



**SSAB**

# Corporate Governance Report 2021

Leading the green transition of the steel industry



# Corporate Governance Report

<b>Corporate Governance Report 2021</b> .....	<b>3</b>
Board of Directors.....	7
Group Executive Committee.....	11

# Corporate Governance Report 2021

SSAB's organization is characterized by a way of working in which responsibilities and powers are largely delegated to the respective divisions and subsidiaries. SSAB's share is listed on NASDAQ Stockholm and has a secondary listing on NASDAQ Helsinki. SSAB is governed by, among others, the NASDAQ Stockholm Rule Book for Issuers and the Swedish Corporate Governance Code (Corporate Code). This corporate governance report complies with the Swedish Annual Accounts Act and the Corporate Code, and is not part of the Report of the Board of Directors.

## Important external and internal rules and policies which affect corporate governance:

### Significant internal rules and policies

- Articles of Association
- The Board's rules of procedure, incl. instructions to the CEO and instructions to Board committees
- Code of Conduct

### Significant external rules

- Swedish Companies Act
- Swedish Book-keeping Act
- Swedish Annual Accounts Act
- Rules of NASDAQ Stockholm and NASDAQ Helsinki, [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)
- Swedish Corporate Governance Code, [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se)

## Organization as at December 31, 2021

SSAB is structured across three divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, as well as two larger wholly-owned subsidiaries: Tibnor and Ruukki Construction. The two latter are run as independent subsidiaries.

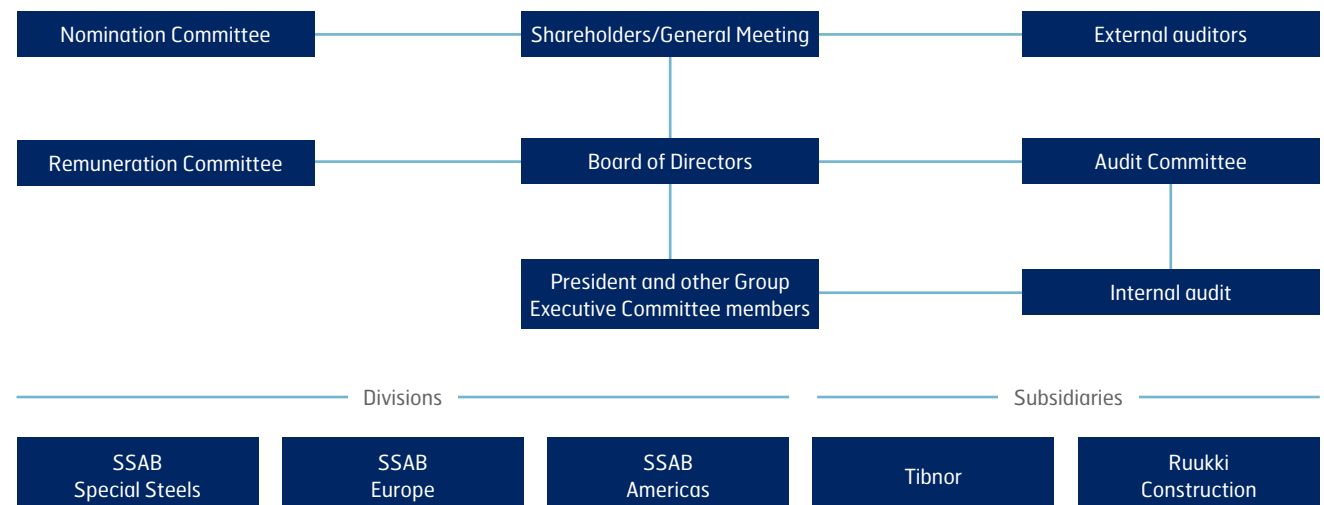
The diagram below shows SSAB's corporate governance framework as at December 31, 2021, and how the central bodies operate.

## Derogations from the Corporate Code

There are no derogations to report from the Corporate Code for 2021.

## Shareholders

SSAB's share capital consists of class A and class B shares, with class A shares carrying one (1) vote and class B shares one-tenth (1/10) of a vote. Both classes of shares carry the same rights to a share in the company's assets and profits.



As at December 31, 2021, there were a total of 152,352 shareholders. LKAB was the largest shareholder in terms of voting rights, followed by the Government of Finland, Folksam, Vanguard, Allianz Global Investors, Norges Bank, BlackRock, Ninety One, Handelsbanken Funds and Avanza Pension. The ten largest identified owners together owned approximately 39.7% of the voting capital and 31.0% of the share capital at the end of December 2021. Owners outside Sweden and Finland accounted for 18.3% of votes and 17.7% of the capital. See Shares and shareholders for more information about the ownership structure.

### General meeting

The general meeting of shareholders is the company's highest decision-making body and is where owners exercise their shareholder power. At the Annual General Meeting (ordinary general meeting), the shareholders resolve, among other things, the following:

- Adoption of the annual report and consolidated financial statements
- Allocation of the company's profit/loss
- Discharge from liability for the Board of Directors and the CEO
- Election of the Board of Directors, its chairman and the auditors
- Method of appointment of the Nomination Committee (when applicable)
- Remuneration of the Board of Directors and the auditors
- Guidelines for the remuneration to the CEO and other senior executives (when applicable)
- Decision to approve the remuneration report

### 2021 Annual General Meeting

Due to Covid-19, the Board decided that the 2021 Annual General Meeting would be carried out in absence of physical presence of shareholders, agents or third parties. Shareholders were able to practice their voting right only in advance through so called postal voting before the annual general meeting, in accordance with 22 § of the law (2020:198) on temporary exceptions to facilitate implementation of general meetings.

The Annual General Meeting adopted the annual report and consolidated financial statements for 2020 released by the Board of Directors and the CEO, decided on the allocation of the company's profit and granted the directors and CEO discharge from liability. In addition, the Chairman of the Nomination Committee presented the Committee's work during the year and the rationale behind the proposals presented. The general meeting decided on the remuneration to the Board and the auditors in accordance with the Nomination Committee's proposals. It was further resolved that the Board will comprise eight directors and accordingly Bo Annvik, Petra Einarsson, Annareetta Lumme-Timonen, Marie Grönborg, Bengt Kjell (who was elected Chairman of the Board), Pasi Laine, Martin Lindqvist (President and CEO), were re-elected as Board members. Lennart Evrell was elected as new Board member. Marika Fredriksson had declined re-election to the Board.

