A stronger, lighter and more sustainable world

Together with our customers, we will go further than anyone else in realizing the full potential of lighter, stronger and more durable steel products.
SSAB Sustainability strategy

With the Future in Mind
STEEL IS PART OF THE SOLUTION

• Critical for society and new infrastructure
• Unique material and available everywhere
• 100% recyclable without loss of quality

PUBLIC

Energy

Food

Clean water

Communication

Infrastructure
STEEL CONSUMPTION INCREASING

- Standard of living
- Urbanization and infrastructure
- Transportation and production

![Graph showing increasing steel consumption](source: worldsteel Short Range Outlook)
Recycling will not be enough
– 50% iron ore-based steel will still be needed by 2050

2020

Iron ore
Recycled metal
1800 Mtonnes steel

2050

Iron ore
Recycled metal
2800 Mtonnes steel
Nevertheless:

• The steel industry accounts for 7% of global CO₂ emissions
• SSAB accounts for 10% of CO₂ emissions in Sweden and 7% in Finland
With the Future in Mind

First in fossil-free steel

► Use better steel
► Use steel better
► Go fossil free

Safety first
► Efficiency & Responsibility
► Respect & Integrity

Leading sustainability performance
SSAB to become fossil free: 2 clear objectives

1. SSAB to bring fossil-free steel to the market in 2026
   - Launch of a premium product with no fossil CO₂ footprint
   - This means no fossil CO₂ emissions when producing this product, and a requirement to use fossil-free sponge iron

2. SSAB to have leading sustainability performance; largely fossil-free around 2030
   - Largely eliminate CO₂ emissions from our own operations in around 2030
   - This means almost no CO₂ emissions from our own operations and purchased energy
Eliminate CO\textsubscript{2} emissions 15 years earlier than planned

- Policy decision to accelerate the green transition
  - Strongly growing demand for fossil-free steel

- Mitigating climate change
  - Major contribution to climate targets in Sweden and Finland – around 8 million tonnes reduced CO\textsubscript{2} emissions per year

- Potential of CO\textsubscript{2} cost avoidance of ~SEK 7bn/year in the beginning of next decade
  - Assuming removal of free allocations and an emission allowance price of EUR 90/t
SSAB’s climate target is science based

► SSAB's climate goal is approved by the Science Based Targets initiative
  – This means that the target is scientifically based
  – In line with the Paris Agreement (well below 2 degrees Celsius)

► Reduce CO₂ emissions by 35% by 2032
  – Absolute Scope 1 & 2 CO₂ emissions, base year 2018

► Part of the overall SSAB roadmap
First in fossil-free steel

► **Use better steel**
  - Reduce your footprint with low CO₂ steel

► **Use steel better**
  - SSAB steel makes products lighter and stronger
  - Reduce CO₂ emissions in the use phase

► **Go fossil free**
  - Be part of a fossil-free value chain
  - Be the first to offer fossil-free products
Use better steel
Reduce your footprint with low CO₂ steel

SSAB’s blast furnace-based production is among the most CO₂ efficient in the world. This gives a competitive advantage to SSAB and its customers.

Compared to Chinese steel mills, SSAB steel saves an average of 1,600,000 tonnes of CO₂ each year. This means that a German customer would generate 21% higher CO₂ emissions, including transportation, when using steel from an average Chinese steel mill.

Source: thinkstep, BF GWP benchmarking, 2019, and SSAB EPD data.
Use better steel
Reduce your footprint with low CO₂ steel

► Environmental Product Declarations validate sustainable production
  – For all SSAB products
  – Supporting Life Cycle Analyses

► EcoSmart communicates sustainability
  – Emphasizing both key product and process attributes to steel
  – Steel made from 97% recycled materials

► Innovative technology, e.g.
  GreenCoat Bio-based coatings
  – A unique, patented sustainable building product
  – Using Bio-based Technology (BT) coating made with rapeseed oil
Use steel better
SSAB steel makes products stronger, lighter and increases productivity

High-strength steels make the world’s highest aerial platform possible

A 112-meter high aerial platform needs be strong and light-weight. In the top section Bronto uses steel just 3 mm thick, making the platform light enough to be mounted on a regular truck.

