Instruction regarding anti-corruption

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1. Background and purpose

The purpose of Instruction is to state the principles which apply within SSAB regarding the giving and taking of benefits and to make it easier for employees to assess whether or not a benefit is permitted. However, compliance with this Instruction is not decisive as to whether a benefit is deemed to constitute any criminal bribe giving or bribe taking.

Each SSAB employee is obliged, in contacts with customers, suppliers and similar business contacts, to comply with the prohibition on bribe giving and bribe taking. It may, however, be difficult to know where the boundary lies with respect to bribe giving and bribe taking. The assessment is affected by the circumstances in the individual case, for example:

a) If the benefit was given and accepted openly.
b) If, from an objective perspective, the benefit was moderate.
c) If the benefit was given or accepted during an ongoing procurement situation or in connection with business negotiations.
d) If the benefit was of use in the work.
e) If conditions were imposed with respect to the benefit.
f) The value of the benefit to the recipient.
g) If the recipient’s employer approved the benefit.
h) The relationship between the parties.
i) The recipient’s sense of integrity.
j) Whether the recipient’s relatives or closely-related persons were covered by the benefit.
2. **Applicability**

This Instruction is mandatory and shall apply to all divisions and companies in the SSAB Group.

SSAB’s Code of Conduct applies in conjunction with all operations within SSAB. In addition, this Instruction governs all contacts with customers, suppliers and other business contacts, unless otherwise stated in mandatory law in a particular country in which the SSAB Group operates.

SSAB applies the Swedish code on gifts, rewards and other benefits in the business sector (the Business Code), which entered into force in 2012. This Instruction includes relevant parts of the Business Code.

3. **Instruction statement**

3.1 **DEFINITIONS**

*Benefit* means, according to this Instruction, (i) gifts, (ii) dinners and other entertainment arrangements, (iii) travel, study visits, training, conferences and sales promotion events, as well as other similar benefits to customers, suppliers or other business contacts.

*Bribe giving and bribe taking* means benefits in violation of Swedish law.

*Giving and taking of benefits* means also offers regarding benefits or other such initiatives.

*Employee, worker or co-worker* means also contractors retained by SSAB.

3.2 **GIVING AND TAKING OF ALL TYPES OF BENEFITS**

The following general requirements shall apply in conjunction with the giving and taking of all types of benefits:

3.2.1 **Approval of the benefit**

Each manager within SSAB who is responsible for operations that involve contacts with customers, suppliers or similar business contacts may, within their respective unit, establish supplementary rules regarding approval of benefits in accordance with locally-issued supplements to this Instruction. The rules in such supplements may in no respect restrict the content of this Instruction.

3.2.2 **Unacceptable benefits**

Some benefits are not permissible under any circumstances, for example:

- **a)** Monetary gifts, gifts cards and the like that could be considered as cash equivalents.
- **b)** Monetary loans, providing of security (guarantees), waivers of claims, repayments or interest and the like, on terms that are not market terms.
c) Work for the recipient or delivery of goods or services for private use and on terms that are not market terms.

d) Benefits conditional on the recipient performing something for the provider and that is not approved by the employer or principal.

e) Covert commissions to employees or contractors (i.e. other entities than the company).

f) Access to vehicle, boat, holiday home or the like for private use.

g) Wholly or partially paid entertainment or holiday trip.

h) Offer that is perceived as generally unethical, e.g. strip club visits.

3.2.3 Facilitation payments

SSAB does not accept so called facilitation payments, which are payments to induce officials to perform routine functions they are otherwise obligated to perform. Anyone who is asked to make a facilitation payment must report it to his or her manager together with a description on the circumstances in which the payment was requested. The manager will thereafter immediately report the request for facilitation payments to the Ethics and Compliance function or Group Staff Legal.

3.2.4 Nature of the benefit

A benefit may not be given or accepted where the purpose is, or is suspected to be, to influence the recipient’s behavior or decisions.

