

The SSAB logo is rendered in a bold, blue, sans-serif font. It is positioned in the upper center of the page, set against a background of a city skyline with prominent skyscrapers like the Petronas Towers and the Bank of China Tower. The overall image has a light, hazy blue tint.

SSAB

Sustainability-Linked Finance Framework

“With the future in mind”

2021-05-20

Background & Rationale

SSAB is a highly specialized global steel producer driven by close relationships with our customers. We develop high-strength steels and provides services for better performance and sustainability.

SSAB is a leading producer in the global market of Advanced High-Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T), strip, plate and tube products, as well as construction solutions. Our steels and services help to make end products lighter and stronger with a longer lifespan.

We have a cost-efficient and flexible production system with production plants in Sweden, Finland and the US, with an annual steel production capacity of approximately 8.8 million tonnes. SSAB also has capacity to process and finish various steel products in China, Brazil and many other countries. In Sweden and Finland, production is iron-ore based with a blast furnace process whereas in the US, electric arc furnaces are used for a scrap-based production process.

The world needs steel and the global demand for steel increases every year. Steel has many advantages; it is fully recyclable, strong, durable and, compared to other materials, requires relatively low amounts of energy to make.

However, the steel industry is also a significant source of CO₂ emissions. Climate change, resource scarcity and continuing urbanization, combined with the increasing need for new infrastructure, create a growing need for more sustainable solutions. We believe that SSAB and steel are part of the solution.

SSAB is at the forefront of sustainability in many ways. We aim at being the first in the world with fossil-free steel on commercial terms and lead the transition of the steel industry. Our plan is to offer fossil-free steel to the market in 2026 and to eliminate all of our own CO₂ emissions by 2045.

In order to accomplish this we have undertaken a strategic roadmap to revolutionize steelmaking, including an active leadership role in the HYBRIT joint venture initiative with LKAB and Vattenfall as well as short- and long-term ambitions and goals.

Our Sustainability-Linked Finance Framework provides an opportunity for investors to learn about our position to drive positive transformation within the steel industry and support us in this journey.

Stockholm 2021-05-20

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Approach to Sustainability

1. Sustainability Strategy

Managing business in a sustainable way strengthens SSAB’s ability to deliver strong financial and operational results. Our renewed sustainability strategy has its basis in the corporate strategy while also building on the SSAB Way, SSAB’s core values and the First in fossil-free steel ambition.

The strategy, “With the future in mind” has two main themes: to be first in fossil-free steel and to have a leading sustainability performance, which are equally important. SSAB wants to become the first fossil-free steel company in the world and this ambition is at the core of our entire operation. Sustainability is a key business driver for both us and our customers.

First in fossil-free steel

Use better steel

SSAB is committed to minimizing any adverse environmental impacts from our operations. Therefore, SSAB focuses on continuous improvement to minimize emissions and improve productivity, as well as material and energy efficiency. Our blast furnace-based production is among the most CO₂ efficient in the world. This gives our customers and us a competitive advantage. For example, our cold-rolled steel production emits approximately 6% less CO₂e than the European average and as much as 17% less than the Chinese average.

Use steel better

The core of SSAB’s business is to develop and produce Advanced High-Strength Steels (AHSS) and Quenched & Tempered (Q&T) steels that are stronger than ordinary steels. This in turn enables our customers to produce lighter and stronger products, thereby reducing their environmental footprint. By using our high-strength steels, which results in lower weight and improved fuel economy, customers can achieve significant CO₂ savings during their end products’ use-phase.

Go fossil-free

SSAB works toward a fossil-free steelmaking process through the HYBRIT initiative and by eliminating other fossil related emissions, with a goal to offer fossil-free steel to the market in 2026. In cooperation with LKAB, our iron ore supplier, and Vattenfall our energy provider, we form a fossil-free value chain. Various milestones for SSAB and HYBRIT are outlined for the coming years. Our new GHG emissions target has been approved by the Science Based Targets initiative (SBTi). We are committed to reducing GHG emissions by 35% by 2032 (2018 as a base year, measured as CO₂e according to Greenhouse Gas Protocol¹). The target applies to direct and indirect emissions (Scope 1 and 2) and is in line with the Paris Agreement and the objective of keeping global warming well below 2°C.