Upon proposal by the Nomination Committee, it was decided that the number of auditors should be one registered auditing company and Ernst & Young AB was reelected as auditors for one year until the Annual General Meeting 2022. The Board of Director's revised proposal pursuant to the allocation of the company's

### Owners as of December 31, 2021

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.2	2.1
Vanguard	2.9	2.8
Allianz Global Investors	1.9	0.8
Norges Bank	1.6	2.1
BlackRock	1.3	1.3
Ninety One	1.0	0.4
Handelsbanken Funds	0.9	3.3
Avanza Pension	0.8	1.4
Other shareholders	60.3	69.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Whereof foreign-registered shareholders <sup>1)</sup>	18.3	17.7

<sup>1)</sup> Includes shareholders outside Sweden and Finland

Source: Modular Finance.

earnings was presented to the Annual General Meeting. In accordance with the proposal by the Board of Directors and the CEO it was resolved that no dividends should be paid for the financial year 2020.

The General Meeting resolved to accept the Board's remuneration report. The report has been available at SSAB and on the company website since 24 March 2021.

The General Meeting resolved in accordance with the Board's proposal to amend the Articles of Association. The Board's proposal of amendments has been available at SSAB and on the company website since 24 March 2021.

Finally, the General Meeting resolved to authorize the Board of Directors to, at one or several occasions up to the next Annual General Meeting, resolve on new issues of shares of class B, with or without the disapplication of the shareholders' preferential rights to subscribe for shares. The total number of shares that may be issued by exercise of the authorization shall be within the limits of the Articles of Association and not exceed ten (10) percent of the total number of shares in the company.

The minutes of the Annual General Meeting may be viewed at [www.ssab.com](http://www.ssab.com).

### Extraordinary General Meeting

An extraordinary general meeting took place on October 28, 2021. The extraordinary general meeting was carried out in absence of physical presence of shareholders, agents or third parties. Shareholders were able to practice their voting right only in advance through so called postal voting before the extraordinary general meeting, in accordance with 22 § of the law (2020:198) on temporary exceptions to facilitate implementation of general meetings.

The company's Chairman of the Board, Bengt Kjell, had informed the Board that he wished to resign as member and Chairman of the Board due to the change in ownership, which took place in the company during May and June 2021. Annareetta Lumme-Timonen had informed the Board that she intended to resign as board member on the extraordinary general meeting, due to the change in ownership, which took place in September 2021.

The extraordinary general meeting resolved that the number of board members was reduced from eight to seven, that Maija Strandberg was elected as new board member, and that Lennart Evrell was elected as the new Chairman of the Board of the company.

### Nomination committee

#### Duties of the Nomination Committee

The duties of the Nomination Committee include proposing to the Annual General Meeting a chairman of the Board of Directors, directors, auditors, a Chairman of the Annual General Meeting, Board fees and auditor fees.

#### Procedure for the appointment of the Nomination Committee

The 2012 Annual General Meeting adopted a procedure regarding the appointment of the Nomination Committee. The procedure applies until amended through a resolution adopted at a future Annual General Meeting. The procedure was adopted with some minor adjustments by the Annual General Meeting held on April 10, 2018. According to the procedure, the Chairman of the Board is tasked with requesting that no fewer than three and no more than five of the largest shareholders in terms of votes each appoint a member to constitute the Nomination Committee together with the Chairman of the Board.

At the 2020 Annual General Meeting, a new instruction was adopted for the Nomination Committee. The changes compared with the previous version mainly relate to how any conflicts of interest in the Nomination Committee are to be handled, and how the Nomination Committee is to act when a shareholder who has appointed a member has sold parts of his holding of SSAB shares and no longer constitutes one of the major shareholders.

There may be no more than six members in total. The member representing the largest shareholder in terms of votes shall be Chairman of the Nomination Committee. The composition of the Nomination Committee was announced on [www.ssab.com](http://www.ssab.com) on September 2, 2021. Shareholders were able to submit proposals to the Nomination Committee by, for example, email, until December 31, 2021. The Nomination Committee's proposals will be published no later than in conjunction with the notice of the Annual General Meeting.

### Nomination committee ahead of the 2022 Annual General Meeting

Appointed by, name	Share (%) of votes at 31 December 2021
Pierre Heeroma, LKAB (Chairman of the Nomination Committee)	16.0
Kimmo Viertola, Government of Finland	8.0
Michael Kjeller, Folksam	5.2
Niklas Johansson, Handelsbanken Funds	0.9
Lennart Evrell (Chairman of the Board of Directors)	-

In connection with the issuance of the notice of the Annual General Meeting, the Nomination Committee will publish a reasoned statement regarding its proposal for a Board on [www.ssab.com](http://www.ssab.com).

#### Work of the Nomination Committee ahead of the 2022 Annual General Meeting

Since the Nomination Committee was appointed in August 2021, Petter Söderström was replaced by Kimmo Viertola on the 20 September as a consequence of Solidium's shareholding transfer to direct ownership under the Prime Minister's Office. Lennart Evrell replaced Bengt Kjell in the Nomination Committee on the 28th of October as a result of him being elected as Chairman of the Board at the extraordinary general meeting. The Nomination Committee has convened 8 times in 2021 and additional meetings are planned before the Annual General Meeting.

After the Chairman of the Board Bengt Kjell, and thereafter the Board member Annareetta Lumme-Timonen had requested to resign from the Board, the Nomination Committee prepared and proposed to elect Lennart Evrell as new Chairman of the Board, to elect Maija Strandberg as new Board member, and to reduce the number of Board members to seven. The extraordinary general meeting which took place on October 28, 2021 resolved in accordance with the Nomination Committee's proposals.

