



**SSAB**

Transforming  
the future of steel

► Annual Report 2023

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*This report has been published in Swedish and English. In the event of any differences between the English translation and the Swedish original, the Swedish report shall prevail.*



## Reinventing steelmaking

SSAB's breakthrough fossil-free technology is the first true steelmaking transformation for centuries. Our customers around the world will get premium high-strength steel, adapted to the future.

# Strategy report

SSAB is a global steel company with a leading position in high-strength steels and related services. We are leading the green transition of the steel industry and aim to largely eliminate carbon dioxide emissions from our own operations and together with our suppliers and customers to create a fossil-free value chain.



# This is SSAB

SSAB is a Nordic and US-based steel company that builds a stronger, lighter and more sustainable world through value added steel products and services. SSAB has employees in over 50 countries and production facilities in Sweden, Finland and the US. SSAB is listed on Nasdaq Stockholm and has a secondary listing on Nasdaq Helsinki.

119  
SEK BILLION

Revenue in 2023

Steelmaking since

1878



15,000

Employees in over  
50 countries

8.8  
MILLION  
TONNES

Annual steel  
production capacity



Headquarters  
Stockholm, Sweden

SSAB is organized across five business segments consisting of three divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, and the fully-owned subsidiaries: Tibnor and Ruukki Construction.



## SSAB Special Steels

has global responsibility for sales of SSAB's quenched and tempered (Q&T) steels and advanced high-strength steels (AHSS) as well as for steel and plate production in Oxelösund, Sweden, and Mobile, USA.



## SSAB Europe

is responsible for sales of strip, heavy plate and tubular products in Europe, the global business in the Automotive customer segment (AHSS) and for steel and plate production in Raahe and Hämeenlinna, Finland, and in Luleå and Borlänge, Sweden.



## SSAB Americas

is responsible for sales of heavy plate in North America and for steel and plate production in Montpelier, USA.



## Tibnor

is the Group's distributor of a full range of steel and non-ferrous metals in the Nordics and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers.



## Ruukki Construction

produces and sells energy-efficient building solutions, with a focus on northern and eastern Europe.

# SSAB's production sites and markets

SSAB's home markets are the Nordics (heavy plate, strip and tubular products) and North America (heavy plate). High-strength and quenched and tempered steels are sold worldwide. Our production plants are in Sweden, Finland and the USA and have an annual crude steel production capacity of 8.8 million tonnes.

## Nordics

- Heavy plate, strip and tubular products

## North America

- Heavy plate

## Globally

- Advanced high-strength steels (AHSS)
- Quenched & tempered (Q&T) steels



# Another strong year

Summing up 2023, SSAB had another strong year. Our operating result amounted to SEK 16.5 billion, lower than last year's record but still at a good level. We continue to generate strong cash flow, which increased during the year to SEK 16.2 billion. We initiated a share buyback program in 2023 and the Board proposes a dividend of SEK 5.00 per share. Our strong financial position is an advantage ahead of the comprehensive transformation that SSAB and the steel industry are facing.

It was a relatively weak year on the European steel market, our largest market. Inflation and higher interest rates dampened demand, especially in the construction sector. The North American heavy plate market continued to be at a good level, even though prices decreased compared to the high level seen in 2022. In SSAB Special Steels, demand was also affected by a weaker European market and shipments were somewhat lower than in 2022. But it is only a matter of time before growth returns, thanks to drivers in the form of higher productivity and better sustainability performance. Our high-quality products have the most advanced properties, which is demonstrated by a 40% share of the global market in wear steel.

## More resilient SSAB

Our result demonstrates that we can manage a cyclical slowdown better than before, with higher profitability. We have become better at quickly adjusting costs to lower demand and we have

gradually improved the product mix through a higher share of products with significant added value.

## Progress in the automotive industry

An example of this is the world-leading product portfolio in high-strength steels for the automotive industry that we have built up. This includes cold-rolled products, so called ultra high-strength steels that provide greater impact protection in cars while reducing weight. We also benefit from our leading position in steel with no carbon dioxide emissions. Automakers and their subcontractors want to sign cooperation agreements to be able to take stock of the properties of fossil-free steel before the future ramp-up of volumes. This means that SSAB can access new platforms with existing customers and also attract new customers already today. Our shipments of AHSS products in the Automotive segment increased by 22% in 2023.



**Launch of unique steel**

Spring 2023 saw us launch SSAB Zero, a unique steel with virtually 0.0 kg CO<sub>2</sub>e/kg of steel. Unlike our fossil-free steel, which is produced with iron ore, SSAB Zero is made from recycled scrap. We use renewable electricity and biofuel to produce the steel slabs in Montpelier in the USA. In other words, we do not need to reallocate emissions or use other technical accounting solutions to reduce the emissions on paper. Our flexible production system means that we can process the steel downstream in both the USA and Europe, and ship to customers all over the world. We shipped more than 50,000 tonnes of SSAB Zero in 2023 and will ramp this up in 2024.

**Oxelösund being transformed to fossil free**

SSAB plans to close all its coke plants and blast furnaces, thereby largely removing all direct carbon dioxide emissions. The first step is to transform the steel plant in Oxelösund and a start was made on construction of the new electric arc furnace during 2023. All the necessary permits are now in place and the transformation is proceeding to plan. Not only will this significantly improve our environmental performance, but also give us greater flexibility to adjust production in response to quick changes in demand and pave the way for more advanced products. The next step in the plan is to build modern mini-mills with integrated processing in Luleå and Raahe.

There is a good platform for our transformation in Sweden with good access to fossil-free electricity and top-quality iron ore. But we need to make effective use of these advantages otherwise the transformation in Sweden risks being delayed, which will in turn affect the conditions for the industry and future

investments. Permit processes in Sweden are lengthy and unpredictable. Furthermore, our competitors in France and Germany, for example, have been promised multi-billion euro subsidies to transform their production. In our other home markets, Finland and North America, the prerequisites are significantly better, especially regarding permit processes.

## “Infrastructure investments in the USA impact positively on the steel market”

**Infrastructure investments in the USA**

Politicians in the USA have clearly pointed the way. At the federal level, major new programs are now being launched in the form of the Infrastructure Bill and Inflation Reduction Act to upgrade the transport system, roads, ports and energy production. US infrastructure has been neglected in some areas and there are now pent-up needs. Among other things, the American Iron and Steel Institute estimates that the investments will increase demand for steel by several million tonnes for many years to come, in many cases with demands for locally produced steel. SSAB's products in North America are used for construction equipment, wind turbines, bridges and shipbuilding. Investments in infrastructure also benefit demand for high-strength steels.

**Safer workplace**

SSAB aims to be the world's safest steel company with zero lost time injuries. The positive trend in fewer lost time injuries continued in 2023, and most of our large production sites did not have a single lost time injury during the year. Lost time injury frequency (LTIF), including contractors, decreased to 0.87 (1.06). There is a strong correlation between a safe workplace and high productivity.

**Updated financial targets**

High productivity is key to SSAB being able to reach industry-leading profitability. In 2023, we revised our financial targets, primarily with regard to the capital structure. We now have a net gearing framework to keep to, which among other things means that our owners can take comfort in the fact that the pace of transformation will be adapted to the capacity of the balance sheet.

**Supporting UN global sustainability goals**

A strong financial position is the basis for being able to run the business in a sustainable way. SSAB has clear and ambitious sustainability work, which is not only intended to reduce our environmental impact and to improve our safety culture but also encompasses business ethics, responsible sourcing and equality at our workplaces. The work is based on UN Global Compact principles on responsible business, to which SSAB has been a signatory for many years. We have also committed to contribute to long-term sustainable development in line with UN Sustainable Development Goals and the Paris Agreement.

**Favorable long-term outlook**

In the short term, there will always be more or less uncertainty with regard to the business cycle. In the longer term, SSAB has every possibility to perform well. We continue to lead the green transition in the steel industry. The investments we have ahead of us will not only remove our CO<sub>2</sub> emissions but also significantly improve our cost position in Europe. Given the major infrastructure investments, the US market is very interesting from a mid-term perspective. We will continue to invest in high-strength steel capacity, a market that is enjoying structural growth. Through our work with continuous improvement, we can take advantage of more initiatives from our employees and I would like to thank all employees, you are the key to our future success.

Finally, I would like to thank all our shareholders for their confidence in SSAB. I am convinced that SSAB will continue to transform into a even more sustainable and more profitable company.

**Martin Lindqvist,**  
President and CEO

# 2023 in brief

## Transformation to fossil-free steelmaking at Oxelösund

In June 2023, SSAB's Board of Directors took a decision to invest in transforming the Oxelösund mill. The plan is to replace the coke plant and blast furnace with an electric arc furnace which can use recycled steel and sponge iron as raw material. Work on construction of the new electric arc furnace started in November in the presence of Swedish Prime Minister Ulf Kristersson.



From the left: Swedish Prime Minister Ulf Kristersson, Adam Axelsson (project member, Steel transformation, SSAB), Johnny Sjöström (head of SSAB Special Steels and site manager at SSAB Oxelösund) and Martin Lindqvist (President and CEO of SSAB).



## Safer workplace

Further improvement was seen in employee and contractor safety at SSAB. Group lost time injury frequency (LTIF) decreased to 0.87 (1.06), which is largely thanks to the fact that there were no lost time injuries in SSAB's operations in Finland in 2023. SSAB Europe's safety program, under which all employees received two-weeks of safety training, was completed during the year.



Hydrogen-reduced sponge iron from Hybrit Development AB.



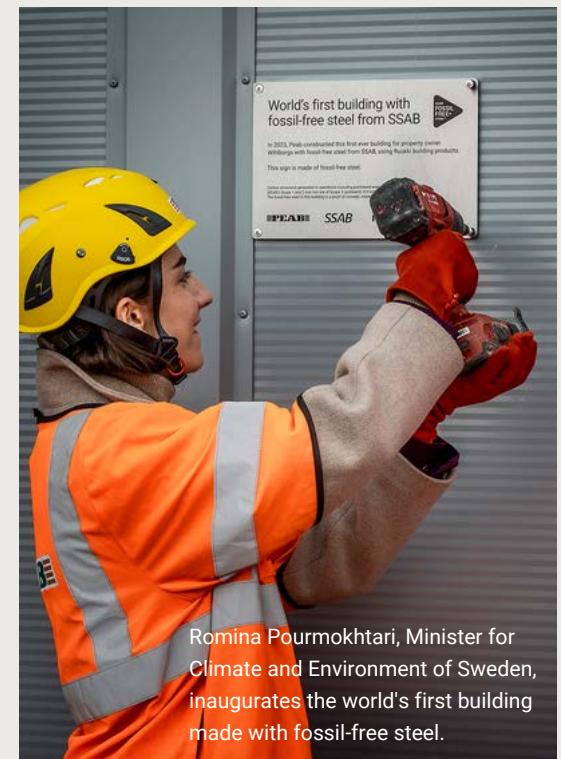
#### SSAB Zero – without fossil carbon dioxide emissions

During the year, more than 50,000 tonnes of the new steel SSAB Zero were delivered to customers. Made from recycled scrap steel using fossil-free electricity and biogas, SSAB Zero has practically no fossil carbon emissions. SSAB thereby strengthened its leading position in the green transition in the steel industry through a comprehensive offering of steel without fossil-free carbon dioxide emissions, regardless of raw material. Volvo Group, Alfa Laval, Cargotec, Epiroc and Peab were among the customers to sign agreements for deliveries of SSAB Zero. SSAB Zero is also available at Tibnor AB and selected Nordic distribution partners: Stena Stål AB, Stålgross AB and Norsk Stål AS.



#### First in fossil free

Many new products featuring SSAB fossil-free steel were launched during 2023. Among other things, the world's first building made with fossil-free steel was inaugurated through a collaboration between Peab and SSAB, together with Ruukki Construction and the real estate company Wihlborgs. In addition, the first consumer products were shipped in the form of a watch made using fossil-free steel powder by Swedish watchmaker TRIWA and the first item of furniture in the form of a bench by Norwegian urban furniture maker Vestre. Forvia, one of the automotive industry's largest subcontractors, also showcased a seat frame where an important part of the construction is made of fossil-free steel. Volvo Construction Equipment delivered the first dumper built with fossil-free steel to the US market.



#### SSAB visit during top trade meeting

In May, a number of decision-makers visited SSAB and Hybrit Development AB's pilot plant in Luleå in conjunction with a trade and technology meeting between the EU and the USA. Visitors included US Secretary of State Antony Blinken, US Trade Representative Katherine Tai, US Secretary of Commerce Gina Raimondo, European Commissioner for Trade Valdis Dombrovskis, European Commissioner for Competition Margrethe Vestager and Swedish Government and business representatives.

# Key figures 2023

## Key figures

	2023	2022
Revenue, SEK million	119,489	128,745
Adjusted EBITDA, SEK million <sup>1)</sup>	20,141	32,675
Adjusted operating result, SEK million <sup>1)</sup>	16,467	29,283
Operating result, SEK million	16,467	-4,355
Result before tax, SEK million	16,716	-4,641
Result for the year, SEK million	13,038	-10,877
Adjusted earnings per share, SEK <sup>1)</sup>	12.67	22.38
Earnings per share, SEK	12.67	-10.57
Operating cash flow, SEK million	21,524	22,693
Net debt (+) / Net cash (-), SEK million	-18,206	-14,287
Dividend per share, SEK – 2023 proposal	5.00	8.70
Carbon dioxide emissions <sup>2)</sup> , thousand tonnes	9,915	9,844
Employees <sup>3)</sup>	14,565	14,568
Lost time injury frequency (LTIF) <sup>4)</sup>	0.87	1.06

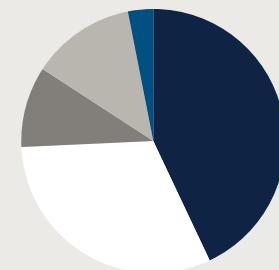
1) Excluding items affecting comparability. No items affecting comparability were reported in 2023, while 2022 mainly included impairment of goodwill of SEK 33,291 million.

2) Direct emissions from production (Scope 1).

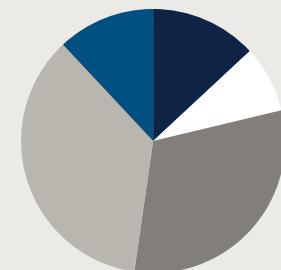
3) Permanent employees at year end.

4) Number of injuries resulting in an absence of more than one day per million working hours (LTIF), including contractors.

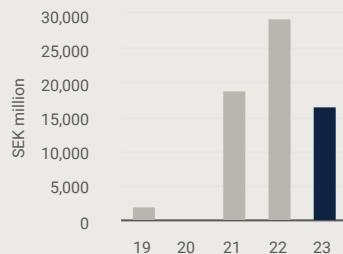
Employees by region in 2023



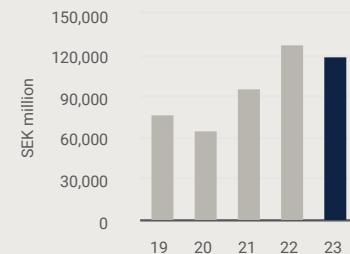
Revenue by geographic market in 2023



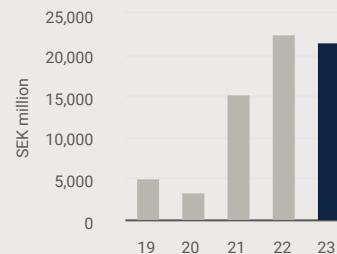
## Adjusted operating result



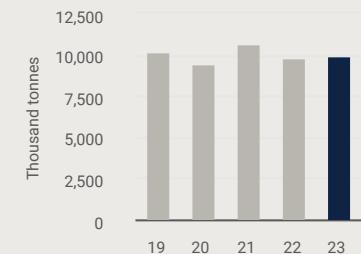
## Revenue



## Operating cash flow



## CO<sub>2</sub>e emissions (Scope 1)



# SSAB's overarching objectives

SSAB's strategy aims to secure the company's long-term development to create shareholder and stakeholder value. In 2023, SSAB launched revised capital structure and dividend targets. Before determining the yearly dividend proposals and capital structure adjustments, the capital needs for the coming years will be evaluated based on market outlook, investment plans and other considerations. SSAB's long-term goal in sustainability is to largely eliminate carbon dioxide emissions from its own operations by around 2030 and to become the world's safest steel company.

## Financial targets

Area	Profitability	Capital structure	Dividends
Objective	Industry-leading profitability: Highest EBITDA margin compared with competitors. <sup>1)</sup>	Net gearing ratio (net debt/equity) should be between -20% and 20%	Dividend policy is 40% of profit after tax.
Achievement	SSAB's adjusted EBITDA-margin was 16.9% (25.3%) which was second highest in the comparison group.	At year end, SSAB had a net cash position of SEK 18.2 (14.3) billion which equates to a net debt/equity ratio of -27% (-21%).	The Board proposes a dividend of SEK 5.00 (8.70) per share for the year ended 2023, which corresponds to 40% of the result for the year.

**Profitability**  
EBITDA margin, % and SSAB's position in peer group<sup>2)</sup>



**Capital structure**  
Net debt/equity ratio, %



**Dividend<sup>3)</sup>**



1) ArcelorMittal, Nucor, Salzgitter, Tata Steel Europe, ThyssenKrupp and U.S. Steel.

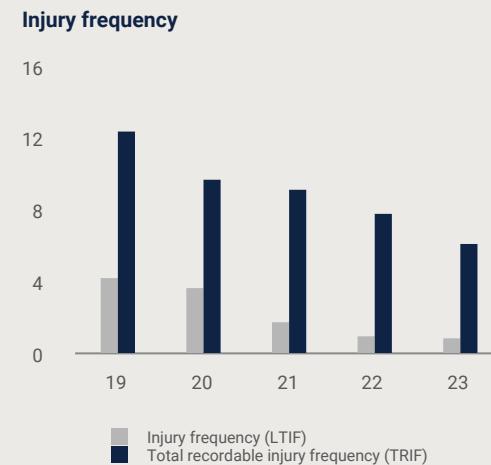
2) The position is based on the first nine months of 2023.

3) 2023 is the Board's proposal.

## Sustainability targets

Area	CO <sub>2</sub> emissions, Scope 1 and Scope 2	Safety	Shipments of steel without carbon dioxide emissions
Target	Reduction of 35% by 2032, compared with 2018. <sup>1)</sup>	Lost time injury frequency (LTIF) below 1.5 and total recordable injury frequency (TRIF) below 6.2 in 2023.	Shipments of 40,000 tonnes of SSAB Zero in 2023.
Outcome	During 2023, CO <sub>2</sub> emissions decreased by 6% (7%) compared to the level in 2018.	Lost time injury frequency was 0.87 (1.06) and total recordable injury frequency was 6.2 (7.8) per million hours worked.	Shipments of more than 50,000 tonnes during the year.

**Reduction in CO<sub>2</sub> emissions**  
**- 6%**  
 reduction in CO<sub>2</sub> emissions  
 compared with 2018



**Shipments of emission-free steel**  
**50,000**  
 tonnes in 2023

1) The target has been approved by Science Based Targets initiative, SBTi. The process to update the climate target to SBTi 1.5C is ongoing and is expected to conclude in 2024.



## Market and strategy

SSAB is a small player on the global steel market but is the market leader in certain sectors and leading the green transition in the industry.

# Global trends impacting the steel industry

	Climate change and scarce resources	Population growth and urbanization	Digitalization	Changing global market conditions
<b>Impacts on the steel industry</b>	<ul style="list-style-type: none"> <li>Increasing demand for steel with a low climate impact</li> <li>Increasing cost of carbon emissions</li> <li>Development of more resource- and carbon-efficient products and processes</li> <li>Climate change can affect steel production and supply chains</li> </ul>	<ul style="list-style-type: none"> <li>Increasing demand for steel in the construction, infrastructure and energy sectors</li> <li>Increasing demand for sustainable and energy-efficient buildings and traffic solutions</li> </ul>	<ul style="list-style-type: none"> <li>Digital services provide greater availability of more efficient control systems and increased transparency in the value chain</li> <li>E-commerce and digital platforms impact market dynamics</li> </ul>	<ul style="list-style-type: none"> <li>Higher importance of regional markets because of growing protectionism and trade policy restrictions</li> <li>Supply chains have changed partly due to regionalization and partly as a result of Russia's invasion of Ukraine and shutdowns related to Covid-19</li> <li>Increasing demand for steel in developing economies</li> </ul>
<b>Examples of how SSAB responds to the trends</b>	<ul style="list-style-type: none"> <li>Transformation plan to replace blast furnaces and coke plants with electric arc furnaces in around 2030</li> <li>Launch of SSAB Zero based on recycled steel without fossil carbon dioxide emissions</li> <li>Plan to launch commercial volumes of fossil-free steel to support a fossil-free value chain</li> </ul>	<ul style="list-style-type: none"> <li>SSAB offers a broad range of steel products used in construction and infrastructure, for example for construction machinery and renewable energy installations</li> </ul>	<ul style="list-style-type: none"> <li>SSAB develops the portfolio of digital services and tools as well as new business areas such as fossil-free steel powder that can be used for 3D printing, so called additive manufacturing</li> <li>SSAB works with the use of robotics, machine learning and advanced analysis to improve production stability and increase process efficiency</li> </ul>	<ul style="list-style-type: none"> <li>SSAB continues to strengthen home market positions and invest in production capacity to enable each production site to cover more of the Group's product range and to work to minimize supply chain risks both in supply chain security and sustainability</li> <li>SSAB aims to market the advantages of high-strength steel, not least on emerging markets</li> </ul>

# Steel market and SSAB's position

The driving forces on the global steel market continue to be favorable for SSAB despite the economic and geopolitical unrest in the world.

## Steel demand

- Demand varies over business cycles
- Increasing demand for SSAB's products, especially, high-strength steel and steel without fossil carbon dioxide emissions
- Increasing demand in infrastructure and the defense industry

## Steel trade flows

- Global trade has decreased in recent years due to trade barriers and high transport costs
- American and European tariffs are basically unchanged
- EU's carbon border adjustment mechanism (CBAM) for will apply from 2026
- SSAB is well positioned on its home markets, the Nordics and North America, with production close to customers



## Steel supply capacity

- By and large no steel imports into Europe from Russia and Ukraine
- CO<sub>2</sub> emission costs make growth in blast furnace steelmaking unprofitable in Europe
- New investments have long lead times
- Good conditions for high global capacity utilization in the coming years

## Raw materials

- The market has stabilized after the disruptions arising in conjunction with Russia's invasion of Ukraine
- China has recovered on global raw material markets following Covid-19
- Demand for more sustainable materials is expected to increase

### Market segments

SSAB is present in the flat carbon steels segment (steels with some carbon content) that are rolled into flat products. With an annual crude steel production capacity of around 8.8 million tonnes, SSAB is a minor actor on the global steel market, but has leading positions in four defined segments. These segments account for around 2% of the global carbon steel market:

- Special steels, for example AHSS and quenched and tempered (Q&T) globally
- Automotive premium steel (advanced high-strength steel, AHSS) globally
- Flat steel and tubes in the Nordics
- Heavy plate in North America

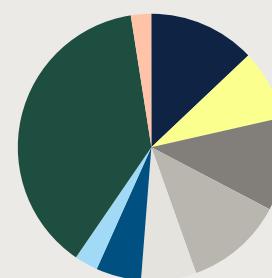
Besides being a steelmaker, SSAB is also a steel and non-ferrous metal distributor via its subsidiary Tibnor and offers steel-based building products via its subsidiary Ruukki Construction.

### Customer segments

Customer segments include heavy transport, construction and infrastructure, industrial applications, construction machinery (including lifting), energy and material handling (including mining). We also sell standard steels to a certain extent on our home markets, the Nordics and North America, through distributors and service centers. SSAB has its own sales channels in 50 countries.

### Customer segments

Share of total shipments in 2023



- Heavy transport, 13%
- Construction, 9%
- Automotive, 11%
- Industrial applications, 12%
- Construction machinery, 7%
- Energy, 5%
- Material handling, 3%
- Service centers, 38%
- Others, 2%

### SSAB focus markets

#### Special steels, globally<sup>1)</sup>

~5



#### Automotive premium steel, globally<sup>2)</sup>

~20



#### Flat carbon steels and tubes in the Nordics

4–5



#### Heavy plate North America

~7



~25%



~3%



~40%

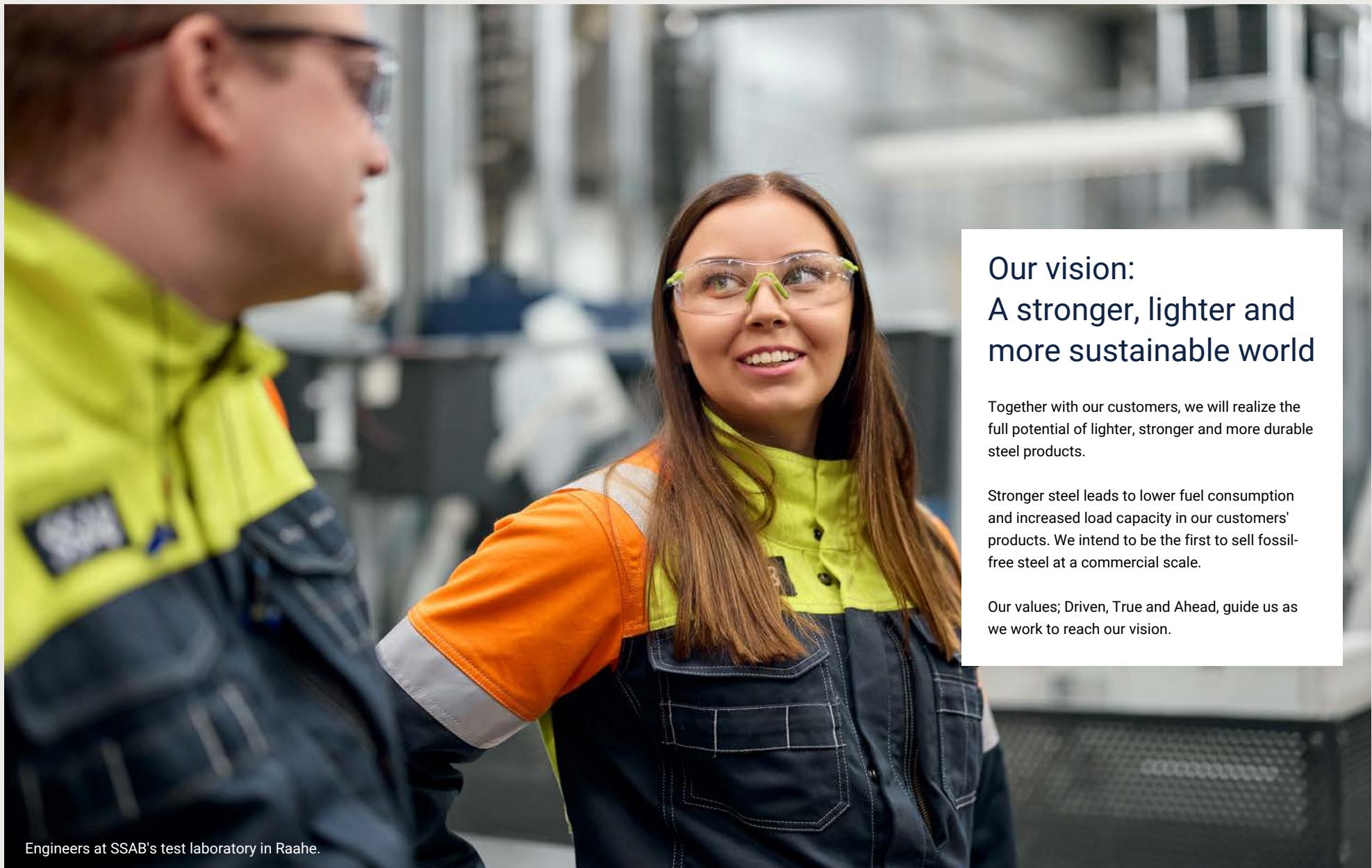


30%



1) Defined as Quenched & Tempered (Q&T) flat products and Hot-rolled Advanced High-Strength Steel (AHSS)  $\geq 700\text{MPa}$ .

2) Defined as hot-rolled, cold-rolled and coated Advanced High-Strength Steel (AHSS) strip products for automotive  $\geq 420\text{MPa}$ .



## Our vision: A stronger, lighter and more sustainable world

Together with our customers, we will realize the full potential of lighter, stronger and more durable steel products.

Stronger steel leads to lower fuel consumption and increased load capacity in our customers' products. We intend to be the first to sell fossil-free steel at a commercial scale.

Our values; Driven, True and Ahead, guide us as we work to reach our vision.

Engineers at SSAB's test laboratory in Raahe.

# SSAB's strategic direction

The strategy describes how SSAB will be competitive on the global steel market and thereby create value for customers, owners and other stakeholders.



## ► Industry-leading profitability

SSAB aims to deliver sustainable industry-leading profitability through innovation and market leadership in the business segments in which we operate and continuous improvements in how we work.

## ► Secure our home-market leadership

SSAB is the market leader in our home markets – flat carbon steels and tubular products in the Nordics and heavy plate in North America. The close relationship and proximity to customers is one of SSAB's competitive advantages. The strategy is to further strengthen our market positions by developing our offering and steelmaking and distribution capabilities.

## ► Expand leadership in special and premium steels globally

SSAB is the global market leader in Quenched and Tempered (Q&T) steel and specific high-strength steels. SSAB also offers premium steel grades with added customer value. Our strategy is to grow by upgrading customers from standard steels to high-strength and premium alternatives, and to enter new markets and segments. This will improve SSAB's product mix.

## ► Establish a leading position in emission-free steels

SSAB's strategy is to continue to develop and grow our sales of world-leading sustainable premium steels globally. We continue to develop our offering and to create a market for fossil-free steel and are also introducing new emission-free steels from recycled material.

## ► Transform to efficient, flexible and fossil-free operations

SSAB has decided to transform the steel production system to enable more efficient, flexible and sustainable operations. In parallel, SSAB has long had group-wide programs for continuous improvement, working capital efficiency and CO<sub>2</sub> reduction.

## ► Strengthen our high-performing organization

SSAB's strategy and business model are built around a high-performing and decentralized organization with high employee engagement. Continuously working with leadership and competence development as well as inclusion and diversity are an important part of this.

## ► Differentiate through superior customer experience

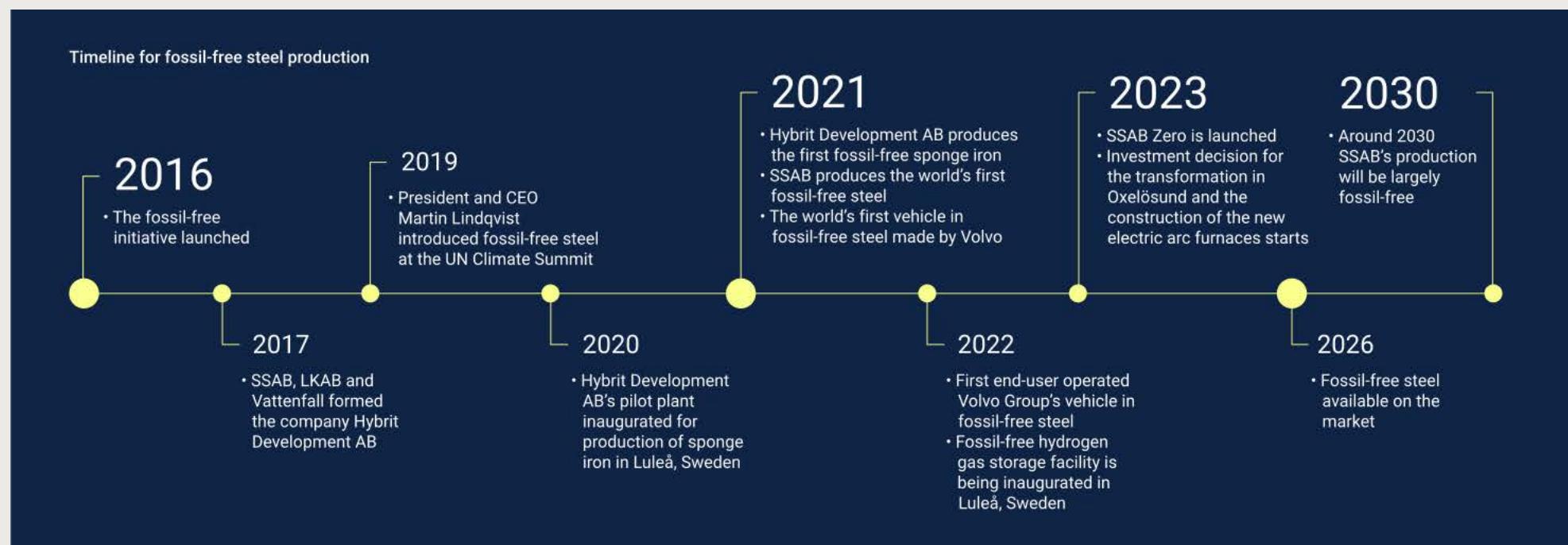
SSAB offers a superior customer experience compared to our peers, thanks to a unique sales model in the steel industry where we often sell directly to end users. SSAB aims to be the best in the industry when it comes to delivery accuracy and lead times, with eCommerce and digital services playing an important part.

## ► The world's safest steel company

The ambition is to become the world's safest steel company, by continuously improving safety procedures and mindset in order to eliminate safety risks in our operations.

## Timeline for fossil-free steelmaking

SSAB is on the way to revolutionizing iron ore-based steelmaking and aims to be the first in the world to deliver fossil-free steel to the market. During 2023, we launched a new product based on recycled steel scrap without any fossil carbon dioxide emissions and started work on the construction of an electric arc furnace at Oxelösund.





## SSAB Zero – next generation recycled steel

During 2023, we launched SSAB Zero, a steel based on recycled steel and made using fossil-free electricity and biogas. This means SSAB Zero has virtually no fossil carbon dioxide emissions. In 2023, we delivered over 50,000 tonnes of SSAB Zero and the plan is to gradually ramp up deliveries to 100,000 tonnes in 2025.

### Facts about SSAB Zero

SSAB Zero is based on recycled steel and is made in electric arc furnaces powered by fossil-free electricity and biogas. The fossil carbon emissions of SSAB Zero in operations are 0.0 kg CO<sub>2</sub>e per kg steel – including purchased energy (scope 1 and 2). The electricity used is fossil free, which is ensured through guarantees of origin. For other energy, SSAB applies emissions factors accepted by the market for the electricity used and can ensure fossil-free electricity through guarantees of origin. SSAB Zero is unique on the market since SSAB does not use mass balancing allocation or carbon emission offsetting. The product's low carbon has been verified by a third party. The quality and product characteristics are the same as for SSAB's traditional steel.

SSAB's steel mill in Luleå, Sweden.



## Transformation of the Nordic production system

The year saw the start of work on construction of a new electric arc furnace at SSAB's Oxelösund mill, which is the first step in SSAB's plan to transform the entire Nordic production system in around 2030. The two blast furnaces and coke plant in Oxelösund will be closed down and a new electric arc furnace with the associated raw material handling will be built.

The transformation of Oxelösund will mean not only a fossil-free production system, but also increased capacity for advanced high-strength steel and greater flexibility. After transformation, SSAB will be able to make steel with no fossil CO<sub>2</sub> emissions using a flexible mix of fossil-free sponge iron and scrap as raw materials.

Furthermore, there are plans to transform the steel mills in Luleå and Raahe into cost-effective mini-mills with electric arc furnaces, integrated hot rolling and further processing. The plants in Borlänge and Hämeenlinna will be further developed at the same time in line with the new production processes.

No formal investment decisions regarding these steel mills and plants have yet been taken.

SSAB's transformation plan for the Nordic production system will largely involve the elimination of all carbon dioxide emissions from our own operations in around 2030. The closure of SSAB's blast furnaces will reduce direct carbon dioxide emissions by around 90%, which corresponds to an annual reduction of more than 8 million tonnes. The remaining direct emissions relate mainly to different heating processes, where SSAB is working to find alternative fuels. SSAB's transformation is significant in relation to Nordic climate goals. Sweden's total carbon dioxide emissions can reduce by around 10% and Finland's by around 7%.

There are a number of important factors for SSAB to be able to implement the transformation:

- Availability of electricity at the sites in Sweden and Finland
- Availability of raw materials, primarily fossil-free sponge iron and scrap
- Level playing field for all European steel companies regarding state aid
- Permits for transformation of the installations
- Availability of the relevant competence
- Regulation resulting in costs for emitting carbon dioxide

**"SSAB's transformation means Sweden's total carbon dioxide emissions can be reduced by around 10% and Finland's by around 7%."**

**Access to electricity**

SSAB's Nordic production facilities currently consume 1.6 TWh of electricity. When the blast furnaces are replaced with electric arc furnaces in around 2030, use of electricity will increase by around 4.5 TWh, of which 2.5 TWh in Sweden. This can be compared with an electricity surplus of 33 TWh in Sweden in 2022.

Although there is plenty of electricity available in Sweden and Finland for SSAB's transformation, the challenge is to get power distribution to the steel mills in Sweden. The existing connections to the electricity grid are dimensioned based on SSAB's blast furnaces, which in this context have low electricity consumption. Once the blast furnaces are replaced by electric arc furnaces, a more robust connection to the main grid will be needed. Decisions on new power lines are taken by the local network operator concerned.

**Flexible raw material supply**

The planned electric arc furnaces will melt both fossil-free sponge iron and scrap. Scrap is mixed to a certain extent already in blast furnace-based production today.