¹ “The Greenhouse Gas Protocol”, A Corporate Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute.

Leading sustainability performance

Safety first

SSAB is determined to become the world's safest steel company, with the objective of achieving zero accidents, work-related injuries and illnesses. Everyone has the right to a healthy, accident free work environment in SSAB. Our goal is to prevent all injuries and work-related illnesses. We will minimize, as far as possible, health and safety risks everywhere we operate.

Resource efficient operations

For SSAB, circularity is a key factor in increasing efficiency to help mitigate environmental impact. We continuously work to optimize the value of our by-products, scrap and waste, with a focus on sustainability and value creation. SSAB is committed to the efficient use of raw materials and energy. To further improve energy efficiency, energy flows are recycled in the production process.

Responsible sourcing

SSAB has approximately 20,000 active suppliers in more than 60 different countries. SSAB works actively with particularly high-risk suppliers to ensure sustainability throughout the supply chain. Suppliers must comply both with SSAB's standards and with international ethical, social and environmental guidelines in order to remain qualified suppliers for SSAB.

Zero tolerance for bribery and corruption

The Code of Conduct is the way we act. It forms the basis for our ethical, environmental and social responsibility. The tone from the top is clearly communicated and all employees must take an e-learning in business ethics. Anti-corruption compliance in business is important. SSAB has implemented clear instructions for our employees in order to guide us through our daily operations and our conduct in relation to business partners. SSAB has implemented a whistle-blower system called the Ethics Line. Employees can file a report anonymously online or by calling a global hotline 24 hours a day, seven days a week.

Inclusion & diversity

A key element of SSAB's business strategy is to build a high-performing organization with strong employee engagement globally. SSAB will continue to work with leadership and competence development, and strive to enhance inclusion and diversity in the workforce.

2. United Nations Global Compact and Sustainability Development Goals

SSAB is a signatory to the UN Global Compact and continually enhance efforts to protect and respect its 10 principles, and promote its spirit within the areas of human rights, labor standards, the environment and anti-corruption.



SSAB also supports the International Bill of Human Rights, ILO Core Conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We have chosen to focus on eight of the UN Sustainable Development Goals.

THE GLOBAL GOALS For Sustainable Development



3. Materiality

Key stakeholder groups

SSAB's key stakeholders are those who are impacted by SSAB's operations and activities, and who similarly impact SSAB including the following:

- Existing and potential customers;
- Existing and potential employees;
- Shareholders, investors and financiers;
- Existing and potential suppliers;
- Local communities near SSAB's production sites; and
- Public agencies and organizations

Other stakeholders SSAB interacts actively with include the media, analysts, regulators, various research bodies and partner organizations, research institutes, universities and vocational schools.

Approach to stakeholder engagement

SSAB aims for regular, honest and transparent interaction with our stakeholders. We actively maintain and develop stakeholder relations and draw on information obtained from them when developing our operations, products and services.