The Board's evaluation process and the outcome of the evaluation was presented at the Nomination Committee's meeting in November. This year's Board evaluation took place in connection with a board meeting during the fall. Ahead of the evaluation a questionnaire was answered by each board member individually. The questionnaire included questions related to the board members own evaluation of the Board's work, both from efficiency and competence, when it comes to important areas for the company such as heavy processing industries, digitalization, risks and possibilities with regard to climate change and health and security. The answers and Board members' comments were thereafter compiled and served a basis for the evaluation discussion. The Nomination Committee took note of the compilation. No evaluation of the Chairman's service was carried out since the previous Chairman Bengt Kjell had resigned by the extraordinary general meeting.

The Nomination Committee has discussed the composition of the Board, and agreed on the fundamental Board member requirements, including the requirements on independent members. The Nomination Committee particularly took into account in its Board proposal the need for diversity and breadth, the requirements to strive for gender balance on the Board, and also took into account competence and experience in the mentioned areas above which are important to the company.

The Nomination Committee engages in continuous work in identifying and evaluating potential new directors. In submitting proposals for fees to the Board of Directors and its committees, the Nomination Committee, among other things, conducted an overview of Board fees in similar companies. Prior to the election of an auditor at the Annual General Meeting 2022, the Audit Committee has conducted an evaluation of the audit performance presented to the Nomination Committee on its December meeting. At the same meeting, the committee's recommendation regarding both election of auditors and fees was presented. The Nomination Committee followed the Audit Committee's recommendation when presenting its proposals to the 2022 Annual General Meeting.

## Board of Directors

### Responsibilities of the Board

The overall task of the Board of Directors is to manage the company's affairs in the best interests of both the company and its shareholders. The Board must regularly assess the Group's financial position and evaluate the operative management. The Board decides, among other things, on matters concerning the Group's strategic focus and organization, and decides on important capital expenditure (exceeding SEK 100 million).

When applicable, the Board prepares proposals for guidelines regarding the determination of salary and other remuneration to the CEO and other members of the company's senior management for decision at the Annual General Meeting.

### Rules of procedure of the Board

Each year, the Board adopts the rules of procedure, including instructions to the CEO, which, among other things, govern the allocation of work between the Board and the CEO.

The rules of procedure further regulate the frequency of Board meetings and the allocation of work among the Board's committees. The rules of procedure state that there must be a Remuneration Committee and an Audit Committee. Ahead of each Board meeting, the directors receive a written agenda and full documentation to serve as the basis for decisions. Each Board meeting conducts a review of the Group's accident statistics, the current state of the business, the Group's results, financial position and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors health and safety work.

### Chairman of the Board

The chairman of the Board of Directors presides over the Board's work, represents the company on ownership issues and is responsible for the evaluation of the work of the Board. In addition, the Chairman of the Board of Directors is responsible for regular contact with the CEO and for ensuring that the Board of Directors performs its duties.

### Composition of the Board

Under the Articles of Association, the Board of Directors consists of a minimum of five and a maximum of ten members elected by the general meeting. The Board is quorate when more than half of the total number of directors is present. Taking into consideration the company's operations, phase of development and circumstances in general,

the Board must have an appropriate composition which is characterized by diversity and breadth as regards the competence, experience and background of its members. New directors undergo an introduction course to rapidly acquire the knowledge expected in order to best promote the interests of the company and its shareholders.

### The Board of Directors' diversity policy

SSAB works actively to further diversity within the company. As a part of this work, the company, through the Nomination Committee, applies rule 4.1 in the Swedish Corporate Governance Code (the Corporate Code) as its diversity policy. In accordance with rule 4.1 in the Corporate Code, the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is also to strive for gender balance on the Board.

The Nomination Committee shall consider the diversity policy when preparing its proposals for the election of a Board member. In addition, the Board of Directors continuously discusses the question regarding diversity within the organization. The objective of the diversity policy is to cater the importance of sufficient diversity within the Board in order to encourage independent opinions and a critical approach which will contribute to efficient Board work in the company.

During the financial year 2021, the Board of Directors' diversity policy has mainly been implemented and applied in connection with the Nomination Committee's work ahead of the 2021 Annual General Meeting and the 2022 Annual General Meeting. This has resulted in a diversified and appropriate Board composition with Board members that possess the qualifications and experience required for SSAB's operations.

### Work of the Board in 2021

In 2021, the Board of Directors held 12 meetings at which minutes were taken and at which the Board was quorate at all times. SSAB's General Counsel, who is not a director, served as secretary to the Board.

The year, in its whole, was marked by a strong recovery after the effects of Covid-19 during the previous year with a record demand and strong price increases. The strong market situation and a relatively stable and high production led to that the result for the full-year became the strongest in the history of the company. The combination of a very beneficial market situation, a relatively stable production and the company's strong financial situation gave the Board greater scope to focus more on the company's long-term strategic path concerning the conversion to fossil free steel production and long-term competitiveness.

Safety work has top priority across the Group and at every meeting the Board keeps close track of lost time injury frequency and the corrective actions implemented by the company. The Board also follows the company's sustainability performances with regular follow-ups of achievements of targets and continuously follows the company's most important operative, as well as short-term strategic key figures.

## Board of Directors – appointed by the annual general meeting



**Lennart Evrell, Chairman**

b. 1954  
Chairman since 2021.  
Master of Science Mechanical Engineering from the Royal Institute of Technology and a degree in business administration from Uppsala University  
Nationality: Swedish

**Elected to the board**  
2021

**Shareholding<sup>1)</sup>**  
40,000 B-shares

### Current appointments

- Director: Svenska Cellulosa Aktiebolaget SCA, Epiroc Aktiebolag, ICA Gruppen Aktiebolag, Confederation of Swedish Enterprise and the Swedish Association of Industrial Employers

### Previous appointments

- CEO: Boliden, Sapa and Munters



**Bo Annvik**

b. 1965  
MSc (Eng.) Business Administration.  
Nationality: Swedish

**Elected to the board**  
2019

**Shareholding<sup>1)</sup>**  
0

### Current appointments

- Board Chairman: Abdon Food AB
- President and CEO: Indutrade AB
- Director: Adbon Group AB

