO 31000:2018 (risk management) and all laws and regulations set out by the government, including internal control regulations. As part of the work to get certified by TSM the company is working towards an external audit of the health and safety management system as well as ISO 45001:2018 (occupational health and management system) certification and has planned a GAP analysis to be carried out in 2024.



Health and safety are always the highest priority at Rana Gruber.

Risk assessments

Rana Gruber has good routines and systems for risk assessments relating to workplace safety. The company includes a wide range of affected parties when carrying out risk assessments, including the chief safety officer, operators, and technical supervisors. These assessments are carried out regularly, with somewhat different frequency in different sites of the business. All employees can report deviations and give input and suggestions for improvement regarding safety in the workplace through dialogue with their manager and safety representative.

In some areas, the company has developed and adopted stricter guidelines and procedures in cooperation with the union to safeguard operations and production, while simultaneously avoiding excessive workloads on employees in the event of accumulation of absence related to sickness. For example, the company operates with a lower limit value for air quality in the mine than what is required by law. This is monitored with daily gas measurements. The company policy includes health examination for employees, keeping track of lost working hours, and registering and reporting potential occupational hazards.

Health and safety training

Rana Gruber is mandated to have 26 safety representatives responsible for safety in different parts of the business. By the end of 2023, there were 28 representatives due to overlap between new and retiring safety representatives in certain departments. Safety representatives complete legally required courses and have a particular responsibility to safeguard the interests of employees in matters relating to the working environment. Moreover, the safety representatives are required to complete four drills a year. The number of drills for other employees is not specified.

All employees must familiarise themselves with guidelines and systems for safeguarding health and safety in the workplace. The company provides mandatory training in the system, guidelines, and procedures related to HSE, and time and resources are set aside to train new employees and inform about changes to systems and routines. Special training is also provided for certain functions and tasks, and there are separate training plans and routines for handling machines and equipment. Training routines for safety are also offered to contracted personnel and visitors and the company also follows rules for conducting incident drills.

Health and safety deviation
The company has good routines for registering and handling safety deviations and all employees are trained in registering deviations and giving suggestions for improvements for safety in the workplace. The company encourages having a low threshold for reporting deviations and the deviation system is available to all employees on PC and mobile phones. Employees can also report deviations via their manager. In collaboration with union officials, the management has also ensured that Rana Gruber has a whistleblowing system for the reporting of irregularities in place. In the case of registered deviations, the company follows given routines and procedures. In the event of major incidents, an internal investigation involving the participation of several employees is carried out according to given procedures.

Equality and diversity
Rana Gruber aims to contribute to increased equality and diversity in society by promoting equality and anti-discrimination in the mining industry in general and in the company in particular. The company shall avoid discriminatory practices with regard to gender, age, race, and religion, and has zero tolerance for physical, verbal, or sexual abuse or harassment in the workplace. Consideration of equality and anti-discrimination is also included in the personnel policy. For further information, refer to the attached statement on Equality and Anti-Discrimination Act.

Strategy for increased equality and diversity
Rana Gruber has established a strategy for increased equality and diversity. The targeted measures in the strategy meets the requirements set by the Norwegian Equality and Anti-Discrimination Act.

The company sees training in the company's principles and guidelines as an essential part of the work to increase equality and diversity. The strategy and associated policies shall be well known for all employees, and the company has developed a plan for training in the equality and diversity work.

All managers must work actively, purposefully, and accordingly to the plan to promote equality, culture building and work for increased diversity in the company. All employees must be introduced to the company's ambition and practice. Active cooperation between the management of the company and employee representatives through the trade unions and their representatives is important for the work on equality and anti-discrimination.

Principles and guidelines for equality, diversity and inclusion
Guidelines are available in Norwegian and English and highlight the company's commitment to equal treatment and zero tolerance for discrimination and harassment. The company is committed to upholding the principles of diversity and non-discrimination in all aspects of the organisation, including gender, nationality, age, ethnicity, religion, physical disability, sexual orientation and gender identity - all of which are grounds for discrimination. Furthermore, the company hold all contractors, suppliers, and business partners to the same high standards.

Recruitment
The company policy highlights the importance that the most qualified and suitable candidate will be chosen for employment. The HR-department has the final say on hires and ensures that the company takes care of considerations related to equality diversity in the hiring process. Furthermore, trade union representatives receive the applicant lists, and can provide input.

As a measure to enhance inclusion, one of the company's most valuable contributions is the recruitment of unskilled young people. Through training and mentoring, young dropouts end up with qualifications and new opportunities in life, starting their working life at Rana Gruber.

As dropouts from upper secondary schools are among Norway's major social concerns, Rana Gruber believes that commitment to give young individuals a job opportunity, is an important contribution from Norwegian industrial companies to local communities.

Anti-discrimination
Rana Gruber aims to attract a more diverse workforce, so the company better reflects the society. To achieve equality and diversity, it is vital that employees are not subjected to harassment or other inappropriate behaviour.

The grounds for discrimination are measured in the areas of human resources - i.e., recruitment, pay and working conditions, promotion, development opportunities, organisation and the possibilities for reconciling work and family life, as well as combating harassment, sexual harassment, and gender-based violence.

Rana Gruber assesses the risk of discrimination annually as a part of the Equality Assessment. Further, the company encourages employees or others in relation to Rana Gruber who experience cases of discrimination to notify the company. This can be done through the channel for whistleblowing where the whistleblower can be anonymous. For more on whistleblowing, please see the material topic of business conduct.

Rana Gruber's ambitions

In the sustainability strategy Rana Gruber has set out ambitions to enhance working conditions, health and safety and equality and diversity:

- The business is based on the collaboration between employers, trade unions, and authorities for decent working conditions, and shall be a safe and reliable employer.
- The company priorities safety and always aims to have zero work-related injuries
- The company aims to increase the amount of female employees to 33 per cent by 2027

Rana Gruber's contribution in 2023

Working conditions

Highlights
- New hires: 61
- Turnover: 5.5 per cent
- Sick leave: 7.3 per cent
- Parental leave: 6.2 per cent
- Unionisation: Close to 100 per cent

In 2023, Rana Gruber has continued its commitment to promoting tripartite cooperation between trade unions, employers and authorities to ensure good working conditions. The company remains committed to being a safe and reliable employer that prioritises the well-being and safety of its employees.

The company continued to focus on the training and development of its employees. Performance reviews were held for all employees with their respective managers. In the year under review, 97 per cent of the employees had a performance review.

Health insurance was offered to all employees, including permanent employees, temporary staff, and apprentices. 21 employees were on parental leave in 2023 – seven women and 14 men. The total number of employees who returned to work after taking parental leave was 12 (57.14 per cent.)

To strengthen leadership skills across the organisation, the company has started a program for leadership training in 2023. The aim is to support leaders, among other things, in the transition to carbon free operations as well as to enhance work on equality and diversity. This work will continue in 2024.

Health and safety
The safety of employees is Rana Gruber's highest priority, and the company ambition is zero injuries. In the reporting year, the company has been in the process of updating a risk assessment regarding safety for all work tasks. This work will continue in 2024 and relevant measures will be put into action if needed. Further, continuous training of employees in HSE is an important measure to provide a safe workplace.

Despite meticulous work with safety, seven work-related injuries were recorded in 2023. One injury with absence and six injuries without absence. The one injury with absence resulted in a cumulative absence of eight days. The remaining six injuries without absence did not result in days away from work. This resulted in a total of 23 days lost to accidents at work in 2023 (Note that the remaining 15 days lost were due to work-related injuries occurring in 2022).

As in previous years, Rana Gruber has conducted physical work environment assessments in order to map Rana Gruber employees' exposure to hazardous substances, dust, and noise. Measures have been implemented if needed.

Continuous training of employees in HSE is an important measure to provide a safe workplace. In relation to electrification of operations in the mine, new machinery has been put into operation in the reporting year. To ensure high levels of health and safety in this transition, the company conducted a risk assessment specifically for new machinery and related changes in operations.

Employees from all levels of the organisation participated in four DNV-facilitated workshops. During these sessions, risks were identified and mitigation measures were implemented, including training, skills development and the implementation of rescue chambers.

Rana Gruber installed rescue chambers in the mine, in view of the increased risk of fire hazard associated with the expanded use of electric machinery. Two were put into operation at the beginning of the year, and it is likely that the number will increase during the year. The safety chambers are equipped with toilets and can accommodate 16 and 12 people respectively for 72 hours, pro-

Inside one of Rana Gruber's new rescue rescue chambers.

viding both oxygen and water. The above-mentioned measures are not only fundamental to the protection of personnel engaged in regular heavy manual labour, but also fits with the wider commitment to maintaining a culture of safety and adherence to established protocols within the organisation. Regular training and awareness programs help to reinforce these practices and underline the organisation's commitment to the wellbeing and safety of its workforce.

Noise hazards were also addressed by Rana Gruber through a thorough noise assessment, which was initiated in 2022 and completed in 2023. The assessment involved mapping areas where employees are exposed to high noise levels within the facilities. The results led to the establishment of distinct noise zones, which are prominently displayed in key operational areas, and the integration of the measurement results into the management system.

In addition, a total of 81 employees actively participated in the subsequent one-hour noise training session. The aim of this season was to raise awareness of the noise zones and ensure that employees are well informed about the risks associated with noise exposure in the workplace. This approach underlines Rana Gruber's commitment to proactively address and mitigate the impact of noise on the well-being of its employees.

Although the number of serious incidents has been low over the past few years (see page 119 for an overview of injuries), the company continually reviews its safety protocols and preventive measures to ensure the safety of all employees and contractors are upheld.

Safety courses

In 2023, a total of 3 083 safety courses were completed. The detailed breakdown of these courses is as follows:

- 1 285 general operation courses were completed in 2023.
- 635 safety courses specific to the Vika area were completed in 2023.
- 830 safety courses related to
- mining operations were completed in 2023.
- 333 safety courses related to the visitor modules were completed in 2023.

Moreover, an ISPS course (International Ship and Port Facility Security Course) was attended by 24 employees via Munio (EcoOnline). The aim of this course was to familiarise the personnel with the port's security information and security system, thereby helping to reduce potential risks.

In addition to the proactive preparedness associated with the electrification of operations Rana Gruber has also taken additional courses to be better prepared for critical situations:

- **Industrial safety exercises (industrivern):** In 2023, management revised the organisation of industrial safety exercises, which are overseen by the Norwegian Industrial Safety Organisation (NSO). Previously most of these exercises were conducted off-site, diminishing their practicality for Rana Gruber personnel. In 2023, four drills were conducted at Rana Gruber's own sites, buildings, and mines. This change is a significant improvement of the overall preparedness of Rana Gruber's staff.
- **Advanced fire protection training (brannvern):** As part of the industrial safety exercises, all employees successfully underwent an advanced fire protection course (brannvern).
- **Supervisor training course (faglederkurs):** Recognising the importance of proactive staff training in crisis situations, new supervisors (fagledere) were introduced in 2023. Each of them was required to complete a comprehensive supervisor course.
- **Advanced first aid:** Approximately 70 members of the Industrivern received advanced first aid training in 2023.

Equality and diversity

Rana Gruber aims to contribute to increased equality and diversity in society by promoting equality anti-discrimination equality and anti-discrimination in the mining industry in general and in the company in particular.

In 2023, the company reviewed its work with equality and diversity and revised the risk assessment relating to the company's work against discrimination and harassment in accordance with the Norwegian Equality and Anti-Discrimination Act. For more information on risks and measures, please see the statement in the appendix of the report.

This assessment resulted in an equality and diversity strategy where a number of measures were implemented. In accordance with the Equality and Anti-Discrimination Act, Rana Gruber will promote equality and prevent discrimination and harassment on various grounds such as gender, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, social origin, age, pregnancy, maternity leave, adoption and caring responsibilities.

The strategy includes initiatives such as incorporating gender equality themes during school visits, leadership training, organise courses to educate employees on equality and anti-discrimination, strengthening equality awareness during all-hands meetings and department meetings, implementing a recruitment strategy with gender equality goals led by a dedicated recruitment team, establishing in-house ambassadors, addressing incidents etc.

The work environment committee (Arbeidsmiljøutvalget) was included in the development of the strategy work, as well as the executive management. The strategy has been adopted by the board of directors. To ensure the strategy and guidelines are well known in the organisation, training and skill development has been started in the reporting year. This will continue in 2024.

In 2023, the company has encouraged women to take up representational positions and management positions. The company has also worked systematically to make sure the corporate culture is consistent with equality and anti-discrimination.

- In 2023, women accounted for 60 of Rana Gruber's 341 full time employees.
- The top management team of six includes two women, while the female proportion of the board of directors is 37.5 per cent.
- Review of the company's work with equality and diversity is completed.
- Number of female employees recruited is 12.

Salaries, and any salary differences, are continuously monitored in the company. The salary survey from 2023 shows that the company does not have objectionable gender differences when it comes to salary. Any differences have an explanation such as seniority etc. Salary differences are reviewed annually with union representatives. For more information about gender and salary differences, please see the Equality and Anti-Discrimination Act Statement in the appendix.

Employees can report discrimination anonymously through the company's whistleblowing system. Notices regarding this system have been received by the HR department and the employee representative in the work environment committee.

No cases of discrimination have been reported in 2023.

For more data concerning own workforce, please see the Sustainability data in the appendix of the report.

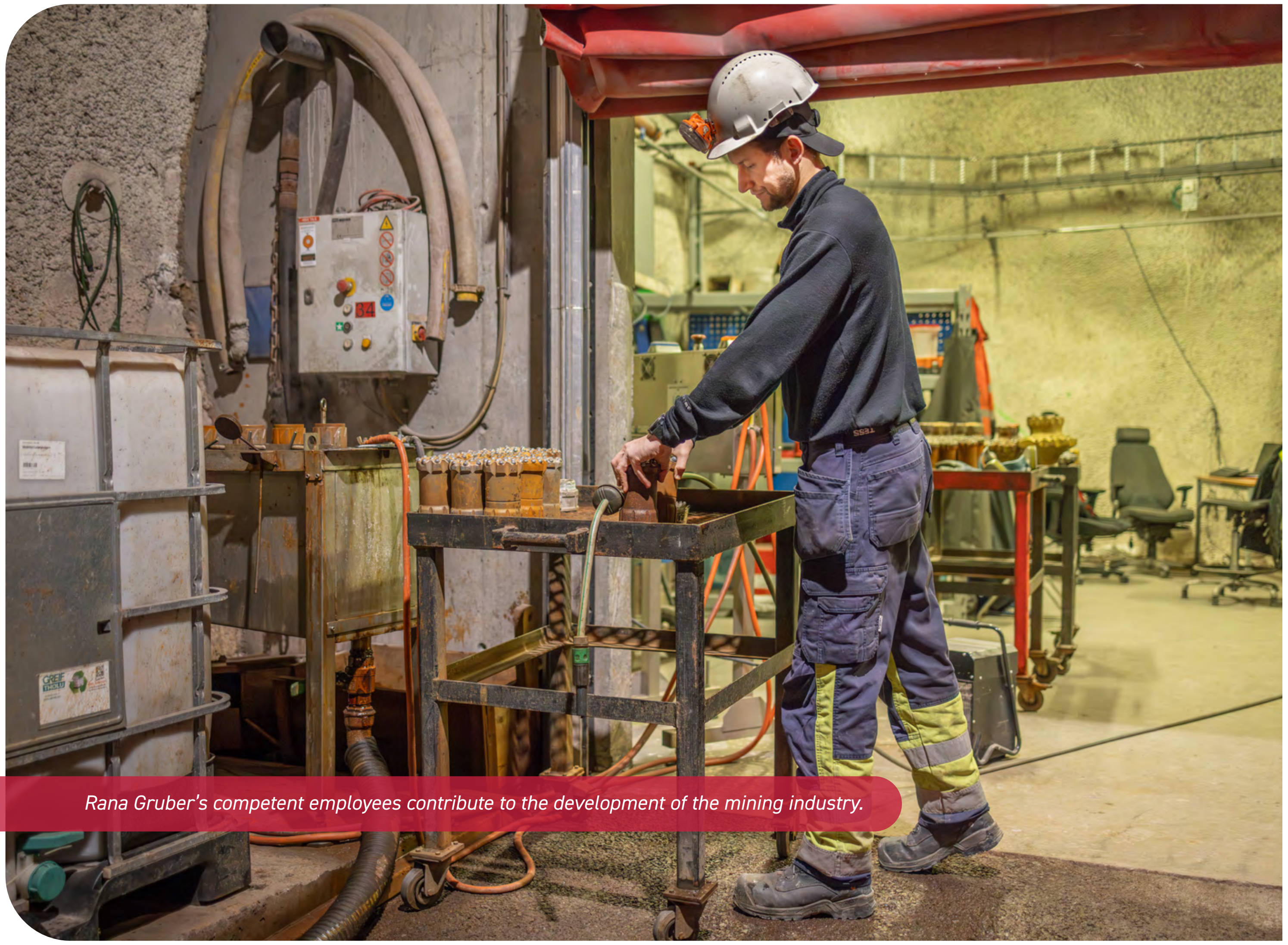
The way forward

A focus area going forward will be to continue promoting good physical and mental health for all employees.

Conducting physical environment assessment annually is an important measure in this regard, as well as offering health services and insurance to all employees, regardless of whether they are full-time, part time, temporary employees, or apprentices. The company aims to have a low turnover and sick leave and will continue to work closely with the unions and encourage the unionisation of employees.

The company is dependent on competent employees who want to contribute to the development of the mining industry. Going forward, Rana Gruber will continue to focus on training and further development of the company's employees. Measures such as continuous training on health and safety and different work tasks will be a focus area. Further, as new technology and machines are introduced in the mine, there will be a need for training to make sure all employees can operate the machines in a safe way. Also, the company plan to arrange a Health and safety day for all employees in 2024.

To strengthen the work on equality and diversity across all levels of the organisation, Rana Gruber will focus on implementing the newly adopted strategy for equality and diversity. This includes training of employees and leaders to make sure the strategy, policies and guidelines are well known throughout the organisation. Further, Rana Gruber will continue to conduct risk assessments on the matter and introduce measures to enhance the equality and diversity in the company.



Rana Gruber's competent employees contribute to the development of the mining industry.

Workers in the value chain

Rana Gruber values responsible business practices and strives to uphold and promote human rights and decent working conditions. With a mining tradition spanning over two centuries, the company recognises that ensuring employees have proper employment rights, fair opportunities and decent working conditions is essential to the success of its business. As a result, Rana Gruber is committed to upholding workers' rights not only in its own operations, but also throughout the company's value chain, thereby contributing to the promotion of responsible business practices as a whole.

Since 2022, the company has conducted due diligence in accordance with the Norwegian Transparency Act, following the principles outlined in the OECD guidelines. The assessment of workers in the value chain presented here is based on the findings from the due diligence conducted in January 2024 and the materiality assessment conducted in December 2023. A full overview of the Rana Gruber Transparency Act report can be found in the appendix.

Rana Gruber's impact

Rana Gruber's greatest impact is in its upstream and downstream operations, but the company may also have indirect impacts on communities from its own operations. The impact on workers in the value chain from the point of Rana Gruber's own operations is, however, limited. The positive impact is restricted to supplier requirements and ethical guidelines (supplier code of conduct) as outlined elsewhere. However, Rana Gruber is committed to work in accordance with the TCM-protocol and the ResponsibleSteel initiative. Please refer to page 79 for further details.

Upstream activities

The greatest risk of human rights and decent work violations is within Rana Gruber's supply chains, where the company indirectly may impact negativly on workers. This applies both to workers involved in the production of the machinery and to workers further up the supply chain, such as those involved in the extraction and processing of minerals and metals. Rana Gruber has almost 460 permanent suppliers, of which 92 per cent are Norwegian, with the remaining eight per cent spread across Scandinavia, Europe and the USA. Most of these suppliers have production facilities in Norway and Europe.

Downstream activities

In assessing the downstream activities, the company has identified risks related to transportation, hired labour, and working conditions in factories in Asia. These would be subcontractors of Rana Gruber's suppliers and thus the company has limited authority or influence in this regard.

There is a possibility of violations of decent working conditions aboard the ships transporting the goods, which adds an additional concern. One such incident occurred in January 2023 when a worker was injured and had to be taken to the hospital by ambulance. Established safety procedures were followed, as outlined by the Industrivern – and key personnel from Rana Gruber were alerted and oversaw the situation.

Risks and opportunities

Significant risks

The following is a list of the most significant risks identified, all of which have been classified as 'likely to occur' and/or 'very likely to occur':

- Insufficient internal resources to monitor suppliers in line with the OECD guidelines.
- Challenges in maintaining an overview of supplier in relation to risk of violations of human rights and decent workings conditions.
- Lack of internal procedures for conducting due diligence assessments.
- Purchases made without defined requirements and follow-up.
- Incomplete procedures for supplier dialogue and information sharing.
- Limited insight into the extent of freedom of expression in the supply chain.

The above- mentioned risks may result in a loss of credibility for Rana Gruber as a trustworthy mining company if events such as poor working conditions, human rights violations or overlooked environmental impacts are discovered.

For a complete overview of impacts, risks, and measures identified in the due diligence assessment, please refer to the Transparency Act statement on page 104.

Significant opportunities

As a key measure and opportunity to address these risks, Rana Gruber actively conducts its annual due diligence assessments to improve its understanding of its value chain, its business partners and sub-contractors.

Rana Gruber's approach

Rana Gruber is committed to comply with the UN's Universal Declaration of Human rights and the ILO convention, OECD guidelines, as well as the ETI, which regulates and defines rights and duties of companies and employees. The OECD guidelines set standards for responsible business conduct on a range of issues including human rights, labour rights and the environment.

Supplier requirements and ethical guidelines

The company has implemented supplier requirements (SCoC and ICoC) and ethical guidelines throughout its value chain. The aim is to promote fair labour practices and ethical behaviour by ensuring that workers associated with the company's suppliers adhere to established standards. However, Rana Gruber acknowledges that gaining thorough insight into its supply chain requires a continuous effort, particularly with its sub-contractors.

Working with due diligence assessments and the Norwegian Transparency Act

Rana Gruber actively seeks to follow the six-step due diligence process as outlined in the OECD guidelines and as recommended by the Norwegian Consumer Authority; (step 1) The management is actively working to embed accountability in Rana Gruber's policies and has since 2022 (step 2) assembled a working group to map and assess actual and potential impacts on fundamental human rights and decent work that the company's operations have either caused or contributed to, or that are directly linked to the company's operations, products or services through the supply chain or business partners annually.

In addition, (step 3) the working group implements measures to mitigate, prevent or limit negative impacts based on the organisation's priorities and assessments, and (step 4) do follow-ups on the implementation and results of the measures as part of the annual due diligence assessment. Finally, Rana Gruber's management (step 5) communicates its impacts to both the public and affected stakeholders through an annual report that is easily accessible on the organisation's website; and (step 6) restores the damage if the company has caused or contributed to actual negative impacts. Rana Gruber is committed to continuing this work towards a responsible working life.

During the company's assessment, the risk profile may be associated with various factors, including:

- Health, Safety, and Environment (HSE)
- Seasonal labour practices
- Lack of organisational freedom
- Child labour
- Discrimination

Mapping the value chain and conducting supplier audits

As mentioned earlier, most of the suppliers have their production facilities in Norway and Europe. In 2023, Rana Gruber established a screening of various suppliers through a tool provided by House of Control. In the process of mapping the value chain, Rana Gruber applied certain limitations, based on size and risk assessments, related to countries, goods, and product categories, along with an evaluation of whether the supplier's production takes place in countries associated with high risk.

In June 2023, selected suppliers received a questionnaire where Rana Gruber sought information on how the suppliers work to ensure the protection of human and labour rights in their own operations and in their supply chains. The selection of suppliers was based on Rana Gruber's purchasing patterns with them and how critical they are to the company's operations. Eight were classified as "critical".

The process of gathering information from suppliers proves to be extensive and time-consuming. This is reflected in the response rate to the surveys sent out. Despite reminders, only four out of the 21 suppliers who were contacted responded (all in the "critical" category).

In line with the intentions of the Transparency Act, Rana Gruber actively works on developing and continually improving procedures and guidelines to address actual and potential risks of violations of fundamental human rights and decent working conditions. Improving and streamlining stakeholder dialogue is one measure in this regard. The company will develop a simplified version of the questionnaires to be used for smaller businesses in order to improve the response rate.

Supplier visits were also conducted in Italy, at one of the largest suppliers, where health, safety, and environment (HSE) were reviewed. Some minor deviations were identified and communicated to the management.

A competence-enhancing course was also conducted with a focus on how to structure and perform checks during such supplier visits. The course was delivered digitally through a third party (DNV's supplier audits).

Rana Gruber's ambition

Rana Gruber will ensure better insight into the supply chain and establish routines to carry out due diligence assessments and supplier dialogue supporting human rights and decent working conditions.

Rana Gruber is committed to gaining more insight into its value chain.

Rana Gruber shall safeguard human rights and decent working conditions in all of the company's activities. Companies will take responsibility by providing new solutions and be proactive in the transition to a more sustainable society. This also involves a responsibility to safeguard basic human rights and decent working conditions. On these issues, the company will work in accordance with the Norwegian Transparency Act.

Rana Gruber's contribution in 2023

Rana Gruber is committed to responsible business practices. The company has initiated several measures to strengthen its work to safeguard human rights and decent working conditions in its own operations and supply chains:

- Conducted due diligence assessment of the company's work to safeguard human rights and decent working conditions in line with the above-mentioned OECD guidelines and complied with the Transparency Act
- Started revising the company's Internal code of conduct (ICoC) and a Suppliers code of conduct (SCoC)
- Applied new procedures for supplier dialogue and documentation
- Applied new supplier evaluation to include points about subcontractors
- Selected suppliers for spot checks/audits

For more details, refer to the enclosed Transparency Act Report 2023 in the appendix.

The way forward

Rana Gruber will continue to update the company's comprehensive risk assessment, which aims to cover the entire value chain. Improving and streamlining stakeholder dialogue has been identified as a keyway to achieve this. As part of this initiative, the company will develop a simplified version of the questionnaires for use by smaller companies to improve response rates in 2024.

In addition, efforts will be made to foster closer dialogue with more companies regarding due diligence assessments. Various approaches will be considered to strengthen this effort. The company plans to do several audits in 2024.

Affected communities

Rana Gruber has a long history as an employer and company in Mo i Rana. Through its operations, Rana Gruber's activities and decisions have a direct impact on the local communities in which it operates and on the people who live in Mo i Rana. The company also recognises the indirect impact it may have on remote communities through its supply chain.

Rana Gruber's commitment to respecting the economic, social, cultural and political rights of local and distant communities, including the rights of indigenous peoples, is central to our approach. This commitment is also expressed through our engagement in TSM as described in the Governance chapter.

During the double materiality assessment, Rana Gruber identified impacts, risks and opportunities in upstream and downstream activities, as well as its own operations.

Rana Gruber's impact

Mining is a fundamental part of the community's identity and history in Mo i Rana. Rana Gruber is one of the largest companies in the region and strives to contribute to the development of the community where possible. The company carries several obligations, one of which is taking on a corporate social responsibility, and that extends beyond being a safe and engaging employer. During the materiality assessment conducted in 2023, Rana Gruber also identified both positive and negative impacts on affected communities in its upstream and downstream activities.

Upstream activities

It is a part of Rana Gruber's culture and policy to support local suppliers in its operations as much as possible. This is reflected in the organisation's share of local suppliers. Rana Gruber currently has approximately 460 permanent suppliers in its supplier base. Of these, 92 per cent are Norwegian suppliers, while the remaining eight per cent are distributed across Scandinavia, Europe, and the USA. Most of the suppliers have their production facilities in Norway and Europe.

By utilising local suppliers in the operation's upstream activities, Rana Gruber manages to cooperate with suppliers in Norway who also strive for responsible business operations to the society as a whole.

One risk that may have a negative impact is the lack of oversight, routines and insight into the company's supply chains outside of Norway, where potential negative impacts on local communities and human rights are at significantly higher risk. The company recognises that limited oversight of actual and potential negative impacts in supply chains outside Norway may lead to overlooking potential environmental and social impacts, such as unethical practices that violate human rights, indigenous rights and environmental guidelines.

Own operations

Rana Gruber has been a positive contributor to the local community for many years. This is reflected in the company's close cooperation with trade unions, local neighbourhoods, local businesses and its contributions to associations, sports, projects and other funding initiatives in the local community.

A central contribution is the bay area, named Mo Industripark and is built with tailings from Rana Gruber's operations. This project started in the late 1980s. The wider bay area is available to the public and accommodates many local businesses. Another key contribution by Rana Gruber is the transport routes around the mining areas, a popular choice for sports and hikes in the community. For more information on Rana Gruber's support for local organisations and facilities, please see "Rana Gruber's contributions in 2023" on page 69.

Rana Gruber has an agreement with the reindeer herding industry in Mo i Rana and maintains a close dialogue with them. The industry is not affected by Rana Gruber's operations.

Rana Gruber is well aware of the impact of its operations. The processing plant is located close to residential areas. These areas may be somewhat exposed to noise and occasional dust (refer to chapter on pollution for mitigating measures).

Another potential risk is the possibility of accidents such as a major fire or explosion. The probability of these events is considered to be low due to strong routines and procedures in the operation.

Downstream activities

The company's assessment of potential and actual impacts on downstream activities concludes that these are very limited. They are deemed to have no significant risks.

Rana Gruber's approach

Rana Gruber wants to be a positive contributor to the local community by building local expertise and contributing to initiatives and projects that add value to the society and people in Mo i Rana. The company aims to be a good partner in the industry cluster in the region, and to enhance a strong collaboration with unions, neighbours, and society as a whole.

To prevent potential negative impacts in Rana Gruber's upstream activities, the company aims to obtain better documentation and certifications from its suppliers to increase its understanding of its supply chain and potentially terminate contracts with suppliers that do not meet Rana Gruber's standards and expectations. In addition, Rana Gruber conducts an annual due diligence assessment in accordance with its obligations under the Norwegian Transparency Act.

For risks in the communities affected by its own operations, the company seeks to maintain a close dialogue with the neighbours of the mine and processing plant, and the company meets with nearby residents at least once a year. In cases involving significant noise, dust or traffic, the company notifies residents in nearby areas and implements measures if possible. For example, when neighbours complained about noisy reversing alarms on vehicles, the company chose to close off the areas from which the reversing alarms disturbed the most.


Marthe Kråkstad Johansen

Foto: Emil Sørgård, Norges Skiskytterforbund

Rana Gruber's contribution in 2023

Rana Gruber shall be a positive contributor to the local community. Below is an insight into the company's support for local athletes, cultural events, local organisations and facilities.

Local athlete sponsorships

Rana Gruber is proud to support local athletes competing on national and international arenas. The company is honoured to present a small selection of these outstanding individuals:

Marthe Kråkstad Johansen is a biathlon athlete with a long-standing track record in international competitions. In 2023, Johansen enjoyed strong results, including her first international victory. At the Norwegian Championships in Alta, she won the prestigious 'Hans Majestet Kongens Pokal', a coveted Norwegian trophy awarded to the champion, and after a series of impressive performances, she earned the honour of leading Norway in the women's relay, marking her first World Cup triumph.


Kasper Ågheim Kalkenberg

Foto: Norges Skiskytterforbund

Rana Gruber at the Mo i Rana Pride festival in 2023

Emilie Ågheim Kalkenberg is a biathlon athlete with extensive experience competing on the international stage. Notable achievements in 2023 include three first-place finishes in the International Biathlon Union Cup (IBU-Cup) and a triumph in the mixed relay. Looking ahead, Kalkenberg reflects on her progress in 2023 and expresses her determination to keep pushing through diligent training and learning from her experiences. "Now it's just a matter of dedicating myself to more training and learning to push myself to achieve more of these results," she said.

Robin Pedersen is a professional ski jumper and has already shown his talents as a member of the national ski jumping team. Pedersen represented Norway at the FIS Ski Jumping World Cup in Lillehammer. He also participated for Norway at the summer Grand Prix events in Rasnov and Hinzenbach. In the current season, Robin has competed in six Continental Cup (COC) events in ski jumping, securing several victories and impressive rankings. He will participate in the upcoming FIS Ski Jumping World Cup and FIS Ski Flying World Championships in 2024.

Kristian Skjømming is a snowboard atlethe with impressive performances in both the 2022 and 2023 seasons. During these years, Skjømming has taken part in numerous international competitions in Switzerland, France and Italy, demonstrating his skill and talent on the slopes. At the culmination of the 2022 season in Geilo, Skjømming took first place in Slopestyle and second place in BigAir in the senior class. However, the 2023 season was challenging for Skjømming as he struggled with a knee injury.

Kasper Ågheim Kalkenberg is a biathlon athlete and has won the Norwegian cup two years in a row. He made his first international appearance at the Junior World Cup in Kazakhstan. Kalkenberg won a world championship gold medal in the mixed relay and also won the sprint distance. In his first international championships, he achieved top 10 finishes, including fourth and 10th in the pursuit start and normal distance respectively.

Cultural events

Mo i Rana Pride: In 2023, Rana Gruber became the main partner of Mo i Rana Pride. Mo i Rana Pride is a non-profit organisation that organises the annual LGBT Pride Festival in the city. The festival celebrates equality, freedom and love and contributes to highlighting gender and sexual diversity for a week in the community. The support is intended not only to promote a positive, safe and inclusive culture at Rana Gruber, but also to support LGBT Rights and diversity in the community at large. The company is committed to supporting Pride for the next three years.

Verket music festival (Verketfestivalen): Verketfestivalen is a local music festival in Mo i Rana. The festival attracts both national and international artists and offers a varied music programme. Rana Gruber is happy to be a sponsor of this cultural event.

Other commitments

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

Rana Football Club (Rana FK): Rana Gruber is a partner of the local football club, Rana FK. The football club shares the same values as the company and demonstrates a commitment to social responsibility by prioritising grassroots football over top-level competitions and actively works towards equality and diversity. Offering inclusive activities to all members of the community is a central goal. Moreover, part of the funding is earmarked to address social inequalities, which is in line with the overall goal of Rana Gruber's contribution to the local sports club.

First Lego League: Rana Gruber supports children and adolescents' leisure activities, including the science and technology competition First Lego League.

Bossmo & Ytteren IL (sports club): In 2023, Rana Gruber entered into a three-year partnership with Bossmo & Ytteren IL (B&Y IL). Recognised as one of northern Norway's largest multi-sport clubs, B&Y IL offers activities including football, handball, biathlon and Nordic skiing to appeal to a wide demographic and encourage physical activity among children and young people. Skillevollen ski centre is also a facility utilised by the entire municipality. The club has a strong presence in the local community and is committed to making sport accessible to all. The agreement between Rana Gruber and B&Y IL includes a clause stipulating that 10 per cent of the support will be used to ensure equal participation in sporting activities for athletes and families, regardless of their financial circumstances.

Local organisations and facilities

Arctic Circle Raceway: Rana Gruber is a sponsor and co-owner of Arctic Circle Raceway (ACR), which is a motorsport facility located on a former mining area operated by the company. 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 contributes to activities in the local community.

In addition to the above-mentioned contributions, the following organisations and facilities received support from Rana Gruber in 2023:

Sports activities and sports events

- Bossmo & Ytteren IL
- Bossmo & Ytteren IL (women's team)
- Bodø/Glimt football club
- Rana Football Club (Rana FK)
- Arctic Circle Raceway (ACR)
- Dunderlandsdalen shooting team
- Turnhall at Gruben (gymnastics hall)
- Stålhallen in Mo i Rana (sports hall)
- Hovedlandsrennet biathlon 2023 in Mo i Rana
- Fageråsbakkene in Mo i Rana (Ski jumping hill)
- The Blåvegen ski race 2023
- Arctic Race of Norway
- Skonseng sports club
- Storforshei sports club
- Rana handball club
- Rana athletics club
- Rana slalom club
- First Lego League
- Arctic Circle ski team

Cultural activities

- Mo i Rana Pride festival
- Smeltedigelen music festival
- Verket music festival
- The Vinterlys festival
- Vintersenteret Nordland (science centre)
- Rana Kormakeri (choir)
- Båsmokoret (choir)
- Grottenkonsert in Plura Valley (concert)
- Haukneskoret (choir)
- "Vi vil leve", a film about prevention of suicide

Non-profit organisations and aid agencies

- The Bellona Foundation (non-governmental organisation)
- Frivillighetssentralen (the volunteering centre)
- BUA (aid organisation)
- The Salvation Army (aid organisation)
- Red Cross (aid organisation)
- Sykehusaksjonen (local hospital)

Sponsorships to individuals

- Rikke Kalkenberg (athlete)
- Preben Horven (athlete)
- Lars Johan Hovind (athlete)
- Emilie Ågheim Kalkenberg (recruit national team athlete)
- Robin Pedersen (ski jumping athlete)
- Benedicte Stien Schreiner (athlete)
- Marthe Kråkstad Johansen (recruit national team athlete)
- Kristian Skjømming (recruit national team athlete)
- Kasper Ågheim Kalkenberg (athlete)
- Birk Fjellheim (athlete)

Rana Gruber's ambition

Rana Gruber's ambition is to continue to be a stable, responsible, and significant contributor to local value creation.

The way forward

Going forward in 2024, the company will continue its efforts to respect the social, cultural, and political rights of local communities, both locally and globally.

Rana Gruber will continue to support local suppliers and work with responsible companies in Norway. Strengthening the company's knowledge of its supply chain across borders is a key challenge that management will continue to address in 2024. Improving documentation and certification requirements for its suppliers will also be a central measure in this regard.

Rana Gruber will continue its work with materiality assessments to identify the impact of the operations upstream and downstream activities on local communities. Rana Gruber shall also continue to work closely with trade unions and neighbours and support various initiatives and projects that contribute to growth in Nordland. The close dialogue with the reindeer herding industry is also a relationship that the company will continue to maintain.

Finally, Rana Gruber intends to continue to provide financial support to local events, sports teams, and cultural activities that contribute to an equal and diverse community in Nordland.

Operations shall be conducted with high ethical standards.

Governance

The company's governance work is based on the UN's Sustainable Development Goals and one material topic related to corporate governance: Business conduct.

Business conduct

Rana Gruber's work related to business conduct includes anti-corruption, political engagement, protection of whistleblowers, management of relationships with suppliers and policies and commitments regarding sustainability matters.