- **First in fossil-free steel**
To align with a transition to a low-carbon economy, the steel industry will require a step-change in emissions reductions through alternative steelmaking processes.
- **Occupational Health & Safety Process safety**
SSAB is determined to become the world's safest steel company, with the objective of achieving zero accidents, work-related injuries and illnesses. Everyone in SSAB has the right to a healthy, accident free work environment. Our goal is to prevent all injuries and work-related illnesses.
- **Circularity**
The production of iron and steel creates a range of residuals. Recirculating ferrous material back into the steelmaking process reduces the need for virgin raw materials. This, in turn, reduces CO₂ emissions and saves costs. Materials that cannot be recirculated internally can be processed and sold externally, creating new revenue streams while reducing CO₂ emissions by substituting natural resources in other industries. Increasing internal recirculation of residuals and external sales of by-products will lead to reduced waste and less material being sent to a landfill.
- **Social and environmental responsibility at suppliers**
SSAB has an extensive supply chain of approx 20,000 active suppliers in more than 60 different countries. Suppliers must comply both with SSAB's own standards and with international social and environmental guidelines in order to remain qualified suppliers for SSAB. We assess suppliers based on quality, delivery reliability, cost and sustainability.
- **Business ethics**
In today's globalized world, anti-corruption and business ethics have become increasingly important for companies. Failure to address corruption, bribery and other issues related to business ethics could have negative impacts on the company's reputation and brand and increase the risk for financial sanctions.
- **Inclusion and Diversity**
For us, a diverse workforce provides a wide range of abilities, competences and experience. Diversity means heterogeneity of our workforce including age, gender, race, ethnicity, physical abilities, political and religious beliefs, and other attributes.

4. Governance

Sustainability governance at SSAB is based on the company's vision, values and Code of Conduct complemented by governing documents.

The Board of Directors has the highest decision-making authority and is collectively responsible for strategically managing SSAB's transformation to fossil-free company. The Board of Directors approves the Code of Conduct, the sustainability strategy as well as Group performance targets, including sustainability targets.

SSAB's Group Executive Committee (GEC) is responsible for outlining the company's strategic approach to sustainability, adopting material topics, and monitoring how sustainability is implemented in the company's divisions, subsidiaries and support functions. Sustainability issues are frequently on SSAB's Group Executive Committee's agenda to ensure the close involvement of top management. The Head of Sustainability is a member of the Group Executive Committee and is responsible for strategy development and coordination of sustainability at Group level.

The Head of Sustainability leads a Sustainability management team, which is a network of people with expertise in different sustainability areas, including representation from the divisions and subsidiaries, with the responsibility to coordinate and drive SSAB's sustainability initiatives.

In the Group Executive Committee, there are several executives responsible for implementing different parts of SSAB's fossil-free transition. For example, the Head of Technical Development manages the HYBRIT implementation and also has a seat on the Board of HYBRIT Development AB. The Head of Sustainability manages operational initiatives towards SSAB becoming fossil-free, the Head of Strategy manages SSAB's Risk Enterprise Management process, which includes climate risks, and the Chief Financial Officer manages investments and financial matters related to climate change mitigation and adaptation.

To support work related to environmental issues, SSAB has environmental councils, which include representatives from divisions, main production sites and from SSAB's subsidiaries. In issues related to responsible sourcing, there is a procurement council, whose mission is to enhance global procurement processes and projects, and to collaborate on sustainability and continue our strong focus on responsible sourcing. A health and safety council with representatives from the businesses has the responsibility to coordinate, cooperate, and propose policy and strategy initiatives and changes to the GEC.

5. Commitments and Engagements

We are committed to the Paris Agenda, our target for greenhouse gas emissions including carbon dioxide have been approved by the Science Based Targets initiative and is in line with the objective of keeping global warming well below 2°C.

SSAB is also committed to reporting according to the Task Force on Climate-related Financial Disclosures, TCFD. This is a framework for disclosing climate related risks and opportunities. We have included an index table in our Annual Report in which we list our disclosures with reference to TCFD recommendations, and refer to the locations where these issues are addressed in our annual reporting.

We are also engaged with policy makers globally such as the Leadership Group for Industry Transition (LeadIT) and the Energy Transitions Commission (ETC), Eurofer, Euroslag, Eurometal and Corporate Leadership Group (CLG) (through the membership of Hybrit). Our engagements aim to inform on opportunities, challenges and needs connected to industrial decarbonization, and especially for the steel industry, reaching the ambition of becoming fossil-free.