Benefits which are given or accepted must, from an objective perspective, be moderate and characterized by openness and constitute a natural and useful element in the work.

Benefits may never be given or accepted if they are conditional on certain conduct by the recipient.

Commercial contacts with persons with whom the employee has a personal friendship should be avoided and/or carefully considered.

Benefits may be given or accepted only after approval by an immediate superior where so is required in section 3.2.1 above or otherwise is required in this Instruction.

3.2.5 In the event of doubt whether the benefit is permitted

Employees shall report any benefits that are likely to deviate from this Instruction to his/her superior manager who shall assess whether the benefit may be accepted.

In the event of doubt whether or not the benefit is permitted, advice may be obtained from the Ethics and Compliance function or Group Staff Legal.

If doubt remains, the benefit must not be given or accepted.
3.2.6 Infringement

Any employee who becomes aware of a violation of this Instruction should report that information to his/her superior manager. SSAB also has an Ethics Line where employees can report serious misconduct.

3.2.7 Derogations from the Instruction

Derogations from this Instruction may be granted only by the CEO of SSAB following consultation with SSAB’s Head of Sustainability and General Counsel. Derogations may be allowed only in exceptional cases and reasons therefor shall be documented in each individual case.

3.3 ACCEPTANCE OF BENEFITS BY SSAB EMPLOYEES

Where SSAB employees accept benefits from customers, suppliers or similar business contacts, the following shall apply in addition to the provisions of section 3.2 above:

3.3.1 Gifts

SSAB employees may accept gifts with a value of less than SEK 450 for the recipient.

SSAB employees may not accept gifts with a value in excess of SEK 450 unless approved by an immediate superior.

If the rejection of a gift from a foreign giver for cultural reasons is likely to cause considerable harm to the business relationship, the gift may still be accepted as received on SSAB’s behalf but the immediate superior shall be informed accordingly. The accepted gift shall be at SSAB’s disposal.

Upon application of the rule in this section, the value of repeated gifts from the same customer, supplier or other business contact during a period of less than 6 months shall be aggregated.

Even benefits without a monetary value can constitute a gift, for example, a membership of an exclusive club or a prestigious award.

3.3.2 Dinners and entertainment arrangements

The purpose of dinners and entertainment arrangements shall be the creation and maintenance of good business relations. It shall constitute a natural and useful part of the work and be used primarily for work purposes, e.g. business lunches.

Invitations to dinners and entertainment arrangements may be accepted only where a normal dinner is involved and/or the arrangement is moderate.

Repeated invitations from customers, suppliers or other business contacts to the same person within short periods of time shall be avoided.

Invitations to an employee’s spouse or any other relative or closely-related person constitute a circumstance of particular importance when assessing whether a benefit is
permitted. Thus, the main rule is that relatives shall not accompany an employee. Derogations from this rule may be granted by an immediate superior, who shall adopt a severely restrictive approach when making his/her assessment.

In connection with business negotiations dinners and entertainment arrangements, other than customary business meals, shall be avoided.

3.3.3 Travel, study visits, training, conferences and sales promotion events

Travel, study visits, training, conferences and sales promotion events are permitted if they constitute a natural and useful part of the work.

It is a fundamental condition that the content is serious and that an established program is in place which is stated in the invitation.

The work element of the visit shall predominate and there shall be only limited scope for entertainment and recreation.

It is not permitted to accept offers with respect to an employee's spouse or any other relative or closely-related person.

SSAB shall bear the costs for travel and lodgings.

In connection with business negotiations, travel, study visits, training, conferences and sales promotion events, other than customary events, shall be avoided.

3.4 BENEFITS GIVEN BY SSAB EMPLOYEES

Where SSAB employees give benefits to customers, suppliers or similar business contacts, the following shall apply in addition to the provisions of section 3.2 above:

3.4.1 Gifts

Gifts to business contacts which have a value of less than SEK 450 for the recipient may be given.

Gifts to business contacts with a value in excess of SEK 450 require approval by an immediate superior.