Rana Gruber's impact

The company is well aware of the importance of responsible business conduct across the value chain. During the double materiality assessment Rana Gruber identified several positive and negative impacts of significance across the value chain:

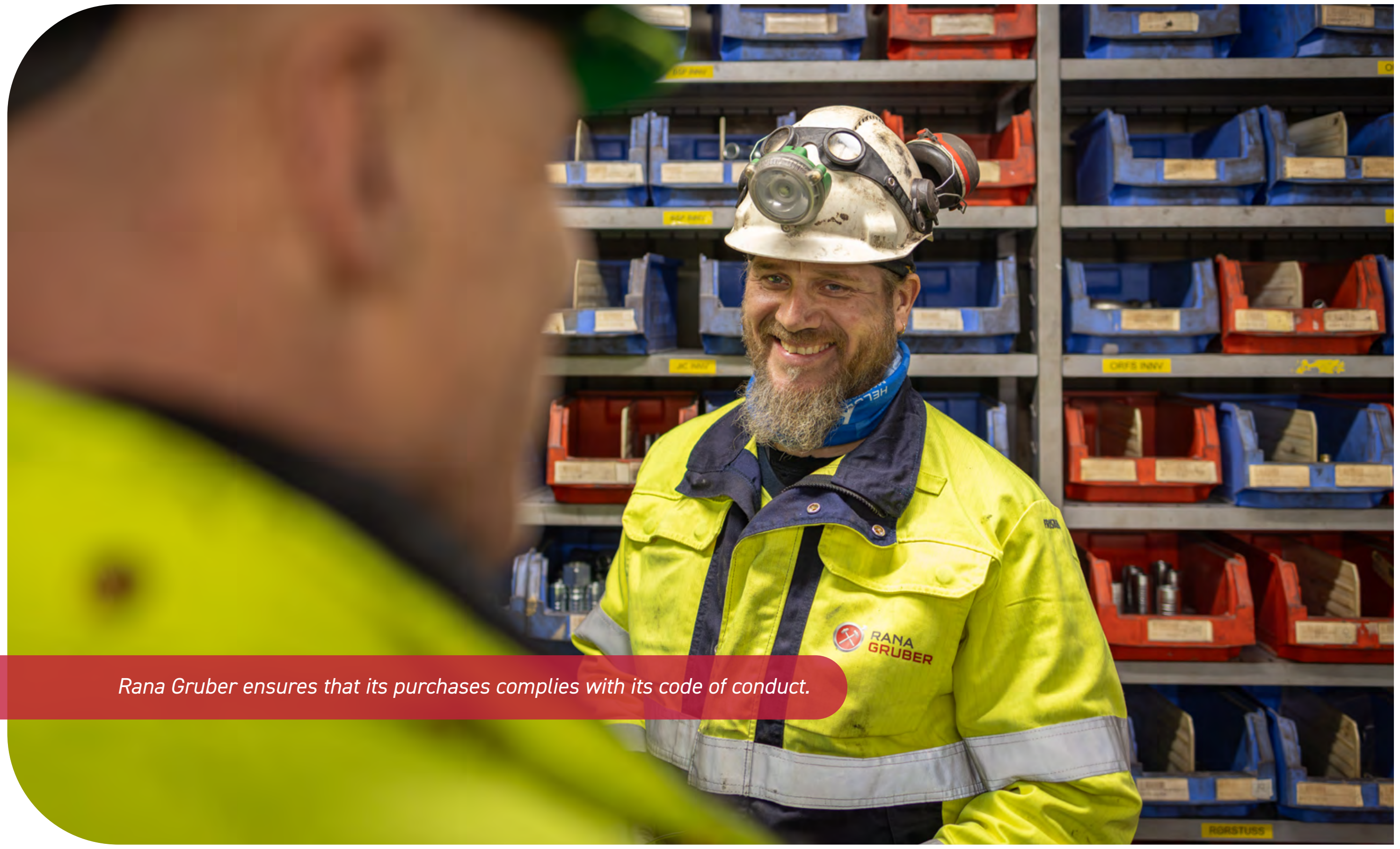
Upstream activities

Rana Gruber is dependent on suppliers from all over the world to provide products and services crucial for the company's business activities. Potential negative impacts identified in the materiality assessment includes corruption and bribery in the supply chains and social dumping in transportation activities.

On a positive note, Rana Gruber has implemented policies and guidelines covering these topics which are mandatory for the suppliers to comply with. This includes among others a Supplier code of conduct and a policy on bribery, corruption, and fraud.

Own operations

In Rana Gruber's own operations, the protection of whistleblowers was identified as a potential negative impact, if not handled accordingly to the company policy and routines regarding whistleblowing. Further, a potential



Rana Gruber ensures that its purchases complies with its code of conduct.

negative impact regarding corruption and bribery was also identified.

To handle these potential negative impacts, Rana Gruber has established policies and procedures addressing the above-mentioned issues. These apply to all employees of Rana Gruber as well as affiliates, contractors, and subcontractors.

The materiality assessment identified a strong company culture enhancing high standards of corporate governance and sustainability matters as a positive impact the company has on people, planet, and the economy.

Downstream activities

During the materiality assessment, no negative or positive impacts of significance were identified.

Risks and opportunities

During the materiality assessment, Rana Gruber has identified some risks and opportunities of significance across the value chain.

Significant risks

The risks identified are related to the potential negative impacts and events that might impact the level of corporate governance. These include the risk of impact on the company reputation as well as ESG ratings. Each risk has the potential to affect Rana Gruber financially, depending on the severity of events.

Significant opportunities

In terms of opportunities, Rana Gruber seeks to maintain high standards for corporate governance and the company believes that good corporate governance is an important prerequisite for value creation and financial opportunities. These could include strong ESG ratings as well as an enhanced company reputation.

Rana Gruber's approach and contribution in 2023

The company's operations must be conducted in accordance with high ethical standards. The company shall take an active social responsibility and shall at all times comply with all laws and regulations that apply to the company.

Anti-corruption

Rana Gruber actively works against corruption and bribery, and strictly prohibits any form of facilitating, offering, or accepting a bribe of any kind to any person, whether private or public, directly or through a third party. All actions that violate national or international law or ethical business conduct are to be avoided. No gifts, hospitality, or financial benefits or similar may be offered, promised, given, or accepted by any public official without the written consent from Rana Gruber.

Rana Gruber has had a policy on bribery, corruption, and fraud in place for several years. The policy provides an overview of rules and procedures for preventing corruption and explains how employees should behave in order to avoid it. The company also has a gifts and hospitality policy to ensure that all Rana Gruber employees are aware of the rules and regulations governing gifts and hospitality in relation to bribery, corruption, and fraud. In addition, the company has developed a set of guidelines that comply with Norwegian legislation and statutory regulations.

The policies on anti-corruption apply to the company, all employees, and contractors. All managers are responsible for making the policies known in their organisation and promoting a culture of awareness and compliance and for monitoring compliance. No employee shall be held accountable for refusing to participate in unauthorised payment activities, even if this results in the loss of business opportunities.

The company has not done a risk assessment specifically related to bribery and corruption in the value chain in the reporting year. Due to this there has not been any actual risk identified, and the company has no reason to believe such events have taken place. However, the company acknowledges that this does not mean there is no risk for these matters in the value chain, and the issue will be part of the due diligence assessments going forward. Rana Gruber seeks to maintain high standards for corporate governance and believes that good corporate governance is an important prerequisite for value creation. Guidelines for anti-corruption are however mentioned in the Supplier Code of Conduct which is mandatory to sign for all suppliers.

There were no confirmed incidents of corruption and actions taken in 2023. Likewise, there were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices.

Political engagement

Rana Gruber has close and good cooperation with Norwegian authorities. This includes dialogue and work on operating permits and emission permits, where the Directorate of Mining and the Norwegian Environment Agency are important stakeholders. The company also engages regularly with the Norwegian Ministry of Trade, Industry and Fisheries, the Confederation of Norwegian Enterprise (NHO) and various political parties and politicians on a local, regional and national level.

In 2023, the company has had an extensive dialogue with the Ministry of Transport about the train track used from the mine to the processing plant. The train track is owned by the authorities (Bane Nor), and large price increases for use permits were announced in the reporting year. As Rana Gruber is dependent on transportation by train for effective operations as well as meeting the ambitions on fossil free operations, this has been an issue of risk for the company.

Rana Gruber engages regularly with non-governmental organisations (NGOs) on different sustainability matters. In December 2023, the company announced a partnership with the environmental foundation Bellona. Together the parties will work to strengthen the environmental work in Rana Gruber, as well as enhance political engagement regarding issues the company faces in the transition to fossil free operations.

Whistleblowing

Rana Gruber strives for an open culture of expression that helps ensure that reports of misconduct are dealt with quickly and responsibly at the lowest possible level. This is important for the company to improve and develop, and it is also important for the working environment and the well-being of individuals.

Rana Gruber is committed to conducting its business with honesty and integrity and to maintaining and continuously improving a documented whistleblowing procedure in accordance with the requirements of applicable law and generally accepted whistleblowing standards. The organisation facilitates an internal whistleblowing channel on SharePoint that allows employees to report concerns while maintaining privacy and anonymity. The established routines and procedures are in line with the Norwegian Working Environment Act.

The company encourages the reporting of misconduct in accordance with the reporting routine and is also responsible for ensuring that whistleblowers do not suffer direct or indirect sanctions. Rana Gruber will take all reasonable steps to protect the confidentiality of the person making a report (provided it is lawful to do so) and will promptly investigate and act when necessary and required by law. Whistleblowing protection is available to employees or contractors who disclose certain (protected) information that the person reasonably believes is in the public interest. This "protected information"

Close collaboration is key to managing Rana Gruber's operations.

ranges from criminal offences to protecting the environment to endangering a person's health and safety and deliberate concealment.

When a concern is reported, the HR-departments first priority is to gather complete information from the whistleblower. The subject of the concern will then be promptly notified and given the opportunity to provide his or her perspective on the matter. Any necessary responses, corrections or changes will then be addressed appropriately.

In line with the legislature's intention, Rana Gruber wants whistleblowing cases to be handled at the lowest possible level in the organisation, and without necessary bureaucracy. As long as the lowest level has the necessary authority and competence, efforts are made to handle the matter there.

Rana Gruber will support employees who make a protected report by providing them with access to confidential support advice and guidance. Further, the company will provide feedback to the employees making a report wherever it is possible and appropriate to do so in accordance with the legal requirements. The company keeps records of the number of whistleblowing reports received and their nature, as well as the date and content of each report.

In 2023, all whistleblowers were supported by a trade union representative, legal counsel or other trusted individual to ensure that the individual would not be subject to retaliation.

Management of relationships with suppliers

Rana Gruber values responsible business and works actively to safeguard and promote human rights and decent working conditions throughout the value chain. The company is developing a SCoC with a set of principles for responsible business practices Rana Gruber expects its suppliers to abide by. This work will be treated by the board of directors during 2024.

The company has a system to assess social and environmental matters at all suppliers and business partners providing the company with goods and services in place. The self-assessment survey covers topics such as human rights, decent working conditions, discrimination, diversity and inclusion, anti-corruption, as well as climate and environmental factors.

In 2023, a self-assessment survey was sent to the company's largest suppliers as well as suppliers defined with significant risk for violation of social and environmental guidelines. In total 21 suppliers were asked to answer the self-assessment survey. Rana Gruber got four responses in total, covering all suppliers defined as high risk. Based on the results of the self-assessments there has not been identified any actual negative impacts or need for further follow-up on the suppliers that provided feedback. However, the company wants a higher response rate to the surveys and will look at measures going forward. These might include a need for simplified versions, especially for smaller companies. A closer dialogue through meetings or workshops may also be applicable.

In the reporting year, Rana Gruber conducted one supplier audit regarding health and safety and environmental issues. The supplier appeared to be operating according to national laws and no actual negative impact was identified. However, Rana Gruber has sent some feedback on improvement to the supplier following the audit, especially on measures regarding health and safety.

Rana Gruber also sees an opportunity to improve the documentation of its suppliers' measures to mitigate potential negative impact. Certifications, such as ISO standards or industry-specific accreditations, can serve as a measure to improve oversight and transparency throughout the value chain, ensuring compliance with quality, ethical and sustainable practices.

Policies and procedures

Rana Gruber shall be a serious and dependable company and business partner, and therefore have high standards in business ethics and integrity. All business operations shall be conducted in accordance with the principles of responsible, ethical, and fair business practices and must, as a minimum, comply with applicable laws and public regulations.

The board of directors has the overall responsibility for maintaining Rana Gruber's corporate governance framework, including its policies and procedures. The CEO has the overall responsibility for maintaining the corporate governance framework of Rana Gruber, including policies and procedures. The environment and sustainability manager evaluates and reports on the policies and procedures annually.

The policies and procedures apply to the company, all employees, contractors, consultants and other persons acting on behalf of Rana Gruber. All managers are responsible for making the policies known in their organisation and promoting a culture of awareness and compliance and for monitoring compliance. Further, the company expect the same high standard from all suppliers, and other business partners.

Rana Gruber is committed to promptly, appropriately, and efficiently counteract and address violations of the principles set out in policies and procedures. Therefore, employees are required to report any suspected violations of the principles set forth in the company's policies to their immediate superior in Rana Gruber. No retaliation shall be taken against employees who report actual or potential concerns, and the company has established a whistleblowing channel with appropriate procedures for this reporting mechanism. In 2023 there was no violation of the principles set out in the company policies and procedures that the company has been aware of.

In the reporting year, Rana Gruber started revising the company policies and procedures. In 2024 the company expects to complete this revision and send these to suppliers and make them public on the company website. The existing policies and procedures are implemented in the company's document management system (also referred to as 'EK' at Rana Gruber) and are easily accessible on the company's intranet pages.

Code of conduct

Rana Gruber's Code of Conduct (CoC) is based on the ten principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD guidelines, and the initiative TSM-framework.

The Code of Conduct sets out principles on anti-corruption, anti-money laundering, employee rights and working environment, climate and environment, human rights, and fair practice. Where relevant the Code refers to extended policies and procedures in the topics mentioned.

Bribery, corruption, and fraud policy

Please see information disclosed in section on anti-corruption on page 74.

Privacy/GDPR Policy

Rana Gruber is committed to ensuring the security and privacy of the personal data processed and to providing a compliant and consistent approach to data protection. The Privacy/GDPR Policy is based on the processing of personal data in accordance with the EU General Data Protection Regulation 2016/679 (GDPR).

Diversity

Diversity is critical to Rana Gruber's strategy and the company is committed to equal treatment and has zero tolerance for discrimination and harassment. Rana Gruber works to uphold the principles of diversity and non-discrimination throughout our organisation in relation to gender, nationality, age, ethnicity, religion, physical disability, sexual orientation and gender identity. The Diversity Policy is intended to clarify ambitions and goals to ensure that the workplace upholds these principles. For more information, please see chapter on own workforce on page 54.

Environmental policy

Rana Gruber aims to improve its environmental performance particularly with regards to the key areas for environmental impact: energy, water, waste, transport, hazardous materials, business operations, biodiversity, and health. The company aims to ensure that the environmental impact of its operations and production is as low as possible. The Environmental Policy has set out principles to support the transition to low-carbon operations with a low environmental impact. For more information, please see disclosures on material topics covered in the environmental section of the report.

Health and safety policy

Rana Gruber has a vision of zero accidents. The purpose of the Health and Safety Policy is to provide a safe working environment and reduce the risk of accidents, injuries, and fatalities in the workplace. The policy protects the safety, welfare and health of all persons employed by Rana Gruber, including contractors and subcontractors). For more information about the company's work on health and safety, please see chapter on own workforce on page 54.

Whistleblowing policy

Please see information disclosed in section on whistleblowing on page 75

Quality policy

The purpose of the company's quality policy is to establish, maintain and continuously improve a documented and independently accredited quality management system that meets the requirements of ISO 9001 as a basis.

Commitments

Towards sustainable mining (TSM)

Rana Gruber is committed to the TSM initiative. Launched in 2004 by the Mining Association of Canada, TSM provides a system to help mining companies to evaluate and administer their environmental and social responsibilities. The framework has been adapted for the Norwegian mining industry – with contributions from Rana Gruber.

TSM's guiding principles aim at safeguard of the environment, a secure workplace, and protection of indigenous communities and other stakeholders. The initiative covers eight operational areas:

- Prevention of child and forced labour
- Contact with NGOs, local communities, and indigenous peoples
- Crisis management and communication
- Health, safety, and the environment (HSE)
- Tailing management
- Management of energy consumption and GHG emissions
- Water stewardship
- 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. Rana Gruber has prepared the ESG report in accordance with the reporting framework set out by TSM. In 2024, the company aims for certification, which demonstrates a strong commitment to responsible and sustainable production. Please refer to the chapter on workers in the value chain on page 64 for further information.

ResponsibleSteel

ResponsibleSteel is a global multistakeholder standard and certification initiative, with a mission to be a driving force in the socially and environmentally responsible production of net-zero steel, globally. Rana Gruber's ambition is to contribute to this transition as a provider of a production of fossil free iron ore. The company applied for membership in ResponsibleSteel in 2023, which is expected to be approved in 2024.

Certifications

Rana Gruber has obtained several certifications, 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.

The way forward

Rana Gruber shall maintain high standards for corporate governance and will continue to strengthen the work in areas as anti-corruption, political engagement, supplier assessments and policies and commitments going forward. This will be especially important in relation to adaptation of the European Sustainability Reporting Standard, which the company will start in 2024.

Rana Gruber will also make efforts to increase the response rate on supplier surveys questionaries, especially for smaller companies.

Further, Rana Gruber will continue to integrate policies and procedures for sustainability in own operations as well as the supply chains. Work on due diligence and supply chain assessment will continue to improve, and give the company more insight into impact, risks and opportunities outside own operations. Lastly, the company expects a TSM-certification and a membership in ResponsibleSteel in 2024.

Appendix

Statement on climate-related risks and opportunities (TCFD)

Financial markets need clear, comprehensive, high-quality information on the impacts of climate change. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.

The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 to improve and increase reporting of climate-related financial information. The framework is structured around four thematic areas that represent core elements of how organisations operate: Governance, strategy, risk management, and metrics and targets.

Moreover, the framework contains three main categories: Risks related to the physical impacts of climate change, risk related to the transition to a low-carbon economy, and opportunities related to this transition. The TCFD has also incorporated financial impact as an integral part of the disclosure recommendations.

Rana Gruber supports the ambition to limit the long-term global temperature increase to 1.5 °C, in line with the Paris Agreement. To help achieve this target, Rana Gruber must mitigate greenhouse gas emissions and take advantage of the most important opportunities which appears in the transition to a low-carbon economy.

In line with the TCFD disclosure recommendations, the TCFD framework is an integrated part of Rana Gruber's annual financial reporting, and the report is reviewed annually by the management and the board of directors.

Governance

Disclose the organisation's governance around climate related risks and opportunities.

Oversight by the board of directors

a) *Describe the board's oversight of climate-related risks and opportunities*

The board of directors (the board) recognises the importance of understanding and managing the impact of potential climate-related risks and opportunities on Rana Gruber's business and strategy. The board therefore supports the recommendations of the TCFD.

The board shall ensure that the company has appropriate corporate governance, including the oversight of strategic planning and review of strategic processes. This includes the sustainability strategy and that the board shall consider economic, social, and environmental conditions in their work. This also includes oversight of climate-related strategic planning, and risk and opportunity management.

The chair of the board has the overall responsibility for the management of climate-related issues. The board has a responsibility to ensure that the company's activities regarding climate issues are included in the company's strategy, and that climate-related targets are defined. The board will receive regular updates from the management team.

The board is responsible for ensuring that the company's risk management and internal control systems are adequate in relation to the regulations governing the business.

The board reviews the company's main risk areas and internal control systems annually, including the company's values, code of conduct, and corporate responsibility.

Oversight by the management

b) *Describe the management's role in assessing and managing climate-related risks and opportunities.*

The CEO, supported by the board has the ultimate operational responsibility for the implementation of the strategic processes, including sustainability. This includes the highest operational level responsibility for climate-related issues, risks, and opportunities which involves the responsible for both assessing and managing climate-related risks and opportunities.

The Environment and sustainability manager reports to the CEO. This person is responsible for the management of impacts, risks, and opportunities, in collaboration with the CEO and other members of the executive management.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

a) *Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.*
b) *Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.*

Climate risk assessment

For Rana Gruber, it is important to identify the most significant climate-related risks and opportunities it faces, as it can help the company to make informed decisions about how to mitigate or take advantage of these factors.

In line with the recommendations laid out by the TCFD, Rana Gruber conducts climate risk assessment annually to identify how – and to what extent – the company is exposed to climate risk. The assessment in the reporting year was a revise of a more comprehensive assessment carried out in the reporting year of 2022 where the management team participated in a series of workshops to identify significant physical risk, transition risk, and opportunities caused by climate change.

The identified risks and opportunities are assessed in a strategic and financial context, in three different climate scenarios. Please refer to page 90 for more information about scenarios.

As climate-related risks and opportunities impact Rana Gruber's strategic and financial planning differently in short-, medium-, and long-term, Rana Gruber considered these three-time horizons in the workshops. The following definitions of time horizons is basis of the assessment:

- Short-term: > 2025
- Medium-term: 2025-2030
- Long-term: 2035-2050

The following table summarises all the risks and opportunities considered significant for in Rana Gruber in the reporting year. It also provides an overview over potential strategic and financial impact, and what the company is currently doing to mitigate risks and to take advantage of opportunities.

Climate-related risks

ACUTE PHYSICAL RISK

Acute physical risks, such as risks of storms, floods, and heavy precipitation of rain and snow are considered highly relevant for Rana Gruber.

Identified risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Increased severity and frequency of heavy rains and floods	Climate change can affect the intensity and frequency of precipitation. Warmer oceans increase the amount of water that evaporates into the air. When more moisture-laden air moves over land or converges into a storm system, it can produce more intense precipitation—for example, heavier rain and snowstorms. Increases in both extreme precipitation and total precipitation have contributed to increases in severe flooding events in the Nordics.	▪ Flooding ▪ Rockfalls ▪ Material damage to assets ▪ Material damage to the transport route ▪ Increased water intake in the mine ▪ Operational disruptions	Decrease in production capability will have a direct impact on revenue and increased costs associated with asset repair and additional labour. In addition, there will be increased investment needs to mitigate impacts, for example relating to equipment to pump water out of the mine.	All scenarios. Rana Gruber sees the greatest consequences in climate chaos and slow adaptation.	Short term. The company already observes annual cases of large amounts of rainfall. This risk may also impact the value-chain over the medium- to long-term.	▪ Mine infrastructure designed to meet the future risk of heavy rains and floods to ensure stable power supply and to secure the railway.

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Increased frequency and intensity of strong wind, storms, and hurricanes	Climate change and temperature increases may lead to more energy and moisture in the climate system. As a result of this, the wind speed is expected to increase, and the air will contain more moisture. This will lead to more occurrences of strong winds, storms, and hurricanes in the future.	▪ Sand and dust spreading causing material damage to assets ▪ Closing of the transport road (Saltfjellet), which could lead to a lack of labour and halt in production ▪ Reputational damage related to dust in the neighbourhood around the processing plant, and damage caused by assets moving out of control. ▪ Short-term stops in power supply, halting production ▪ Short-term stops in ship transportation if the port becomes inaccessible to ships	Decrease in production capability will have a direct impact on revenue and increased costs associated with asset repair and additional labour. In addition, there will be increased investment needs to mitigate impacts, for example relating to equipment to pump water out of the mine.	All scenarios. Rana Gruber sees the greatest consequences in climate chaos and slow adaptation scenarios.	Short term. The company already observes annual cases of strong winds. This risk may also impact the value-chain over the medium- to long-term.	▪ Mine infrastructure designed to meet the future risk of strong wind, storms, and hurricanes. ▪ Measure undertaken to pipe the river to ensure stable power supply to secure the railway ▪ Storing of products outdoor by the processing plant under a water mist system to prevent dust from dispersing

CHRONIC PHYSICAL RISK

Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures that may cause the sea level rise or chronic heat waves.

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Temperature changes	Climate change is expected to lead to increased temperatures and more mild weather in Norway.	▪ Increased severity of extreme ▪ Weather events such as cyclones and floods ▪ Mild winters with more rain and risk of floods ▪ Increased water intake in the mine	▪ Reduced revenues from lower production/sales. ▪ Increased capital costs (relating to e.g. damage to facilities) ▪ Increased insurance premiums	Climate chaos scenario and slow adaptation scenario	Medium to long-term	▪ Strategy to build resilience into the operations to protect assets and minimise operational downtime ▪ Annual risk assessments that consider the future physical impacts of climate change
Rising sea levels	Sea levels may rise due to expanding ocean volumes from temperature increases and from melting glaciers and ice sheets. It is estimated that changes in water density and ocean currents will raise the sea level by 31 cm along the Norwegian coast, which is somewhat more than the global average. The company sees this risk factor to be more significant for the value chain than Rana Gruber's direct operations – especially in Rotterdam in the Netherlands.	▪ Floods ▪ Relocation of the processing plant and port infrastructure	▪ Reduced revenues from lower production/sales ▪ Loss of customers if the sea level is increased in other regions (e.g., Rotterdam) ▪ Increased operating costs	Climate chaos scenario	Medium-term	▪ The port infrastructure in Mo i Rana constructed to meet the risk of extreme weather events and rising sea levels

TRANSITION RISK – POLICY AND LEGAL

Transitioning to a lower-carbon economy may involve extensive policy-related and legal changes to address mitigation of impacts and adaptation requirements related to climate change.

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Uncertainty related to the EU Taxonomy	As the hydropower sector is among the sectors for which the EU Taxonomy criteria are yet to be developed, there is uncertainty associated with what share of Rana Gruber's business activities will be classified as "green".	■ Rana Gruber is dependent on hydropower in its current operations. If hydropower is not viewed as "green", this may lead to loss in competitive advantages. ■ Key customers may not see benefits of using hydropower in production compared to other sources of energy (e.g. coal).	■ Loss of customers/sales. ■ If a significant percentage of activities (and thereby products) are deemed to not be Taxonomy aligned, this may affect the access to capital.	Low emission scenario and slow adaption scenario.	Short-term	■ Close dialogue with key customers and actively following changes in the EU ■ Sustainability reporting on track, in line with best-practice procedures.
Increased carbon pricing and taxes	The carbon tax and the Greenhouse Gas Emission Trading Act are Norway's most important cross-sectoral climate policy instruments for cost-effective cuts in greenhouse gas emissions.		■ Increased operating costs.	Low emission scenario and slow adaption scenario.	Short-term, especially until the company's target to achieve carbon free operations is reached	■ Substitution of fossil-driven transport and machinery with sustainable alternatives. ■ Mapping of Scope 3-emissions.
Stricter requirements for operations and certifications	To meet the expectations in the market Rana Gruber has obtained several ISO-certifications. The company expects the need for certifications and the requirements for compliance to evolve in line with what is needed in the transition to a low carbon economy.	■ Resources to comply with new certifications and/or requirements in excising certifications. ■ If Rana Gruber should not obtain the certifications expected in the market, there might be consequences such as lack of reputation and sales.	■ Loss of market share. ■ Reduced revenues from lower production/sales. ■ Decreased profitability.	Low emission scenario.	Medium and long-term	■ Cooperation with industry organisations, peers, governments, and communities to ensure an effective regulatory framework ■ Assess resource allocation when necessary.

TRANSITION RISK - TECHNOLOGY

Technological improvements or innovations that support the transition to a low-carbon and energy-efficient economic system can have a significant impact on businesses.

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Technological changes in steel production	The global focus on reducing GHG emissions may negatively impact the attractiveness of Rana Gruber's products, as key customers in the steel sector require new types of products and quality to meet their emission reduction targets	■ Changed customer preferences regarding the quality of Rana Gruber's products ■ Changes in Rana Gruber's product mix with a focus on higher quality (Fe65) ■ Increased energy demand	■ Failure to adapt to the changed demand for higher quality products may involve lower sales and price achievement ■ Increased investments to restructure the operations	Low emission scenario and slow adaption scenario	It is expensive to change the production in the short term, but it can be beneficial in the longer-term. The company believes the opportunity is greater than the costs/risk in the short term.	■ Close dialogue with key customers ■ Three strategic priorities to keep attraction in the industry: the Fe65 project, the magnetite project, and the ambition to have carbon free operations.
Technical viability of decarbonisation strategy	Technical challenges and lack of technological solutions among Rana Gruber's suppliers may impact the company's ability to decarbonise and meet the target of carbon free operations. I 2023, Rana Gruber has had slight delays with the supply of electric machinery. Due to delivery delays from the suppliers, the electrification of operations has gone slower than expected than in the beginning of the year.	■ Failure to meet target. ■ Customers do not meet their emissions targets.	■ Increased costs ■ Too high investment cost relative to expected return on capital ■ Weakened confidence in the capital market because of failure to reach announced targets ■ Changed framework conditions for financing	All scenarios, especially slow adaption scenario and climate chaos scenario	Short-term	■ Investments to decarbonise trucks, and other heavy mechanical equipment ■ Close dialogue with suppliers, including Sandvik (main supplier)
Cost related to transition to lower emission technology	To reach the target of carbon free operations, transition to electric machinery is crucial. This transition is costly as it involves a total utilisation of machines in the mine and processing plant. Associated costs are measures to implement new machinery such as risk assessments, training and skill development and measures for health and safety.	■ Stop/delays in production. ■ Longer downtime for maintenance of new and unfamiliar equipment (slower production)	■ Lower revenues as a result of downtime in production ■ Costs related to finding replacements/other solutions ■ Increased investments to adapt production to alternative input factors	Slow adaption scenario and climate chaos scenario	Medium and long-term	■ Measures to implement new machinery in an effective way.

TRANSITION RISK - MARKET

While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Market uncertainty	The transition to a low-carbon economy will place stricter demands on the company's customers and their steel production. The company expects a major conversion from coal to hydrogen, which will require higher purity and quality of the product. If this conversion does not take place, there is a risk that the company develops products the market is not ready for, and thus will not pay a price that corresponds to the effort that has been put in place.	■ Reduced demand for Rana Gruber products ■ Loss of market share and weakened competitiveness	■ Increased production cost due to changing input prices and output requirements ■ Changes in revenue mix and sources, resulting in decreased revenues ■ Re-pricing of assets	Slow adaption scenario and climate chaos scenario	Short and medium-term	■ Close dialogue with key customers to ensure the environmental performance of Rana Gruber products meets customer requirements

TRANSITION RISK – REPUTATION

There is a reputational risk related to changing customer or community perceptions of an organisation's contribution to or detraction from the transition to a low-carbon economy.

Risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Mitigation strategy
Stigmatisation of the mining sector	Rana Gruber depends on a good reputation among all its stakeholders, including in the local community to attract and retain workers, and to have permission to discharge waste in the local fjord. Even though Rana Gruber does not use coal in its production, the use of coal in general in the sector can involve a reputational risk for the entire sector, including Rana Gruber.	■ Changes in permits to operate as Rana Gruber does today. ■ Less attractive employer ■ Reduced reputation. ■ Pressure from authorities and NGOs	■ Reduced revenue from decreased demand for goods/services, decreased production capacity, or negative impacts on workforce, management, and planning (e.g., lack of employee attraction and retention) ■ Reduced capital availability	All scenarios	Medium to long-term	■ Target of carbon free production, including implementation of an aggressive decarbonisation strategy.

OPPORTUNITY – RESOURCE EFFICIENCY

There is growing evidence that it is possible for organisations to reduce operating costs by improving efficiency across production and distribution processes, buildings, machinery/appliances, and transport/mobility.

Opportunity	Description of opportunity	Potential non-financial impacts of taking advantage of the opportunity	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Location close to the European market	**Climate-related opportunities** Rana Gruber is located at a strategically favourable location. Proximity to the market is something that can contribute to shorter transport routes and more efficient shipping in Europe. The location is an advantage as the market wants to become more independent of Asia, and to produce more short-distance products. However, Rana Gruber is a small player in a large global market and cannot supply all iron ore demand in Europe.	■ Competitive advantage against Europe ■ Shorter transport distances	■ Increased demand/sales and market shares ■ Increased price achievement ■ Lower costs in the long-term relative to competitors	Low emission scenario	Medium- to long-term	■ Focus on opportunity in communication with stakeholders. ■ Rana Gruber has a close dialogue with key customers (e.g., Cargill) and ensures that its attractive location in a climate perspective is addressed at all sales meetings.

OPPORTUNITY – ENERGY SOURCES

There is a significant global trend toward decentralised clean energy sources, rapidly declining costs, and improved storage capabilities. Organisations that shift to low emission energy sources could potentially save energy costs.

Opportunitiy	Description of opportunity	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Use of renewable energy	The world is switching to renewable energy and electric operating solutions that reduce the emission of CO_2. As of 2023, Rana Gruber has made solid progress in terms of electrification, which is powered by a high share of renewables. All machinery in the processing plant is electric, and the adaption of electric machineries in the mine are progressing.	■ Competitive advantage relative to peers ■ Increased market share	■ Increased sales ■ Lower costs relative to peers	Low emission scenario and slow adaption scenario	Medium- to long-term	■ Decarbonisation strategy and related investments

OPPORTUNITY –PRODUCTS AND SERVICES

Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences.

Opportunitiy	Description of opportunity	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Increased sale of high-quality products	Demand for hematite products with a higher iron content is expected to increase in a low-carbon economy. In addition, magnetite is an important component in batteries which plays an crucial part in the transition.	■ Competitive advantage ■ Increased market share	■ Increased sales ■ Increased price achievement ■ Lower costs in the long-term relative to peers	Low emission scenario	Medium- to long-term	■ Upgrade to Fe65 (hematite) ■ Magnetite production will increase as production expands in the future.
New biproducts and markets	Increased demand for new biproducts based on Rana Gruber's current production and solutions could give access to new and emerging markets.	Increased additional sales through for instance: ■ **Concrete industry:** Sale of tailings/waste ■ **Health industry:** Sale of magnetite for vaccines and medicines ■ **Cooling industry:** Sale of Colorana for cooling elements ■ **Battery manufacturing**	■ Increased revenues ■ Increased price achievements ■ Lower costs in the long-term than peers	Low emission scenario	Long-term	■ Increased production of magnetite.

OPPORTUNITY –MARKETS

Organisations that proactively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a low-carbon economy.

Opportunitiy	Description of opportunity	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Climate neutral steel producers	The transition to a low-carbon economy will place stricter demands on the company's customers and their steel production, reinforced by legislation such as the EU Taxonomy. The company expects a major conversion from coal to hydrogen in the industries it delivers to, which will require higher purity and quality of the product to a growing market for low emission materials going forward. Further, the transition will lead to development of new carbon free steel producers in Europe and the Nordics.	■ Competitive advantage and potential to increase market share. ■ Shorter value-chain which provides all stakeholders with better transparency in all stages of production.	■ Increased sales ■ Increased price achievement ■ Increased additional sales	Low emission scenario and slow adaption scenario	Medium-term	■ Upgrade to Fe65 and strategy to reach carbon free production

OPPORTUNITY –RESILIENCE

The concept of climate resilience involves organisations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. Opportunities include improving efficiency, designing new production processes, and developing new products.

Opportunitiy	Description of opportunity	Potential non-financial impacts	Potential financial impacts	Most relevant climate scenario	Time horizon	Positioning strategy
Carbon free production	To face climate changes, the world must use its energy reserves more efficiently. For companies, this means reducing greenhouse gas emissions and thereby avoid the adverse climate-related impacts of their operations on people and the planet.	■ Competitive advantage ■ Less affected by regulations (e.g., carbon taxes) ■ Adaption to new markets	■ Increased sales ■ Increased price achievement ■ Reduced operating costs ■ Increased investment activity	Low emission scenario and slow adaption scenario	Medium-term	■ Substitution of fossil-driven machinery and transport with sustainable alternatives
Resilient operations and resources	With climate change, the world will become warmer, which involves more rainfall and extreme weather close to equator. Mines near equator (e.g., in Brazil) might not be able to offer the same dry processes in the future, and this will affect the quality of the products from these mines. Rana Gruber's location is therefore more robust in terms of quality and access to resources compared to mines near equator.	■ Increased reliability of supply chain and ability to operate. ■ under various conditions. ■ Competitive advantage	■ Increased sales ■ Increased price achievement ■ Reduced operating costs ■ Increased investment activity	Climate chaos scenario	Medium-term	■ According to the ore estimate from November 2021, Rana Gruber's total resources amount to ~444 mt and reserves amount to ~94mt. ■ The company's existing infrastructure is also sufficient for the long-term mining plan.

Scenario analysis

c) *Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*

In line with the recommendations laid out by the TCFD, Rana Gruber conducted a qualitative scenario analysis of all identified risks and opportunities as part of the climate-risk assessment. The assessment was made on different global warming impact scenarios as presented by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), as well as sector-specific sources such as the McKinsey-article, "Climate risk and decarbonisation: What every mining CEO needs to know" (2020). The following scenarios were applied in the assessment:

SCENARIOS

Low-emission society	In this scenario, it's assumed that all the goals of the Paris Agreement are met, and the global temperature increase is limited to 1.5 °C compared to preindustrial levels. The scenario presumes a rise in climate policy ambitions and the pace of climate regulation is high. The scenario also assumes that global greenhouse gas emissions decline fast and that technological solutions are developed to cut emissions rapidly.	A high carbon price is introduced in most economies, and global power is mainly generated using renewables. Customers, suppliers, investors, and societies are increasingly becoming climate-conscious and demand more sustainable products and operations. Transition risks and opportunities dominate the low-emission society scenario, and the physical risks are of less magnitude than expected in the early 2020s.
Slow adaption society	In the slow adaption society scenario, the global temperature increase is limited to 2 degrees. However, it takes time before the world's countries deliver emission reductions in line with the Paris Agreement. But, because of stricter climate policy around year 2030, the global temperature increase stabilises at 2 °C compared to preindustrial levels in 2050.	The costs of phasing out fossil fuels is higher than in the low-emission society scenario, due to lack of financial incentives to transform. Gradually, ground-breaking technology is introduced that accelerates the low-carbon development. The scenario is dominated by increasing physical risks due to a lack of coordinated policy actions to limit climate change, but an increasing focus on transitional risks and opportunities around year 2030.
Climate chaos society	In a climate chaos society scenario, the global average temperature is projected to increase by 4°C or more by the end of this century, compared to preindustrial levels. This scenario assumes that there will be no significant efforts to reduce greenhouse gas emissions and that the global economy will continue to operate as it does today.	Under the climate chaos society scenario, the impacts of climate change are expected to be severe and widespread. There could be significant disruption to global food production, leading to shortages and price increases. There could also be more frequent and intense heatwaves, droughts, and extreme weather events, such as floods and hurricanes, which could cause physical damage to infrastructure and disrupt economic activity. In addition, sea levels are likely to rise, leading to increased coastal flooding and erosion, and threatening low-lying areas and small islands. The impacts of the 4°C scenario are expected to disproportionately affect vulnerable communities and ecosystems.