### Previous appointments

- President and CEO: Haldex AB
- Senior positions: Volvo Cars, SKF and Outokumpu



**Petra Einarsson**

b. 1967  
BSc Business Administration and Economics  
Nationality: Swedish

**Elected to the board**  
2014

**Shareholding<sup>1)</sup>**  
18,750 B-shares

### Current appointments

- Director: Alimak Group, Scandinavian Biogas and Svenska Aerogel

### Previous appointments

- President and CEO: BillerudKorsnäs AB
- EVP: Sandvik Group
- Senior positions: Sandvik Materials Technology
- Member of the Executive Board: Confederation of Swedish Enterprise
- Chairman of the Board: Swedish Steel Producers' Association



**Marie Grönberg**

b. 1970  
MSc (Eng.) Chemical Engineering  
Nationality: Swedish

**Elected to the board**  
2019

**Shareholding<sup>1)</sup>**  
0

### Current appointments

- CEO: TreeToTextile AB
- Director: Permascand Top Holding AB

### Previous appointments

- President and CEO: Purac AB
- EVP: Perstorp Group, Business Area Specialties & Solutions
- Senior positions: Perstorp Group and Formox AB



**Pasi Laine**

b. 1963  
MSc (Eng.)  
Nationality: Finnish

**Elected to the board**  
2017

**Shareholding<sup>1)</sup>**  
712 A-shares, 4,931 B-shares

### Current appointments

- President and CEO of Valmet Oyj (since 2013)
- Chairman: Ilmarinen Mutual Pension Insurance Company

### Previous appointments

- Director: HKScan Oyj and Tamfelt Oyj
- Several senior positions: Metso group, including President of Pulp, Paper and Power Technology, President of Metso Automation

<sup>1)</sup> Shareholdings include shares owned by closely-related persons

## Board of Directors – appointed by the annual general meeting



**Martin Lindqvist**

b. 1962  
President and CEO  
BSc (Economics)  
Nationality: Swedish

**Elected to the board**  
2011

**Shareholding<sup>1)</sup>**

11,709 A-shares, 21,023 B-shares

**Current appointments**

- President and CEO: SSAB AB (employed at SSAB since 1998)
- Chairman: Jernkontoret and Stål och Metall
- Director: Svenska Cellulosa Aktiebolaget SCA and Swedish Association of Industrial Employers AB
- Alternate: Confederation of Swedish Enterprise

**Previous appointments**

- Director: Industrade Aktiebolag
- Head of business area: SSAB EMEA
- CFO: SSAB AB
- Chief controller: NCC



**Majja Strandberg**

b. 1969  
MSc, Economics from Turku School of Economics, Finland (part of Turku University)  
Nationality: Finnish

**Elected to the board**  
2021

**Shareholding<sup>1)</sup>**

0

**Current appointments**

- Senior Financial Counsellor at the Finnish Prime Minister's office, Government Ownership Steering Department
- Board member of Finnair Oyj and Neova Oy

**Previous appointments**

- Director: Nordic Morning Group, Exel Composites, VR Group, Dustin Group and Danske Bank Oyj
- CFO: Uponor Oyj
- Vice President: Finance at Valmet
- Several senior positions: ALSO, John Deere, Timberjack, Huhtamäki

<sup>1)</sup> Shareholdings include shares owned by closely-related persons

## Board of Directors – appointed by the employees



**Mikael Henriksson**

b. 1961  
Elected to the Board  
2017

**Current appointments**

Furnace operator,  
SSAB Special Steels



**Tomas Karlsson**

b. 1962  
Elected to the Board  
2015

**Current appointments**

Maintenance mechanic,  
SSAB Europe



**Tomas Jansson**

b. 1966  
Elected to the Board  
2014

**Current appointments**

Sales Coordinator,  
SSAB Europe

## Alternates



**Sven-Erik Rosén**

b. 1965  
Elected to the Board  
2021

**Current appointments**

Fork-lift operator,  
SSAB Europe



**Patrick Sjöholm**

b. 1965  
Elected to the Board  
2011

**Current appointments**

Maintenance mechanic,  
SSAB Europe



**Tomas Westman**

b. 1955  
Elected to the Board  
2015

**Current appointments**

RM-coordinator,  
SSAB Europe

Jonas Bergstrand, EVP, General Counsel, serves as secretary to the Board of Directors.



## Auditors

SSAB must have one or two external auditors, or one or two registered public accounting firms, under its Articles of Association. It was decided on the Annual General Meeting 2021 that Ernst & Young AB should be reelected auditor for the company until the Annual General Meeting in 2022. Rickard Andersson is the principal auditor.

The external audit of the financial statements of the parent company and those of the group, as well as management by the Board of Directors and the CEO, is conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Practices in Sweden. The Company's principal auditor attends all meetings of the Audit Committee. The auditor attends at least one Board meeting a year, goes through the audit for the year and discusses the audit with the directors without the CEO and other members of the Company's management being present.

See [Note 2](#) in Financial reports for information regarding the auditor's fees.

## Audit committee

### Duties

The Audit Committee elects a Chairman from among its members. Members of the Audit Committee are elected from Board members who are not employees of the company. At least one of the members must be competent in accounting or auditing matters.

The duties of the Audit Committee are stated in the Board's rules of procedure. The Chairman of the Audit Committee is responsible for ensuring that the entire Board is kept regularly informed about the Committee's work and, where necessary, must submit matters to the Board for decision. The main task of the Audit Committee is to support the Board in its work to ensure the quality of financial reporting.

Member of the board	Elected to the board	Attendance statistics 2021			Independent of	
		Board meetings	Remuneration Committee	Audit Committee	The company and its management	The company's largest shareholders
<b>Elected by the AGM<sup>1)</sup></b>						
Lennart Evrell <sup>2)</sup> , Chairman since October 2021	2021	9	2	1	Yes	Yes
Bo Annvik	2019	11	6		Yes	Yes
Petra Einarsson	2014	12	6	6	Yes	Yes
Marie Grönborg	2019	12		5	Yes	Yes
Pasi Laine	2017	11			Yes	Yes
Maija Strandberg <sup>3)</sup>	2021	3			Yes	Yes
Martin Lindqvist, President and CEO	2011	12			No, CEO at the company	Yes
<b>Employee representatives</b>						
Mikael Henriksson	2017	12			-	-
Tomas Jansson	2014	12			-	-
Tomas Karlsson	2015	11			-	-
<b>Alternate members</b>						
Sven-Erik Rosén <sup>2)</sup>	2021	9			-	-
Patrick Sjöholm	2011	12			-	-
Tomas Westman	2015	12			-	-

<sup>1)</sup> Information about fees, see [Note 2](#) in Financial reports

<sup>2)</sup> Elected new board member on the Annual General Meeting on April 14, 2021

<sup>3)</sup> Elected new board member on the Extraordinary General Meeting on October 28, 2021

The Audit Committee oversees the company's internal control and risk management regarding financial reporting. The Audit Committee also assists the company's Nomination Committee with preparing proposals for a general meeting resolution on the election of auditors.