Fossil-free sponge iron will initially be produced at a commercial scale in LKAB's demonstration plant outside Gällivare in Sweden. The feedstock from the demonstration plant is estimated to correspond to the production of 1.2 million tonnes of crude steel a year. Access to fossil-free electricity has a highly important role in the making of sponge iron. The demonstration plant is estimated to need around 5 TWh of electricity a year.

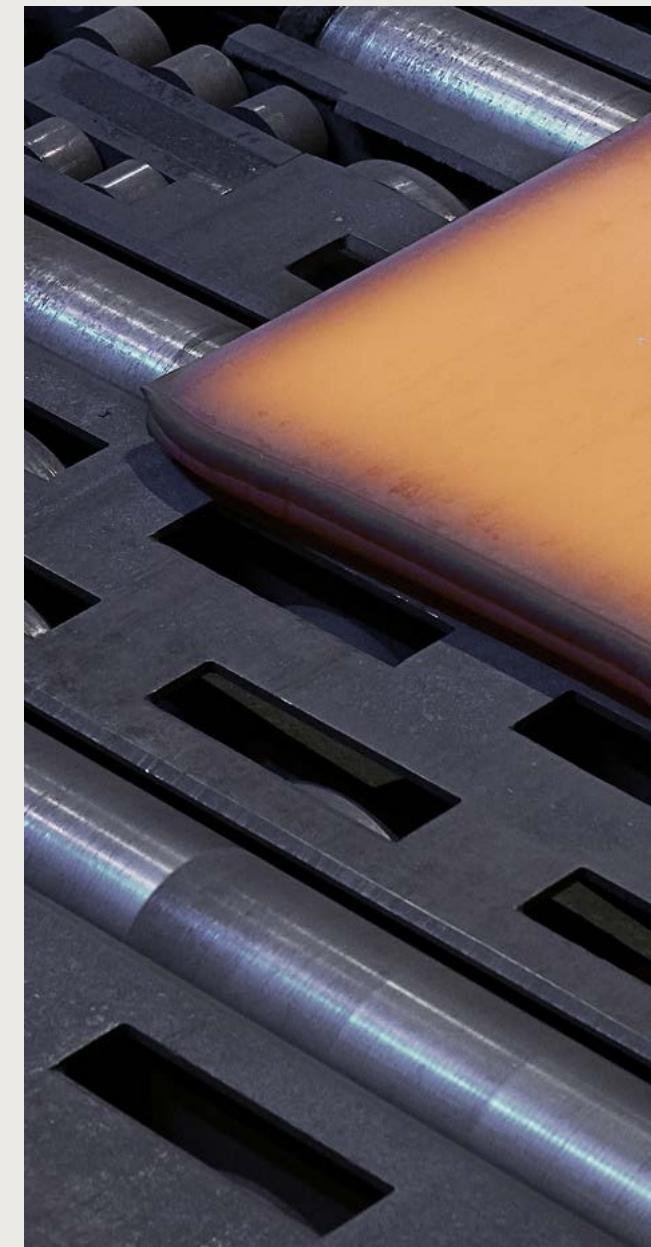
SSAB will increase purchases of scrap for the Nordic production system. Whereas there is currently a surplus of scrap in Europe and the USA, demand for scrap is likely to increase in line with the transformation of the steel industry. SSAB's strategy to use a flexible mix of scrap and fossil-free sponge iron will be an advantage in the supply of raw material.

**“The planned electric arc furnace will melt both fossil-free sponge iron and scrap.”**

**Level playing field regarding state aid**

A number of SSAB's competitors in Europe have received state aid. SSAB has not assumed it will receive any significant aid in its plans to implement the transformation, but at the same time it is important to have a level playing field in terms of state aid to prevent a distortion of competitive conditions.

The HYBRIT initiative, which SSAB owns 1/3 of, has received EUR 143 million in support from the EU's Innovation Fund as well as SEK 520 million from the Swedish Energy Agency. LKAB has been further granted SEK 3.1 billion for construction of the demonstration plant outside of Gällivare.



# SSAB's value chain

SSAB's transition to fossil-free steelmaking will mean changes both to how steel is made and the use of raw materials.

## Main raw materials

### Traditional iron ore-based steelmaking



### Scrap-based steelmaking and future fossil-free iron ore-based steelmaking



### Traditional iron ore-based steelmaking

- Coal, to make coke
- Iron ore pellets
- Natural gas for steel heating

### Scrap-based steelmaking

- Recycled steel scrap
- Electricity, largely fossil-free
- Natural gas or biogas for steel heating

### Future iron ore-based steelmaking

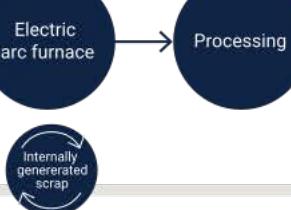
- Fossil-free sponge iron made from fossil-free iron-ore pellets reduced using fossil-free hydrogen

## SSAB's steelmaking

### Traditional iron ore-based steelmaking



### Steelmaking using scrap and/or fossil-free iron ore



### Residual product and waste

- Internal recycling, processing and external sales (for example slag) or treatment as waste

### Traditional iron ore-based steelmaking

- Coke as the reducing agent
- Iron ore reduced in blast furnaces
- Crude iron processing and rolling into different steel grades

### Steelmaking using scrap and/or fossil-free iron ore

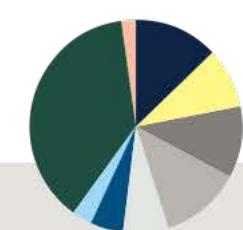
- Electric arc furnaces where the raw material is melted
- Steel slabs are processed in mini-mills (integrated rolling and processing) as well as further processing as needed into different steel grades



## Customer segments and examples of end products



## CUSTOMER SEGMENTS





## Business segments

SSAB is structured across three divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, and two subsidiaries: Tibnor and Ruukki Construction.

# SSAB Special Steels

SSAB Special Steels is a global steel supplier and service partner in quenched & tempered and advanced high-strength steels.

SSAB is the largest producer of high-strength steels globally and has an estimated market share of 25%. SSAB Special Steels is responsible for sales of SSAB's quenched and tempered (Q&T) steels and advanced high-strength steels (AHSS) as well as for steel production in Oxelösund, Sweden, and Mobile, USA. The division's broad portfolio includes a number of unique high-strength steels, including the Hardox (quenched and tempered plate with high wear resistance) and Strenx (advanced structural steel) brands.

Sales are diversified across customer-segments and geographies. SSAB Special Steels sells plate both directly to machine builders and service centers as well as to smaller end-users through our own global sales network. The subsidiaries in Abraservice Group and the Hardox Wearparts network (independent actors offering wear parts and repair services) supply the market with parts made of Hardox wear plate.

SSAB Special Steels' main competitors are ArcelorMittal, Dillinger, Voestalpine, Nucor, Nippon Steel, ThyssenKrupp, JFE and NLMK Clabeq.

SSAB Special Steels' products add significant customer value in the form of increased productivity and sustainability performance, which creates the prerequisites for more stable prices over the business cycle. The high-strength steel market is growing structurally and the strategy is to drive growth by launching new products and by developing applications with customers to enable them to upgrade to high-strength steel from standard steel. The goal is to deliver 2.2 million tonnes of high-strength steel in 2030. Shipments in 2023 were 1.3 million tonnes.

Read more about SSAB Special Steels' result in the Board of Directors' Report.

## SSAB Special Steels contributes to SSAB's strategy by:

- Increasing the Group's share of high-strength steel in relation to total sales
- Transforming to fossil-free steelmaking in Oxelösund by construction of an electric arc furnace and closure of the blast furnaces
- Developing the fossil-free offering
- Increasing downstream growth to reduce sensitivity to business cycles



# SSAB Europe

SSAB Europe is a leading Nordic-based premium steel producer of high-quality strip, heavy plate and tubular products.

SSAB Europe is responsible for sales of strip, heavy plate and tubular products in Europe as well as global business in the Automotive customer segment. SSAB Europe is responsible for steel and plate production in Raahe and Hämeenlinna, Finland, and in Luleå and Borlänge, Sweden, as well as for the production of tubular products in among other places Hämeenlinna.

SSAB Europe is focusing on improving the product mix and working with various distribution channels. A higher share of premium products provides better and more stable profitability over business cycles. Premium products comprise advanced high-strength steels (AHSS) for the vehicle segment and other premium products.

SSAB Europe is strongly positioned in several vehicle applications with some of the most advanced products on the ultra-high-strength steel market. Demand is growing faster than that for standard steels and is being driven by automakers' need to reduce weight and increase safety performance. These products are sold under the Docol brand, for example. SSAB's leading position in fossil-free steel and established partnerships pave the way to secure new customers in the vehicle segment. Other premium products include color-coated products,

steel for effective laser cutting and corrosion-resistant steels, with brands such as Greencoat, Laser and Weathering. SSAB Europe's main competitors are ArcelorMittal, Dillinger, Salzgitter, ThyssenKrupp, Tata Steel Europe, U.S. Steel and Voestalpine.

The strategy is to continuously increase shipments of premium products and Automotive AHSS products. In 2023, these shipments were 806 and 657 thousand tonnes respectively. At the same time, shipments of standard products will decrease, especially outside our home markets.

Read more about SSAB Europe's result in the Board of Directors' Report.

## SSAB Europe contributes to SSAB's strategy by:

- Strengthening the position on SSAB's Nordic home market
- Increasing the share of premium products
- Planning to build new integrated mini-mills with electric arc furnaces and integrated rolling and further processing, and closing down the blast furnaces in Luleå and Raahe
- Developing the fossil-free offering



# SSAB Americas

SSAB Americas is the largest heavy plate producer in North America and has a strong position based on cost efficiency and quality. During 2023, production of SSAB Zero was started with renewable electricity and biofuels.

SSAB Americas has responsibility for sales of heavy plate in North America and for scrap-based steel and plate production in Montpelier, USA. SSAB Americas focuses on a high level of service and quality while maintaining the lowest cost position and the most flexible setup in the market.

SSAB Americas works actively to reach a good balance between sales via distributors (currently just over 50% of sales) and end-users. The focus is also on increasing the growth of premium products for the energy and offshore segments as well as for heavy transport, which includes railroad wagons and shipbuilding.

SSAB Americas' main competitors are American steelmakers like Nucor, Cleveland-Cliffs, EVRAZ, Algoma Steel and imported products.

Read more about SSAB Americas result in the Board of Directors' Report.

2023 saw the launch of the first commercial steel with virtually no fossil CO<sub>2</sub> emissions. The steel is made using recycled steel scrap as the raw material at SSAB's mill in Montpelier, USA.



## SSAB Americas contributes to SSAB's strategy by:

- Maintaining a leading position on SSAB's North American home market
- Increasing the share of premium products
- Developing a fossil-free product offering

# Tibnor

Tibnor is the leading distributor of steel, non-ferrous metals and processing services in the Nordics.

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordics and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers, and plays an important role in securing SSAB's leadership in the Nordic home market. The focus is on increased growth, for example in components, by increased online sales and a strong local presence. Tibnor works closely with many strategic suppliers and partners to create better solutions for customers in Nordic industry. Read more about Tibnor's result in the Board of Directors' Report.

Tibnor's main competitors are BE Group, Stena Stål, Norsk Stål, Lemvigh Muller and Kontino as well as a number of national, local companies and niche actors.

## Tibnor contributes to SSAB's strategy by:

- Strengthening the position on the Nordic home market by focusing on small and mid-sized customers
- Close cooperation with SSAB's divisions supports stability over the business cycle
- Marketing SSAB's premium and service offering, including fossil-free steel
- Increasing value creation by developing parts production and other processing

# Ruukki Construction

Ruukki Construction produces and sells energy-efficient building solutions, with a focus on northern and eastern Europe.

Ruukki Construction offers complete steel-based roofing and wall solutions for buildings. This includes products, design and technical support, with SSAB as the main steel supplier. Several restructures in recent years have given Ruukki Construction a solid foundation on which to achieve sustainable growth with customers in the core business areas – roofing and building envelopes in the Nordics, Baltics and Central Eastern Europe. Read more about Ruukki Construction's result in the Board of Directors' Report.

Ruukki Construction's main competitors are other steel-based building product suppliers like Kingspan, Lindab and Areco.

## Ruukki Construction contributes to SSAB's strategy by:

- Strengthening the position on the Nordic home market by focusing on the building segment
- Strong competence in steel-based building products as a basis for future product development in SSAB
- Developing the fossil-free offering in the building segment

# Sustainability Report

Everything we do is aimed at creating a stronger, lighter and more sustainable world.

Sustainability is a key business driver for both us and our customers. We are leading the green transition in the steel industry and plan to largely eliminate carbon dioxide emissions from our own operations in around 2030.



# UN Sustainable Development Goals

SSAB's sustainability work focuses primarily on eight UN Sustainable Development Goals.



## Goal 3 Good health and wellbeing

Everyone at SSAB has the right to a healthy work environment with no accidents. Our goal is to be the world's safest steel company and to prevent all work-related accidents and illnesses.



## Goal 5 Gender equality

SSAB has zero tolerance of all forms of discrimination, and works actively to create an inclusive work environment where everyone feels valued. We require our suppliers to respect human rights and prohibit discrimination.



## Goal 7 Affordable and clean energy

SSAB is driving the expansion of fossil-free electricity in the countries where we operate. Through the joint venture Hybrit Development AB, we are involved in the development of fossil-free sponge iron using hydrogen gas, produced from fossil-free electricity.



## Goal 9 Industry, innovation and infrastructure

Together with our partners and customers, we are developing a fossil-free value chain for steel through HYBRIT technology.



## Goal 12 Responsible consumption and production

SSAB strives to improve resource efficiency and reduce the use of raw materials and natural resources, for example through circularity. Sustainability is an integral part of our work with suppliers.



## Goal 13 Climate action

Our ambition is to largely eliminate carbon dioxide emissions in our own operations in around 2030. This will help to reduce Sweden's carbon dioxide emissions by about 10% and Finland's by approximately 7%.



## Goal 16 Peace, justice and strong institutions

SSAB has zero tolerance of bribery and corruption and makes high demands in the area of business ethics. We also work actively to strengthen human rights in our operations as well as at our suppliers.



## Goal 17 Partnerships for the goals

Collaboration is an important factor in taking society in a more sustainable direction. In addition to SSAB's role in HYBRIT, for example, we are participating in the First Movers' Coalition, a platform to increase demand for low-carbon technology. SSAB also collaborates closely with a number of customers on developing the fossil-free offering.

# Sustainability strategy and governance

Work with sustainability is based on SSAB's sustainability commitments, stakeholder dialogues and the strategic ambition to be first to market with fossil-free steel.

## **Sustainability commitments**

SSAB is a member of the UN Global Compact and stands behind the ten principles in the areas of human rights, labor law, the environment and anti-corruption. SSAB is also committed to conducting business in line with the UN Sustainable Development Goals and the Paris Agreement. SSAB also supports the International Bill of Human Rights, the core conventions of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

## **Sustainability strategy**

SSAB's sustainability strategy encompasses the fossil-free customer offering and our work to be a leader in sustainability.

- First in fossil-free steel: SSAB aims to be the first steel company in the world to launch fossil-free steel on the market. SSAB is already working to help customers reduce their environmental impact by for example getting them to upgrade from standard to high-strength steel.
- Leading sustainability performance: SSAB aims to be a leader in sustainability, which includes the ambition to become the world's safest steel company and to largely eliminate carbon

dioxide emissions from its own operations in around 2030.

## **Stakeholder dialogues**

SSAB is in regular contact with stakeholders and strives for open dialogue to increase understanding of stakeholder perspectives on the business, and aligns dialogue on an ongoing basis in response to stakeholder needs. The most important stakeholder groups that are most affected by SSAB's operations, or that have the most impact on SSAB's operations, are:

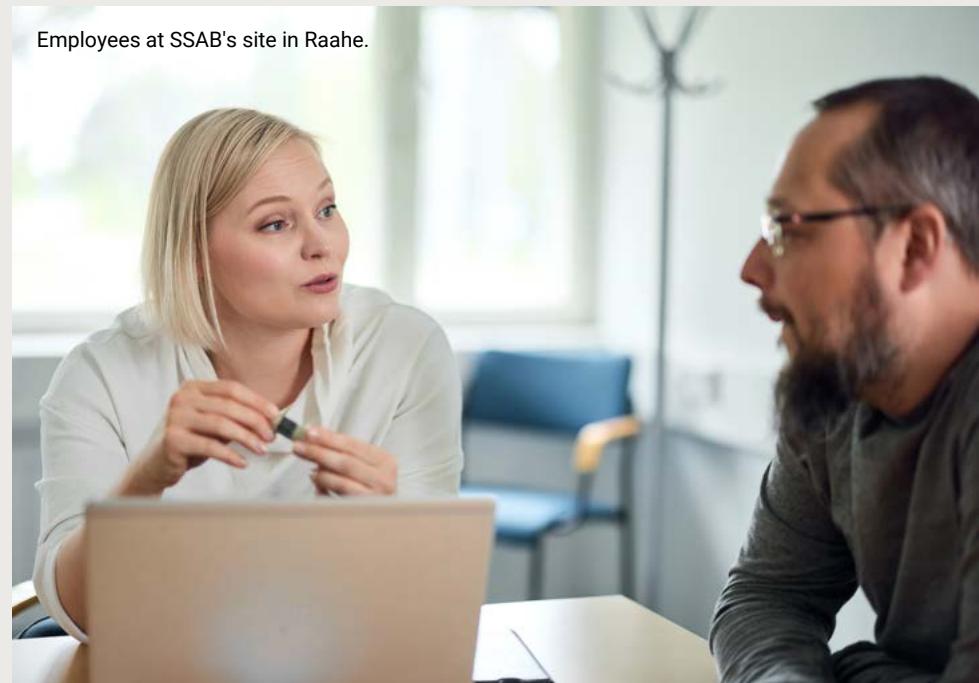
- existing and new customers
- existing and new employees
- shareholders, investors and financiers
- existing and new suppliers
- local communities close to SSAB's production sites
- authorities and other public organizations

Other stakeholders include the media, regulatory authorities, research institutes, universities and vocational schools.

Issues discussed during the year included the following:

- SSAB's low-carbon steel offering, as well as SSAB's transition to fossil-free steel production

Employees at SSAB's site in Raahe.



(with customers and investors, but also with employees and union representatives)

- Access to electricity and electricity network connections (with government representatives as well as with, for example, investors)
- New sustainability reporting rules (with other companies as well as with trade union organizations and financial sector representatives)
- Indigenous peoples' rights (with representatives from the Sámi population as well as with other companies and government representatives in northern Sweden)
- Health and safety in SSAB's operations (all stakeholder dialogues)

- SSAB's work in the areas of inclusion and diversity (with our own employees and also with other companies and investors).

SSAB's Board of Directors participates in stakeholder dialogues primarily through the Annual Report. Read more about stakeholder engagement on SSAB's website.

## **Stakeholder dialogues about SSAB's transition**

The year saw the conclusion of the consultation process for the transformation of steelmaking in Luleå. Within the framework of the consultation process, stakeholder dialogues were held with, among others, the general public, the municipality, authorities, local businesses and particularly affected parties, such as local

residents and representatives for the nearby Sámi village. The consultation is part of the environmental impact assessment under Swedish law.

In Raahe, where SSAB is also planning a transformation to a mini-mill system, there is ongoing dialogue with stakeholders, not only with representatives of various authorities and organizations, but also representatives from SSAB being available for questions from the general public.

During the year, SSAB held regular meetings between employees and company management representatives to inform about the planned transformation of SSAB's sites and to give employees an opportunity to ask questions. SSAB also has regular meetings with union representatives about skills development, for example in connection with the transition, as well as the employees' work environment.

#### **Materiality analysis**

SSAB conducted its most recent materiality analysis in 2019. The process was described in

the Annual Report 2020 (page 101). In 2023, SSAB conducted a new materiality analysis, a double materiality assessment based on both financial and sustainability. This forms the basis for an update of the sustainability strategy and upcoming sustainability report in accordance with the EU's Corporate Sustainability Reporting Directive, CSRD.

#### **Sustainability governance**

Sustainability governance at SSAB is based on our vision and values, which are summarized in the Code of Conduct. The disclosures on sustainability governance complement the disclosures on SSAB's governance in the Corporate Governance Report.

#### **Board of Directors' responsibility**

SSAB's Board of Directors is ultimately responsible for sustainability work, including the strategic management of risks and opportunities related to climate change. This also includes SSAB's transformation to fossil-free steelmaking. For example, the Board of Directors approves the Code of Conduct, the sustainability strategy and

the strategy and capital expenditure linked to the transformation to fossil-free steelmaking.

The Board of Directors monitors the development of SSAB's sustainability work at least on a quarterly basis, in particular the Group's CO<sub>2</sub> emissions and safety work. As sustainability and climate issues, especially the transformation to fossil-free steelmaking, are an integral part of SSAB's business strategy, the Board does not have a separate sustainability committee. The Sustainability Report is reviewed in the Audit Committee as part of the Annual Report.

The Board of Directors monitors the views of the most important stakeholders, primarily through the inclusion of employee representatives on the Board, but also through contact with, for example, shareholders, primarily in connection with the Annual General Meeting, as well as authorities and politicians. Otherwise, the Board has delegated the stakeholder dialogs to members of the Group Executive Committee within each area of their respective responsibility. The Board is informed if required or if major changes are made.

#### **Executive Committee's responsibility**

SSAB's Group Executive Committee is responsible for the strategic direction for sustainability work, for establishing the materiality analysis and for assessing risks and opportunities linked to climate change. The Group Executive Committee regularly monitors the development of sustainability work and ensures that processes are in place to prevent, identify and address negative impacts on human rights that SSAB's operations may cause or contribute to.

Responsibility for sustainability work involves all members of the Group Executive Committee and the CEO is ultimately responsible to the Board of Directors.

- The Head of Sustainability is responsible for the preparation of materiality analysis, the sustainability strategy, coordination of sustainability issues at Group level, SSAB's sustainable offering, the Group's health and safety work and business ethics including human rights.
- The CTO is responsible for environmental issues and sits on the Board of Directors of the joint venture Hybrit Development AB.
- The CFO has overall responsibility for the Annual Report, financial issues and investments related to SSAB's transformation to fossil-free steelmaking, as well as for coordination of SSAB's risk management process, which includes climate and sustainability risks.
- The Head of People, Culture and Communication is responsible for the supply of skills and competence development in connection with the transformation, SSAB's work on inclusion and diversity, and SSAB's communication and marketing related to sustainability.
- Heads of divisions are responsible for driving sustainability and climate work in line with the overall business and sustainability strategy and for following the directives and instructions issued by the Group Executive Committee for various sustainability areas. SSAB's transformation to fossil-free steelmaking is headed by a separate Transformation Office, which reports directly to the CEO.

#### **Material topics according to GRI and their scope**

Material topic according to GRI	Scope
205: Anti-corruption	SSAB Group, suppliers, partners
301: Materials	Production sites, suppliers
302: Energy	Production sites, suppliers
305: Emissions	Production sites, customers, suppliers
306: Waste	Production sites, suppliers
403: Occupational Health and Safety	SSAB Group, suppliers
405: Diversity and equal opportunity	SSAB Group
414: Supplier social assesment	Suppliers

The section GRI-Index specifies where the information on each aspect and the associated indicator can be found in the Annual Report.

**Cross-functional councils**

SSAB also has various cross-functional management teams and councils dealing with sustainability issues. These are tasked with coordinating and supporting the Group's sustainability work, for example regarding health and safety, environmental issues and business ethics. During the year, an internal Council for Corporate Responsibility was established, which includes the CEO, General Counsel, Head of Sustainability, Divisional Heads and the Head of Ethics & Compliance.

**Important documents for sustainability**

The documents below are published on SSAB's website. Besides these, there are also directives and instructions for, among other things, the work with inclusion and diversity. All directives and instructions apply to the entire Group and all divisions and subsidiaries are responsible for implementing them.

- Code of Conduct and Supplier Code of Conduct
- Directive and instruction regarding health and safety
- Directive and instruction regarding the environment
- Directive and instruction regarding energy
- Directive and instruction regarding quality work
- Directive and instruction regarding anti-corruption
- Directive and instruction regarding competition compliance

**Due diligence, risk management and complaints**

SSAB works risk-based and strategically with sustainability issues. The process includes risk identification, policy development, strategy formulation and the development of measures

that are implemented in a structured way for each sustainability aspect concerned. The process is usually coordinated by the sustainability function at Group level and is followed up against sustainability targets decided by the Board. The follow-up is reported in the Sustainability Report.

At SSAB, risk management is integrated into the annual strategy process. Sustainability risks, including climate-related risks, are included in the overall risk assessment and presented annually to the Board of Directors. During the year, SSAB initiated work to develop the systematic assessment of risks of adverse impacts on people and the environment, as well as the process for assessing sustainability-relevant risks with a financial impact on the Group.

All production facilities have a management system for occupational health and safety, in accordance with ISO 45001. Environmental and climate work takes place primarily within the framework of ISO 14001, and all production facilities are certified in accordance with this standard.

Complaints can be reported through the line to the manager or immediate manager, via local internal reporting channels and the whistleblower function Ethics Line. In addition, SSAB has regular meetings with union representatives. Any complaints are followed up and dealt with. In addition, there are various stakeholder dialogs with suppliers, customers, authorities and stakeholder organizations.

During the year, SSAB did not receive any significant fines and no events that resulted in sanctions.

**Sustainability and remuneration**

SSAB's remuneration policy is described in the Board of Directors' Report. The short-term variable salary component (STI) may include financial and non-financial goals. The non-financial targets must be linked to sustainability. The sustainability goal for 2023 was lost time injury frequency (LTIF). The targets are decided by the Board of Directors and the sustainability goal applies to all employees who have an STI.

A fundamental part of SSAB's long-term strategy is the goal to transform to fossil-free steelmaking. The long-term variable salary component (LTI) is linked to sustainability through effective transformation work and is measured by both a financial and non-financial goal. The 2023 program comprised two targets: The relative total return on the SSAB share over a three-year period and a sustainability goal covering the total sales of products without fossil carbon dioxide emissions. The goals regarding LTI are proposed by the Board of Directors for resolution by the Annual General Meeting.

**About the Sustainability report**

SSAB's Sustainability report 2023 has been prepared in accordance with GRI Standards, and also includes sustainability reporting in accordance with the Swedish Annual Accounts Act. EY has conducted a limited assurance examination of the Sustainability Report (pages 29–67, excluding pages 42–45) and has expressed its conclusions on the Statutory

Sustainability Report (page 103). See page 68 for the auditor's opinion.

SSAB has initiated work to strengthen internal control over sustainability reporting, as part of preparations for CSRD. At present, control activities are carried out primarily through analysis of deviations and plausibility assessments by the respective function managers and at Group level.

The Sustainability report relates to the SSAB Group in accordance with the consolidated financial statements. Unless otherwise stated, associated companies, joint ventures or subcontractors are not included.

Reporting of environmental data includes the following production sites:

- SSAB Special Steels: Oxelösund and Virsbo, Sweden; Mobile, Alabama, USA
- SSAB Europe: Luleå, Borlänge and Finspång, Sweden; Raahe, Hämeenlinna, Kankaanpää, Oulainen, Pulkki and Toijala, Finland
- SSAB Americas: Montpelier, Iowa, USA
- Ruukki Construction: Järnforsen, Sweden, Oborniki, Poland
- Tibnor: Köping, Sweden

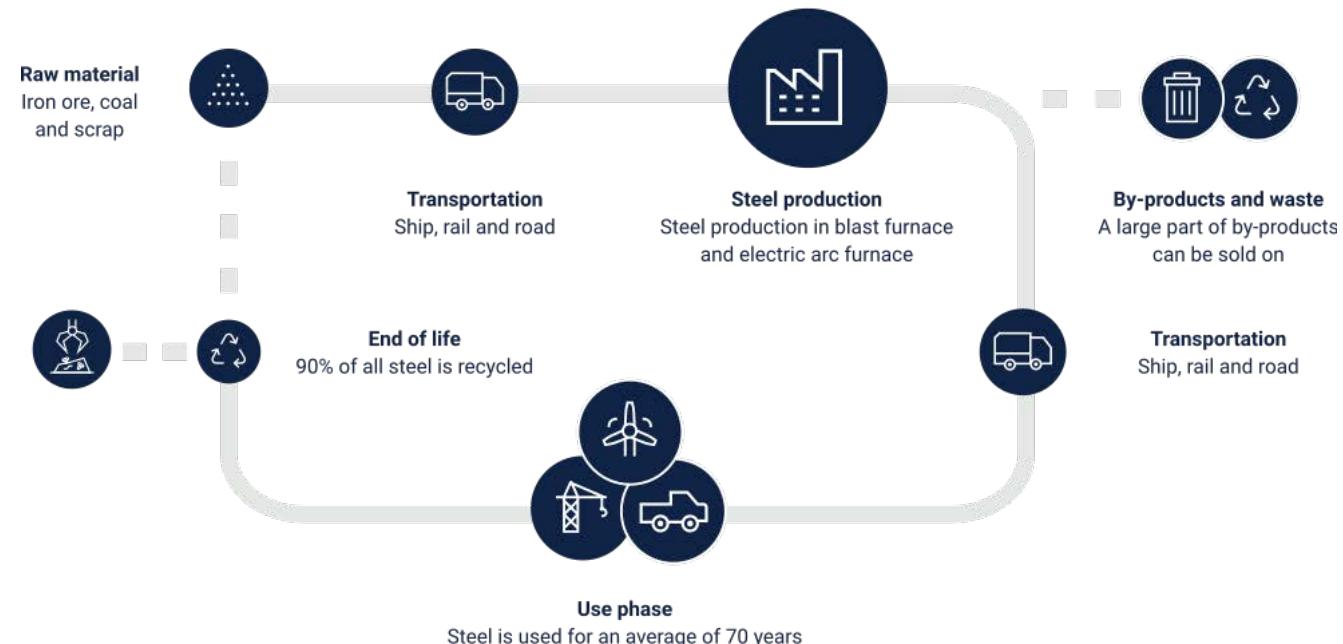
These production sites together cover the following operations: all steel mills, all rolling mills, all coating lines, and all tube mills. Cut-to-length lines are included if they are located at these sites.

For definitions and sustainability-related abbreviations, as well as for changes compared to previous reporting, see the Definitions section.

# Impact of SSAB's operations, now and in the future



**Sustainability in the value chain**  
SSAB's value chain currently has different degrees of impact on the world around us. SSAB works to manage and minimize impact in a responsible manner. Through new technology and the transformation of its operations, SSAB intends to achieve a significant reduction in its impact on the world around us, primarily the environment, over the next ten years.



## RAW MATERIALS

### Moderate impact:

- Environmental impact
- Human rights and labor law at suppliers
- Occupational health and safety

Fossil-free sponge iron and scrap

## STEEL PRODUCTION

### High impact:

- Carbon dioxide emissions
- Waste and by-products
- Use of energy and raw materials
- Occupational health and safety

Fossil-free steel production

## TRANSPORTATION

### Moderate impact:

- Carbon dioxide emissions
- Use of fossil fuels
- Occupational health and safety, labor rights at suppliers

Fossil-free transportation

## USE PHASE

### Moderate impact:

- Usage

High-strength steel already brings environmental benefits in the form of lower weight and fuel economy

## END-OF-LIFE

### Low impact:

- Recycled steel scrap is used in electric arc furnaces and to some extent also in blast furnaces

Recycled fossil-free scrap

## Innovations for the future





## Environmental work

SSAB is committed to minimizing the negative environmental impact of its operations and to largely removing carbon dioxide emissions from its own operations in around 2030.

# Responsibilities for and governance of environmental work

SSAB's Group Executive Committee has adopted directives and instructions concerning the environment and energy. The governing documents ensure that SSAB contributes to a safe, environmentally responsible and profitable business model by developing products and services in collaboration with customers and suppliers, and that SSAB will continue to use raw materials and energy in innovative and efficient ways, while minimizing waste. The Energy Directive clarifies the importance of the energy issue for the Group and the work on energy efficiency.

The Group's CTO is responsible for environmental work, including energy issues. Environmental managers in each country coordinate the work through, for example, environmental councils with representatives from the divisions as well as Tibnor and Ruukki Construction. Responsibility for compliance with environmental work lies with the line organization and each site has its own environmental function to monitor compliance with legislation and environmental permits. The local environmental functions also take care of local stakeholder dialogs, such as contact with supervisory authorities. All of SSAB's production sites are certified according to ISO 14001. Environmental work is monitored at different levels: locally, for divisions and subsidiaries, and across the Group. Follow-up is carried out, for example, in relation to legal requirements, requirements from

authorities and other environmental aspects that have been identified as significant. Carbon dioxide emissions are a parameter that is monitored at all levels and also reported quarterly and annually.

## Climate change

### Greenhouse gas emissions

SSAB's annual carbon dioxide emissions in Sweden and Finland correspond to approximately 10% and 7% respectively of total national emissions. This makes it extremely important for SSAB to reduce emissions to help each country reach its climate goals.

Most of SSAB's direct carbon dioxide emissions (Scope 1) come from Nordic iron ore-based steel production and originate from the use of coke and coal as reducing agents in steelmaking. SSAB's Nordic mills are among the most CO<sub>2</sub>-efficient in the world, mainly due to the use of high-grade iron ore pellets and high-quality coke. There are limited opportunities to further reduce emissions in current processes, and before the planned transformation is completed, direct emissions will vary with steel production.

Indirect carbon dioxide emissions from purchased energy (Scope 2) come primarily from the operation of electric arc furnaces at the sites in the USA, but also, for example, from the use of electricity for rolling steel, both in the USA and the Nordics. SSAB purchases electricity and heating based on the energy mix available in each local market, except for the site in Montpelier, USA, where the electricity supplier gives local industrial customers priority for

renewable electricity, mainly wind power. In Finland and Sweden, SSAB purchases some fossil-free electricity verified by guarantees of origin.

Other indirect carbon dioxide emissions, scope 3, mainly include emissions from purchased raw materials and products, transport and freight from suppliers and/or to customers, and from the processing of sold products. During the year, SSAB commissioned an external party to carry out a complete calculation of scope 3 for the

baseline year 2018 and 2022. This was done in conjunction with the process of updating the greenhouse gas emissions target under the Science Based Targets initiative. The calculation is more extensive than previously reported values and is partly based on other calculation methods. The values are therefore not comparable. See Definitions for more information.

### Greenhouse gas emissions

Thousand tonnes	2023	2022	2021	2020	2019	2018
<b>Scope 1 greenhouse gas emissions</b>						
Gross Scope 1 greenhouse gas emissions	9,915	9,844	10,641	9,471	10,154	10,332
Share of Scope 1 greenhouse gas emissions from regulated emission trading schemes, %	94	94	93	92	93	93
<b>Scope 2 greenhouse gas emissions</b>						
Gross market-based Scope 2 greenhouse gas emissions	1,157	1,179	1,029	1,339	1,427	1,487
<b>Significant Scope 3 greenhouse gas emissions</b>						
Purchased goods and services	n/a	6,741	n/a	n/a	n/a	6,182
Capital goods	n/a	116	n/a	n/a	n/a	74
Fuel and energy-related activities	n/a	496	n/a	n/a	n/a	501
Upstream transportation and distribution	n/a	2,255	n/a	n/a	n/a	2,629
Waste generated in operations	n/a	189	n/a	n/a	n/a	44
Business traveling	n/a	4	n/a	n/a	n/a	9
Employee commuting	n/a	11	n/a	n/a	n/a	12
Upstream leased assets	n/a	41	n/a	n/a	n/a	29
Processing of sold products	n/a	1,499	n/a	n/a	n/a	1,691
<b>Total Scope 3 GHG emissions</b>	<b>n/a</b>	<b>11,352</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>11,169</b>
<b>Total greenhouse gas emissions</b>		<b>22,375</b>				<b>22,987</b>

**Targets and outcomes**

During 2023, Scope 1 and Scope 2 emissions were in line with those of the previous year. During the year, work on the transformation has progressed and focused, among other things, on obtaining the necessary environmental permits in Luleå and Raahe.

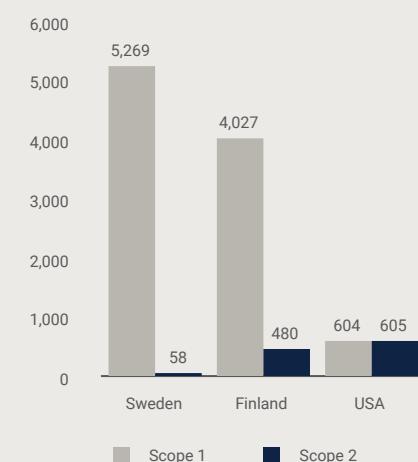
The environmental permit application for Raahe was submitted in April 2023 and the corresponding application for Luleå in November 2023. The plant in Oxelösund received a new environmental permit in 2020 and construction of the new electric arc furnace began in 2023.

SSAB's targets for greenhouse gas emissions are approved by the Science Based Targets initiative (SBTi), based on an ambition level of "below 2°C". This includes Scope 1 and Scope 2 and represents a 35% reduction in emissions between 2018 and 2032.

No major reductions in emissions are expected in the first few years of the period, although the increased proportion of renewable electricity at the site in Montpelier in the USA has made a positive contribution. The big reductions in emissions will take place in connection with the transformation to fossil-free steelmaking. SSAB plans to update its emission targets in 2024 to bring them into line with the 1.5°C target. SSAB also intends to include other indirect CO<sub>2</sub> emissions, Scope 3, in the target.