Sustainability-Linked Finance Framework

We want to become the first fossil-free steel company in the world. Therefore, our vision is at the core of our entire operation. In everything we do, we strive to create a stronger, lighter and more sustainable world. Sustainability is a key business driver for both us and our customers. Consequently, we put great effort into ensuring that we act in an ethical and environmentally sound way in all our operations and markets. SSAB strives to integrate sustainability features in its funding. This Sustainability-Linked Finance Framework has been developed in accordance with the Sustainability-Linked Bond Principles (SLBP), established by the International Capital Markets Association (ICMA) and published in June 2020. SSAB can under this framework issue securities, including but not limited to bonds with a sustainability-linkage.



“Sustainability-Linked Bonds (“SLBs”) are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability/ ESG objectives. In that sense, issuers are thereby committing explicitly (including in the bond documentation) to future improvements in sustainability outcome(s) within a predefined timeline. SLBs are a forward-looking performance-based instrument. The proceeds of SLBs are intended to be used for general purposes, hence the use of proceeds is not a determinant in its categorization.”

The Sustainability-Linked Finance Framework has been developed to be aligned with the five core components of the SLBP:

1. Selection of Key Performance Indicators (KPI)
2. Calibration of Sustainability Performance Targets (SPT's)
3. Security characteristics
4. Reporting
5. Verification

Sustainalytics will provide a Second Party Opinion on this Sustainability-Linked Finance Framework, which will be made publicly available on SSAB's website alongside this Framework.

We are proud of having integrated our SBTi verified sustainability goals into our EMTN programme documentation in 2021, providing us with an opportunity to further communicate our sustainability strategy and commitment. This Sustainability-Linked Finance Framework will contribute to awareness around SSAB's commitment to our goals, as well as offer an opportunity to communicate with investors and other market participants about our work within this area in a dedicated and frequent manner. For more information about our commitment to ongoing reporting please read the reporting section in this Framework.

1. Selection of the Key Performance Indicator (KPI)

The KPI that has been included for the purpose of this Sustainability-Linked Finance Framework is the reduction of greenhouse gas emissions. This mirrors the key environmental sustainability challenges of the steel industry, as well as those we are facing and are committed to mitigating with our strategy “With the future in mind”.

Greenhouse Gas Emissions (GHG) Reduction – SBTi Verified
<p>Reduction of absolute Scope 1 and 2 GHG emissions. Includes CO₂ and other GHG emissions as defined in the GHG Protocol.</p> <p>GHG emissions need to be radically reduced in order to limit climate warming and meet the targets set in the Paris Agreement. The steel industry remains a significant source of CO₂ emissions and our planet needs more actions to continue to reduce emissions. Our steelmaking processes have been continuously advanced and improved over time. Today, we are among the most CO₂ efficient steel producers in the world and our overarching goal is to be fossil-free by 2045. SSAB’s newly launched environmental target for GHG emissions, which has been approved by the Science Based Targets initiative, stipulates a commitment to reduce SSAB’s GHG emissions by 35% by 2032 (compared to 2018² and measured as CO₂e). The 2032 Target applies to both direct and indirect emissions (Scope 1 and 2 GHG emissions) and is in line with the Paris Agreement, hence in line with the objective of keeping global warming well below 2°C by 2100.</p>
Calculation Methodology
<p>Scope 1 and 2 GHG emissions. Scope 1 being GHG emissions from SSAB’s own operations, and Scope 2 being indirect GHG emissions from consumption of purchased electricity and heat used in our own operations. SSAB’s definitions are aligned with the GHG Protocol. These emissions are modelled using the Absolute Contraction Approach³ (ACA) Well Below 2°C (WB2) scenario. The appendix hereto provides further details on the SBTi commitment and calculation method.</p>
EU Environmental Objective
<p>The KPI relates to the EU environmental objective “Climate Change Mitigation”.</p>

² The 2018 baseline (2018 Baseline) is 11,819,605 metric ton CO₂e (the market-based method will be used to track performance towards the Scope 2 part of the target).