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks

a) *Describe the organisation's processes for identifying assessing climate-related risks.*
b) *Describe the organisation's processes for managing climate-related risks.*
c) *Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.*

The identification, assessment, and management of climate-related risks and opportunities is an integral part of Rana Gruber's multidisciplinary risk and opportunity management. Rana Gruber's management and board of directors will conduct regular reviews of the company's activities for identifying, assessing, and responding to climate-related risks and opportunities. The climate risk assessment will be conducted or revised at least annually.

In the implementation of the climate-risk management process recommended by TCFD, the identification and assessment process were conducted through in-depth interviews and workshops with the management and other relevant employees representing different organisational levels and functions (internally), thus providing an accurate and balanced picture of the risks and opportunities faced by Rana Gruber.

In the reporting year the assessment was revised by the Environment and sustainability manager in collaboration with consultants from Sustainability AS. Some risks and measures were updated due to development during the year.

Based on the level of significance for Rana Gruber's strategic and/or financial position, the company develops, reviews, and implements response plans to mitigate risks and maximise opportunities.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) *Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.*
b) *Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.*
c) *Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*

Rana Gruber's ambition is to lead the way for the decarbonisation in the mining industry as well as contribute strongly to lowering emissions in the global steel industry. To this end, the company has set ambitious goals and aims to become the world's first iron-ore producer with carbon free production. The company seeks sustainable solutions in its daily activities and today, the company is one of the iron ore producers with the lowest CO_2 emissions across all geographies.

Rana Gruber has a reporting system that includes a large number of metrics and targets to assess and manage relevant climate-related risks and opportunities in operations. The company discloses sustainability data in accordance with the GRI Universal Standards 2021. The climate-related metrics are disclosed in the ESG Report.

Please refer to chapter on climate change on page 31
and carbon accounts on page 121.

Potential financial impact

LOW	MEDIUM	HIGH

Risk category	Risk	Identified risk	Short time horizon	Medium time horizon	Long time horizon
Physical	Acute	Heavy rain and floods			
		Extreme wind and storms			
	Chronic	Temperature changes			
		Rising sea level			
Transition	Policy and legal	EU Taxonomy			
		Increased carbon pricing and taxes			
		Stricter requirements for operations and certifications			
	Technology	Technological changes in steel production			
		Technical viability of decarbonisation strategy			
		Costs related to transition to carbon free production			
	Market	Market uncertainty			
		Stigmatisation of the mining sector			

Opportunity category	Identified opportunity	Short time horizon	Medium time horizon	Long time horizon
Resource efficiency	Location close to the European market			
Energy sources	Use of renewable energy			
Products and services	Increased sales of high-quality products			
	New bi-products and markets			
Markets	Climate neutral steel producers			
Resilience	Carbon free production			
	Resilient operations and resources			

Statement on nature-related risks and opportunities (TNFD)

The Taskforce on Nature-related Financial Disclosures (TNFD) has developed a set of disclosure recommendations and guidance for organisations to report and act on evolving nature-related dependencies, impacts, risks and opportunities.

The recommendations and guidance will enable businesses and finance to integrate nature into decision making and ultimately support a shift in global financial flows to encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The aim is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes, aligned with the Global Biodiversity Framework.

The framework consists of four central pillars that shall be assessed by companies adapting to the framework: Nature-related impacts, dependencies, risks and opportunities. TNFD recommends that companies use the LEAP approach (locate, evaluate, assess and prepare) when conducting the assessment of these four pillars.

The framework contains of three main risk categories: Nature-related physical risks, nature-related transition risks and nature-related systemic risks. Further, the framework includes nature-related opportunities. The TNFD has also incorporated strategic and financial impact as an integral part of the disclosure recommendations.

Rana Gruber has started the adaption to the TNFD recommendations and framework in the reporting year. This statement is the first of its kind, as the work of TNFD was finalised in the fall of 2023. The company has started the adaption but acknowledges that it will take time to be fully compliant as there is a need to assess nature-related impacts, dependencies, risks and opportunities to a greater extent going forward.

However, Rana Gruber found great value of the assessment as it provided important insight to understanding nature-related impacts and dependencies across the value chain as well as risks and opportunities that might arise. This statement shall be read as a disclosure on the work done so far, as the company aims to emphasis the work on these matters.

Governance

Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities

Oversight by the board of directors

a) *Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities*

The board of directors (the board) recognises the importance of understanding and managing the impact of actual and potential nature-related dependencies, impacts, risks and opportunities on Rana Gruber's business and strategy. The board therefore supports the recommendations of the TNFD.

The board shall ensure that the company has appropriate corporate governance, including the oversight of strategic planning and review of strategic processes. This includes the sustainability strategy and that the board shall consider economic, social, and environmental conditions in their work. This includes oversight of nature-related impacts, dependencies and risk and opportunity management on these matters.

The chair of the board has the overall responsibility for the management of nature-related issues. The board has a responsibility to ensure that the company's activities regarding nature matters are included in the company's strategy, and that nature-related targets are defined. The board will receive regular updates on the matter from the management team.

The board is responsible for ensuring that the company's risk management and internal control systems are adequate in relation to the regulations governing the business.

The board reviews the company's main risk areas and internal control systems annually, including the company's values, policies and corporate responsibility.

Oversight by the management

b) *Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.*

The CEO, supported by the board of directors, has the ultimate operational responsibility for the implementation of the strategic processes, including sustainability. This includes the highest operational level responsibility for nature-related impacts, dependencies, risks, and opportunities which involves the responsible for both assessing and managing nature-related matters.

The Environment and sustainability manager reports to the CEO. This person is responsible for the management of nature-related matters such as impacts, risks, and opportunities, in collaboration with the CEO and other members of the executive management.

Human rights and stakeholder engagement

c) *Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to indigenous peoples, local communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.*

Rana Gruber sets high standards of business ethics and integrity. All business operations shall be conducted in accordance with the principles of responsible, ethical, and fair business practices and must, as a minimum, comply with applicable laws and public regulations.

Rana Gruber values responsible business and works actively to safeguard and promote human rights throughout the value chain. The company bases its annual work with human rights on the UN's Guiding Principles for Business and Human Rights and the OECD guidelines.

Rana Gruber has developed policies and guidelines to prevent violations of human rights, indecent working conditions, damage to the environment, and involvement with corruption. The company's expectations of itself, suppliers and partners are reflected in the Code of conduct (CoC). The Supplier code of conduct (ScoC) has set out principles for responsible business practices the company expects its suppliers to abide by. It includes principles on matters such as human rights, health and safety, diversity, child labour, forced labour and freedom of association.

Rana Gruber recognises that its operations have a direct impact on local communities. The company seeks to maintain a close dialogue with local stakeholders and meets with the neighbours of the mine and processing plant at least once a year. Regarding indigenous peoples, Rana Gruber has a close dialogue with the reindeer herding industry in Mo i Rana. The industry is not affected by Rana Grube's operations.

Going forward, the company will continue its efforts to respect the social, cultural and political rights of local communities, both locally and globally. Rana Gruber shall continue its work with stakeholder engagement and include their views in the assessments. Further, upstream and downstream activities affecting local communities and indigenous people will be assessed to a greater extent going forward.

Strategy

Disclose the actual and potential impacts of nature-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

a) *Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.*
b) *Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.*

Rana Gruber is committed to an ongoing effort to minimise its impact on nature, biodiversity and ecosystems. Within its own operations, the company focuses on several areas, including rehabilitation of sites, waste management, spilling to water and emissions to air.

In 2023, the company conducted its first assessment of nature-related dependencies, impacts, risks and opportunities. The assessment was done in line with the TNFD framework and at the basis of the LEAP approach. For more on the assessment, please refer to page 93.

In the following identified dependencies, impacts, risks and opportunities are disclosed:

Nature-related impacts

The company has assessed nature-related impacts across the value chain. This includes upstream activities, own operations, and downstream activities. Impacts on land and soil, water (fresh and sea) and air were assessed – as well as ecosystems on land and in water which include biodiversity, habitats and species. The following is a summary of the findings:

Upstream activities

The most significant indirect impacts in upstream activities are related to extraction and production of products the company are dependent on. These supply chain activities potentially impact through pollution to soil, water and air, as well as a potential contribution to severe damage on ecosystems, habitats and species. Further, natural resources can be extracted at a pace that leads to scarcity or even extermination.

Waste handling across upstream activities can also be a source of pollution, as well as transportation at land and sea, potentially having a negative impact on air, land and water. Upstream transportation at sea may also bring alien species with them.

Own operations

The most significant impact in Rana Gruber's own operations are related to the mining activities. The extraction of minerals is causing permanent damage to natural resources where the mine is located, as well as affecting forest areas nearby. Operations might also affect species around the mine, due to the impact on nature and activities such as explosions.

Further, discharges of tailings and particles in the river and fjord is of negative impact and can potentially affect ecosystems and species. Other sources of pollution to soil, water and air might include emissions of diesel and oil from machinery and microplastics from blast lines used in operations.

Downstream activities

Iron ore are used by steel producers, which delivers to sectors such as building and infrastructure. The most significant indirect impact in downstream activities is therefore related to land use. This can affect land, soil and forest areas as well as ecosystems, habitats, biodiversity and species. Further, transportation at land and sea can have the same impacts downstream as described under upstream activities.

For more information on impact on nature-related matters, please refer to the enviromental section of the ESG Report.

Nature-related dependencies

Like most businesses, Rana Gruber is highly dependent on nature and natural resources. In the assessment dependencies was identified across upstream activities, own operations and downstream activities. The following is a summary of the findings:

Upstream activities

The most significant dependency related to business operations are related to machinery, which involves extraction of minerals and natural resources. To which extent Rana Gruber is dependent on different natural resources is not clear to the company as of now, and further assessments is needed.

Own operations

Business operations are clearly dependent on natural resources as the foundation of the business is extraction of minerals. This includes dependencies on land use for the mining and associated areas for operation. The company is also dependent on areas to deposit tailings and mountain masses (natural waste from operations) as well as high volumes of water used in operations.

Downstream activities

The end-users of the iron ore, such as the building and infrastructure sector, is highly dependent on land use and other natural resources in their operations. This is an indirect dependence for Rana Gruber, but as these are important sectors for the company it was considered material in the assessment.

Nature-related risks and opportunities

The following table summarises all the nature-related risks and opportunities considered significant for in Rana Gruber in the reporting year. It also provides an overview over potential strategic and financial impact, and what the company is currently doing to mitigate risks and to take advantage of opportunities.

Nature-related risks

Identified risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Time horizon	Mitigation strategy
Physical risk – acute and chronic Physical risk is related to acute and chronic changes in nature and ecosystems, leading to strategic or financial consequences for businesses.					
Increased consequences of extreme weather	Degradation or destruction of nature can enhance the physical consequences of extreme weather. In the events of heavy rainfall which will happen more frequently with climate change, society is dependent on nature for handling the amounts of water. Degradation or destruction of nature can lead to increased events such as heavy floods.	▪ Flooding ▪ Rockfalls ▪ Material damage to assets ▪ Material damage to the transport route ▪ Increased water intake in the mine ▪ Operational disruptions	Decrease in production capability will have a direct impact on revenue and increased costs associated with asset repair and additional labour. In addition, there will be increased investment needs to mitigate impacts, for example relating to equipment to pump water out of the mine.	Medium-term and long-term. The company already observes annual cases of large amounts of rainfall, but no severe floods.	▪ The mine infrastructure is designed to meet the future risk of heavy rains and floods. ▪ Measure undertaken to pipe the river to ensure stable power supply to secure the railway ▪ A crisis management plan for storms and natural disasters will be prepared in 2024.
Forest fires	Increased temperatures due to climate change may lead to dry periods where there is a higher risk for potential forest fires. Areas around the mines might be exposed in these events. Worst case forest fires could potentially reach warehouses for explosives used in operation, and lead to large consequences. It can also cause damage to energy lines and other infrastructure.	▪ Material damage to assets ▪ Material damage to the infrastructure ▪ Operational disruptions ▪ Reduced reputation in cause of explosions	Material damage and a decrease in production capability will have a direct impact on revenue and increased costs.	Long-term.	Because of low probability, no measures have been initiated as of now.
Resource scarcity	Degradation or destruction of nature changes can lead to resource scarcity, especially on a global level. Extraction and production of materials and metals used in products Rana Gruber is dependent on might decrease, and lead to supply delays and increasing price levels.	▪ Lack of access to critical resources ▪ Delays ▪ Increased costs ▪ Operational disruptions	▪ Reduced revenues from lower production/sales. ▪ Increased capital costs	Medium- to long-term	▪ Ensure good competence and solid preparedness for maintenance and repair. ▪ Take into account long delivery times in the operational planning.
Transition risk – policy and legal A transition to an economy that protects and preserve nature and ecosystems may involve extensive policy-related and legal changes to address mitigation of impacts and adaptation requirements.					
New and stricter regulations	Stricter regulations for nature protection and conservation are expected both globally and nationally to support the Global Biodiversity Framework. Regulations could include increased taxes and other direct financial effects, but also changes in operations and the need to implement new measures and procedures. It could also lead to bans or restrictions forcing a change in operations or business as a whole. These effects can impact the whole value chain and lead to consequences for both in own operations, supply chains and downstream activities.	New or stricter regulations might affect Rana Gruber in different ways: ▪ Stricter regulations for discharges in the river (e.g. tailing and particles) ▪ Stricter regulations or ban on landfill in the fjord ▪ Stricter regulations on resource use (e.g. mountain masses) ▪ Restrictions or bans on pollution of ecosystems	▪ Increased operating costs ▪ Increased capital costs ▪ Decreased profitability ▪ Reduced revenues from lower production/sales.	Short- and medium-term	
Increased taxes	Stricter regulations in the form of increased taxes and fees can be a consequence if the authorities want to increase the level of regulation for the protection and conservation of nature, biodiversity and ecosystems. In recent years, basic interest tax has been introduced in industries with an impact on nature and more is to be expected due to the Global Biodiversity Framework.	An increased level of taxes will impact Rana Gruber financially and possibly also strategically.	▪ Increased operating costs ▪ Decreased profitability	Short- and medium-term	

Identified risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Time horizon	Mitigation strategy
Transition risk – technology, market and reputation A transition to an economy that protects and preserve nature and ecosystems may involve risks related to new technology, changed dynamics in markets and risks related to the ability to preserve a good reputation.					
Innovation and new technology	New technologies that enhance the protection conservation of nature is expected in the transition. Affecting the mining sector this can be new technology for producing steel, or innovation of new materials that replace steel. Further technologies that handle waste (e.g. tailings and mountain masses) might be introduced in the market.	▪ Alternatives to steel can decrease demand for materials that the company delivers iron ore to today. ▪ Need regulations or bans of excising procedures for waste handling.	▪ Failure to adapt changes in demand for may involve lower sales and price achievement ▪ Increased operating costs ▪ Decreased profitability	Long-term As of now there is no signals in the market regarding these types of technologies.	▪ Monitor innovation and developments and adapt business operations if necessary.
Change in ESG ratings	Following the implementation of the Global Biodiversity Framework and an expectation of stricter regulations, there are new demands in ESG ratings. These might reward companies with less negative impact on nature, and lower ratings to companies with a clear impact on nature.	▪ Reduced reputation among stakeholders and investors	▪ Loss of capital	Short- and medium-term	▪ Survey ratings
Stigmatisation of the mining sector	Rana Gruber depends on a good reputation among all its stakeholders, including in the local community, to attract and retain workers, and to have permission to operate as usual. Even though Rana Gruber has implemented measures to lower the impact on nature– in line with regulations – there is a reputational risk for the sector and for the company when the focus on nature protection and conservation increases.	▪ Changes in permits to operate as Rana Gruber does today. ▪ Less attractive employer ▪ Reduced reputation. ▪ Pressure from authorities and NGOs	▪ Reduced revenue from decreased demand for goods/services, ▪ decreased production capacity, or negative impacts on workforce, ▪ management, and planning (e.g., lack of employee attraction and retention) ▪ Reduced capital availability	Medium- to long-term	▪ Continue to implement measures to lower impact on nature. ▪ Monitor impact on nature on a regular basis.
Transition risk – liability Liability risk is related to potential financial losses stemming directly or indirectly from legal claims. Nature-related matters can be consequences of a high negative impact on or destruction of natural resources and ecosystems. Further it can be related to not being compliant with regulations on nature-related matters.					
Higher levels of compliance	Stricter regulations for nature protection and conservation are expected both globally and nationally to support the Global Biodiversity Framework. This can involve regulations and restrictions forcing a change in operations or business as a whole. If these regulations and restrictions are not complied with, liability matters can be applicable.	▪ Changes in permits to operate as Rana Gruber does today. ▪ Stricter monitoring requirements	▪ Increased operating costs ▪ Loss of capital ▪ Lawsuits ▪ Increased insurance costs	Medium- and long-term	▪ Monitor impact on nature on a regular basis.

Nature-related opportunities

Identified risk	Description of risk	Potential non-financial impacts	Potential financial impacts	Time horizon	Mitigation strategy
Opportunity – resource efficiency Measures that enhance resource efficiency might lead to a reduced impact on nature, biodiversity and ecosystems. There is also growing evidence that it is possible for businesses to reduce operating costs by improving efficiency across production and distribution processes, operations and procurement practices.					
New use of tailings and mountain masses	Natural resources such as tailings and mountain masses are currently handled as waste in the operations. Through innovation, new possibilities for a more sustainable and resource efficient use of these materials might be introduced in the market. This will lower the impact on nature, and also involve financial opportunities for the company.	▪ New markets for upscaled tailings and mountain masses. ▪ Stone masses can be included as a component in the production of cement and be used for mass to cover polluted seabed.	▪ Increased prices on resources that are treated as waste today ▪ New markets ▪ Lower costs for waste handling	Medium- to long-term	▪ Map how waste such as tailings and mountain masses be used in the future.
Opportunity – capital and financing Businesses operating in a way that protects and restores nature, biodiversity and ecosystems might be more attractive to the capital market and will be rewarded by legislations as the EU Taxonomy.					
Access to capital	Financial institutions and the capital market are important stakeholders in making the transition to an economy who protects, conserves and restores nature, biodiversity and ecosystems. Regulations such as the EU Taxonomy aim to redirect capital in a green direction, putting strong emphasis on nature-related matters. Businesses who participate in the transition will gain easier access to capital.	▪ Easier access to capital ensures financially sustainable operations. Further it enables the company to invest in new projects and products.	▪ Access to capital	Short- and medium-term	
Opportunity – markets, products and services Organisations that innovate and develop new markets, products and services that lowers impact on nature may improve their competitive position and capitalise on shifting consumer and producer preferences.					
Water purification systems	The transition to a low-carbon economy will place stricter demands on the company's customers and their steel production, reinforced by legislation such as the EU taxonomy. The company expects a major conversion from coal to hydrogen in the industries it delivers to, which will require higher purity and quality of the product to a growing market for low emission materials going forward. Further, the transition will lead to the development of new carbon free steel producers in Europe and the Nordics.	▪ Competitive advantage and potential to increase market share. ▪ Shorter value-chain which provides all stakeholders with better transparency in all stages of production.	▪ Increased sales ▪ Increased price achievement ▪ Increased additional sales	Medium-term	▪ Upgrade to Fe65 and strategy to reach carbon free production
Opportunity – reputation Businesses that make the transition to operations that protect, conserve and restore nature may experience an increase in reputation among its stakeholders and the society as a whole.					
Increased reputation	To make the transition to an economy that protects, conserves and restores nature, biodiversity and ecosystems, businesses need to contribute. Businesses that take an offensive role in the transition by reducing its impacts on nature might experience a stronger reputation among its stakeholders and society as a whole.	By being ambitious on nature-related matters and implementing measures to protect, conserve and restore nature, Rana Gruber may experience an enhanced reputation.	▪ Increased sales ▪ Increased price achievement ▪ Access to capital ▪ Access to labour	Medium- and long term Low emission scenario and slow adaption scenario	▪ Implement ambitions and measures with strong emphasis on nature-related matters.

Nature-related strategies

c) *Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.*

Rana Gruber acknowledges the impact mining operations have on nature. The company is nevertheless committed to continue to work systematically to reduce its environmental impact, and also strive to use resources in an efficient and sustainable way in all part of operations.

The management has integrated nature-related matters in the company's sustainability strategy. Areas such as pollution, water and marine resources, biodiversity and ecosystems as well as resource use and climate change has been defined as material in the double materiality assessment conducted in 2023. Going forward the company aims revise the ambitions and targets on all areas defined material.

Due to the fact that this was the first time the company made the assessment on nature-related impacts, dependencies, risks and opportunities, scenario considerations were not included. As the company works further on the assessment of nature-related matters, these will be included and disclosed in line with the TNFD recommendations.

d) *Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.*

Not assessed as of 2023 but will be included in the work going forward.

Risk and impact management

Describe the process used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risk and opportunities.

i) *Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations and*

ii) *Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).*

For Rana Gruber, it is important to identify the most significant nature-related impacts, dependencies, risks and opportunities across the value chain, as it can help the company to make informed decisions about how to mitigate or take advantage of these factors.

In line with the recommendations laid out by the TNFD, Rana Gruber has assessed of nature-related matters using the LEAP approach. The approach consists of four pillars - locate, evaluate, access and prepare – which helps companies understand its impact on nature and the dependencies, and the risks and opportunities it faces.

The assessment was done by the management team through a workshop, assisted by a consulting company. Prior to the assessment the ENCORE-tool (Exploring Natural Capital Opportunities, Risks and Exposure) was used to map potential impacts, dependencies and risks on nature, biodiversity and ecosystem across the value chain.

Most of these matters were well known to the company, but it was a useful reminder that there are great actual and potential impacts across upstream activities, own operations and downstream activities to be taken into account. In the workshop with the management team additional factors were added, and the different risks and opportunities categorise defined in the TNFD framework waere assessed. Based on the level of significance for Rana Gruber's strategic and/or financial position, the company will work on developing, reviewing, and implement measures to mitigate impact, dependencies and risks as well as maximise opportunities.

As nature-related risks and opportunities impact Rana Gruber's strategic and financial planning differently in short-, medium-, and long-term, Rana Gruber considered these three-time horizons in the assessment. The following definitions of time horizons is basis of the assessment:

- Short-term: > 2025
- Medium-term: 2025-2030
- Long-term: 2035-2050

However, as this was the first time the assessment was conducted, the company sees a need to assess nature-related impacts, dependencies, risks and opportunities to a greater extent going forward. This includes stakeholder dialogue to include views of affected stakeholders as well as taking different scenarios into consideration. For upstream activities a greater insight into supply chains will be needed to get a comprehensive overview of actual and potential impacts, dependencies, risks and opportunities.

b) *Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks and opportunities.*

c) *Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.*

In own operations Rana Gruber is monitoring nature-related impacts on a regular basis. This includes among other things, greenhouse gas emissions, water use, waste handling, spills and pollution. For more information about these matters, please refer to the chapter on environment in the ESG Report.

Risks and opportunities are also assessed regularly and will be done annually using the framework developed by the TNFD goring forward. The aim is to include nature-related matters as an integral part of Rana Gruber's multidisciplinary risk and opportunity management. Further, Rana Gruber's management and board of directors will conduct regular reviews of the company's activities for identifying, assessing, and responding to nature-related risks and opportunities.

Metrics and targets

Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

a) *Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.*

b) *Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.*

c) *Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.*

Rana Gruber's ambition is to lead the way for a sustainable mining industry as well as to contribute strongly to lowering emissions and environmental impact in the global steel industry.

To this end, the company has set ambitious strategies and targets, including an ambition to have carbon free productions. Targets on nature-related matters include the following:

- Minimise tailings and find alternative uses for the tailings and surplus masses
- Rehabilitate and ensure the revegetation of affected areas
- Utilisation of resources in the best possible way

Rana Gruber's is in the process of adapting to the European Sustainability Reporting Standards (ESRS). In 2024, the company will revise the sustainability strategy and ambitions to comply with the requirements in the standard to cover all material topics identified by the double materiality assessment that was conducted in 2023. This will include to revise and/or setting targets on pollution, water and marine resources, biodiversity and ecosystems and resource use and circular economy. For more information about material topics and the sustainability strategy, please see the introduction chapter of the ESG Report.

Transparency Act Statement 2023

With reference to the Transparency Act, the purpose of this statement is to give the general public an insight into the work of Rana Gruber to promote human rights and decent working conditions.

Rana Gruber is defined as a larger company and is therefore obligated to comply with the Transparency Act as defined by Norwegian legislation. The company has accounted for its compliance with the Transparency Act since January 2022.

Rana Gruber recognises that compliance with the Act in focus requires continuous due diligence assessments. The company will provide information about its audits, findings and actions available to the public annually on the company's website.

General information

About Rana Gruber ASA

Rana Gruber ASA ("Rana Gruber") is a mining company engaged in the extraction of iron ore and mineral processing to produce iron ore concentrates and specialised products. The products are based on natural mineral resources that are upgraded and adapted for use in various industries without the use of chemicals. All production from Rana Gruber is exported, mainly to European buyers.

Rana Gruber is organised as a limited company with 341 full time employees and an annual production capacity of about 1.8 million metric tons of iron ore concentrates consisting of hematite and magnetite.

Governance of human rights and decent working conditions

The board of directors of Rana Gruber has the primary responsibility for the follow-up and compliance with the Transparency Act. The CEO of Rana Gruber has the overall responsibility for the follow-up of the Act's obligations, including the implementation and reporting of the due diligence in accordance with §§ 4 and 5 of the Act. The board approved the work with the Transparency Act in the spring of 2023.

The board has the overall responsibility for maintaining Rana Gruber's corporate governance framework, including its policies and procedures. The CEO has the overall responsibility for maintaining Rana Gruber's corporate governance framework, including policies and procedures. The environment and sustainability manager evaluates and reports on the policies and procedures annually.

The policies and procedures outlined herein apply to the company and include all employees, contractors, consultants and others acting on behalf of Rana Gruber. It is the responsibility of all managers to communicating these policies within their respective organisations, to promote a culture of awareness and compliance, and to monitor compliance. The company also expects all suppliers and other business partners to adhere to the same high standards.

Approach to work with human rights and decent working conditions

Rana Gruber places a strong emphasis on responsible business practices and actively strives to uphold and promote human rights and maintain fair working conditions. With a mining history spanning more than two centuries, the company recognises the importance of ensuring that employees have proper employment rights, fair opportunities and decent working conditions is essential to the continued success of its operations. This commitment extends beyond the company's own operations to its value chain, upstream and downstream, thereby contributing to the promotion of responsible business practices.

Since 2022, the company has conducted due diligence in accordance with the Norwegian Transparency Act, following the principles outlined in the OECD guidelines. The assessment of workers in the value chain presented here is based on the results of the due diligence conducted in January 2024 and the double materiality assessment conducted in December 2023.

Rana Gruber's greatest impact is in its upstream and downstream operations, but the company may also have indirect impacts on communities from its own operations. Moreover, the impact on workers in the value chain from Rana Gruber's own operations is limited to the supplier requirements and ethical guidelines (Supplier Code of Conduct) as described in the sustainability report. However, Rana Gruber is committed to working in accordance with the Toward Sustainable Mining (TCM) protocol and the ResponsibleSteel initiative. Please refer to page 79 for details.

Policies and guidelines

Rana Gruber is headquartered in Norway and its operations are covered by the general collective agreement in Norway. It is worth noting that almost 100 per cent of Rana Gruber's employees are members of a local trade union that is affiliated with a national union in Norway (for additional details, please refer to the chapter Own Workforce on page 54).

As a mining company, Rana Gruber naturally places a high priority on employee safety and working conditions. The company's HSE standards set strict criteria for working conditions in all aspects of the business. The company is currently certified according to ISO 9001:2015 (quality management), ISO 14001:2015 (environmental management) and EN 12878.

Rana Gruber's due diligence assessments and work for safeguarding human and labour rights is based on the UN's Guiding Principles for Business and Human Rights and the OECD's Guidelines for Multinational Companies. The company's expectations of itself, suppliers and partners are reflected in a new CoC and standard terms and conditions. These include demands for safeguarding human and labour rights, corruption, and the environment. The guidelines also entail a requirement that the company's suppliers carry out due diligence assessments in line with OECD guidelines.

Rana Gruber's Supplier code of conduct (SCoC) adheres to international standards covering human rights, decent work, the environment, anti-corruption and animal welfare. The SCoC is based on the ten principles of the UN Global Compact, that are grounded on the UN Declaration of Human Rights (1948), the UN Convention on Corruption, the International Labor Organisation (ILO), Conventions on Fundamental Principles and labour Rights, the OECD guidelines and the Rio Declaration on Environment and Development. These principles set minimum standards rather than maximum thresholds. The company respects local legislation. Where national laws and regulations parallel the issues covered in this policy, the highest standard takes precedence.

Rana Gruber strives to ensure that ethical guidelines accompany all supplier and business agreements the company enter. This includes having robust routines and procedures for conducting due diligence assessments as part of the company's procurement and overall risk management activities.

Internally, a structure and culture will be established to ensure that procurements in the company are obliged to use risk assessments in their analyses and create an overview of suppliers and products within their portfolios.

Whistleblowing mechanisms

Rana Gruber respects the right of all employees to report any discriminatory, unethical or illegal practices in the organisation and is responsible for ensuring that whistleblowers can report concerns in a safe manner without fear of direct or indirect retaliation. The management strongly encourages all employees who experience offensive behaviour, sexual attention, discrimination, abuse, violence, criminal acts or other misconduct to report such incidents immediately through the company's whistleblowing system.

The management has established an internal whistleblowing system and has a well-established culture for reporting dangerous situations or incidents, and the company's management manual – which describes safety procedures – has been distributed to all employees. Through collaborative efforts with employee representatives, management is committed to establishing and maintaining Rana Gruber whistleblowing system where both concerns and incidents can be addressed promptly and effectively.

Rana Gruber is invested in ensuring that its employees are well informed about the existing whistleblowing mechanisms. The company will continue to work with employee representatives to provide training and guidance to the workforce. In addition, efforts are underway to develop written routines and procedures and a whistleblowing system adapted to business partners, suppliers and other stakeholders. This ongoing initiative will continue through 2024.

Reporting and information obligations

In line with the reporting obligation, the company will publicly report on its due diligence assessments on its website. In accordance with the obligation to provide information, the company responds to inquiries from business associates, journalists, and other stakeholders. These responses explain the company's approach to due diligence assessments and underline its commitment to upholding human rights and ensuring decent working conditions.

The company received between six to ten inquiries in 2023. All inquiries have been answered.

Negative consequences and risks

About the due diligence assessment

The initial due diligence in 2022 resulted in a risk profile to which the company identified and applied several measures. These efforts have since led to a change in the risk profile, which is described below.

In January 2024, Rana Gruber carried out a due diligence assessment of the company's internal operations, business partners and supplier relationships in Scandinavia, Europe and America. The aim was to gain an in-depth understanding of company's current work with due diligence assessments and the safeguarding of human and labour rights.

As part of the due diligence assessment, the company identified potential risks related to human and labour rights in its own operations, supply chains and business partners. The identified risks were then prioritised according to their likelihood of occurrence and severity of impact. Measures were then taken to mitigate the identified risks.

The due diligence assessment was supervised by the consultancy company Sustainability AS, using a due diligence methodology developed by Tavler AS. The process is based on the ISO 31000 methodology for risk management, adapted to OECD guidelines and the obligations of the Transparency Act.

Main findings – risk assessment of Rana Gruber's business, supply chain and business partners

The due diligence assessment provided the company with a comprehensive view of its own operations, suppliers and business partners, revealing areas where the company had both strong and limited insights.

Own operations

The findings suggested that Rana Gruber has well established HSE controls in its own operations. This includes ensuring workplace safety, compliance with employment contracts and the maintenance of suitable working conditions. For more information on these matters, please see chapter Own Workforce in the sustainability report on page 54.

Supply chain

The greatest risk of human rights and decent work violations is considered to be within Rana Gruber's supply chains. Closer monitoring of suppliers is therefore crucial. Through systematic monitoring, embedding ethical guidelines (CoC), spot checks and audits, Rana Gruber will use available tools for better control to significantly reduce the risk.

The due diligence assessment showed that the company needed to systematise and allocate additional resources to the work of supplier mapping and follow-up, as well as updating ethical policies and procedures.

Rana Gruber has approximately 460 permanent suppliers in its supplier base. Of these, 92 per cent are Norwegian suppliers, with the remaining eight per cent spread across Scandinavia, Europe and the USA. Most of the suppliers have production facilities in Norway and Europe. Restrictions have been applied based on size and risk assessments related to countries, goods and product categories, as well as an assessment of whether the supplier's production takes place in high-risk countries. Risks related to sub-contractors of first-tier suppliers have not been assessed, as the company has no insight into the supply chains during the reporting year.

In 2023, the company prioritised which suppliers needed further follow-up and closer control, assessing the need for any necessary measures. This involved gathering information, organising it systematically, and following up on suppliers at risk.

During 2023, Rana Gruber's head of procurement conducted a screening of various suppliers using a tool facilitated by House of Control. In June 2023, a subset of selected suppliers received a questionnaire from Rana Gruber requesting information on their efforts to protect human and labour rights in their own operations and throughout their supply chains. The selection of suppliers was based on purchasing patterns and their criticality to operations, with eight identified as 'critical'.

The process of gathering information from suppliers is extensive and time-consuming, as evidenced by the response rate to the surveys sent out. Despite reminders, only four out of the 21 suppliers contacted responded, all in the "critical" category.

In line with the intentions of the Transparency Act, Rana Gruber actively works to develop and continuously improve procedures and guidelines to address actual and potential risks of violations of fundamental human rights and decent working conditions. These policies will be reviewed and updated in 2024.

Based on the assessments conducted in 2023, Rana Gruber did not identify any violations of human rights or decent working conditions.

Risk picture and measures

Based on the risks uncovered through the processes mentioned above, a risk picture emerged. The various risks were assessed along two axes. On the axis of probability, it is ranked as: Happens, may happen, and does not happen. Severity is ranked from minor, serious, to very serious.

Through the due diligence assessment, it became clear where the company should strengthen its efforts. The assessment can be summarised as a list of the most severe risks (all those ranked as "happens" and/or "very serious"):

- Lack of internal resources for supplier follow-up in line with OECD guidelines
- Challenges in maintaining an overview of suppliers related to risk
- Lack of internal procedures for due diligence assessments
- Purchases without requirements and follow-up
- Incomplete procedures related to supplier dialogue and information
- Lack of an overview of the degree of freedom of expression in the supply chain

Other risks with lower severity were also identified:

- Lack of overview beyond the first tier in the supply chain
- Old agreement with the reindeer herding industry
- Lack of qualification of suppliers before 2018
- Lack of control over HSE (Health, Safety, Environment) in the value chain
- Lack of internal resources to handle internal inquiries
- Lack of understanding, focus, and competence among suppliers
- Lack of specific goals related to recruitment (equality and diversity)
- Lack of access and transparency with suppliers
- Deviations (HSE, environment, human rights, etc.) with suppliers
- Possible competition-sensitive information (stock exchange and insider)

With the due diligence assessment, risk-reducing measures were applied to the risks deemed most serious and personal responsibility within the organisation for each measure was also designated:

- Ensure additional internal resources or reprioritisation related to supplier follow-up
- Improve the overview of risks associated with suppliers
- Develop a self-declaration for suppliers
- Conduct due diligence assessments of suppliers
- Develop an internal reporting form (screening)
- Establish internal procedures for due diligence assessments
- Update procurement procedures
- Update procedures for supplier dialogue and documentation
- Update supplier evaluation to include points about subcontractors
- Select suppliers for spot checks/audits

Other measures were also applied to address the remaining risks:

- Update supplier evaluation to obtain a better overview beyond the first tier
- Review the agreement with the reindeer herding industry
- Conduct an audit of suppliers with contracts signed before 2018 and develop qualification procedures related to the topic
- Update supplier evaluation to include points about subcontractors
- Select suppliers for spot checks/audits
- Develop procedures related to responsibility, follow-up, and where/how inquiries should be stored and answered
- Compose messages for existing and internal channels

All measures addressing the most significant risks have been implemented. In addition, the remaining measures have been implemented with only a few exceptions.

It is worth noting that during this period, Rana Gruber reorganised its procurement processes. The approach is now centralised, facilitated by a dedicated procurement resource. This reorganisation increases the efficiency of working with suppliers on procurement policies and contributes to an overall improvement in control measures.

Supplier visits were conducted in Italy, specifically at one of the major suppliers, to assess health, safety, and environmental (HSE) practices. During these visits, some minor deviations were identified and promptly communicated to the management for resolution.

A competence building course was also conducted, focusing on how to structure and conduct audits during such supplier visits. The course was delivered digitally by a third party (DNV's Supplier Audits).

It is not considered necessary to develop a new agreement with the reindeer herding industry. Rana Gruber has regular contact with the industry in other contexts and maintains a good dialogue.

During 2023, Rana Gruber has acquired a new major supplier in HJH Fjell og Anleggsentreprenør AS. Rana Gruber will seek a closer and possibly more formalised dialogue to ensure that the collaboration also promotes commitment to Rana Gruber's values on diversity, environment and transparency.

Effect of the measures

Rana Gruber followed the OECD guidelines and progressing through all six steps outlined in the process. The company expects that the combined effect of these measures will contribute to risk reduction.

The new analysis shows that the measures have had a significant impact. All six risks (which had been classified as high risk, see above) are now considered to have been reduced. The updated risk picture therefore shows that Rana Gruber does not consider any of the risks to be "happening" and/or "very serious".

At the same time, it is clear that the work of reducing risks is best achieved through continuous and long-term efforts. The aim is to create a culture in which this work is an integral part of operations.

The way forward

As part of the commitment to continuous improvement, Rana Gruber will continue to update the risk profile for the company, covering the entire value chain. In an effort to improve the response rate to Rana Gruber's supplier audits, the Head of Procurement will develop a streamlined version of the questionnaires specifically tailored for smaller companies. This is expected to improve the overall effectiveness of the audit process and encourage greater participation from a wider range of suppliers.

Finally, Rana Gruber is committed to developing a closer dialogue with a broader range of companies on due diligence assessments. The head of procurement will explore various ways to strengthen these efforts and ensure a proactive approach to risk management and stakeholder engagement.

Norwegian Equality and Anti-Discrimination Act Statement (ARP)

Part one of this statement describes a mapping of gender balance, salary and involuntary part-time work. The figures apply to 2023.

Part two describes the company's work to promote equality and diversity, and to prevent discrimination and harassment, in accordance with the Equality and Anti-Discrimination Act. The mapping was done in accordance with the working method described in the Act and includes all areas of discrimination and personnel. The board and management of Rana Gruber are involved in the company's work with equality and anti-discrimination, and a description of this can be found in the board of directors' report.

PART ONE: Status for gender equality

Salary differences and part-time work

Salary, and any salary differences between men and women, are continuously monitored in the company. In 2023, an assessment was made by comparing the average salary (including fixed salary, overtime pay and other variable and other variable pay) within, but not between, four employee categories: operators, clerks, technical professionals and managers.