The Committee regularly meets the company's auditors, evaluates the audit work and establishes guidelines as to which additional services the company may source from its external auditors. Such additional services, up to a maximum of SEK 100,000 per assignment, must be approved in advance by the company's Chief Financial Officer. Assignments exceeding SEK 100,000 must be approved in advance by the chairman of the Audit Committee. All additional services must be reported to the Audit Committee each quarter.

The company has an established risk management process based on the company's processes and flows. In this process, the Audit Committee reviews and takes into account the risk areas that have been identified (both commercial risks and risks of errors in financial reporting). Based on the outcome of the internal and external risk assessment, the Committee regularly analyzes the focus and scope of the audit with the company's external and internal auditors.

Each year, the Audit Committee adopts an internal audit plan which, among other things, is based on the risks that have arisen in the risk management process described above. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of regular audit work. The head of Internal Audit presents conducted audits and any whistle blowers matters that have been reported to the Audit Committee. The Audit Committee also analyzes and elucidates significant accounting issues affecting the group.

#### **Work in 2021**

During 2021, the Audit Committee's focus has been the company's liquidity and funding matters, IT-security and the company's tax position, including ongoing tax audits. The Audit Committee took part in, and analyzed together with the external auditors, the risk analysis and audit plan which the auditors had established constituting the basis for the statutory audit.

The Audit Committee's members were since the Annual General Meeting Petra Einarsson (Chairman), Marie Grönborg and Bengt Kjell who resigned and was replaced as Chairman by Lennart Evrell at the constituent Board meeting after the extraordinary general meeting on October 28, 2021. Also, Annareetta Lumme-Timonen left her position as member, after the extraordinary general meeting on October 28, 2021. In 2021 the Audit Committee held six meetings at which minutes were taken.

#### **Remuneration committee**

##### **Duties**

In addition to the Chairman of the Board of Directors, the Remuneration Committee comprises one or more directors, who must normally be independent both of the company and of the company's top management, elected by the general meeting. Members of the Remuneration Committee must possess the required knowledge and experience of remuneration matters relating to senior executives. The CEO attends the Committee meetings to report on matters. The Remuneration Committee's duties are stated in the Board's rules of procedure. The Remuneration Committee submits proposals to the Board of Directors regarding the CEO's salary and other employment terms and conditions, sets salaries and employment terms for other members of the Group Executive Committee, and sets limits regarding the salary and employment terms and conditions for other senior executives. The Remuneration Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning remuneration principles, preparing the Board's proposal for guidelines to determine the salary and other remuneration of the CEO and other members of the company's senior management, as well as monitoring and evaluating the application thereof. The Remuneration Committee also monitors and evaluates programs regarding variable remuneration of the company's senior management.

##### **Work in 2021**

During 2021, the Remuneration Committee held three meetings at which minutes were taken. The Remuneration Committee comprised of Bo Annvik, Petra Einarsson and Bengt Kjell (Chairman) who resigned and was replaced as Chairman by Lennart Evrell at the constituent Board meeting after the extraordinary general meeting on October 28, 2021. The CEO is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

## Group Executive Committee

<b>Martin Lindqvist</b>	<b>Olavi Huhtala</b>	<b>Charles Schmitt</b>	<b>Johnny Sjöström</b>	<b>Jonas Bergstrand</b>	<b>Leena Craelius</b>
b. 1962 President and CEO Nationality: Swedish	b. 1962 Executive Vice President and Head of SSAB Europe Nationality: Finnish	b. 1959 Executive Vice President and Head of SSAB Americas Nationality: American	b. 1974 Executive Vice President and Head of SSAB Special Steels Nationality: Swedish	b. 1965 Executive Vice President, Legal, M&A and Procurement Nationality: Swedish	b. 1971 Executive Vice President and CFO (acting) Nationality: Finnish
<b>Member of the Group Executive Committee</b> 2001	<b>Member of the Group Executive Committee</b> 2014	<b>Member of the Group Executive Committee</b> 2011	<b>Member of the Group Executive Committee</b> 2019	<b>Member of the Group Executive Committee</b> 2006	<b>Member of the Group Executive Committee</b> 2021
<b>Shareholding<sup>1)</sup></b> 11,709 A-shares 21,023 B-shares	<b>Shareholding<sup>1)</sup></b> 17,578 A-shares 77,873 B-shares	<b>Shareholding<sup>1)</sup></b> 3,000 B-shares	<b>Shareholding<sup>1)</sup></b> 10,600 A-shares	<b>Shareholding<sup>1)</sup></b> 24,125 B-shares	<b>Shareholding<sup>1)</sup></b> 0
<b>Education</b> BSc (Economics), Uppsala University	<b>Education</b> BSc (Engineering)	<b>Education</b> BSc (Business Administration/ Finance). The University of Texas at Arlington, two-year steel fellowship at the American Iron and Steel Institute	<b>Education</b> Master's degree in Physics, PhD in Materials Technologies, Karlstad University, Associate Professor, Luleå Technical University and EMBA Stockholm School of Economics	<b>Education</b> LLM, Uppsala University	<b>Education</b> MBA, Helsinki School of Economics, Helsinki
<b>Background</b> Employed at SSAB since 1998.	<b>Background</b> Employed at Rautaruukki/SSAB since 1987	<b>Background</b> Employed at IPSCO/SSAB since 1990	<b>Background</b> Employed at SSAB between 2012–2014 and since 2019	<b>Background</b> Employed at SSAB since 2006	<b>Background</b> Employed at SSAB/Rautaruukki since 2005
<b>Previously</b> Head of business area: SSAB EMEA, Head of business area: SSAB Strip Products, CFO: SSAB AB, CFO: SSAB Strip, Chief Controller: NCC	<b>Previously</b> EVP: Ruukki Metals, President: Ruukki Fabrication Executive roles in Sales and Production: Rautaruukki Metform	<b>Previously</b> Several positions: US Steel Corporation and VP of the Southern Business Unit: SSAB Americas	<b>Previously</b> President Uddeholms AB, President Scana Leshan (China), VP Technology and responsible for market development SSAB APAC, VP Product manager Outokumpu, Technology and Quality manager Outokumpu	<b>Previously</b> Corporate counsel: ABB, OM Gruppen and Ericsson Radio Systems	<b>Previously</b> CFO: SSAB Europe Division, Head of sales controlling; SSAB Special Steels division, Head of operations controlling; Ruukki Metals Division

