



**RANA
GRUBER**

**THE TRANSPARENCY
ACT REPORT**

2022



THE TRANSPARENCY ACT REPORT

The purpose of this report is to give the general public an insight into Rana Gruber ASA's work with due diligence assessments, key findings and which measures have been implemented. The report is based on the recommendations of the Norwegian Consumer Authority.

In the following, Rana Gruber ASA will explain its due diligence assessments in line with the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). Rana Gruber ASA recognises that the work requires continuous due diligence assessments, and will, in line with the law, publish information about due diligence assessments, findings and measures, annually on the company's website.

1. GENERAL INFORMATION

1.1 About Rana Gruber ASA

Rana Gruber ASA 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 ASA is exported, mainly to European buyers.

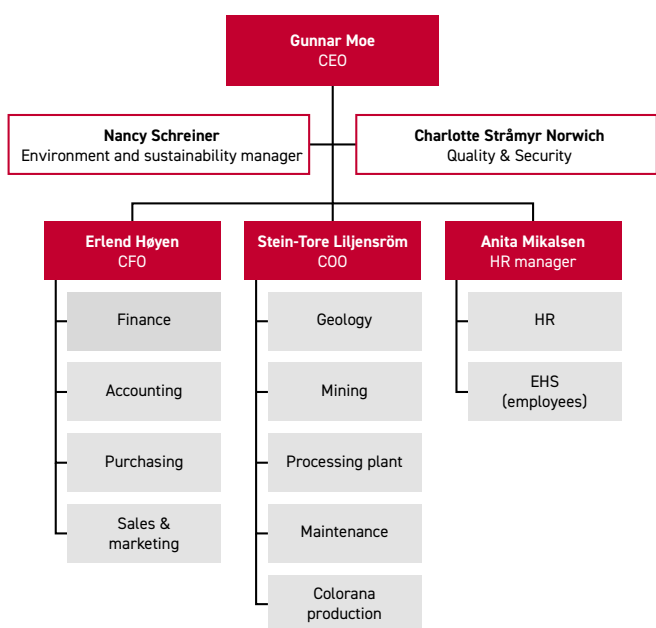
Rana Gruber ASA is organised as a limited company with around 300 employees and an annual production capacity of 1.8 million metric tons of iron ore concentrates consisting of hematite and magnetite.

1.2 Responsibilities and organisation

The administration of Rana Gruber ASA has the main responsibility for follow-up and compliance with the Transparency Act. The CEO of Rana Gruber ASA has the overall responsibility for following up compliance with the Act, including the implementation and publication of due diligence assessments in accordance with §§ 4 and 5 of the Act.

Rana Gruber ASA's board approved of the work with the Transparency Act on 23 August 2023.

Organisational chart:



Approach to work with human rights and decent working conditions

As a solid business, with effects both at a local and national level, Rana Gruber ASA has a great responsibility for those who throughout the value chain contribute to us being able to deliver our products and services in a good way. The company bases its work with safeguarding human rights and decent working conditions on the UN's guiding principles for business and human rights and the OECD guidelines for multinational companies, and carries out due diligence assessments in line with the OECD guidelines.

In its own operations, Rana Gruber ASA attaches great importance to its employees having a safe and good working environment. The company operates in line with current regulations and provisions for employment rights, the working environment and health and safety in the workplace.

1.3 Policies and guidelines

Rana Gruber ASA is domiciled in Norway, and the activities in the business are covered by the general collective agreement in Norway. The vast majority of the company's employees are members of a trade union.

Rana Gruber ASA's core business naturally leads to a high focus on employee safety and working conditions.

The company's HSE standards place high demands on working conditions in all aspects of the business. The goal is a workplace without accidents. This goal can be achieved by good and detailed training and education, good systems and procedures – for example by using PPE (personal protective equipment).

The company is currently certified according to ISO 9001:2015 (quality management), ISO 14001:2015 (environmental management) and EN 12878.

Rana Gruber ASA'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 Code of Conduct 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 ASA's Code of Conduct is based on international standards for human rights, decent work, the environment, anti-corruption, and animal welfare. The principles are based on UN and ILO conventions and specify minimum and not maximum standards. The legislation at the place of production must be respected and where national laws and regulations cover the same subject as these guidelines, the highest standard applies.