Updating of the target will include the accelerated transformation of the Nordic production sites, which was communicated in January 2022 and thus did not form the basis of the current climate target approved by SBTi in 2020. The update will also include SSAB's commitment within the Business Ambition for 1.5°C campaign to set a long-term net zero target for Scope 1, Scope 2 and relevant parts of Scope 3.

As a result of the transition to fossil-free steelmaking, SSAB will switch to using fossil-free sponge iron and scrap as raw materials. Regardless of the raw material, SSAB assesses that steelmaking in the new production plants will be both eligible and aligned with the EU Taxonomy, although it is currently difficult to determine what limits will apply to the new production technology. See the Taxonomy section for SSAB's taxonomy reporting.

**Scope 1 and 2 emissions by country****Target: Reduction of CO<sub>2</sub> emissions (scope 1 and 2) compared with the base year 2018**

	2023	Target 2023	Target 2025	Target 2026	Target 2030	Target 2031	Target 2032
CO <sub>2</sub> e reduction, million tonnes	0.7	0.5	1.2	1.8	3.1	4.0	4.1
CO <sub>2</sub> e reduction	6%	4%	10%	15%	26%	34%	35%

**Target: Resource efficiency**

Thousand tonnes	2023	Target 2023	Target 2024	Target 2026	Target 2030
Steel volume saved	1,059	1,050	1,095	1,165	1,290

**Environmental benefits of SSAB's steel (resource efficiency)**

SSAB has a wide range of high-strength and wear-resistant steels that, due to lower weight and higher capacity, already provide environmental benefits today in the usage phase in customers' end products. In 2023, a total weight reduction of 1,059 (1,071) thousand tonnes of steel in end products was achieved as customers upgraded to SSAB's high-strength steels compared to practices in each customer segment.

The year saw the launch of SSAB Zero, the first commercial steel with 0.0 kg CO<sub>2</sub>e/kg of steel (scope 1 and 2). This steel is made using scrap steel as the raw material at SSAB's mill in Montpelier, USA. The production process takes place in electric arc furnaces powered by fossil-free electricity or biogas. Shipments in 2023 amounted to more than 50,000 tonnes. At the same time, SSAB continued to make pilot shipments of fossil-free steel based on fossil-free sponge iron.

**Greenhouse gas emissions (GRI 305-1)**

Thousand tonnes	2023	2022	2021	2020	2019
<b>Emissions from production, Scope 1</b>					
Iron ore-based steel production in the Nordic region	9,296	9,226	9,916	8,697	9,414
Sweden	5,269	5,331	5,335	5,076	5,834
Finland	4,027	3,895	4,581	3,621	3,581
Scrap-based steel production in the USA	604	602	706	757	723
Other sites reported	14	16	19	17	16
<b>Total</b>	<b>9,915</b>	<b>9,844</b>	<b>10,641</b>	<b>9,471</b>	<b>10,154</b>

**Greenhouse gas emissions (GRI 305-2)**

Thousand tonnes	2023	2022	2021	2020	2019
<b>Indirect emissions from generation of purchased electricity and heat, Scope 2</b>					
Iron ore-based steel production in the Nordic region	539	442	380	332	428
Sweden	58	113	34	32	74
Finland	480	329	346	300	354
Scrap-based steel production in the USA	605	725	636	990	981
Other sites reported	13	13	13	17	18
<b>Total</b>	<b>1,157</b>	<b>1,179</b>	<b>1,029</b>	<b>1,339</b>	<b>1,427</b>

**Greenhouse gas intensity (GRI 305-4)**

	2023	2022	2021	2020	2019
<b>Tonnes of CO<sub>2</sub>e emissions/tonne crude steel (average)</b>					
1.42	1.51	1.42	1.43	1.51	
Iron ore-based steel production in the Nordic region	1.82	1.95	1.80	1.79	1.89
Scrap-based steel production in the US	0.51	0.57	0.55	0.70	0.70
<b>Tonnes of CO<sub>2</sub>e emissions/net revenue, MSEK</b>	<b>92.65</b>	<b>85.62</b>	<b>121.70</b>	<b>165.30</b>	<b>151.42</b>

**Direct greenhouse gas emissions (Scope 1),****production sites**

Thousand tonnes	2023	2022
SSAB Raahe	3,964	3,833
SSAB Luleå	3,391	3,378
SSAB Oxelösund	1,644	1,732
SSAB Montpelier	291	287
SSAB Mobile	313	315
SSAB Borlänge	235	221
SSAB Hämeenlinna	63	62
SSAB Finspång	9	11
SSAB Kankaanpää	4	4

**Indirect greenhouse gas emissions (Scope 2),****production sites**

Thousand tonnes	2023	2022
SSAB Raahe	389	281
SSAB Luleå	21	42
SSAB Oxelösund	21	41
SSAB Montpelier	204	241
SSAB Mobile	401	483
SSAB Borlänge	16	30
SSAB Hämeenlinna	91	48
SSAB Finspång	1	1
SSAB Kankaanpää	3	2

# Energy

SSAB's production processes are energy-intensive. Systematic work is therefore undertaken on energy efficiency and energy recovery at all sites, as well as on electricity generation from process gases at steel mills, in order to ensure high system efficiency and limit total emissions. Total energy consumption (including electricity, purchased fuels and purchased heat) was 9,142 (8,961) GWh, and energy intensity amounted to 1,175 (1,229) kWh/tonne crude steel.

## Energy consumption and mix (GRI 302-1)

GWh	2023	2022	2021	2020	2019
<b>Fossil fuel consumption</b>					
Natural gas	3,206	3,255	3,680	3,708	3,361
Propane	1,053	932	815	684	817
Oil	200	187	163	214	425
<b>Total fossil fuel consumption</b>	<b>4,459</b>	<b>4,374</b>	<b>4,658</b>	<b>4,606</b>	<b>4,603</b>
Share of fossil fuels in total energy consumption, %	49	49	50	51	50
<b>Renewable fuel consumption</b>					
Biogas	8	—	—	—	—
Biodiesel	40	—	—	—	—
<b>Total renewable fuel consumption</b>	<b>48</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Share of renewable fuels in total energy consumption, %	1	—	—	—	—
<b>Electricity and heat consumption</b>					
Electricity, purchased	3,495	3,532	3,357	3,271	3,448
Electricity produced from process gases	1,121	1,037	1,342	1,184	1,056
Heat, purchased	19	18	18	21	28
<b>Total electricity and heat consumption</b>	<b>4,635</b>	<b>4,587</b>	<b>4,717</b>	<b>4,476</b>	<b>4,532</b>
Share of electricity and heat in total energy consumption, %	51	51	50	49	50
<b>Electricity and heat sold</b>					
Heat, sold	1,161	1,095	1,193	1,098	1,165
<b>Total electricity and heat sold</b>	<b>1,161</b>	<b>1,095</b>	<b>1,193</b>	<b>1,098</b>	<b>1,165</b>
<b>Total energy consumption, gross</b>	<b>9,142</b>	<b>8,961</b>	<b>9,375</b>	<b>9,082</b>	<b>9,135</b>
Net total energy consumption (deduction for sold heat)	7,981	7,866	8,182	7,984	7,970

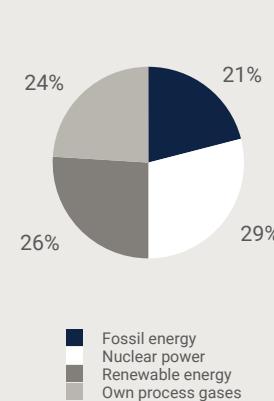
Electricity is the largest energy source, accounting for approximately 50% of total energy consumption. Electricity is used primarily to power the electric arc furnaces at the US sites. Natural gas, propane and fuel oil are mainly used for various heating and heat treatment processes.

By recovering process gases and heat energy at coking plants, blast furnaces and steel mills, SSAB not only uses the energy for its own purposes, but also produces electricity and district heating, which are sold externally.

Recovered energy has been used to produce district heating at the sites in Luleå, Raahe and Oxelösund since the 1980s, corresponding to around 90% of local district heating needs.

SSAB has already hedged most of its electricity consumption in the Nordic region through financial instruments and physical delivery (see note D.3). Electricity prices in the USA are regulated in each state.

Electricity consumption by energy source, 2023



## Energy consumption and mix, per region 2023

GWh	Nordic region	USA	Other
<b>Fossil fuel consumption</b>			
Natural gas	1,042	2,161	2
Propane	995	—	58
Oil	199	—	1
<b>Total fossil fuel consumption</b>	<b>2,237</b>	<b>2,161</b>	<b>61</b>
Share of fossil fuels in total energy consumption, %	45	54	50
<b>Renewable fuel consumption</b>			
Biogas	4	4	—
Biodiesel	38	1	—
<b>Total renewable fuel consumption</b>	<b>42</b>	<b>5</b>	<b>—</b>
Share of renewable fuels in total energy consumption, %	1	0	—
<b>Electricity and heat consumption</b>			
Electricity, purchased	1,581	1,873	40
Electricity produced from process gases	1,121	—	—
Heat, purchased	—	—	19
<b>Total electricity and heat consumption</b>	<b>2,703</b>	<b>1,873</b>	<b>60</b>
Share of electricity and heat in total energy consumption, %	54	46	49
<b>Electricity and heat sold</b>			
Heat, sold	1,146	—	15
<b>Total electricity and heat sold</b>	<b>1,146</b>	<b>—</b>	<b>15</b>
<b>Total energy consumption, gross</b>	<b>4,982</b>	<b>4,040</b>	<b>121</b>
Net total energy consumption (deduction for sold heat)	3,835	4,040	106

# Climate-related risks and opportunities

The steel industry accounts for about 7% of total carbon dioxide emissions globally and is thus clearly impacted by increased regulations and market changes aiming for a low-carbon society. At the same time, the potential effects of an increasingly changing climate must be taken into account, especially with regard to SSAB's production sites and supply chain. For SSAB, climate risks primarily include two aspects:

- The steel industry will face both new, stricter rules, such as the EU's emissions trading system, and changed market conditions as the outside world seeks to reduce emissions.
- A changing climate can impact SSAB's operations, both at its own sites and in the value chain.

SSAB began work on developing fossil-free steelmaking back in 2016 and in recent years has closely monitored various risks resulting from global warming, such as increased regulation on climate issues and carbon dioxide emissions, but also opportunities for SSAB such as greater demand for steel with a lower climate footprint. A key part of SSAB's strategy is to lead the green transition in the steel industry.

Climate-related risks for the next three years are included in the annual Group-wide risk process. Various climate-related issues are also included in the annual strategy process, such as business strategy aspects concerning the transformation

to fossil-free steelmaking. See SSAB's risk management section.

## Scenario analysis

During 2022, SSAB conducted an overall analysis of the business strategy based on two different climate scenarios – low and high future levels of carbon dioxide emissions. In addition, SMHI (Swedish Meteorological and Hydrological Institute) performed simulations regarding local climate change at SSAB's largest production sites. The results of the scenario analysis are presented on the next page.

## SSAB's business strategy in different climate scenarios

SSAB's strategy to transform to fossil-free steelmaking and to be the first steel company to bring fossil-free steel to market is well positioned in both scenarios. The greatest risks linked to the business strategy relate more to the ability to transform operations to the set schedule. These risks are largely due to external factors that SSAB has little control over, such as access to fossil-free electricity.

## Consequences of climate change

At a general level, SMHI's simulation showed that the largest climate effects at SSAB's facilities, both in scenarios with low and high future emissions, are expected to occur in the form of a warmer climate and increased precipitation. For the Nordic facilities, especially in northern Sweden and Finland, this may mean increased precipitation in the form of rain during the winter. SSAB continuously reviews any physical climate risks at the local level and takes these into account in both the planning and implementation of the transformation of the sites to fossil-free

steelmaking. The additional cost for this is not expected to be material for the Group as a whole.

During the year, a number of events linked to climate change, such as high temperatures and precipitation, occurred in the outside world.

This has not resulted in increased costs or other financial consequences for SSAB, but shows an increased risk in society in general of higher costs for adaptation and measures linked to climate change. For more information about the financial impact of climate risks, see the Risk section and notes A.2, C.1 and C.5.

## Examples of climate-related risks and opportunities

	Products and services	Politics and regulation	Politics and regulation	Technology
Risk/opportunity	First in fossil-free steel	Price development of CO <sub>2</sub>	Delay in the transformation to fossil-free steelmaking	Unsuccessful implementation of transformation program and investments
Description	SSAB aims to be the first steel company to bring fossil-free steel to market.	Within the EU, the price for CO <sub>2</sub> emissions is set within the ETS system and the cost to the steel industry is expected to increase in pace with the phasing out of free allocations of emission allowances. Other regions generally have lower CO <sub>2</sub> emission costs, which may result in lower competitiveness for European steelmakers.	SSAB has started work on the transition to fossil-free steelmaking. Lengthy and unpredictable permit processes mean there is a risk of the transition being delayed if permits cannot be obtained in time and stable access to fossil-free electricity cannot be guaranteed.	If SSAB's transition to fossil-free steelmaking is not implemented or is delayed, there is a risk that SSAB will lose market shares and/or that production costs will increase.
Possible financial impact	Implementation of the transformation will involve increased costs. SSAB is in a good financial position and intends to finance the transformation through cash flow. Fossil-free steel will be a premium product for which demand is considered to be good.	As free allocations are phased out, SSAB's emission allowance costs will increase. A CO <sub>2</sub> cost of 100 EUR/tonne would mean around SEK 10bn in extra costs. At the same time, a higher CO <sub>2</sub> cost would put a higher value on fossil-free steel.	A delay in SSAB's transformation would mean that SSAB loses its leading position in the green transition of the industry and also entail costs for emission allowances since iron ore-based steelmaking would need to be continued for longer than planned.	If there is a delay in fossil-free sponge iron production in the demonstration plant, this would mean that the planned electric arc furnace in Oxelösund would operate solely using scrap steel as the raw material and this would increase SSAB's dependency on the scrap market.

**Facts about climate scenarios**

In 2022, SSAB compiled two climate scenarios with a time horizon of about 20–25 years ahead. The two scenarios are based on the IPCC's climate scenarios RCP 2.6 and RCP 8.5, as well as descriptions in SSP 1 and SSP 5. SSAB also commissioned the Swedish Meteorological and Hydrological Institute (SMHI) to analyze the potential physical impacts of future climate change. This analysis was also based on RCP 2.6 and RCP 8.5. The physical climate analysis included temperature, precipitation, wind strength and water supply. A total of 10 different indicators were analyzed. The analysis used three different time periods: short-term (until 2040), medium-term (2040–2070) and long-term (2070–2100). See Definitions for explanations and more information.

**"SSAB's strategy to transform to fossil-free steelmaking and to be the first steel company to bring fossil-free steel to market is well positioned in both scenarios."**

Future scenario (approx. 2050)	Society as a whole	The steel industry's position in each scenario	SSAB's market position	Climate at SSAB's plants
Scenario 1: Low future emissions	Global temperature rise has been limited to 2 degree Celsius and CO <sub>2</sub> emissions are negative by the end of the century. Global agreements have resulted in a strict international climate policy and high costs associated with CO <sub>2</sub> emissions. High demand for sustainable products and high regulatory pressure have contributed to all industries transitioning to a low climate footprint.	Large steel companies have switched to fossil-free steel production or production with low CO <sub>2</sub> emissions, partly due to strong demand. Steel with a low carbon footprint has been developed over time and become a standard product. The ability to adapt quickly is and has been a competitive advantage.	Steel with a low CO <sub>2</sub> footprint is becoming the new normal. During a transitional period, fossil-free steel can probably justify higher added value for the customer compared to standard steel. But this price premium is considered to be less likely when the entire industry has made the transition.	The average temperature has increased at most of SSAB's production sites. Locally, the amount of precipitation has also increased, for example at the Luleå site. The average temperature in the Baltic Sea has risen slightly.
Scenario 2: High future emissions	Global temperature rise has increased to 4 degree Celsius by the end of the century and CO <sub>2</sub> emissions are 3 times higher than today. Global agreements on climate policy and binding emission reduction commitments have not been reached. The population's resource-intensive lifestyle continues, and although some industries are switching to lower climate footprints, others continue unchanged with high emissions.	Many steel producers have continued to use carbon-intensive production methods, but a small number have chosen to make the transition and assume a niche position with low CO <sub>2</sub> -emission steel.	There is demand for fossil-free steel, but probably to a lesser extent than for the above scenario. The possible price premium for fossil-free steel is not considered to be as distinct, but can probably be realized over a longer period of time.	The average temperature has increased at all of SSAB's production sites. Precipitation has also increased, both in summer and winter, especially at the plants in the Nordic countries. The average temperature in the Baltic Sea has risen slightly and the amount of water in waterways has increased.

# Disclosures according to EU Taxonomy

SSAB's steel operations are included in the EU Taxonomy under the category Manufacturing of iron and steel (delegated act for Climate). Steel production includes all economic activities that are part of the SSAB Special Steels, SSAB Europe and SSAB Americas divisions, which in principle account for 100% of SSAB's carbon dioxide emissions (Scope 1). SSAB has no other operations (including related to nuclear energy or natural gas) that have been deemed material in relation to the Group's consolidated revenues, capital expenditure or operational expenses, or that are covered by the delegated acts for other environmental objectives. See Definitions section for further explanation of KPI's.

## Definitions of economic activities

The following NACE codes are relevant in the category Manufacturing of iron and steel:

- C19.10 Manufacture of coke oven products
- C24.10 Manufacture of basic iron and steel and of ferro-alloys
- C24.20 Manufacture of tubes, pipes, hollow sections and related fittings, of steel
- C24.32 Cold rolling of narrow strip
- C24.52 Casting of steel
- C25.11 Manufacture of metal structures and parts of structures
- C25.61 Treatment and coating of metals

SSAB's steel divisions also run operations without specific NACE codes, such as pickling, annealing, slitting, cut-to-length and packaging. In addition, there are also supporting or complementary activities such as water withdrawals, wastewater treatment

plants, recycling of residuals, landfill facilities, power plants, and production of hydrogen and oxygen. SSAB has concluded that these activities are also included in the category Manufacturing of iron and steel.

## Technical screening criteria for climate

The EU Taxonomy includes technical screening criteria for how economic activities can be considered to contribute significantly to reducing climate impact or to contributing to climate change mitigation.

- None of SSAB's steel mills that produce iron ore-based steel meet the limits for the production of hot metal or coke.
- SSAB's scrap-based steelmaking in electric arc furnaces uses more than 90% recycled steel and thereby meets the criteria.

## Criteria for not causing significant harm

SSAB's scrap-based steelmaking is not considered to cause significant harm, based on SSAB's analysis of the taxonomy criteria. This analysis is based on SSAB's assessment of the purpose of the regulation and on a materiality perspective.

- **Climate adaptation:** SSAB's climate risk analysis has been conducted in accordance with accepted climate models. No material risks have been identified. Read more on the previous page.
- **Water and marine resources:** SSAB's scrap-based sites have the necessary permits for the withdrawal of water, discharges of process water and surface storm water. Both sites have established procedures and processes to enhance effluent water quality and to reduce discharge volumes. Both sites are located in areas with low water stress.

• **Pollution:** At SSAB's scrap-based sites, there are two fire protection agents with a low concentration (<1%) of persistent organic pollutants, known as POPs. Traces of mercury can occur in a small number of products linked to the production processes. Four kinds of refrigerants with ozone-depleting substances are in use; these are being replaced in accordance with applicable regulations. SSAB considers there to be compliance with both the RoHS Directive and REACH Annex XVII (Restrictions List). SSAB's use of chemicals does, however, include certain substances on the Restrictions List, but their use is not in conflict with the current requirements.

Substances under REACH Article 59 (Candidate List) or other substances that meet the criteria under REACH Article 57 may be present in the chemicals used by SSAB. These potential substances are not described in more detail here, since SSAB's steelmaking in the USA can be categorized as important to society. This is based on the fact that steelmaking is a so-called Critical Manufacturing Sector, according to the US Cybersecurity and Infrastructure Security Agency (CISA) and Presidential Policy Directive 21. Regarding requirements for best available technology and prescribed emission levels, SSAB's operations in the USA are subject to US regulations. SSAB has the required environmental permits, and it is considered that operations meet all relevant requirements.

• **Biodiversity:** Biodiversity risks resulting from emissions to water, air or land are managed within the framework of the environmental permits that exists for the operations. The necessary precautions have been taken and the risks are therefore not considered

significant. SSAB complies with all relevant US regulations in this area, even though SSAB has not yet been obliged to draw up a formal environmental impact assessment for its sites. Furthermore, the US sites are not close (within 50 km) to any area deemed to be particularly sensitive, such as Natura 2000 sites, UNESCO World Heritage Sites or other areas of particular importance for biodiversity.

## Minimum safeguards

The taxonomy also includes what are known as minimum safeguards, which mean that companies must have processes in place to ensure that international frameworks for responsible business are complied with in their own operations and in the value chain, e.g., the UN Guiding Principles on Business and Human Rights. SSAB considers that the work performed in areas such as business ethics, anti-corruption, occupational health and safety, employees and responsible sourcing corresponds to such processes and addresses identified risks. See also the section on Human Rights.

## Change compared with the previous year

Revenue from SSAB's scrap-based steelmaking decreased less relative to other income during the year. Investments in not-Taxonomy-aligned activities increased in relative terms due, among other things, to higher costs of emission allowances. Operating expenses also increased more in relative terms for not-Taxonomy-aligned activities.

## Financing in line with the taxonomy

SSAB's sustainability-linked bonds will be used for general corporate purposes and not for any specific part of operations.

## Turnover

				Criteria for substantial contribution						Criteria for Do No significant Harm (DNSH)							
				2023													Category
				Code	Turnover, total	Turnover, share	SEK millions	%									Taxonomy-aligned (A.1) or eligible (A.2) share of turnover, 2022
<b>A. Taxonomy-eligible activities</b>																	
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																	
Scrap-based steel production	CCM 3.9.	38,021	32	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	—	Yes	Yes	Yes	31
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		38,021	32	100%	—	—	—	—	—	Yes	Yes	Yes	—	Yes	Yes	Yes	31
Of which transitional		38,021	32	100%						Yes	Yes	Yes	—	Yes	Yes	Yes	31
<b>A.2 Taxonomy-eligible activities which are not environmentally sustainable (not Taxonomy-aligned)</b>																	
Iron ore-based steel production	CCM 3.9.	62,112	52	EL	N/EL	N/EL	N/EL	N/EL	N/EL								51
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>					62,112	52	100%	—	—	—	—	—					51
<b>Total A.1 and A.2</b>		<b>100,133</b>	<b>84</b>	<b>100%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>								
<b>B. Activities not included in the taxonomy</b>																	
Turnover of Taxonomy non-eligible activities (B)		19,356	16														
<b>Total A + B</b>		<b>119,489</b>	<b>100</b>														

## Turnover

2023	Proportion of turnover/Total turnover	
	Aligned per objective (%)	Eligible per objective (%)
Climate change mitigation	32	52
Climate change adaptation	—	—
Water and marine resources	—	—
Circular economy	—	—
Pollution	—	—
Biodiversity and ecosystems	—	—

## Capital expenditure

	2023	Criteria for substantial contribution						Criteria for Do No significant Harm (DNSH)						Category			
		Capital expenditure, total		Capital expenditure, share		Biodiversity and ecosystems		Circular economy		Pollution		Water and marine resources					
	Code	SEK millions	%														
<b>A. Taxonomy-eligible activities</b>																	
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																	
Scrap-based steel production	CCM 3.9.	836	12	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	—	Yes	Yes	17	Transition
<b>Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>																	
Of which transitional		836	12	100	—	—	—	—	—	Yes	Yes	Yes	—	Yes	Yes	17	Transition
<b>A.2 Taxonomy-eligible activities which are not environmentally sustainable (not Taxonomy-aligned)</b>																	
Iron ore-based steel production	CCM 3.9.	5,809	81	EL	N/EL	N/EL	N/EL	N/EL	N/EL							73	
<b>Capital expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>																	
Total A.1 and A.2		6,645	93	100	—	—	—	—	—							73	
<b>B. Activities not included in the taxonomy</b>																	
Capital expenditure of Taxonomy non-eligible activities (B)		536	7														
<b>Total A + B</b>		7,181	100														

## Capital expenditure

2023	Proportion of capital expenditure/Total capital expenditure	
	Aligned per objective (%)	Eligible per objective (%)
Climate change mitigation	12	81
Climate change adaptation	—	—
Water and marine resources	—	—
Circular economy	—	—
Pollution	—	—
Biodiversity and ecosystems	—	—

## Operational expenditure

	2023	Criteria for substantial contribution						Criteria for Do No significant Harm (DNSH)						Category				
		SEK millions	%															
<b>A. Taxonomy-eligible activities</b>																		
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																		
Scrap-based steel production	CCM 3.9.	1,297	21	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	—	Yes	Yes	Yes	14	Transition
<b>Operational expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		1,297	21	100	—	—	—	—	—	Yes	Yes	Yes	—	Yes	Yes	Yes	14	
Of which transitional		1,297	21	100						Yes	Yes	Yes	—	Yes	Yes	Yes	14	Transition
<b>A.2 Taxonomy-eligible activities which are not environmentally sustainable (not Taxonomy-aligned)</b>																		
Iron ore-based steel production	CCM 3.9.	4,702	75	EL	N/EL	N/EL	N/EL	N/EL	N/EL								82	
<b>Operational expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		4,702	75	100	—	—	—	—	—								82	
<b>Total A.1 and A.2</b>		5,998	95	100	—	—	—	—	—									
<b>B. Activities not included in the taxonomy</b>																		
Operational expenditure of Taxonomy non-eligible activities (B)		300	5															
<b>Total A + B</b>		6,299	100															

## Operational expenditure

2023	Proportion of operational expenditure/Total operational expenditure	
	Aligned per objective (%)	Eligible per objective (%)
Climate change mitigation	21	75
Climate change adaptation	—	—
Water and marine resources	—	—
Circular economy	—	—
Pollution	—	—
Biodiversity and ecosystems	—	—

## Pollution

SSAB's operations are energy-intensive, which primarily generates carbon dioxide emissions, but also gives rise to other significant emissions to air from various combustion processes and emissions to water via cooling water and contaminated process water. All in all, there are emissions to air, water and soil. This is part of SSAB's systematic improvement work aimed at minimizing environmental impact. SSAB ensures that emissions are kept within the framework of discharge conditions and other requirements from environmental authorities.

### Lower dust emissions in Oxelösund

Closing the blast furnaces at SSAB's mill in Oxelösund will not only mean a reduction in carbon dioxide emissions corresponding to 3% of Sweden's emissions but also a sharp decrease in dust emissions, such as coal dust, and sulfur dioxide emissions. Nitrogen oxides emissions are also expected to fall.

### Other significant air emissions (GRI 305-7)

Tonnes	2023	2022	2021	2020	2019
Particulate matter (PM)	576	531	595	510	596
Sulfur dioxide emissions (SOx)	3,578	2,393	3,492	2,549	3,243
Nitrogen oxide emissions (NOx)	3,426	3,484	3,135	3,274	3,316

### Emissions to water

Tonnes	2023	2022	2021	2020	2019
Suspended solids	353	302	164	76	196
Mineral oil	2	2	1	2	2

## Circular economy (materials and waste)

Whenever possible, SSAB recycles and reuses residual materials in steelmaking processes to extract more value, reduce the use of virgin raw materials and minimize the volume of waste taken to landfill. For example, the use of scrap can be optimized in steelmaking in order to reduce the need for iron ore as feedstock.

In its Nordic operations, SSAB works with the recirculation of materials for its own production: processing and sales of by-products such as slag, as well as the handling of waste that has no environmentally or economically justifiable recipient.

### Scrap as raw material

In the US plants, almost 100% scrap metal is used as a raw material and the Nordic iron ore-based plants also use about 20% scrap metal as raw material. In total, SSAB's annual use of scrap amounted to 3.7 (3.7) million tonnes.

### Slag utilization

Steel production gives rise to a number of different residuals, such as slag, sludge and dust. Materials that cannot be recirculated internally are processed into by-products, and sold externally. By-products such as slag are used in various industries, for example in road construction and as substitutes for cement.

### Recycling and management of waste

If there is no environmentally or economically viable alternative to make use of waste, it must be sent either to internal landfills or to external waste recipients, in accordance with current legislation.

SSAB has its own landfill sites at the major sites in the Nordic region, for example for dust and sludge from iron and steel production. These landfills are operated in accordance with the required permits and compliance is monitored by regulatory authorities. SSAB does not have its own landfill sites or waste transportation in the USA. The material sent to landfill sites is sampled by a third-party supplier and classified before delivery.

All SSAB sites have their own monitoring and data collection systems that meet the requirements of the authorities. SSAB works on an ongoing basis to reduce waste volumes and increase the use of residuals.

### Targets and outcomes

SSAB's circularity target is defined as the total use of scrap and fossil-free sponge iron in Nordic steel production. The target is for the use of scrap and fossil-free sponge iron in the Nordic region to reach 29% per tonne crude steel by 2025, when the site in Oxelösund has been converted to an electric arc furnace. The outcome for 2023 was 19% (19%).

SSAB also has a target for all Nordic annual slag production to be taken into use internally or externally from 2025 and beyond. The outcome for 2023 was 120% (83%) due to high external demand for slag.

**Materials used by weight (GRI 301-1)**

Thousand tonnes	2023	2022	2021	2020	2019
Iron ore pellets	6,980	6,483	7,601	6,417	6,813
Reducing agents <sup>1)</sup>	2,427	2,299	2,594	2,309	2,525
Scrap (external + internal)	3,658	3,705	3,828	3,689	3,658
Recycled materials	776	717	973	823	767
Slag formers <sup>2)</sup>	666	717	789	661	699
Alloys	107	110	122	101	111
Metal and organic coatings	45	46	61	57	52
<b>Non-renewable materials, total</b>	<b>14,660</b>	<b>14,077</b>	<b>15,968</b>	<b>14,057</b>	<b>14,625</b>

1) Coke, coal and other reducing agents , such as oil.

2) Limestone, burnt lime, dolomite, carbide, etc.

**Residuals generated (306-3)**

Thousand tonnes	2023	2022	2021	2020	2019
<b>Residuals from ore-based steel production</b>	<b>3,284</b>	<b>2,932</b>	<b>3,888</b>	<b>3,897</b>	<b>3,648</b>
Utilized internally or externally	3,364	2,440	3,294	3,578	3,300
<b>Residuals from scrap-based steel production</b>	<b>819</b>	<b>754</b>	<b>713</b>	<b>762</b>	<b>719</b>
Utilized internally or externally	751	685	642	685	644
<b>Total residuals</b>	<b>4,103</b>	<b>3,686</b>	<b>4,601</b>	<b>4,659</b>	<b>4,367</b>
Utilized internally or externally	4,116	3,125	3,936	4,263	3,944

**Waste, total weight**

Thousand tonnes	2023	2022	2021	2020	2019
Industrial waste to landfill	274	333	369	331	366
Hazardous waste	114	48	54	51	52
Non-hazardous waste	61	58	81	63	69
<b>Total weight</b>	<b>449</b>	<b>439</b>	<b>503</b>	<b>445</b>	<b>487</b>

**Target: Circularity**

	2023	Target 2023	Target 2025	Target 2026	Target 2030	Target 2031	Target 2032
Use of scrap/H-DRI	19%	20%	29%	39%	100%	100%	100%
Slag utilization	120%	82%	100%	100%	105%	107%	107%

# Water

## Responsibilities and governance

Water withdrawal and discharges to water are regulated in accordance with decisions from the respective environmental authority. There are local instructions at each site, for example, for the maintenance of treatment plants and checks on discharges to water. In Sweden and Finland, there is also coordinated inspection of the water quality in the water bodies where discharges occur. These checks are financed jointly with other operations that impact the same recipient.

## Surface water withdrawal (freshwater)

SSAB withdraws cooling water from rivers, lakes and other waters, such as the Luleälven river (the site in Luleå), the Dalälven river (Borlänge), the Nyköpingsån river (Oxelösund), the Kuljunklahti basin (Raahe) and lake Vanajavesi (Hämeenlinna). The site in Iowa withdraws water from the Mississippi River. The site in Alabama uses groundwater. This corresponds to less than 1% of SSAB's total freshwater withdrawal.

## Surface water withdrawal (salt/brackish water)

For the sites in Luleå, Raahe and Oxelösund, SSAB also withdraws cooling water from the Baltic Sea.

## Areas of water stress

According to WRI's water stress analysis, all SSAB's steel mills are located in areas facing a low risk of water stress, with the exception of Oxelösund, which is located in an area with a medium to high risk due to low groundwater levels. However, SSAB does not use groundwater as cooling water in Oxelösund, and the need for surface water in the form of fresh water will be reduced when the plant is converted into an electric arc furnace system. The planned electric arc furnace will be cooled with sea water.

## Water important in steelmaking

The steel industry requires huge volumes of water in its processes. This is why all SSAB's production sites are in the vicinity of water, which is primarily used to cool the steel, in annealing processes, for example. Water is also used to scrub process gases and as a lubricant, as well as rinsing and flushing water in, for example, pickling.

## Total water withdrawal by source (303-1)

Million m <sup>3</sup>	2023	2022	2021	2020	2019
Surface water (inland)	193	190	196	180	180
Surface water (sea)	204	196	205	198	198
Municipal water	2	2	1	1	1
<b>Total water withdrawal</b>	<b>398</b>	<b>388</b>	<b>402</b>	<b>379</b>	<b>379</b>

# Biodiversity

SSAB strives to integrate ecosystem services into its operations in order to promote biodiversity. This is a long-term undertaking that involves a wide range of activities, from taking ecosystem services into account when planning and developing operations, to preserving and maintaining the flora and fauna that already exist. It may also involve utilizing vegetation within the industrial sites in order to reduce the spread of dust and bind airborne pollutants, or to create recreational areas for the general public. Ecosystem services is a term that embraces all products and services provided by nature's ecosystems and which contribute to human welfare and quality of life.

## Local initiatives

There are many examples of local agreements with municipalities, county administrative boards or stakeholder organizations, in which SSAB collaborates with biologists from government agencies or other organizations, for example to preserve dead wood to create habitats for fauna, to plan for nesting boxes or the natural establishment of vegetation and meadowland, for example in connection with the decommissioning of landfill sites.

## Examples from previous years:

- Inventory of, among other things, nature values and nesting birds in the industrial areas of both Luleå and Raahe
- Agreement with Borlänge Municipality to preserve a valuable recreational area in Islingbyholen with a unique environment and significant natural and cultural values, and to

keep it accessible to the public. SSAB has also worked with the municipality to adapt land and vegetation by an existing noise barrier in order to create a large-scale insect hotel.

- Restoration of wetland upstream of the site in Oxelösund in collaboration with the Swedish Anglers Association and landowners in the area. The wetlands provide a regenerated spawning ground for pike in the Långsjön lake in Sörmland in order to stabilize the ecosystem locally, reduce the discharge of nutrients into the Baltic Sea and, in the long term, to reduce algal bloom.

## Biodiversity in Luleå

SSAB has developed a plan to strengthen biodiversity in Svartön, the site of SSAB Luleå. This is a step in our ambition to increase biodiversity in conjunction with the transformation to fossil-free steelmaking. The starting point is to benefit the red-listed and already established bird species existing in the area. The plan also includes measures to create and strengthen suitable habitats, nesting sites and foraging areas by among other things preserving vegetation, creating ponds, ditches and wetlands, and open grassy areas. The plan will be updated in more detail as the transformation of SSAB Luleå progresses. The proposed measures will result in increased biodiversity in the area.



## Social aspects

SSAB aims to be the world's safest steel company, and to provide a safe and inclusive workplace.

# Employees

SSAB strives to make employees feel involved, engaged and motivated to take responsibility for their own personal development. SSAB seeks to provide opportunities for employees to grow professionally within the organization, as well as a safe and welcoming workplace where work-life balance is important.

At the end of the year, SSAB had 15,126 employees, 200 fewer compared to the previous year. Most of SSAB's employees are in Sweden, followed by Finland and the USA. 96% are permanently employed and 21% of the workforce are female. Employee turnover was 8.0% (8.1%), and 709 (990) new employees were hired during the year.

## Corporate culture

SSAB's corporate culture is summarized by the SSAB Way platform, which describes what SSAB offers and what is expected of its employees. The SSAB Way includes, among other things, vision and values, expectations of employees through SSAB's Code of Conduct, and tools and criteria for managers and employees in working towards SSAB's goals. The SSAB Way is the starting point for the Annual Talks dialogs.

## Competence development

SSAB has several internal development programs for different levels of the organization, such as an internal business development program and a training module for middle managers. SSAB also has trainee programs, for example with a focus on technology and leadership.

One key element of competence development is the Annual Talks Dialogs, where the focus is on the individual development plan. 92% (92%) of office workers had Talks Dialogs in 2023.

## Collective bargaining agreements and trade union representation

All SSAB employees in Sweden and Finland are covered by collective bargaining agreements, and approximately 78% of employees in Sweden and Finland are represented by trade unions. There are different arrangements for employees in the USA and other countries in accordance with practice and labor legislation in each country. SSAB respects employees' rights to organize in accordance with national laws and regulations. SSAB provides channels for employees to engage in the company's activities and express their views, for example through information meetings or employee surveys. The trade unions at SSAB in Europe have a European Works Council (EWC), where, for example, SSAB's management provides information about matters of importance to employees.