<sup>1)</sup> Shareholdings include shares held by closely-related persons

## Group Executive Committee



**Maria Långberg**

b. 1970  
Executive Vice President and Head of People, Culture and Communication  
Nationality: Swedish

**Member of the Group Executive Committee**  
2016

**Shareholding<sup>1)</sup>**  
17,000 B-shares

**Education**  
BSc (Business Administration), Uppsala University  
MBA, Stockholm School of Economics

**Background**  
Employed at SSAB since 2013

**Previously**  
President Merox and VP Group Sustainability, SSAB, EVP & Head of Group Communications, SSAB, Senior Consultant, JKL, SVP Group Communications, Gambro



**Martin Pei**

b. 1963  
Executive Vice President and CTO  
Nationality: Swedish

**Member of the Group Executive Committee**  
2007

**Shareholding<sup>1)</sup>**  
300 A-shares  
700 B-shares

**Education**  
PhD, KTH Royal Institute of Technology, Stockholm

**Background**  
Employed at SSAB since 2001

**Previously**  
EVP, Head of business area: SSAB APAC; EVP & Head of Technical Development: SSAB; General Manager Slab Production: SSAB Plate Division; Manager R&D Primary Products: SSAB Plate Division



**Christina Friberg**

b. 1969  
Executive Vice President and Head of Sustainability, Ethics & Compliance and Health & Safety  
Nationality: Swedish

**Member of the Group Executive Committee**  
2018

**Shareholding<sup>1)</sup>**  
6,700 B-shares

**Education**  
LLM, Uppsala University

**Background**  
Employed at SSAB since 2018

**Previously**  
Head of Sustainable Business at Sandvik, founder and partner at Ethos International and various positions at Sida, UNHCR and OSCE



**Eva Petursson**

b. 1968  
Executive Vice President and Head of Research and Innovation  
Nationality: Swedish

**Member of the Group Executive Committee**  
2018

**Shareholding<sup>1)</sup>**  
165 A-shares  
6,500 B-shares

**Education**  
Civil engineer and PhD in Steel Structures, Luleå University of technology

**Background**  
Employed at SSAB since 2005

**Previously**  
Design specialist and research leader at SSAB Knowledge Service Center, Head of Strategic R&D at SSAB. Assistant professor in Steel Structures at Luleå University of Technology



**Viktor Strömberg**

b. 1973  
Executive Vice President and Head of Strategy and Digitalization  
Nationality: Swedish

**Member of the Group Executive Committee**  
2018

**Shareholding<sup>1)</sup>**  
4,000 B-shares

**Education**  
MBA, INSEAD, France and MSc in Industrial Engineering & Management, Linköping University

**Background**  
Employed at SSAB since 2011

**Previously**  
VP and Head of Strategy at SSAB AB. Associate Partner at McKinsey & Company, product manager at SAP and consultant at IBM

<sup>1)</sup> Shareholdings include shares held by closely-related persons

## Group Executive Committee

### Group Executive Committee's work and responsibilities

The Group Executive Committee is responsible for formulating and implementing the Group's overall strategies and addresses matters such as acquisitions and divestments. These matters, as well as major capital expenditures (in excess of SEK 100 million), are prepared by the Group Executive Committee for decision by the Board of Directors of the parent company.

The CEO is responsible for the day-to-day management of the company in accordance with the Board of Directors' instructions and guidelines. As at December 31, 2021, the Group Executive Committee comprised, in addition to the CEO, the heads of SSAB Europe, SSAB Americas and SSAB Special Steels, the Chief Financial Officer, the Head of Legal, M&A and Procurement, the Chief Technical Officer, the Head of People, Culture and Communication, the Head of Research and Innovation, the Head of Strategy and Digitalization and the Head of Sustainability.

The Group Executive Committee holds monthly meetings to monitor the results and financial position of the Group and the divisions. Other matters addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each division is responsible for the respective divisions' income statement and balance sheet. Overall, operational control of the divisions takes place through quarterly performance reviews. In most cases, the CEO of the parent company is the Chairman of the Board of Directors of each of the directly owned major subsidiaries such as Tibnor and Ruukki Construction, and these boards also include other members of the Group Executive Committee as well as employee representatives. Parallel with the quarterly performance reviews, the boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

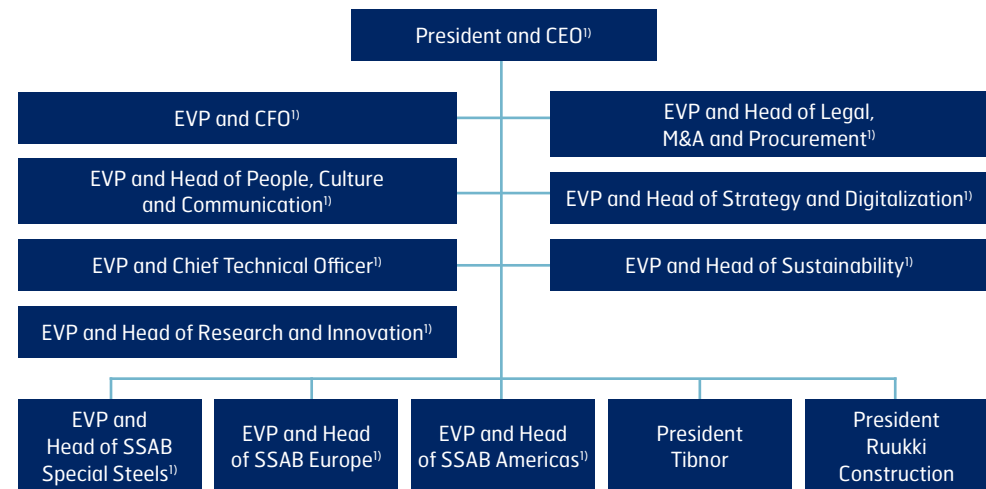
### Remuneration report

The Annual General Meeting 2021 resolved to approve the Board's remuneration report. The Board's remuneration report has been available at SSAB and on the company website since March 24, 2021.