1.4 Whistleblowing mechanisms

Every single employee has the right to report irregularities in the company they work for. In addition, effective whistleblowing mechanisms can be a valuable resource for risk management, taking up responsibilities, and protection against financial loss and reputational damage. The management, in collaboration with employee representatives, therefore ensures that Rana Gruber ASA's whistleblowing system for reporting breaches is in place.

Rana Gruber ASA 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.

The company is also responsible for whistleblowers not experiencing any direct or indirect sanctions.

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

The company is also working to put in place written routines and a whistleblowing system for business relationships, suppliers and other stakeholders.

1.5 Reporting and information obligation

In accordance 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 also responds to information requests from business associates, journalists, and other stakeholders about how the company works with due diligence assessments to ensure respect for human rights and decent working conditions.

The company received no inquiries in 2022.

2. NEGATIVE CONSEQUENCES AND RISKS

2.1 About the process

Rana Gruber ASA carried out a due diligence assessment in accordance with the requirements of the Transparency Act and according to OECD guidelines as described in the Act, in the spring of 2022.

As part of the preliminary work, key employees in Rana Gruber ASA were interviewed. The purpose was to get a better picture of how the business works with due diligence assessments and safeguarding human and labour rights today.

In the due diligence assessment, the company identified potential risks related to human and labour rights in its own operations, supply chains and business relationships. Identified risks were further prioritised according to probability of occurrence and severity of consequence. After this, measures were put in place to reduce the identified risk.

The due diligence assessment was supervised by the consultancy company Sustainability AS, which used a

methodology for due diligence assessments developed by Tavler AS. The process is based on methodology according to ISO Standard 31000 for risk management, adapted to OECD guidelines and the obligations in the Transparency Act.

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

Through the due diligence assessments, the company gained a good, overall overview of its own business, its suppliers, and its business partners.

The work shows that Rana Gruber ASA carries out good, regular controls of HSE in its own operations. This includes safeguarding safety at the workplace, employment agreements and working conditions, among other things.

The due diligence assessment carried out in the spring of 2022 shows that the company at the time had to further systematise and put more resources into the work with supplier mapping and follow-up, as well as update ethical guidelines and routines.

The following were considered high risk:

- Lack of internal resources for supplier follow-up
- Lack of an overview of the degree of freedom of expression in the supply chain (freedom of to join a trade union)
- Challenge to have an overview of risks linked to all suppliers
- Lack of routines, systems and procedures to carry out due diligence assessments in accordance with OECD guidelines
- Lack of procurement requirements and follow-up on the subject
- Lack of full-fledged routines for a comprehensive overview of supplier dialogue and documentation on the subject

Rana Gruber ASA currently has approx. 460 permanent suppliers in its supplier base. These are distributed as follows: 92 per cent are Norwegian suppliers, while the remaining 8 per cent are distributed between Scandinavia, Europe, and the USA. Most of the suppliers have their production sites in Norway and Europe. An overview of our suppliers and their country-specific locations are illustrated in the figure below:

COMPANY	COUNTRY
Mineral Technologies	Australia
CSIRO	Australia
ALMONTE Diamond PTY LTD	Australia
TRISLOT N.V.	Belgium
Arctic Company	Finland
Element Group OY	Finland
Saint-Gobain ZIRPRO	France
GSI Lucchini S.p.A	Italy
Fonderia Carlo Gelli & F. S.R.L.	Italy
Newton Trasformatori SPA	Italy
Saint-Gobain ZirPro (Handan) Co., Ltd.	China
Royal Duyvis Wiener B.V.	Netherlands
HOSOKAWA MICRON EUROPE BV	Netherlands
Baker Geological Services Ltd	UK
Castalloy Europe Ltd	UK
Air & Liquid Filtration Ltd	UK
DISCO DRIVES (KINGS LYNN) LTD	UK
FLSMIDTH (UK) LTD.	UK
Hatzh	UK
RadioControl SMD AB	Sweden
Perstorp AB	Sweden
Knorr-Bremse Nordic Rail Services AB	Sweden
NTT Total Tech AB	Sweden
ALS CHEMEX	Sweden
Orica Sweden AB	Sweden
Outotec Sweden AB	Sweden
Sandvik Mining and Construction Sweden AB	Sweden
EOL Vent Mining AB	Sweden
Jowema AB	Sweden
Kiruna Wagon	Sweden
KFM Maskin i Sweden AB	Sweden
ITASCA	Sweden
Septek Filter AB	Sweden
Rovab AB	Sweden
Swemaint AB	Sweden
Euromaint	Sweden
Jama Mining Machines AB	Sweden
Boliden Electro AB	Sweden
SGS SOUTH AFRICA (PTY) LTD	South Africa
LGC Standards GmbH	Germany
STEINHAUS , GMBH	Germany
Outotec Minerals Oy	Germany
NETZSCH FEINMAHLTECHNIK GMBH	Germany
Praxair Surface Technologies	Germany
Sympatec GmbH	Germany
NETZSCH Trockenmahltechnik GmbH	Germany
MBE Coal & Minerals Technology Holding GmbH	Germany
Prince Minerals GmbH	Germany
LKW WALTER Internationale Transportorganisation	Germany
L-COM	USA
CIDRA Minerals Processing Inc.	USA
Sepor	USA

During the due diligence assessments that were carried out, limitations were made in relation to 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 countries associated with high risk.

Rana Gruber ASA established a screening of various suppliers through a tool provided by House of Control in 2023. As of June 2023, selected suppliers have received a questionnaire in which Rana Gruber ASA requests information on how the suppliers work with and ensure safeguarding of human and labour rights in their own operations and in their supply chains. The suppliers that are selected at the start are based on our purchasing pattern (the way in which we purchase goods or avail services considering the frequency, quantity, and duration) with them, as well as how critical they are to our operations.

The work to obtain information from suppliers is extensive and time-consuming, which is reflected in the response rate to surveys sent out. Lack of reporting makes it too early to conclude on any measures that need to be taken to follow up external suppliers and partners. Based on surveys carried out in 2022, no violations of human and labour rights have been found.

In line with the intentions of the Transparency Act, Rana Gruber ASA works actively to prepare and constantly improve routines and guidelines to handle actual and potential risks of violations of basic human rights and decent working conditions.

Rana Gruber ASA strives for ethical guidelines to follow all business agreements entered by the company. This means having good routines and procedures for carrying out due diligence assessments as part of the company's purchasing and other risk work.

Conclusion:

Based on the investigations carried out so far in 2023, Rana Gruber ASA uncovered no violations of human rights or decent working conditions.

3. MEASURES

3.1. Implemented measures

The biggest risk for violations of human rights and decent working conditions is in Rana Gruber ASA's supply chains. A closer follow-up of the suppliers is therefore essential. Through systematic follow-up, establishment of ethical guidelines (Code of Conduct), controls and audits, Rana

Gruber ASA will use available tools for better control which will reduce risk considerably.

Rana Gruber ASA has revised its Code of Conduct (CoC) in 2022, which clarifies suppliers' responsibility for carrying out due diligence assessments in accordance with the OECD guidelines in the CoC. Rana Gruber ASA must also ensure that all suppliers sign the CoC as part of the agreement with the company.

For 2023, Rana Gruber ASA will prioritise which suppliers need further follow-up and closer control, as well as assess the need for any measures. This means gathering information and systematising this – as well as following up on suppliers exposed to risk.

Work will continue on an overall risk picture for the company and value chain that includes country/area, raw materials/products, as well as form of risk, based on data and information obtained from suppliers, including subcontractors.

A structure and culture must be established so that all procurement managers use the risk assessments in their analyses and risk mapping and prepare an overview of risk-exposed suppliers and products in their portfolio.

3.2. Effect of measures

Rana Gruber ASA expects that the overall effect of the measures will help to reduce risk. At the same time, it is clear that work to reduce risk is best carried out through continuous and long-term work. The aim is to create a culture where this work is a natural part of the operations.



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