In the disclosed salary figures for 2021, only the fixed salary was included. For 2023 an onwards, these numbers refer to total compensation including bonuses and incentive schemes. This explains the unusual salary gap between 2021 and 2023.

The results for each employee category are presented in the tables below, and explanatory notes are attached.

- The salary survey from 2023 shows that the company does not have objectionable gender differences when it comes to salary. Any differences have their natural explanation (seniority etc.). Salary differences are reviewed annually with union representatives.
- A total of 60 women and 281 men worked as full time employees at Rana Gruber in 2023. The proportion of women per 31 December 2023 was 17.5 per cent.

Table 1.1: Total gender balance

	Women	Men	Total	Per cent
2022	48	238	286	16.7%
2023	60	281	341	17.5%

*Table 1.2: Temporary employees**

	Men	Women	Total	Share of men/ women	Per cent of total employees
2021	8	4	12	2.7 / 1.3	4.1%
2023	11	3	14	3.2 / 0.8	4.1%

* *Temporary employees does not include the apprentices and substitutes. See page 55.*

Table 1.3: Part-time positions

	Men	Women	Total	Share of men/ women	Per cent of total employees
2021	9	-	9	3.1 / -	3.1%
2023	4	1	5	80/20	Men 1.17% Wom 0.29% Total 1.47%

Table 1.4: Parental leave (average number of weeks)

	Women	Men	Total
2022	10.6	15	12.8
2023	9	13.8	10.6

Tables 2.1 - 2.4: Salary, gender and involuntary part-time

The tables below apply to 2023. Numbers from 2021 are included as reference.

Table 2.1: Salary differences between men and women

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 and fewer women working in the underground mine, which often involves associated compensation.

	Women	Men	Women's salary in percentage of men's
2022	564 633	594 648	95.0%
2023	828 013	873 163	94.8%

The company has assessed salary differences between men and women in four different employee categories (operators, office/mercantile positions, technical supervisors, and managers) based on average annual salary, including fixed pay, overtime pay, and variable pay.

The results for each employee category are displayed in the tables below. The collective agreement regulates both central and local wage setting. The gender gap for fixed salaries was further shrinked to 98.2 per cent. However, since the numbers for 2023 include all bonuses, direct comparisons with previous data are not feasible.

Table 2.2.1: Salary differences between men and women, operators

The operator's 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.

The bonus was based on the number of months employed by the company and was the same for everyone who had been employed the same number of months.

2021: Operators	Women	Men	Women's salary in percentage of men's
Employees	33	195	
Average yearly salary (NOK), fixed salary	564 633	594 648	94.9%
Payments in kind (NOK)	1 620	1 620	

2023: Operators	Women	Men	Women's salary in percentage of men's
Employees	39	218	
Average yearly salary (NOK) (incl. fixed salary, overtime, variable bonuses)	742 782	818 164	90.8%
Payments in kind (NOK)	1 620	1 620	

Table 2.2.2 Salary differences between men and women, office/mercantile positions

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.

Since the numbers for 2023 include all bonuses, direct comparisons with previous data are not feasible.

2021: Office/mercantile positions	Women	Men	Women's salary in percentage of men's
Employees	5	6	
Average yearly salary (NOK), fixed salary	696 796	637 475	109.3%*
Payments in kind (NOK)	1 620	1 620	

* *Women had a higher average salary than men.*

2023: Office/mercantile positions	Women	Men	Women's salary in percentage of men's
Employees	6	5	
Average yearly salary (NOK) (incl. fixed salary, overtime, variable bonuses)	881 109	877 648	100.4%*
Payments in kind (NOK)	1 620	1 620	

* *Women had a higher average salary than men.*

Table 2.2.3 Salary differences between men and women, technical officers

The technical officer's 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.

Since the numbers for 2023 include all bonuses, direct comparisons with previous data are not feasible.

2021: Technical officers	Women	Men	Women's salary in percentage of men's
Employees	7	25	
Average yearly salary (NOK) (incl. fixed salary, overtime, variable bonuses)	695 903	745 029	93.4%
Payments in kind (NOK)	1 620	1 620	

2023: Technical officers	Women	Men	Women's salary in percentage of men's
Employees	10	42	
Average yearly salary (NOK) (incl. fixed salary, overtime, variable bonuses)	819 226	910 322	89.9%
Payments in kind (NOK)	1 620	1 620	

Table 2.2.4 Salary differences between men and women, managers

For 2023, the company has consolidated operation management and management to a single category. Consequently, comparisons with previous years may not be directly applicable.

The managers category ranges from operations managers to top management positions. 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.

Since the numbers for 2023 include all bonuses, direct comparisons with previous data are not feasible.

2021: Managers	Women	Men	Women's salary in percentage of men's
Employees	5	24	
Average yearly salary (NOK) (incl. fixed salary, overtime, variable bonuses)	1 070 517	998 921	107.2%*
Payments in kind (NOK)	1 620	1 620	

* *Women had a higher average salary than men.*

2023: Managers	Women	Men	Women's salary in percentage of men's
Employees	5	16	
Average yearly salary (NOK) (incl. fixed salary, overtime, variable bonuses)	1 446 672	1 521 263	95.1%
Payments in kind (NOK)	1 620	1 620	

Since the numbers for 2023 include all bonuses, direct comparisons with previous data are not feasible.

Table 2.3 Gender distribution at different occupational levels/groups (number and/or percentage of employment/jobs)

Position	2021			2023			
	Women	Men	Share of women	Total	Women	Men	Share of women
Operators	33	195	16%	257	39	218	17.9%
Office/mercantile positions	5	6	83%	11	6	5	120%
Technical officers	7	25	28%	52	10	42	23.8%
Managers*	5	24	20%	21	5	16	31.3%

* *For 2023, the company has consolidated management and operational management to a single category. Consequently, comparisons with previous years may not be directly applicable.*

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.

Table 2.4 Involuntary part-time work among women and men (number and/or share of all employees)

	Gender diversity		Temporary employees		Parental leave		Part time positions		Positions that are involuntarily part time	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
2021	53	253	4	16	90	106	0	9	0	0
2023	60	281		1	4	4	1	4	-	-

PART TWO: Rana Gruber's work towards equality and non-discrimination

Rana Gruber's approach to equality and diversity

For Rana Gruber, diversity is a resource and a strength, and for the company the work on diversity is prioritised and highly valued. The vision for this work is: To be a safe workplace where all employees are respected for who they are.

Rana Gruber strives to build a more diverse workforce, so that employees and apprentices mirror society to a broader extent. To achieve equality and diversity, it is important to ensure that employees are not subjected to harassment or other inappropriate behaviour. Central to this endeavour is a positive workplace culture that promotes a safe workplace where all employees are respected and appreciated for their individuality. Such a culture not only creates a positive working environment, but is pivotal to increasing employee well-being, stimulating creativity and innovation, and strengthening bonds among employees. In addition, Rana Gruber believes that a positive and inclusive culture can attract and retain talented employees who share common values and feel valued. The establishment of such a constructive culture is vital in the organisational goals towards ensuring a sustainable and successful future for Rana Gruber.

All managers are mandated to actively, consistently and systematically promote gender equality, cultivate an inclusive culture, and foster diversity within the company. All employees shall be well-informed about the company's aspirations and actively integrate these principles into their conduct both internally and externally.

Throughout 2023, the company worked diligently to restructure and anchor its commitment to equality and anti-discrimination. This effort involves mapping and research, in-depth analysis of root causes, and the initiation of measurable actions and objectives. Previously, such endeavours were executed through established collaborations between management and employee representatives, as well as their respective organisations. However, recent years signify a notable shift in the company's approach to equality and anti-discrimination initiatives, placing heightened emphasis on sustained collaboration between management and employees.

Equality Strategy

Rana Gruber's above-mentioned ambition is expressed through the company's new Gender Equality Strategy, which was prepared in the spring of 2022 and adopted by the board in late 2023. This states that Rana Gruber will promote equality and diversity and prevent discrimination and harassment on the basis of a set of defined discriminatory indicators; *gender, pregnancy, maternity leave, adoption and other caregiving responsibilities, ethnicity, religion, beliefs or life stance, disability, sexual orientation, gender identity, gender expressions and age (known as "diskrimineringsgrunnlagene")* – in accordance with the Equality and Anti-Discrimination Act.

The commitment applies to other relevant aspects of a person and combinations of the above-mentioned indicators. Ethnicity relates to national origin, descent, skin colour and language, pursuant to the same Act.

The Gender Equality Strategy contains several KPIs that will guide the company's future work. They are described below in this document.

Guidelines

Rana Gruber has also formulated its own gender equality policy (available in Norwegian and English). The policy emphasises equal treatment and zero tolerance for discrimination and harassment. The company works to uphold the principles of diversity and non-discrimination throughout the organisation with regard to the above-mentioned *discriminatory indicators* ("diskrimineringsgrunnlagene"). The company expects the same high standards from all our contractors, suppliers and other business partners.

In the Equality and Anti-Discriminating Act, the *areas of discrimination ("diskrimineringsområdene") are predefined as; recruitment, pay and working conditions, promotion, development opportunities, facilitating and enabling the reconciliation of work and family life, and combating harassment, sexual harassment and gender-based violence.*

Additionally, Rana Gruber also has policies and procedures on whistleblowing in place as well as procedures for data protection (GDPR) and HSE. The company's management aligns its practices with the principles outlined in the law, where work is carried out as a continuous process as defined in the Act:

1. Investigating and mapping,
2. analysing causes,
3. initiating measures and,
4. evaluating the outcomes of the efforts.

Investigating and mapping (1): How Rana Gruber works to identify risks of discrimination

A group of representatives from the management and employee representatives, was formed to conduct surveys on the basis of the *discriminatory indicators* and the various *areas of discrimination*. During the fall of 2023, Rana Gruber continued its efforts to identify potential risks on discrimination and barriers to equality, which were initiated in 2022. The working group addressed several topics as a mapping exercise:

- Using a checklist provided by the Equality and anti-discrimination ombud (likestillingsombudet), the working group systematically reviewed the company's existing objectives and policies.
- The physical conditions of the workplace were discussed to assess the level of accommodation under the relevant legislation.
- The working group carried out a risk assessment in accordance with the ISO 31000 standard for risk assessment to examine the risk of discrimination and barriers to gender equality.
- The assessments covered all grounds of discrimination and the various human resources areas, including work against harassment, sexual harassment and gender-based violence.
- A new and extended mapping of wages and involuntary part-time work in the period between for 2023, was carried out in January 2024.

Analysing causes (2): Self-assessment

- The vision, guidelines and work related to gender equality and diversity were not well communicated in the organisation.
- There has not been sufficient focus on minorities, for example, with regard to dietary requirements.
- Mining has traditionally been a male-dominated industry. In 2023 only 60 of the company's total of 341 employees were women.
- Several work tasks in the company are characterised by requirements good health and strong 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.

This analysis forms the basis for a number of initiated measures described in the following section.

Initiating measures (3) and evaluation (4): Rana Gruber's approach

The mapping and subsequent analysis identified threats, sources of risk, and barriers to advancing equality and diversity and preventing discrimination. This culminated in a list of measures:

1. Making the initial working group permanent: A working group consisting of HR management and employee representatives was established and began reviewing the company's efforts to ensure equality and prevent discrimination.
2. Mapping of salaries and involuntary part-time work: Conducted in January 2024
3. The mapping formed the basis for the internal equality strategy.

4. The company will continue to look for ways to encourage women in the company to increase competence and to take on bigger responsibilities.
5. The company will continue to look into ways to attract women to the mining industry.
6. Internal communication: The company shall ensure that the policy and associated policies and guidelines are effectively communicated throughout the organisation.
7. A training plan for equality and diversity work will be developed.
8. The company shall identify and initiate physical measures that satisfies universal design requirements and other physical measures that can help promote equality and diversity.
9. The company shall assess individual adjustments to working conditions and consider the possibility of systematising and effectively communicating these changes to ensure that all employees are well informed about the arrangements
10. The company shall establish routines for embedding and involving the board, management and employee unions.
11. The working group will establish a survey method to evaluate the company's equality and anti-discriminating efforts. The survey will be conducted by the end of year (The final step (4) of the continuous process as defined in the Act).

Strategic insights:
KPIs and expectations of initiated measures

The following list of ambitions served as the starting point for the practical work on gender equality in 2023. Most of this work is described in the gender equality strategy adopted in late summer.

The work is specified and described through four KPIs, which also reflect which HR areas are prioritised in the overall strategy:

1. Share of women in the organisation: 33 per cent female share in the company by 2027 (60 women out of 341 today, i.e., 17.6 per cent).
2. Safeguarding employees with regard to disabilities: Rana Gruber shall make it possible for persons with disabilities to work at Rana Gruber.
3. Safeguarding of employees, with regard to minority backgrounds: Rana Gruber shall facilitate that persons with minority backgrounds can work in Rana Gruber.
4. Building an inclusive culture: Rana Gruber shall map its culture and make plans to create a culture with attitudes that can be associated with the overall ambition.

Share of women in the organisation:
Gender balance

An important KPI for Rana Gruber is to increase the number of female employees. The table below shows that to reach the goal of 33 per cent by 2027 requires a strategic approach.

Year	Per cent	Amount	New employee hires
2021	18.5%	53 out of 286	-
2022	16.7%	48 out of 286	17
2023	17.6%	60 out of 341	61
...	-	-	-
2027	33%	116 out of 350	-

To reach the specific and ambitious gender goal, the following measures have been initiated:

- Incorporating gender equality themes during school visits in Mo i Rana.
- Strengthening equality awareness during all-hands meetings and department meetings
- Management training and courses in 2024
- Improve internal and external communication
- Organise courses to educate employees on equality and anti-discrimination.
- Implementing a recruitment strategy with gender equality goals led by a dedicated recruitment team
- Establishing in-house ambassadors
- Initiate meetings with educational institutions
- Addressing incidents

Safeguarding employees with regard to disabilities: Forming new partnerships

To better accommodate people with disabilities, the company plans to collaborate with Handicapforbundet to map the physical and psychological working environment.

In partnership with the Norwegian Labour and Welfare Administration (NAV), Rana Gruber offers some accommodated positions for people with health challenges. In these cases, the working day is structured to meet the specific needs of each employee.

Safeguarding of employees, with regard to minority backgrounds

Measures to accommodate employees from minority backgrounds involve both mapping and implementation:

- Encouraging new
- Facilitate/encourage employees with language barriers to participate in teams/groups
- Updating language, e.g. in job advertisements

Building an inclusive culture:
New commitments

The company is committed to building an inclusive working culture. Rana Gruber has formulated a strategy anchored in clear and measurable KPIs that serves as guiding benchmarks for our actions. These KPIs encompass:

- Rana Gruber will undergo at thorough mapping of the internal culture in 2024.
- Work Environment Survey 2023
- Plan 2024
- Sponsoring the local Pride-festival
- Using gender neutral terms

Rana Gruber anticipates that these initiatives will not only increase the recruitment of women, but also improve the physical working environment for people with disabilities. In addition, the company hopes that these measures will increase its diversity by attracting people from minority backgrounds over time. In addition, the company believes that a sustained efforts in these areas will lead to a significant improvement in corporate culture, making it an even more open and inclusive workplace, in line with the objectives of the Equality Act.

Numbers and statistics

Sustainability data

Topics	Unit	2023	2022	Comment
ENVIRONMENT				
New suppliers screened using environmental criteria	Per cent	**0**	0	In progress
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Numbers	**1**	1	The company has a map of where these mushrooms are, and they grow in the outskirts of the production area.
Significant spills				
Spills to Rana River				Water quantities is operating water from the Rana River and water from the municipality.
Water	m³	**25 142 139**	24 027 474	
Waste mass and tailings	Tonnes	**2 794 943**	2 946.804	
Material use	Kilograms	**4 970**	3 811	Limited to materials used for packaging of Colorana products. Non-renewable material.
Water withdrawal				
Surface water	m³	**0**	0	Water is taken out from the Rana River for use in production. This is all fresh water (≤1000 mg/L total dissolved solids).
Groundwater	m³	**0**	0	
Seawater	m³	**0**	0	
Produced water	m³	**0**	0	
Third-party water	m³	**25 166 006**	23 931 280	
Water discharge				
Surface water	m³	**0**	0	Both water from the municipality and water from Rana River run into the Rana fjord.
Groundwater	m³	**0**	0	
Seawater	m³	**0**	0	
Produced water	m³	**0**	0	
Third-party water	m³	**25 142 139**	24 027 474	
Water consumption				
Third-party water from the municipality	m³	**108 789**	96 194	Used for water in buildings (cloakrooms, toilets, drinking water, etc.), fire hoses, and water outlets (when operating water is disconnected), as well as emergency incidents.
Waste generated				
Total waste	Tonnes	**454.8**	401.2	
Complex iron	Tonnes	**76.8**	70.4	
Class iron	Tonnes	**1.8**	0	
Other metals	Tonnes	**37.0**	30.1	Incorrect data reported in the ESG-report for 2022 has been updated in this report.
Paper and coardboard	Tonnes	**63.5**	11.8	
Plastic*	Tonnes	**1.5**	0.8	
Glass	Tonnes	**14.2**	12.7	
Electronic waste	Tonnes	**27.6**	2.6	
Mixed cable	Tonnes	**-**	0.2	Please see page 53 for more information about waste handling.
Mineral wool	Tonnes	**189.9**	158.4	
Sorted waste	Tonnes	**188.9**	103.8	
Untreated wood	Tonnes	**4.1**	41.2	The increases in "Plastic" and "Mixed cable" are due to a clean-up and upgrade at the facilities in Vika in 2023.
Rubber	Tonnes	**11.8**	9.77	
Food waste	Tonnes	**170.1**	58.34	
Masses and concret	Tonnes	**8.00**	1.6	
Other waste	Tonnes	**117.00**	125.1	
Hazardous waste	Tonnes	**86.1**	86.3	
Sorting rate	Tonnes			

Topics	Unit	2023	2022	Comment
WASTE DIVERTED FROM DISPOSAL				
Total waste				
Material recovery	Tonnes	**736**	536	
Reuse	Tonnes	**530**	393	
Composting	Tonnes	**0**	24	
General waste	Tonnes	**0**	10	Please see page 53 for more information about waste handling.
Material recovery				
Reuse	Tonnes	**734**	536	
Composting	Tonnes	**530**	393	
Hazardous waste	Tonnes	**0**	24	
Material recovery	Tonnes	**0**	10	
Waste directed to disposal				
General waste	Tonnes	**10**	2	
Hazardous waste	Tonnes	**107**	123	
Waste directed to disposal				
General waste	Tonnes	**115**	65	Please see page 53 for more information about waste handling.
Hazardous waste	Tonnes	**0**	0	
SOCIAL MATTERS				
Employees				
All employees				
Total	Numbers	**341**	286	
Women	Numbers	**60**	48	
Men	Numbers	**281**	238	
*Management **				
Total	Numbers	**6**	4	
Women	Numbers	**2**	1	
Men	Numbers	**4**	3	
Operation management				
Total	Numbers	**15**	18	
Women	Numbers	**3**	5	*Please note that management and operational management are reported as one group in the Equality and anti-discrimination statement. See the appendix for further detiels.
Men	Numbers	**12**	13	
Office and mercantile positions				
Total	Numbers	**11**	15	
Women	Numbers	**6**	5	
Men	Numbers	**5**	10	
Technical clerks				
Total	Numbers	**52**	30	
Women	Numbers	**10**	7	
Men	Numbers	**42**	23	
Operators				
Total	Numbers	**257**	218	
Women	Numbers	**39**	31	
Men	Numbers	**218**	187	
Workers who are not employees				
Temporary employees				
Total	Numbers	**14**	12	
Women	Numbers	**3**	4	
Men	Numbers	**11**	8	
Apprentices				
Total	Numbers	**26**	14	
Women	Numbers	**6**	4	
Men	Numbers	**20**	10	
New employee hires				
Total	Numbers	**61**	17	
Women	Numbers	**12**	4	
Men	Numbers	**49**	13	

Topics	Unit	2023	2022	Comment
Age groups				
<30	Numbers	**26**	8	
30-50	Numbers	**20**	8	
>50	Numbers	**3**	1	
Turnover				
Total	Numbers	**19**	21	
Women	Numbers	**4**	2	
Men	Numbers	**15**	19	
Age groups				
<30	Numbers	**6**	9	
30-50	Numbers	**8**	6	
>50	Numbers	**5**	6	
Parental leave				
Employees that were entitled to parental leave				
Total	Numbers	**21**	16	
Women	Numbers	**7**	6	
Men	Numbers	**14**	10	
Employees that took parental leave				
Total	Numbers	**21**	16	
Women	Numbers	**7**	6	
Men	Numbers	**14**	10	
Employees that returned to work after parental leave ended				
Total	Numbers	**12**	12	
Women	Numbers	**2**	5	
Men	Numbers	**10**	7	
Employees that returned to work after parental leave ended that werestill employed 12 months after their return to work				
Total	Percentage	**10**	2	
Women	Percentage	**3**	2	
Men	Percentage	**7**		
Return to work and retention rates of employees that took parental leave, by gender	Numbers			
Total		**100**	100	
Women		**100**	100	
Men		**100**	100	
DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES				
Board of directors (women)				
<30	Per cent	**12.5**	0	
30-50	Per cent	**0**	0	
>50	Per cent	**25**	25	
Board of directors (men)				
<30	Per cent	**0**	0	
30-50	Per cent	**12.5**	50	
>50	Per cent	**50**	25	
Management (women)				
<30	Per cent	**0**		
30-50	Per cent	**16.7**		
>50	Per cent	**16.7**	25	
Management (men)				
<30	Per cent	**0**		
30-50	Per cent	**33.3**	25	
>50	Per cent	**33.3**	50	

Topics	Unit	2023	2022	Comment
Operation management (women)				
<30	Per cent	**0**		
30-50	Per cent	**20**	16	
>50	Per cent	**0**	16	
Operation management (men)				
<30	Per cent	**0**		
30-50	Per cent	**53**	42	
>50	Per cent	**27**	26	
Office and mercantile positions (women)				
<30	Per cent	**0**		
30-50	Per cent	**27**	13	
>50	Per cent	**27**	20	
Office and mercantile positions (men)				
<30	Per cent	**0**		
30-50	Per cent	**18**	47	
>50	Per cent	**27**	20	
Technical clerks (women)				
<30	Per cent	**8**	10	
30-50	Per cent	**10**	10	
>50	Per cent	**2**	3	
Technical clerks (men)				
<30	Per cent	**8**	3	
30-50	Per cent	**56**	45	
>50	Per cent	**17**	29	
Operators (women)				
<30	Per cent	**6**	4	
30-50	Per cent	**5**	4	
>50	Per cent	**5**	5	
Operators (men)				
<30	Per cent	**24**	14	
30-50	Per cent	**39**	41	
>50	Per cent	**24**	32	
RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN IN MANAGEMENT				
Management	Per cent	**54**	40	
Operation management	Per cent	**54**	30-40	
Office and mercantile positions	Per cent	**53**	30-40	
Technical supervisors	Per cent	**48**		
Average hours of training per year per employee				
Total	Numbers	**23.8**	16	Distribution by employee category in progress. The numbers are limited to operator paid by the hour.
Women	Numbers	**29.2**	16	
Men	Numbers	**22.9**	16	
Percentage of employees received regular performance and career development reviews				Distribution by gender and employee category in progress
Total	Per cent	**95**	95	
Workers covered by an occupational health and safety management system	Number	**381**	332	Includes workers who are not employees. See page 58 for more information.
	Per cent	**100**	100	
Sick leave	Per cent	**7.29**	7.48	
Work-related injuries	Numbers	**7**	7	See page 61 for more information
Work-related ill health	Numbers	**0**	0	No work-related ill health in 2022 and 2023. Incorrect data reported in the ESG-report for 2022 has been updated in this report.

Topics	Unit	2023	2022	Comment
Operations with local community engagement, impact assessments, and development programs	Per cent	**0**	-	In progress. Rana Gruber maintains an ongoing stakeholder dialogue with the local community throughout the year. The company also conducts ongoing environmental assessments of its impact on the local community. Read more in the environment section of this report.
GOVERNANCE BODY MEMBERS				
New suppliers that were screened using social criteria	Per cent	**0**	0	In progress
Negative social impacts in the supply chain and actions taken	Numbers and per cent	**0**	-	In progress
Incidents of discrimination and corrective actions taken	Numbers	**0**	0	
Operations assessed for risks related to corruption	Numbers and per cent	**0**	0	In progress
Communication and training about anti-corruption policies and procedures				
Governance body members				
Total	Numbers	**8**	8	
Percentage of all employees	Per cent	**100**	100	
Employees				
Total	Numbers	**15**	286	
Percentage of all employees	Per cent	**100**	100	
Business partners				All of the three business partners have received the anti-corruption policies and procedures upon request.
Total	Numbers	**0**	-	
Percentage of all employees	Per cent	**0**	-	
Confirmed incidents of corruption and actions taken	Numbers	**0**	0	
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Numbers	**0**	0	

SALARY IN NORWEGIAN KRONE NOK (AVERAGE)*

	2023	2021
Total	**806 724**	
Operators (women)	**742 782**	564 633
Operators (men)	**818 164**	594 648
Total	**879 536**	
Office / mercantile positions (women)	**881 109**	696 796
Office / mercantile positions (men)	**877 648**	637 475
Total	**893 134**	
Technical officers (women)	**819 226**	745 029
Technical officers (men)	**910 322**	695 903
Total	**1 503 503**	
Management (women)	**1 446 672**	1 070 517
Management (men)	**1 521 263**	998 921

AVERAGE SALARY FOR ALL EMPLOYEES: MEN VS. WOMEN

Total	**865 242**	*In the disclosed salary figures for 2021, only the fixed salary was included. For 2023 and onwards, these numbers refer to total compensation including bonuses and incentive schemes.
Women	**828 013**	
Men	**873 163**	

Carbon accounts

Key figures GHG emissions

SUMMARY	Description	Unit	2021	2022	2023	% Change
Total Scope 1			14 351.5	13 942.4	**12 417.1**	-11%
Total Scope 2			991.0	691.5	**650.6**	-6%
Total Scope 3			3 857.7	5 428.0	**8 201.8**	51%
Total		tCO_2e	19 200.1	20 062.0	**21 269.5**	6%

SCOPE 1	Description	Unit	2021	2022	2023	% Change
Transportation						
Diesel	Ørtfjell tank 1 og 2	tCO_2e	-	-	**-**	
Diesel	Ørtfjellmoen	tCO_2e	1 238.8	1 932.9	**2 219.4**	
Diesel	LNS tank Ørtfjell	tCO_2e	9 493.3	8 693.6	**6 790.5**	
Diesel	Vika	tCO_2e	715.0	763.9	**781.0**	
Diesel	Togtransport	tCO_2e	2 018.3	2 144.5	**1 922.6**	
Diesel (NO)	Småbiler	tCO_2e	36.1	43.2	**165.4**	
Diesel (NO)	Selfors	tCO_2e	3.6	5.3	**11.7**	
Diesel (NO)	Leaseplan	tCO_2e	130.6	144.3	**169.2**	
Petrol	Småbiler	tCO_2e	0.2	0.2	**0.2**	
Petrol	Leaseplan	tCO_2e	-	0.2	**1.1**	
Adblue (urea solution)		tCO_2e	-	-	**14.5**	
Transportation total		tCO_2e	13 635.7	13 728.2	**12 075.6**	**-12%**
Stationary combustion						
Propane (NO)		tCO_2e	677.0	29.5	**-**	
Heavy fuel oil		tCO_2e	38.5	3.8	**4.8**	
Petrol, stationary		tCO_2e	0.3	0.5	**0.7**	
Biodiesel, HVO, stationary		tCO_2e	-	0.4	**-**	
Diesel, stationary		tCO_2e	-	180.1	**336.0**	
Stationary combustion total		tCO_2e	715.8	214.2	**341.5**	**59%**
Scope 1 total		tCO_2e	14 351.5	13 942.4	**12 417.1**	**-11%**

SCOPE 2	Unit	2020	2022	2023	
Electricity location-based					
Electricity Norway	tCO_2e	991.0	691.2	**650.2**	
Electricity location-based total	tCO_2e	991.0	691.2	**650.2**	**-6%**
Electric vehicles					
Electric car Nordic	tCO_2e	-	0.3	**0.4**	
Electric vehicles total	tCO_2e	-	0.3	**0.4**	**33%**
Scope 2 total	tCO_2e	991.0	691.5	**650.6**	**-6%**

SCOPE 3	Description	Unit	2020	2022	2023	% Change
Purchased goods and services						
Hydraulic oil		tCO_2e	-	40.5	**44.1**	
Engine oil		tCO_2e	-	3.3	**13.5**	
Lubricating oil		tCO_2e	-	47.0	**41.2**	
Explosives, Subtek Velcro, Orica (A1-5)		tCO_2e	-	1 298.8	**1 650.2**	
Explosives, Subtek Velcro, Orica (A1-5)	Dagbrudd	tCO_2e	-	-	**2 171.2**	
Dynamite, Eurodyn 2000 (A1-5)		tCO_2e	-	4.1	**64.7**	
Gear oil		tCO_2e	-	30.9	**6.6**	
Non electric detonator (A1-A4)		tCO_2e	-	-	**9.4**	
Packed explosives (A1-A5)		tCO_2e	-	-	**18.8**	
Packed explosives (A1-A5)	Dagbrudd	tCO_2e	-	-	**66.4**	
Hand soap, liquid		tCO_2e	-	-	**0.8**	
Packed explosives, EXAN, Orica Norway (A1-5)		tCO_2e	-	-	**3.4**	
Grease		tCO_2e	-	-	**0.3**	
Purchased goods and services total		tCO_2e	-	1 424.6	**4 090.7**	**187%**
Fuel-and-energy-related activities						
Diesel (WTT)		tCO_2e	3 129.0	3 195.0	**2 827.7**	
Propane/Butane (WTT)		tCO_2e	78.3	3.4	**-**	
Diesel (B5) (WTT)		tCO_2e	-	-	**-**	
Electricity Norway (upstream)		tCO_2e	356.7	197.5	**566.3**	
Burning oil (WTT)		tCO_2e	6.4	0.6	**0.8**	
Diesel (B7) (WTT)		tCO_2e	48.6	56.4	**93.0**	
Petrol (WTT)		tCO_2e	0.1	0.2	**0.5**	
Biodiesel, HVO (WTT)		tCO_2e	-	3.5	**-**	
Fuel-and-energy-related activities total		tCO_2e	3 619.1	3 456.7	**3 488.3**	**1%**
Upstream transportation and distribution						
Transportation diesel		tCO_2e	-	12.5	**29.9**	
Upstream transportation and distribution total		tCO_2e	-	12.5	**29.9**	**139%**
Waste						
Diesel		tCO_2e	18.0	-	**-**	
Residual waste, incinerated		tCO_2e	220.6	75.0	**-**	
Asbestos, landfill		tCO_2e	-	-	**-**	
Cardboard waste, recycled		tCO_2e	-	0.6	**0.4**	
EE waste, recycled		tCO_2e	-	0.3	**0.9**	
Glass waste, recycled		tCO_2e	-	-	**-**	
Industrial waste, recycled		tCO_2e	-	0.4	**-**	
Metal waste, recycled		tCO_2e	-	10.0	**11.3**	
Mineral wool waste, landfill		tCO_2e	-	-	**-**	
Mixed waste, recycled		tCO_2e	-	0.2	**-**	
Organic waste, incinerated		tCO_2e	-	0.2	**-**	
Paper waste, recycled		tCO_2e	-	-	**0.4**	
Plastic waste, incinerated		tCO_2e	-	11.4	**-**	
Plastic waste, recycled		tCO_2e	-	0.1	**-**	
Rubber waste, incinerated		tCO_2e	-	61.5	**-**	
Soils contaminated, landfill		tCO_2e	-	0.7	**2.2**	
Textile waste, landfill		tCO_2e	-	0.7	**-**	
Wood waste, incinerated		tCO_2e	-	2.2	**3.3**	
Hazardous waste, incinerated (Europe)		tCO_2e	-	297.4	**33.2**	
Metal waste, landfill		tCO_2e	-	0.2	**-**	
Acidic waste (H), incinerated		tCO_2e	-	-		
Batteries waste (H), recycled		tCO_2e	-	-	**0.1**	
Chemical waste (H), incinerated		tCO_2e	-	-	**3.0**	
Fluorescent tubes waste (H), recycled		tCO_2e	-	-	**-**	
Fuel waste (H), incinerated		tCO_2e	-	-	**1.8**	
Hazardous waste, landfill		tCO_2e	-	-	**-**	
Industrial inert waste, landfill		tCO_2e	-	-	**-**	
Industrial waste, incinerated		tCO_2e	-	-	**104.7**	
Metal aluminium waste, recycled		tCO_2e	-	-	**-**	
Mineral oil waste, incinerated		tCO_2e	-	-	**153.1**	

SCOPE 3	Description	Unit	2020	2022	2023	% Change
Oil contaminated waste (H), incinerated		tCO_2e	-	-	**111.1**	
Organic sludge, composting		tCO_2e	-	-	**0.2**	
Organic solvents (H), incinerated		tCO_2e	-	-	**-**	
Organic waste, anaerobic digestion		tCO_2e	-	-	**0.1**	
Organic waste, composting		tCO_2e	-	-	**-**	
Paint warnish waste (H), incinerated		tCO_2e	-	-	**0.2**	
PCB/Chloroparaffin windows (H), incinerated		tCO_2e	-	-	**0.1**	
Plastic feeding tubes waste, recycled		tCO_2e	-	-	**0.1**	
Plastic packaging waste, recycled		tCO_2e	-	-	**0.5**	
Plastic PP-bag waste, recycled		tCO_2e	-	-	**0.1**	
Plastic PVC packaging waste, incinerated		tCO_2e	-	-	**3.3**	
Soil non-contaminated, landfill		tCO_2e	-	-	**0.3**	
Spray cannister waste (H), recycled		tCO_2e	-	-	**-**	
Wood waste, recycled		tCO_2e	-	-	**0.8**	
Acidic waste (H), landfill		tCO_2e	-	-	**-**	
Ceramic waste, recycled		tCO_2e	-	-	**-**	
Concrete waste, recycled		tCO_2e	-	-	**-**	
Fly ash waste (H), landfill		tCO_2e	-	-	**-**	
Oil filter waste (H), incinerated		tCO_2e	-	-	**6.6**	
Plastic PE/PP waste, recycled		tCO_2e	-	-	**0.6**	
Tyres waste, recycled		tCO_2e	-	-	**0.1**	
Waste total		tCO_2e	238.5	461.0	**438.7**	**-5%**
Business travel						
Air travel, continental, incl. RF		tCO_2e	-	14.7	**29.3**	
Air travel, domestic, incl. RF		tCO_2e	-	58.6	**77.3**	
Air travel, intercontinental, incl. RF		tCO_2e	-	-	**32.1**	
Air travel avg. (WTT)		tCO_2e	-	-	**15.5**	
Business travel total		tCO_2e	-	73.3	**154.2**	**110%**
Scope 3 total		tCO_2e	3 857.7	5 428.0	**8 201.8**	**51%**
Total (Scope 1 + 2)		tCO_2e	15 342.5	14 633.9	**13 067.7**	**-11%**
Total (Scope 1 + 2 + 3)		tCO_2e	19 200.1	20 062.0	**21 269.5**	**6%**
Percentage change			5%	4.5%	**6.1%**	
Annual Market-Based GHG Emissions						
Electricity total (Scope 2) with Market-based calculations		tCO_2e	39 837.0	39 992.9	**52 675.2**	
Scope 2 total with Market-based electricity calculations		tCO_2e	39 837.0	39 993.3	**52 675.6**	
Scope 1+2+3 total with Market-based electricity calculations		tCO_2e	58 046.1	59 363.7	**73 294.5**	
Percentage change			3.1%	2.3%	**23.5%**	

Key figures energy

SCOPE 1	Description	Unit	2020	2022	2023
Transportation					
Diesel	Ørtfjell tank 1 og 2	MWh	-	-	**-**
Diesel	Ørtfjellmoen	MWh	4 890.0	7 634.8	**8 278.8**
Diesel	LNS tank Ørtfjell	MWh	37 474.8	34 338.8	**25 329.8**
Diesel	Vika	MWh	2 822.3	3 017.2	**2 913.2**
Diesel	Togtransport	MWh	7 967.2	8 470.7	**7 171.5**
Diesel (NO)	Småbiler	MWh	180.1	215.4	**712.0**
Diesel (NO)	Selfors	MWh	17.8	26.3	**50.4**
Diesel (NO)	Leaseplan	MWh	651.6	718.9	**728.2**
Petrol	Småbiler	MWh	0.7	0.7	**0.7**
Petrol	Leaseplan	MWh	-	1.0	**4.3**
Adblue (urea solution)		MWh	-	-	**-**
Transportation total		MWh	54 004.6	54 423.8	**45 188.7**

Stationary combustion					
Propane (NO)		MWh	2 906.9	126.6	**-**
Heavy fuel oil		MWh	143.5	14.3	**16.7**
Petrol, stationary		MWh	1.4	1.9	**2.7**
Biodiesel, HVO, stationary		MWh	-	99.3	**-**
Diesel, stationary		MWh	-	711.5	**1 253.5**
Stationary combustion total		MWh	3 051.8	953.5	**1 272.8**
Scope 1 total		MWh	57 056.4	55 377.3	**46 461.6**

SCOPE 2	Description	Unit	2020	2022	**2023**
Electricity					
Electricity Norway		MWh	99 097.0	98 748.0	**104 868.0**
Electricity total		MWh	99 097.0	98 748.0	**104 868.0**
Electric vehicles					
Electric car Nordic		MWh	-	11.9	**15.0**
Electric vehicles total		MWh	-	11.9	**15.0**
Scope 2 total		MWh	99 097.0	98 759.9	**104 883.0**
Total (Scope 1 + 2 + 3)		MWh	156 153.4	154 137.1	**151 344.5**
		GJ	562 152.1	554 893.7	**544 840.2**
Percentage change			2.5%	-1.3%	**-1.8%**
Scope 1 renewable energy		MWh	208.1	334.6	**253.4**
Scope 1 renewable energy share		%	0.4%	0.6%	**0.5%**
Scope 2 renewable energy (Location-based)		MWh	93 844.9	94 708.4	**100 894.4**
Scope 2 renewable energy share (Location-based)		%	94.7%	95.9%	**96.2%**
Total renewable energy (Location-based)		MWh	94 053.0	95 043.0	**101 147.8**
Total renewable energy share (Location-based)		%	60.2%	61.7%	**66.8%**
Scope 2 renewable energy (Market-based)		MWh	-	-	**-**
Scope 2 renewable energy share (Market-based)		%	-	-	**-**
Total renewable energy (Market-based)		MWh	208.1	334.6	**253.4**
Total renewable energy share (Market-based)		%	0.1%	0.2%	**0.2%**