High-strength steels move the roof of Friends’ Arena

The retractable roof of the Swedish national arena needs be light and strong. High-strength steels reduced the weight by 21% and CO₂ emissions by 900 tonnes.

High-strength steels saves 30 tonnes of CO₂ for Mantella

High-strength steels made this trailer shed over half a tonne of weight. Increased productivity saves 12,000 liters of fuel and 30 tonnes of CO₂ during 12 years of operation.
Use steel better
Reduce CO₂ emissions in the use phase

➤ High-strength steels generate customer CO₂ savings
  – Steel is used in equipment with significant fuel consumption
  – SSAB steels make products lighter and more productive
  – The SSAB EcoUpgraded concept quantifies CO₂ and financial savings

➤ High-strength steels are key in reducing vehicle weight and energy consumption
  – Without compromising safety

➤ In emission-free vehicles, materials have the greatest environmental impact
  – High-strength steels have a lower environmental footprint than magnesium, carbon fiber or aluminum
Go fossil free
Be part of a fossil-free value chain

Fossil-free mining
LKAB will reduce energy consumption and CO₂ emissions to reach a positive CO₂ balance by 2030

Fossil-free electricity
Vattenfall's goal is that both the company and its customers will be completely fossil free within one generation

Fossil-free steel
Reduce CO₂ emissions by closing blast furnaces and use the HYBRIT technology, largely eliminating CO₂ around 2030

Fossil-free value chain
SSAB customers using fossil-free steel, aiming for CO₂ neutrality, starting 2026
Go fossil free
Be the first to offer fossil-free products

Pilot plant trials in Luleå
Hydrogen storage pilot
Demonstration plant
Site decision
Construction start
Start-up
Electric arc furnace in Oxelösund
Commercial deliveries
Transformation of Nordic strip production (policy decision)

HYBRIT
SSAB

2020 2021 2022 2023 2024 2025 2026
## Better and fossil-free steel

<table>
<thead>
<tr>
<th>Target</th>
<th>KPI</th>
<th>Actual 2021</th>
<th>Target 2022</th>
<th>Target 2024</th>
<th>Target 2026</th>
<th>Target 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower energy consumption /Higher productivity for customers</td>
<td>Mtonne customer CO₂ savings</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Resource efficiency (ktonnes steel saved**)</td>
<td>1,000</td>
<td>1,095</td>
<td>1,165</td>
<td>1,290</td>
<td></td>
</tr>
<tr>
<td>First in fossil-free steel</td>
<td>Fossil-free steel milestones</td>
<td>First fossil-free sponge iron produced and delivered</td>
<td></td>
<td>First commercial deliveries of fossil-free steel</td>
<td>SSAB largely fossil free</td>
<td></td>
</tr>
</tbody>
</table>

**Tonnes steel saved = Weight reduction through upgrading, based on volumes of high-strength steels delivered. Considering industry standard and using formula \((W_1/W_2)=(R_{e2}/R_{e1})^{0.5}\) or similar.
Leading sustainability performance

 ► Safety first
   - The world’s safest steel company
   - We care for each other

 ► Efficiency & Responsibility
   - Resource efficient operations
   - Responsible sourcing

 ► Respect & integrity
   - Zero tolerance for bribery and corruption
   - We are diverse and inclusive
Safety first
Becoming the world’s safest steel company

FOUR BUILDING BLOCKS OF SAFETY

Safety culture and leadership

Process safety management
Occupational safety management
Occupational health management
Safety first
Becoming the world’s safest steel company

Zero accidents, work-related injuries or illnesses

► Focus on preventive work
  - Learn from each other and share best practices
  - Required training for all
  - Risk identification, assessment, evaluation and removal processes

► Never walk by
  - Personal responsibility to work safely every day
  - Managers lead by example
  - All work is performed safely or otherwise discontinued

► World class process safety
  - Find out what can go wrong
  - Find out what protects us from anything going wrong
  - Ensure measures are effective, implemented and working properly
### Safety first
Becoming the world’s safest steel company