³ <https://sciencebasedtargets.org/news/understand-science-based-targets-methods-climate-action>

UN Sustainable Development Goals

The KPI relates to the following United Nations Sustainable Development Goals



- 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*
- 12. Ensure sustainable consumption and production patterns*
- 13. Take urgent action to combat climate change and its impacts*
- 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development*

2. Calibration of Sustainability Performance Targets (SPTs)

We want to become the first fossil-free steel company in the world and this, vision is at the core of our entire operation.

Decrease of Absolute Scope 1 and 2 Emissions

Our aim is to reduce our absolute Scope 1 and 2 GHG emissions by 35% by 2032 from a 2018 base-year, which has been validated and approved by the Science Based Targets initiative as being aligned with reductions required to keep Global warming to “well-below 2 °C” (the 2032 Target).

Benchmark

The Science Based Targets initiative has approved our GHG emissions reduction target for target year 2032. By benchmarking our ambition against the ambition stated in the Paris Agreement, we have aligned our target with both the expectations on climate action from our customers and future policy initiatives.

Strategy to Achieve Target - SPT

Our steelmaking processes have been continuously advanced and improved over time and we are today among the most CO₂ efficient steel producers in the world. To achieve our 2032 Target, we will initiate the key actions set out below between 2021 and 2032 targeting the following SPT Trajectory:

Scope 1&2 emissions	20	21	22	23	24	25	26	27	28	29	30	31	32
Absolute emission target	11.8	11.3	11.3	11.3	10.6	10.0	10.0	10.0	10.0	8.7	7.8	7.7	
CO ₂ e change million tons vs. base year	-0.0	-0.5	-0.5	-0.5	-1.2	-1.8	-1.8	-1.8	-1.8	-3.1	-4.0	-4.1	
SBTi Target – reduction in %	0%	4%	4%	4%	10%	15%	15%	15%	15%	26%	34%	35%	

The SPT Trajectory illustrates the annual SPTs available for securities issued under this Framework.

In line with the Swedish government initiative "Fossil-free Sweden 2045", SSAB is committed to becoming 100% fossil-free by 2045. We intend to achieve this by developing a fossil-free steelmaking process for iron ore based steelmaking; known as the Hybrit initiative, along with addressing other fuel related emissions, which will be reduced by either switching to electricity or bio fuels. Where applicable, this also applies to transportation needs.

The SSAB Hybrit initiative will create a technology leap by introducing a new steel-making technology. The remaining production that is not replaced by the Hybrit technology, will use fossil-free fuels and fossil-free electricity only.

The new Hybrit steel making process will require new production equipment and plants to be built. The first step was the construction of a pilot plant, which has been completed, along with an electric arc furnace (EAF) in Oxelösund, which is in progress for production start in 2025, and a demonstration plant now in the planning stage that will go into production in 2026.

The stepwise reduction pathway

Main contributions:

- 2022: Iowa operations in US powered 100% by renewable energy
- 2025: 50% use of EAF in Oxelösund, Sweden
- 2026: 100% use of EAF in Oxelösund, Sweden
- 2030: 25% use of EAF in Raahe, Finland
- 2031: 50% use of EAF in Raahe, Finland

Level of Ambitions

The SPTs include both Scope 1 and 2 GHG emissions. The 2032 Target was assessed, approved and verified by the Science Based Targets initiative in October 2020, thus assuring an external reference to the level of ambition.

Historical KPI Performance

The first significant improvement is the use of renewable electricity in Iowa in 2022. Until then, SSAB's emissions will vary depending on the rate of production. SSAB has not recalculated Scope 1 and 2 GHG emissions for 2020 based on the SBTi's calculation methodology, which will be used going forward.

	Base year data 2018 [tCO ₂ e]	Most recent year data 2019 [tCO ₂ e]
Scope 1	10,333,121	10,150,058
Scope 2	1,486,484	1,404,729
Total	11,819,605	11,554,787

3. Security Characteristics

The financial characteristics of any security issued under this Framework will be specified in its corresponding security documentation including but not limited to the KPI definitions, SPT level and calculation methodology, along with the year in which the relevant SPT is to be achieved (the Reference Year) and the potential change in such security characteristics.