Key figures energy consumption

SCOPE 1	Description	Unit	2020	2022	**2023**
Transportation					
Diesel	Ørtfjell tank 1 og 2	liters	-	-	**-**
Diesel	Ørtfjellmoen	liters	457 864.0	716 214.4	**834 552.0**
Diesel	LNS tank Ørtfjell	liters	3 508 880.0	3 221 279.0	**2 553 412.0**
Diesel	Vika	liters	264 260.0	283 037.1	**293 665.0**
Diesel	Togtransport	liters	745 996.9	794 623.5	**722 930.0**
Diesel (NO)	Småbiler	liters	17 302.9	20 727.0	**72 652.0**
Diesel (NO)	Selfors	liters	1 713.0	2 528.5	**5 140.0**
Diesel (NO)	Leaseplan	liters	62 589.2	69 187.4	**74 301.1**
Petrol	Småbiler	liters	70.1	76.5	**75.3**
Petrol	Leaseplan	liters	-	102.4	**465.1**
Adblue (urea solution)		liters	-	-	**56 000.0**
Stationary combustion					
Propane (NO)		kg	225 516.0	9 818.0	**-**
Heavy fuel oil		liters	12 118.9	1 203.0	**1 507.9**
Petrol, stationary		liters	145.0	200.0	**290.0**
Biodiesel, HVO, stationary		liters	-	10 000.0	**-**
Diesel, stationary		liters	-	66 742.2	**126 359.0**

SCOPE 2	Description	Unit	2020	2022	**2023**
Electricity					
Electricity Norway		kWh	99 097 000.0	98 748 000.0	**104 868 000.0**
Electric vehicles					
Electric car Nordic		pkm	-	-	**78 732.0**
Electric car Nordic		km	-	62 489.0	**-**

SCOPE 3	Description	Unit	2020	2022	**2023**
Purchased goods and services					
Hydraulic oil		liters	-	28 030.0	**30 550.0**
Engine oil		liters	-	2 285.8	**9 368.0**
Lubricating oil		liters	-	32 505.2	**28 497.5**
Explosives, Subtek Velcro, Orica (A1-5)		kg	-	940 482.0	**1 194 922.0**
Explosives, Subtek Velcro, Orica (A1-5)	Dagbrudd	kg	-	-	**1 572 216.0**
Dynamite, Eurodyn 2000 (A1-5)		kg	-	1 511.1	**23 961.0**
Gear oil		liters	-	21 408.5	**4 539.5**
Non electric detonator (A1-A4)		kg	-	-	**3 129.0**
Packed explosives (A1-A5)		kg	-	-	**4 768.0**
Packed explosives (A1-A5)	Dagbrudd	kg	-	-	**16 855.0**
Hand soap, liquid		liters	-	-	**1 214.0**
Packed explosives, EXAN, Orica Norway (A1-5)		kg	-	-	**2 000.0**
Grease		kg	-	-	**3 640.0**
Fuel-and-energy-related activities					
Diesel (WTT)		liters	4 977 000.9	5 081 896.2	**4 530 918.2**
Propane/Butane (WTT)		kg	225 516.0	9 818.0	**-**
Diesel (B5) (WTT)		liters	-	-	**-**
Electricity Norway (upstream)		kWh	99 097 000.0	98 748 000.0	**104 868 000.0**
Burning oil (WTT)		liters	12 118.9	1 203.0	**1 507.9**
Diesel (B7) (WTT)		liters	81 605.3	92 442.8	**152 093.0**
Petrol (WTT)		liters	215.1	378.9	**830.4**
Biodiesel, HVO (WTT)		liters	-	10 000.0	**-**
Upstream transportation and distribution					
Transportation diesel		liters	-	4 842.6	**11 798.9**
Waste					
Diesel		liters	6 639.5	-	**-**
Residual waste, incinerated		kg	439 349.0	149 315.0	**-**
Asbestos, landfill		kg	-	1.0	**-**
Cardboard waste, recycled		kg	-	27 905.0	**18 140.0**
EE waste, recycled		kg	-	15 253.0	**41 797.0**
Glass waste, recycled		kg	-	840.0	**1 473.0**
Industrial waste, recycled		kg	-	16 480.0	**1 932.5**
Metal waste, recycled		kg	-	471 520.0	**531 374.0**
Mineral wool waste, landfill		kg	-	180.0	**-**
Mixed waste, recycled		kg	-	9 120.0	**-**
Organic waste, incinerated		kg	-	9 770.0	**-**
Paper waste, recycled		kg	-	2 175.0	**18 824.0**
Plastic waste, incinerated		kg	-	4 800.0	**-**
Plastic waste, recycled		kg	-	6 994.0	**-**
Rubber waste, incinerated		kg	-	19 480.0	**-**
Soils contaminated, landfill		kg	-	41 860.0	**113 040.0**
Textile waste, landfill		kg	-	1 570.0	**-**
Wood waste, incinerated		kg	-	103 836.0	**153 210.0**
Hazardous waste, incinerated (Europe)		kg	-	123 085.0	**13 824.0**
Metal waste, landfill		kg	-	21 740.0	**-**
Acidic waste (H), incinerated		kg	-	-	
Batteries waste (H), recycled		kg	-	-	**2 956.0**
Chemical waste (H), incinerated		kg	-	-	**1 243.0**

SCOPE 3	Description	Unit	2020	2022	2023
Fluorescent tubes waste (H), recycled		kg	-	-	**123.0**
Fuel waste (H), incinerated		kg	-	-	**627.0**
Hazardous waste, landfill		kg	-	-	**8.0**
Industrial inert waste, landfill		kg	-	-	**2 740.0**
Industrial waste, incinerated		kg	-	-	**190 005.0**
Metal aluminium waste, recycled		kg	-	-	**1 750.0**
Mineral oil waste, incinerated		kg	-	-	**53 771.0**
Oil contaminated waste (H), incinerated		kg	-	-	**39 031.0**
Organic sludge, composting		kg	-	-	**8 000.0**
Organic solvents (H), incinerated		kg	-	-	**160.0**
Organic waste, anaerobic digestion		kg	-	-	**11 758.0**
Organic waste, composting		kg	-	-	**20.0**
Paint warnish waste (H), recycled		kg	-	-	**114.0**
PCB/Chloroparaffin windows (H), incinerated		kg	-	-	**46.0**
Plastic feeding tubes waste, recycled		kg	-	-	**3 725.0**
Plastic packaging waste, recycled		kg	-	-	**25 490.0**
Plastic PP-bag waste, recycled		kg	-	-	**4 970.0**
Plastic PVC packaging waste, incinerated		kg	-	-	**1 402.0**
Soil non-contaminated, landfill		kg	-	-	**13 120.0**
Spray cannister waste (H), recycled		kg	-	-	**643.0**
Wood waste, recycled		kg	-	-	**35 650.0**
Acidic waste (H), landfill		kg	-	-	
Ceramic waste, recycled		kg	-	-	**1 060.0**
Concrete waste, recycled		kg	-	-	**38 180.0**
Fly ash waste (H), landfill		kg	-	-	**2 018.0**
Oil filter waste (H), incinerated		kg	-	-	**2 332.0**
Plastic PE/PP waste, recycled		kg	-	-	**27 880.0**
Tyres waste, recycled		kg	-	-	**4 060.0**
Business travel					
Air travel, continental, incl. RF		pkm	-	95 611.0	**157 701.0**
Air travel, domestic, incl. RF		pkm	-	238 238.0	**283 615.0**
Air travel, intercontinental, incl. RF		pkm	-	-	**122 774.0**
Air travel avg. (WTT)		pkm	-	-	**564 090.0**

GHG emissions accounting principles and reporting methodology

Methodology

Rana Gruber applies greenhouse gas (GHG) inventory accounting principles as its reporting methodology, in concurrence with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol), 2004 (Scope 2 guidance was updated in 2015). The GHG Protocol was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). In alignment with the GHG Protocol, Rana Gruber takes into consideration the gases CO_2, CH4, N2O HFCs, PFCs, SF6 and NF3 when converting consumption data to tons CO_2-equivalents (tCO_2e). The Global Warming Potential (GWP) used in the calculation of CO_2e is based on the fourth assessment report (Fourth Assessment Report, AR4) over a 100-year period from Intergovernmental Panel on Climate Change (IPCC). GHG emissions accounting has, as of 2023, no agreed method for calculating emission factor. The 2023 GHG emissions accounting is developed using emission factors calculated based on methodologies recognised by CEMAsys as credible. However, we are aware that other emission factors exist and there is no consensus on which emission factors should be used. CEMAsys use emission factors from well-know, internationally recognised sources, including DEFRA, IEA and Ecoinvent. CEMAsys is open about the sources and calculation methodology used in the emission factors and strive for consistency throughout the reporting periods. As for circumstances where there is a change in methodology, the company will communicate this in the reporting.

Rana Gruber's climate accounting routines are in line with the 5 principles outlined in the GHG protocol: relevance, completeness, consistency, transparency, and accuracy. The company collects input data on a monthly basis to make sure the data is up-to-date and relevant. Frequent collection of data ensures consistency through standardised processes and enables frequent assessments of emissions from the company's own operations and its supply chain. Third-party verification of the 2023 GHG emissions accounting ensures accuracy, completeness, and credibility of the reported emissions. The verified GHG emissions accounting is communicated to Rana Gruber's stakeholders through its annual sustainability report.

Organisational and operational boundary

Rana Gruber operates iron ore mining and mineral processing to yield iron ore concentrates and specialised products. All five deposits are located in Storforshei and Ørtfjell in the Dunderland Valley in Norway. In total, Rana Gruber operates 5.200 acres with mineral rights and forest. To determine the organisational boundary, Rana Gruber uses the operational control approach for consolidating GHG emissions at the corporate level. As defined by the GHG Protocol, Rana Gruber includes operations where they have the full authority to introduce and implement operating policies from all owned and leased assets. The emissions from suppliers operating in Rana Gruber's deposits on behalf of Rana Gruber are included in the company's organisational boundary. The GHG emissions accounting methodology is consistent with previous reporting periods, unless otherwise specified. The company has conducted a preliminary scope 3 screening in 2023 but complete a thorough screening in 2024 to identify all relevant scope 3 categories to include in the reporting, and how suitable data can be collected. The company has started to include relevant scope 3 categories, but GHG emissions accounting for scope 3 is not complete for 2023. The methodology strives to express transparency in Rana Gruber's GHG emissions accounting, and thereby communicate where there have been made assumptions and if information is excluded.

Scope 1

Includes all direct emission sources from owned, leased, and rented assets. This includes emissions from transportation and stationary combustion, such as leased company cars, railway transport and purchased fuel to operate the mines with heavy machinery. The Scope 1 calculations are defined as complete. There have been no methodological changes from the previous reporting year.

GHG emissions in Scope 1 have declined by 11 per cent compared to 2022. This is primarily due to less consumption of fossil fuels in the deposit in Ørtfjell. Fuel consumption from smaller vehicles have increased in 2023. Rana Gruber also phased out propane usage in the end of 2022, leading to a temporary increase in diesel, stationary consumption in 2023.

Scope 2

Accounts for GHG emissions from the generation of purchased electricity consumed across all facilities, including consumption by the company's electric cars. Consistent with the scope 2 guidance from the GHG Protocol, both location-based method and market-based method have been reported. Rana Gruber does not purchase Guarantees of Origin (GoOs) or Renewable Energy Certificates (RECs) under the market-based approach. Based on the source from the International Energy Agency, Rana Gruber's location-based approach using the Norwegian electricity mix, determined all of scope 2 to be 96.2 per cent renewable in 2023. The Scope 2 calculations are defined as complete.

Scope 2 has remained steady in 2023 compared to 2022. Despite a 6 per cent increase in electricity consumption, Scope 2 emissions decreased by 6 per cent in 2023, compared to the previous year. The decrease is due to a greener electricity grid in Norway.

Scope 3

Entails emissions resulting from Rana Gruber's upstream and downstream activities from sources they do not own. Hence, Scope 3 covers emissions from Rana Gruber's value chain. When Rana Gruber completed its first GHG emissions accounting in 2021, Scope 3 categories comprised waste and fuels-and-energy-related activities. In 2022, Rana Gruber expanded its Scope 3 reporting to include purchased goods and services, upstream transportation and distribution, and business travel, alongside waste and fuel-and-energy-related activities.

Category 1. Purchased goods and services

Purchased goods and services consist of lubricating oils, explosives, and soap used in operation. In 2022, lubricating oils and explosives used in the underground mines were accounted for, while those from open-pit deposits were not included. However, in the 2023 reporting, explosives from open-pit deposits were integrated, leading to a noteworthy increase in emissions for Rana Gruber. We do not define the inclusion of explosives as complete in 2023. Due to insufficient information, a partial inclusion of explosives from both underground and open-pit mines were included. 8 out of today's 10 purchased explosives from underground mines and 15 out of today's 17 from open-pit mines have been included in the 2023 GHG emissions accounting. These explosives have been categorised into four types for GHG accounting purposes. Some of the included explosives are estimations based on similar products. Efforts will be made to include more explosives in the 2024 reporting cycled.

Category 3. Fuels-and-energy-related activities

Complete accounting for fuel-and-energy-related activities (not included in Scope 1 and 2) is included in the 2023 GHG emissions accounting. In this category, the indirect emissions from electricity associated with T&D losses are also accounted for. Discrepancies between the 2023 emissions figures for 2021 and 2022 compared to the emissions figures disclosed in the 2022 sustainability report arise from changing emission factor from Diesel (B5) (WTT) to Diesel (B7) (WTT) for 2020, 2021, 2022 and 2023. The modification was made to correct an earlier reporting error.

Category 4. Upstream transportation and distribution

Transportation of waste generated by Rana Gruber is included in Upstream transportation and distribution.

Category 5. Waste

Rana Gruber's GHG emissions accounting includes emissions from waste generated in operations based on total waste generated. In 2022, there was a change in methodology on waste compared to the 2021 emissions accounting. In 2021, emissions from total waste (recycled and residual) were categorised solely as residual waste for incineration. However, in the 2022 and 2023 GHG emission accounting, waste is divided into respective waste fractions and the particular treatment method applied by the waste management company. The change was made to provide a more nuanced and complete understanding of the emissions related to waste. GHG emissions from waste have remained steady in 2023 compared to 2022.

Category 6. Business travel

Business travel includes air travel for Rana Gruber employees and has seen a 110 per cent increase due to more business travel activities. It does not consider the business travel of suppliers operating in the company's deposits. Notably, the 2022 business travel data contained a reporting error, which has been corrected in February 2024. This describes the gap in the GHG emissions data reported in the 2022 sustainability report.

The Scope 3 calculations are not defined as complete. Rana Gruber will strive to complete the scope 3 calculation across operations, where applicable using comparable methodology approaches. Complete indirect emissions from Rana Gruber's upstream and downstream activities in scope 3 will be reported on in the future.

Rana Gruber's total Scope 1, 2, and 3 emissions increased 6 per cent from 2022 to 2023. The increase is mainly due to expanded reporting scope and more accurate data. Moreover, the company's direct emissions (Scope 1 and 2) have decreased by 11 per cent from the previous reporting period.

Quantification

Rana Gruber use consumption and activity data to calculate CO_2e emissions from their monthly operations throughout the calendar year. The calculation method is based on the average-data method through the software CEMAsys. The average-data method includes emission factors primarily from Department for Environment, Food and Rural Affairs (DEFRA), International Energy Agency (IEA) and the Norwegian Environmental Agency. As for explosives, product specific emission factors have been applied through available Environmental Product Declarations (EPDs). In summary, all emissions factors are based on the average-data method, except explosives, which is based on supplier-specific EPDs.

Carbon account audit

pwc

To the Board of Directors of Rana Gruber ASA

Independent report on Rana Gruber ASA's Greenhouse Gas (GHG) Statement

We have undertaken a limited assurance engagement in respect of Rana Gruber ASA's GHG statement for the period 1 January 2023 – 31 December 2023, comprising the table Greenhouse gas emissions per category in 2023, comprising the table Carbon accounts and the section GHG emissions accounting principles and reporting methodology (Sustainability Matter). The Greenhouse gas emissions per category in 2023 is included in the chapter The environment and the table Carbon accounts and the section GHG emissions accounting principles and reporting methodology in appendix in the ESG report 2023 section of Rana Gruber ASA's Annual report 2023.

The applicable criteria against which the Greenhouse Gas Statement has been evaluated is the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (2004) (Criteria), applied as explained in the section GHG emissions accounting principles and reporting methodology in the GHG statement. The GHG Protocol Corporate Accounting and Reporting Standard, published by the World resources Institute and the World Business Council for Sustainable Development, is available at https://ghgprotocol.org/corporate-standard.

Management's Responsibility

Management is responsible for the preparation of the GHG statement in accordance with the applicable Criteria, applied as explained in the section Carbon Accounting Principles and Reporting Methodology. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Greenhouse Gas statements that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, 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.

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion on the GHG statement based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. 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 ASA's use of the Criteria as the basis for the preparation of

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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.

The procedures we performed were based on our professional judgement and, among others, included:

- Inquiries to obtain an understanding of Rana Gruber ASA'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.
- Evaluation of whether Rana Gruber ASA'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.
- Procedures performed 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 ASA'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.
- Limited substantive testing on a selective basis of the Greenhouse Gas scope 1, scope 2 and scope 3 emissions to check that data had been appropriately measured, recorded, collated and reported. 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 ASA's GHG statement has been prepared, in all material respects, in accordance with the criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 ASA's GHG statement for the period 1 January 2023 – 31 December 2023, is not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) applied as explained in the section GHG emissions accounting principles and reporting methodology in the GHG statement.

Mo i Rana, 12 March 2024

PricewaterhouseCoopers AS

Silja Eriksen

State Authorized Public Accountant (Norway)

(This document has been signed electronically)

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GRI Content Index 2023

- **Statement of use:** Rana Gruber has reported in accordance with the GRI Standards for fiscal year from 1 January 2023 to 31 December 2023
- **GRI 1 used:** GRI 1 Foundation 2021
- **Applicable GRI Sector Standard(s):** None

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION: REQUIREMENT (S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021					
The organisation and its reporting practices					
GRI 2-1	Organisational details	p. 8 and p. 159			
GRI 2-2	Entities included in the organization's sustainability reporting	p. 22			
GRI 2-3	Reporting period, frequency and contact point	p. 22			
GRI 2-4	Restatements of information	p. 22			
GRI 2-5	External assurance	p. 22 and p. 129			
Activities and workers					
GRI 2-6	Activities, value chain and other business relationships	p. 8-11			
GRI 2-7	Employees	p. 117	2-7 a (region),c, d, e	a) Not applicable. c-e) Information unavailable	a) Operations limited to Norway
GRI 2-8	Workers who are not employees	p. 117-118	2-8 a (region),c, d, e	a) Not applicable. c-e) Information unavailable	a) Operations limited to Norway
Governance					
GRI 2-9	Governance structure and composition	p. 148-155			
GRI 2-10	Nomination and selection of the highest governance body	p. 148-149			
GRI 2-11	Chair of the highest governance body	p. 154			
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	p. 29	2-12 b and c	Information incomplete	Limited to a disclosure on how the board of directors manages sustainabiliy on a strategic level
GRI 2-13	Delegation of responsibility for managing impacts	p. 29			
GRI 2-14	Role of the highest governance body in sustainability reporting	p. 29			
GRI 2-15	Conflicts of interest	p. 148-149			
GRI 2-16	Communication of critical concerns	p. 29			
GRI 2-17	Collective knowledge of the highest governance body	p. 29			
GRI 2-18	Evaluation of the performance of the highest governance body	p. 29	2-18	Information incomplete	Limited to a disclosure on evaluation of the board of directors on general terms
GRI 2-19	Remuneration policies	p. 150			
GRI 2-20	Process to determine remuneration	p. 150			
GRI 2-21	Annual total compensation ratio	p. 150			
Strategy, policies and practices					
GRI 2-22	Statement on sustainable development strategy	p. 6, p. 161 and p.165			
GRI 2-23	Policy commitments	p. 78-79			
GRI 2-24	Embedding policy commitments	p. 78			
GRI 2-25	Processes to remediate negative impacts	p. 66-67	2-25	Information incomplete	Limited to some information disclosed as part of the material topics of workers in the value chain and biodiversity and ecosystems
GRI 2-26	Mechanisms for seeking advice and raising concerns	p. 75-76	2-26 a.i	Information incomplete	Limited to disclosure on whistle-blower mechanisms
GRI 2-27	Compliance with laws and regulations	p. 120 and p. 165			
GRI 2-28	Membership associations	p. 79			

			OMISSION		
GRI STANDARD	**DISCLOSURE**	**LOCATION**	**REQUIREMENT (S) OMITTED**	**REASON**	**EXPLANATION**
Stakeholder engagement					
GRI 2-29	Approach to stakeholder engagement	p. 26			
GRI 2-30	Collective bargaining agreements	p. 56 and p. 61			
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021					
GRI 3-1	Process to determine material topics	p. 24-25			
GRI 3-2	List of material topics	p. 25			
GRI 3-3	Management of material topics	Refer to each material topic listed below			
ENVIRONMENTAL					
CLIMATE CHANGE					
GRI 3-3: Material Topics 2021	Management of material topic	p. 31-37	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	p. 35-36 and p. 121-126			
305-2	Energy indirect (Scope 2) GHG emissions	p. 35-36 and p. 121-126			
305-3	Other indirect (Scope 3) GHG emissions	p. 35-36 and p. 121-126	305-3 a	Information incomplete	The Scope 3 calculations are not defined as complete. Please refer to climate accounts in the appendix for more information.
305-4	GHG emissions intensity	p. 35			
305-5	Reduction of GHG emissions	p. 35-36 and p. 121			
305-6	Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	Climate accounts limited to CO_2
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	Climate accounts limited to CO_2
GRI 302: Energy 2016					
302-1	Energy consumption within the organisation	p. 36 and p. 124			
302-2	Energy consumption outside of the organization		302-2	Information unavailable	Information unavailable
302-3	Energy intensity		302-3	Information unavailable	Not disclosed in 2023
302-4	Reduction of energy consumption	p. 36 and p. 124			
302-5	Reductions in energy requirements of products and services products and services		302-5	Information unavailable	Information unavailable
GRI 201: Economic Performace 2016					
201-2	Financial implications and other risks and opportunities due to climate change	p. 80-92			
POLLUTION					
GRI 3-3	Management of material topic	p. 38-41	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 306: Effluents and Waste 2016					
GRI 306-3	Significant spills	p. 116			

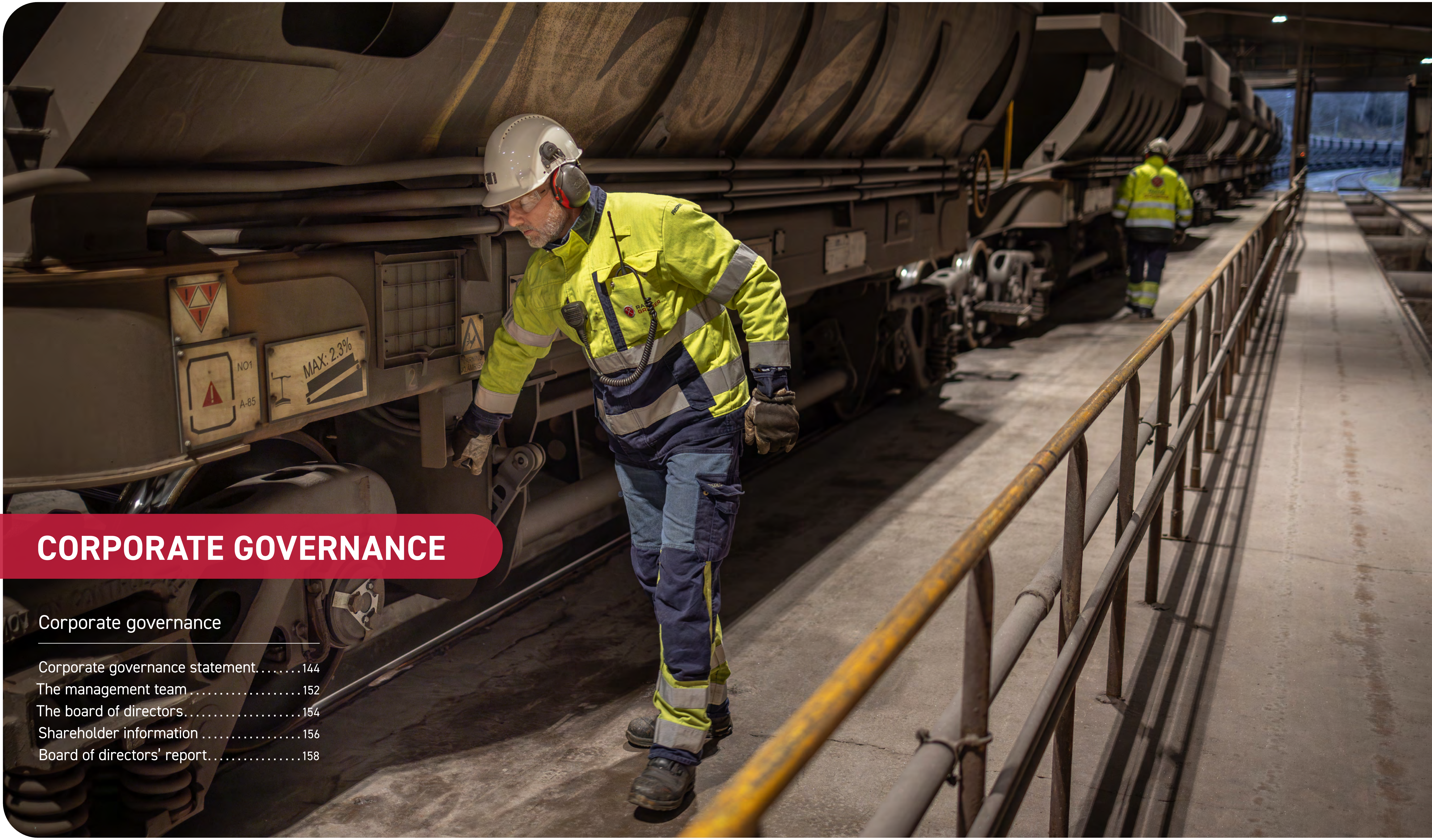
GRI STANDARD	DISCLOSURE	LOCATION	OMISSION: REQUIREMENT (S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION
WATER AND MARINE RESOURCES					
GRI 3-3	Management of material topics	p. 42-46	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 303: Water and Effluents 2018					
303-1	Interactions with water as a shared resource	p. 44-45	303 1 b,c and d	Not applicable	Water is not a limited resource in the area Rana Gruber operates, thus does not affect the local community to any extent.
303-2	Management of water discharge related impacts	p. 44-45			
303 -3	Water withdrawal	p. 116			
303-4	Water discharge	p. 116			
305-5	Water consumption	p. 116			
BIODIVERSITY AND ECOSYSTEMS					
GRI 3-3	Management of material topic	p. 47-50	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 304: Biodiversity 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 47-48			
304-2	Significant impacts of activities, products and services on biodiversity	p. 47			
304-3	Habitats protected or restored	p. 50			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	p. 116	p. 50		
RESOURCE USE AND CIRCULAR ECONOMY					
GRI 3-3	Management of material topic	p. 51-53	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 301: Materials 2016					
301-1	Materials used by weight or volume	p.116	301-1	Information incomplete	Limited to materials used for packaging of Colorana products.
301-2	Recycled input materials used	p. 116	301-2	Information incomplete	Limited to materials used for packaging of Colorana products. No renewable material used.
301-3	Reclaimed products and their packaging materials		301-3	Information unavailable	Information unavailable.
GRI 306: Waste 2020					
306-1	Waste generation and significant waste-related impacts	p. 52-53			
306-2	Management of significant wasterelated impacts	p. 52-53			
306-3	Waste generated	p. 116 and p. 125-126			
306-4	Waste diverted from disposal	p. 117			
306-5	Waste directed to disposal	p. 117			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION: REQUIREMENT (S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION
SOCIAL					
OWN WORKFORCE					
GRI 3-3	Management of material topic	p. 54-64	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	p. 117-118	Region not disclosed	Not applicable	Operations limited to Norway
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 58			
401-3	Parental leave	p. 118			
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	p. 119			
404-2	Programs for upgrading employee skills and transition assistance programs	p. 57-58			
404-3	Percentage of employees receiving regular performance and career development reviews	p. 119	404-3	Information incomplete	No distribution by gender and employee category.
GRI 403: Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	p. 58-63			
403-2	Hazard identification, risk assessment, and incident investigation	p. 58-63			
403-3	Occupational health services	p. 58			
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 59-60			
403-5	Worker training on occupational health and safety	p. 58-59 and p. 62-63			
403-6	Promotion of worker health	p. 58			
403-8	Workers covered by an occupational health and safety management system	p. 58 and p. 119			
403-9	Work-related injuries	p. 119			
403-10	Work-related ill health	p. 119			
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	p. 62 and p. 118-119			
405-2	Ratio of basic salary and remuneration of women to men	p. 109-111 and p. 119-120			
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	p. 63			
WORKERS IN THE VALUE CHAIN					
GRI 3-3	Management of material topic	p. 65-67 and p. 104-108	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 403: Occupational Health and Safety 2016					
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 65-67 and p. 104-108	403-7	Information incomplete	Limited to a general disclosure on due diligence assessment on human rights
GRI 407: Freedom of Association and Collective Bargaining 2016					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 65-67 and p. 104-108	407-1		Limited to a general disclosure on due diligence assessment on human rights

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 408: Child Labor 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	p. 65-67 and p. 104-108	408-1	Information incomplete	Limited to a general disclosure on due diligence assessment on human rights
GRI 409: Forced or Compulsory Labor 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 65-67 and p. 104-108	409-1	Information incomplete	Limited to a general disclosure on due diligence assessment on human rights
AFFECTED COMMUNITIES					
GRI 3-3	Management of material topic	p. 68-72	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 413: Local Communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	p. 68-72 and p. 120	413-1	Information not available	Limited to a general disclosure on engagement with the local community
413-2	Operations with significant actual and potential negative impacts on local communities	p. 68-72	413-2	Information not available	Limited to a general disclosure on engagement with the local community
GOVERNANCE					

BUSINESS CONDUCT

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT (S) OMITTED	REASON	EXPLANATION
GRI 3-3	Management of material topic	p. 73-79	3-3 e and f	Information incomplete	Limited information about tracking the effectiveness of the actions taken. Stakeholder engagement disclosed on a general level in chapter on stakeholder engagement.
GRI 205: Anti-corruption 2016					
GRI 205-1	Operations assessed for risks related to corruption	p. 74-75 and p. 120	205-1	Information incomplete	No assessments conducted in 2023. In progress.
GRI 205-2	Communication and training about anti-corruption policies and procedures	p. 74-75 and p. 120			
GRI 205-3	Confirmed incidents of corruption and actions taken	p. 74-75 and p. 120			
GRI 206: Anti-competitive Behavior 2016					
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 120			
GRI 308: Supplier Environmental Assessment 2016					
308-1	New suppliers that were screened using environmental criteria	p. 77-78 and p. 120	308-1	Information unavailable	No assessments conducted in 2023. In progress.
308-2	Negative environmental impacts in the supply chain and actions taken	p. 77-78	308-2	Information unavailable	No assessments conducted in 2023. In progress.
GRI 414: Supplier Social Assessment 2016					
414-1	New suppliers that were screened using social criteria	p. 77-78 and p. 120	414-1	Information incomplete	Limited to a general disclosure on due diligence assessment on human rights
414-2	Negative social impacts in the supply chain and actions taken	p. 77-78	414-2	Information incomplete	Limited to a general disclosure on due diligence assessment on human rights



CORPORATE GOVERNANCE

Corporate governance

Corporate governance statement

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

Rana Gruber is required to issue an annual corporate governance statement in accordance with section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance; cf. section 7 on the continuing obligations of stock exchange listed companies. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021, may be found at www.nues.no.

The board of directors ("the board") of Rana Gruber has prepared and approved a corporate governance policy that 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 chief executive officer ("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, the board must provide a justification for any deviance. In each annual report, the board will give a statement on the company's corporate governance.

The company's operations must be conducted in accordance with high ethical standards. The company shall actively take 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 the arm's length principle.
- 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 corporate governance principles have been developed in accordance with the Norwegian Accounting Act §3-3b and based on the current Norwegian Code of Practice ("the Code") for Corporate Governance.

1. Implementation of 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 CEO. The corporate governance policy can be changed by the board and will be reviewed by the board on a regular basis.

The board of directors has provided this report on the company's corporate governance as referenced to in the directors' report. The report covers every section of the Code of Practice, and if the company does not fully comply with the Code of Practice, the company has provided an explanation of the reason for the deviation and what solution it has selected.

Deviations from the Code: None

2. Business

Rana Gruber is a Norwegian iron ore producer 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 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 maintaining 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 2023, the company's equity totalled NOK 901.5 million, which corresponds to an equity ratio of 50.0 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

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging positions related to iron ore and currency. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback program to achieve the same purpose for future quarters will be announced separately.

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 2023, the company's board of directors has resolved to distribute total dividends of NOK 11.1 per share, equal to NOK 411.3 million.

Board mandates

At the annual general shareholder meeting in 2023, the board was granted the following mandates:

"The board of directors is authorised pursuant to the Public Limited Companies Act section 8-2 (2) to approve the distribution of dividends based on the Company annual accounts for 2022. The authorisation shall remain in force until the annual general meeting in 2024. The authorisation is not valid until it is registered with the Norwegian Register of Business Enterprises."

"The board of directors is authorised pursuant to the Public 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 927 127.3 (corresponding to 10 per cent of the Company's share capital.) The authority also encompasses contractual pledges over own shares.

When acquiring own shares the consideration per share may not be less than NOK 1 and may not exceed NOK 400.

The board of directors determines the methods by which own shares can be acquired or disposed of.

The authority shall remain in force until the annual general meeting in 2024, but in no event later than 30 June 2024.

With effect from the time of registration of this authority with the Norwegian Register of Business Enterprises the previous authority to acquire own shares is withdrawn."

Both mandates are valid until the annual general meeting in 2024.

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 shareholders at 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 Rana Gruber 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 one 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 for the increase will be publicly disclosed in a stock exchange announcement.

The company's transactions in treasury shares shall be carried out through Oslo Børs' trading platform at the prevailing trading price or by making a public offer to all shareholders.

Deviations from the Code: None

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 of the annual general meeting

Rana Gruber's highest decision-making body is the general meeting. 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 general meeting for 2024 will take place 11 April 2024.

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. The deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as 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 of directors, the chair of the nomination committee, and the company's auditor are expected to attend the general meetings. The shareholders at the general meeting elect a person to chair the meeting. The board of directors shall ensure that the shareholders at the general meeting are 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 at the meeting and for 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: The Code states that all directors should attend the general meeting. However, if the agenda is such that it is not deemed necessary for every member to participate, not all of Rana Gruber's board members participate every time.

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 2023, the nomination committee consisted of the following members:

- **Leif Teksum**, chair, elected in April 2023 for one year
- **Lisbeth Flågeng**, member, elected in April 2023 for one year
- **Robert Sotberg**, member, elected in April 2023 for one year

The guidelines for the nomination committee have been approved by the shareholders at the general meeting. The primary tasks of the nomination committee are, at the general meeting, to recommend and propose 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 a chair and deputy chair to be elected by the shareholders at the general meeting. The members of the nomination committee's fees shall be determined by the shareholders at 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 shareholders at the general meeting. The members of the nomination committee's period of service shall be two years unless the shareholders at the general meeting decide 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 to propose 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.

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 associations, the board shall consist of a minimum of three and a maximum of eight directors. Directors are elected by the shareholders at the general meeting for a period of up to two years. The shareholders at the general meeting elect the chair of the board and the deputy chair of the board.

Proposed candidates for the board of directors shall have the necessary experience, competence, and work capacity, and there should be 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. When appointing candidates to the board, it should be taken into account that the board aims to function as a collegial body.

At 31 December 2023, Rana Gruber's board consisted of eight directors, five of which were elected at the company's general meeting at 12 April 2023. Three directors were elected by and among the employees in November 2022 for a two-year period. The current composition of the board is presented on page 152 of this report, including an overview of each individual board director's independence, competence, and attendance at board meetings.

Directors are encouraged to own shares in the company. At 31 December 2023, 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 directors 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 operations of the company are 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 directors 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 on 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 the arm's length principle. A presentation of transactions and balances with related parties is included in the notes to the financial statements, on page 176.

According to the instructions for the board and CEO, a board director 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 directors 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 director 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 26.2 to the 2023 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 selected auditor.

At 31 December 2023, the audit committee consisted of the following directors:

- **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 2023 is presented in note 26.1 to the financial statements, pursuant to the Accounting Act section 7-31b and in the annual remuneration report, which will be presented to the shareholders in accordance with the Norwegian Public Limited Liabilities Companies Act section 6-16b.

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

Deviations from the Code: None

12. Salary and other remuneration for executive personnel

Pursuant to the Norwegian Public Limited Liabilities Companies Act, section 6-16a, the company has established guidelines for the remuneration of the executive management, which have been approved by the general meeting in the form of a separate document.

Further information about remuneration to executive personnel is provided under note 26.1 to the financial statements pursuant to the Accounting Act, section 7-31b, and in the annual remuneration report, which will be presented to the shareholders in accordance with the Norwegian Public Limited Liabilities Companies Act, section 6-16b.

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 at occasions other than 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 shareholders at the company's general 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 shareholders at 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 of the financial reporting process.

At these meetings, the auditor reports on any material changes in the company's accounting principles 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 the executive management being present regarding the preparation of the annual report for 2023.

The board of directors has established guidelines for 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 required by law for auditory work and remuneration associated with other specific assignments. Compensation paid is presented in note 6 to the financial statements.

The board shall facilitate the attendance of the auditor at all general meetings.

Deviations from the Code: None

Management team

Gunnar Moe
Chief executive officer (CEO)

Gunnar Moe holds a BA in Pedagogy from Nesna University College.

Moe has worked in various industries before becoming CEO at Rana Gruber. He was a teacher in Rana for 13 years, journalist and editor at Rana Blad for 10 years, head of personnel and administration at Rana Gruber for three years, CBDO at Momek Group for two years, and CBDO at Leonhard Nilsen & Sønner for two years.

Shares at 31 December 2023: **15 733**

Dr. Stein-Tore Liljenström
Chief operation officer (COO)

Stein Tore Liljenström holds an MSc and a PhD in Physical Chemistry from Umeå University.

Liljenström was the department manager at Molab AS for six years, plant manager at Rana Gruber for five years, production manager at Rana Gruber for four years, and CEO at Glør AS for one year.