## Personnel who are not employees

At SSAB, work is performed by different contractors, partners and external consultants in all parts of the organization and in different types of work areas, such as cleaning of premises, maintenance work at the production sites and various kinds of IT services. SSAB does not have a central follow-up of the different external resources, but this is managed at a local level.

## Total workforce

	2023	2022	2021
<b>Employee category</b>			
Total workforce	15,126	15,326	15,078
Permanent employees, %	96	95	94
Temporary employees, %	4	5	6
Full-time, %	97	97	97
Part-time, %	3	3	3
<b>Country</b>			
Sweden	6,500	6,507	6,105
Finland	4,731	4,809	4,678
USA	1,500	1,413	1,346
<b>Gender</b>			
Women, %	21	20	20
Men, %	79	80	80

## SSAB Academy

With support from the EU's Just Transition Fund, during the year, SSAB launched the SSAB Academy in Luleå which is SSAB's training for employees to develop and exchange skills for the fossil-free transformation. SSAB Academy has started with two pilot courses launched in fall 2023 – one for certified electricians and the other in leadership training with a focus on change management.

## Remuneration

SSAB's remuneration policy is described in the Section Remuneration guidelines for senior executives. SSAB reports total remuneration for the CEO and the average total remuneration for employees in the parent company in the Remuneration report. SSAB does not follow up on the average wage increase for the Group as a whole.

## Permanent employees

	2023	2022	2021
<b>Permanent employees</b>			
Permanent employees	14,565	14,568	14,235
<b>Country</b>			
Sweden	6,209	6,135	5,962
Finland	4,581	4,551	4,501
USA	1,481	1,405	1,340
<b>Gender</b>			
Women, %	20	20	19
Men, %	80	80	81

## Full-time employees

	2023	2022	2021
<b>Full time employees</b>			
Full time employees	14,715	14,921	14,656
<b>Country</b>			
Sweden	6,243	6,276	6,105
Finland	4,620	4,679	4,678
USA	1,500	1,413	1,346
<b>Gender</b>			
Women, %	21	20	20
Men, %	79	80	80

### New employee hires and employee turnover (GRI 401-1)

	2023	2022	2021
<b>New employees hires total</b>	709	990	776
<b>Country</b>			
Sweden	252	366	260
Finland	134	188	134
USA	204	218	193
<b>Gender</b>			
Women, %	22	23	21
Men, %	78	77	79
<b>Employee turnover, total, %</b>	8	8	7
<b>Country</b>			
Sweden, %	7	7	6
Finland, %	5	6	6
USA, %	11	12	11
<b>Gender</b>			
Women, %	7	8	7
Men, %	8	8	7

Of the 561 temporary employees, 35% are women. 52% work in Sweden, 27% in Finland and 3% in USA. Of the 411 part-time employees, 31% are women. 63% work in Sweden, 27% in Finland and 0% in USA. Of the 709 new employees, 22% are women. 36% were employed in Sweden, 19% in Finland and 29% in USA.

Employees covered by collective bargaining agreements, %	2023
Sweden	100
Finland	100
USA	1

## Occupational health and safety

SSAB's ambition in the area of health and safety is to prevent all work-related accidents and diseases and to become the world's safest steel company. To achieve this, SSAB works on the basis of the following principles:

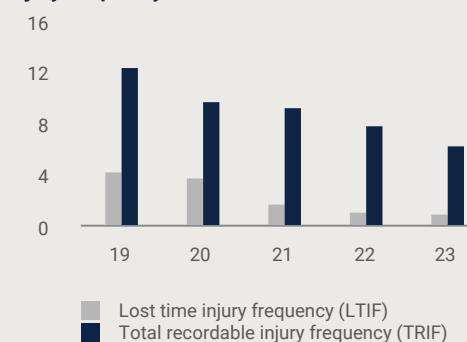
- All accidents and work-related illnesses can and must be prevented
- Employee engagement and education are required for successful safety work
- Safe working is a requirement for employment at SSAB
- Good work in health and safety also delivers good business results
- Health and safety issues should be integrated into the business process

All employees and contractors are entitled to a healthy work environment without accidents. Unfortunately, in SSAB's operations there is a risk of accidents and injuries for employees and contractors, primarily at the production sites. The most common types of accidents are wounds, sprains, strains, fractures and concussion.

### Responsibilities and governance

Safety work is integrated into SSAB's management system and summarized in the Group's governing document for safety, which has been adopted by the Group Executive Committee. The Directive for health and safety summarizes SSAB's ambition in the industry and emphasizes the importance of not compromising on safety work and the responsibility of the individual to work safely.

### Injury frequency



The directive is supplemented by SSAB's instructions for health and safety, which summarize the principles and requirements for safety work. The head of Sustainability is responsible for both the steering documents, which were last updated in 2019. SSAB's safety principles meet or exceed all applicable laws, regulations and internal requirements. The safety management system meets the requirements of ISO 45001 and has been implemented at all SSAB sites. Safety work also includes issues relating to process safety.

All SSAB sites are required to systematically identify safety risks and take action to minimize these risks. Local occupational health and safety programs must be developed in accordance with legislation in each country. This is generally done by local health and safety committees consisting of representatives of local company management and employees. In Sweden and Finland, there are health and safety committees at all workplaces with more than 50 employees. In the USA, there are several health and safety committees, which provide employees with the

### Successful safety work

The SSAB Hämeenlinna production unit, which also includes the plants in Kankaanpää and Finspång, has had no work-related injuries for the past three years. This good improvement in safety is the result of many measures and the steadfast commitment of all employees. All employees have, in principle, participated in SSAB Europe's safety training.

opportunity to participate in health and safety issues.

The line organization has overall responsibility for health and safety issues, compliance with applicable safety requirements and for conducting risk assessments. All divisions have their own safety targets, which are followed up regularly by the Group Executive Committee. Group-wide collaboration on health and safety issues is ensured by two groups:

- The Health and Safety Council has primary responsibility for coordinating safety work, proposing policies and strategic initiatives to the Group Executive Committee and promoting a positive safety culture within SSAB. The Council is the decision-making body on operational safety issues and consists of senior employees from all SSAB divisions.
- The Safety Expert Group consists of experts from SSAB's major sites, divisions and subsidiaries, with the purpose of sharing information on, for example, preventive measures.

**Personal safety pledge**

A fundamental requirement for working at SSAB is individual responsibility to work safely every day. All employees must sign SSAB's safety pledge, which is a commitment to always put safety first. This also applies to contractors and others working at SSAB's sites.

**Contractor safety**

Every year, a significant number of employees from external companies work at SSAB, especially in maintenance and repairs. Based on a risk assessment, some contractors are screened to see if they have robust safety procedures. SSAB also provides safety training sessions and discussion forums in order to increase their safety awareness.

**Targets and outcomes**

SSAB primarily monitors safety work through lost time injury frequency (LTIF) and total recordable injury frequency (TRIF) per million hours worked. See the Definitions section for more information. All divisions and subsidiaries have annual targets for LTIF and TRIF and the outcome is reported monthly to the Group Executive Committee, which also decides safety work targets.

Overall safety performance during the year was good. The number of accidents resulting in absence of more than one day per million hours worked (LTIF) fell to 0.87 (1.06) and TRIF fell to 6.2 (7.8). The large increase in the LTI severity rate is mostly due to two very long sick leaves.

SSAB's operations in Finland particularly contributed to lower LTIF and TRIF during the year. The good outcome of SSAB's safety work is a result of the work to improve the Group's safety culture in recent years. This work has above all focused on preventive work, accountability and education. SSAB will continue work to further strengthen the safety culture going forward.

**Work-related injuries (GRI 403-9)**

	2023	2022	2021	2020	2019
<b>Total</b>					
LTIs	25	30	48	101	126
LTIF	0.87	1.06	1.8	3.7	4.2
TRIF	6.2	7.8	9.2	9.7	12.4
<b>Employees</b>					
Fatal accidents	—	—	—	—	—
High consequence LTIs	2	—	2	9	7
Total LTIs	18	17	37	73	102
LTIF	0.72	0.69	1.6	3.2	4.0
TRIF	5.8	7.5	9.3	9.7	12.4
Hours worked	25,153,659	24,521,439	23,585,560	22,767,926	25,474,602
<b>Subcontractors</b>					
Fatal accidents	—	—	—	—	—
High consequence LTIs	—	—	—	4	—
Total LTIs	7	13	10	28	24
LTIF	1.96	3.50	3.2	7.7	5.6
Hours worked	3,564,809	3,740,095	3,166,893	3,654,969	4,319,125

**Targets for safety work**

	2023	Target 2023	Target 2024	Target 2026
<b>Number of fatalities</b>	—	—	—	—
LTIF	0.87	1.50	< 1.00	< 1.00
TRIF	6.2	6.2	5.5	4.5
LTI severity rate	37	10	10	10

**LTIF by country/region (employees)**

	2023	2022	2021	2020	2019
Sweden	1.02	1.38	2.6	3.3	3.7
Finland	—	0.69	1.3	5.5	5.4
USA	1.36	1.41	0.5	1.9	2.7
Rest of Europe	2.20	0.72	1.8	3.2	3.2
Rest of the world	—	—	2.4	2.4	3.4

**TRIF by country/region (employees)**

	2023	2022	2021	2020	2019
Sweden	7.8	8.1	9.0	10.6	15.4
Finland	4.1	7.8	12.8	12.6	12.1
USA	5.0	5.4	4.7	4.0	8.2
Rest of Europe	4.8	7.2	6.2	5.4	6.6
Rest of the world	3.7	5.6	7.2	8.7	20.0

# Inclusion and diversity

SSAB's work in the area of inclusion and diversity aims to ensure an inclusive way of working within the Group and to utilize the competence of all employees, and to work against all forms of discrimination. This work is also important for SSAB to be able to attract and retain employees in the future. Gender equality is an important area when it comes to diversity. The metal and mining industry generally has a skewed gender distribution among employees, which also characterizes the composition of SSAB's workforce.

## Governance and responsibilities

Work on inclusion and diversity is summarized in governing documents at Group level and contains SSAB's principles for an inclusive workplace where all employees have the same rights. The governing document addresses nine grounds of discrimination (gender, transgender identity, ethnic or national affiliation, religion, disability, age, sexual orientation, marital or parental status, political opinion or trade union membership). The governing document is supplemented by an employee handbook and various training events. Inclusivity, diversity and a non-discriminatory corporate culture are also part of the mandatory training on the Code of Conduct.

The line organization has overall responsibility for inclusion and diversity. During the year, all divisions set targets in the area of inclusion and

diversity. These are being monitored regularly by the Group Executive Committee. The work is coordinated by the HR function at Group level.

Issues concerning inclusion and equal treatment are monitored through activities including the annual employee survey. The SSAB Ethics Line also provides employees with the opportunity to anonymously report cases of discrimination, for example, (see also Business Ethics and anti-corruption).

## Strategy, targets and outcomes

The strategy for inclusion and diversity is decided by the Group Executive Committee strategy based on three aspects: the overarching target is the proportion of women among line managers. The target for 2025 was set at 23% of women, compared with the outcome for the year of 22% (20%). The proportion of women among the total number of employees was 21%. Additional key figures in gender equality are regularly monitored.

## Activities during the year

- SSAB strengthened internal and external communication on diversity with the aim of focusing on how employees act and develop.
- Several different internal councils were formed for the exchange of experience and cooperation between, for example, different areas of activity and countries.
- Training initiatives within HR and Communications to ensure that processes and information are inclusive and non-discriminatory.

- Implementation of training for managers on how they can support and develop an inclusive environment. SSAB Americas continued to focus on training in non-discrimination and inclusion. Training is mandatory for all managers and employees and roughly 100 people received training in 2023. Furthermore, several global leadership programs have been developed to more clearly integrate perspectives on the importance of inclusion and diversity.

SSAB has already participated in several different networks aimed at increasing diversity in the steel industry, such as Female Leader Engineer, and Teknisksprånget in Sweden, Women in Tech, and Inklusiv in Finland, and the Association of Women in the Metal Industries in the USA.

## Target and outcome: Gender equality

%	2023	2022	Target 2023	Target 2025
Share of women (line managers)	22	20	21	23

## Management and employees, by gender, employee category and age group (GRI 405-1)

### Board<sup>1)</sup>

	2023	2022	2021	2020
Total number	7	8	7	8
Female	3	3	3	4
Male	4	5	4	4
Aged < 30	—	—	—	—
Aged 30–50	—	—	—	1
Aged > 50	7	8	7	7

<sup>1)</sup> Members appointed by the employees (6) are not included.

### Group Executive Committee

	2023	2022	2021	2020
Total number	11	11	11	11
Female	4	4	4	3
Male	7	7	7	8
Aged < 30	—	—	—	—
Aged 30–50	1	2	2	4
Aged > 50	10	9	9	7

### Employees

%	2023	2022	2021	2020
Female	21	21	20	20
Male	79	79	80	80
Aged < 30	13	14	14	12
Aged 30–50	52	52	52	53
Aged > 50	35	34	34	35

### Frontline workers

%	2023	2022	2021	2020
Female	13	13	12	11
Male	87	87	88	89
Aged < 30	17	18	18	15
Aged 30–50	49	49	49	51
Aged > 50	34	33	33	34

### Office employees

%	2023	2022	2021	2020
Female	34	33	33	33
Male	66	67	67	67
Aged < 30	7	7	7	8
Aged 30–50	56	57	57	57
Aged > 50	37	36	36	35



## Business conduct

SSAB's work with responsible business conduct includes human rights, business ethics, anti-corruption and responsible sourcing.

# Human rights and fair labor conditions

SSAB is a member of the UN Global Compact and supports its principles regarding human rights, labor rights, the environment and anti-corruption. SSAB also supports the human rights expressed in the International Bill of Human Rights, the core conventions of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. SSAB is committed to implementing processes to prevent, identify and address any negative impact on human rights that the business may cause or contribute to.

## Human rights in SSAB's Code of Conduct

SSAB's Code of Conduct states that SSAB does not tolerate any form of discrimination and that inclusion and diversity are important issues. SSAB has zero tolerance for harassment and no forms of child labor, forced labor, slave labor or illegal labor, including trafficking and other forms of modern slavery, may occur. To prevent risks concerning human rights, SSAB complies with local legislation and international standards for human rights. In addition to the Code of Conduct, policy documents at Group level provide further guidance in areas such as inclusion and diversity. A large part of the work concerns cooperation with the trade unions and SSAB providing channels for employees to engage and express their opinions. Human rights are an important aspect when SSAB screens suppliers.

### Process for human rights risks

SSAB continuously reviews risks and processes to prevent, identify and address any negative impact on human rights that the business may cause or contribute to.

SSAB has already conducted an assessment of human rights, including measures to limit and prevent risks. During the year, the Group-wide Ethics Council updated the previous risk assessment of human rights.

No significant risks were identified, but priority areas include health and safety, the right to freedom of association and collective bargaining, fair employment and working conditions, and non-discrimination, mainly for employees and employees of suppliers. A further area is the rights of indigenous peoples. During the year, a stakeholder dialog was therefore conducted with a Sámi village affected by SSAB's transformation in Luleå, with the aim of increasing knowledge about the land area in question and reindeer husbandry.

In 2024, further stakeholder dialogs are planned to discuss priority areas and the work to establish action plans continues.

# Business ethics and anti-corruption

SSAB operates in markets with different cultures, values and traditions. SSAB has zero tolerance of bribery and corruption and has a high level of ambition in the area of business ethics. Work on business ethics and anti-corruption primarily involves SSAB's own employees, but indirectly also customers and business partners. SSAB's suppliers are also covered by a Code of Conduct for suppliers.

### Code of Conduct

SSAB's work within responsible business is based on the Code of Conduct. It is SSAB's ethical compass that sets out how employees are expected to behave vis à vis stakeholders and in the market by translating SSAB's values into actions. The Code of Conduct covers areas such as health and safety, the environment, human rights and business ethics and forms the basis for SSAB's commitments in these areas. The Code of Conduct is supplemented by a guide to clarify SSAB's principles of business ethics. The Code of Conduct and the related guide are available on SSAB's website and the intranet.

### Governance and responsibilities

The Code of Conduct was adopted by the Board of Directors and updated in 2022. In addition to this, SSAB's Group Executive Committee has adopted instructions on anti-corruption work and business ethics reviews of partners representing SSAB in areas with a high risk of corruption and on the Ethics Line whistleblower system and internal reporting channels.

At Group level, the Ethics & Compliance function is responsible for the strategic work and the implementation of new legislation concerning business ethics and anti-corruption.

Responsibility for compliance with the instructions rests with the line organization. Coordination takes place within a Group-wide Ethics Council. During the year, an internal Council for Responsible Business was also established, which comprises the CEO, General Counsel, Head of Sustainability, heads of divisions and the Head of Ethics & Compliance.

### Reporting and whistleblowing channels

SSAB encourages employees to report any violations of laws or the Code of Conduct. The Code states that no person who reports irregularities on reasonable grounds may be subjected to reprisals or harassment. Reports can be submitted to individuals such as the line manager or an HR representative. These cases are followed up regularly within the line organization. Employees within the EU can also report via local reporting channels for whistleblowing, established in accordance with

### SSAB Ethics Line

SSAB's global whistleblowing system, Ethics Line, is available in almost all countries where SSAB operates.

Reports can be made in 13 languages. Ethics Line allows anonymous reporting 24/7 either online or by telephone. Employees who do not have access to the Ethics Line have other reporting channels.

the implementation of EU Directive 2019/1937. Information about reporting channels is available on SSAB's intranet and external website. The persons who are authorized to receive and investigate reports from the reporting channels will receive internal training.

Reporting can also take place through SSAB's global whistleblowing system, the Ethics Line. Ethics Line reports are managed by a steering group for case management. The steering group consists of SSAB's Head of Internal Audit, Head of Ethics & Compliance and Head of HR Compliance. The Head of Internal Audit informs SSAB's Audit Committee quarterly of all Ethics Line reports, including summaries of ongoing investigations, without disclosing personal data.

In 2023, 39 (17) incidents were reported via the Ethics Line and following investigation, action was taken in 14 cases: 7 related to discrimination and harassment, 4 to compliance with rules, 1 to the Code of Conduct, 1 to corruption and 1 related to conflict of interest. 3 cases are still under investigation and 22 cases were not considered to be within the scope of whistleblowing cases and the persons reporting were referred to other reporting channels. None of the discrimination cases reported during the year concerned gender, ethnicity, nationality, religion or belief, disability, but concerned other forms of alleged discrimination or harassment. No reports of human rights violations were received. Nor were any sanctions or damages imposed for cases reported to the Ethics Line. The reason for the increase in the number of reported incidents during the year may be attributed to SSAB's launch of a new platform for the Ethics Line earlier in the year that facilitates

reporting and to the updating of the Code of Conduct.

#### **Anti-corruption work**

SSAB works to prevent and detect corruption through anti-corruption directives and instructions with associated training and a handbook on business ethics, which is available on the intranet. The policy documents contain information on how SSAB defines bribery and improper benefits and how employees are expected to act in their contacts with suppliers, customers and other business partners. SSAB also has an instruction for business ethics review, which primarily covers agents and distributors in areas of high-risk for corruption. The instruction means that SSAB may not enter into agreements with business partners representing SSAB until an initial assessment shows that they respect SSAB's business ethics rules.

Audits of risks of fraud and corruption are also included in audit reviews of subsidiaries. Whereas the audits have not revealed any concrete irregularities, they have identified opportunities to reduce risks. These opportunities for improvement are addressed in accordance with the action plans that have been developed. SSAB also encourages employees and external stakeholders to report any corruption incidents through the reporting channels.

#### **Anti-corruption clause in agreements**

SSAB includes anti-corruption clauses in agreements with business partners, and SSAB's Code of Conduct for Suppliers clarifies that all forms of corruption and bribery are unacceptable

and that suppliers should work to prevent it. The majority (116 out of 133) raw material contracts in the Nordic business during 2018–2023 refer to the Supplier Code of Conduct. Contracts with companies within the Hardox Wearparts network include anti-corruption clauses as well as reference to SSAB's Code of Conduct and governing documents for anti-corruption (412 contracts in 2017–2023).

#### **Training & tools**

SSAB's training module on the Code of Conduct, which also includes anti-corruption work and information on how to report non-compliance, is mandatory for all employees. The module is available in ten languages and employees must complete the module every three years. Completion of the training for new employees is one of SSAB's targets within business ethics.

SSAB conducts regular training in business ethics, aimed primarily at managers and employees in sales and purchasing, who are at greater risk of being exposed to corruption in their daily work. SSAB also provides internal training in competition law and anti-corruption.

#### **Activities during the year**

During the year, SSAB launched a new internal training module on the Code of Conduct (see above). In addition, internal training was conducted regarding the review of business partners representing SSAB and corruption risks, as well as on human rights.

SSAB also continued efforts to establish new internal channels within the EU for reporting misconduct where cases are handled by locally appointed persons. During the year, a new

platform for the whistleblower system, the Ethics Line, was launched to facilitate an effective dialog between persons submitting reports and internal investigators. The system was also opened up to external stakeholders.

#### **Targets and outcomes**

At the end of 2023, 76% (89%) of all new employees had begun the onboarding process, which includes completing the Code of Conduct training module. See Definitions for more information. From 2023 onwards, the target only applies to new employees. All members of the Group Executive Committee have already completed the training in business ethics. 96% (90%) of SSAB employees have access to the Ethics Line. At the end of the year, 94% (96%) of the target group had completed the competition law training module and 90% (80%) the module in anti-corruption, which is aimed primarily at employees in sales and purchasing, who are exposed to a greater risk of exposure to corruption in their daily work. During the year, there were no corruption incidents to report in accordance with current regulations.

#### **Targets and outcome**

%	Target 2025	2023	2022	2021
Share of new employees who have completed training about the Code of Conduct	100	76	89	84
Share of employees who have access to the Ethics Line	95	96	90	89

# Responsible sourcing

It is important that SSAB's suppliers act responsibly, and that they comply with SSAB's sustainability guidelines. By placing demands on suppliers and following up on their work, SSAB can contribute to positive development when it comes to sustainability in the value chain.

SSAB's purchases take place primarily from Sweden, Finland and other European countries (60% of purchases is attributable to Europe), but also from the US (33%). Only a small proportion come from other countries, primarily Australia. In 2023, SSAB purchased products, materials and services to a value of approximately SEK 76 (85) billion. Scrap is the largest purchasing category, followed by iron ore, and coal and coke. These three categories accounted for approximately 33% of the Group's total costs.

Work on sustainability in the supply chain includes both SSAB's direct suppliers and, to an increased extent, their subcontractors, in some cases at multiple levels. It also includes SSAB's employees with sourcing responsibility, in the form of training modules and instructions.

In SSAB's supply chain, there may be a risk above all of adverse environmental impacts, such as soil, air and water pollution, adverse impacts on biodiversity as well as greenhouse gas emissions. Health and safety and human rights are also important issues.

## Responsibilities and governance

SSAB's Supplier Code of Conduct is adopted by the Group Executive Committee and is available on SSAB's website. The Supplier Code of Conduct is an integral part of SSAB's way of doing business and forms the basis for environmental and social requirements. To support employees with sourcing responsibility, there are also instructions on sustainability work and procedures for follow-up on sustainability at suppliers. At Group level, the sustainability function within the Sourcing Department is responsible for strategic work and coordination through, for example, regular meetings for those responsible for sourcing within the Group. Responsibility for compliance with the instructions rests with the line organization. Targets and outcomes are followed up regularly. The sustainability function within the Sourcing department is also responsible for the Group's Scope 3 calculation.

## Identification and assessment of supplier risks

SSAB risk-assesses suppliers based on factors such as risks to the environment, working conditions, human rights and corruption. Assessment is made with the help of an external tool. Each supplier has a risk profile based on country and industry risk. Suppliers assessed as moderate or high risk must answer additional questions regarding corporate governance, social conditions and environmental work, and SSAB takes any necessary action based on this.

## Risk assessments and audits

The annual audit plan defines at which suppliers risk assessment or third-party audits are to be conducted. The selection is based, among other things, on the supplier's sustainability work (including health and safety).

## Actions against modern slavery

SSAB supports and respects internationally established human rights and has taken several measures to prevent child labor, forced labor, slavery and human trafficking from occurring in the supply chain. These measures include updating SSAB's Supplier Code of Conduct, risk assessments and audits, and training of SSAB employees.

## No conflict minerals

SSAB does not use so-called conflict minerals (gold, tin, tungsten and tantalum), and on request will provide customers with a certificate confirming this. Regarding expanded conflict minerals (cobalt and mica), cobalt is not used in end products from SSAB's steelmaking. Mica may be present in steel color coatings. SSAB is currently investigating the presence of mica together with the paint suppliers.

## Activities during the year

- A new Supplier Code of Conduct was launched at the beginning of the year to better reflect SSAB's own Code of Conduct, stricter customer requirements for sustainability in the supply chain, and new EU directives.
- SSAB completed the implementation of a new supplier assessment tool that will facilitate risk assessment, allowing it to focus on specific areas, such as human rights.
- The process of setting a target for other indirect CO<sub>2</sub> emissions (Scope 3) was initiated in connection with the update of the Group's targets for Scope 1 and 2. In connection with this, SSAB commissioned a new, more comprehensive scope 3 calculation for 2018 and 2022 (see Definitions for more information). Scope 3 emissions are reported in the Climate section.
- Introduction of the possibility for external stakeholders, such as employees of suppliers, to report violations of SSAB's Code of Conduct.
- Work to reduce CO<sub>2</sub> emissions from transports.

## Target and outcome: Responsible sourcing (GRI 414-1)

	Target 2023	Target 2025	Target 2030	2023	2022	2021
Share of new suppliers that are sustainability risk assessed	100%	100%	100%	88%	91%	88%
Share of total spend sustainability-assessed	95%	96%	98%	20%	97%	96%
Number of audits/evaluations	40	100	100	111	80	24

**Targets and outcomes**

During the year, 88% (91%) of SSAB's new suppliers were assessed from the sustainability risk aspect and 20% (97%) of medium and high-risk suppliers were assessed from the sustainability aspect. The lower figures for the year are due to the introduction of the new supplier assessment tool. As a result, more suppliers than earlier were classified as medium or high risk, and the risk assessment was reset. SSAB intends to evaluate a large percentage of its suppliers based on total spend in 2024.

During the year, 111 (80) risk assessments and sustainability audits were conducted. Deviations from SSAB's expectations of suppliers were noted in two cases. One vendor has remedied the discrepancies. In the second case, SSAB chose to terminate the cooperation. In other audits, SSAB highlighted several areas for improvement, such as how suppliers can work with sustainability at their subcontractors and how they can set targets to reduce greenhouse gas emissions.

**Fossil-free transport**

In 2021, SSAB joined the First Movers Coalition, an initiative to create demand for low-carbon technology in the market. SSAB has committed to 30% of purchased transport services being fossil-free by 2030. In 2023, SSAB reduced direct truck transports by partially switching to rail transport for transports to the Baltic States and Poland. SSAB has also started work on a so-called green transport corridor from SSAB in Borlänge, via Gothenburg, to Ghent, Belgium.

# SSAB's climate policy engagement

SSAB's collaboration with political decision-makers, on a global, European and national level, aims to inform about opportunities and challenges associated with the decarbonization of the steel industry. Climate policy, energy policy and industrial policy are areas of specific interest for SSAB, as well as issues related to public funding and efficient permit processes.

SSAB is pursuing the following issues, for example:

- Climate policy: SSAB supports the European Green Deal and Climate Law, including the target of a 55% reduction in emissions by 2030. For the upcoming EU 2040 target, SSAB calls for an ambitious target of at least a 90% net reduction compared to 1990 levels, and that the EU should strive to become climate neutral by 2040.
- Energy policy: Transformation of the industry depends on access to fossil-free energy inputs, especially electrification. Accelerating the expansion of fossil-free electricity production, allocation of electricity capacity and access to transmission grids are important issues for SSAB.
- EU, ETS and CBAM: SSAB supports the EU's policy priorities on access to finance, a level playing field, a robust clean-tech demand policy and investment in innovation. Effective implementation of the revised EU ETS (Carbon Border Adjustment Mechanism, CBAM), which SSAB supports, will be important.
- Public funding: SSAB advocates caution regarding state aid, which can easily distort the

EU's internal market and increase the cost of the technology needed for the transformation. If used, subsidies should focus on research and development and the scaling up of new technologies, not on subsidizing already commercially available technologies.

SSAB's climate policy engagement is adopted by the CEO and is based on the corporate strategy, the Code of Conduct and SSAB's support for the goals in the Paris Agreement. For lobbying activities in the EU, SSAB is registered in the EU Transparency Register, registration number 835967332819-32.

During 2023, an assessment was made whether those industry organizations and member organizations of which SSAB is a member represent climate-related positions that SSAB stands behind and/or are in line with the goals in the Paris Agreement. The assessment shows that all member organizations meet SSAB's expectations.

## Membership of organizations and advocacy organizations

Globally	Leadership Group for Industry Transition (LeadIT), Energy Transitions Commission (ETC), First Movers Coalition
Europe	Eurofer, Corporate Leadership Group (CLG), indirectly via Hybrit Development AB
Sweden	Jernkontoret, Confederation of Swedish Enterprise, SKGS-Skogen, Kemir, Gruvorna och Stålet, Fossil Free Sweden,
Finland	Finnish Metal Producers, Large Finnish Electricity Consumers, Federation of Finnish Technology Industries
North America	American Iron and Steel Institute (AISI), National Association of Manufacturers (NAM), Steel Manufacturers Association (SMA)



## Additional information

# Definitions and abbreviations

Key sustainability indicators and abbreviations used in SSAB's Sustainability Report.

Key sustainability indicator	Definition	Unit	Method	Change compared with the Sustainability Report 2022
<b>Environment</b>				
Volume of steel saved	Weight reduction by upgrading to SSAB's high-strength steels compared to the practice for each application.	Tonne	The best practices for each application are based on the knowledge experience of SSAB's technical experts in each field.	
Carbon dioxide equivalents, CO <sub>2</sub> e	Greenhouse gas emissions consist mainly of carbon dioxide, but also other greenhouse gases such as methane. The total amount of greenhouse gases is reported as carbon dioxide equivalents (CO <sub>2</sub> e). When carbon dioxide (CO <sub>2</sub> ) is mentioned in the body text, it refers to carbon dioxide equivalents (CO <sub>2</sub> e).	Tonne	Carbon dioxide equivalents mean the number of tonnes of carbon dioxide emissions with the same global warming potential as one tonne of another greenhouse gas.	
Scope 1	Direct greenhouse gas emissions (CO <sub>2</sub> e) from SSAB's operations.	Tonne	Calculated in accordance with the instructions of the WBSCD GHG Protocol, together with additional guidelines from EU and/or national authorities. Scope 1 emissions for the Nordics for 2023 are preliminary. Ongoing verification process within the EU ETS for greenhouse gas emissions reports may result in minor adjustments.	Values for 2022 have been updated (preliminary values in the Sustainability Report 2022).
Scope 2	Indirect greenhouse gas emission (CO <sub>2</sub> e) from production of electricity and heat purchased that are consumed by SSAB.	Tonne	For electricity, indirect CO <sub>2</sub> e emissions are calculated using market-based emission factors for total electricity consumption without deductions for self-generated electricity. Generic emission factors are used in the calculation of indirect emissions from heat purchased.	

Key sustainability indicator	Definition	Unit	Method	Change compared with the Sustainability Report 2022
Scope 3	Other indirect greenhouse gas emissions (CO <sub>2</sub> e) occurring in SSAB's value chain upstream and downstream.	Tonne	Calculated in accordance with the Greenhouse Gas Protocol Corporate Value chain (Scope 3) Accounting and Reporting standard (WRI & WBCSD 2011).	In 2023, SSAB commissioned an external party to conduct a full calculation of Scope 3 in conjunction with the process to update the climate target. The calculations were made for the base year 2018 and 2022 only. The new calculation differs from the previous report mainly due to the updating of the methodology in line with guidelines in the Science Based Targets initiative Steel sector guidance; different emission factors and increased data coverage (unlike earlier, the subsidiaries Tibnor and Ruukki Construction are included in the new calculation). Where possible, calculations based on weight or tonne-kilometer have been used. In other cases, expenditure has been used. The calculations are not comparable with previously reported values. The calculations are based on assumptions and standard values that may be updated, including for historical values. SSAB is working actively to access data directly from suppliers to reduce dependence on standard data.
Greenhouse gas intensity per steel tonne	CO <sub>2</sub> e Scope 1 and 2 (tonne) divided by total volume of crude steel (tonne).		Total volume of crude steel is found under the headline Production and shipments in the Board of Directors' Report.	
Greenhouse gas intensity per sales SEK	CO <sub>2</sub> e Scope 1 and 2 (tonne) divided by consolidated net revenue.		Total revenue in accordance with note B.2.	
Energy	Reporting of energy refers to use of electricity, purchased fuels and purchased heat. Use of electricity purchased includes external companies in the industrial area.			Minor adjustments have been made to historical data due to the verification process within the EU ETS for greenhouse gas emissions reporting.
Energy intensity per steel tonne	Total energy use (electricity, fuel and heat purchased) in kWh divided by total volume of crude steel (tonne).			
Taxonomy (external revenue)	Total revenue according to note B.2. Revenue.		•	
Taxonomy (capital expenditure)	Total capital expenditure on tangible and intangible assets and right-of-use assets.		The amount is consistent with total acquisitions during the year as shown in note C.1. Intangible and tangible fixed assets and total additions note C.2. Leases.	
Taxonomy (operation expenses)	Fixed costs of maintenance, immovable property and research and development.		Fixed costs based on the taxonomy definition amount to approximately 6% of total operating expenses as defined in note B.3 Operation expenses.	
Use of scrap and H-DRI per tonne crude steel	Share of home scrap, purchased scrap and H-DRI (Fossil-free Direct Reduced Iron, fossil-free sponge iron) per tonne of crude steel.		Refers to operations in Sweden and Finland.	
Slag utilization	Share of used slag per tonne of slag accrued during the year.		Refers to iron-ore based and scrap-based steel production in operations in Sweden and Finland.	
<b>Safety</b>				
Lost Time Injury (LTI)	Work-related injury that results in the employee being unable to return to work the next calendar day. Return to work with limited capacity for work does not constitute a lost time injury.	Number	Includes contractors unless otherwise stated.	

Key sustainability indicator	Definition	Unit	Method	Change compared with the Sustainability Report 2022
Lost time injury frequency (LTIF)	Number of injuries reported resulting in an absence of more than one day per million hours worked.		Includes contractors unless otherwise stated.	
Total recordable injury frequency (TRIF)	Total recordable injuries per million hours worked.		Recordable injury means reported lost time injuries, medical treatment injuries, and cases with restricted work injuries. In incidents involving contractors, data on medical treatment injuries and incidents with restricted work injuries does not include the USA.	
Serious LTI	Injury that the employee cannot or is not expected to recover from within 6 months.	Number		
LTI severity rate	Number of days of absence of more than one calendar day divided by the number of LTIs.		Excludes contractors.	
<b>Employees</b>				
Total workforce	Total number of employees at year end.	Number	Includes both permanent and temporary employees.	
Employee turnover	Total number of employees who left divided by the average number of employees during the year (at each quarter).		Comprises permanent employees.	
Temporary employees	Number of temporary employees at year end.	Number	Comprises various fixed-term employments such as holiday substitutes and students.	
Part-time employees	Number of part-time employees at year end.	Number	Comprises employees who work less than 100%	
Line managers	Share of women of total number of line managers.		Line managers are defined as all employees with at least one direct reporting employee.	
New employees	Number of new employees (permanent employment).	Number	Active employees only.	
<b>Responsible sourcing</b>				
Suppliers that have been sustainably assessed	Share of new suppliers that have been sustainably assessed.		Sustainability assessments include environmental impact, working conditions and human rights, business ethics and sustainable procurement, as well as a risk profile based on country and industry risk.	A new tool was introduced during the year with increased consideration of industry risk, which has meant that more suppliers than earlier have been classified as medium or high risk.
<b>Business ethics</b>				
Number of new employees completing training in the Code of Conduct	New employees, see above.		Completed training includes new employees who have completed the training during the current year, or in the event of re-employment, within the past three years.	From 2023 onwards, the target applies only to new employees, while the outcome for 2023 includes both new employees who have completed the training in business ethics or the new training in the Code of Conduct. From 2024, the outcome will only cover the new training on the Code of Conduct.

**Abbreviations relating to sustainability**

SBTi	Science Based Targets initiative	An organization that provides standards for companies' climate goals that verify that their plans to reduce carbon dioxide emissions correspond to the same level of ambition as the Paris Agreement. The organization is a partnership between the CDP, Global Compact, World Resources Institute and the World Wide Fund for Nature.
TCFD	Task Force on Climate-related Financial Disclosures	Framework for Financial Climate-related Disclosures (Risks and Opportunities), issued by the Financial Stability Board.
IPCC	Intergovernmental Panel of Climate Change	The UN's Intergovernmental Panel on Climate Change (IPCC), which summarizes and assesses the science related to global warming.
RCP	Representative Concentration Pathway	Scenario for future greenhouse gas emissions developed by the IPCC. There are four scenarios that are equally possible and depend on the amount of greenhouse gases that will be emitted.
SSP	Shared Socioeconomic Pathway	Scenario for future socio-economic developments used in climate models.
SMHI	Swedish Meteorological and Hydrological Institute	Government agency tasked with being an expert body within the areas of hydrology, oceanography and climatology.
NACE codes	Statistical Classification of Economic Activities in the European Community (Nomenclature statistique des activités économiques dans la Communauté européenne)	Classification of industries within the EU used in reporting disclosures under EU Taxonomy.
CSRD	Corporate Sustainability Reporting Directive	CSRD Directive (EU) 2022/2464

# Climate-related financial disclosure index

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) has issued a number of recommendations regarding the disclosure of climate-related risks and opportunities.