3.1 Trigger Events

The occurrence of any of the following events (the Trigger Events) will trigger a change to the financial Characteristics of the relevant security as described in 3.2 below.

- SSAB has not achieved the applicable SPT relating to the KPI for the relevant Reference Year as reported on or before the Reporting End Date following the end of such Reference Year, *or*
- SSAB's reporting does not meet the requirements set out in Section 5 (*Reporting*) of this Framework in all material respects, *or*
- the verification of the SPT in accordance with section 6 (*Verification*) of this Framework has *not* been provided and made public by the Reporting End Date (as defined below).

The "Reporting End Date" for any given year shall be the date falling 150 days after the 31 December of that year.

3.2 Changes in Security Characteristics

The occurrence of a Trigger Event will result in a coupon *step-up* or increase in the redemption price applying to the relevant security from the first day of the next interest period immediately following the Reporting End Date for the relevant Reference Year until maturity of the relevant security.

The size of the step-up applicable to the coupon or the increase of the redemption price will be specified in the security documentation for each respective security issued under this Framework.

For the avoidance of doubt, if in respect of any securities issued under this framework, the company has achieved the relevant SPT for the Reference Year, *and* reporting *and* verification for the KPI and SPT have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of the relevant security issued by SSAB under this Framework shall remain unchanged.

For any security issued under this Framework, a Trigger Event impacting the financial characteristics of the security may only occur once during the tenor of the relevant security.

4. Fallback mechanisms

The levels of CO₂e emissions during the base-year 2018 for the KPI will be recalculated to reflect any *significant* changes in SSAB's structure (e.g., acquisition, divestiture, mergers, insourcing or outsourcing). At a minimum, SSAB will need to evaluate target accuracy and relevance to the latest SBTi criteria every 5 years (i.e., in 2025 and 2030). Should there be a notable merger/acquisition between these mandatory re-evaluations (i.e., with a significant impact on Scope 1 and 2 GHG emissions), then SSAB will evaluate the impact of this on the 2032 Target and may be required to adjust the 2032 Target and resubmit to the SBTi.

Recalculated levels of CO₂e emissions for the KPI will be reported to SBTi. The threshold value for a significant change is a change that impacts the 2032 Target by 5% or more (which threshold for recalculation is in line with the recommendation by the SBTi). Any recalculations of levels of the 2018 Baseline for the KPI must be reported in the annual Sustainability-Linked Finance Progress Report (see the reporting section below) verified by an independent, qualified external reviewer as outlined in section 6 (*Verification*) of this Framework.

The KPI and SPTs set out in this Framework will remain applicable throughout the tenor of any security issued under this Framework, regardless of any changes to SSAB's sustainability strategy and ambitions. This includes any changes relating to the SSAB's general sustainability targets and ambitions or changes in applicable benchmarks or industry standards. However, any changes to the calculation methodology for the KPI or significant changes in data due to better data accessibility may result in a change in the applicable baseline. Any new or updated Sustainability-Linked Finance Framework, in relation with any subsequent capital markets transactions, shall not have any implications on the securities issued under this Framework.

5. Reporting

In order to provide investors and other stakeholders with adequate information about SSAB's implementation of its sustainability strategy in general, SSAB will provide relevant reporting on the progress made in respect of the KPI, and (in relation to any Reference Years only) the achievement or not of the applicable SPT set out in the security specific documentation. Such reporting shall be made publicly available on an annual basis in a Sustainability-Linked Finance Progress Report (SLB Progress Report) and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the financial and/or structural characteristics of securities issued hereunder. The SLB Progress Report shall be published on SSAB's web page no later than the Reporting End Date after the end of the year being reported on. For the avoidance of doubt, a failure to report does not

trigger a step-up after the reporting end date for that year. The step-up will only occur after the reporting end date relating to the Reference Year, regardless of when a failure to report occurs.