Shares at 31 December 2023: **10 005**

Erlend Høyen
Chief financial officer (CFO)

Erlend Høyen holds a BA in Economics and Administration from Trondheim Business School and an MSc in Financial Economics from BI Norwegian Business School.

Høyen has experience as a business controller and a controller manager at TDC Norge AS. He was also a senior associate at PricewaterhouseCoopers AS before working at Rana Gruber as a field economist/controller and subsequently a procurement manager for five years.

Shares at 31 December 2023: **10 000**

Nancy Stien Schreiner
Environment and sustainability manager

Nancy Schreiner holds an MSc in chemestry from NTNU.

Schreiner joined Rana Gruber in 2009 and is responsible for environment and sustainability. She has worked with HSE and quality for many years and has about 30 years of industry experience. Before joining Rana Gruber, Schreiner worked as a department manager at Ruukki Profiler and Elkem Rana for several years.

Shares at 31 December 2023: **606**

Charlotte Stråmyr Norwich
Head of IT, security and safety

Charlotte Norwich has a management education from BI and various universities, certified Risk Manager, lead auditor and SAFe lean agile leader.

Norwich has more than 20 years of experience in risk, fraud, security and compliance management. Before joining Rana Gruber, she previously worked for Tietoevry, Visa and Teller AS.

Shares at 31 December 2023: **503**

Jim Kristian Johansen
HR Manager

Jim Kristian Johansen has personnel management and competence development education from Nord University and Agder University. Participated in several management development programmes, e.g. NNL and Dale Carnegie.

Jim Kristian Johansen has many years of experience as both a manager and HR manager for Tietoevry before joining Rana Gruber in 2022.

Shares at 31 December 2023: **681**

Board of directors

MORTEN STØVER
Chair of the board

Morten Støver joined the board of directors as board chair in 2020.

Støver holds an MSc in economics and has extensive experience from Nordlandsbanken/DNB where he held several management positions. Støver also serves as chair of several companies including, but not limited to, Eksportfinansiering Norge, Løvold Solutions AS, Elektro AS, Nofir AS, and Linkpro AS.

Shares at 31 December 2023: **6 000**

Independent: **Yes**

HILDE ROLANDSEN
Director of the board and member of the Audit Committee

Hilde Rolandsen joined the board of directors in 2021 and as a member of the Audit Committee.

Rolandsen holds a MSc in economics and has held various positions within energy and health industries. After 23 years at Elkem in various positions, she was plant director at Renewable Energy Corporation in Glomfjord for two years, and currently holds the position as director of ownership at North Norwegian Health Authority.

Shares at 31 December 2023: **1 700**

Independent: **Yes**

RAGNHILD WIBORG
Director of the board

Ragnhild Wiborg joined the board of directors in 2021.

Wiborg holds a BSc in finance and macroeconomics from Stockholm School of Economics and Business Administration.

She has experience from investment banking and asset management as CIO and Portfolio Manager. Throughout the years she has been actively involved in several boards in the Nordics. She is currently the Chair of the board at Papershell and Energia AS.

Shares at 31 December 2023: **3 000** (owned through Cerebrum Invest AS).

Independent: **Yes**

FRODE NILSEN
Director of the board

Frode Nilsen joined the board of directors in 2008.

Nilsen holds a BA in civil engineering and an MSc in civil engineering from the Norwegian University of Science and Technology, with specialisation in tunnels and mining.

Nilsen has many years of experience as a site engineer, project manager, and project director in Leonhard Nilsen & Sønner AS (LNS). Presently he is the CEO of LNS and serves as Chair of LNS and LNS Spitsbergen Hålogaland Element.

Shares at 31 December 2023: **20 250** (additional 7 589 265 shares owned through Leonhard Nilsen & Sønner* Eiendom, and 92 400 through TunComp AS).

Independent: **No**

*) *LNS reduced its holding in Rana Gruber at the start of 2024.*

KRISTIAN A. ADOLFSEN
Director of the board

Kristian Adolfsen joined the board of directors in 2017

Adolfsen holds a MSc in business and economics from BI Norwegian Business School and MBA from University of Wisconsin.

Through his international company, he has experience in various segments such as health and care services, real estate, staffing, and hotel management.

He serves as Chair and Director of multiple companies related to the Adolfsen Group.

Shares at 31 December 2023: **1 765 414** (owned through several companis)

Independent: **No**

*) *Adolfsen through HI Capital, increased his stake in LNS on 15 December 2023*

JOHAN HOVIND
Union leader and worker director

Johan Hovind has served as Union leader and Worker Director since 2020

Hovind holds a certificate in metallurgical processes and has more than 30 years of experience with industrial companies in Rana.

Shares at 31 December 2023: **606**

Independent: **Yes**

LASSE ORLANDO STRØM
Operator and worker director

Lasse Strøm has served as operator since 2013, deputy club leader and as worker director since 2020

Strøm holds a concrete worker certificate and has experience as a concrete worker at Helgeland Betong.

Shares at 31 December 2023: **653**

Independent: **Yes**

HENRIETTE ZAHL PEDERSEN
Operator and team leader, and worker director

Henriette Zahl Pedersen has served as operator and team leader since 2020, and as worker director since 2023

Through her upper secondary education, Pedersen specialised in the field of automation and holds a certificate as an automation technician.

After an apprenticeship, she worked as an automation technician before assuming the role of team leader at Rana Gruber.

Shares at 31 December 2023: **1 000**

Independent: **Yes**

Shareholder information

Rana Gruber aims to be an attractive investment for shareholders, delivering competitive return through sustained growth and an attractive dividend policy.

The share is listed on the Oslo Stock Exchange and the ticker code is RANA. Rana Gruber ASA has one share class, and all shares have equal rights and are freely transferable. Each share grants the holder one vote and there are no structures granting disproportionate voting rights. The nominal value of the share is NOK 0.25. The total number of shares issued is 37 085 092.

At 31 December 2023, Rana Gruber's market value was NOK 2.96 billion. The average daily volume of Rana Gruber shares traded on Oslo stock exchange was 114 858, equivalent to 0.3 per cent of the total number of Rana Gruber

Share price

Rana Gruber's share price opened at NOK 50.0 on 2 January 2023 and closed at 79.9 per share on 29 December 2023. During 2023, the share traded between NOK 49.0 and NOK 80.9 per share.

Dividends

Pursuant to the company's dividend policy, the company targets to distribute 50-70 per cent of its adjusted net profit as quarterly dividends. The board of directors may decide that up to 30 per cent of the allocated dividend amount can be applied for the acquisition of Rana Gruber shares.

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. From the fourth quarter of 2022, unrealised positions of electric power are included in the net financial income and adjusted for in the adjusted net profit.

The board also has power of attorney to adjust for extraordinary events which do not count as being part of the company's core business.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly.

Any buyback program to achieve the same purpose for future quarters will be announced separately.

Rana Gruber paid out a total dividend of NOK 11.1 per share in 2023.

Share price development

Click or scan the QR code for access to the share price development at Oslo Stock Exchange.

Dividend distribution

	Dividend per share	DPS/EPS	Date of approval	Ex-date	Payment date
Total dividend paid out within the fiscal year of 2021	NOK 10.31				
Q4-21	NOK 1.51	0.70	10 February 2022	15 February 2022	23 February 2022
Q1-22	NOK 2.09	0.70	11 May 2022	16 May 2022	25 May 2022
Q2-22	NOK 1.51	0.70	23 August 2022	26 August 2022	7 September 2022
Q3-22	NOK 1.05	0.70	9 November 2022	12 November 2022	24 November 2022
Q4-22	NOK 3.00	0.70	14 February 2023	17 February 2023	1 March 2023
Q1-23	NOK 2.86	0.70	10 May 2023	15 May 2023	25 May 2023
Q2-23	NOK 2.00	0.70	28 August 23	31 August 23	12 September
Q3-23	NOK 3.23	0.70	14 November 2023	17 November 2023	29 November 2023
Q4-23	NOK 4.27	0.70	14 February 2024	19 February 2024	29 February 2024

Treasury shares

The share capital of Rana Gruber ASA is NOK 9 271 273 divided into 37 085 092 shares.

Shareholders

At 31 December 2023, Rana Gruber had 6 834 shareholders, of which the 20 largest held 63.2 per cent of total shares. Leonhard Nilsen & Sønner – Eiendom was the largest shareholder with 20.5 per cent of the shares.

Total 20 largest shareholders at 31 December 2023

	Shareholder	Number of shares	Per cent holding
1	Leonhard Nilsen & Sønner - Eiendom	7 589 265	20.46
2	Morgan Stanley & Co, Int, Plc,	3 321 716	8.96
3	Zolen & Månen AS	1 553 200	4.19
4	SEB CMU/Secfin Pooled Account	1 454 647	3.92
5	Grafo AS	1 202 113	3.24
6	AH Gruppen AS	1 168 008	3.15
7	HI Capital AS	1 124 465	3.03
8	Merrill Lynch Prof, Clearing Corp,	940 740	2.54
9	Eidissen Consult AS	839 991	2.27
10	State Street Bank and Trust Comp	558 013	1.50
11	The Bank of New York Mellon SA/NV	448 994	1.21
12	Klevenstern AS	436 690	1.18
13	Mecca Invest AS	436 690	1.18
14	Nordnet Livsforsikring AS	396 760	1.07
15	The Bank of New York Mellon SA/NV	359 340	0.97
16	Clearstream Banking S,A,	348 789	0.94
17	J,P, Morgan Securities PLC	339 860	0.92
18	J,P, Morgan SE	334 079	0.90
19	The Bank of New York Mellon SA/NV	311 391	0.84
20	BNP Paribas	275 000	0.74
	Total 20 largest shareholders	**23 439 751**	63.21

Analysts

Four analysts are covering Rana Gruber, providing market updates and estimates for Rana Gruber's financial development.

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Financial calendar 2024

11 April 2024:	Annual General Meeting
14 May 2024:	Report for Q1 2024
27 August 2024:	Half-yearly report 2024
13 November 2024:	Report for Q3 2024

Continous adjustments in the processing circuit has contributed to higher product quality together with high production output.

Board of directors' report

2023 was an exciting year for Rana Gruber characterised by record high production volumes, successful deployment of the first electrically operated machines and considerable progress on strategic projects. Throughout the year, Rana Gruber has adjusted the processing circuits capacity for magnetite production and has successfully worked towards elevating the minimum iron content in the hematite production. The company has actively pursued, and will continue to, explore opportunities to surpass the Fe65 threshold. Additionally, Rana Gruber has performed extensive measures relating to its sustainability and enviornmental goals.

Overview of the business

The board of directors' report concerns Rana Gruber ASA ("Rana Gruber" or "the company").

Business and location

Rana Gruber, established in 1964 with over 200 years of mining expertise, is an iron ore producer located in Mo i Rana in the North of Norway. With about 370 employees, the company operates open-pit and underground mines 35 km from its processing plant. The plant has direct access to Rana Gruber's port and railway for efficient ore transportation.

Purpose, vision, and values

Rana Gruber's mission is to extract, produce and sell iron ore concentrates, creating sustainable jobs through eco-friendly practices. The company aims to be a leader in the global iron ore industry by eliminating carbon emissions in production. Rana Gruber is making significant progress toward this goal. Guided by the values safety, responsibility, pride, and bravery, Rana Gruber strives to be a positive force for societal and environmental change in its industry.

Products, partnerships and end-users

The company offers hematite and magnetite concentrates, as well as Colorana pigments. Partnering with Cargill, Rana Gruber benefits from market insight and support. Cargill is committed to buy and market more than 90 per cent of its entire production and all hematite production. The collaboration and robust production efforts resulted in Rana Gruber's total production surpassing 1.8 million metric tons in 2023.

Hematite serves European steel producers, while magnetite finds applications in water purification and cosmetics in the chemical industry. Colorana caters to diverse industries such as concrete, paint, plastics, automotive, heat management, and toner production.

Key events in 2023

Production

In thousand metric tons	2023	2022
Production concentrate	**1 817**	1 728
Production hematite	**1 713**	1 630
Production magnetite	**104**	98
Production Colorana	**5.8**	5.5
Production ore	**4 976**	5 127
Production underground (ore)	**2 731**	2 648
Production open-pit (ore)	**2 245**	2 479
Production open-pit (waste rock)	**2 681**	4 536

2023 marked the strongest production year in the company's history as production reached 1 817 000 metric tons, up from 1 728 000 metric tons last year.

Strong production volumes have positively impacted all three product areas. The concentrate production, totaling 1 817 000 metric tons, reflects a 5.15 per cent increase from the previous year. This production boost can be attributed to continuous improvements throughout the entire process and an enhanced understanding of the production processes.

The majority of the produced volume was hematite concentrate, which increased to 1 713' mt in 2023, from 1 630 mt in 2022. Additionally, 104' mt of magnetite concentrate, and 5.8' mt of Colorana were produced in 2023. The increase for the hematite production compared to 2022 is largely explained by improvements across the entire process and enhanced process comprehension.

Rana Gruber is on track to achieve the target of increasing the M40 volume to 150 metric tons by the end of 2024.

Strategic projects

Throughout 2023, Rana Gruber has made good progress on its three strategic projects. The first project is linked with increasing the iron ore content. The second project relates to expanding magnetite production volumes and the third project aims to eliminate CO_2 emissions.

The Fe65 project

The aim of the first strategic project is to increase the minimum iron (Fe) content in the hematite product to 65 per cent. This will enable the product to be linked to a premium grade price index representing increased price for the hematite products. The company has allocated substantial time and R&D efforts towards this product and the result thus far has been positive, illustrated by the high production volumes, in parallel with lift in iron content.

Strategic partnership with Cargill

In the continuous pursuit of higher iron content, Rana Gruber has extended their partnership with Cargill for another five years, with the option to extend an additional five years beyond 2035. The collaboration allows the companies to continue help customers worldwide meet their critical decarbonisation targets with high quality iron and ore products that create a greener steel industry.

Through the partnership, Cargill's provide solutions in technical marketing, cost-effective risk management, and leverages its global network and industry insights along the supply chain. This enables Rana Gruber to focus on the core business, mining and the R&D to increase its hematite grade. Through the partnership and extensive research and development, Rana Gruber is striving to enhance the purity of the hematite product to achieve an iron content of 67 percent. While still in its initial phases, with further studies and testing to be conducted in relation to optimisation of the production method, the project goal is to ascertain if the quality is adequate and economically favourable.

The M40 project

The aim of the second project is to increase the magnetite production of M40. The M40 is a unique natural chemical free high-grade magnetite concentrate with demand exceeding the supply. Rana Gruber is on track to achieve the target of increasing the M40 volume by 50 per cent (based on volumes when the project was initiated in 2021), which equates to a target goal of 150 metric tons by the end of 2024.

This project will enable Rana Gruber to exploit the high demand for chemical-free, ultra high-grade magnetite products. Additionally, the stable pricing of magnetite concentrate shields the project from the iron ore market's volatility, ensuring more predictable revenues.

The zero-carbon emissions project

The aim of the third project is to eliminate carbo dioxide emissions, in effect becoming the world's first carbon free iron ore mine. Despite Rana Gruber's mining operations having one of the lowest carbon emissions in the industry, the company continuously strives to be a leader in sustainability and therefore aims to reach zero CO_2 from the production.

The path towards carbon free production is focused in three sections. Operations in the underground mine, the open-pit mine, and the rail transport. The processing plant is electrified and is already carbon free.

- For the underground mine, the company has started the process of replacing machinery that runs on fossil fuel with emission free machinery. In the second quarter of 2023, Rana Gruber successfully deployed the first electrically operated machine in the underground mine, and preliminary results indicate excellent efficiency and machine utilisation. A major step towards the emission–free mine goal has been to enter into a partnership with the electric mining machinery supplier Sandvik, who continue to provide their experience, expertise and equipment for electric mining operations. In February, Rana Gruber made an order from Sandvik for 19 battery-electric vehicles, and have by year end six electric machines in operation.
- The open-pit mine production in Ørtfjell will continue using the existing operational facilities until its scheduled completion by the end of 2025. Following the completion of Ørtfjell, production at Rana Gruber's upcoming open-pit mine in Stensundtjern will commence. This operation is committed to achieving carbon neutrality, with its success dependent on the availability of machinery and adherence to manufacturers' timelines.
- For the rail transport, there has been a governmental decision to electrify part of Nordlandsbanen track, to which Rana Gruber's rail transport is connected. Rana Gruber is currently awaiting explicit plans from authorities before further action.

These efforts will enable Rana Gruber to replace an annual consumption of five million litres of diesel with electric power. The electricity consumed is produced from hydropower at the local generating station in the region. Additionally, carbon free operations will contribute towards sustainable supply chains within the steel industry, improved work environment from cleaner air, as well as reduced operational expenses and enable a future price premium for Rana Gruber products.

Events after the balance sheet date

On 14 February 2024, the board of directors decided to pay out a dividend of NOK 4.27 per share for the fourth quarter of 2023, or approximately NOK 411.3 million in total.

After end of the quarter, Rana Gruber completed the analysis of the summer exploration drilling in the Ørtfjell area, and the results were highly successful. Based on new data, an extension of the open-pit activities in the Ørtfjell area by approximately 12 months is expected.

Financial review

All amounts in brackets are comparative figures for 2022 unless otherwise stated.

Accounting policies

The financial statements for Rana Gruber ASA are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU.

Going concern

The financial statements for Rana Gruber ASA have been prepared and presented based on the going concern assumption and in accordance with section 3-3 of the Accounting Act. The board of directors confirms that the use of the going concern assumption is appropriate.

Statement of comprehensive income

Total revenues for 2023 came in at NOK 1 932.0 million, compared with NOK 1 423.3 million in 2022. The increase in revenues is explained by higher volumes sold, elevated prices for iron ore, and currency translation effects from a weakened Norwegian krone.

In 2023, cash cost increased to NOK 901.8 million (NOK 835.9 million). The increased cash cost was due to inflation and cost related to strategic projects offset by increased gains in hedging of electricity.

EBITDA ended at NOK 929.7 million (567.2 million). The increase was mainly due to higher revenues. Operating costs were higher compared to the same period last year, primarily driven by increased activity related to the company's strategic projects, and inflation.

Net financial items of negative NOK 136.4 million consisted of NOK 20.2 million losses from currency hedges, NOK 114.7 million losses from hedging of iron ore, NOK 3.2 million gains from hedging of freight prices, NOK 10.4 million losses from hedging of electric power, NOK 4.9 million gains from currency adjustments related to accounts receivable and bank accounts and NOK 0.8 million in net interest income.

At year-end, the company had secured 690 000 metric tons of hematite production at an average of USD 118.12/ metric tons.

The company continually evaluates its hedging portfolio through discussions with customers, partners, industry experts, and analysts. Hedging positions aim to ensure a sustainable cash flow for future investments and compliance with the dividend policy, covering a maximum of 50 per cent of annual production volumes for up to two years.

At 31 December 2023, the company had two flexible currency hedging positions of a potential monthly impact of USD 7.5 million until April 2024, and USD 3.0 million for the remainder of 2024. The company also had one forward currency hedging position of a monthly impact of USD 2.0 million until July 2024. See note 22 for further information about the hedging portfolio.

In sum, this resulted in a profit for the year of NOK 489.7 million (NOK 484.2 million). This corresponds to earnings per share (EPS) of NOK 13.21 (NOK 13.05).

Statement of financial position

Rana Gruber had total assets of NOK 1 802.0 million at 31 December 2023 (NOK 1 445.0 million).

Total non-current assets amounted to NOK 985.9 million (NOK 652.4 million), of which, the largest items included mine properties amounting to NOK 535.9 million, followed by property, plant, and equipment valued at NOK 247.8 million. The increase was due to investments in a new mine level, investments related to the Fe65 project,

research related to Fe67 and agreements for electric machines.

Total current assets amounted to NOK 815.9 million at 31 December 2023 (NOK 792.6 million), including inventories of NOK 194.7 million. The increase is related to higher inventory levels and higher valuation of inventory. Trade receivables were NOK 217.4 million at 31 December 2023 (NOK 178.7 million). The increase is explained by higher forward prices at the end of the year compared to last year.

Capital expenditures (capex) for the year totalled NOK 414.9 million (NOK 161.7 million), of which NOK 287.4 million were development capex, mainly related to tangible assets to be used in the strategic development projects. NOK 127.4 million were related to other investments including machines, building improvements etc.

Non-current liabilities, which mainly constitute leasing debt and deferred tax liabilities, totalled NOK 274.1 million at 31 December 2023 (NOK 260.5 million). The increase is related primarily to the new electric mining equipment offset by reduced deferred taxes.

Total current liabilities were NOK 626.2 million at 31 December 2023 (NOK 361.5 million). The increase is primarily explained by a increase in trade payables, tax payables and other current liabilities.

Total equity ended at NOK 901.5 million on 31 December 2023, up from NOK 823.1 million at 31 December 2022. This represents an equity ratio of 50.0 per cent (57.0 per cent). The increase is explained mainly by a positive net profit for the year offset by payout of dividends.

Given the economic outlook for the industry, the board believes that the capitalised assets will ensure a satisfactory return on capital for Rana Gruber.

Cash flows

Operating activities generated a cash flow of NOK 944.6 million for 2023 (NOK 368.5 million). The increase was driven mainly by increased profit and gains on hedging positions offse by higher income tax paid.

Depreciation and amortisation for 2023 amounted to NOK 165.4 million (NOK 158.7 million).

Investment activities generated a cash flow of negative NOK 414.9 million. These cash flows consist of expenditures on mine development of NOK 287.4 million and expenditures on property, plant, and equipment of NOK 127.4 million.

Financing activities generated a cash flow of negative NOK 452 million (negative NOK 273.4 million). During 2023, Rana Gruber paid out total dividends through quarterly distributions of NOK 411.3 million (NOK 228.8 million), equating to NOK 11.1 (6.16) per share.

Cash and cash equivalents amounted to NOK 295.2 million at 31 December 2023 (NOK 212.8 million). In addition, the company has an unused credit facility of NOK 100 million.

Allocation of net profit

Rana Gruber ASA had a profit for the year of NOK 489.7 million. The board decided to transfer the profit for the year to other equity, after paid dividends in 2023.

Dividends

In 2023, Rana Gruber distributed total dividends of NOK 411.3 million, corresponding to NOK 11.1 per share.

Ex. date	Dividend per share (NOK)
17 November 2023	3.23
31 August 2023	2.00
15 May 2023	2.86
17 February 2023	3.00

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS-based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging positions related to iron ore and currency. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. From the fourth quarter of 2022, unrealised positions of electric power is included in the net financial income and adjusted for in the adjusted net profit.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback program to achieve the same purpose for future quarters will be announced separately.

The board's dividend decisions take into account legal restrictions, capital expenditure plans related to announced strategic projects, financing requirements, and fluctuations in the markets in which the company operates.

Research and development

Research and development (R&D) is a key part of Rana Gruber's day-to-day operations. The company has a dedicated R&D department with six employees. In 2023, salary payments to employees at the R&D department amounted to NOK 6.9 million (NOK 4.5 million). In addition to these costs, Rana Gruber invests significant amounts related to the company's strategic projects. The commitment to R&D laid the basis for increased development activity, and the company's three strategic development projects will require increased R&D investments.

Risk management at Rana Gruber

Rana Gruber is acutely aware of the diverse risks that could impact its operational efficiency, financial standing, and market standing. The corporate management continually monitors these risks, adopting a nuanced approach that does not seek to eliminate risk entirely, but rather strives to engage at an optimal level.

This approach takes into consideration the company's core competencies, capital adequacy, and overarching development plans. The fundamental objective is to identify potential threats and opportunities, strategically steering risk to a manageable level to reasonably ensure the achievement of the company's targets.

The board asserts that the financial statements for the year accurately depict the company's assets, liabilities, financial position, and profit as of December 31, 2023. Below is a summarised presentation of the key risks that the company currently faces.

Regulatory Risk

Rana Gruber's operational lifeline is tied to permits and registrations, thereby exposing the company to potential risks such as revocation, alteration, or non-renewal.

Rana Gruber adheres to the Norwegian Minerals Act regulations for mineral extraction. The company, permitted by the Norwegian Environment Agency since 2012 (updated in 2015) for waste deposition, faces regulatory risks tied to potential changes in government policies, especially regarding deposition permits. Additionally, exposure to local and global carbon emission taxation exists, although Rana Gruber aims for complete carbon neutrality in production. The success of this goal will determine the regulatory risk associated with CO_2 taxation.

To mitigate these risks, the company actively engages in ongoing dialogues with policymakers and collaborates with key trade organisations, such as the Norwegian Mineral Industry.

Financial and Market Risk

Rana Gruber faces risks from fluctuating iron ore prices and rising freight costs influenced by global supply and demand dynamics. Currency and exchange rate risks arise due to sales in USD and EUR, while costs are in NOK. The company also contends with uncertainties in input prices, particularly electric power.

To mitigate these risks, Rana Gruber employs hedging positions for iron ore prices, USD, and electric power. These strategies not only serve to mitigate risks but also ensure a stable cash flow, support investments, and align with the company's dividend policy. The transportation of iron ore brings additional layers of risk, inclusive of a transport tax and uncertainties tied to the eventual financial outcomes of carbon-free hematite concentrate.

Operational Risk

Recognising the inherent challenges of mining and mineral processing operations, Rana Gruber emphasises proactive measures in operational risk management. Detailed maintenance plans and substantial inventories of spare parts for critical equipment form the cornerstone of efforts to minimise the probability of production disturbances. Additionally, vigilant monitoring and management of rock stress in underground mining operations, coupled with strategic rock-support measures, serve to fortify the operational risk mitigation strategy.

In the digital age, hacking and cybercrime represent formidable operational risks. Rana Gruber has implemented a resilient cybersecurity strategy, encapsulated by a standalone IT system devoid of internet access, thereby reducing vulnerability to external attacks.

Moreover, the company adopts a forward-thinking stance in addressing long-term challenges arising from climate change. The potential risks associated with extreme weather events, such as increased flooding and landslides, are met with a proactive approach that involves ongoing exploration and implementation of adaptive measures. This commitment underscores Rana Gruber's dedication to effectively managing operational risks in the face of evolving environmental dynamics.

Business risks

The company faces challenges due to its dependence on a limited number of suppliers, with a significant risk tied to its reliance on Cargill International Trading Pte Ltd for hematite concentrate purchases. This reliance introduces the potential for delays and disruptions. To address these risks, the company emphasises diversification, contingency planning, and ongoing improvements in estimation methodologies for ore reserves and metallurgical sampling.

Moreover, recognising the environmental risks inherent in its business activities, Rana Gruber underscores the importance of prioritising responsible environmental practices. This commitment not only ensures sustainable operations but also safeguards the company's reputation, emphasising a proactive approach to long-term success.

Corporate governance

Effective corporate governance is fundamental for creating long-term value, benefiting shareholders, employees, and stakeholders. At Rana Gruber, the board of directors has instituted governance principles, in accordance with the Norwegian Code of Practice for Corporate Governance, ensuring a transparent division of responsibilities among the board, executive management, and shareholders.

Rana Gruber adheres to corporate governance reporting requirements outlined in the Norwegian Accounting Act (section 3-3b) and the Oslo Stock Exchange Rule Book II (cf. section 4.4).

To access the Norwegian Accounting Act, visit lovdata.no, and for the Norwegian Code of Practice for Corporate Governance, refer to NUES.no. Rana Gruber follows the Norwegian Code of Practice for Corporate Governance, and the company's practice is in accordance with these recommendations.

Corporate social responsibility

Rana Gruber is required to report on its corporate social responsibility and selected related issues. Reporting on relevant topics has been approved by the board and can be found in the Sustainability section on page 16 of this report.

In 2023, Rana Gruber has carried out a due diligence assessment of the value chain, in line with the requirements of the Transparency Act.

The board has endorsed plans for continued compliance with the Act, with a comprehensive report scheduled for delivery by the end of June (2024).

The board-approved annual statement on corporate governance can be found on page 145.

Equality and anti-discrimination

Rana Gruber is unwavering in its commitment to fostering a work environment built on equality and inclusivity. The company values and recognises the uniqueness and worth of each individual, emphasising the importance of respecting individual abilities. At Rana Gruber, there is zero tolerance for any form of harassment or discrimination, be it rooted in gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age, or political opinion. The company actively endeavours to provide equal opportunities for employment, ensuring fair treatment for all employees and job seekers.

In accordance with section 26-a of the Norwegian Equality and Anti-Discrimination Act, Rana Gruber is mandated to furnish an annual equality statement, outlining the measures taken to promote equal opportunities. The detailed report can be found on page 108.

Employees and organisation

At 31 December, Rana Gruber had in total 372 employees, with 341 of them holding full-time positions. The company also hired apprentices and temporary staff, strategically placing them in roles associated with operational projects for the new mining level, or to fill in for absences due to holidays, parental leave, and illness.

Changes to the executive management and board of directors

The board consists of:

- Morten Støver *(chair, elected in 2023 for two years)*
- Kristian Adolfsen *(director, elected in 2023 for one year)*
- Frode Nilsen *(director, elected in 2023 for one year)*
- Ragnhild Wiborg *(director, elected in 2023 for two years)*
- Hilde Rolandsen *(director, elected in 2023 for two years)*
- Henriette Zahl Pedersen *(worker director)*
- Johan Hovind *(worker director)*
- Lasse Strøm *(worker director)*

The five shareholder-elected directors of the board were elected at the ordinary general meeting 12 April 2023.

The management team consists of CEO Gunnar Moe, CFO Erlend Høyen, COO Stein Tore Liljenström, Charlotte Norwich (head of IT, security and safety), Jim Kristian Johansen (HR manager) and Nancy Stien Schreiner (environment and sustainability manager)

Insurance

The company has a board liability insurance covering the entire board and the CEO.

Injuries, accidents, and sick leave

There were one production-related injury in 2023 which led to short-term absence from work. The company is constantly working to ensure safety measures in all parts of production and promoting a healthy work environment.

The company had a total sick leave percentage of 7.23.

Natural environment

In accordance with section 3-3d of the Norwegian Accounting Act and section 5-5a of the Norwegian Securities Trading Act, Rana Gruber has conducted a thorough assessment of its interactions with governmental institutions, as well as payments to and from them. Additional information is available in note 3.17 of the financial statements, offering transparency on the company's financial relationships with governmental entities.

Payments to governments

The company has assessed its relations with, and payments to and from, governmental institutions, in accordance with section 3-3d of the Norwegian Accounting Act (and section 5-5a of the Norwegian Securities Trading Act). For more information, please see note 3.17 to the financial statements.

Share and shareholders

Rana Gruber's shares are traded on the Oslo Stock Exchange under the ticker "RANA". During 2023, the share traded between NOK 49.00 and NOK 80.90 per share, with a closing price of NOK 79.90 at 31 December 2023.

At 31 December 2023, the share capital of Rana Gruber ASA is NOK 9 271 273 divided into 37 085 092 shares. At year-end 2023, the company had a total of 6834 shareholders, of which the 20 largest held 63.21 per cent of the total issued shares.

Rana Gruber is constantly working to ensure safety measures in all parts of its operations.

Rana Gruber has one share class, and all shares have equal rights in the company. The shares are registered in the Norwegian Central Securities Depository (VPS). The company's registrar is DNB Markets. The shares carry the securities number ISIN NO0010907389.

Rana Gruber's annual general meeting for 2024 is planned to be held on 11 April.

Outlook

With stable high production volumes, aided by resources and operational efficiency, along with the flexibility provided by the partnership with Cargill, the long-term outlook for Rana Gruber remains positive.

The market outlook for iron ore also remains positive, supported by economic stimulus initiatives in China. A full recovery could however be delayed by reduced consumer confidence. Activity levels in the European steel industry are expected to be slow in 2024.

In the short-term, Rana Gruber's production is expected to remain at a high and stable level. Moreover, Rana Gruber plans to continue working on the three ongoing strategic projects – the Fe65 project, the M40 project, and the zero carbon emissions project.

Mo i Rana, Norway, 20 March 2024
The board of directors and CEO – Rana Gruber ASA

Morten Støver *Chair*	**Kristian Adolfsen** *Director*	**Frode Nilsen** *Director*	**Ragnhild Wiborg** *Director*	**Hilde Rolandsen** *Director*
Henriette Zahl Pedersen *Director*	**Johan Hovind** *Director*	**Lasse Strøm** *Director*	**Gunnar Moe** *CEO*	

Declaration by the board of directors and CEO

We hereby confirm that, to the best of our knowledge, the annual financial statements for 1 January to 31 December 2023 have been prepared in accordance with applicable accounting standards and that the information in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. We confirm that the financial statements give an accurate and fair view of the development, profit, and position of the company, as well as a description of the principal risks and uncertainties it is facing.

Mo i Rana, Norway, 20 March 2024
The board of directors and CEO – Rana Gruber ASA

Morten Støver *Chair*	**Kristian Adolfsen** *Director*	**Frode Nilsen** *Director*	**Ragnhild Wiborg** *Director*	**Hilde Rolandsen** *Director*
Henriette Zahl Pedersen *Director*	**Johan Hovind** *Director*	**Lasse Strøm** *Director*	**Gunnar Moe** *CEO*	

FINANCIAL STATEMENTS

Financial statements 2023

RANA Gruber

Statement of comprehensive income

For the period ended 31 December 2023

Amounts in NOK thousand	*Notes*	**2023**	2022
Revenue	*5*	**1 932 039**	1 423 319
Changes in inventories	*15*	**18 020**	57 028
Raw materials and consumables used		**(404 915)**	(398 305)
Employee benefit expenses	*23*	**(336 050)**	(288 089)
Depreciation	*11, 12, 13*	**(165 417)**	(158 736)
Other operating expenses	*6*	**(279 401)**	(226 763)
Operating profit/(loss)		**764 276**	408 454
Financial income	*7*	**14 180**	9 383
Financial expenses	*7*	**(13 436)**	(11 358)
Other financial gains/(losses)	*8*	**(137 134)**	230 383
Financial income/(expenses), net		**(136 390)**	228 408
Profit/(loss) before income tax		**627 886**	636 862
Income tax expense	*9*	**(138 198)**	(152 636)
PROFIT/(LOSS) FOR THE YEAR		**489 688**	484 226
Net other comprehensive income/(loss)		**-**	-
COMPREHENSIVE PROFIT FOR THE YEAR		**489 688**	484 226
Earnings per share (in NOK):			
Basic and diluted earnings per ordinary share	*10*	**13.21**	13.05

Statement of financial position

At 31 December 2023

Amounts in NOK thousand	*Notes*	**31 Dec 2023**	31 Dec 2022
ASSETS			
Non-current assets			
Mine properties	*11*	**535 865**	309 096
Property, plant and equipment	*12*	**247 825**	182 300
Right-of-use assets	*13*	**202 257**	137 893
Derivative financial assets	*18, 22*	**-**	23 151
Total non-current assets		**985 947**	652 440
Current assets			
Inventories	*15*	**194 700**	159 919
Trade receivables	*14, 18*	**217 397**	178 670
Other current receivables	*18*	**59 512**	53 635
Derivative financial assets	*18, 22*	**49 043**	187 545
Cash and cash equivalents	*16*	**295 208**	212 837
Total current assets		**815 860**	792 606
Total assets		**1 801 807**	1 445 046
EQUITY AND LIABILITIES			
Equity			
Share capital	*24*	**9 271**	9 271
Share premium	*24*	**92 783**	92 783
Other equity		**799 413**	720 999
Total equity		**901 467**	823 053
LIABILITIES			
Lease liabilities	*13*	**144 890**	97 199
Net deferred tax liabilities	*9*	**109 429**	146 046
Provisions	*27*	**17 387**	15 000
Other non-current liabilities		**662**	2 265
Total non-current liabilities		**274 116**	260 510
Trade payables	*20*	**236 277**	160 614
Lease liabilities (current portion)	*13*	**59 740**	40 935
Current tax liabilities	*9*	**174 811**	109 029
Derivative financial liabilities	*18, 22*	**98 740**	-
Other current liabilities	*20*	**58 404**	50 905
Total current liabilities		**626 161**	361 483
Total liabilities		**900 277**	621 993
Total equity and liabilities		**1 801 807**	1 445 046

Mo i Rana, Norway, 20 March 2024
The board of directors and CEO – Rana Gruber ASA

Morten Støver
Morten Støver
Chair

Kristian A. Adolfsen
Kristian Adolfsen
Director

Frode Nilsen
Frode Nilsen
Director

Ragnhild Wiborg
Ragnhild Wiborg
Director

Hilde Rolandsen
Hilde Rolandsen
Director

Henriette Pedersen
Henriette Zahl Pedersen
Director

Johan Hovind
Johan Hovind
Director

Lasse Orlando Strøm
Lasse Strøm
Director

Gunnar Moe
Gunnar Moe
CEO

Statement of cash flows

For the period ended 31 December 2023

Amounts in NOK thousand	*Notes*	**2023**	2022
Cash flow from operating activities:			
Profit before income tax		**627 886**	636 862
Adjustments for:			
Movements in provisions, pensions and government grants		**-**	(1 178)
Depreciation of tangible assets	*11, 12, 13*	**165 417**	158 736
Unsettled loss/(gain) on derivative financial instruments	*22*	**49 697**	(210 696)
Fair value change on settled derivatives	*22*	**210 696**	95 567
Net exchange differences [1)]		**(4 636)**	(15 099)
Net finance income / expense	*7*	**1 230**	3 712
Working capital changes:			
Change in inventories	*15*	**(34 781)**	(70 704)
Change in receivables and payables	*14, 20*	**39 872**	(151 635)
Income tax paid	*9*	**(109 564)**	(73 362)
Interests received	*7*	**12 206**	7 647
Interests paid	*7*	**(13 436)**	(11 359)
Net cash flow from operating activities		**944 587**	368 491
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Expenditures on mine development	*11*	**(287 435)**	(96 022)
Expenditures on property, plant and equipment	*12*	**(127 421)**	(65 698)
Net cash flow from investing activities		**(414 856)**	(161 720)
CASH FLOW FROM FINANCING ACTIVITIES:			
Acquisition of treasury shares	*24*	**-**	(14 163)
Payment of principal portion of lease liabilities	*17*	**(40 723)**	(30 412)
Dividends paid	*24*	**(411 273)**	(228 821)
Net cash flow from financing activities		**(451 996)**	(273 396)
Net increase/(decrease) in cash and cash equivalents		**77 735**	(66 625)
Cash and cash equivalents at the beginning of the period	*16*	**212 837**	264 363
Effects of exchange rate changes on cash and cash equivalents (*)		**4 636**	15 099
Cash and cash equivalents at the end of the period	*16*	**295 208**	212 837

1) In its 2023 financial statements, the company decided to present gains and losses from its holdings of currency separately from its cash flows from operating, investing and financing activities. Previously, the company presented these effects in cash flows from operating activities.