	<b>Governance</b>	<b>Strategy</b>	<b>Risk Management</b>	<b>Metrics and targets</b>
Area	Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended TCFD disclosures	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
SSAB Annual Report 2023 (sections)	Sustainability strategy and governance, Corporate Governance Report	Strategy report. Disclosures on climate-related risks and opportunities according to TCFD	Sustainability strategy and governance, Risk management	Climate changes

# GRI index

SSAB's Sustainability report 2023 has been prepared in accordance with Global Reporting Initiative (GRI) Standards.

Code	Description	Page	Comments and omissions
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: General disclosures</b>			
2-1	Organisational details	4–5	
2-2	Entities included in the Sustainability report	33 and note E.3.	
2-3	Reporting period, frequency and contact point	33	Contact point: anna.viehues@ssab.com The Annual report for January 1–December 31, 2023, has been published at the end of March 2024.
2-4	Restatements of information	60–63	See Definitions section.
2-5	External assurance	33, 68	
2-6	Activities, value chain and other business activities	16, 23, 57	
2-7	Employees	50–51	
2-8	Workers who are not employees	50	SSAB does not have a central follow-up of workers who are not employees.
2-9	Governance structure and composition	31–33, 77–88	
2-10	Nomination and selection of Board of Directors	78–79	
2-11	Chair of the Board	79	
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2-13	Delegation of responsibilities of management of impacts	32	
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2-20	Process to determine remuneration	85, 111–113	
2-21	Annual total compensation ratio	50, 90–92	SSAB does not follow up on the average wage increase for the Group as a whole.
2-22	Commitment on sustainable development strategy	6–7, 29–58	

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# Auditor's Combined Assurance Report on SSAB AB (publ)'s Sustainability Report and statement regarding the Statutory Sustainability Report

To SSAB AB (publ), corp. ID no. 556016-3429

## **Introduction**

We have been engaged by the Board of SSAB AB (publ) to undertake a limited assurance engagement of SSAB AB (publ)'s Sustainability Report for the year 2023. The scope of the Sustainability Report has been defined on pages 65–67. The Statutory Sustainability Report is defined on page 103.

## **Responsibilities of the Board and Executive Management**

The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 33 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

## **Responsibilities of the auditor**

Our responsibility is to express a conclusion on the Sustainability Report based on our limited assurance procedures and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented in this document and does therefore not include future oriented information.

We have conducted our engagement in accordance with ISAE 3000 (revised) *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. A limited assurance engagement and an examination according to RevR 12 are different from and substantially less in scope than reasonable assurance conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of SSAB AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review and an examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. The conclusion based on limited assurance procedures and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on reasonable assurance.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

## **Conclusions**

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

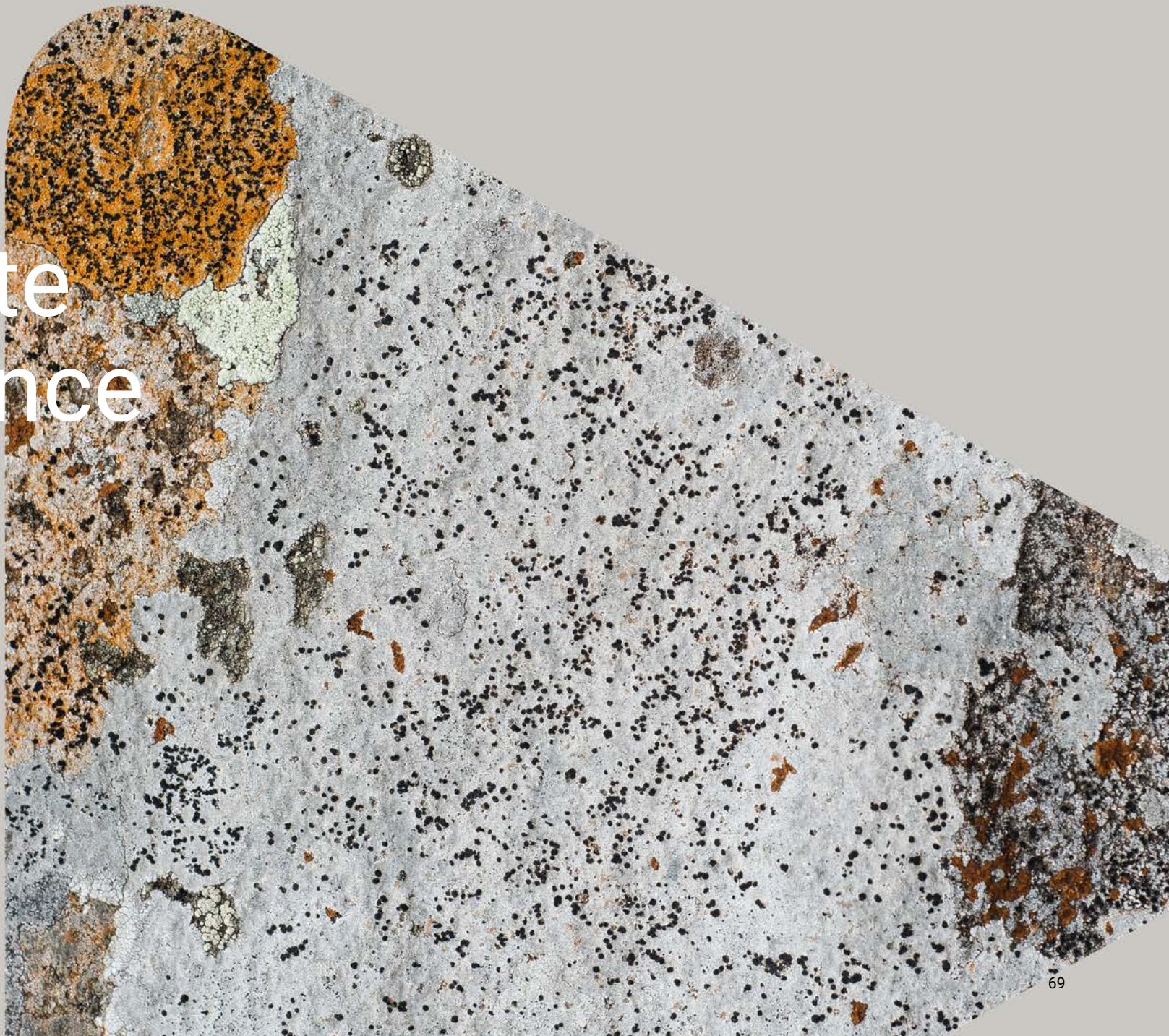
A Statutory Sustainability Report has been prepared.

Stockholm, March 5, 2024  
Ernst & Young AB

**Rickard Andersson      Outi Alestalo**

Authorized Public Accountant      Expert member of FAR

# Corporate governance



# Shares and shareholders

SSAB is listed on the NASDAQ Stockholm and NASDAQ Helsinki exchange.

**The 2023 closing prices on the Nasdaq Stockholm Exchange were:**  
 SSAB class A share: SEK 76.68  
 SSAB class B share: SEK 77.08  
 Total year-end market capitalization:  
 SEK 79.2 billion.

**Share performance during 2023:**  
 SSAB class A share: 34.1%  
 SSAB class B share: 41.5%  
 OMX Stockholm 30 index: 17.3%

**The highest price was:**  
 SSAB class A share: SEK 82.34  
 SSAB class B share: SEK 81.18  
**The lowest price was:**  
 SSAB class A share: SEK 54.76  
 SSAB class B share: SEK 52.56

## Ownership structure

At year-end 2023, SSAB had 252,703 shareholders. SSAB's three largest owners in terms of voting rights:

- LKAB 16.0%
- Government of Finland 8.0%
- Folksam 5.6%

The ten largest identified owners regarding votes, together owned 44.1% of the voting capital and 30.6% of the share capital at the end of December 2023. Owners registered outside Sweden and Finland accounted for 21.9% of voting rights and 25.1% of the total number of shares.

## Dividend and dividend policy

Dividend target is 40% of profit after tax. The Board of Directors has resolved to propose to the Annual General Meeting to be held on April 24, 2024 that a dividend of SEK 5.00 (8.70) per share will be paid.

## Share buy back

In October, 2023, SSAB's Board of Directors resolved to implement a share buyback program for a total maximum amount of SEK 2.5 billion. The purpose of the program is to adjust the Company's capital structure to create greater value for its shareholders. The Board of Directors intends to propose to the Annual General

During the year, SSAB's shares were traded on the Nasdaq Stockholm Exchange for a total of SEK 94 billion. Shares were traded on all exchange days and averaged approximately SEK 376 million per day. The volume of A shares traded during the year corresponded to 110% of the average number of outstanding shares. The volume of B shares traded corresponded to 143% of the average number of outstanding shares. Trading in the share in Helsinki (A and B share) averaged 0.6 million shares per day. The SSAB share is also traded on multilateral trading facilities (MTF), on market places such as CBOE and LSE Group. Of the total volume of traded shares, 31% of the class A shares and 34% of the

class B shares were traded on Nasdaq Nordic (Source: Modular Finance).

## Share capital

On December 31, 2023, there are in total 1,029,835,326 shares in SSAB, of which 304,183,270 class A shares, corresponding to 304,183,270 votes, and 725,652,056 class B shares, corresponding to 72,565,205.6 votes, in total 376,748,475.6 votes. Each class A share carries one vote and each class B share carries one tenth of one vote. SSAB's share capital is SEK 9,063 million. The quotient value per share is SEK 8.80.

Meeting 2024 that it resolves to reduce the share capital by cancellation of the shares acquired by the company. At December 31, 2023, SSAB held 18,276,773 (-) treasury shares, of which 4,489,777 (-) were Class A shares and 13,786,996 (-) Class B shares. The treasury shares had a value of SEK 1,347 (-) million.

## Investor Relations

During 2023, a number of meetings were held with owners, investors and analysts, both in Sweden and outside, mostly in Europe and the United States. Presentations and investor meetings are regularly held in connection with the publication of interim reports and annual results. On March 28–29 2023, capital market days were organized, where management presented the strategy in Stockholm. The event also included a site visit to SSAB's steel mill and the Hybrit pilot plant in Luleå.

## Ticker

NASDAQ Stockholm: SSABA and SSABB  
 NASDAQ Helsinki: SSABAH and SSABBH (class A and class B shares respectively).

**Share breakdown**

Shareholding	Number of shares	% of votes	% of share capital
1–500	23,185,526	1.8	2.3
501–1000	23,707,288	1.8	2.3
1001–5000	89,711,875	7.1	8.7
5001–10000	41,654,261	2.8	4.0
10001–20000	33,978,109	2.1	3.3
20001–	679,382,573	69.2	66.0
Anonymous ownership	138,215,694	15.1	13.4
<b>Total</b>	<b>1,029,835,326</b>	<b>100.0</b>	<b>100.0</b>

**Change in the number of shares and share capital since 1989**

Year		Change in number of shares	Number of shares	Change in share capital, SEK millions	Share capital, SEK millions
1989	Conversion	15,000,000	26,500,000	150	2,650
1994	Conversion	5,500,000	32,000,000	550	3,200
1995	Split 4:1	96,000,000	128,000,000	0	3,200
1998	Redemption	-15,891,199	112,108,801	-397	2,803
2001	Reduction	-11,210,880	100,897,921	-281	2,522
2005	Redemption	-9,968,861	90,929,060	-249	2,273
2006	Redemption	-4,546,453	86,382,607	-114	2,159
2006	Bonus issue	0	86,382,607	121	2,280
2006	Split 3:1	172,765,214	259,147,821	0	2,280
2007	New issue 1:4	64,786,954	323,934,775	571	2,851
2014	New issue	225,310,735	549,245,510	1,982	4,833
2016	New issue 8:7	480,589,816	1,029,835,326	4,229	9,063

**Owners on December 31, 2023**

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.6	2.1
Vanguard	3.3	3.3
Norges Bank	2.6	2.8
Allianz Global Investor	2.2	1.0
Ninety One	2.1	0.8
SSAB AB	1.6	1.8
Lightman Investment	1.4	0.5
BlackRock	1.3	1.7
Other shareholders	55.9	69.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Of which foreign-registered shareholders <sup>1)</sup>	21.9	25.1

1) Includes shareholders outside Sweden and Finland.

Source: Modular Finance

**Share related key figures**

		2023	2022	2021	2020	2019
Share price, at year-end, class A share	SEK	76.68	56.94	52.44	29.30	32.85
Earnings per share	SEK	12.67	-10.57	14.24	-0.50	1.04
Cash flow before dividend and financing per share	SEK	15.71	13.75	12.24	2.13	1.27
Equity per share	SEK	65.91	65.18	71.35	52.42	58.75
Dividend per share <sup>1)</sup>	SEK	5.00	8.70	5.25	0.00	0.00
Average number of shares outstanding	millions	1,028.0	1,029.8	1,029.8	1,029.8	1,029.8
Number of shares at year-end	millions	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Market capitalization at year-end	SEK millions	79,221	56,651	49,048	27,910	32,139
<hr/>						
<b>Valuation</b>						
Direct yield, % <sup>1), 2)</sup>		6.52	15.28	10.01	—	—
P/E ratio <sup>2)</sup>		6.05		3.68		31.59
Price/equity, % <sup>2)</sup>		116	87	73	56	56

1) 2023 in accordance with the Board's proposal.

2) Based on closing price for the class A share. Adjusted earnings per share 2022 was SEK 22.38.

# Notice of the Annual General Meeting

## **Annual General Meeting**

The shareholders of SSAB AB (publ) (company registration number 556016-3429) are hereby given notice to the Annual General Meeting to be held on Wednesday, April 24, 2024 at 1 p.m. The Board of Directors has decided that shareholders may exercise their voting rights also by postal voting.

## **Location**

Sergel Hub, Sveavägen 10a, Stockholm. Admission and registration will commence at 12:00 a.m.

## **Right to participate and notice of participation**

### **A) Participation at the meeting venue**

A person who wishes to attend the meeting venue in person or by proxy must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as per the record date on Tuesday, April 16, 2024, and
- give notice of participation no later than Thursday, April 18, 2024 on the Company's website [www.ssab.com](http://www.ssab.com) or by telephone on +46 8-45 45 760. Upon the notification of participation, the shareholder must state name, personal identification number or company registration number, address, telephone number and the number of any assistants (not more than two).

Admission cards entitling to participation in the Annual General Meeting for those who have given notice to attend the meeting venue, in person or by proxy, will be distributed prior to the Annual General Meeting. Any shareholder that has not received an admission card prior to the Annual

General Meeting will be able to obtain an admission card from the information desk, upon presentation of identification.

### **B) Participation by postal vote**

A person who wishes to participate in the Annual General Meeting by means of postal voting must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as per the record date on Tuesday, April 16, 2024, and
- give notice of participation no later than Thursday, April 18, 2024 by casting their postal vote in accordance with the below so that the postal voting form is received by Euroclear Sweden AB no later than that date.

A special form must be used for postal voting. The postal voting form is available on the Company's website, [www.ssab.com](http://www.ssab.com). To have the postal voting form sent by post, please contact SSAB by telephone on +46 8-45 45 760. If the shareholder postal votes by proxy, a power of attorney shall be enclosed to the postal voting form, see below under "Proxies".

The completed posting voting form must be received by Euroclear Sweden AB no later than Thursday, April 18, 2024. The form may be sent by e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) or by post to SSAB AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also submit their postal votes electronically through verification with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/euroclearproxy>. Such electronically submitted postal vote must be submitted no later than April 18, 2024.

The shareholder may not provide specific instructions or conditions to the postal vote. If so, the postal vote in its entirety is invalid. Further instructions and conditions are included in the postal voting form.

A shareholder that wishes to attend the meeting venue in person or by proxy, must give notice in accordance with A) above. Hence, a notice of participation only through postal voting is not sufficient for a shareholder who wishes to attend the meeting venue.

### **Nominee-registered shares**

In order to be entitled to attend the Annual General Meeting, shareholders whose shares are registered in the name of a nominee (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must, in addition to giving notice of participation in the Annual General Meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of the record date on Tuesday, April 16, 2024. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee by Thursday, April 18, 2024 will be taken into account in the presentation of the share register.

### **Proxies**

If a shareholder participates in the Annual General Meeting by proxy, a written and dated power of attorney must be issued for the proxy. If the power

of attorney is issued by a legal entity, a valid certificate of registration or, if such certificate does not exist, similar document confirming the authorization shall be enclosed. The power of attorney and, with respect to a legal entity, a certificate of registration shall be submitted in ample time prior to the Annual General Meeting to: SSAB AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. A power of attorney is valid one year from its issue date or such longer time period as set out in the power of attorney, however not more than five years. The certificate of registration must reflect the circumstances on the day of the Annual General Meeting and should not be older than one year at the time of the Annual General Meeting. The Company provides proxy forms for shareholders wishing to be represented by proxy. The form is available on the Company's website, [www.ssab.com](http://www.ssab.com), and will be sent to those shareholders who so request and state their mailing address. Order may be placed by telephone on +46 8 45 45 760.

### **Dividend**

The Board proposes a dividend of SEK 5.00 (8.70) per share for 2023 and April 26, 2024 as the record date. If the annual general meeting adopts the Board's proposal, the dividend is expected to be paid on May 2, 2024. The Board will propose an authorization concerning a program for the buyback of SSAB A and/or B shares. The number of shares that may be bought back will be limited up to 10% of the total number of shares outstanding. The purpose of the shares bought back is to cancel them and reduce SSAB's share capital.



## Corporate Governance Report

SSAB is listed on NASDAQ Stockholm and complies with its regulations and applies the Swedish Corporate Governance Code (the Corporate Code). SSAB is also secondary listed on NASDAQ Helsinki.

# Corporate Governance Report 2023

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 Board of Directors' Report.

## 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 Reports Act
- Rules of NASDAQ Stockholm and NASDAQ Helsinki
- Swedish Corporate Governance Code,

## Organization as at December 31, 2023

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.

## Derogations from the corporate code

There are no deviations to report from the Corporate Code for 2023.

## 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.

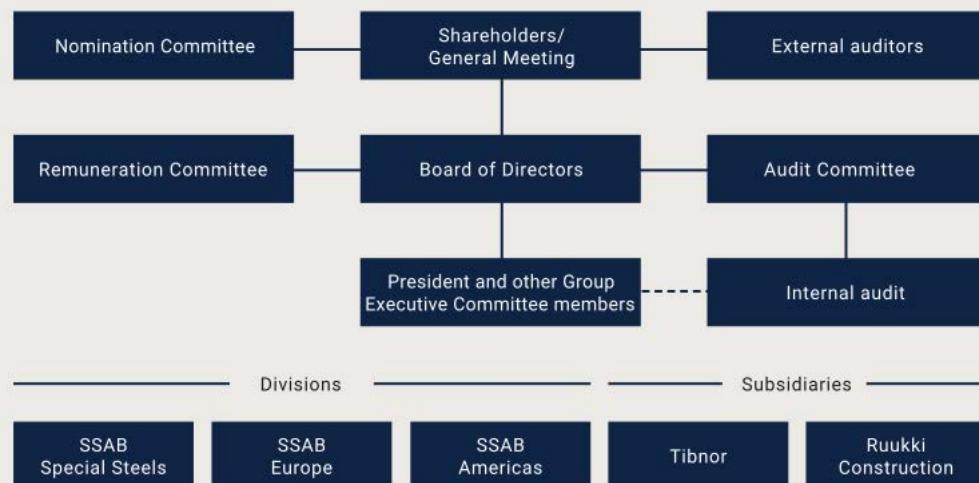
As at December 31, 2023, there were a total of 252,907 shareholders. LKAB was the largest shareholder in terms of voting rights, followed by the Government of Finland, Folksam, Vanguard, Norges Bank, Allianz Global Investors, Ninenty

One, SSAB AB, Lightman Investment and BlackRock. The ten largest identified owners together owned approximately 44.1% of the voting capital and 30.6% of the share capital at the end of December 2023. Owners outside Sweden and Finland accounted for 21.9% of votes and 25.1% 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

## SSAB's corporate governance framework as at December 31, 2023



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

#### Owners on December 31, 2023

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.6	2.1
Vanguard	3.3	3.3
Norges Bank	2.6	2.8
Allianz Global Investor	2.2	1.0
Ninety One	2.1	0.8
SSAB AB	1.6	1.8
Lightman Investment	1.4	0.5
BlackRock	1.3	1.7
Other shareholders	55.9	69.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Of which foreign-registered shareholders <sup>1)</sup>	21.9	25.1

1) Includes shareholders outside Sweden and Finland.  
Source: Modular Finance.

#### 2023 Annual General Meeting

The 2023 Annual General Meeting was carried out at SSAB's mill area in Oxelösund. The Board of Directors had decided that shareholders could exercise their voting rights also by postal voting in accordance with the provisions of SSAB's Articles of Association.

The Annual General Meeting adopted the annual report and consolidated financial statements for 2022 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. 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 seven directors and accordingly Petra Einarsson, Lennart Evrell (who was elected Chairman of the Board), Bernard Fontana, Marie Grönborg, Martin Lindqvist (President and CEO), Mikael Mäkinen and Maija Strandberg were re-elected as Board members. Bo Annvik 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 re-elected as auditors for one year until the Annual General Meeting 2024.

The Board of Directors' proposal for the allocation of the company's earnings was presented to the Annual General Meeting. In accordance with the proposal by the Board of Directors, endorsed by the auditor, it was resolved that the profit at disposal should be disposed of in such a way that SEK 8.70 per

share is distributed to the shareholders and that the remainder be carried forward.

The General Meeting resolved in accordance with the Board's proposal to approve the long-term incentives program for 2023 and to authorize the Board to resolve on acquisition of own shares. The proposals have been available at SSAB and on the company website since March 28, 2023.

The General Meeting resolved to accept the Board's remuneration report. The report has been available at SSAB and on the company website since March 28, 2023.

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

#### 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

At the 2020 Annual General Meeting, a revised 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 27, 2023.

Shareholders were able to submit proposals to the Nomination Committee by, until December 31, 2023. The Nomination Committee's proposals will be published no later than in conjunction with the notice of the Annual General Meeting.

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).

#### Nomination Committee's diversity policy

SSAB works actively to advance 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 diversity within the organization. The objective of the diversity policy is to cater to 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 2023, the Nomination Committee's diversity policy has been considered in connection with the Nomination Committee's work ahead of the 2023 Annual General Meeting and the 2024 Annual General Meeting. This has resulted in a diversified and appropriate Board composition with Board members that possess the qualifications and experience in for the Board important areas, such as sustainability and environment.

#### **Work of the Nomination Committee ahead of the 2024 Annual General Meeting**

The Nomination Committee was appointed in September 2023 and has convened 5 times during the fall. Additional meetings are planned during the first quarter of 2024 before the Annual General Meeting. At a meeting in October, the Nomination Committee took part in the Board's evaluation process and the outcome of the evaluation that took place during the fall as a whole.

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 taken into account qualifications and experience in areas 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 2024, the Audit Committee has conducted an evaluation of the audit performance presented to the Nomination Committee at 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 2024 Annual General Meeting.

#### **Nomination committee ahead of the 2024 Annual General Meeting**

Name, appointed by	Share (%) of voting capital as at December 31, 2023
Stefan Loréhn, LKAB (Chairman of the Nomination Committee)	16.0
Kimmo Viertola, the Government of Finland	8.0
Emilie Westholm, Folksam	5.6
Lennart Evrell (Chairman of the Board of Directors)	—

#### **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 material capital expenditure (exceeding SEK 100 million). The Board is also ultimately responsible for the Group's sustainability work.

When applicable, the Board prepares proposals for guidelines regarding the determination of salary and other remunerations 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 follow-up and revision of the Group's sustainability objectives. Other issues addressed include competition and the market situation.

#### **Chair of the Board**

The Chair 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 Chair of the Board is responsible for regular contact with the CEO and for ensuring that the Board 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.

#### **Work of the Board in 2023**

In 2023, 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 Board has during the year followed the development of the outside world and how the company has handled the impacts thereof. The first half of 2023 was marked by a relatively sustained demand and high price levels for the Company's heavy plates products in North America. In Europe, the economic cycle slowed in the later part of the first half of 2023 and got worse during the second half. Actions were initiated in order to meet the weaker market by adjust production, costs and staffing. The actions included for example temporary and permanent lay-offs.

Heavy plate demand and prices in North America remained at a relatively high level during the year. The global demand for high-strength steel products were good with relatively stable prices during the year, however the European market weakened during the second half of the year.

Safety work has top priority in 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 performance with regular follow-ups of achievements of targets and continuously follows the company's most important operative, as well as strategic key figures. The Board has spent considerable time on questions related to the transformation to fossil free steel production and has during the year visited SSAB's sites in Oxelösund, Virsbo and Borlänge, Sweden and Montpelier, USA.

The Board has also during the year, based on the authorization granted by the General Meeting held on the April 18, 2023, resolved to implement a buy-back program of own shares for a total maximum amount of SEK 2,5 billion.

This year's Board evaluation took place in connection with a board meeting in October, at which the Chairman's performance and the work of the Board's committees was evaluated. The evaluation was administered by SSAB's General Counsel. An extensive questionnaire was answered by each Board member individually, after which the answers were compiled by SSAB's General Counsel and anonymously presented to the Board ahead of the subsequent discussion.

The questionnaire included mainly questions related to the Board's efficiency and collective competence to handle Board responsibilities in relation to important areas for the company such as the heavy processing industry, international marketing and sales, major investment projects, finance, IT and digitalization. The evaluation also included questions regarding the Board's efficiency and knowledge regarding the company's impact on different sustainability areas. No direct measures were deemed necessary as a result of the evaluation, but identified focus areas are under continuous follow-up.

# Board of Directors – appointed by the Annual General Meeting



**Lennart Evrell**  
 b. 1954  
 Master of Science in Engineering from the Royal Institute of Technology, Stockholm, and a degree in business from Gothenburg and Uppsala Universities  
 Nationality: Swedish  
**Elected to the board**  
 2021  
**Shareholding<sup>1)</sup>**  
 50,000 B-shares  
**Current appointments**  
 Director: Svenska Cellulosa Aktiebolaget SCA, Epiroc AB  
**Previous appointments**  
 Director: Swedish Association of Industrial Employers, ICA Gruppen Aktiebolag and Confederation of Swedish Enterprise  
 CEO: Boliden, Sapa and Munters



**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, Biokraft International AB and Norsk Hydro  
**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



**Bernard Fontana**  
 b. 1961  
 Master of Science in Engineering  
 Nationality: French  
**Elected to the board**  
 2022  
**Shareholding<sup>1)</sup>**  
 0  
**Current appointments**  
 President and CEO: Framatome  
 Director: Thales Group  
**Previous appointments**  
 President and CEO: Holcim Group  
 Senior positions: Aperam and ArcelorMittal



**Marie Grönborg**  
 b. 1970  
 MSc (Eng.) Chemical Engineering  
 Nationality: Swedish  
**Elected to the board**  
 2019  
**Shareholding<sup>1)</sup>**  
 9,250 B-shares  
**Current appointments**  
 Director: Permacand Top Holding AB, Eolus Vind Aktiebolag (publ) and Aduro Clean Technologies Inc  
**Previous appointments**  
 President and CEO: Tree To Textile and Purac AB  
 EVP: Perstorp Group, Business Area Specialties & Solutions  
 Senior positions: Perstorp Group and Formox AB



**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  
 Director: Svenska Cellulosa Aktiebolaget SCA, Swedish Association of Industrial Employers and Stål och Metall  
 Alternate: Confederation of Swedish Enterprise  
**Previous appointments**  
 Director: Indutrade Aktiebolag  
 Head of business area: SSAB EMIEA  
 CFO: SSAB  
 Chief controller: NCC



**Mikael Mäkinen**  
 b. 1956  
 MSc  
 Nationality: Finnish  
**Elected to the board**  
 2022  
**Shareholding<sup>1)</sup>**  
 0  
**Current appointments**  
 Board Chairman: Valmet, Aker Arctic Oyj and Corvus Energy Holdings AS  
 Director: Finnlines  
**Previous appointments**  
 President and CEO: Cargotec  
 President: MacGregor and Rolls-Royce Marine  
 Director: Stora Enso Oyj



**Maija Strandberg**  
 b. 1969  
 MSc, Economics from Turku School of Economics, Finland  
 Nationality: Finnish  
**Elected to the board**  
 2021  
**Shareholding<sup>1)</sup>**  
 2,000 B shares  
**Current appointments**  
 Director General, financial affairs at the Finnish Prime Minister's office, Government Ownership Steering Dept.  
 Board member: Fortum Oyj  
 Chair of nomination committee: Neste Oyj  
 Member of nomination committee, Municipality Finance Plc  
**Previous appointments**  
 Senior Financial Counselor at the Finnish Prime Minister's office, Government Ownership Steering Dept, Director: Neova Oy, Nordic Morning Group, Exel Composites, VR Group, Dustin Group, Danske Bank Oyj, Finnair Oyj, Neova Oy, CFO: Uponor Oyj, VP - Finance: 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

**Tomas Karlsson**

b. 1962  
**Elected to the Board**  
2015  
**Current appointments**  
Maintenance mechanic,  
SSAB Europe

**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

## Alternates

**Mikael Henriksson**

b. 1961  
**Elected to the Board**  
2017  
**Current appointments**  
Furnace operator,  
SSAB Special Steels

**Robert Holmström**

b. 1962  
**Elected to the Board**  
2023  
**Current appointments**  
Assistant,  
SSAB Europe

**Tomas Jansson**

b. 1966  
**Elected to the Board**  
2014  
**Current appointments**  
Sales Coordinator,  
SSAB Europe

### Auditors

Under its Articles of Association, SSAB must have one or two external auditors, or one or two public accounting firms. The 2023 Annual General Meeting resolved to re-elect Ernst & Young as the company's auditor until the 2024 Annual General Meeting. 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, reviews 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 B.3 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 of 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 the financial and sustainability reporting.

The Audit Committee oversees the company's internal control and risk management regarding both the financial reporting and the sustainability 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 Audit 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. 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 earlier. 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 whistleblowers matters. The Audit Committee also analyzes and elucidates significant accounting issues affecting the Group.

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.

Board attendance 2023						Independent of
Member of the Board	Elected to the Board	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, Chairman since October 2021	2021	12	6	6	Yes	Yes
Bo Annvik <sup>2)</sup>	2019	4	2		Yes	Yes
Petra Einarsson	2014	12	6	6	Yes	Yes
Bernard Fontana	2022	11	4		Yes	Yes
Marie Grönborg	2019	12			Yes	Yes
Maija Strandberg	2021	11		6	Yes	Yes <sup>3)</sup>
Mikael Mäkinen	2022	11			Yes	Yes
Martin Lindqvist, President and CEO	2011	12	6	6	No, CEO of the Company	Yes
<b>Employee representatives</b>						
Tomas Karlsson	2015	12				
Sven-Erik Rosén	2021	12				
Patrick Sjöholm	2011	12				
<b>Alternate members</b>						
Mikael Henriksson	2017	12				
Robert Holmström	2023	7				
Tomas Jansson	2014	11				

1) Information about fees, see note B.4.

2) Declined re-election at the Annual General Meeting 2023.

3) Employed by the Finnish state who owns 8% of the votes in the company, but is independent in relation to owners who own at least 10% of the votes or share capital.

### Work in 2023

During 2023, the Audit Committee's focus was on the company's liquidity and funding matters, IT-security and the company's tax position. 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 has also worked with the company's share buyback program, inventory valuation methodology and hedging operations. In addition, the Audit Committee monitored the implementation of the Corporate Sustainability Reporting Directive.

Since the constituent meeting of April 18, 2023, the Audit Committee's members are Petra Einarsson (Chairman), Lennart Evrell and Maija Strandberg. In 2023, the Audit Committee held eight meetings at which minutes were taken.

### Remuneration Committee Duties

In addition to the Chair of the Board of Directors, the Remuneration Committee comprises one or more directors, who must be independent both of the company and of the company's top

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 2023

During 2023, the Remuneration Committee held six meetings at which minutes were taken. The Remuneration Committee comprised Lennart Evrell (Chair), Bernard Fontana and Petra Einarsson. 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

**Martin Lindqvist**

b. 1962  
President and CEO  
Nationality: Swedish  
**Member of the Group Executive Committee**  
2001

**Shareholding<sup>1)</sup>**  
11,709 A-shares  
21,023 B-shares  
**Education**  
BSc (Economics),  
Uppsala University  
**Background**  
Employed at SSAB  
since 1998  
**Previous positions:**  
Head of business area: SSAB  
EMEA, Head of business area:  
SSAB Strip Products, CFO:  
SSAB AB, CFO: SSAB Strip,  
Chief Controller: NCC

**Olavi Huhtala**

b. 1962  
Executive Vice President and  
Head of SSAB Europe  
Nationality: Finnish  
**Member of the Group Executive Committee**  
2014

**Shareholding<sup>1)</sup>**  
17,578 A-shares  
77,873 B-shares  
**Education**  
BSc (Engineering)  
**Background**  
Employed at Rautaruukki/  
SSAB since 1987  
**Previous positions:**  
EVP: Ruukki Metals, President:  
Ruukki Fabrication  
Executive roles in Sales and  
Production: Rautaruukki  
Metform

**Charles Schmitt**

b. 1959  
Executive Vice President and  
Head of SSAB Americas  
Nationality: American  
**Member of the Group Executive Committee**  
2011

**Shareholding<sup>1)</sup>**  
0  
**Education**  
BSc (Business  
Administration/Finance),  
University of Texas at  
Arlington, two-year steel  
fellowship at the American  
Iron and Steel Institute  
**Background**  
Employed at IPSCO/SSAB  
since 1990  
**Previous positions:**  
Several positions: US Steel  
Corporation and VP of the  
Southern Business Unit: SSAB  
Americas

**Johnny Sjöström**

b. 1974  
Executive Vice President and  
Head of SSAB  
Special Steels  
Nationality: Swedish

**Member of the Group Executive Committee**  
2019  
**Shareholding<sup>1)</sup>**  
10,600 A-shares  
**Education**  
Master's degree in Physics,  
PhD in Materials  
Technologies, Karlstad  
University, Associate  
Professor, Luleå Technical  
University and EMBA  
Stockholm School of  
Economics  
**Background**  
Employed at SSAB between  
2012 and 2014  
and since 2019

**Previous positions:**  
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

**Lars Sjöbring**

b. 1967  
Executive Vice President and  
Head of Legal and M&A  
Nationality: Swedish and  
American  
**Member of the Group Executive Committee**  
2023

**Shareholding<sup>1)</sup>**  
10,000 A-shares  
**Education**  
LLM, Lund University, Sweden;  
LLM, Univ. of Amsterdam, the  
Netherlands; LLM Fordham,  
NY, USA  
**Background**  
Employed at SSAB/  
Rautaruukki since 2005  
**Previous positions:**  
General Counsel positions  
with Veoneer, Autoliv and  
Transocean. Private practice  
at Skadden, Arps, a New York  
lawfirm

**Leena Craelius**

b. 1971  
Executive Vice President and  
CFO  
Nationality: Finnish  
**Member of the Group Executive Committee**  
2021

**Shareholding<sup>1)</sup>**  
0  
**Education**  
MBA, Helsinki School of  
Economics, Helsinki  
**Background**  
Employed at SSAB/  
Rautaruukki since 2005  
**Previous positions:**  
CFO: SSAB Europe Division,  
Head of sales controlling;  
SSAB Special Steels division,  
Head of operations  
controlling; Ruukki Metals  
Division

**Christina Friborg**

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>**  
10,010 B-shares  
**Education**  
LLM, Uppsala University  
**Background**  
Head of Sustainable Business  
at Sandvik, founder and  
partner at Ethos International  
and various positions at Sida,  
UNHCR and OSCE

<sup>1)</sup> Shareholdings include shares owned 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>**  
26,900 B-shares

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

**Background**  
Employed at SSAB since 2013  
Previous positions:  
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>**  
1,000 A-shares

9,000 B-shares  
**Education**

PhD, KTH Royal Institute of Technology, Stockholm

**Background**  
Employed at SSAB since 2001

**Previous positions:**  
EVP, Head of business area: SSAB APAC, EVP, Technical Director: SSAB, Manager R&D: SSAB Plate Division and General Manager Slab Production: SSAB Plate Division



**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

**Previous positions:**  
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

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

## 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, 2023, 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 and M&A, 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 and sustainability work of the Group and the divisions. The Group Executive Committee is responsible for the strategic approach towards the sustainability work and are regularly following up the Group's work within this area. Other matters addressed at Group Executive Committee meetings include strategy issues.

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

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 Chair of the Board of Directors of each of the directly owned major subsidiary 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 2023 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 28, 2023.

#### 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 160) key employees, including the CEO and other senior executives. The program runs for rolling three-year periods and is linked to the total return on SSAB's share compared to a benchmark group of other companies and the OMXS30 index. The program was introduced to pursue the company's long-term development and to promote the company's ability to recruit and retain key employees. The Annual General Meeting 2023 approved the long-term incentive program for the current financial year.

Reference is made to Note B.4 in the Financial reports for more information about current remuneration.