The SLB Progress Report will form the basis for evaluating the impact on the characteristics of any securities issued under this Framework, as outlined in Section 3 (*Security Characteristics*) and the security specific documentation. The SLB Progress Report will contain information needed to assess if a Trigger Event has occurred in respect of any relevant outstanding securities, including but not limited to:

- The performance of the KPI, as per the end of the year being reported on, including the calculation methodology and baselines where relevant;
- Information about recalculations, if any, of the 2018 Baseline for the KPI;
- A verification report relating to the KPI outlining the performance against the relevant SPT(s) and the related impact, and timing of such impact, of such performance on the Security Characteristics; and
- Information on any updates to SSAB's sustainability strategy and/or governance with an impact on the KPI and SPT(s).

When feasible and possible the SLB Progress Report will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities, behind the evolution of the performance on the KPI on an annual basis;
- Illustration of the positive sustainability impacts of the performance improvement;
- Any re-assessments of the KPI and/or restatement of the SPT(s) and/or pro-forma adjustments of baselines or KPI scope; and
- Updates on new or proposed regulations from regulatory bodies relevant to the KPI and the SPT(s).

The verification report referred to above shall be provided by a qualified external reviewer with relevant expertise as described in Section 6 (*Verification*).

6. Verification

In order to provide transparency to investors and in alignment with the Sustainability Linked Bond Principles, SSAB will ensure that a verification by a qualified external and independent reviewer with relevant expertise, as outlined in the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews developed by the Green and Social Bond Principles, of its actual performance level against the SPT Trajectory for the KPI is carried out on an annual basis. The verification shall be conducted with limited assurance by the external reviewer. SSAB has the discretion to change the external reviewer subject to fulfilling the requirements set out herein. The ex-ante reviewer of the Sustainability-Linked Finance Framework shall differ from the ex-post reviewer.

The verification of the actual performance relative to the SPT Trajectory shall be made public together with SSAB's SLB Progress Report on the company's webpage no later than the Reporting End Date in each year as set out in section 3 (*Security Characteristics*) and specified in the security specific documentation for as long as any securities issued under this framework remain outstanding. The verification, together with the SLB Progress Report, will form the basis for evaluating whether a Trigger

Event has occurred in respect of any security issued under this Framework as described in section 3 (*Security Characteristics*) above.

Failure to provide the ex-post verification before the Reporting End Date in any year up to and including the year following the Reference Year for any securities issued under this Framework, shall result in an automatic adjustment in the financial characteristics of such securities as outlined in the security specific documentation.

7. Second Party Opinion

SSAB has engaged Sustainalytics as an external reviewer to provide, in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews developed by the Green and Social Bond Principles, an independent, ex-ante Second Party Opinion on SSAB's Sustainability-Linked Finance Framework. The Second Party Opinion will be made publicly available on SSAB's website.

Appendix

SBTi commitment

SSAB commits to reducing absolute Scope 1 and 2 GHG emissions by 35% by 2032 from the 2018 Baseline. As part of SSAB's 2032 Target, no greenhouse gases have been excluded. However, offices and minor standalone cutting operations are excluded from our inventory due to the insignificance of these emissions since emissions from these sources have been analyzed for materiality, and represent only 0.8% of SSAB's total operational emissions.

The SBTi requires that relevant Scope 3 (indirect emissions) are assessed and, if significant, they are included as part of the company's SBT. SSAB's Scope 3 calculations demonstrates that Scope 3 is a material aspect of SSAB's carbon footprint, with the majority coming from processing of sold products (40%) and also purchased goods and services (34%). However, the total Scope 3 is 32% of SSAB's total emissions, therefore a Scope 3 target is not required under SBTi's criteria.

SSAB have completed a Scope 3 screening for all relevant Scope 3 categories in order to determine its significance as per the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. If SSAB's Scope 3 emissions had been 40% or more of its total scope a Scope 3 target would have been required.

