

PRESS RELEASE
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Gränges forms Chinese partnership in sustainable aluminium to strengthen competitiveness and reduce carbon footprint

Gränges has formed a joint venture with Shandong Innovation Group (SIG) to build a recycling and casting operation in the hydropower-rich province of Yunnan, China. The joint venture has secured access to low-carbon primary aluminium with energy-efficient delivery from a nearby smelter, and to renewable energy for the casting operations. This strategic partnership will drive a drastic reduction of Gränges' carbon footprint on the way to its 2040 net-zero target. It will also enable Gränges to meet customer demands for market-leading sustainable aluminium solutions in Asia.

“This is an essential step in our Navigate plan for sustainable growth. Partnering with SIG will bring us a big step closer to climate neutrality by 2040 and further increase our sourcing of sustainably produced metal and energy. The demand for sustainable aluminium solutions is on the rise throughout Asia. This partnership strengthens our competitiveness and enables us to create more value for our customers,” says Jörgen Rosengren, CEO of Gränges.

With the supply of rolling slabs from the joint venture operations, Gränges Asia anticipates halving its carbon emissions intensity by 2025.

“Shandong Innovation Group is a leader in aluminium cast products in China and has been a valued and trusted partner and supplier to Gränges Asia for many years. We share the same vision for an innovative and sustainable development and I'm very pleased to extend our partnership through this joint venture. This is also an important step for Gränges Asia to strengthen our competitiveness and future-proof our operations in China and Asia,” says Colin Xu, President Gränges Asia.

Gränges will invest approximately SEK 225 million and control 49 per cent of shares and capital of the joint venture. The new casting operations will serve Gränges Asia and other downstream customers with cast aluminium products. The investment is expected to take around two years to complete and is over time expected to generate a ROCE in line with Gränges' target level of above 15%. Gränges Asia plans to gradually replace its current in-house casting operations in Shanghai by sourcing corresponding capacity from the joint venture operation. The joint venture will be recognized and consolidated into Gränges Group by the equity method.

The completion of the joint venture is subject to customary regulatory approvals in China.

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About Gränges

Gränges is an aluminium technology company who drives the development of lighter, smarter, and more sustainable aluminium products and solutions. The company offers advanced materials that enhance efficiency in the customers' manufacturing process and the performance of the final products. Gränges' innovative engineering has transformed the industry for more than 125 years, and the company holds leading positions in rolled products for thermal management systems, speciality packaging and selected niche applications. Gränges has production facilities and conducts sales in three regions: Asia, Europe, and Americas. The total annual production capacity amounts to 580 ktonnes. Gränges has 2,700 employees and the share is listed on Nasdaq Stockholm. More information is available at www.granges.com.

Attachments

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