#### 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 seeks 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.

#### 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 Account Act.

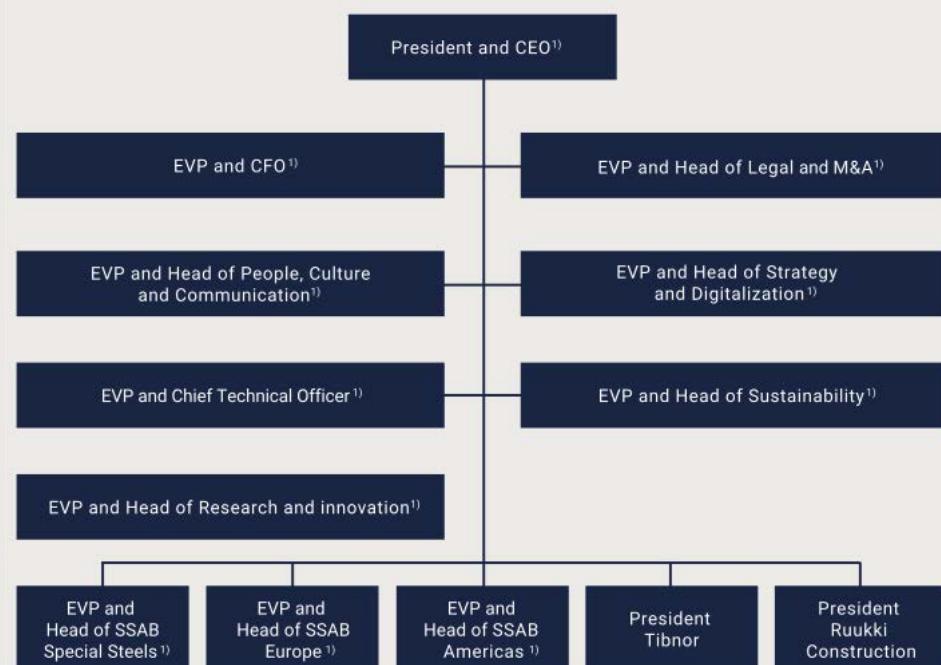
#### Framework for internal control as regards financial reporting

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

#### Group operational management structure



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

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 financial reporting is ensured through different governing documents, such as directives and instructions. These include 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 the year and by the end of 2023, 76% (89%) of all new recruits had started the introduction process which, among other things, include to complete the training on the Code of Conduct.

#### Risk assessment

Risks associated with financial reporting mainly concern accounting errors in 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 financial reporting. SSAB's operation are characterized by processes involving well-established procedures and systems.

Overall risk assessments at the Group level constitute 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 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 notes D.2 and D.3).

#### 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 submit 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 includes self-assessments and systematic follow-ups on risk analysis and control activities. In addition, the company's internal audit carries 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 financial reporting and takes part in reports from the internal and external auditors.

#### **Internal audit**

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate 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 Audit Committee meetings.

The internal audit is organized at 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.

Most of the work is carried out through audits in accordance with the audit plan. Other work largely consists of specific audits and of the 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 2023, 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 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. The identified improvement opportunities are implemented in accordance with established action plans.

The Head of Internal Audit also quarterly informs SSABs Audit Committee on all Ethics Line reports, including gives a summary of ongoing investigations.

#### **Other mandatory disclosures pursuant to Chapter 6, Section 6 of the Annual Reports 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, 2022, 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 Annual General Meeting has granted the Board of Directors authority to resolve on acquisition of 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 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 Annual General Meeting of the shareholders in 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 2023 on pages 74–86 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 5 March, 2024

## Rickard Andersson

Authorized Accountant, Ernst & Young AB

A professional woman with dark hair tied back, wearing a dark blue blazer over a matching top, stands on the left side of the page. She is carrying a large brown leather tote bag over her shoulder and looking thoughtfully to the right. The background behind her is a light grey.

# Remuneration Report 2023

# Remuneration Report 2023

This report describes how the guidelines for executive remuneration of SSAB AB, adopted by the Annual General Meeting 2022, were adhered to in 2023. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note B.4 to the consolidated financial statements in the Annual report 2023.

Information on the work of the Remuneration Committee in 2023 is set out in the Corporate Governance Report section Remuneration Committee in the Annual Report 2023.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note B.4 in the Annual Report 2023.

## Key developments 2023

The CEO summarizes the company's overall performance in his statement on pages 6–7 in the Annual Report 2023.

## The company's remuneration guidelines: scope, purpose and deviations

SSAB's business strategy aims to establish the company as an industry leader in terms of both profitability and sustainability among comparable companies.

SSAB's stated objective is to become the safest steel company in the world to work in, and shall in addition adhere to high environmental standards and be a responsible partner to all stakeholders. A more detailed description of the business strategy can be found on the company's website.

A prerequisite for a successful implementation of the company's strategy and the safeguarding of the company's long-term interests require that the company can recruit and retain qualified employees. For this, the company must be able to offer competitive remuneration. The company's remuneration guidelines are intended to offer senior executives a competitive total remuneration, which in turn promotes the company's business strategy, long-term interests and sustainability. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash

remuneration consisting of a short-term variable component (STI) and a long-term variable component (LTI), pension benefits and other benefits.

The guidelines are found in the Board of Directors' Report in the Annual Report 2023. During 2023, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogation from the procedure for implementation of the guidelines have been made.

The auditor's report regarding the company's compliance with the guidelines is available on <https://www.ssab.com/company/investors/corporate-governance/remuneration-policy>. No remuneration has been reclaimed.

**Table 1 Total Remuneration to CEO in 2023**

SEK thousands	Fixed salary*	Other benefits**	Short-term variable salary (STI)***	Long-term variable salary (LTI)***	Extraordinary items	Pension expenses****	Total remuneration	Proportion of fixed and variable remuneration
Martin Lindqvist (CEO)	14,067	354	10,125	2,740	–	6,280	33,566	62% / 38%

\* Including vacation pay of SEK 313 thousand and cost compensation in respect of company residence of SEK 253 thousand.

\*\* Relates primarily to housing and car benefits.

\*\*\* STI is reported for 2023 performance year (to be paid 2024). LTI is reported for performance years 2021–2023 (to be paid 2024).

\*\*\*\* Pension expense is its entirety related to fixed salary and is premium based. For this reason pension has been included as fixed remuneration in the table's statement on proportion of fixed and variable remuneration.

**STI remuneration for the CEO 2023**

The STI program has been measured during full year 2023 and is capped at 75 percent of the fixed salary 2023. The performance criteria for the CEO's STI consist of 100% Group objectives.

There are three Group objectives that are measured against predetermined threshold levels; 1) EBITDA margin compared to peer group<sup>1)</sup>, 2) Operating cash flow in relation to adjusted operating result before depreciation and amortization, and 3) A sustainability objective measuring the accident frequency with lost time which lead to absence of more than one day (LTIF).

The STI objectives have been designed to contribute to the company's business strategy and long-term interests, including its sustainability, by being clearly linked to the business strategy and increased value creation for the company.

A prerequisite for STI payment is that the Group shows a positive adjusted operating result (excluding items affecting comparability). This threshold was reached for 2023 and the STI outcome is distributed as follows. 1) SSAB's EBITDA margin exceeded the peer group's average EBITDA margin by 10.0 percentage points, which provides maximum payout. 2) The Operating cash flow in relation to adjusted operating result objective reached 107%, which provides maximum payout. 3) The accident frequency (LTIF) was measured at 0.87, and provides a maximum payout as well.

For further details on the STI remuneration for the CEO, see table 2(a).

**LTI Remuneration for the CEO 2023**

The LTI program is cash-based and has been measured over a period of three years (2021–2023). The outcome is capped to maximum 25 percent of the base salary as per December 31, 2020. The CEO's LTI is to 50 percent linked to the total return on the SSAB share (TSR) compared with a peer group<sup>2)</sup> and to 50 percent linked to return on capital employed (ROCE).

The objectives of LTI are to create a common interest for the company management and shareholders to drive the business towards long-term good return on the SSAB-shares and to promote the company's ability to recruit and retain key employees.

Regarding the target linked to the total return on the SSAB share, SSAB ended up in second place, with a TSR development of 204 percent during the three-year period, which corresponds to an outcome of 85 percent. The return on capital employed (ROCE) amounted to 24.5 percent during the three-year period, which corresponds to a maximum outcome.

For further details on the LTI remuneration for the CEO, see table 2(b).

**Application of performance criteria**

The performance criteria for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance criteria, the strategic objectives and short-term and long-term business priorities have been taken into account. The non-financial performance criteria further contribute to alignment with sustainability as well as the company values.

1) Arcelor Mittal Europe, BE Group, JFE , Kingspan, Klöckner, Lindab, Nucor, Tata Steel Europe, Salzgitter, US Steel and Voestalpine

2) Arcelor Mittal Europe, Nucor, Salzgitter, ThyssenKrupp, US Steel

**Table 2(a) – CEO objectives and outcome in the reported financial year: STI remuneration**

	Description of the performance criteria	Weighting of the performance criteria	Measured performance	Fulfillment of performance criteria*	Actual payout
Martin Lindqvist (CEO)	EBITDA margin versus peers 2023	70%	10,0 %-points	100%	SEK 7,087,500
	Operating cash flow in relation to adjusted operating result before depreciation and amortization 2023	20%	107%	100%	SEK 2,025,000
	Lost time injury frequency (LTIF) 2023	10%	0.87	100%	SEK 1,012,500

\* Percentage of stretch achievement, per performance criteria.

**Table 2(b) – CEO objectives and outcome in the reported financial year: LTI remuneration**

	Description of the performance criteria	Weighting of the performance criteria	Measured performance	Fulfillment of performance criteria*	Actual payout
Martin Lindqvist (CEO)	TSR compared to peers 2021–2023	50%	2nd place	85%	SEK 1,259,063
	ROCE 2021–2023	50%	24.5%	100%	SEK 1,481,250

\* Percentage of stretch achievement per performance criteria.

### Share-based remuneration

SSAB had no share-based remuneration programs for payout in 2023.

### Information on remuneration and company performance

**Table 3 – Remuneration and company performance in the reported financial year**

SEK thousands	2023	2022	2021	2020
CEO total remuneration	33,566	29,818	26,116	18,358
Adjusted operating result	16,467,000	29,283,000	18,837,000	-325,000
Average total remuneration on a full time equivalent basis of employees of the parent company*	1,238	1,180	1,080	1,008

\* Excluding members of the Group Executive Committee

# Financial reports

SSAB's operating result for 2023 amounted to SEK 16.5 billion, and the Board of Directors proposes a dividend of SEK 5.00 per share for the financial year 2023.



# Board of Directors' Report

SSAB AB (publ), registration number 556016-3429, is a global steel company with a leading position in high-strength steels and related services. SSAB's vision is a stronger, lighter and more sustainable world and it aims to be the first steelmaking company to offer fossil-free steel to the market and largely eliminate carbon dioxide emissions from its operations in around 2030.

## Key figures

SEK millions	2023	2022
Revenue	119,489	128,745
Adjusted EBITDA <sup>1)</sup>	20,141	32,675
Adjusted operating result <sup>1)</sup>	16,467	29,283
Operating result	16,467	-4,355
Result before tax	16,716	-4,641
Result for the year	13,038	-10,877
Earnings per share, SEK	12.67	-10.57
Operating cash flow	21,524	22,693
Net debt (+) / Net cash (-)	-18,206	-14,287
Net debt /equity ratio (%)	-27	-21

1) Excluding items affecting comparability. No items affecting comparability were reported in 2023, while 2022 mainly included impairment of goodwill of SEK 33,291 million. For information on alternative performance measures see Note A.3.

## Business review 2023

### The market

According to the World Steel Association, global crude steel production for 2023 was unchanged compared to 2022 and amounted to 1,888 (1,889) million tonnes. Chinese steel production was at the same level compared to 2022, as well. Steel production decreased in North America by 2% and in the EU by 7%.

In North America, demand for heavy plate weakened somewhat during the second half of the year. Distributor inventory levels remained low.

In Europe, market demand was relatively weak during 2023. Higher inflation and higher interest rates had a negative impact especially on the Construction segment. The inventory levels were assessed to be normal or somewhat low at the end of 2023.

Global demand for high-strength steel slowed somewhat down during the second half of 2023, especially in Europe.

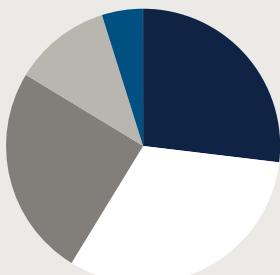
In North America, the price for heavy plate decreased from the high level of 2022. In Europe, market prices for strip increased during the first quarter of 2023 before coming back down again. There was some upturn in prices at the end of the year. European heavy plate prices were on a negative trend during the year. Market prices for similar products in China showed the same trend as in Europe.

### Revenue and operating result

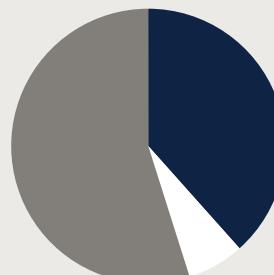
Revenue for 2023 amounted to SEK 119,489 (128,745) million, a decrease of SEK 9,256 million or 7% compared with 2022. The decrease was mainly related to lower prices in SSAB Europe and SSAB Americas.

The operating result for 2023 amounted to SEK 16,467 (-4,355) million, an increase of SEK 20,822 million compared to 2022. The increase mainly related to the goodwill impairment of SEK 33,291 million in 2022. The adjusted operating result amounted to SEK 16,467 (29,283) million, a decrease of SEK 12,815 million compared to 2022. Compared with the record year of 2022, the market was weaker, with lower prices and higher raw material costs.

**Share of external revenue 2023**



**Share of EBITDA 2023**



SSAB Special Steels, 27% (26%)  
SSAB Europe, 32% (31%)  
SSAB Americas, 25% (25%)  
Tibnor, 11% (13%)  
Ruukki Construction, 5% (5%)

SSAB Special Steels, 41% (28%)  
SSAB Europe, 7% (2%)  
SSAB Americas, 59% (42%)  
Tibnor, -1% (1%)  
Ruukki Construction, -0% (2%)

### Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result <sup>1)</sup>		
	2023	2022	Change	2023	2022	Change
SSAB Special Steels	32,145	33,666	-1,521	6,752	8,217	-1,465
SSAB Europe	46,227	50,068	-3,841	1,183	8,535	-7,352
SSAB Americas	29,775	32,163	-2,388	9,651	12,262	-2,611
Tibnor	13,691	16,625	-2,934	-220	434	-654
Ruukki Construction	5,810	6,880	-1,071	-6	524	-531
Other	-	-	-	-891	-689	-202
Group adjustments	-8,158	-10,658	2,499	-	-	-
<b>Total</b>	<b>119,489</b>	<b>128,745</b>	<b>-9,256</b>	<b>16,467</b>	<b>29,283</b>	<b>-12,815</b>

1) For definition of Adjusted operating result, see note A.3.

### Analysis of total change in revenue and adjusted operating result<sup>1)</sup>

	Revenue	Adjusted operating result
	Change vs. 2022, %	Change vs. 2022, SEK millions
Volume	2	Volume
Price	-10	Price and product mix
Product mix	-1	Variable costs
Currency effects	4	Fixed costs
Other revenue	-2	Capacity utilization
		Currency effects
		-165
		Other
<b>Total</b>	<b>-7</b>	<b>Total</b>
		<b>-12,815</b>

1) Estimated change, the numbers in the table are rounded.

**External revenue on largest markets**

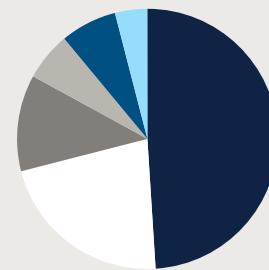
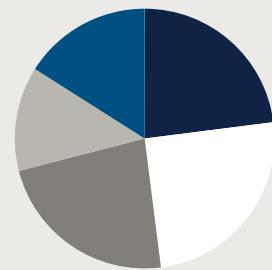
SEK millions	2023	Share, %	2022	Share, %
Sweden	15,634	13	17,949	14
Finland	9,773	8	12,242	10
Other Europe	42,698	36	44,518	35
USA	37,080	31	38,381	30
Rest of the world	14,304	12	15,655	12
<b>Total</b>	<b>119,489</b>	<b>100</b>	<b>128,745</b>	<b>100</b>

**Result before tax**

The net financial items for 2023 amounted to SEK 248 (-286) million. In 2022, SSAB impaired its investment for the Fennovoima nuclear power project in Finland (Voimaosakeyhtiö SF) by SEK 288 million, down to zero value. The write-down in 2022 was reported as other financial expenses and reported as an item affecting comparability. Result before tax amounted to SEK 16,716 (-4,641) million.

**Result for the year and earnings per share**

The result for the year, attributable to shareholders in the parent company, for 2023 was SEK 13,029 (-10,886) million, equating to SEK 12.67 (-10.57) per share. The result for the full-year of 2022 included goodwill impairment of SEK 33,291 million, and adjusted result per share amounted to SEK 12.67 (22.38). Income taxes amounted to SEK -3,677 (-6,235) million.

**The Group's cost structure****Input materials**

### Major maintenance outages

The table below shows the major maintenance outages completed in 2023 and 2022. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

#### Major maintenance outages in 2023 and 2022

SEK millions	2023		2022		2023		2022		2023		2022	
	Q1	Q2	Q1	Q2	Q3	Q2	Q3	Q4	Q4	Full-year	2023	2022
SSAB Special Steels	0	0	0	0	75	90	550	400	625	490		
SSAB Europe	0	0	0	0	325	205	210	450	535	655		
SSAB Americas	0	0	0	0	0	335	320	60	320	395		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>400</b>	<b>630</b>	<b>1,080</b>	<b>910</b>	<b>1,480</b>	<b>1,540</b>		

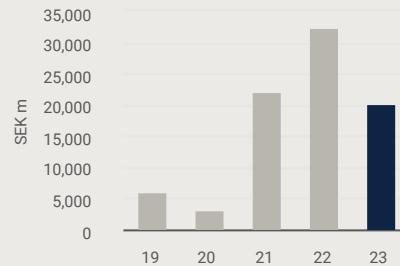
### Raw materials

SSAB sources iron ore primarily from LKAB in Sweden at market index-linked prices. Coking coal is sourced from Australia, the USA and Canada, usually on annual supply contracts with monthly prices. SSAB's mills in the USA use recycled steel material and source scrap metal on the spot market. The lead times and payments terms for iron ore have a combined effect, which impacts the result around one quarter later than the change in market price, while coking coal has a lead time of around one and a half quarters. Scrap purchase prices have a lead time of around one month. The table below shows SSAB's purchase prices.

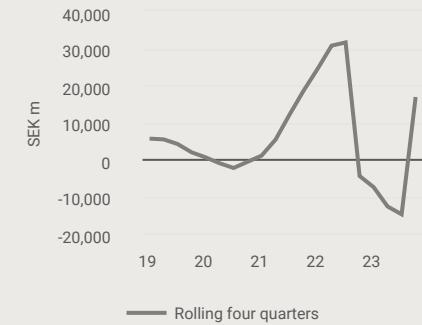
#### Change in SSAB's average purchases prices in 2023

% change	Change vs. 2022	
	USD	SEK
Iron ore	-15%	-10%
Coking coal	-25%	-22%
Scrap metal	-5%	-1%

### EBITDA



### Result before tax



### Transformation to fossil-free steel

In 2022, the SSAB Board of Directors made a strategic decision to fundamentally transform the Nordic strip production and accelerate the Group's green transition. The plan is to build electric arc furnaces and cost efficient steel mills, so-called mini-mills, in both Luleå and in Raahe, which can use a mix of sponge iron and recycled steel. In 2023, SSAB's Board of Directors made an investment decision for the conversion of Oxelösund. The construction of the new electric arc furnace started at the end of 2023. The plan is to start fossil-free steelmaking in Oxelösund, based on recycled scrap and sponge iron by the end of 2026.

There is a strong demand for steel without carbon dioxide footprint and SSAB has entered into several partnerships with major customers during the year. Among other things, SSAB signed letters of intent with Vattenfall, Sandvik and Scania regarding future deliveries of fossil-free steel. At the end of 2023, the world's first building in Sweden using fossil-free steel was inaugurated, through a collaboration between Peab and SSAB, together with Ruukki Construction and the property company Wihlborgs.

In the beginning of 2023, SSAB launched a completely new scrap-based steel, SSAB Zero, with 0.0 kg emissions of carbon dioxide equivalents per kg of steel – the world's first commercial product of its kind. In 2023, sales amounted to more than 50,000 tonnes. Beside Europe, interest also increased strongly in the USA. During 2023, SSAB extended the partnership with GE Vernova Onshore Wind to supply SSAB Zero steel for onshore wind towers in North America. GE Vernova will be able to manufacture onshore wind towers with the lowest carbon footprint within the onshore wind industry.

**Production and shipments**

Crude steel production was 7% higher and rolling production 6% higher during 2023 compared to 2022. SSAB's steel shipments amounted to 6,460 (6,341) thousand tonnes, an increase of 2% compared to 2022.

**Production and shipments**

Thousand tonnes	2023	2022
Crude steel production	7,778	7,293
Rolling production	7,122	6,727
Shipments	6,460	6,341

**Cash flow, financing and liquidity**

Operating cash flow for 2023 amounted to SEK 21,524 (22,693) million, as the release of working capital broadly offset the lower result. Net cash flow, after dividend of SEK 8,960 (5,406) million and purchase of own shares of SEK 1,292 (-) million, amounted to SEK 5,922 (8,748) million. Net cash on December 31, 2023 amounted to SEK 18,206 (14,287) million. Cash and cash equivalents were SEK 28,916 (24,900) million and non-utilized credit facilities were SEK 8,239 (10,258) million, which combined corresponds to 31% (27%) of the full-year revenue. The term to maturity of the total loan portfolio at December 31, 2023, averaged 6.2 (5.7) years, with an average fixed interest period of 1.4 (0.9) years.

**Capital expenditures**

During 2023, capital expenditure payments amounted to SEK 4,474 (4,148) million, of which SEK 1,889 (1,952) million were strategic investments. The strategic investments are primarily related to Oxelösund for the conversion to fossil-free steelmaking.

**Operating cash flow and net debt**

SEK millions	2023	2022
Operating result before depreciation/amortization	20,141	32,340
Change in working capital	4,836	-8,279
Maintenance capital expenditures	-2,585	-2,196
Other	-867	828
<b>Operating cash flow</b>	<b>21,524</b>	<b>22,693</b>
Financial items	437	-17
Income taxes	-3,879	-5,947
<b>Cash flow from current operations</b>	<b>18,082</b>	<b>16,729</b>
Strategic expenditures in plants and machinery	-1,889	-1,952
Acquisitions of shares and operations	-52	-537
Investments/contributions in affiliated companies and joint ventures	-20	-79
Divestments of shares and operations	61	-
<b>Cash flow before dividend</b>	<b>16,182</b>	<b>14,161</b>
Dividend, parent company's shareholders	-8,960	-5,406
Dividend, non-controlling interest	-8	-7
Purchases of own shares	-1,292	-
<b>Net cash flow</b>	<b>5,922</b>	<b>8,748</b>
	-	-
<b>Net cash (+) / Net debt (-) at beginning of period</b>	<b>14,287</b>	<b>2,346</b>
Net cash flow	5,922	8,748
Other <sup>1)</sup>	-2,003	3,194
<b>Net cash (+) / Net debt (-) at the end of period</b>	<b>18,206</b>	<b>14,287</b>

1) Mainly valuation changes of derivatives and revaluations of other financial assets and liabilities in foreign currencies.

### Return on capital employed and equity

Return on capital employed for 2023 was 22% (-1%) and return on equity was 19% (-12%). The figures for 2022 include the goodwill impairment of SEK 33,291 million.

### Equity

With result of SEK 13,029 (-10,886) million and other comprehensive income (mostly consisting of translation differences) of SEK -1,977 (9,898) million attributable to the owners of the parent company, the shareholder's equity attributable to the owners of the parent company amounted to SEK 67,872 (67,124) million, corresponding to SEK 65.91 (65.18) per share.

### Share buyback program

The 2023 Annual General Meeting gave the Board of Directors an authorization to decide on the purchase of own Class A and/or Class B shares from Nasdaq Stockholm and/or Nasdaq Helsinki on one or more occasions before the next Annual General Meeting in 2024.

In October, 2023, SSAB's Board of Directors resolved to implement a share buyback program for a total maximum amount of SEK 2.5 billion. The purpose of the share buyback program is to adjust the company's capital structure to create greater value for its shareholders. The Board of Directors intends to propose to the Annual General Meeting 2024 that it resolves to reduce the share capital by cancellation of the shares acquired by the company.

The allocation between the share classes A and B reflect the current trading volume of the two share classes, entailing that 25% (i.e. up to SEK 625 million) is allocated to the purchase of Class A shares and 75% (i.e. up to SEK 1,875 million) to the purchase of Class B shares. Purchases commenced on October 26, 2023 and will end between February 2 and March 11, 2024. The total number of treasury shares held by SSAB will not at any time exceed 10% of the total number of shares.

On December 31, 2023 SSAB held 18,276,773 (-) treasury shares, of which 4,489,777 (-) were Class A shares and 13,786,996 (-) Class B shares. The value of treasure shares amounted to SEK 1,347 (-) million. Transaction costs related to the share buyback program amounted to SEK 1 million in 2023.

### Assets with indefinite useful life

Goodwill is tested for impairment annually at the end of the fourth quarter or if there is an indication of a decline in value. The impairment test for 2023 did not result in any impairment. In 2022, an impairment of SEK 33,291 million was recognized primarily related to the acquisitions of Ipsco and Rautaruukki and reported as an item affecting comparability.

### Assets with an indefinite useful life per cash-generating unit

SEK millions	Dec 31 2023	Dec 31 2022
Tibnor	31	31
Ruukki Construction	318	318
<b>Total goodwill</b>	<b>349</b>	<b>349</b>
Ruukki Construction (Rautaruukki trade name)	439	440
<b>Total assets with an indefinite useful life</b>	<b>787</b>	<b>789</b>

### Dividend and allocation of profit

A dividend of SEK 5.00 (8.70) per share is proposed for the financial year of 2023. Consideration relating to proposed allocation of profit in note D.7 and Proposed allocation of profit on page 179 are part of the Board of Directors' Report.

### Business segments

SSAB is organized into five reportable business segments with a clear profit responsibility. The business segments consist of the three divisions: SSAB Special Steels, SSAB Europe and SSAB Americas as well as the fully owned subsidiaries Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries by their respective Boards.

The business segment information is presented excluding items affecting comparability. As of January 1, 2023 the business segments' adjusted operating result includes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly. For more information about business segments, see the Strategy report section Business segments and note B.1 in this Annual Report.

**SSAB Special Steels**

SSAB Special Steels is responsible for the global marketing and sales of SSAB's quenched and tempered steels (Q&T) and advanced high-strength steels (AHSS) as well as steel and rolling production in Oxelösund, Sweden and Mobile, USA.

**Key figures**

SEK millions	2023	2022
Revenue	32,145	33,666
Adjusted EBITDA	8,010	9,320
Adjusted operating result	6,752	8,217
Operating result	6,752	-10,202
Operating cash flow	7,755	5,044
Number of employees at end of period	4,056	4,072

A goodwill impairment of SEK 18,139 million was made in 2022, which was reported as item affecting comparability. No items affecting comparability were reported in 2023.

**Production and shipments**

Thousand tonnes	2023	2022
Crude steel production	2,252	2,309
Rolling production	1,620	1,667
Shipments	1,304	1,419

During 2023, the demand weakened in the second half of the year, particularly in Europe. Other markets were more stable.

The crude steel production was 2% lower and rolling production was 3% lower compared to 2022. During 2023, shipments decreased by 8% compared to 2022.

Revenue in 2023 was 5% lower compared to 2022 and amounted to SEK 32,145 (33,666) million. Lower shipments had a negative impact of 8 percentage points and other revenue a negative impact of 2 percentage points. Higher prices contributed positively with 2 percentage points and currency effects with 3 percentage points. The adjusted operating result for 2023 amounted to SEK 6,752 (8,217) million, a decrease of SEK 1,465 million compared to 2022. The decrease was mainly related to higher costs and lower shipments.

The operating cash flow for 2023 amounted to SEK 7,755 (5,044) million. The improvement was mainly related to release of working capital. Capital expenditure during 2023 amounted to SEK 2,033 (2,158) million, of which SEK 1,259 (1,450) million were strategic investments.

**SSAB Europe**

SSAB Europe is responsible for strip, plate and tubular products in Europe, the Automotive segment globally (cold-rolled strip) as well as steel and plate production in Raahe and Hämeenlinna, Finland and in Luleå and Borlänge, Sweden.

**Key figures**

SEK millions	2023	2022
Revenue	46,227	50,068
Adjusted EBITDA	2,906	10,171
Adjusted operating result	1,183	8,535
Operating result	1,183	6,309
Operating cash flow	3,906	6,239
Number of employees at end of period	6,802	6,682

A goodwill impairment of SEK 2,209 million was made in 2022, and was reported as item affecting comparability. No items affecting comparability were reported in 2023.

**Production and shipments**

Thousand tonnes	2023	2022
Crude steel production	4,367	3,911
Rolling production	4,402	4,040
Shipments	3,354	3,174

In 2023, demand was relatively weak, primarily in the Construction segment. However, shipments to Automotive and Heavy Transport segments were at a good level.

During 2023, crude steel production increased by 12% and rolling production increased by 9% compared to 2022. During 2023, shipments were 6% higher compared to 2022 due to the maintenance outage in Raahe in 2022.

Revenue was down by 8% compared to 2022 and amounted to SEK 46,227 (50,068) million. Lower prices had a negative effect of 17 percentage points, while higher shipments had a positive impact of 6 percentage points and currency effects of 4 percentage points. The adjusted operating result for 2023 decreased to SEK 1,183 (8,535) million, down by SEK 7,352 million compared to 2022. The decrease was mainly related to lower prices as well as higher variable and fixed costs, partly offset by higher higher shipments and improved capacity utilization.

Operating cash flow for 2023 amounted to SEK 3,906 (6,239) million. The lower result had a negative impact, which was partly offset by release of working capital. Capital expenditure during 2023 was SEK 1,706 (1,412) million, of which SEK 349 (251) million were strategic investments.

**SSAB Americas**

SSAB Americas is responsible for heavy plate in North America and for steel and plate production in Montpelier, USA.

**Key figures**

SEK millions	2023	2022
Revenue	29,775	32,163
Adjusted EBITDA	9,874	12,474
Adjusted operating result	9,651	12,262
Operating result	9,651	-139
Operating cash flow	9,509	12,075
Number of employees at end of period	691	657

A goodwill impairment of SEK 12,401 million was made in 2022, and was reported as item affecting comparability. No items affecting comparability were reported in 2023.

**Production and shipments**

Thousand tonnes	2023	2022
Crude steel production	1,159	1,073
Rolling production	1,100	1,019
Shipments	1,803	1,748

During 2023, demand in the North American heavy plate market weakened from a high level in 2022. Shipments to Steel Service Centers were higher, while the Energy segment declined from a high level.

In 2023, crude steel production and rolling production increased by 8% compared to 2022. Shipments increased by 3% compared to 2022.

Revenue decreased by 7% compared to 2022 and amounted to SEK 29,775 (32,163) million. Lower prices had a negative impact of 15 percentage points, while currency effects had a positive effect of 4 percentage points and higher shipments had a positive impact of 3 percentage points. The adjusted operating result amounted to SEK 9,651 (12,262) million, a decrease of SEK 2,611 million compared to 2022. The lower result were mainly attributable to lower prices which was partly offset by lower variable costs.

The operating cash flow during 2023 amounted to SEK 9,509 (12,075) million. The cash flow was negatively impacted by the lower result. Capital expenditure during 2023 amounted to SEK 320 (213) million, of which SEK 36 (29) million was strategic investments.

**Tibnor**

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordic region and the Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers.

**Key figures**

SEK millions	2023	2022
Revenue	13,691	16,625
Adjusted EBITDA	-13	616
Adjusted operating result	-220	434
Operating result	-220	-108
Operating cash flow	1,025	-386
Shipments, thousand tonnes	820	875
Number of employees at end of period	1,059	1,070

A goodwill impairment of SEK 542 million was made in 2022, and it was reported as item affecting comparability. No items affecting comparability were reported in 2023.

The market in 2023 was relatively weak, especially in the second half of the year.

Revenue decreased by 18% compared to 2022 and amounted to SEK 13,691 (16,625) million. The decrease was attributable to lower prices and lower shipments. The adjusted operating result for 2023 amounted to SEK -220 (434) million, a decrease of SEK 654 million compared to 2022. The lower result was mainly attributable to inventory losses due to low steel prices during most of 2023.

The operating cash flow for 2023 amounted to SEK 1,025 (-386) million. The improvement was related to release of working capital. Capital expenditure during 2023 amounted to SEK 141 (97) million, of which SEK 69 (41) million were strategic investments. In 2023, Tibnor acquired 100% of the shares in the Swedish entity Stålshoppen i Örebro AB, with a negative impact on cash flow of SEK 25 million. For more information, see note E.2.

**Ruukki Construction**

Ruukki Construction is responsible for the sales and production of energy-efficient building and construction solutions, with a focus on Northern and Eastern Europe.

**Key figures**

SEK millions	2023	2022
Revenue	5,810	6,880
Adjusted EBITDA	201	734
Adjusted operating result	-6	524
Operating result	-6	475
Operating cash flow	412	593
Number of employees at end of period	1,410	1,498

Higher inflation and higher interest rates had a negative impact on demand in 2023, particularly the construction of new housing in the Nordic.

During 2023, revenue decreased by 16% in 2023 compared to 2022 and amounted to SEK 5,810 (6,880) million. Adjusted operating result for 2023 amounted to SEK -6 (524) million, a decrease by SEK 530 million compared to 2022. The decrease compared to 2022 was mainly due to lower volumes and lower prices.

The operating cash flow for 2023 amounted to SEK 412 (593) million. Cash flow was impacted positively by released working capital, whereas the lower result impacted negatively. Capital expenditure during 2023 amounted to SEK 248 (242) million, of which SEK 175 (180) million were strategic investments. In 2023, Ruukki Construction acquired 70% of the shares in the Swedish entity Designtak i Småland AB, with a negative impact on cash flow of SEK 24 million. For more information, see note E.2.

## Research and development

Research and development activities are focusing on areas that improve SSAB's profitability. Close collaboration with strategic customers and customer segments provide conditions for a market-driven product development that creates increased value also for end-customers. This is particularly evident for SSAB's high-strength steels, where also technical customer support is an important part of research and development. Continuous work is also carried out in the process development for increased cost efficiency, sustainable processes and energy conservation. During the year, research and development investments amounted to SEK 387 (360) million.

## Environment

Steel production is an energy intensive process affecting the environment through carbon dioxide emissions among other impacts. SSAB's blast furnaces are among the most carbon dioxide efficient in the world, but in Sweden and Finland, SSAB's blast furnaces are still among the country's largest sources of carbon dioxide emissions. The impact on the local environment in the vicinity of SSAB's plants has decreased significantly in recent decades. Technical development and increasingly stringent external demands dictate constant improvements in the operations.

The most important environmental aspects for SSAB are:

- Air emissions reductions of carbon dioxide, nitrogen oxides, sulfur oxides and particulate matter
- Water effluent reductions of nitrogen and suspended substances
- Efficient use of raw materials and energy
- Landfill waste minimization

SSAB's operations are subject to environmental permits with hundreds of environmental conditions governing among other things production levels, emissions into the air and water, noise levels, and rules regarding landfill sites.

## Permitted production at the Swedish plants<sup>1)</sup>

Thousand tonnes	Location	Permitted production	Production 2023	Production 2022
Coke	Luleå	800	647	653
	Oxelösund	530	333	356
Hot metal	Luleå <sup>2)</sup>	-	1,989	1,896
	Oxelösund	2,000	929	924
Steel slabs	Luleå	2,500	1,866	1,796
	Oxelösund	1,900	968	983
Hot-rolled steel	Borlänge	3,200	2,047	1,951
	Oxelösund <sup>3)</sup>	1,000	513	559
Pickled steel	Borlänge	2,500	1,319	1,197
Cold-rolled steel	Borlänge	1,400	700	651
Annealed steel	Borlänge	900	603	556
Organic-coated products	Köping	30	20	21
	Finspång <sup>4)</sup>	40	22	28
Steel tubes	Virsbo	125	11	17

1) In North America, the permitted production levels are determined through maximum permitted hourly production volumes and not applicable for Finnish sites.

2) Not regulated.

3) Delivery of plate.

4) Unit million m<sup>2</sup>.

## Sustainability report

In accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, SSAB AB has chosen to establish the statutory sustainability report as a separate report, see p. 29–67. The sustainability report is prepared by SSAB AB (publ) and covers the Group. For sustainability information on business model, environmental issues, social conditions and personnel as well as respect for human rights and countering corruption, see page references below. For SSAB's report according to EU's taxonomy regulation, see p. 42–45.

Business model	Environmental issues	Social conditions and personnel	Respect for human rights	Combating corruption
Page 4–28	Page 35–48	Page 49–53	Page 55	Page 55–56

**Personnel**

On December 31, 2023, the number of employees (excluding temporary employees) amounted to 14,565 (14,568). The total compensation to employees, including social security expenses and pension costs, amounted to SEK 12,974 (12,091) million. More information about compensation to employees, see note B.4.