<table>
<thead>
<tr>
<th>Targets</th>
<th>KPI</th>
<th>Actual 2021</th>
<th>Target 2022</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate fatalities and serious incidents</td>
<td>Number of fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Number of serious incidents</td>
<td>309</td>
<td>166</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>LTIF</td>
<td>1.8</td>
<td>1.63</td>
<td>&lt; 1.5</td>
</tr>
<tr>
<td></td>
<td>TRIF</td>
<td>9.2</td>
<td>7.7</td>
<td>&lt; 5.0</td>
</tr>
<tr>
<td></td>
<td>LTI severity rate</td>
<td>11</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Reduce injuries and their severity</td>
<td>Number of major process safety</td>
<td>44</td>
<td>37</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>incidents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminate major process safety incidents</td>
<td>Number of safety rounds</td>
<td>40,720</td>
<td>55,000</td>
<td>68,600</td>
</tr>
</tbody>
</table>

SSAB
Efficiency & Responsibility

Circularity

► Internal recirculation
  – Materials are recycled back into the steelmaking process, which reduces the need for virgin raw materials
  – Landfill waste minimization

► Utilizing by-products
  – Steel production gives rise to a range of by-products, which can be sold to or used by other industries

► Energy recovery
  – Used for district heating on all major sites

Our materials are used in:
  • Iron- and steelmaking
  • Road construction
  • Cement industry
  • Car batteries
  • Freezer doors closing systems
  • Cars (permanent magnets)
  • Water purification chemicals
  • Insulations
  • Car tires
  • Farmland
  • Building bricks
  • Paper making
Efficient use of raw materials and energy
Improving energy efficiency to reduce the amount of energy needed
Optimizing logistics and improved fuel economy, driving routes, load carrier capacity

Air emissions reductions (other than CO₂)
Nitrogen oxides, sulfur oxides, particulate matter, etc.

Water effluents
Preventing the risk of contaminating water resources and reducing effluent discharge
Our climate target: Reduction of greenhouse gas emissions (CO\textsubscript{2}e)

- SSAB commits to reducing absolute Scope 1&2 emissions by 35% by 2032 compared to the 2018 base-year
- Science Based Target initiative (SBTi) approved CO\textsubscript{2} reduction target for the target year 2032
- New policy decision of accelerating the green transition. The CO\textsubscript{2} reduction target will be reviewed going forward

<table>
<thead>
<tr>
<th>Target KPI (Scope 1 and 2)</th>
<th>Actual 2021</th>
<th>2022</th>
<th>2025</th>
<th>2026</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO\textsubscript{2}e reduction, million tonnes</td>
<td>0.2</td>
<td>0.5</td>
<td>1.2</td>
<td>1.8</td>
<td>3.1</td>
<td>4.0</td>
<td>4.1</td>
</tr>
<tr>
<td>CO\textsubscript{2}e reduction, %</td>
<td>1.6%</td>
<td>4%</td>
<td>10%</td>
<td>15%</td>
<td>26%</td>
<td>34%</td>
<td>35%</td>
</tr>
</tbody>
</table>

- Iowa 100% green electricity
- 50% use of EAF in Oxelösund
- 100% use of EAF in Oxelösund
- 25% use of EAF in Raade
- 50% use of EAF in Raade

Efficiency & Responsiblity
Resource efficient operations
Efficiency & Responsiblity
Resource efficient operations

**Circularity (Nordic production system)**
- Use of scrap/H-DRI (home scrap, purchased scrap and H-DRI replacing BF route iron ore pellets)
- Slag utilization (BF, BOF and EAF slag)

<table>
<thead>
<tr>
<th>Targets</th>
<th>Actual 2021</th>
<th>2022</th>
<th>2025</th>
<th>2026</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of scrap/H-DRI</td>
<td>18%</td>
<td>20%</td>
<td>29%</td>
<td>39%</td>
<td>46%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>Slag utilization</td>
<td>81%</td>
<td>82%</td>
<td>100%</td>
<td>100%</td>
<td>105%</td>
<td>107%</td>
<td>107%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Iowa 100% green electricity</th>
<th>50% use of EAF in Oxelösund</th>
<th>100% use of EAF in Oxelösund</th>
<th>25% use of EAF in Raahe</th>
<th>50% use of EAF in Raahe</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% use of EAF in Raahe</td>
<td>25% use of EAF in Raahe</td>
<td>50% use of EAF in Raahe</td>
<td>100% use of EAF in Raahe</td>
<td>25% use of EAF in Raahe</td>
</tr>
</tbody>
</table>
To ensure that we collaborate with suppliers who share the sustainability values described in SSAB’s Supplier Sustainability Policy:

► **Risk assessment**
- Commodity managers trained in responsible sourcing
- Assessments based on risk indices for human rights, political and environmental risks
- Identified suppliers complete a self-assessment questionnaire on their commitment to labor and human rights, health and safety, anti-corruption and the environment

► **Supplier on-boarding**
- Contracts and purchase orders refer to the Supplier Sustainability Policy

► **Follow-up & corrective actions**
- On site visits and third party audits as outlined in the annual sustainability audit plan
- Follow up on KPIs
## Efficiency & Responsibility

### Responsible sourcing

<table>
<thead>
<tr>
<th>Targets</th>
<th>KPI</th>
<th>Actual 2021</th>
<th>Target 2025</th>
<th>Target 2030</th>
<th>Target 2045</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable supplier base</td>
<td>Share of new suppliers sustainability assessed</td>
<td>82%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Share of total purchase value sustainability assessed</td>
<td>96%</td>
<td>96%</td>
<td>98%</td>
<td>98%</td>
</tr>
</tbody>
</table>
Respect & Integrity
Zero tolerance for bribery and corruption

Code of conduct
- 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. All employees must complete e-learning in business ethics

Anti-corruption
- SSAB has zero tolerance for bribery and corruption
- Clear instructions guide us in our daily operations and how we act in relation to business partners

Ethics line
- Global whistleblower (Ethics Line) available online or by calling a global hotline, open 24/7
- Allowing employees to raise concerns anonymously
### Respect & Integrity

Zero tolerance for bribery and corruption

<table>
<thead>
<tr>
<th>Targets</th>
<th>KPI</th>
<th>Actual 2021</th>
<th>Target 2025</th>
<th>Target 2030</th>
<th>Target 2045</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure ethical conduct in line with SSAB’s corporate culture and</td>
<td>All employees have completed the e-learning in business ethics;</td>
<td>96%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>increase knowledge about the Code of Conduct and Ethics Line</td>
<td>including training on our Code of Conduct</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share of new employees covered by the on-boarding process; including</td>
<td>84%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>signing the Code of Conduct statement and e-learning in business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ethics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share of employees who have access to the Ethics Line* *</td>
<td>89%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
</tbody>
</table>

*Employees that do not have access to the Ethics Line have other local reporting channels
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.

We strive for inclusion to ensure the full and equal participation of everyone across the full spectrum of diversity within the organization.

At SSAB, we expect our leaders to continuously strive to create an inclusive workplace and build a diverse workforce – for the good of our culture, increased engagement and to drive our overall performance and results as a high-performing organization.
## Respect & Integrity

### Inclusion and diversity

<table>
<thead>
<tr>
<th><strong>WORKFORCE</strong></th>
<th><strong>WORKPLACE</strong></th>
<th><strong>COMMUNITY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Attract, hire and promote a diverse workforce for the future</td>
<td>Develop an inclusive and innovative workplace</td>
<td>Be a responsible partner and enhance our reputation as a company and employer</td>
</tr>
<tr>
<td><strong>Focus areas</strong></td>
<td><strong>Focus areas</strong></td>
<td><strong>Focus areas</strong></td>
</tr>
<tr>
<td>- Equal career opportunities</td>
<td>- Working with SSAB One to create involvement and engagement</td>
<td>- Partnerships with key schools</td>
</tr>
<tr>
<td>- Hiring practices with broader outreach for searching candidates</td>
<td>- Trainings on inclusion, diversity and bias</td>
<td>- Employer branding</td>
</tr>
<tr>
<td>- Transparent internal recruiting processes</td>
<td>- Mentoring programs and networks</td>
<td>- Relevant I&amp;D initiatives locally</td>
</tr>
</tbody>
</table>

**SSAB**
## Respect & Integrity

### Inclusion and diversity

<table>
<thead>
<tr>
<th>Target</th>
<th>KPI</th>
<th>Actual 2021</th>
<th>Target 2022</th>
<th>Target 2025</th>
<th>Target 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity &amp; Inclusion</td>
<td>Women in top management positions, %</td>
<td>22</td>
<td>32</td>
<td>35</td>
<td>37</td>
</tr>
</tbody>
</table>
A stronger, lighter and more sustainable world