### Incentive program for senior executives

In 2011, a long-term incentive program was introduced for the entire Group. At the time the program covered a maximum of 100 (now 150) key employees, including the CEO and other senior executives. The program runs for rolling three-year periods, is cash based, and linked to the total return on SSAB's share compared to a benchmark

## Group operational management structure



<sup>1)</sup> Member of Group Executive Committee

group of the company's competitors and SSAB's financial targets. The program was introduced to promote the company's ability to recruit and retain key employees. Reference is made to [Note 2](#) in the Financial reports for more information about current remuneration. The company has no share-related incentive programs.

### Internal control

The overall objective of internal control is to ensure, to a reasonable degree, that the company's operational strategies and targets are monitored and that the owners' investments are protected. Internal control ensures, with reasonable certainty, that the internal and external reporting is reliable. It also ensures that the operation is carried out in accordance with applicable laws, regulations and the requirements imposed on listed companies. Internal control is the term collectively referring to the organization and its systems, processes and procedures contributing to the maintenance of control in these areas.

### Risk management

The Group is tasked with seeking to ensure that risks do not materialize and, through various measures, with mitigating the fallout of any loss that occurs. Risk mapping of the Group's internal and external risks is carried out as an integrated part of the annual strategy process. The result of this work is reported to the Audit Committee and to the Board of Directors. The Group's Risk Management oversees and follows up both work on actively preventing the occurrence of loss at all and work on minimizing the impact of such loss should it occur. Each division and subsidiary is responsible for working proactively to prevent loss and each division has appointed risk managers participating in this work. For information on the Group's work and management of sustainability and sustainability risks, see the Sustainability report.

### The Board's description of internal control and risk management regarding financial reporting

Under the Swedish Companies Act and the Swedish Corporate Governance Code, SSAB's Board of Directors is responsible for internal control. The description of internal control and risk management regarding financial reporting has been prepared in accordance with the Annual Accounts Act.

### Framework for internal control as regards financial reporting

SSAB's internal control is based on COSO, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The framework is based on five components: control environment, risk assessment, control activities, information and communication and monitoring.

### Control environment

The control environment is characterized by the organizational structure, management's way of working and values, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board of Directors with important accounting matters that the Group applies and monitors internal control with respect to financial reporting. To maintain an efficient control environment and sound internal control, the Board has delegated practical responsibility to the CEO, who in turn has delegated responsibility to other members of the Group Executive Committee and to the CEOs of the subsidiaries.

The control environment for the financial reporting is ensured through different governing documents, such as directives and instructions. These include among others a Group accounting directive. Other significant governing documents are the directives regarding financial risks and investments and authorization rules and the Code of Conduct. The governing documents are updated on a regular basis upon changes in legislation and in standards.

Work on communicating the Group's Code of Conduct continued during 2021 and by the turn of 2021/2022, over 96% of the employees had completed the group's internal training module on business ethics.

### Risk assessment

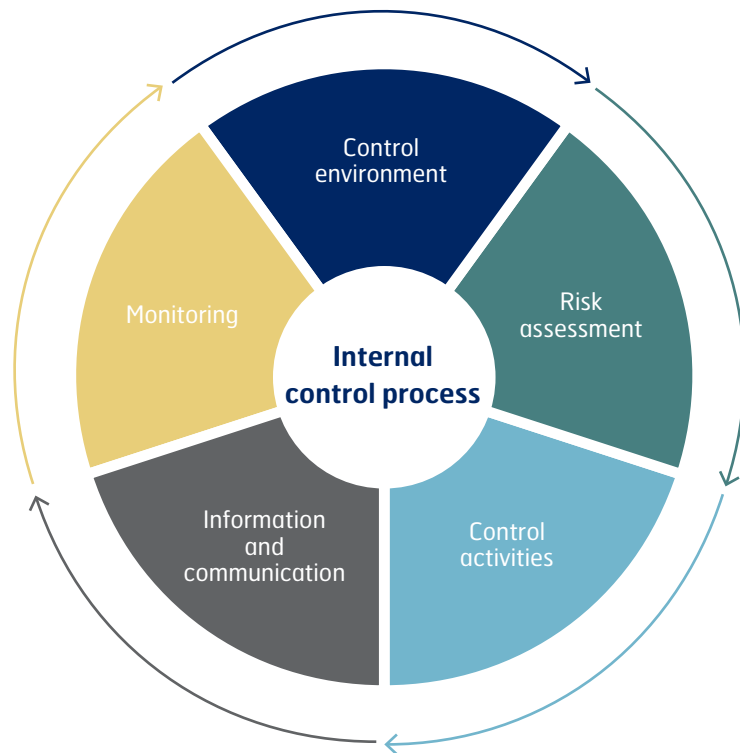
Risks associated with the financial reporting mainly concern accounting errors at the valuation of assets and liabilities, income and expenses and derogations from disclosure obligations. Fraud, loss/misappropriation of assets and deficiencies in business ethics are further risks assessed and managed, to, by reasonable means, ensure sound internal control of the financial reporting. SSAB's operation is characterized by processes involving well-established procedures and systems.

The overall risk assessments on Group level constitutes an integrated part of the ongoing reporting to the Group Executive Committee and the Board of Directors, and it constitutes the basis of the assessment of risks for errors in the financial reporting. Financial risks, such as exchange risks, refinancing risks, counterparty risks, interest risks and credit risks are mainly managed by the parent company's treasury function, in accordance with the Group's Finance Policy (see [Note 29](#) in the Financial reports).