**Number of employees per business segment at year-end**

	2023	2022
SSAB Special Steels	4,056	4,072
SSAB Europe	6,802	6,682
SSAB Americas	691	657
Tibnor	1,059	1,070
Ruukki Construction	1,410	1,498
Other	547	589
<b>Total</b>	<b>14,565</b>	<b>14,568</b>

**Shares, share capital and treasury shares**

SSAB is listed on the Nasdaq Stockholm and Nasdaq Helsinki exchanges. On December 31, 2023, there are in total 1,029,835,326 shares in SSAB, of which 304,183,270 are class A shares, corresponding to 304,183,270 votes, and 725,652,056 are class B shares, corresponding to 72,565,205.6 votes, 376,748,475.6 votes in total. Each class A share carries one vote and each class B share carries one tenth of one vote. SSAB's share capital is SEK 9,063 million and the quotient value per share is SEK 8.80.

On December 31, 2023 SSAB held 18,276,773 (-) treasury shares, of which 4,489,777 (-) were class A shares and 13,786,996 (-) class B shares. The treasury shares were purchased between October 26 and December 29, 2023 as part of the Group's share buyback program authorized by the Annual General Meeting 2023. For more information, see section Share buyback program earlier in this Board of Directors' Report.

**Ownership structure**

At year-end 2023, SSAB had 252,907 shareholders. SSAB's three largest owners in terms of voting rights at year-end 2023 were:

- LKAB 16.0%
- Government of Finland 8.0%
- Folksam 5.6%

The ten largest identifiable owners regarding votes together held approximately 44.1% of votes and 30.6% of share capital at the end of December 2023. Ownership outside Sweden and Finland was 21.9% (24.3% at the end of 2022) of the votes. More information in the section Shares and shareholders in the Annual Report.

**Corporate Governance Report**

The Corporate Governance Report is not part of the Board of Director's Report. The Corporate Governance Report and the related auditor's report can be found separately in this Annual Report.

**Outlook for the first quarter of 2024**

Compared with the fourth quarter of 2023, SSAB Special Steels' shipments are assessed to be significantly higher during the first quarter of 2024, whereas prices are expected to be somewhat lower. SSAB Europe's shipments are assessed to be higher and prices to be somewhat lower during the first quarter of 2024 compared to the fourth quarter of 2023. SSAB Americas' shipments are assessed to be higher and prices somewhat lower.

**Major planned maintenance outages 2024**

The Group's total maintenance costs for 2024 are expected to be SEK 1,555 (1,480) million. The table below shows the expected costs of major planned maintenance outages for 2024 and the actual costs of outages completed during 2023 and 2022. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

**Major planned maintenance outages in 2024**

SEK millions	2024	2024	2024	2024	2024	2023	2022
	Q1	Q2	Q3	Q4	Full-year	Full-year	Full-year
SSAB Special Steels	0	0	100	330	430	625	490
SSAB Europe	0	0	375	225	600	535	655
SSAB Americas	0	0	525	0	525	320	395
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>555</b>	<b>1,555</b>	<b>1,480</b>	<b>1,540</b>

# Risk management

SSAB's earnings and financial position are impacted by many factors which can affect the company positively or negatively. Many of the factors are beyond SSAB's control. Prudent risk management supports the achievement of SSAB's strategic objectives and targets and ensures business continuity.

## Risk governance and management process

Responsibility for the long-term, overall management of strategic risks is governed by the company's delegation policy, from the Board of Directors to the CEO and from the CEO to the heads of each division and subsidiary. The divisions and subsidiaries are primarily responsible for managing the operational risks in the Group.

SSAB's Enterprise Risk Management (ERM) process is integrated into the annual strategy process and is managed by the Chief Financial Officer. The purpose of the process is to achieve SSAB's strategic objectives and targets, as well as to ensure business continuity, even in the event of fluctuations on the global steel market. The process includes an annual risk assessment conducted by the divisional and subsidiary managers as part of their strategy process. The result of the Group risk assessment is reported to the Audit Committee and to the Board of Directors.

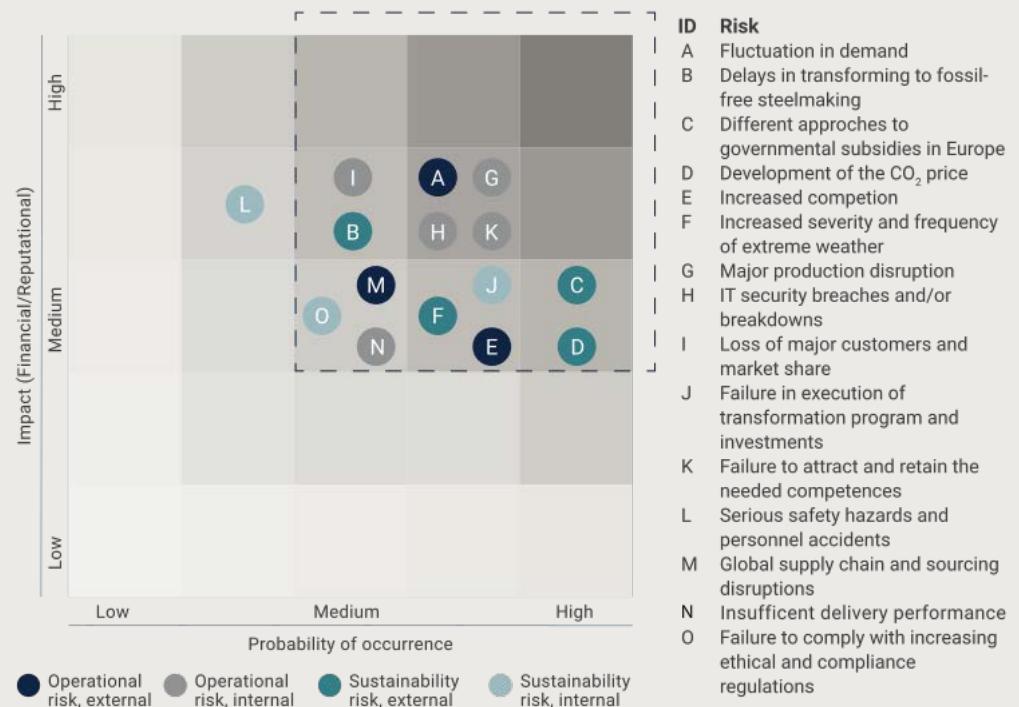
SSAB's insurance function is tasked with procuring Group-wide protection for insurable risks. The Group's treasury function manages financial risks centrally. SSAB's internal control function supports the divisions in identifying risk areas and establishing control processes to mitigate identified risk areas. SSAB's internal audit function conducts audits of SSAB's operations, including internal controls and processes, and recommends improvements. For more information about the Group's internal audit function, see the Corporate Governance Report.

Financial and/or reputational impact from sustainability factors are integrated in the ERM-process and assessed by all divisions. During 2023, SSAB started up the process of integrating the assessment of sustainability impact risks (risk for negative impact on environment and people) in the divisional ERM-process.

## Risk assessment

The risk level of any risk is calculated based on the estimated impact (financial/reputational impact) and likelihood (probability of occurrence).

## SSAB's operational risks



## Operational risks

The main operational risks, including sustainability risks, are listed below:

ID	Risk	Description	Mitigation
A	Fluctuation in demand	The steel industry is sensitive to business cycle fluctuations, where changing demand combined with relatively fixed capacity leads to rapid movements in market prices.	SSAB's strategy is to focus on the home markets, as well as high-strength steels segments globally, where demand is more stable. A continuous focus on developing special and premium niche products will enable SSAB to maintain and strengthen its position relative to its competitors. In addition, a strong financial position is making SSAB more resilient to any downturns.
B	Delay of transformation to fossil-free steelmaking	SSAB has started the work on transforming to fossil-free steelmaking, replacing the blast furnaces with electric arc furnaces. Due to long and unpredictable approval processes, there is a risk that the transformation might be delayed if environmental permits are not obtained in time and stable supply of fossil-free electricity cannot be supplied in time.	SSAB's applications are based on an extensive analysis, often in cooperation with external experts, and SSAB work closely with key suppliers and other important stakeholders. SSAB also maintains active dialogue with local society to get a good understanding of the conditions.
C	Different approaches to governmental subsidies	There have been substantial grants from governments, for example in Germany and France, to support transformation of the steel industry.	SSAB keeps an active dialogue with the Swedish government and the EU with the aim to create a level playing field.
D	Development of the CO <sub>2</sub> price	Within the EU, the ETS system sets a price for CO <sub>2</sub> emissions and the cost for the steel industry is estimated to increase, as the free allocation is gradually reduced. Other regions normally have lower cost for CO <sub>2</sub> emissions, which could lead to reduced competitiveness for European steel producers.	SSAB has one of the most CO <sub>2</sub> -efficient blast furnace operations in Europe. In addition, SSAB has been buying allowances in the market on a regular basis since 2018. SSAB is working actively to promote a global price for CO <sub>2</sub> emissions.
E	Increased competition	The steel markets are highly competitive. SSAB may be affected by new production technologies, products, services and customer offerings developed by competitors.	To remain competitive, SSAB invests in new production technologies and R&D to drive product development. Furthermore, SSAB continues with the home market strategies and high-strength steels focus, but also works on joint ventures and downstream acquisitions.
F	Increased severity and frequency of extreme weather events	Extreme weather, such as hurricanes and flooding, can have a negative impact on SSAB's operations, and on the demand for SSAB's products.	SSAB takes physical climate risks into consideration in for example new investment decisions, process development and production planning. SSAB also works with increased flexibility within transportation and logistics solutions, as to decrease negative weather impact.
G	Major production disruption	The steel production process is dependent on the continuous operation of critical production equipment. Production downtime may occur because of unanticipated mechanical failures or other events. Disruptions to the production process could have a material adverse effect on SSAB's operations and customer service.	SSAB works with preventive equipment and system risk assessments and keeping spare parts to reduce the downtime. SSAB also maintains stocks of critical raw materials, products in progress and finished products as well as analysis of vendors and incoming flows. SSAB also has business continuity plans, property damage insurance and business disruption insurance in place. Continuity plans include measures to protect personnel in critical functions, for example during a pandemic.

## Operational risks cont.

ID	Risk	Description	Mitigation
H	IT security breaches and/or breakdowns	SSAB is dependent on an efficient IT infrastructure to avoid harm related to cyber-crime such as data breaches, data theft, unauthorized access or hacking.	SSAB has a cyber-security program in place, including risk assessments to legacy systems, training, and activities aiming at increase awareness about IT-security risks.
I	Loss of major customers and market share	SSAB's customers may experience problems, due to, for example, an economic downturn, which may lead to significantly lower business for SSAB, or the customer may switch to a competitor.	SSAB's sales organization continue to work on customer mix and customer segments, and maintain close collaboration with customers to understand the development in demand.
J	Failure in execution of transformation program and investments	If SSAB's transformation to fossil-free steelmaking is not executed or is delayed, there is a risk of losing market share and/or higher production costs.	SSAB has a leading position in the transformation of the steel industry and has already delivered fossil-free steel to customers and launched a new steel without any fossil carbon dioxide emissions during 2023.
K	Difficulties to attract and retain needed competences	SSAB's ability to continue to maintain and grow its business as well as provide high-quality products depends on the contributions of motivated, qualified employees across the organization.	SSAB is running several programs to improve its attractiveness as an employer, e.g. through collaborations with universities, nurturing talents with long-term career planning, and active succession planning as well as long-term incentive programs for key employees.
L	Serious safety hazards and personnel accidents	As a manufacturing company, SSAB is subject to the risk of industrial accidents that could lead to production stoppages, the loss of key assets and employees, suppliers and subcontractors, or injuries to persons living near affected sites.	SSAB's Directives and Instructions for Health and Safety are implemented across the Group, as well as the personal safety pledge by all employees. Fundamental safety measures are continuously taken, for example, risk assessments and continuous preventive training of employees and contractors. The development of safety work is closely monitored by the Board of Directors and Group Executive Committee.
M	Global supply chain and sourcing disruptions	Steel production requires substantial amounts of raw materials, including iron ore, scrap metal, metallurgical coal, injection coal, coke and alloys. Failure to secure availability of raw materials could have an adverse effect on SSAB's result.	SSAB's procurement function works to diversify raw material sourcing, i.e. to avoid single sourcing of material, but also to better understand disturbances and identify redundancy plans for critical input materials.
N	Insufficient delivery performance	The lead time to customers is heavily dependent on the smooth running of the steelmaking process. Production disruptions can affect delivery performance to customers.	SSAB has taken several measures such as improving production stability and forecasting, accurate order processing, increasing mill-to-mill flexibility and logistics planning.
O	Failure to comply with increasing ethical and compliance regulations	Failure to address corruption, bribery and other issues related to business ethics could not only have negative impacts on SSAB's result and brand.	SSAB's Code of Conduct includes work with business ethics and anti-corruption. SSAB has implemented governing documents, continuous training, internal governance and ongoing work to ensure that breaches of the Code of Conduct and policies are reported and properly investigated.

## Financial risks and sensitivity analysis

SSAB's financial risks are presented in more detail in note D.3 to the financial statements.

ID	Risk	Description	Mitigation																											
P	Refinancing risk/liquidity risk	Risk of SSAB being unable to pay its obligations due to insufficient liquidity or difficulties in raising new funding.	The borrowing strategy is focused on securing the Group's needs for loan financing with regard to long-term loans and SSAB's day-to-day payment obligations to its lenders and suppliers. Borrowing takes place primarily through the parent company, taking into consideration the Group's financial targets. For mitigating liquidity and refinancing risks, SSAB has sufficient cash balance and committed credit lines in place. The refinancing risk is minimized by diversifying funding sources with the objective that long-term loans will have an even maturity and an average term to maturity in excess of three years. The liquidity buffer (i.e. non-utilized, binding credit facilities, as well as cash and cash equivalents) shall, depending on the net debt/equity ratio, exceed 5%–10% of the Group's revenue.																											
Q	Credit risk	Risk of losses due to the Group's customers or counterparties in financial contracts being unable to perform their payment obligations.	Financial counterparties are selected based on Standard & Poor's and Moody's current ratings for long-term borrowing and taking into account the Group's reciprocal commercial relations with the relevant counterparty. The minimum acceptable ratings for financial instruments are A- from Standard & Poor's or A3 from Moody's. Credit risks associated with accounts receivable and other claims are managed in each division and subsidiary, taking into account the Group's credit directive.																											
R	Market risk	Risk of the Group's earnings or financial position, being affected by movements in market prices, such as commodity prices, interest rates and exchange rates.	<p>Commodity price risks: Commodities are priced in the market, and prices generally vary based on the availability of such commodity and the demand for steel. To mitigate these risks, SSAB aims to develop its raw material supply, including various scrap grades, and to secure dual source of supply whenever possible. Limited volume of iron ore purchases is price-hedged. Most of the price risk in electricity is hedged using derivatives and physical delivery.</p> <p>Interest rate risks: The Group's risks relate to movements in market interest rates and their impact on the debt portfolio. The average fixed-rate term in the total debt portfolio is approximately 1 year but it is permitted to vary between 0.5 and 2.5 years.</p> <p>Currency risks: SSAB's currency exposure, related to translation exposure, largely relates to the translation risk regarding net assets of foreign subsidiaries. This exposure is partly hedged through borrowing in foreign currency. The objective is to minimize the foreign exchange impact on the net debt/equity ratio. As a consequence of the strong cash flow and resulting positive net cash position, no net gearing hedges are currently in place, but in the case of a change in net debt position, the hedges will be reinstalled according to financial instructions. In order to manage the transaction risk, contracted commercial currency flows are hedged. Major investments and projects in foreign currency can be hedged based on management decision. Group's most important currency flows are shown in the adjacent diagram.</p>																											
Currency flow 2023		<table border="1"> <thead> <tr> <th>Currency</th> <th>Outflow (SEK m)</th> <th>Inflow (SEK m)</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td>-50</td> <td>50</td> </tr> <tr> <td>EUR</td> <td>-40</td> <td>55</td> </tr> <tr> <td>CAD</td> <td>5</td> <td>5</td> </tr> <tr> <td>CNY</td> <td>5</td> <td>5</td> </tr> <tr> <td>GBP</td> <td>5</td> <td>5</td> </tr> <tr> <td>DKK</td> <td>5</td> <td>5</td> </tr> <tr> <td>NOK</td> <td>5</td> <td>5</td> </tr> <tr> <td>Other</td> <td>10</td> <td>10</td> </tr> </tbody> </table>	Currency	Outflow (SEK m)	Inflow (SEK m)	USD	-50	50	EUR	-40	55	CAD	5	5	CNY	5	5	GBP	5	5	DKK	5	5	NOK	5	5	Other	10	10	
Currency	Outflow (SEK m)	Inflow (SEK m)																												
USD	-50	50																												
EUR	-40	55																												
CAD	5	5																												
CNY	5	5																												
GBP	5	5																												
DKK	5	5																												
NOK	5	5																												
Other	10	10																												

### Sensitivity analysis

The approximate full-year effect on the result before tax and earnings per share of changes in significant factors is shown in the sensitivity analysis below.

	Change %	Effect on result before tax, SEK millions	Effect on earnings per share, SEK <sup>2)</sup>	Effect on equity, SEK millions <sup>2)</sup>
Steel price – steel operations	+/-10	+/-9,930	+/-7.53	+/-7,745
Volume – steel operations <sup>1)</sup>	+/-10	+/-2,590	+/-1.97	+/-2,020
Iron ore prices	+/-10	+/-1,160	+/-0.88	+/-905
Coal prices	+/-10	+/-850	+/-0.64	+/-663
Scrap metal prices	+/-10	+/-1,170	+/-0.89	+/-913
Interest rate	+/-1% point	+/-200	+/-0.15	+/-156
Swedish Krona <sup>3)</sup>	+/-5	+/-1,350	+/-1.02	+/-1,053

1) Excluding the effect of lower capacity utilization (under absorption).

2) Calculated based on a 20.6% tax rate.

3) Calculated on SSAB's exposure without currency hedging. Any weakening of the Swedish krona entails a positive effect.

# Remuneration guidelines for senior executives

These remuneration guidelines include the CEO and other senior executives. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remuneration decided or approved by the general meeting.

**The guidelines' promotion of the company's business strategy, long-term interests and sustainability**  
 SSAB's business strategy aims to establish the company as an industry leader in terms of both profitability and sustainability among comparable companies. SSAB's stated objective is to become the safest steel company in the world to work in, and shall in addition adhere to high environmental standards and be a responsible partner to all stakeholders. A more detailed description of the business strategy can be found on the company's website.

A successful implementation of the business strategy and safeguarding of the company's long-term interests require that the company can recruit and retain qualified employees. For this, the company must be able to offer competitive remuneration in the labor market on which the executives operate. These guidelines are intended to offer senior executives a competitive total remuneration, which in turn promotes the company's business strategy, long-term interests and sustainability.

## Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration consisting of a short-term variable component ("STI") and a long-term variable component ("LTI"), pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on other remuneration or incentive programs, including share-related or share price-related remuneration.

STI remuneration shall be linked to predetermined and measurable criteria to be measured over a period of one year. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including sustainability. STI may amount to not more than 75 per cent of the fixed annual cash salary for the CEO and not more than 50 per cent for other senior executives.

LTI remuneration shall be share related or share price related and shall thereby be approved by the general meeting. The objectives of LTI shall be to create a common interest for the company

management and the shareholders to drive the business towards long-term good return on the SSAB shares and to promote the company's ability to recruit and retain key employees.

For the CEO and other senior executives pension benefits shall be contribution-based except in those cases where so provided in the rules of a general pension plan (e.g. the Swedish ITP2 plan). The retirement age should be set individually, however, in no case earlier than the age of 62. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension.

Variable cash remuneration shall not qualify for pension benefits, except in those cases where so provided in the rules of a general pension plan. The pension premiums shall amount to not more than 50 per cent of the annual pensionable salary.

Other benefits may include, for example, health insurance, medical insurance and company cars. Premiums and other costs relating to such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

Remuneration under employment subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

## Termination of employment

Upon termination of an employment, the notice period may not exceed twelve months. Fixed salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed salary for 24 months for the CEO and 18 months for the other senior executives. The period of notice may not exceed six months without any right to severance pay when termination is made by the executive.

For senior executives outside Sweden, the termination period and severance pay may deviate from the above stated due to legislation or local market practice.

**Criteria for variable cash remuneration, etc.**

The criteria for STI are set annually and shall consist of Group objectives, of unit objectives (i.e. objectives related to a particular division, a certain subsidiary or a certain function) and/or of individual objectives, with distribution as follows.

Group objectives may be financial and non-financial. The financial objectives shall comprise at least 60 per cent of the Group objectives and shall be linked to EBITDA margins in relation to a comparison group of the company's competitors, own EBITDA level or margin, return on capital employed, the company's cash flow or the company's stock turnover. The non-financial Group objectives shall be linked to sustainability.

The unit objectives may be different for different units. For units with clear profit responsibility, the unit objectives shall to at least 50 per cent consist of financial objectives that shall be linked to sales, volumes, operating profit, operating margins, cost savings, return on capital employed or cash flows. The remaining part of the unit objectives shall consist of operational objectives linked to sustainability and fulfillment of the unit's strategic plan. For other units, the unit objectives shall be designed so that they clearly contribute to the fulfillment of the respective unit's strategy, including sustainability.

For the CEO, STI shall to at least 85 per cent consist of group objectives and to the remaining part of quantitative or qualitative individual objectives aimed at increased value creation for the company. For senior executives with clear own profit responsibility, STI shall to at least 45 per cent consist of unit objectives and to the remaining part of group objectives. For other senior executives, STI shall to at least 70 per cent of group objectives and to the remaining part of unit objectives.

The variable cash compensation programs shall be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable cash compensations, or to decline to make such payment, where such a measure is deemed reasonable and compatible with the company's responsibilities to its shareholders, employees and other stakeholders.

To which extent the objectives for variable cash remuneration has been satisfied shall be evaluated when the measurement period has ended. Following a proposal from the Remuneration Committee, the Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the Remuneration Committee is responsible for the evaluation in consultation with the CEO. When the Board of Directors assesses how

the financial objectives have been met, this should be done against the latest published financial information with any adjustments that the Board of Directors considers necessary or appropriate.

Before the payment of variable cash compensation is effected, the Board of Directors must verify that the objectives linked to the remuneration have been met and that the remuneration has been calculated correctly.

**Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Board of Directors' and the Remuneration Committee's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

**The decision-making process to determine, review and implement the guidelines**

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of these remuneration guidelines as well as the current remuneration structures and compensation levels in the company. The CEO and other senior executives do not participate in the Board of Directors' or the Remuneration Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting.

**Derogation from the guidelines**

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is motivated to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, including also preparation of resolutions to derogate from the guidelines.

# 5-year summary

## Key figures

	2023	2022	2021	2020	2019
Revenue, SEK millions	119,489	128,745	95,891	65,396	76,485
Operating result, SEK millions	16,467	-4,355	18,837	-325	1,961
Operating margin (%) *	14	-3	20	0	3
Adjusted operating result, SEK millions *	16,467	29,283	18,837	-325	2,159
EBITDA, SEK millions *	20,141	32,340	22,094	3,364	6,177
Result before tax, SEK millions	16,716	-4,641	18,416	-802	1,572
Result for the year attributable to the parent company's shareholders, SEK millions	13,029	-10,886	14,662	-510	1,075
Capital expenditure, SEK millions * <sup>1)</sup>	4,474	4,148	2,888	2,910	2,204
Operating cash flow, SEK millions *	21,524	22,693	15,296	3,460	5,194
Net cash flow, SEK millions *	5,922	8,748	12,434	2,180	-289
Net debt/(cash), SEK millions *	-18,206	-14,287	-2,346	10,278	11,696
Total assets, SEK millions	107,839	109,711	112,019	88,601	93,978
Return on capital employed (%) *	22	-1	27	2	3
Return on equity (%) *	19	-12	23	-1	2
Equity ratio (%) *	63	61	66	61	64
Net debt/equity ratio (%) *	-27	-21	-3	19	19
Dividend per share (SEK), 2023 – proposal	5.00	8.70	5.25	0.00	0.00
Earnings per share (SEK)	12.67	-10.57	14.24	-0.50	1.04
Average number of employees	15,754	15,799	15,255	15,121	15,829
Crude steel production, thousand tonnes	7,778	7,293	8,179	7,535	7,623
Rolling production, thousand tonnes	7,122	6,727	7,568	6,937	6,994
Steel shipments, thousand tonnes	6,460	6,341	6,921	6,560	6,560

1) As of 2023 reported as maintenance investments and strategic investments, comparative information adjusted accordingly.

\* Alternative performance measure, see note A.3 for more information.

# Consolidated statements

## Consolidated statement of profit or loss

SEK millions	Note	2023	2022
Revenue	B.2	119,489	128,745
Costs of goods sold	B.3	-96,936	-127,096
<b>Gross profit</b>		<b>22,553</b>	<b>1,649</b>
Selling expenses	B.3	-2,951	-2,654
Administrative expenses	B.3	-3,097	-2,910
Other operating income	B.5	1,189	1,563
Other operating expenses	B.5	-1,197	-2,028
Shares of earnings in affiliated companies and joint ventures after tax	B.6	-29	26
<b>Operating result</b>		<b>16,467</b>	<b>-4,355</b>
Financial income	D.6	1,428	3,284
Financial expenses	D.6	-1,179	-3,570
<b>Result before tax</b>		<b>16,716</b>	<b>-4,641</b>
Income taxes	E.1	-3,677	-6,235
<b>Result for the year</b>		<b>13,038</b>	<b>-10,877</b>
<b>Of which attributable to:</b>			
Parent company's shareholders		13,029	-10,886
Non-controlling interests		9	10
<b>Earnings per share, SEK<sup>1)</sup></b>	D.7	<b>12.67</b>	<b>-0.01</b>
<b>Dividends per share, 2023 – proposal, SEK</b>	D.7	<b>5.00</b>	<b>8.70</b>

1) There are no outstanding share instruments and thus no dilution is relevant.

## Consolidated statement of comprehensive income

SEK millions	Note	2023	2022
<b>Result for the year</b>		<b>13,038</b>	<b>-10,877</b>
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to the profit or loss:</b>			
Translation differences	D.7	-1,454	8,681
Translation differences due to hyperinflation, net of tax		80	25
Cash flow hedges	D.7	-1,072	1,033
Income tax on cash flow hedges	E.1	215	-207
Net investment hedges in foreign operations	D.7	267	371
Income tax on net investment hedges in foreign operations	E.1	-55	-77
<b>Total items that may be subsequently reclassified to the profit or loss</b>		<b>-2,019</b>	<b>9,826</b>
<b>Items that will not be reclassified to the profit or loss:</b>			
Net defined benefit liability re-measurement	D.8	50	105
Income tax on net defined benefit liability re-measurement	E.1	-10	-29
<b>Total items that will not be reclassified to the profit or loss</b>		<b>40</b>	<b>77</b>
<b>Total other comprehensive income for the year, net after tax</b>		<b>-1,978</b>	<b>9,903</b>
<b>Total comprehensive income for the year</b>		<b>11,060</b>	<b>-974</b>
<b>Of which attributable to:</b>			
Parent company's shareholders		11,053	-988
Non-controlling interest		7	14

**Consolidated statement of financial position**

SEK millions	Note	Dec 31 2023	Dec 31 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	C.1	1,496	1,416
Tangible fixed assets	C.1	27,341	26,087
Right-of-use assets	C.2	2,701	2,326
Investments in affiliated companies and joint ventures	B.6	959	1,004
Deferred tax receivables	E.1	548	621
Non-current derivative assets	D.3	187	735
Other non-current assets	D.5	317	248
<b>Total non-current assets</b>		<b>33,548</b>	<b>32,436</b>
<b>Current assets</b>			
Inventories	C.3	32,485	37,907
Accounts receivable	C.4	10,673	12,048
Current tax receivables		733	205
Current derivative assets	D.3	232	839
Current interest-bearing receivables	D.2	41	40
Other current receivables	C.4	1,212	1,335
Cash and cash equivalents	D.2	28,916	24,900
<b>Total current assets</b>		<b>74,291</b>	<b>77,275</b>
<b>TOTAL ASSETS</b>		<b>107,839</b>	<b>109,711</b>

SEK millions	Note	Dec 31 2023	Dec 31 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		9,063	9,063
Other contributed funds		23,022	23,022
Reserves		13,793	15,891
Retained earnings including profit for the year		21,993	19,149
<b>Total equity for the shareholders in the parent company</b>	D.7	<b>67,872</b>	<b>67,124</b>
Non-controlling interests		76	66
<b>TOTAL EQUITY</b>		<b>67,948</b>	<b>67,191</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	E.1	2,887	3,115
Liabilities from pension obligations	D.8	343	318
Non-current provisions	C.5	223	232
Non-current derivative liabilities	D.3	43	—
Non-current interest-bearing liabilities	D.2	6,282	6,291
Non-current lease liabilities	C.2	2,148	1,813
Other non-current liabilities	C.4	192	204
<b>Total non-current liabilities</b>		<b>12,119</b>	<b>11,973</b>
<b>Current liabilities</b>			
Current provisions	C.5	207	227
Accounts payable	C.4	17,001	19,566
Current tax liabilities		1,135	805
Current derivative liabilities	D.3	319	342
Current interest-bearing liabilities	D.2	1,428	1,882
Current lease liabilities	C.2	764	691
Other current liabilities	C.4	6,920	7,032
<b>Total current liabilities</b>		<b>27,773</b>	<b>30,547</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>107,839</b>	<b>109,711</b>

## Consolidated statement of changes in equity

SEK millions	Note	2023						2022						
		Equity attributable to the parent company's shareholders						Equity attributable to the parent company's shareholders						
		Share capital	Other contributed funds	Reserves	Retained earnings incl. profit for the year	Total	Non-controlling interest	Share capital	Other contributed funds	Reserves	Retained earnings incl. profit for the year	Total	Non-controlling interest	Total equity
<b>Equity, January 1</b>		9,063	23,022	15,891	19,149	67,124	66	67,191	9,063	23,022	6,095	35,298	73,477	31 73,508
Translation differences	D.7	—	—	-1,452	—	-1,452	-2	-1,454	—	—	8,677	—	8,677	3 8,681
Cash flow hedges, net of tax	D.7	—	—	-857	—	-857	—	-857	—	—	826	—	826	— 826
Net investment hedges in foreign operations, net of tax	D.7	—	—	212	—	212	—	212	—	—	295	—	295	— 295
Net defined benefit liability re-measurements, net of tax	D.8	—	—	—	40	40	—	40	—	—	—	77	77	— 77
Translation differences due to hyperinflation, net of tax	—	—	—	80	80	—	80	—	—	—	25	25	—	25
<b>Total other comprehensive income</b>	—	—	<b>-2,097</b>	<b>121</b>	<b>-1,977</b>	<b>-2</b>	<b>-1,978</b>	—	—	<b>9,796</b>	<b>101</b>	<b>9,899</b>	<b>3</b>	<b>9,903</b>
Result for the year	—	—	—	13,029	13,029	9	13,038	—	—	—	-10,886	-10,886	10	-10,877
<b>Total comprehensive income</b>	—	—	<b>-2,097</b>	<b>13,150</b>	<b>11,053</b>	<b>7</b>	<b>11,060</b>	—	—	<b>9,796</b>	<b>-10,785</b>	<b>-988</b>	<b>14</b>	<b>-974</b>
Non-controlling interests in acquisitions	—	—	—	—	—	11	11	—	—	—	—	—	—	29 29
Investments, non-controlling interest	—	—	—	—	—	—	—	—	—	—	42	42	—	42
Dividend, parent company's shareholders	—	—	—	-8,960	-8,960	—	-8,960	—	—	—	-5,406	-5,406	—	-5,406
Dividend, non-controlling interest	—	—	—	—	—	-8	-8	—	—	—	—	—	-7	-7
Purchases of own shares	D.7	—	—	-1,347	-1,347	—	-1,347	—	—	—	—	—	—	—
<b>Equity, December 31</b>		<b>9,063</b>	<b>23,022</b>	<b>13,793</b>	<b>21,993</b>	<b>67,872</b>	<b>76</b>	<b>67,948</b>	<b>9,063</b>	<b>23,022</b>	<b>15,891</b>	<b>19,149</b>	<b>67,124</b>	<b>66 67,191</b>

**Consolidated statement of cash flows**

SEK millions	Note	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Operating result		16,467	-4,355
<b>Reversal of non-cash items:</b>			
Shares of earnings in affiliated companies and joint ventures		29	-26
Depreciation, amortization and impairment of fixed assets	C.1	3,674	36,695
Gain/loss on sale of intangible and tangible fixed assets		9	-43
Gain/loss on sale of shares and operations		-38	14
Change in provisions		-43	133
Other reversals		-17	-19
Interest received		1,213	457
Interest paid		-776	-474
Tax paid		-3,879	-5,947
<b>Cash flow from operating activities before the change in working capital</b>		<b>16,637</b>	<b>26,435</b>
<b>Change in working capital</b>			
Inventories		5,131	-10,387
Accounts receivable		1,157	-313
Accounts payable		-2,536	2,271
Other current receivables		1,086	-1,273
Other current liabilities		-3	1,422
<b>Cash flow from change in working capital</b>		<b>4,836</b>	<b>-8,279</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>21,473</b>	<b>18,156</b>

SEK millions	Note	2023	2022
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in intangible and tangible fixed assets	C.1	-6,567	-4,948
Sales of intangible and tangible fixed assets	C.1	1,264	1,537
Investments/acquisitions of shares and operations	E.2	-52	-433
Investments/contributions in affiliated companies and joint venture		-20	-79
Divested shares and operations	E.2	61	—
Other investing activities		23	32
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-5,291</b>	<b>-3,891</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend to shareholders of the parent company	D.7	-8,960	-5,406
Dividend to non-controlling interest		-8	-7
Purchases of own shares	D.7	-1,292	—
Borrowing of new debt	D.2	2,232	—
Repayment of debt	D.2	-2,788	-2,324
Financial investments		-18	1,229
Other financing activities		-1,931	5,785
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-12,765</b>	<b>-723</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Balance, January 1		24,900	13,796
Cash flow from operating activities		21,473	18,156
Cash flow from investing activities		-5,291	-3,891
Cash flow from financing activities		-12,765	-723
Translation differences, cash and cash equivalents		599	-2,439
<b>CASH AND CASH EQUIVALENTS, December 31</b>	D.2	<b>28,916</b>	<b>24,900</b>
Contracted, non-utilized overdraft facilities		8,239	10,258
<b>DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)</b>		<b>37,155</b>	<b>35,158</b>

# Notes to the consolidated financial statements

## ► A.

### Basis of Reporting

**A.1**  
General information

**A.2**  
Principles of preparation  
of the report

**A.3**  
Alternative performance  
measures

## ► B.

### Operating result

**B.1**  
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**B.2**  
Revenue

**B.3**  
Operating expenses

**B.4**  
Compensation to  
employees

**B.5**  
Other operating income/  
expenses

**B.6**  
Affiliated companies, joint  
ventures and related party  
transactions

## ► C.

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**C.2**  
Leases

**C.3**  
Inventories

**C.4**  
Accounts receivable and  
payable and other  
receivables and liabilities

**C.5**  
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**D.2**  
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**D.3**  
Financial risk  
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**D.4**  
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assets and liabilities

**D.5**  
Other non-current assets

**D.6**  
Financial income and  
expenses

**D.7**  
Equity

**D.8**  
Pensions

## ► E.

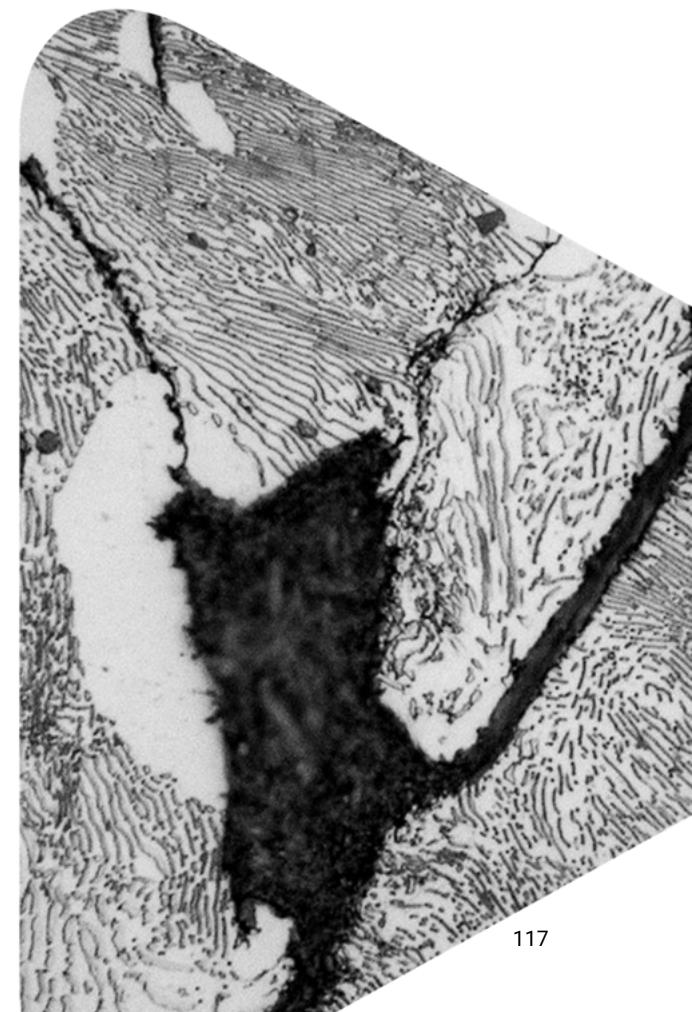
### Other notes

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**E.2**  
Acquisitions and  
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SSAB subsidiaries

**E.4**  
Pledged assets and  
contingent liabilities



## Notes to the consolidated financial statements, cont.

Notes are presented in groups A–E.