Statement of changes in equity

For the period ended 31 December 2023

Amounts in NOK thousand	*Notes*	Share capital (Note 25)	Share premium (Note 25)	Treasury shares	Retained earnings	**Total equity**
Balance at 1 January 2022		9 348	92 783	(2 835)	482 515	**581 811**
Profit for the year		-	-	-	484 226	**484 226**
Total comprehensive income		-	-	-	484 226	**484 226**
Cash dividends	*24.3*	-	-	-	(228 821)	**(228 821)**
Share capital reduction		(77)	-	16 998	(16 921)	**-**
Acquisition of treasury shares	*24*	-	-	(14 163)	-	**(14 163)**
Balance at 31 December 2022		9 271	92 783	-	720 999	**823 053**
Profit for the year		-	-	-	489 688	**489 688**
Total comprehensive income		-	-	-	489 688	**489 688**
Cash dividends	*24.3*	-	-	-	(411 274)	**(411 274)**
Balance at 31 December 2023		9 271	92 783	-	799 413	**901 467**

'Treasury shares' and *'retained earnings'* are presented together in the statement of financial position as *'other equity'*.

Notes to the financial statements

Note that all amounts in brackets are comparative figures for 2022 unless otherwise stated.

Note 01 Corporate information

Rana Gruber ASA (henceforth, the 'company' or 'Rana Gruber') is a limited liability company incorporated and domiciled in Norway whose shares are traded on Oslo Stock Exchange under the ticker 'RANA'. The company was established in 1964 and the registered office is located at Mjølanveien 29, Norway.

Rana Gruber operates own mines with iron ore deposits. The mines are located approximately 35 kilometers northeast from the city Mo i Rana in Norway, in Storforshei and Ørtfjell, located in the area called the Dunderland Valley. The iron ore production takes place at the company's iron ore deposits at Ørtfjell as open pit production and underground operation. The company's processing plant is also located near Mo i Rana, more precisely in Gullsmedvik, with direct access to the company's own port and railway connection.

At 31 December 2023, the company had a total of 381 employees and 373 full-time equivalent.

These financial statements were authorised by the Board of Directors and the CEO on 20 March 2024.

Note 02 Basis of preparation

Rana Gruber's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) and interpretations by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Union (EU). There are no material differences between IFRS as issued by the IASB and as endorsed by the EU for the financial statements of the company.

The financial statements are presented in NOK and all amounts are rounded to the nearest thousand, unless stated otherwise. Note that all amounts in brackets are comparative figures for 2022 unless otherwise stated.

The 2023 financial statements have been prepared based on the going concern assumption. When preparing financial statements, the management has made an assessment of the company's ability to continue as a going concern. There are no material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern.

2.1. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following items being measured at fair value:

- Derivative instruments - note 3.9
- Trade receivables subject to provisional price mechanisms - note 3.10

2.2. Significant accounting judgements, estimates, and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. The management believes the underlying assumptions are appropriate.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different when, and to the extent that, the uncertainty is resolved. These areas are as follows:

- Judgements for determining lease term – note 3.6.2
- Estimation of the useful life of mine properties – note 3.3.1
- Estimation uncertainty with regards to exploration and evaluation assets – note 3.4
- Estimation of the value of the provisionally priced trade receivables from the sales of hematite – note 3.10

These estimates are evaluated by the management recurrently. They are based on historical experience and the best information available for conditions existing at year-end. The management believes these estimates are reasonable.

2.3. Functional currency and presentation currency

The financial statements are presented in NOK which is also the functional currency of the company.

Accounting judgments and estimates

The functional currency of the company is the currency of the primary economic environment in which it operates. The functional currency of the company is the Norwegian Kroner. The determination of functional currency involved certain judgements to identify the primary economic environment. The management reconsiders the functional currency of the company if there is a change in events and conditions which can determine the primary economic environment assessment.

In the case of the company, even though the currency that mainly influences sales prices for iron ore is USD, Norwegian Kroner is the currency cash outflows and financing activities are nominated in; and the currency in which receipts from operating activities are usually retained. The management has thus determined that Norwegian Kroner is supported in sum by a stronger set of indicators.

2.4. New standards and interpretations adopted by the company and other changes in accounting policies

The company has applied certain amendments to the standards and interpretations that are effective for annual periods beginning 1 January 2023. None of the amendments and interpretations applied had impacts in the amounts recognised in the current or previous periods, and are not expected to affect future periods.

The amendments to IAS 1 required companies to provide information about material accounting policy information, as compared to the requirement to disclose "significant" accounting policies before this amendment was effective. To assist companies in assessing materiality, the IFRS Practice Statement 2 Making Materiality Judgements provides guidance and examples on how to make materiality judgements for accounting policy information disclosures. The application of this amendment to IAS 1 resulted in the review and reorganisation of accounting policy information provided in the previous annual financial statements of the company.

2.5. New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the company's future reporting periods and foreseeable future transactions.

Note 03 Material accounting policies and judgments

3.1. Transactions and balances in foreign currency

Gains and losses on derivative financial instruments are presented in the statement of comprehensive income within 'other financial gains/(losses)'. Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within finance expenses. All other foreign exchange gains and losses are presented within 'other financial gains/(losses)'.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss, as disclosed in note 8.

3.2. Revenue recognition

Rana Gruber's business is the extraction of iron ore from its own mines, for it to be processed and then sold to third parties in the form of hematite, magnetite and other special products. The company's revenue stream can be disaggregated as follows on a by-product basis:

- Revenue related to sales of hematite
- Revenue related to sales of magnetite
- Revenue related to sales of specialty products (Colorana)

Management believes that the disaggregation by product is the one that best depict the nature, amount, timing and uncertainty of revenue and cash flows.

Material accounting policy information with respect to the sale of hematite

The majority of the revenue generated by the company arises from the sales of hematite. The company mainly has one off-take agreement with a customer.

Rana Gruber recognises revenue from its sales of hematite to its customers, acting as a principal to the transactions. Rana Gruber does not typically provide freight, shipping or insurance services to its customers. Therefore, providing the goods is the only performance obligation identified on the contracts with customers. Each shipment of hematite is treated as a separate performance obligation.

Typically, Rana Gruber is responsible for the goods until the hematite is loaded onto the vessels chartered by the customer at the port of Mo i Rana, under the Incoterms Free on Board (FOB). This is the point in time when Rana Gruber obtains an unconditional right to payment and when control is transferred to the customer. The initial invoice is normally paid by the customer within three to five working days after the shipment date. Customer acceptance for the goods is not considered a relevant indicator for Rana Gruber, as there is certainty on the specification requirements of the goods when the hematite is loaded onboard the vessels.

The sale of hematite is typically subject to a provisional price mechanism. At the moment of the sale, invoices are issued to clients based on provisional prices, reflecting the average of past spot prices of iron ore. Final prices are derived from monthly averages of iron ore prices during the reference period (typically, three months after each shipment has taken place). Provisional pricing also includes an element linked to expected transportation costs, which are known at each quarter-end and correspondingly adjusted to revenue. Typically, the final invoice is paid by the customer within three to five working days after the invoice date.

Under IFRS, revenue is recognised at the shipment date for an amount that corresponds to the average forward prices for the month in which the invoice will be finally settled. At each reporting date after the date of the sale, the corresponding trade receivable is remeasured using the updated forward prices. Subsequent changes in the value of the trade receivables due to changes in the forward prices are recognised as revenue up until the date of the final settlement for the shipment. When the price is known, the trade receivables are reclassified to trade receivables which are not subject to provisional price mechanisms. For disclosures on the provisionally priced trade receivables, see note 3.10 and notes 14 and 18.

The transaction price for hematite shipments is also subject to variable consideration depending on several parameters such as Fe content and moisture, which can be estimated with a high level of certainty at the moment the revenue is recognised. When variable consideration depends on factors that are outside of Rana Gruber's influence, the variable consideration is not recognised until the moment when the uncertainty is resolved, normally being shortly before the final invoice is sent to the client.

Rana Gruber uses the practical expedient of not disclosing the information required in paragraph 120 of IFRS 15 (i.e. the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period).

Material accounting policy information with respect to the sales of magnetite and specialty products

With respect to the sale of magnetite and specialty products, the company typically enters into long-term framework contracts with its clients for the provision of magnetite and specialty products. In these contracts, the company acts as a principal to the transactions.

Typically, only one performance obligation is identified in these revenue streams: the goods (i.e. hematite or specialty products) to be provided. Revenue is recognised at the point in time the control over the goods is obtained by the customer, which is typically determined based on the incoterms and the right to payment for the goods.

Revenue is recognised for the amount that the company expects to be entitled in exchange for transferring the promised goods to the customer, excluding sales taxes. The company is not typically exposed to any variable consideration arising from these contracts in the form of discounts, rebates, or provisional pricing mechanisms, among others.

3.3. Mine properties (excluding e&e assets)

The company carries out mining operations in both underground and open-pit mines. Mine properties are initially measured at cost, which comprises the development costs, and the directly attributable costs necessary for the asset to be capable of operating in the manner intended by the management. These costs also include borrowing costs (when applicable) and the initial estimate of rehabilitation costs linked to the development.

Mine properties are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Mines under construction are reclassified into producing mines when the development phase of the mine is finalised, which is the point where the production phase starts. In considering this point in time, the management considers, among others, the current development stage and investment levels with respect to the initially planned ones; and the result of the testing periods for determining whether the stable extraction period has been reached.

Subsequent expenditure in mine properties is capitalised to the extent it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably, following the criteria above. Maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

3.3.1. Depreciation

Infrastructure used in the underground mining activities, such as the transportation tunnels, are depreciated using a straight-line method. Other assets relating to the producing mines assets are depreciated following the unit-of-production (UOP) method.

The unit of measure is the number of underground extraction detonations performed during each reporting period, compared to the total number of extraction detonations planned for the relevant iron ore deposit. The separate mining levels, and not the mine as a whole, are used as measurement basis when applying this method.

Accounting judgments and estimates

The company's assessment of the useful life of mine properties is determined by the expected useful economic life of the assets based on management's significant estimates. The useful life of mine properties is based on the estimated detonations that are expected to be economically and technically feasible to be made in coming reporting periods. These estimates are based on geological surveys, past operational history and assumption on future market prices, and could change depending on technical innovations, ore prices, production costs or updated geological analysis. Any significant deviation between actual and estimated useful lives could have a material effect on the financial statements.

The following table summarises the useful life and depreciation method by class of asset:

	Producing mines	Transportation tunnels (underground infrastructure)
Depreciation method	UoP	Straight-line
Useful life	Based on estimated detonations	7–15 years

3.3.2. Stripping activity assets

The company engages in stripping activities, which consists of the removal of waste rock to access iron ore deposits, during the production phase of a surface (open pit) mine. The company recognises stripping activity assets to the extent that it gets an improved access to the ore body that will be consumed over a period of more than one year, it can identify the component of ore body for which access has been improved; and it can measure the associated costs reliably.

Stripping activities performed for the financial reporting periods 2023 and 2022 have not been recognised within the mine properties assets due to its short-term nature. All stripping costs have consequently been included as direct costs of inventory in the period they were incurred.

Accounting judgments and estimates

Judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of stripping activity assets.

3.4. Exploration and evaluation assets

The company recognises expenditures incurred during the exploration and evaluation (E&E) phase of its mining projects as assets, according to their tangible or intangible nature. These are measured initially at cost. E&E assets are not subsequently depreciated but are periodically assessed for impairment.

Expenditures that are assessed for recognition have mainly included activities related to exploratory sample drilling and subsequent geological analysis carried out to determine the economic viability and technical feasibility of the mineral resources. The company makes this assessment for the area of interest the project relates to.

After the company can demonstrate the technical feasibility and commercial viability of extracting the iron ore, E&E assets are reclassified into mines under construction. If the conclusion is that this cannot be demonstrated, E&E assets are expensed.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such circumstances include changes to operational mining plans, lack of commercially viable quantities of mineral resources for the areas in which E&E activities have taken place and changes to market prices affecting the investments plans for new mining areas.

Accounting judgments and estimates

The application of the company's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely, or determining whether the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These conclusions are supported by technical reports obtained produced by the company, and rely on estimates on the amount, quality, and accessibility of reserves as well as the uncertainty of those estimations.

3.5. Property, plant and equipment

Property, plant and equipment ('PPE') are initially recognised at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The following table summarises the useful life and depreciation method by class of asset:

	Buildings	Machinery and plants	Operating equipment
Depreciation method	Straight-line	Straight-line	Straight-line
Useful life	3-50 years	3-30 years	3-10 years

3.6. Leases

The company recognises right-of-use assets and lease liabilities for all lease contracts, except for leases that are considered short-term (lease term of 12 months or less), or for which underlying assets are of a low value when new.

3.6.1. Right-of-use assets

The right-of-use assets are initially measured at cost, and subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use assets are reduced by any impairment charges and adjusted for certain remeasurements of the lease liabilities. No significant purchase options have been held by the company.

Accounting judgments and estimates

Rana Gruber has an ambition to become the first CO_2-free iron ore mine in the whole world and this will be completed through a large-scale electrification of all machinery and transport.

The management monitors the effects future plans with regards to the electrifications of its existing fleet of production machinery and operation vehicles, in terms of useful lives and impairment indicators of its right-of-use assets.

The management concluded that, in any case, the useful life of its right-of-use assets should remain unaffected for the majority of these assets, as these assets will remain as back up in case any electrical production machinery or vehicles, or charging infrastructure's suffers technical problems, during the first phase of the company's electrification plans. Therefore, the use of these right-of-use assets will be the reduction of the company's exposure to production disruption risks.

The company elects to present its right-of-use assets separately from other assets in its statement of financial position.

3.6.2. Lease liabilities

The company used, for virtually all of its leases, the incremental borrowing rate to discount future lease payments at the lease commencement date, as the implicit interest rates of the leases entered by the company were not readily determinable. Lease payments by the company typically includes fixed payments, with some variability due to the updates in consumer price index or rates.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. Additionally, the carrying amount of the lease liabilities is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are remeasured, a matching adjustment is made to the carrying amount of the right-of-use assets.

The company has not exercised any significant extension or termination option on the periods presented in these financial statements.

Accounting judgments and estimates

In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment on extension and termination options includes the factor of whether the underlying assets are in alignment with the company's strategy to electrify its mining operations.

3.7. Impairment of non-financial assets

At each reporting date, the company assesses whether there is an indication that an asset may be impaired. When impairment indicators are identified, the company performs an impairment testing at the level of the cash-generating unit ('CGU'), as none of the assets in the company generate largely independent cash flows from other assets. The company only has one cash-generating unit, which is the business as a whole.

In assessing impairment indicators, the company considers its estimated amount and accessibility of its reserves to be extracted. Additionally, the company also considers whether climate-related risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs, and price premiums on carbon-free iron ore not sufficient to cover related increase in production costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount and these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

Rana Gruber also reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the company considers the impact of health, safety, and environmental legislation in its assessment of expected useful lives and estimated residual values.

The company holds no assets for which an annual impairment testing is required.

The company has not identified any impairment indicators leading to an impairment testing in the periods presented in these financial statements.

3.8. Inventories

Iron ore stockpiles are valued at the lower of cost or net realisable value. Net realisable value is the estimated future sales price of the product the company expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Cost of inventories, other than consumables, is comprised of direct production costs including an appropriate portion of fixed and variable overhead costs, including depreciation, incurred in converting materials into finished goods, based on the normal production capacity. Costs of iron ore produced which is stored on the ground in the open pit is valued to costs from open-pit operations, while cost for iron ore stored in the silo is valued to a combination of cost for both open pit and underground production.

Materials and supplies are measured at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

Costs of finished goods and iron ore stockpiles are assigned using the weighted average cost formula, whereas the costs of production supplies and spare parts are assigned using the first-in, first-out (FIFO) method to determine the extent of any provision for obsolescence.

The company presents changes in inventory separately in the statement of comprehensive income, representing the net change in value of inventory from one period to the other.

3.9. Derivatives

The company enters into derivative agreements to reduce cash flow risk arising from changes in exchange rates, iron ore prices, freight and electric power prices. Derivatives are measured at fair value through profit or loss (FVTPL) at each reporting period.

The corresponding effects from derivatives are presented within 'other financial gains and losses' line item in the statement of comprehensive income.

The fair value of these derivatives is derived from observable prices in quoted markets. See additional information in notes 18 and 22.

3.10. Trade receivables and other financial assets

Trade receivables related to provisional pricing arrangements are measured at fair value through profit or loss from initial recognition and until the date the final invoice has been issued, which is the moment when the final price of the iron ore is known. When the price is known, the trade receivables are reclassified to trade receivables which are not subject to provisional price mechanisms. Please see note 5 for further details.

Accounting judgments and estimates

As indicated in Note 3.2, the sales of hematite are subject to provisional pricing mechanisms where the final settlement for the delivery will be based on future iron ore prices. Therefore, the management has to estimate the value of the provisionally priced trade receivables at each reporting date. For that, the management relies on the forward price in the for three months after the sale has been made.

The company initially measures trade receivables not subject to provisional pricing arrangements at fair value, being the amount of consideration that is unconditional from the customer.

All other financial assets, excluding derivatives, meet the SPPI (solely payments of principal and interest) criteria and are managed in a business model of Hold to Collect. These financial assets are in the measurement category amortised cost. Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest method.

3.11. Cash and cash equivalents

Cash and cash equivalents presented in the statement of financial position includes cash at bank. The company does not typically hold term-deposits assessed to be considered as cash equivalents. The company typically meets the offsetting requirements to present its bank overdrafts as part of its cash and cash equivalents in its statement of financial position.

An integral part of the company's cash management policies is to hold bank overdrafts. Overdrafts are repayable on demand and the bank balance often fluctuates from being positive to overdrawn. Therefore, bank overdrafts are included as a component of cash and cash equivalents in the statement of cash flows.

3.12. Impairment of financial assets

For trade receivables and contract assets, the company applies the simplified approach to measuring expected credit losses, which uses a lifetime expected impairment provision for all trade receivables and contract assets.

While cash and cash equivalents also are subject to the impairment requirements, the expected credit losses are immaterial.

3.13. Statement of cash flows

The cash flow statement is prepared using the indirect method, and interests paid and received are considered as part of the cash flows from operating activities.

3.14. Income taxes

The company is subject to ordinary Norwegian company tax with a tax rate of 22%. Because of timing differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, there will be temporary differences that give rise to deferred tax liabilities or deferred tax assets.

Deferred income taxes are determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realised, or the deferred income tax liabilities are settled.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Accounting judgments and estimates

The company has an uncertain tax position in respect of the positions held for its income taxes for the year 2021 and subsequent ones. Further details on this judgment are included in Note 9.2. 2.

3.15. Employee benefits

The company is only part of defined contribution plans. See note 23 for further information on the defined contribution plans of the company.

3.16. Provisions

Provisions for legal claims and future rehabilitation activities are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation in the future. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The impact of climate-related matters on remediation of environmental damage is considered with determining the decommissioning liabilities on the mining assets which has been disclosed in note 27 provisions.

3.17. Government grants and payments to authorities

Government grants relating to the purchase of property, plant and equipment are normally included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

The company received NOK 0.4 in 2023 (NOK 0.2 million) in grants from the tax incentive scheme.

The company also received grants from ENOVA in relation to its new electric machinery leases. These grants were obtained directly by the lease suppliers, and indirectly through an adjustment of lease costs from its lease suppliers amounting to NOK 1 million. Compared with no grants in 2022.

In accordance with the Norwegian Accounting Act, section 3-3d, Rana Gruber has prepared a Report on payments to authorities. According to the regulations, companies with activities in the extractive industry or forestry shall disclose such payments. Rana Gruber has in 2023 paid NOK 109 564 thousand as corporate income tax (NOK 73 480 thousand), 34 thousand to Rana Kommune (NOK 33 thousand), 346 thousand to the Norwegian Institute for Water Research (NOK 202 thousand) and 256 thousand to the Norwegian Directorate of Mining (NOK 172 thousand).

Note 04 Segment information

Rana Gruber's business is primarily related to the excavating, processing and sale of iron oxide in the form of hematite, magnetite and iron oxide pigments. Hematite is used for iron and steel production in smelting plants in Europe and magnetite is used in industrial water purification processes.

Operating segments are components of the company regularly reviewed by the chief operating decision maker to assess performance and be able to allocate resources. The company's CEO (Chief Executive Officer) is the chief operating decision maker at Rana Gruber. The company as a whole is operated as a single segment. See note 5 for a disaggregation of revenue from external customers by product.

Rana Gruber's main customer (Cargill International Trading Pte Ltd) during 2023 and 2022 constitute circa 90 per cent of the total annual iron ore production volumes. The total revenue from that single customer, who is based in Singapore, amounted to NOK 1 685 275 thousand in 2023 (NOK 1 234 765 thousand). Substantially all of the company's goods sold to this customer are typically delivered to end users based in the European Union and United Kingdom area. However, during 2023, five out of a total of 27 iron ore shipments were delivered to end users in Asia (mainly China and India). Domestic sales to external customers accounted for less than 1.5 per cent and 2 per cent of total revenue for the years 2023 and 2022, respectively.

All non-current assets held by the company are located in Norway.

Note 05 Revenue

The following breakdown of revenue from contracts with customers presents a disaggregation by major product line:

Revenue

(Amounts in NOK thousand)	**2023**	2022
Sales of hematite	**1 693 964**	1 305 534
Sales of magnetite	**158 510**	111 232
Sales of Colorana	**52 736**	47 391
Total revenue from contracts with customers	**1 905 210**	1 464 157
Effect from provisionally priced receivables	**9 121**	(61 765)
Other income	**17 709**	20 927
Total revenue	**1 932 039**	1 423 319

Revenue arising from other than contracts with customers includes primarily the fair value changes in the value of the trade receivables due to the provisional price mechanisms from the shipment date and up until the invoice is finally settled and other income arising primarily from sale of services related to consulting and geophysical analysis. Revenue from service transactions is recognised as the service is performed.

Note 06 Other operating expenses

Amounts in NOK thousand	2023	2022
Plant and mining activities: extraction and maintenance	**128 507**	92 259
Expenses related to short-term and low-value leases	**18 458**	13 321
Auditor's remuneration	**2 338**	2 609
Consulting fees	**23 437**	25 878
Energy expenses (fuel, electric power, water, etc.)	**27 883**	20 025
Insurance fees	**21 712**	16 971
Shipping costs	**20 109**	16 422
Contribution Mo i Rana Airport	**688**	13 570
Other	**36 269**	25 708
Total other operating expenses	**279 401**	226 763

Expenses incurred in research and development projects have been NOK 7 847 thousand during the 2023 financial year (NOK 5 434 thousand). No development expenses have been capitalised during 2023 or 2022. Research and development activities have been mostly in relation to the Rana Gruber's three key strategic projects: increasing the iron content of its products; increasing magnetite production; and eliminating all carbon emissions from production. Research and development expenses in relation to these projects are expected to continue in the coming year.

The auditor remuneration presents the following disaggregation:

Auditor's remuneration

Amounts in NOK thousand	2023	2022
Statutory audit fees	**2 254**	2 235
Technical assistance	**54**	277
Tax advisory services	**29**	97
Total auditor's remuneration	**2 338**	2 609

Note 07 Finance income and costs

Amounts in NOK thousand	2023	2022
Financial income	**14 180**	9 384
Interest income from bank deposits	**12 208**	7 646
Other financial income	**1 972**	1 738
Financial costs:	**(13 436)**	(11 359)
Interest on borrowings	**-**	(4 589)
Interest on lease liabilities	**(9 422)**	(6 547)
Unwinding of discount in provisions	**(2 387)**	-
Other financial costs	**(1 627)**	(223)
Net finance result	**744**	(1 975)

Note 08 Other financial gains and losses

Amounts in NOK thousand	2023	2022
Net gain/(loss) on financial instruments at fair value through profit or loss - derivatives on foreign exchange rates	**(20 204)**	(61 166)
Net gain/(loss) on financial instruments at fair value through profit or loss - derivatives on iron ore prices	**(114 706)**	53 239
Net gain/(loss) on financial instruments at fair value through profit or loss - derivatives on freight	**3 260**	-
Net gain/(loss) on financial instruments at fair value through profit or loss - derivatives on electric power	**(10 396)**	217 768
Net foreign exchange gains (losses)	**4 912**	20 542
Total other financial gains and losses	**(137 134)**	230 383

As a consequence of rebalancing the positions in the electric power market, and in line with the company's hedging strategies, Rana Gruber has realised a gain during 2023 of NOK 118 537 thousand (NOK 77 292 thousand), which is included in the Net gain/(loss) – derivatives on electric power. The aim for the rebalancing was to ensure a more optimal hedging strategy for the future energy consumption needed, and hence avoiding adverse impacts from future volatility in the spot market in the region where Rana Gruber is located. See note 22.3 for further details on the open positions at 31 December 2023.

Note 09 Income tax

9.1. Income tax expense

Amounts in NOK thousand	2023	2022
Current income tax	**174 811**	109 232
Adjustments for tax of prior periods	**-**	1 183
Change in deferred tax	**(36 613)**	42 221
Total income tax expense	**138 198**	152 636

9.2. Deferred tax

9.2.1. Deferred Tax Balances

Amounts in NOK thousand	2023	2022
Tangible fixed assets (PPE & Mine properties)	**(7 906)**	(5 726)
Right-of-use assets	**215**	105
Derivatives	**10 874**	(46 353)
Inventories	**(20 084)**	(27 324)
Receivables	**(27 436)**	(31 830)
Gain and loss account	**(187)**	(234)
Provisions	**5 585**	3 300
Pension funds/-liabilities (net)	**-**	-
Prepayments	**(70 484)**	(37 995)
Shares and other instruments	**11**	-
Total deferred tax relating to temporary differences	**(109 411)**	(146 046)
Tax losses to carry forward	**-**	-
Excluded interest deduction to carry forward	**-**	-
Carrying value of deferred tax assets (liabilities)	**(109 411)**	(146 046)

Explanation of change in deferred tax

Amounts in NOK thousand	2023	2022
Carrying value of deferred tax at 1 January	**(146 046)**	(30 351)
Change in deferred tax liability	**33 667**	(42 243)
Change in uncertain tax positions revenue	**2 968**	(73 452)
Carrying value of deferred tax at 31 December	**(109 411)**	(146 046)

9.2.2. Uncertain tax positions

Up until the 2020 tax assessment year, the company recognised revenue on an accrual basis for both accounting and tax purposes. However, due to the volatility from the provisionally priced trade receivables explained in note 5, the company's estimation of revenue at fiscal year-end date can vary significantly with the final revenue realised at settlement date. For this reason, the company has ongoing discussions with the tax authorities in Norway with respect to the treatment of its revenue for tax purposes.

The company's position in this respect is that the current income tax expense should be based on the actual amounts of revenue realised. In the financial statements issued for the period ended 31 December 2021, the company estimated the value of its current income tax expense following the approach applied for the 2020 tax assessment year, i.e., no difference between accounting and tax bases for revenue recognition. However, this estimate was changed at the moment of calculating the final tax settlement for the income tax filing for the assessment year 2021, filed in June 2022.

At the time of the issue of these financial estimates, the company estimates it is more likely than not that the currently applied tax treatment will be accepted by the tax authorities, and therefore the tax basis for revenue is based on the revenue finally settled in the period in which it occurs. The measurement of the tax balances is thus based on what the management believes is the most likely outcome from the dialogue with the Norwegian Tax Authorities. The mentioned uncertain tax position is the amount that would have been reclassified to tax payable based on the suggested approach by tax authorities.

At 31 December 2023, uncertain tax positions amount to NOK 70 484 thousand as deferred tax liability (NOK 73 452 thousand).
For the year ended 31 December 2023, uncertain tax positions amount to NOK 70 484 thousand as deferred tax liability (NOK 73 452 thousand). The uncertain tax positions only affect the timing of taxes and not total amounts to be paid over time.

9.3. Reconciliation of income tax expense

Amounts in NOK thousand	**2023**	2022
Profit before tax	**627 886**	636 862
Expected income tax at statutory income tax rate of 22% (22%)	**138 135**	140 110
Permanent differences	**63**	12 526
Calculated tax expense/(income)	**138 198**	152 636

Note 10 Earnings per share (EPS)

10.1. Basic and diluted earnings per share

Amounts in NOK	**2023**	2022
From continuing operations attributable to the ordinary equity	**13.21**	13.05
Total basic and diluted earnings per share attributable to the ordinary equity	**13.21**	13.05
Weighted average number of outstanding shares, excluding treasury shares	**37 085 092**	37 119 092

For the reporting periods included in these financial statements, the company had no dilutive potential ordinary shares.

Note 11 Mine properties

The company carries out mining operations in both underground and open-pit mines. The company identified the following class of assets in relation to its mine properties:

Amounts in NOK thousand	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
At 1 January 2022				
Cost	8 539	-	914 276	**922 815**
Accumulated depreciation and impairment	-	-	(619 047)	**(619 047)**
Net book amount	8 539	-	295 229	**303 768**
Year ended 31 December 2022				
Opening net book amount	8 539	-	295 229	**303 768**
Additions	41 714	39 537	14 770	**96 021**
Transfers	(41 976)	41 976	-	**-**
Depreciation charge	-	-	(90 693)	**(90 693)**
Closing net book amount	8 277	81 513	219 306	**309 096**

Amounts in NOK thousand	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
At 31 December 2022				
Cost	8 277	81 513	929 046	**1 018 836**
Accumulated depreciation and impairment	-	-	(709 740)	**(709 740)**
Net book amount	8 277	81 513	219 306	**309 096**
Year ended 31 December 2023				
Opening net book amount	8 277	81 513	219 306	**309 096**
Additions	16 746	257 000	30 406	**304 152**
Depreciation charge	-	-	(77 384)	**(77 384)**
Closing net book amount	25 023	338 513	172 328	**535 865**
At 31 December 2023				
Cost	25 023	338 513	959 452	**1 322 988**
Accumulated depreciation and impairment	-	-	(787 124)	**(787 124)**
Net book amount	25 023	338 513	172 328	**535 865**

11.1. Significant additions from mining activities during the period

During the second quarter of 2022, the Company started the works on the next underground mine level (L91) in the Kvannevann Øst mine, which includes the development of access tunnels and infrastructure needed to develop level 91 for the Kvannevann underground mine. These works continued during 2023 and it's expected to be finalised by the second half of 2024.

11.2. Exploration and evaluation activities

The company has undertaken exploration and evaluation activities during the period to assess the technical feasibility and commercial viability of starting the extraction in new areas. The assets recognised during the period mostly relate to the cost of geophysical studies, and exploratory drilling. No exploration and evaluation expenditures have been directly recognised as expense during 2023 and 2022.

During 2023, the Company continued its exploration and evaluation activities in the Kvannevann underground mines and Kvannevann vest, which explains the additions during 2023.

Note 12 Property, plant, and equipment

Amounts in NOK thousand	Land and buildings	Machinery and plants	Operating equipment etc.	Total
At 1 January 2022				
Cost	87 205	611 866	57 037	**756 108**
Accumulated depreciation and impairment	(40 458)	(511 810)	(50 424)	**(602 692)**
Net book amount	46 747	100 056	6 613	**153 416**
Year ended 31 December 2022				
Opening net book amount	46 747	100 056	6 613	**153 416**
Additions	20 860	41 194	3 644	**65 698**
Depreciation charge	(5 799)	(28 374)	(2 641)	**(36 814)**
Closing net book amount	61 808	112 876	7 616	**182 300**
At 31 December 2022				
Cost	108 065	653 060	60 681	**821 806**
Accumulated depreciation and impairment	(46 257)	(540 184)	(53 065)	**(639 506)**
Net book amount	61 808	112 876	7 616	**182 300**
Year ended 31 December 2023				
Opening net book amount	61 808	112 876	7 616	**182 300**
Additions	17 692	90 922	2 093	**110 706**
Depreciation charge	(6 792)	(35 133)	(3 257)	**(45 182)**
Closing net book amount	72 708	168 665	6 452	**247 825**
At 31 December 2023				
Cost	125 757	743 982	62 774	**932 512**
Accumulated depreciation and impairment	(53 049)	(575 317)	(56 322)	**(684 688)**
Net book amount	72 708	168 665	6 452	**247 825**

During 2023, the main additions relate to the purchase of machinery for its extraction mining activities, and machinery for its new production plant.

Note 25 discloses information on the amount of property, plant and equipment that are pledged as security for borrowings.

Note 13 Leases

13.1. Nature of the lessee's leasing activities

The company leases most of its production machines including dumper-trucks, excavator, wheeled loaders, train wagons and other vehicles used in the iron ore extraction and transportation process.

The lease term varies normally from one to five years with options to both extend and terminate the lease contracts at the management's discretion.

13.2. Right-of-use assets

Amounts in NOK thousand	Machinery	Total
At 1 January 2022	114 284	**114 284**
Year ended 31 December 2022		
Additions	54 837	**54 837**
Depreciation charge	(31 228)	**(31 228)**
Closing net book amount	137 893	**137 893**
At 31 December 2022	137 893	**137 893**
Year ended 31 December 2023		
Additions	111 170	**111 170**
Depreciation charge, net of capitalisation	(46 806)	**(46 806)**
Closing net book amount	202 257	**202 257**
At 31 December 2023	202 257	**202 257**

The additions of the right-of-use assets during 2023 is mainly explained by new production machinery in line with the electrification plans of the company, and the insourcing of mining activities that have been done until now by external parties.

13.3. Lease liabilities

Amounts in NOK thousand	**2023**	2022
At 1 January	**138 134**	113 708
Additions	**111 013**	55 776
Interest expense	**10 512**	6 547
Lease payments	**(58 720)**	(39 713)
Currency effects	**3 691**	1 816
Balance at 31 December	**204 630**	138 134
Current	**59 740**	40 935
Non-current	**144 890**	97 199

The following table discloses the maturity analysis for lease liabilities (note 21.2 includes information for other non-derivative financial liabilities):

Contractual maturities

Amounts in NOK thousand	**2023**	2022
Less than 1 year	**61 682**	42 213
1–4 years	**139 320**	84 377
4–5 years	**20 029**	13 056
More than 5 years	**14 782**	19 429
Total contractual cash-flows	**235 813**	159 075
Recognised as liabilities	**204 630**	138 134

Information on lease commitments have been included in note 28.

13.4 Amounts recognised in the statement of comprehensive income

The following amounts have been recognised in the statement of comprehensive income in relation to leases:

Amounts in NOK thousand	**2023**	2022
Interest expense (included in finance cost), net of capitalisation	**9 422**	6 547
Expense relating to short-term and low-value leases	**18 458**	13 321
Expense relating to depreciation, net of capitalisation	**42 851**	31 228

The company has capitalised NOK 3 955 thousand of the depreciation of its right-of-use assets and NOK 1 090 thousand of interest expense during 2023. The capitalisation correspond to the leased machinery used in the development of the mines under construction. The total cash outflow for leases in 2023 has been NOK 77 178 thousand (NOK 53 034 thousand).

Note 14 Trade receivables

Amounts in NOK thousand	**2023**	2022
Trade receivables subject to provisional pricing mechanism (fair value, see Note 18)	**120 900**	148 587
Trade receivables not subject to provisional pricing mechanism (amortised cost)	**96 897**	30 483
Loss allowance of trade receivables at amortised cost	**(400)**	(400)
Total trade receivables	**217 397**	178 670

More information about trade receivables subject to the provisional pricing mechanism can be found in note 5.

14.1. Impairment of trade receivables

Impairment on trade receivables has historically not been significant for the company. Trade receivables not subject to provisional price mechanisms have been grouped using the number of days past due. The expected credit loss rates used in the provision matrix are calculated using both historical loss rates and forward-looking information:

Ageing trade receivables

Amounts in NOK thousand	**2023**	2022
Not due	**75 798**	24 440
Less than 30 days	**12 751**	1 348
30-60 days	**4 400**	181
61-90 days	**316**	2 731
More than 90 days	**3 632**	1 783
Total carrying value trade receivables	**96 897**	30 483

Trade receivables due more than 90 days comprise mainly related parties (see note 26), which are closely followed by the company to detect any decrease in the quality of the receivable.

Note 15 Inventories

Inventories are pledged as security for financial liabilities. See note 25 for additional information.

Amounts in NOK thousand	**2023**	2022
In-house manufactured finished goods	**120 543**	96 628
Goods in progress (iron ore stockpiles)	**27 276**	32 589
Purchased semi-manufactured goods	**286**	331
Production supplies and spare parts	**46 595**	30 371
Total inventories	**194 700**	159 919

Note 16 Cash and cash equivalents

Amounts in NOK thousand	**2023**	2022
Cash at bank	**295 208**	212 837
Net cash at bank	**295 208**	212 837
Restricted cash	**18 269**	14 218
Unrestricted cash	**276 939**	198 619
Total cash and cash equivalents	**295 208**	212 837

16.1. Short-term deposits

The company does not hold bank deposits or other short-term, liquid investments.

16.2. Restricted cash

Part of the cash and cash equivalents disclosed is subject to regulatory restrictions on payroll tax liabilities and is therefore not available for general use by the company.

16.3. Bank overdrafts

Bank overdrafts held in the by the company mainly relate to accounts used for payments in foreign currency. See note 3.11 for information on the accounting policies followed by the company with respect to bank overdrafts.

At year-end 2023 and 2022 the company did not hold any outstanding bank overdrafts.

Note 17 Reconciliation of cash-flows from financing activities

Amounts in NOK thousand	Lease liabilities	**Total**
Liabilities from financing activities at 1 January 2022	113 708	**113 708**
Financing cash flow (payments)	(30 412)	**(30 412)**
New leases	53 029	**53 029**
Foreign exchange adjustments	1 816	**1 816**
Other changes	(7)	**(7)**
Liabilities from financing activities at 31 December 2022	138 134	**138 134**
Financing cash flow (payments)	(40 723)	**(40 723)**
New leases	107 325	**107 325**
Foreign exchange adjustments	3 688	**3 688**
Other changes	(3 794)	**(3 794)**
Liabilities from financing activities at 31 December 2023	204 630	**204 630**

Differences between financing cash flow and lease payments in Note 13.3 mainly relate to interests paid, included in cash flows from operating activities.

Note 18 Financial instruments

This note provides further disclosure on the financial instruments held by the company and fair value measurement. All financial instruments held by the company and measured at fair value are considered level 2.

