

Questions and answers, SSAB AGM 2021

Question from Öhman Fonder, Skandia Liv and Skandia Fonder

Comment on SSAB's Annual General Meeting on April 14, 2021

Dear Chairperson, Dear Shareholders,

Öhman Fonder, Skandia Liv and Skandia Fonder are behind this question.

We would like to begin by highlighting SSAB's work in recent years in increasingly taking into account the global challenges facing us in your operations. We appreciate your explicit ambition to contribute to climate transition and sustainability.

Whereas a growing numbers of companies clearly express support for a climate-friendly policy and play a constructive role in political discussions, many companies are at the same time members of industry organizations, think tanks and other third-party organizations that, if anything, are slowing an effective climate policy.

Even though companies have publicly communicated their support for the conclusions on the impacts of climate change, there is a risk that indirect lobbying is driving development in the opposite direction, through, for example, company membership in industry organizations or other networks that are instead undermining a progressive climate policy. We believe that companies should be logical in their position and that they should ensure that all political influencing processes carried out on their behalf or with their support are aligned with our common interest for a safe climate, which in turn protects the long-term value of our portfolios in all sectors and asset classes.

Our respective organizations are not alone in this view, but share it with a growing share of global investors and holders of capital. The issue of responsible climate lobbying is here to stay and a new practice has begun to emerge among in particular European companies.

In view of the underlying good work SSAB is doing, we would like you to act as a model also in this issue by:

- describing your internal processes that ensure all direct and indirect political engagement are in line with the Board's position on the climate issue;
- conducting a risk-based assessment of your memberships to identify the climate policy engagement pursued by the company, either directly or indirectly, and to consider the extent to which this engagement is in line with the company's position;
- responding in situations where the effect of direct or indirect influence in public decision-making is not in line with the company's position;
- answering the above questions in the 2021 Sustainability Report.

How do the CEO and Board relate to these suggestions?

Answer from SSAB

SSAB's corporate climate policy engagement and dialogue with society and decision-makers are based on SSAB's commitment to be a fossil-free company by 2045 and our aim to be the first, in 2026, to offer fossil-free steel to the market.

Our targets for greenhouse gas emissions have been approved by the Science Based Targets Initiative and are in line with the objective in the Paris agreement to keeping global warming well below 2°C. SSAB's corporate climate policy engagement is decided by the Group Executive Committee under the supervision of the Board of Directors and is executed by our experts. We pursue this engagement directly, and sometimes indirectly through the industry associations or other organizations in which SSAB is a member. To further develop this work, we welcome the suggestions raised by Öhman Fonder, Skandia Liv and Skandia Fonder. SSAB will, during 2021, conduct internal work with the ambition to be able to give more detailed information on SSAB's climate engagement activities and to develop our reporting on how we assess situations where our industry associations and/or other member organizations, contrary to our expectations, would misalign with the Paris Agreement's goals or SSAB's own positions. We welcome dialogue with our stakeholders on these issues in 2021.