### Control activities

The primary purpose of control activities is to prevent and identify at an early stage significant financial reporting errors so that they can be addressed and rectified. Control activities, both manual and automated, take place both at general and more detailed levels within the group. Routines and activities have been designed to manage and mitigate significant risks associated with financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place at Group, subsidiary or process level, depending on the nature and affiliation of the control activity. As with other processes, the relevant head is responsible for the completeness and accuracy of control activities.

There is a more systematic approach to identifying financial risks and financial reporting risks, as well as documentation of controls as to how such risks are to be prevented and identified. The controls are adapted to each unit's work processes and systems structure, and these are evaluated through self-assessment supplemented with monitoring and review by internal audit. This way of working has been implemented in a system covering the entire Group which is used when verifying the reliability of financial reporting.



Control activities are carried out at all levels across the Group. For example, there are in every division Controller functions which analyze and follow up deviations and forward reports in the company. Monitoring by the Group Executive Committee takes place, among other things, through regular meetings with heads of divisions and subsidiaries with regard to operations, their financial position and results, as well as financial and operational key performance indicators. The Board of Directors analyzes, on an ongoing basis, among other things, business

reports in which the Group Executive Committee describes the most recent period and comments on the Group's financial position and results. This is how major fluctuations and deviations are followed up to minimize the risk of errors in financial reporting.

#### Information and communication

SSAB has well-established information and communication procedures to support the completeness and accuracy of the financial reporting. The parent company regularly communicates updates in financial directives and instructions to all personnel concerned. In addition to this are regular Group finance meetings held where the central finance functions, together with the finance managers of the divisions, processes information regarding news and changes in accounting principles, information requirements and updates within internal control. The company's intranet constitutes another important information channel within the company, where information is updated continuously and it ensures that the latest directives and instructions are always available.

The subsidiaries and the divisions regularly submits reports with analysis and comments on the financial result and risks to the Board.

The company's "whistleblower" function is another important channel of communication where accounting and internal control infringements, among other things, may be reported.

Financial information regarding the Group may only be disclosed by the Chairman of the Board, CEO, CFO, Head of Group Communications and Head of Investor Relations. The divisions may disseminate financial information regarding their operations only after equivalent information has been published by the Group.

#### Monitoring

The Board of Directors' monitoring of internal control with respect to financial reporting takes place primarily through the Audit Committee. The company's process for internal control include self-assessments and systematic follow-ups on risk analysis and control activities. In addition, the company's internal audit carry out yearly assessments of internal control. The monitoring of internal control also takes place within the framework of the statutory external audit. The Audit Committee monitors the financial reporting and takes part of reports from the internal and external auditors.

**Internal audit**

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate to the Chief Financial Officer. Internal audit's activities consist of supporting value creation in the Group by identifying risk areas, carrying out internal audits and thereafter recommending improvements within these areas. The internal auditor participates in the Audit Committee meetings.

The internal audit is organized at an overall Group level, with an audit plan drawn up for the entire Group. The Group's audit activities are planned by the head of internal audit and are decided by the Audit Committee.

The major part of the work is carried out through audits in accordance with the audit plan. Other work largely consists of specific audits and of monitoring of self-assessments in the group regarding internal control.

The audits are performed in accordance with an established and adopted audit process which is constantly developed in order to optimize the way of working and delivery of reports with generated added value. These reports describe observations, recommendations and improvement areas, with the aim of strengthening and enhancing efficiency in risk management and internal control. The function also carries out reviews on behalf of the Board or as required for other reasons.

During 2021, internal audit conducted regular, independent and objective audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The reviews were conducted in accordance with an adopted audit process and formally completed with a report and a planned follow-up. The result has been regularly submitted to divisional heads and the Audit Committee as regards observations, measures taken and implementation status.

During the year, internal audit also conducted a number of audits on subsidiaries where the company's manual for audits of risks concerning fraud and corruption was a part of the audit scope. The audits did not reveal any concrete irregularities; however, possibilities to reduce risks were identified. The identified improvement possibilities are implemented in accordance with established action plans. Due to Covid-19, and the accompanying traveling restrictions, a significant part of the audit of the subsidiaries was undertaken remotely.



### Other mandatory disclosures pursuant to chapter 6, section 6 of the Annual Accounts Act

The following information is provided pursuant to the provisions of Chapter 6, Section 6 of the Annual Accounts Act regarding certain specific information that must be disclosed in the corporate governance report:

- Of the company's shareholders, LKAB, has direct or indirect shareholdings representing at least one tenth (1/10) of the voting rights carried by all shares in the company. As at December 31, 2021, LKAB's holding accounted for 16% of the total voting rights and 10.5% of the total number of shares.
- There are no restrictions on the number of votes that each shareholder may cast at a general meeting.
- The Articles of Association contain no provisions regarding the removal of directors or the amendment of the Articles of Association.
- The general meeting has not granted the Board of Directors authority to decide that the company may purchase its own shares.

### Further information

Further information about corporate governance at SSAB is available at [www.ssab.com](http://www.ssab.com) and includes the following information:

- Routines regarding the Annual General Meeting:
  - when and where the Annual General Meeting is to be held
  - notice of the Annual General Meeting and how to register
  - the resolutions to be proposed to the Annual General Meeting
- Information from SSAB's previous Annual General Meetings, including for instance notices, minutes, addresses by the CEO and press releases
- Articles of Association
- Corporate governance reports from previous years
- Information about the Nomination Committee

### Auditor's report on the corporate governance statement

To the general meeting of the shareholders of SSAB AB (publ), corporate identity number 556016—3429

#### Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2021 on pages [93–107](#) and that it has been prepared in accordance with the Annual Accounts Act.

#### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16, the auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 11, 2022

Ernst & Young AB

#### Rickard Andersson

Authorized Public Accountant



SSAB AB

Box 70  
SE-101 21 Stockholm, Sweden

Tel. +46 8 454 5700  
Fax. +46 8 454 5725

Visitors:  
Klarabergsviadukten 70, D6

[www.ssab.com](http://www.ssab.com)