Upon application of the rules in this section, the value of repeated gifts to the same business contact during a period of less than 6 months shall be aggregated.

Gifts may never be given to persons who exercise public authority or to persons who decide on public procurement. Great restrictiveness shall be observed in the event of gifts to employees or contractors:

a) At public entities, even if the employee or contractor does not participate in the exercise of public authority or in public procurements.
b) Within sectors where integrity is particularly sensitive and in which particular interests must be protected, such as in publicly owned or financed companies, privately owned banks, credit and insurance institutes as well as companies involved in certifying or monitoring activities.

In the event of doubt, the Ethics and Compliance function or Group Staff Legal shall be consulted before the gift is given.

Even benefits without a monetary value can constitute a gift, for example, a membership of an exclusive club or a prestigious award.

3.4.2 Dinners and entertainment arrangements

The purpose of dinners and entertainment arrangements shall be the creation and maintenance of good business relations. It shall constitute a natural and useful part of the work and be used primarily for business purposes, e.g. business lunches.

Invitations to dinners and entertainment arrangements may be given only where they involve normal dinners and/or the arrangement is moderate.

Invitation should be directed to a wider group of persons and not to specifically selected persons. The recipient’s employer shall be notified of the invitation, if possible in advance, for example through a copy of the invitation being provided to a superior manager.

Repeated invitations to the same person within short periods of time shall be avoided.

Invitations to a business contact’s spouse or any other relative or closely-related person constitute a circumstance of particular importance when assessing whether the benefit is permitted. Thus, the main rule is that such closely-related persons shall not be invited. Derogations from this rule may be granted by an immediate superior, who shall adopt a severely restrictive approach when making his/her assessment.

Invitations may never be given to persons who exercise public authority or to persons who decide on public procurement. Great restrictiveness shall be observed in the event of invitations to employees or contractors:

a) At public entities, even if the employee or contractor does not participate in the exercise of public authority or in public procurements.

b) Within sectors where integrity is particularly sensitive and in which particular interests must be protected, such as in publicly owned or financed companies, privately owned banks, credit and insurance institutes as well as companies involved in certifying or monitoring activities.

In the event of doubt, the Ethics and Compliance function or Group Staff Legal shall be consulted before the invitation is made.
In connection with business negotiations dinners and entertainment arrangements, other than customary business meals, shall be avoided.

3.4.3 Travel, study visits, training, conferences and sales promotion events

Travel, study visits, training, conferences and sales promotion events are permitted if they constitute a natural and useful part of the work.

It is a fundamental condition that the content is serious and that an established program is in place which is stated in the invitation.

The work element of the travel shall predominate and there shall be only limited scope for entertainment and recreation.

Invitation should be directed to a wider group of persons and not to specifically selected persons. The recipient’s employer shall be notified of the invitation in advance, for example through a copy of the invitation being provided to a superior manager.

It is not permitted to invite the business contact’s spouse or any other relative or closely-related person.

The recipient shall bear his/her own costs for travel and lodgings.

Invitations may never be extended to persons exercising public authority or to persons who decide on public procurement. Great restrictiveness shall be observed in the event of invitations to employees or contractors:

a) At public entities, even if the employee or contractor does not participate in the exercise of public authority or in public procurements.

b) Within sectors where integrity is particularly sensitive and in which particular interests must be protected, such as in publicly owned or financed companies, privately owned banks, credit and insurance institutes as well as companies involved in certifying or monitoring activities.

In the event of doubt, the Ethics and Compliance function or Group Staff Legal shall be consulted before the invitation is made.

In connection with business negotiations, travel, study visits, training, conferences and sales promotion events, other than customary events, shall be avoided.

4. Associated documents

- Group Directive regarding anti-corruption
- Group Directive regarding Ethics Line
- The Code of Conduct
- The Swedish code on gifts, rewards and other benefits in the business sector
5. **Changes compared to last revision**

This Instruction has been adjusted to SSAB’s new structure for governing documents.