18.1. Financial assets

Amounts in NOK thousand	2023	2022
Debt instruments measured at amortised cost:	**451 217**	296 555
Other current receivables	**59 512**	53 635
Trade receivables not subject to provisional pricing mechanism (amortised cost)	**96 497**	30 083
Cash and cash equivalents	**295 208**	212 837
Debt instruments measured at fair value through profit or loss:	**120 900**	148 587
Trade receivables subject to provisional pricing mechanism (fair value)	**120 900**	148 587
Derivatives (measured at fair value through profit or loss):	**49 043**	210 696
Foreign exchange forward contracts	**37 500**	11 380
Iron ore forward contracts	**-**	58 840
Electricity forward contracts	**11 543**	140 476
Total financial assets	**621 160**	655 838

18.2. Financial liabilities

Amounts in NOK thousand	2023	2022
Liabilities measured at amortised cost	**295 343**	213 784
Trade payables and other current liabilities (see note 20)	**294 681**	211 519
Other non-current liabilities	**662**	2 265
Derivatives (measured at fair value through profit or loss):	**98 740**	-
Iron ore forward contracts	**98 740**	-
Total financial liabilities	**394 083**	213 784

18.3. Fair value hierarchy

The different fair value measurement levels have the following meaning:

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1.
- **Level 2:** The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Trade receivables subject to the provisional pricing mechanisms are considered level 2. The fair value of the provisionally priced trade receivables uses the forward prices of iron ore at the stipulated settlement date. This is an observable price with an active market, which is applied to the pricing formula for the agreements. See additional information in note 5.

Derivatives are considered level 2. Fair value estimates have been determined based on present value calculations and other commonly used valuation techniques. The company's derivative instruments are primarily swap contracts where fair value estimates are based on equating the present value of a fixed and a variable stream of cash flows over the maturity of the contract. These estimates are based on observable input related to volatility, discount rates and current market values of the underlying assets the derivative instrument is related to.

There were no transfers between levels of fair value measurements during the reporting periods.

Fair values of financial instruments not measured at fair value are not materially different to their carrying values.

Note 19 Borrowings and credit facilities

The company held no borrowings during 2023 or 2022. However, credit facilities have been maintained through 2023 and 2022 to ensure access to liquidity access if necessary. See further information below about these undrawn credit facilities held by the company.

19.1. Relevant terms and conditions for the undrawn credit facilities

The company's current borrowing facility includes per the reporting date 31 December 2023 an overdraft credit facility of NOK 100 million with an interest rate based on NIBOR plus a margin of 3.25 per cent p.a. The overdraft credit facility agreement includes the following quarterly financial covenant for the company:

- Net interest-bearing debt / EBITDA < 1.5
- Equity ratio > 35%, adjusted for unrealised effects from derivative instruments
- Adverse unrealised effects from derivative instruments < NOK 250 million

19.2. Assets pledged as securities for liabilities

The borrowing facility required certain assets to be pledged as security, being accounts receivables, inventory, and property, plant and equipment. Further information about the amounts and classes of assets pledged is included in note 25.

19.3. Compliance with covenants

The company has complied with all the financial covenants during 2023 and 2022, and the management does not expect to breach any covenant in the foreseeable future.

Note 20 Trade payables and other current liabilities

Trade payables

Amounts in NOK thousand	2023	2022
Trade payables with third parties	**115 704**	103 373
Trade payables with related parties (see Note 26.3)	**120 573**	57 241
Total trade payables	**236 277**	160 614

Other current liabilities

Amounts in NOK thousand	2023	2022
Public duties payable	**20 662**	15 379
Others	**37 742**	35 526
Total other current liabilities	**58 404**	50 905

Trade payables are unsecured and are normally settled within 30 days. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 21 Financial risk and capital management

In conducting its operations, the company faces the following main types of risks: credit risk, liquidity risk and market risk. For each type of risk identified, this note discloses or cross-references to information about the company's exposures to the risk, how it arises; the company's objectives, policies, and processes for managing the risk and the methods used to measure the risk.

The company uses derivatives on a recurrent basis to hedge against financial risks, but the company does not apply hedge accounting.

21.1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the company by failing to settle its obligation.

The company is exposed to credit risks in conducting its ordinary activities. The credit risk primarily relates to its trade receivables; its cash and cash equivalents; and its derivative financial assets and other receivables related to derivative contracts.

21.1.1. Trade receivables

The company is closely following the credit rating of its customers which are regularly monitored. Within days after the iron ore is loaded onto the customer's vessels, the payment of the provisional invoice is received from the customer.
The amount of credit risk related to most iron ore shipments is limited to one shipment per client. A provisional invoice for substantially all of the consideration for the shipment is settled shortly after the

shipment date, and typically no other shipment will be made until the provisional invoice has been paid by the customer. The company does not normally hold collateral from its customers.

At 31 December 2023, the company had 62 customers (65 customers). Approximately, its main five customers held at 31 December 2023, 87 per cent of the company's trade receivables (85 per cent).

Rana Gruber's customer base consist of large industrial groups and the credit risk related to trade receivables are considered limited. The management is monitoring the customers' credit ratings on an ongoing basis.

At each reporting date, the company assesses the impairment of its trade receivables not subject to the provisional pricing mechanism based on a loss allowance provision matrix. This matrix groups the outstanding amounts by days past due. For more information on how the impairment is done, please see note 14.

21.1.2. Cash and cash equivalents
Policies and procedures for cash and cash equivalents from the company are monitored by the company's Finance Department. The company limits the amount of deposits that can be held in a single bank to limit the concentration of risks.

21.1.3. Derivative financial assets and related other receivables
The company monitors on an ongoing basis the credit rating of the counterparties in its derivative agreements, which is normally large financial institutions with high creditworthiness. The management considers these assets to have a low risk at year-end. Therefore, no impairment has been recognised for receivables arising from derivative instruments; and no adjustment has been made to the fair value of those instruments. See carrying amounts of these in note 22, which constitutes the maximum exposure on these financial assets at the end of each reporting period presented.
In the case of the electric power derivatives, these contracts are entered with the electric power supplier, whose credit rating is closely monitored, and the current assessment is that its credit risk is low. Therefore, no adjustment is made to the fair value of the derivatives due to this factor.

21.2. LIQUIDITY RISK
Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company manages its liquidity with a high level of prudency, with rules and policies that ensure an adequate amount of cash and cash equivalents to meet the immediate needs of resources both in the short and long term. Liquidity forecasts are regularly monitored against the contractual maturities or lease liabilities.

Shipments of iron ore are normally prepaid for an amount representing the 90 per cent of the provisional invoice within days after the iron ore is loaded onto the customer's vessels. See note 5 for further information.

The main contract from the Group (see Note 4) includes a netting and margining clause by which provisional purchase price (on which provisional invoice is based) is compared weekly to an updated provisional purchase price based on arithmetic average of last five published values for iron ore prices. This calculation is performed for each shipment that is still not finally settled. Differences higher than a certain threshold require the company or its client to pay a margin amount. The company follows up evolution of prices in a continuous basis and holds enough cash to compensate fluctuations that can last up to three months after which the shipment is finally settled. This clause has not been modified during 2023 or 2022.

21.2.1. Maturities
The following table discloses the maturity analysis for non-derivative liabilities (except for lease liabilities, which are disclosed in note 13), showing its undiscounted remaining contractual liabilities:

At 31 December 2023

Amounts in NOK thousand	Carrying amount	Less than 3 months	3–12 months	1–5 years	Total
Trade payables	236 277	236 277	-	-	**236 277**
Other non-current liabilities	662	-	-	662	**662**
Other current liabilities	58 404	25 862	32 542	-	**58 404**
Total financial liabilities	295 343	262 139	32 542	662	**295 343**

At 31 December 2022

Amounts in NOK thousand	Carrying amount	Less than 3 months	3–12 months	1–5 years	Total
Trade payables	160 614	160 614	-	-	**160 614**
Other non-current liabilities	2 265	-	-	2 265	**2 265**
Other current liabilities	50 905	24 605	26 300	-	**50 905**
Total financial liabilities	213 784	185 219	26 300	2 265	**213 784**

The maturities of the derivative financial instruments and lease liabilities are included in note 22 and note 13.3, respectively.

21.2.2. Financing facilities
The company has access to undrawn credit facilities for an amount of NOK 100 million at 31 December 2023. The interest rate margin for this credit facility is 3.25 per cent p.a. The funds are available under the current agreement to the extent that the company complies with the relevant financial covenants.

21.3. MARKET RISK
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks for the company comprise the following types of risk: foreign exchange risk, interest rate risk and iron ore price risk. Trade receivables subject to the provisional pricing mechanism are settled for an amount that mainly depends on the price of iron ore, which can only be observed in the next quarter after the iron ore has been loaded onto the customer's vessels. It will be paid using the exchange rate of the final invoice date. Therefore, these receivables are affected by both foreign exchange risks and iron ore price risks.

21.3.1. Iron ore price risk
Fluctuations in international iron ore prices pose a risk to future sales prices for Rana Gruber's products. These prices are extremely volatile, and thereby present a significant risk to profits for the company. In the future, these prices are also expected to be increasingly linked to the net emissions from production and the content of iron ore in the concentrate. Therefore climate risk policies are considered to be relevant for Rana Gruber in the future, both in terms of its exposure to and management of iron ore price risk.

The risk related to sales prices for iron concentrates is managed through a combination of physical fixed-price agreements with customers and financial swap agreements where iron ore is sold forward at a fixed price. The swap agreements form part of a hedging portfolio, where limits have been set for how large a share of expected production should be sold forward over and above the volumes hedged directly through fixed-price agreements with customers.

21.3.2. Freight costs risks
Under the partnership agreement with Cargill, shipping freight costs are accounted for in line with average market prices for the quarter. Rana Gruber's contracts are in line with industry standards, which is considered as a prerequisite to compete with global competitors.

During 2023, the company continued to manage its risks with respect to the freight costs by entering into financial derivatives, in line with practice during 2022. At 31 December 2023, the company did not hold any open positions for this type of derivative.

Over time, when shipping markets normalise, the transition is expected to increase competitiveness and earnings. The company will however be exposed to price fluctuations in global shipping markets going forward. The implications are variance in the freight deduction to the company's revenues, as indicated in Note 3.2. The extension of the EU Emission Trading System (ETS) to the maritime transport in 2024 is expected to have some effect in the shipping prices paid by the company, both through direct contracts on shipping as well as indirectly through contract negotiations towards customers.
The company is further assessing impacts from these rules and regulations, but no significant effects are expected at this stage.
Mechanisms exist to secure freight costs in the same way as for iron ore.

21.3.3. Electric power price risk
Power is one of the most important input factors in iron concentrate production. Ongoing electrification of fossil fuel powered machines is increasing electricity consumption in the company, and therefore its exposure. Fluctuations in electric power prices and in power consumption for production pose a risk to profits at Rana Gruber. The company is also exposed to fossil fuel price risks, however to a minor extent.

The risk related to electric power purchases is managed by a third-party contract provider, which provides active management services to Rana Gruber in order to reduce fluctuations in the spot market of electric power. These contracts are included in a hedging portfolio where limits have been established for how large a proportion of expected consumption (GWh) at a given future point can be bought forward today. On this basis, the portfolio is bought forward continuously for part of the expected consumption.

During 2022 and 2023, the company held derivative positions with the aim of hedging the company's exposure to fluctuation in electric power prices. At 31 December 2023, the company holds derivative positions to manage the electric power price risks for the financial year 2024, covering around 50% of the estimated consumption. An overview of the derivative positions entered into are disclosed in note 22.3. The management and the finance department follow up the ongoing risk exposures on the basis of parameters approved by the board of directors.

21.4. Sensitivities
All sensitivity analyses included in this note reflects management's views on reasonably possible changes in future prices and indexes to which the company is exposed.

21.4.1. Foreign exchange sensitivity
The company operates in an international market for iron ore and is consequently exposed to foreign exchange risk, primarily US dollar and EUR to NOK fluctuations. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the company. The company mitigates foreign exchange risk by entering into foreign exchange derivative positions based on future forecasted exchanges. The derivatives applied per the reporting date 2023 are foreign exchange rate cap and floor agreements and forwards. In the cap and floor agreements, the company receives payments at the end of each period if the exchange rates exceed or fall below the agreed strike price.

The following assets and liabilities are subject to foreign exchange risk, at each reporting period:

At 31 December 2023

Amounts in thousand currency	USD	GBP	EUR
Financial assets:	**27 046**	**1 188**	**6 981**
Trade receivables subject to provisional pricing mechanism	11 885	-	-
Trade receivables not subject to provisional pricing mechanism	1 545	37	3 958
Electric power derivatives (Note 22.3)	-	-	1 027
Cash and cash equivalents	13 616	1 151	1 996
Regular bank account	13 616	1 151	1 996
Financial liabilities:	(7 779)	-	(3 703)
Lease liabilities	-	-	(3 702)
Trade and other payables	(7 779)	-	(1)

The amount of exposure to SEK became immaterial during 2023, therefore this currency has not been presented in the table above.

At 31 December 2022

Amounts in thousand currency	USD	GBP	EUR	SEK
Financial assets:	**20 614**	**819**	**20 583**	**-**
Trade receivables subject to provisional pricing mechanism	15 074	-	-	-
Trade receivables not subject to provisional pricing mechanism	3 359	122	1 986	-
Electric power derivatives (Note 22.3)	-	-	13 361	-
Cash and cash equivalents	2 181	697	5 236	-
Regular bank account	2 181	697	5 236	-
Financial liabilities:	**(40)**	**-**	**(5 349)**	**(1 417)**
Lease liabilities [1]	-	-	(4 080)	-
Trade and other payables	(40)		(1 269)	(1 417)

1) The company has included lease liabilities denominated in foreign currency in its risk exposure at 31 December 2022, which was not presented in the published 2022 financial statements

The following table illustrates how the profit after tax would be affected by reasonably possible positive or negative changes in the exchange rates with respect to the functional currency of the company, leaving every other constant the same:

Exchange rate sensitivity analysis

	Impact on profit after tax	
Amounts in NOK thousand	**2023**	2022
Increase in EUR/NOK exchange rate of 10 per cent	**256**	1 188[1]
Increase in USD/NOK exchange rate of 10 per cent	**1 503**	1 551
Increase in GBP/NOK exchange rate of 10 per cent	**93**	168

1) See comment in table above. Additions to exposure in EUR lead to update sensitivity from NOK 3 080 thousand.

The company enters into derivative agreements to mitigate risk related to changes in the foreign exchange rates, which will partially offset effects in profit after tax above. Complementary information can be found in note 22.

21.4.2. Iron ore price sensitivity
As a consequence of the provisional price mechanism, the future cash flows from trade receivables will fluctuate because of changes in market prices for iron ore. Changes ranging from 10% to 20% are considered to be reasonably possible by the management. The following table summarises the effects that each change of 10 per cent in the market price for iron ore would have on the profit after tax:

Iron ore prices sensitivity analysis:

	Impact on profit after tax	
Amounts in NOK thousand	**2023**	2022
For each 10% increase/decrease in iron ore price	**9 430**	11 590

The company enters into iron ore price derivative agreements to cover risks arising from the change in the iron ore prices, which will partially offset effects in profit after tax above. More information can be found in note 22.

21.4.3. Electric power price sensitivity
As a consequence of the derivatives in relation to the electric power price, the value of the derivative position will fluctuate based on the movement in the price of electric power in the Nordic region from Nord Pool:

Electric power prices sensitivity analysis:

	Impact on profit after tax	
Amounts in NOK thousand	**2023**	2022
For each 10% increase/decrease in electric power price	**900**	10 957

The relationship above represents the change in the fair value of the electric power derivatives from reasonably possible changes in market price of electric power. An increase in the market price of electric power would positively affect the value of the derivative, as the aim of this instrument is to hedge against potential increases in the electric power prices.

More information on electric power price derivatives can be found in note 22.3.

21.5. Capital management: objectives, policies, and processes
The company defines capital as equity, including other reserves. The company's main objective when managing capital is to ensure the ability of the company to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants.

Further, the Rana Gruber aims at generating dividend payments to its shareholders based on the company's dividend policy. Pursuant to this policy, the company targets to distribute 50-70 per cent of its adjusted net profit as quarterly dividends. The board of directors may decide that up to 30 per cent of the allocated dividend amount can be applied for acquisition of Rana Gruber shares.

See note 19.1 for further information on the covenants to which the company is subject to.

Note 22 Derivatives

22.1. Foreign exchange rate derivatives
Cap and floor on foreign exchange derivatives
During 2023, the company held the following positions in relation to derivatives to cover its foreign exchange rate risks:

Foreign exchange derivatives by maturity

	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	22 500	10.53	11.37	10 430
Maturity within 3 to 6 months	9 000	10.82	11.59	6 600
Maturity within 6 to 9 months	9 000	10.82	11.59	6 510
Maturity within 9 to 12 months	9 000	10.82	11.59	6 510
Balances at 31 December 2023	49 500	10.69	11.49	30 050

Foreign exchange derivatives by maturity

	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	33 000	9.48	10.25	(8 831)
Maturity within 3 to 6 months	24 000	9.72	10.56	1 334
Maturity within 6 to 9 months	12 000	10.46	11.36	9 355
Maturity within 9 to 12 months	12 000	10.46	11.45	9 523
Balances at 31 December 2022	81 000	9.84	10.68	11 380

Forwards on foreign currency
The company has entered into forward derivative contracts, to sell USD in the market at a specific exchange rate. The following table summarises the maturity of these derivative positions:

Foreign currency forwards by maturity

	Sell USD (thousand)	Weighted average fixed price (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	6 000	10.75	3 775
Maturity within 3 to 6 months	6 000	10.72	3 675
Maturity within 6 to 9 months	-	-	-
Maturity within 9 to 12 months	-	-	-
Balances at 31 December 2023	12 000	10.74	7 450

22.2. Iron ore price derivatives
The company enters into forward swap derivative agreements to manage the risk of changes in iron ore prices by reference to the pricing index TSI Iron Ore CFR China (62% Fe Fines). The following positions were held by the company in relation to the iron ore derivative instruments:

Balances at 31 December 2023

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables (payables):	**80 000**	**116.03**	**16 556**
Matured iron ore derivatives [1]	80 000	116.03	16 556
Iron ore derivatives recognised as financial assets (liabilities):	**690 000**	**118.12**	**(98 740)**
Maturity within 3 months	180 000	116.59	(40 260)
Maturity within 3 to 6 months	240 000	116.84	(40 080)
Maturity within 6 to 9 months	180 000	120.07	(15 230)
Maturity within 9 to 12 months	90 000	120.70	(3 170)

Balances at 31 December 2022

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables (payables):	**50 000**	**143.69**	**18 655**
Matured iron ore derivatives [1]	50 000	143.69	18 655
Iron ore derivatives recognised as financial assets (liabilities):	**240 000**	**140.45**	**58 840**
Maturity within 3 months	150 000	137.58	31 510
Maturity within 3 to 6 months	90 000	145.23	27 329
Maturity within 6 to 9 months	-	-	-
Maturity within 9 to 12 months	-	-	-

1) Matured iron ore derivatives are accounted for in other current liabilities (see note 20) and other current receivables (see note 18) and are not subject to future fair value changes.

22.3. Electric power price derivatives

The company held electric power price derivatives during 2023 and 2022 with the aim of managing the risk from electric power price fluctuations in the spot market, corresponding with the energy consumption required for the company's operations. The company manages these fluctuations by entering into forward contracts with reference to the Nord Pool prices (system price) for the expected energy consumption for future periods. The positions held at 31 December 2023 and 2022 can be summarised as follows:

Balances at 31 December 2023

	Quantity (MWh)	Weighted average fixed price per MWh (EUR)	Fair value (NOK thousand)
Maturity within 3 months	17 464	29.54	6 570
Maturity within 3 to 6 months	17 472	29.54	2 531
Maturity within 6 to 9 months	17 664	29.54	191
Maturity within 9 to 12 months	17 672	29.54	2 251
Balances at 31 December 2023	70 272	29.54	11 543

Balances at 31 December 2022

	Quantity (MWh)	Weighted average fixed price per MWh (EUR)	Fair value (NOK thousand)
Maturity within 3 months	21 590	(87.75)	32 209
Maturity within 3 to 6 months	21 840	(87.75)	26 830
Maturity within 6 to 9 months	22 080	(87.75)	26 223
Maturity within 9 to 12 months	22 090	(87.75)	32 063
Maturity within 12 to 24 months	70 272	26.52	23 151
Balances at 31 December 2022	157 872	(36.89)	140 476

22.4. Freight derivatives

The company entered during 2023 into forward swap derivative agreements to manage the risk of changes in freight prices by reference to the pricing index Baltic Exchange - Capesize Route C3.

No such positions were held at year-end 2023 or 2022. Note 8 includes further disclosures on the financial performance effects for the period for this kind of derivatives.

Note 23 Employee benefit expenses

Employee benefit expenses

Amounts in NOK thousand	**2023**	2022
Payroll costs (incl. bonuses)	**293 602**	250 993
Employer contribution to social security	**19 130**	13 998
Pension costs	**4 964**	5 578
Gain (loss) on settlement of defined benefit obligation	**-**	811
Costs from defined contribution plans	**17 818**	14 208
Other benefits	**536**	2 501
Total employee benefit expenses	**336 050**	288 089

Note 24 Share capital

24.1. Share capital and share premium

The share capital consists only of Type A shares, with a par value of 0,25 NOK each. All shares are entitled to equal rights with respect to dividends, voting rights and other rights in accordance with Norwegian corporate law.

Authorised shares

	Shares		Amounts	
Amounts in NOK thousand	**2023**	2022	**2023**	2022
Fully paid ordinary shares, at 1 January	**37 085 092**	37 392 000	**102 131**	102 131
Cancellation ordinary shares	**-**	(306 908)	**-**	(77)
Total shares, share capital and share premium at 31 December	**37 085 092**	37 085 092	**102 131**	102 054

There have been no transactions affecting the amount of authorised shares during 2023.

24.2. Treasury shares

	Shares		Amounts	
Amounts in NOK thousand	**2023**	2022	**2023**	2022
1 January	**-**	57 267	**-**	2 835
Additions	**-**	249 641	**-**	14 163
Disposals	**-**	-	**-**	-
Cancellation	**-**	(306 908)	**-**	(16 998)
Total treasury shares at 31 December	**-**	-	**-**	-

The company did not hold any treasury shares during 2023. The board of directors continues to be authorised by decision in Annual General Meeting in April 2023 to acquire own shares for up to a nominal amount corresponding to approximately 10% of the company's share capital, subject to certain conditions such as pricing of shares. This authorisation is to remain in force until next annual general meeting in 2024 (limit 30 June 2024).

24.3. DIVIDENDS

The following table presents the dividends from the company to its shareholders:

Dividends

	Amounts		Amount per share	
Amounts in NOK thousand	**2023**	2022	**2023**	2022
Declared and paid				
Final dividend for previous year	**111 255**	56 375	**3.00**	1.51
Dividend for Q1 result	**106 063**	77 508	**2.86**	2.09
Dividend for Q2 result	**74 170**	55 998	**2.00**	1.51
Dividend for Q3 result	**119 785**	38 940	**3.23**	1.05
Total dividends and per share	**411 274**	228 821	**11.09**	6.16

The board of directors proposed a dividend of NOK 4.27 per share for 2023, for the results for the fourth quarter of 2023. This dividend will be paid during 2024.

24.4. Overview of 20 largest shareholders at 31 december 2023 and shares held by the board and senior executive management

Shareholders	Number of shares	Ownership percentage	Voting percentage
1. Leonhard Nilsen & Sønner - Eiendom	7 589 265	20.46%	20.46%
2. Morgan Stanley & Co. Int. Plc.	3 321 716	8.96%	8.96%
3. Zolen & Månen AS	1 553 200	4.19%	4.19%
4. SEB CMU/ SECFIN Pooled account	1 454 647	3.92%	3.92%
5. Grafo AS	1 202 113	3.24%	3.24%
6. AH Gruppen AS	1 168 008	3.15%	3.15%
7. HI Capital AS	1 124 465	3.03%	3.03%
8. Merrill Lynch Prof. Clearing Corp.	940 740	2.54%	2.54%
9. Eidissen Consult AS	839 991	2.27%	2.27%
10. State Street Bank and Trust Comp	558 013	1.50%	1.50%
11. The Bank of New York Mellon SA/NV	448 994	1.21%	1.21%
12. Klevenstern AS	436 690	1.18%	1.1%
13. Mecca Invest AS	436 690	1.18%	1.18%
14. Nordnet Livsforsikring AS	396 760	1.07%	1.0%
15. The Bank of New York Mellon SA/NV	359 340	0.97%	0.97%
16. Clearstream Banking S.A.	348 789	0.94%	0.94%
17. J.P. Morgan Securities PLC	339 860	0.92%	0.92%
18. J.P. Morgan SE	334 079	0.90%	0.90%
19. The Bank of New York Mellon SA/NV	311 391	0.84%	0.84%
20. BNP Paribas	275 000	0.74%	0.74%
Total shares	23 439 751	63.21%	63.21%

Shares held by the members of the board at the end of the financial reporting periods presented were as follows:

Shares held by members of the board

	2023	2022
Morten Støver	6 000	6 000
Hilde Rolandsen	1 700	-
Ragnhild Wiborg	3 000	3 000
Frode Nilsen	7 701 915	7 701 915
Kristian A- Adolfsen	1 765 414	2 865 414
Johan Hovind	606	606
Lasse Orlando Strøm	653	653
Henriette Zahl Pedersen	1 000	1 000
Total	9 480 288	10 578 588

Shares held by the CEO and other senior executive management were the following:

Shares held by CEO and other senior executives

	2023	2022
Gunnar Moe (CEO)	15 733	15 733
Erlend Høyen (CFO)	10 000	10 000
Dr. Stein-Tore Liljenström (COO)	10 005	9 920
Nancy Stien Schreiner (Head of ESG)	606	606
Jim Kristian Johansen (Head of HR)	681	1 800
Charlotte Stråmyr Norwich (Head of IT, Security & Safety)	503	416
Total	37 528	38 475

Note 25 Assets pledged as security

The following assets have been pledged as securities in the agreements to obtain the outstanding credit facilities for the company at each reporting period:

Carrying amounts of assets pledged as security

Amounts in NOK thousand	**2023**	2022
Current		
Bank borrowings:		
Trade receivables	**217 397**	178 670
Other current receivables	**59 512**	53 635
Inventories	**194 700**	159 919
Total current assets pledged as security	**471 609**	392 224
Non-current		
Lease agreements:		
Right-of-use asset	**202 257**	137 893
Bank borrowings:		
Mine properties	**535 865**	308 945
Machinery and plants	**168 665**	112 876
Operating equipment etc.	**6 452**	7 616
Total non-current assets pledged as security	**913 239**	567 330
Total assets pledged as security	**1 384 848**	959 554

Note 26 Related parties

26.1. Key management personnel compensation

Remuneration to CEO and other senior executive

Amounts in NOK thousand	2023	2022
Gunnar Moe, Chief Executive Officer (CEO)	**3 757**	3 661
Salary	**2 827**	2 858
Bonus	**839**	716
Post-employment benefits	**83**	79
Other benefits	**8**	8
Stein Tore Liljenström, Chief Operation Officer (COO)	**2 597**	2 472
Salary	**1 921**	1 835
Bonus	**580**	495
Post-employment benefits	**83**	78
Other benefits	**8**	8
Anita Brattaas Mikalsen, Head of HR	**1 674**	2 323
Salary	**1 561**	1 745
Bonus	**22**	495
Post-employment benefits	**83**	78
Other benefits	**8**	8
Erlend Høyen, Chief Financial Officer (CFO)	**2 642**	2 375
Salary	**1 971**	1 794
Bonus	**580**	495
Post-employment benefits	**83**	78
Other benefits	**8**	8
Jim Kristian Johansen, Head of HR [1)]	**1 899**	-
Salary	**1 577**	-
Bonus	**228**	-
Post-employment benefits	**86**	-
Other benefits	**8**	-
Charlotte Stråmyr Norwich, Head of IT, Security & Safety [1)]	**1 387**	-
Salary	**1 159**	-
Bonus	**126**	-
Post-employment benefits	**66**	-
Other benefits	**7**	-
Nancy Stien Schreiner, Head of ESG [1)]	**1 489**	-
Salary	**1 268**	-
Bonus	**128**	-
Post-employment benefits	**85**	-
Other benefits	**8**	-
Total	**15 697**	10 900

1) These members became senior executive personnel in 2023, and therefore comparative information has not been presented.

In addition to the remuneration indicated above, a loyalty bonus agreement has been entered into between the company and the CEO. If the CEO remains in his position until the age of 67, i.e. on 29.04.2026, he shall receive a sum equivalent to 24 months' fixed salary ("Loyalty Bonus").

Remuneration to the board

Amounts in NOK thousand	2023	2022
Morten Støver, Chair of the Board and member of the audit committee	**600**	600
Kristian Arne Adolfsen, Director	**400**	400
Ragnhild Marta Wiborg, Director	**400**	400
Hilde Rolandsen, Director and Chair of the audit committee	**400**	400
Thomas Hammer, Director and worker director [1)]	**-**	100
Frode Michal Nilsen, Director	**400**	400
Johan Hovind, Club leader and worker director	**175**	100
Lasse Orlando Strøm, Deputy club leader and worker director	**175**	100
Henriette Zahl Pedersen, Director	**175**	-
Total	**2 725**	2 500

1) Thomas Hammer ceased to be a member of the board in January 2023.

26.2. Transactions with other related parties

Transactions with related parties

Amounts in NOK thousand	Party	Relationship	2023	2022
Purchase of services open-pit production	Leonhard Nilsen & Sønner AS	Significant influence over the company	**(86 056)**	(141 876)
Purchase of services concerning mine levels	Leonhard Nilsen & Sønner AS	Significant influence over the company	**(217 219)**	(79 616)
Sales of services various operations and maintenance	Leonhard Nilsen & Sønner AS	Significant influence over the company	**1 166**	458
Sales of various administrative services	Greenland Ruby/LNS Greenland AS	Other related parties	**278**	518
Sales of various administrative services	LNS Mining AS	Other related parties	**412**	2 472
Total related party profit or loss items			**(301 419)**	(218 044)

26.3. Balances with related parties

Balance sheet items by related party

	2023	2022
Trade receivables with:	**3 522**	2 987
Leonh. Nilsen & Sønner AS	**101**	77
LNS Mining	**2 549**	2 318
LNS Greenland/Gr. Ruby	**872**	592
Trade payables with:	**(120 573)**	(57 241)
Leonh. Nilsen & Sønner AS	**(120 573)**	(57 241)
Net assets (liabilities) with:	**(117 051)**	(54 254)
Leonh. Nilsen & Sønner AS	**(120 472)**	(57 164)
LNS Mining	**2 549**	2 318
LNS Greenland/Gr. Ruby	**872**	592

No loss allowance has been recognised towards any of the receivables and/or loans from related parties. See note 21.1 on how the company manages credit risk.

Note 27 Provisions

During the development and production phase of the company's mining assets, Rana Gruber recognises a provision representing the present value of the future costs that will need to be incurred to rehabilitate the locations, as required by the Norwegian Directorate of Mining. When the obligation is incurred in developing the mine, the present value of the provision is included in the cost of the mine properties. When the provision is incurred during the production phase, the provision is recognised as part of the cost of the inventory. The present value of the rehabilitation provision is calculated assuming the costs that are expected to be incurred when the company ceases operations in the mine. With a very high degree of certainty, the mine will not cease its operations before 2050. This conclusion is based on the historical extraction of iron ore and the estimated reserves of the mine indicated in the Resource Statement made by the company.

As indicated above, the measurement of the provision is based on two main estimations: expenses that will need to be incurred for rehabilitating the locations and the date when the rehabilitation activities will take place. Changes in estimates are accounted for prospectively by adjusting the provision liabilities and the assets to which they relate.

Rehabilitation provisions

Amounts in NOK thousand	2023
1 January	15 000
Unwinding of discount	2 387
Total rehabilitation provisions 31 December	17 387

The movements in the rehabilitation provisions during 2023 relates to the unwinding of the discount.

Note 28 Commitments

The following significant contractual commitments are present at the end of the reporting period:

Capital commitments

Amounts in NOK thousand	**2023**	2022
Property, plant, and equipment	**-**	5 945
Leases	**51 900**	67 218
Total capital commitments	**51 900**	73 163

Leases not yet commenced mainly relate to electrical vehicles and heavy machinery.

Note 29 Events after the reporting period

See note 24.3 for dividends proposed by the board of directors after 31 December 2023.

The works performed by the related party Leonhard Nilsen & Sønner AS in relation to Level 91 were finalised in the first quarter of 2024, and the company continues to finalise Level 91 works as part of its insourcing strategy. There were no significant deviations between the estimated liabilities at 31 December 2023, as indicated in Note 26, and those finally settled with the related party supplier for work performed until that point in time.

The Board of Directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2023 financial statements for the company.

Appendix: Alternative performance measures

The company reports its financial results in accordance with accounting principles IFRS as issued by the IASB and as endorsed by the EU. However, the management believes that certain Alternative Performance Measures (APMs) provide the management and other users with additional meaningful financial information that should be considered when assessing the company's ongoing performance. These APMs are non-IFRS financial measures and should not be viewed as a substitute for any IFRS financial measure. The management, the board of directors and the long-term lenders regularly use supplemental APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

Definition of APMs

EBIT is defined as the profit/(loss) for the period before net financial income (expenses) and income tax expense. The company has elected to present this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBITDA is defined as the profit/(loss) for the period before net financial income (expenses), income tax expense, depreciation and amortisation. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBIT Margin is defined as EBIT in percentage of revenues. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBITDA Margin is defined as EBITDA in percentage of revenues. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

Adjusted Net Profit is defined as profit for the period adjusted for the after-tax net effects from unrealised fair value changes on derivatives with maturity within three months from the reporting date. With respect to the electric power derivatives, all the fair value changes (both realised and unrealised) are considered in the adjustment to the net profit.

Equity Ratio is defined as total equity in percentage of total assets. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the portion of total assets that are financed from owners' equity.

Cash Cost is defined as the sum of raw materials and consumables used, employee benefit expenses and other operating expenses adjusted for realised hedging positions of electric power. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of cost of production in the company's operating activities.

Cash Cost Per Metric Ton is defined as Cash Cost divided by metric tons of iron ore sold. Metric tons of iron ore are defined as metric tons of hematite and magnetite produced in the current period. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of cost of production in the company's operating activities.

Net Interest-Bearing Debt is defined as the company's interest-bearing debt less cash and cash equivalents. Interest bearing debt consists of debt to credit institutions and financial leasing debt. Net Interest-Bearing Debt is a non-IFRS measure for the financial leverage of the company, a financial APM the Company intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the company will be able to carry out its dividend distribution and/or investments policy.

Reconciliation of APMs

The table below sets forth reconciliation of EBIT, EBITDA and EBITDA Margin:

Amounts in NOK thousand	**31 Dec 2023**	31 Dec 2022
Profit/(loss) for the year	**489 688**	484 226
Income tax expense	**138 198**	152 636
Net financial (income)/expenses	**136 390**	(228 408)
(a) EBIT	**764 276**	408 454
Depreciation and amortisation	**165 417**	158 736
(b) EBITDA	**929 693**	567 190
(c) Revenues	**1 932 039**	1 423 319
EBIT margin (a/c)	**39.6%**	28.7%
EBITDA margin (b/c)	**48.1%**	39.8%

The table below sets forth reconciliation of adjusted net profit:

(In NOK thousand)	**31 Dec 2023**	31 Dec 2022
Profit before tax for the period	**627 886**	636 862
One-offs	**-**	15 000
Unrealised hedging positions iron ore	**85 813**	32 634
Unrealised hedging positions FX	**(3 083)**	(25 697)
Unrealised hedging positions electric power	**128 933**	(140 476)
Adjusted profit before tax	**839 549**	518 323
Ordinary income tax	**(138 198)**	(152 636)
Tax on adjustments	**(46 566)**	26 079
Adjusted net profit	**654 785**	391 766

The table below sets forth reconciliation of equity ratio:

Amounts in NOK thousand	**31 Dec 2023**	31 Dec 2022
(a) Total equity	**901 530**	823 053
(b) Total assets	**1 801 807**	1 445 046
Equity ratio (a/b)	**50.0%**	57.0%

The table below sets forth reconciliation of cash cost and cash cost per metric tons:

Amounts in NOK thousand	**31 Dec 2023**	31 Dec 2022
Raw materials and consumables used	**404 915**	398 305
Employee benefit expenses	**336 050**	288 089
Other operating expenses	**279 401**	226 763
Realised hedging positions electric power	**(118 537)**	(77 292)
(a) Cash cost	**901 829**	835 865
Metric tons of hematite produced	**1 713**	1 630
Metric tons of magnetite produced	**104**	98
Metric tons of Colorana produced	6	6
(b) Metric tons of iron ore produced	**1 823**	1 734
Cash cost per metric tons (a/b)	**495**	482

The table below sets forth reconciliation of net interest-bearing debt:

Amounts in NOK thousand	**31 Dec 2023**	31 Dec 2022
Interest-bearing loans and borrowings	**-**	-
Lease liabilities	**204 630**	138 134
Total interest-bearing debt	**204 630**	138 134
Cash and cash equivalents	**295 208**	212 837
Net interest-bearing debt	**(90 578)**	(74 703)

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Rana Gruber ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rana Gruber ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other 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 opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 16 years from the election by the general meeting of the shareholders for the accounting year 2008 (with renewed election on 2 June 2023).

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and 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 financial statements.

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Revenue subject to provisional pricing adjustments

Basis for the key audit matter
The sale of hematite, representing 88% of revenue, is normally subject to a provisional pricing mechanism. Initially, revenue is recognized for quantity of goods loaded onto the vessel at an amount that corresponds to the average forward prices for the month in which the invoice will be finally settled. At each reporting date after the date of sale, the corresponding trade receivable is measured using the updated forward prices with changes recorded as revenue. For the year ended 31 December 2023, the Company recognised an increase to revenue of NOK 9 121 thousands from provisional pricing adjustments. Provisional pricing adjustments represent a significant component of revenue and also exposes the Company to significant changes in revenue compared to the estimate as of year-end, and hence, is considered a key audit matter.

Our audit response
We performed the following audit procedures, among others, to test the provisional pricing adjustment related to sale of Hematite:

- Reviewed the Company's accounting policy for revenue recognition for compliance with IFRS Accounting Standards as adopted by the EU.
- Performed walkthrough for evaluating the Company's controls for recognizing revenues at appropriate prices and in the correct accounting period.
- Reviewed sale contracts and assessed key terms for provisional pricing, duration of reference period, typically three months, and final invoicing.
- Tested, on a sample basis, the prices used for initial revenue recognition, the forward prices used for recognising the revenue at the reporting date under IFRS Accounting Standards, and recomputed the provisional pricing adjustment amount to be recognised.

We refer to note 5 and 14 of the financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance, the statement on corporate social responsibility and the report on payments to government contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance, the statement on corporate social responsibility or the report on payments to government, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance, the statement on corporate social responsibility and the report on payments to government are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee 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, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Rana Gruber ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name RGASA-2023-12-31-EN.xhtml, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

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