Accounting principles, key assessments and assumptions and risks are disclosed in each note, if relevant. The table on the right outlines to notes in which these disclosures can be found and below symbols highlight these disclosures in the notes.

**AP** Accounting Principles

**A&A** Assessments and Assumptions

**R** Risk

Notes	1. Accounting Principles	2. Assessments and Assumptions	3. Risks
<b>A. Basis of Reporting</b>			
A.1 General information	-	-	-
A.2 Principles of preparation of the report	•	•	•
A.3 Alternative performance measures	-	-	-
<b>B. Operating result</b>			
B.1 Business segments	•	-	-
B.2 Revenue	•	-	-
B.3 Operating expenses	•	-	-
B.4 Compensation to employees	•	-	-
B.5 Other operating income/expenses	•	-	-
B.6 Affiliated companies, joint ventures and related party transactions	•	-	-
<b>C. Operating assets and liabilities</b>			
C.1 Intangible and tangible fixed assets	•	•	-
C.2 Leases	•	-	-
C.3 Inventories	•	•	-
C.4 Accounts receivable and payable and other receivables and liabilities	•	-	•
C.5 Provisions	•	•	-
<b>D. Capital structure and financial risk management</b>			
D.1 Capital structure	-	-	-
D.2 Net debt/cash	•	-	•
D.3 Financial risk management	•	-	•
D.4 Valuation of financial assets and liabilities	•	-	-
D.5 Other non-current assets	•	-	-
D.6 Financial income and expenses	•	-	-
D.7 Equity	•	-	-
D.8 Pensions	•	•	•
<b>E. Other notes</b>			
E.1 Income taxes	•	•	-
E.2 Acquisitions and divestments	-	-	-
E.3 SSAB subsidiaries	-	-	-
E.4 Pledged assets and contingent liabilities	-	-	-

## A.1 General information

SSAB AB is a limited liability company with its registered office in Stockholm, Sweden. The parent company is listed on Nasdaq Stockholm with a secondary listing on Nasdaq Helsinki.

SSAB is a global steel company that is a world leader in high-strength steel and related services. SSAB's vision is to contribute to a stronger, lighter and more sustainable world and it aims to become the first steelmaking company in the world to offer fossil-free steel on the market, and to largely eliminate carbon dioxide emissions from its operations around 2030.

SSAB is organized into five business segments: the three steel divisions SSAB Special Steels, SSAB Europe and SSAB Americas as well as the fully owned subsidiaries Tibnor and Ruukki Construction. The Group's steel mills are located in Sweden, Finland and the USA and the Group employs approximately 15,000 persons.

### Corporate information

Company name	<b>SSAB AB (publ)</b>
Registration number	<b>556016-3429</b>
Legal form	<b>Limited liability company</b>
Country of incorporation	<b>Sweden</b>
Domicile and principal place of business	<b>Stockholm, Sweden</b>
Company address	<b>Box 70, SE-101 21 Stockholm, Sweden</b>

AP

SSAB's consolidated financial statements for the financial year 2023 covering the period from January 1 to December 31, 2023 have been prepared in accordance with the Swedish Annual accounts act (1995:1554) as well as IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that have been adopted by the EU. In addition, the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for the Group, has been applied. SSAB's Annual report according to the ESEF regulations is published in XHTML format in Swedish at the Group's website.

The consolidated financial statements are presented in millions of Swedish kronas unless stated otherwise. All figures have been rounded and consequently the sum of individual figures may deviate from the presented aggregate figure. Key figures have been calculated using exact figures.

### Accounting principles for the consolidated financial statements

The consolidated financial statements are prepared in accordance with the Group's accounting principles, and include the accounts of the parent company, SSAB AB (publ) and all Group companies. Subsidiaries are consolidated using the acquisition method and constitute of all entities over which SSAB has control.

For each acquisition, the Group determines whether non-controlling interests in the acquired company are reported at fair value or at the proportion of the net assets of the acquired company represented by the holding. Acquisition costs are expensed when they occur and reported according to the nature either as administrative expenses or other operating expenses.

### Foreign currency transactions

The consolidated financial statements are presented in Swedish kronas, which is the parent company's functional and reporting currency. Transactions in foreign currency are translated at the exchange rates prevailing on the transaction date. In certain cases, the actual rate is approximated to the average rate during a month. Exchange rate differences relating to the business activities are reported within the operating result in other operating income and expenses, while differences attributable to financing activities are reported in financial income and expenses.

**AP**

The foreign subsidiaries' statements of profit or loss and cash flows are translated into Swedish kronas at the average exchange rates for the year, while their statements of financial position are translated at the closing day rates. Translation differences are recognized to the consolidated statement of comprehensive income and reported in translation reserve in equity.

Goodwill and adjustments of assets and liabilities to fair value arising from acquisitions of foreign subsidiaries are treated as assets and liabilities in the foreign operations and thus translated with the closing day rates of the period.

#### **Changes in IFRS Accounting Standards**

##### **Standards, changes and interpretations that are relevant to the Group became effective in 2023**

AMENDMENTS TO IAS 1, DISCLOSURE OF ACCOUNTING POLICIES, effective as of January 1, 2023. The Amendments required entities to disclose information on their material accounting policies instead of significant ones. The Amendments defined what is material accounting policy information and explained how to identify it, and further clarified that immaterial accounting policy information does not need to be disclosed. The Group has applied these Amendments as of January 1, 2023. The Amendments impacted the presentation of Group's accounting principles in the financial report.

AMENDMENTS TO IAS 8, CHANGES IN ESTIMATES, effective as of January 1, 2023. The Amendments clarified how companies should distinguish changes in accounting policies from changes in estimates and assumptions. The Group has applied these Amendments as of January 1, 2023. The Amendments did not impact the Group's financial reports.

AMENDMENTS TO IAS 12, DEFERRED TAXES, effective as of January 1, 2023. The Amendments required companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Group has applied these Amendments as of January 1, 2023. The Amendments impacted the presentation of the notes in the Group's financial report.

AMENDMENTS TO IAS 12, DEFERRED TAXES resulting from INTERNATIONAL TAX REFORM – PILLAR TWO MODEL RULES, effective as of January 1, 2023. In 2021, the Organization for Economic cooperation and development (OECD) published model rules for Pillar Two (Global Anti-Base Erosion Proposal, or GloBE) to reform international corporate taxation. The related Amendments to IAS 12 include a temporary exception to the requirement to recognize and disclose information about deferred taxes arising from Pillar Two model rules, including tax rules that implement a domestic minimum top-up tax described in Pillar Two. SSAB is within the scope of the Pillar Two model rules, and has applied the temporary exceptions to the requirements on deferred tax reporting as of January 1, 2023. Accordingly, the Group neither recognizes nor discloses information about deferred taxes relating to the Pillar Two rules. More information on SSAB's adaptation of the Pillar Two model rules can be found in the note E.1. Current assessment is that the implementation is expected to have minor effects on Group's total income tax expense and effective tax rate.

##### **Standards, changes and interpretations relevant to the Group that have not became effective, yet, and have not been prematurely applied by the Group**

AMENDMENTS TO IAS 1, CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND NON-CURRENT LIABILITIES WITH COVENANTS, effective as of January 1, 2024. The Amendments clarify the IAS 1 criterion for classifying a liability as non-current: company must have a right to defer settlement of the liability for at least 12 months after the reporting period, and further clarify the disclosure requirements when the company's right to defer the settlement is subject to compliance with covenants. The Group will apply these Amendments as of January 1, 2024. The Amendments are not expected to have significant impact on the Group's future financial reports.

AMENDMENTS TO IFRS 16, LEASE LIABILITY IN A SALE AND LEASEBACK, effective as of January 1, 2024. The Amendment adds subsequent measurement requirements for sale and leaseback transactions into IFRS 16. The Group will apply these Amendments as of January 1, 2024. The Amendments are not expected to have significant impact on the Group's future financial reports.

**AP**

AMENDMENTS TO IAS 7 and IFRS 7, SUPPLIER FINANCE ARRANGEMENTS, effective as of January 1, 2024, not yet adopted by the EU. The Amendments require companies to provide additional disclosures about supplier finance arrangements to assess the impact these arrangement have on liabilities, cash flows and liquidity risk. The Group will apply these Amendments when they are adopted by the EU, earliest as of January 1, 2024. The Amendments may impact the note disclosures in the Group's future financial reports.

AMENDMENTS TO IAS 21, LACK OF EXCHANGEABILITY, effective as of January 1, 2025, not yet adopted by the EU. The Amendments require a consistent approach to assess whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and disclosures to provide. The Group will apply these Amendments when they are adopted by the EU, earliest as of January 1, 2025. The Amendments are not expected to have significant impact on the Group's future financial reports.

**A&A**

#### **Key assessments and assumptions**

The preparation of financial statements in accordance with IFRS requires the use of a number of estimations for accounting purposes. In addition, management must make certain assessments when applying the Group's accounting principles. The applied assumptions are evaluated and revised to reflect changes in the Group's operating environment and circumstances. Although the assessments and assumptions are based on management's best knowledge, the actual outcome may deviate from the assessments made and estimates used.

Key assessments and assumptions are included in particular in those notes in which complex assessment is required or which the assumptions and estimations are of material significance, and the table in the beginning of the notes to the consolidated financial statements outlines these notes.

**R**

#### **Risks related to climate change**

The Task Force on Climate-Related Financial Disclosures (TCFD) recommends companies to report on their climate-related risks and opportunities and to improve transparency on how to address them. SSAB has analyzed these risks and opportunities through two alternative scenarios: a low future emissions scenario and a high future emissions scenario. SSAB's business strategy to transform into fossil-free steelmaking is well positioned in both scenarios. The expected physical climate change effects for SSAB include rising temperatures and precipitation levels in most of SSAB's production sites, but additional related costs are not expected to be significant.

Consequently, the main risks relate to the Group's transformation to fossil-free steelmaking. The transformation itself is a significant opportunity for the Group, but risks include delays in the transformation due to political and regulatory reasons, as well as unsuccessful implementation of the transformation program and investments. There is also uncertainty on emission allowance price development. For more information, see Climate-related risks and opportunities in the Sustainability Report.

The transformation to fossil-free steelmaking will impact SSAB's financial reporting. The remaining useful lives of the assets in Sweden and Finland that will be replaced in the transformation are reviewed regularly. In June, 2023, the SSAB Board of Directors made the investment decision regarding the conversion of the Oxelösund mill in Sweden with the aim to start production with the new system in the end of 2026. Consequently, SSAB revised the remaining useful life estimates for the assets that will be replaced and become obsolete by the new production system so that these assets will be depreciated to their residual values by the end of 2026. As of July, 2023 the change increased SSAB's annual depreciation by approximately SEK 40 million. Regarding value-in-use calculations for impairment testing, climate risks have been taken into account to the extent they could be estimated. Future capital expenditure and other cash flows regarding the transformation to fossil-free steelmaking have not been included in the calculations. For more information, see note C.1 for useful lives of tangible fixed assets and impairment testing.

## A.3 Alternative performance measures

In its Annual Report, SSAB presents certain key figures that are not defined in accordance with IFRS and therefore applies the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (APMs). These performance measures provide complementary information about the company's performance, financial position and cash flows and are used by the Group's executive management. As these measures are not defined by IFRS, they may not be directly comparable to the financial measures used by other companies including those in the same industry. These alternative measures should not be assessed in isolation from, or substitute for, financial information in accordance with IFRS:

SEK millions			
Measure	Definition or source in Financial Report	2023	2022
<b>Adjusted operating result</b>			
<i>Complementary measure to operating result that excludes items affecting comparability between periods</i>			
Operating result	Consolidated statement of profit or loss	16,467	-4,355
Items affecting comparability	Defined later in this note	-	-33,638
Adjusted operating result	Operating result – Items affecting comparability	16,467	29,283
<b>Operating margin (%)</b>			
<i>Complementary profitability measure to present operating result in relation to revenue</i>			
Operating result	Consolidated statement of profit or loss	16,467	-4,355
Revenue	Consolidated statement of profit or loss	119,489	128,745
Operating margin (%)	Operating result / Revenue	14	-3
<b>EBITDA</b>			
<i>Complementary, more cash-based measure to operating result</i>			
Operating result	Consolidated statement of profit or loss	16,467	-4,355
Depreciation/amortization	Note B.3 Operating expenses	3,674	3,386
Impairments	Note B.3 Operating expenses	-	33,309
EBITDA	Operating result before depreciation, amortization and impairments	20,141	32,340

### SEK millions

Measure	Definition or source in Financial Report	2023	2022
<b>Adjusted EBITDA</b>			
<i>Complementary, more cash-based measure to operating result that excludes items affecting comparability between periods</i>			
EBITDA	Defined earlier in this note	20,141	32,340
Items affecting comparability	Defined later in this note	-	-335
Adjusted EBITDA	EBITDA – Items affecting comparability	20,141	32,675
<b>Items affecting comparability</b>			
<i>Material income and expense items that affect comparability between period due to their unusual nature, size or incidence that are reported separately to facilitate performance analysis and comparability between periods</i>			
Operating expenses			
Goodwill impairment	Note C.1 Intangible and tangible fixed assets	-	-33,291
Write-down of assets in Russia and Ukraine	Note B.1 Business segments	-	-347
Total effect on operating result	Sum of the above items	-	-33,638
Of which in EBITDA		-	-335
Financial expenses		-	-
Write-down of investment in Fennovoima (Voimaosakeyhtiö SF)	D.5 Other non-current assets	-	-288
Total effect on result before tax	Sum of the above items	-	-33,926
Income taxes		-	-13
Total effect on result for the year	Sum of the above items	-	-33,939

## SEK millions

Measure	Definition or source in Financial Report	2023	2022
<b>Return on capital employed (%)</b>			
<i>Measure for the value the Group generates on the capital invested in its business</i>			
Total operating result and financial income	Defined below	17,895	-1,071
Average capital employed for last 12 months	Defined below	80,790	100,669
Return on capital employed (%)	Total operating result and financial income / Average capital employed	22	-1
<b>Total operating result and financial income</b>			
Operating result	Consolidated statement of profit or loss	16,467	-4,355
Financial income	Consolidated statement of profit or loss	1,428	3,284
Total operating result and financial income	Sum of the above items	17,895	-1,071
<b>Average capital employed for last 12 months</b>			
Total assets	Consolidated statement of financial position	107,839	109,711
Liabilities in capital employed:			
Deferred tax liabilities	Consolidated statement of financial position	2,887	3,115
Other non-current liabilities	Consolidated statement of financial position	192	204
Accounts payable	Consolidated statement of financial position	17,001	19,566
Current tax liabilities	Consolidated statement of financial position	1,135	805
Other current liabilities	Consolidated statement of financial position	6,920	7,032
Provisions	Note C.5 Provisions	429	460
Capital employed, Dec 31	Total assets – Liabilities in capital employed	79,275	78,528
Average capital employed for last 12 months	Capital employed, average of 12 months	80,790	100,669
<b>Return on equity (%)</b>			
<i>Measure for the value the Group generates on the owners' capital invested in the Group</i>			
Result for the year	Consolidated statement of profit or loss	13,038	-10,877
Average equity for last 12 months	Total equity from statement of financial position, average of 12 months	68,603	88,709
Return on equity (%)	Total operating result and financial income / Average capital employed	19	-12

## SEK millions

Measure	Definition or source in Financial Report	2023	2022
<b>Operating cash flow</b>			
<i>Cash flow measure for operations including maintenance-related capital expenditure, but excluding interests and taxes</i>			
Cash flow from operating activities	Consolidated statement of cash flows	21,473	18,156
Interest received (added back)	Consolidated statement of cash flows	-1,213	-457
Interest paid (added back)	Consolidated statement of cash flows	776	474
Tax paid (added back)	Consolidated statement of cash flows	3,879	5,947
Cash flow from investing activities	Consolidated statement of cash flows	-5,291	-3,891
Strategic capital expenditure (added back)	Note B.1 Business segments	1,889	1,952
Investments/acquisitions of businesses (added back)	Consolidated statement of cash flows	52	433
Investments/contributions in affiliated companies and joint ventures (added back)	Consolidated statement of cash flows	20	79
Divestments of shares and operations (added back)	Consolidated statement of cash flows	-61	-
Operating cash flow	Sum of the above items	21,524	22,693
<b>Net cash flow</b>			
<i>Cash flow measure that excludes cash flow relating to the net debt/cash</i>			
Cash flow from operating activities	Consolidated statement of cash flows	21,473	18,156
Cash flow from investing activities	Consolidated statement of cash flows	-5,291	-3,891
Cash and cash equivalents in acquired entities (added back)	Consolidated statement of cash flows	-	-104
Dividends to the shareholders of the parent company	Consolidated statement of cash flows	-8,960	-5,406
Dividends to non-controlling interest	Consolidated statement of cash flows	-8	-7
Purchases of own shares	Consolidated statement of cash flows	-1,292	-
Net cash flow	Sum of the above items	5,922	8,748

SEK millions

Measure	Definition or source in Financial Report	2023	2022
<b>Capital expenditure</b>			
<i>Measure for the total investments in fixed assets</i>			
Maintenance capital expenditure	Note B.1 Business segments	2,585	2,196
Strategic capital expenditure	Note B.1 Business segments	1,889	1,952
Capital expenditure	Sum of the above items	<b>4,474</b>	<b>4,148</b>
<b>Net debt (+)/cash (-)</b>			
<i>Measure for the Group's debt/cash financing</i>			
Total liabilities in net debt/cash	Note D.2 Net debt	11,059	11,060
Total assets in net debt/cash	Note D.2 Net debt	29,265	25,347
Net debt (+)/cash (-)	Total liabilities in net debt or cash – Total assets in net debt or cash	<b>-18,206</b>	<b>-14,287</b>
<b>Net debt to equity ratio (%)</b>			
<i>Measure for the Group's indebtedness and indicator of financial risk, negative as a result of net cash position</i>			
Net debt (+)/cash (-)/	Defined earlier in this note	-18,206	-14,287
Total equity	Statement of financial position	67,948	67,191
Net debt to equity ratio (%)	Net debt (+) or cash (-) / Total equity	<b>-27</b>	<b>-21</b>
<b>Equity ratio (%)</b>			
<i>Measure for the Group's total assets financed with equity and indicator of financial risk</i>			
Total equity for the shareholders of the Parent Company	Statement of financial position	67,872	67,124
Total assets	Statement of financial position	107,839	109,711
Equity ratio (%)	Total equity for the shareholders of the parent company / Total assets	<b>63</b>	<b>61</b>

## B. Operating result

SSAB's adjusted operating result decreased in 2023 compared to the record level in 2022 mainly due to weaker market and lower steel prices, especially in Europe. During 2023, SSAB further consolidated its leadership in the green transition in the steel industry and launched the SSAB Zero steel.

### ► B.

#### Operating result

##### B.1 Business segments

##### B.2 Revenue

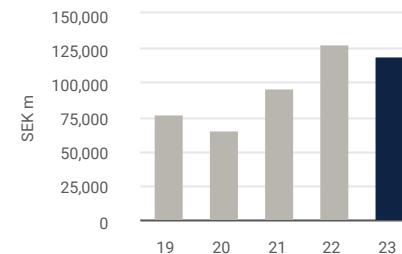
##### B.3 Operating expenses

##### B.4 Compensation to employees

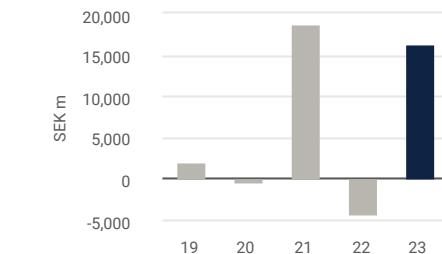
##### B.5 Other operating income/expenses

##### B.6 Affiliated companies, joint ventures and related party transactions

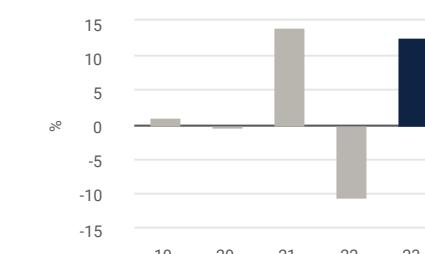
#### Revenue



#### Operating result



#### Earnings per share



Operating result, MSEK

16,467

## B.1 Business segments

The Group is organized in five reportable operating segments with clear profit responsibility. The operating segments are the three divisions: SSAB Special Steels, SSAB Europe, SSAB Americas and the subsidiaries Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries by their respective Boards and act at arm's length in relation to the rest of SSAB. More information about the business segments is included in the Board of Directors' Report.

In addition, there are other businesses that are not reportable segments since they do not meet the thresholds set forth in IFRS 8 and they are not monitored separately by the Group Executive Committee. They are included in "Other". For more information on external revenues per business segment, see note B.2 and information on non-current assets per geographical area, see note C.1.

### Business segments

2023 SEK millions	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Other	Group adjustments	Total
External revenue	31,443	39,300	29,389	13,557	5,799	-	-	119,489
Internal revenue	702	6,927	385	133	11	-	-8,158	-
<b>Total revenue</b>	<b>32,145</b>	<b>46,227</b>	<b>29,775</b>	<b>13,691</b>	<b>5,810</b>	-	<b>-8,158</b>	<b>119,489</b>
<b>Adjusted operating result</b>	<b>6,752</b>	<b>1,183</b>	<b>9,651</b>	<b>-220</b>	<b>-6</b>	<b>-891</b>	-	<b>16,467</b>
<b>Operating result</b>	<b>6,752</b>	<b>1,183</b>	<b>9,651</b>	<b>-220</b>	<b>-6</b>	<b>-891</b>	-	<b>16,467</b>
Net financial income and expenses	-	-	-	-	-	-	-	248
<b>Result before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>16,716</b>
<b>Material cost items</b>								
Raw materials, including change in inventory	18,130	23,069	6,953	-6	11	-	-191	47,966
Other materials, goods and services, including change in inventory	-2,752	5,673	9,084	12,133	3,959	-61	-8,246	19,789
Compensation to employees	3,704	5,898	966	876	882	649	-	12,974
Depreciation, amortization and impairments	1,260	1,723	223	208	208	51	-	3,674
Maintenance capital expenditure	774	1,357	284	72	73	25	-	2,585
Strategic capital expenditure	1,259	349	36	69	175	-	-	1,889
<b>Total capital expenditure</b>	<b>2,033</b>	<b>1,706</b>	<b>320</b>	<b>141</b>	<b>248</b>	<b>25</b>	-	<b>4,474</b>

## B.1 Business segments, cont.

### Business segments

2022 SEK millions	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Other	Group adjustments	Total
External revenue	32,302	41,219	31,908	16,448	6,867	–	–	128,745
Internal revenue	1,364	8,849	255	176	13	–	-10,658	–
<b>Total revenue</b>	<b>33,666</b>	<b>50,068</b>	<b>32,163</b>	<b>16,625</b>	<b>6,880</b>	<b>–</b>	<b>-10,658</b>	<b>128,745</b>
<b>Adjusted operating result</b>	<b>8,217</b>	<b>8,535</b>	<b>12,262</b>	<b>434</b>	<b>524</b>	<b>-689</b>	<b>–</b>	<b>29,283</b>
<b>Items affecting comparability</b>								
Goodwill impairment	-18,139	-2,209	-12,401	-542	–	–	–	-33,291
Write-down of assets in Russia and Ukraine	-280	-17	–	–	-50	–	–	-347
<b>Operating result</b>	<b>-10,202</b>	<b>6,309</b>	<b>-139</b>	<b>-108</b>	<b>475</b>	<b>-689</b>	<b>–</b>	<b>-4,355</b>
Net financial income and expenses	–	–	–	–	–	–	–	-286
<b>Result before tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-4,641</b>
<b>Material cost items</b>								
Raw materials, including change in inventory	19,961	20,150	6,474	-9	6	–	-624	45,958
Other materials, goods and services, including change in inventory	-3,617	5,410	9,336	14,490	4,616	-237	-10,299	19,699
Compensation to employees	3,429	5,479	1,078	797	829	480	–	12,091
Depreciation, amortization and impairments	19,242	3,845	12,613	725	221	50	–	36,695
Maintenance capital expenditure	708	1,161	184	56	62	27	–	2,196
Strategic capital expenditure	1,450	251	29	41	180	–	–	1,952
<b>Total capital expenditure</b>	<b>2,157</b>	<b>1,412</b>	<b>213</b>	<b>97</b>	<b>242</b>	<b>27</b>	<b>–</b>	<b>4,148</b>

AP

### Segment reporting

SSAB's segment definition is mainly based on steel grades or type of steel products, and secondarily on geographical areas as well as business model. The Group Executive Committee is the chief operating decision maker responsible for business segments' performance assessment and resource allocation. The segment reporting corresponds to the internal management reporting to the Group Executive Committee.

The main measure in assessing the business segments' performance is the adjusted operating result, which excludes the items affecting comparability. Adjusted operating result is an alternative performance measure, and more information can be found in Note A.3.

From January 1, 2023 onwards the business segments' adjusted operating result includes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki, which were earlier excluded. Comparative information has been updated accordingly.

## B.2 Revenue

### External revenue

SEK millions	2023					2022						
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
<b>Geographical areas</b>												
Sweden	735	8,412	–	4,914	1,573	15,634	720	9,644	–	5,822	1,764	17,949
Finland	428	5,411	–	2,435	1,499	9,773	418	6,962	–	2,990	1,872	12,242
Other Europe	11,855	21,750	181	6,196	2,716	42,698	12,249	21,304	138	7,612	3,216	44,518
USA	7,521	2,271	27,285	–	3	37,080	7,595	1,626	29,157	0	4	38,381
Rest of the world	10,904	1,456	1,923	13	8	14,304	11,321	1,684	2,613	25	12	15,655
<b>Total</b>	<b>31,443</b>	<b>39,300</b>	<b>29,389</b>	<b>13,557</b>	<b>5,799</b>	<b>119,489</b>	<b>32,302</b>	<b>41,219</b>	<b>31,908</b>	<b>16,448</b>	<b>6,867</b>	<b>128,745</b>
<b>Product area</b>												
Steel products	30,845	36,639	29,390	–	–	96,874	31,599	37,683	31,908	–	–	101,189
Trading operations	–	–	–	13,557	–	13,557	–	–	–	16,448	–	16,448
Ruukki Construction's operations	–	–	–	–	5,799	5,799	–	–	–	–	–	6,867
Slabs, by-products and scrap	393	2,625	–	–	–	3,018	383	3,381	–	–	–	3,765
Other	205	36	-1	–	–	241	320	156	–	–	–	475
<b>Total</b>	<b>31,443</b>	<b>39,300</b>	<b>29,389</b>	<b>13,557</b>	<b>5,799</b>	<b>119,489</b>	<b>32,302</b>	<b>41,219</b>	<b>31,908</b>	<b>16,448</b>	<b>6,867</b>	<b>128,745</b>

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### Revenue from contracts with customers

SSAB generates revenue mainly from sale of produced steel and steel products, as well as from distribution of steel and other metals. The performance obligation related to these goods are satisfied and revenue is recognized at the point in time when the control of the goods has been transferred to the customer.

Regarding sales of steel and steel products as well as distribution of steel and other metals, the control is transferred when the goods are transferred to the customer and the Group does not retain any disposition right or opportunity to actually control the goods, and there are no outstanding unsatisfied performance obligations that might affect the customer's approval of the goods. In practice, revenue is typically recognized upon delivery of the goods to the customer according to the agreed delivery terms and conditions.

Revenue is recognized at transaction price less value added tax. Variable revenue components include volume discounts, other bonuses and refunds related to customer claims. These items are estimated based of forecasted volumes and historical information, and recognized as a reduction in revenue and accounts receivable. When a customer claim is expected to be settled with a replacement product instead of a refund, the related costs are recognized in cost of goods sold and current provisions. Liabilities relating to customer contracts include accruals for volume discounts, bonuses and claims as well as advance payment received from customers and are presented in note C.4.

Contract revenue from agreements which extend over more than twelve months is not material and, therefore, it is not disclosed.

## B.3 Operating expenses

### Operating expenses, type of cost

SEK millions	2023	2022
Raw materials, including change in raw material inventory	47,966	45,958
Supplies and inputs	2,830	2,588
Purchased products in the trading operations	6,310	7,739
Purchased products in the steel operations	928	1,096
Energy	6,252	6,535
Change in inventory, work in progress and finished products	-774	-1,885
Compensation to employees	12,974	12,091
Material, services and maintenance	10,495	10,161
Depreciation and amortization	3,674	3,386
Impairments	—	33,309
Freight	8,902	8,656
Other	4,624	5,055
<b>Total</b>	<b>104,181</b>	<b>134,688</b>

### Audit fees and related services to auditing firms

SEK millions	2023	2022
<b>Ernst &amp; Young</b>		
Audit fees	24	23
Audit related services	1	1
Tax consulting	0	0
Other services	3	6
<b>Total Ernst &amp; Young</b>	<b>28</b>	<b>29</b>
<b>Other</b>		
Audit fees	12	7
Audit related services	4	2
Tax consulting	8	19
Other services	4	2
<b>Total other</b>	<b>29</b>	<b>30</b>

During the year EY Sweden invoiced SEK 14 (12) million for audit services. EY Sweden's fees for other services than audit amounts to 14% (13%) compared to EY Sweden's fees for audit. The EY network's fees for other services than audit amount to 11% (24%) compared to the network's invoiced fees for audit services.

### Government support and other grants reported as reduction in operating expenses

SEK millions	2023	2022
Support related to personnel costs	—	21
Investment grant	—	1
Energy support	35	—
<b>Total</b>	<b>35</b>	<b>21</b>

The Group has received SEK 35 (-) million in government grants related to energy support that has been reported as reduction of costs. In addition, another grant of SEK 29 million has been received during the year and will be used for investments with the purpose to increase the proportion of renewable energy or promote the reduction of greenhouse gas emissions, energy efficiency or electrification.

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### Government support

Government support and grants related to cost recovery are accrued and reported in the statement of profit or loss over the same period as the expenses which the grants are intended to reimburse. These grants are presented either as reduction of relevant cost item or as other operating income. Grants related to assets are recognized in the statement of financial position through a reduction in the reported value of the assets.

## B.4 Compensation to employees

### Compensation to employees

SEK millions	2023	2022
Wages and salaries and other compensation	10,307	9,680
Social security expenses	1,612	1,318
Pension expenses	1,055	1,094
<b>Total</b>	<b>12,974</b>	<b>12,091</b>

For more information on pensions, see note D.8.

### Compensation and benefits for the Group Executive Committee<sup>1)</sup>

SEK millions	President		Other Group Executive Committee	
	2023	2022	2023	2022
Fixed salary <sup>2)</sup>	14.1	13.6	45.7	39.7
Other benefits <sup>3)</sup>	0.4	0.4	1.6	2.3
Short-term variable salary, paid <sup>4)</sup>	7.1	4.9	21.6	12.3
Long-term variable salary, paid <sup>4)</sup>	2.6	2.1	10.9	8.3
<b>Total compensation before social security and pension expenses</b>	<b>24.2</b>	<b>21.0</b>	<b>79.8</b>	<b>62.6</b>
Social security expenses	7.6	6.6	13.5	9.9
Pension expenses	6.3	6.1	14.1	14.4
<b>Total</b>	<b>38.1</b>	<b>33.8</b>	<b>107.4</b>	<b>86.9</b>

1) Includes 11 (11) members of the Group Executive Committee for the full year.

2) Includes payment of SEK 0.3 (0.3) million to the President in respect of vacation compensation, as well as SEK 0.3 (0.3) million cost-compensation related to company residence.

3) Relates primarily to housing and car benefits.

4) The payments relate to compensation earned in the previous year. The compensation for 2023 is not known at the end of the accounting year as comparisons are made to the competitors who have not yet reported their figures. Also, as the Board of Directors can decide to reduce the compensation for special reasons, the compensation is reported in the year when the payment has taken place. Accrued variable salary components for 2023 for the entire Group Executive Committee amounted to SEK 56.2 (41.0) million.

### Compensation for the Group Executive Committee members

Guidelines for remuneration of the Senior Executives are included in the Board of Directors' Report. The remuneration for the President is further discussed in the Remuneration Report. Compensation to the President and other members of the Group Executive Committee consists of a fixed salary component, a short-term variable salary component, and a long-term variable salary component.

#### Short-term variable compensation

The short-term variable salary component for 2022 (paid in 2023) is related to: A) three Group objectives, 1) EBITDA margin compared to peer group (Arcelor Mittal Europe, BE Group, JFE, Kingspan, Klöckner, Lindab, Nucor, Salzgitter, Tata Steel Europe, US Steel and Voestalpine), 2) net operating working capital in relation to sales and 3) a sustainability objective measuring injury frequency, combined with B) divisional financial and operational objectives.

For the President, the individual objectives account for 15% of the total short term variable pay whereas the other 85% relate to SSAB Group Objectives. For Executive Vice Presidents of Group functions, the Group objectives account for 100%, and for divisional Executive Vice Presidents the Group objectives account for 40% and divisional objectives for 60%.

The short-term variable salary component is capped at 75% of base pay for the President and at 50% for others, except for the divisional head of SSAB Americas, who receives variable compensation competitive in the local market: Meeting the targets result in variable pay of 60% of base pay whereas extremely good performance may amount to a maximum of 180% of base pay. In 2023, the outcomes of the short-term variable compensation in relation to base pay were on cash-basis as follows: 54,5% (39,8%) for the President and on average 49,0% (33,9%) for the other Group Executive Committee members.

## B.4 Compensation to employees, cont.

### Long-term variable compensation

A long-term incentive program covers selected key persons throughout the Group, including the company's President and other senior executives. The purpose of the program is to promote the company's ability to recruit and retain key contributors.

#### Long-term incentive programs

Program	2023–2025	2022–2024	2021–2023	2020–2022
Maximum number of participants	160	150	150	150
Paid in	Cash in 2026	Cash in 2025	Cash in 2024	Cash in 2023
<b>SSAB Total Shareholder Return compared with Benchmark TSR portfolio &amp; Total sales of emission free products</b>				
Earnings criteria <sup>1) 2) 3)</sup>	SSAB Total Shareholder Return compared with Benchmark TSR portfolio	SSAB Total Shareholder Return compared to Peer Group & ROCE	SSAB Total Shareholder Return compared to Peer Group & ROCE	
Earnings cap, senior executives <sup>4)</sup>	40% of base pay	35% of base pay	25% of base pay	25% of base pay
Earnings cap, other participants <sup>4)</sup>	30%–20% of base pay	30%–20% of base pay	20%–15% of base pay	20%–15% of base pay
Estimated maximum annual cost including social fees, SEK million <sup>5)</sup>	160	120	79	80
Realized payout at program end <sup>6)</sup>	n/a	n/a	n/a	92.5%

1) Reference group includes ArcelorMittal, Nucor, Salzgitter, ThyssenKrupp and US Steel for programs 2020 and 2021.

2) Benchmark portfolio TSR is calculated as 70% of steel peer group average (ArcelorMittal, JFE, Nucor, Salzgitter, ThyssenKrupp, US Steel, Voestalpine) and 30% of Stockholm OMX30 Index for program 2022.

3) Benchmark portfolio TSR is calculated as 70% of steel peer group average (ArcelorMittal, Nucor, Salzgitter, ThyssenKrupp, US Steel, Voestalpine) and 30% of Stockholm OMX30 Index for program 2023.

4) For participants in North America, the programs are also linked to SSAB Americas' results and return on capital employed, and the earnings cap is 20%–90% of fixed salary for programs 2020 and 2021, and 24%–108% for programs 2022 and 2023.

5) Annual cost accrual is based on continuous assessment of the outcome for the three-year period.

6) For participants in North America, the realized payout was 101.3% for program 2020.

### Termination of employment and retirement

For the President and other Group Executive Committee members, the notice period is 12 months in the event of dismissal by the company. In addition, in such situation, severance compensation equals to 12 months' salary for the President and 6 months' salary for the other members. In the event of resignation by the President or another Group Executive Committee member, the termination period is

6 months and there is no entitlement to severance compensation. The President earns variable compensation during the termination period only by remaining in active service.

The President's retirement age is 65. The pension is based on contributions and is covered by insurance, and in 2023 the cost amounted to 45% (45%) of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment. The minimum retirement age for the other members of the Group Executive Committee is 62 and the pensions are based on contributions, except for Olavi Huhtala who, since his employment in Rautaruukki, continues to be covered by the benefit-based pension scheme via Rautaruukin Eläkesäätiö with a possible retirement age of 60, as well as Charles Schmitt, whose pension scheme is in line with the US legislation and practice.

### Board of Directors' fees

SEK thousands <sup>1)</sup>	Elected	Position	2023		2022	
			Board fee	Committee fee	Board fee	Committee fee
Lennart Everell	2021	Chair/Director	1,978	343	1,906	333
Bo Annvik	2019	Director	161	30	639	119
Petra Einarsson	2014	Director	664	391	639	376
Bernard Fontana	2022	Director	664	124	484	–
Marie Grönborg	2019	Director	664	–	639	35
Mikael Mäkinen	2022	Director	664	–	484	–
Maija Strandberg	2021	Director	644	149	639	109
Pasi Laine	2017	Director	–	–	155	–

The CEO and Employee Representatives are included in the Board of Directors but do not receive any related compensation.

1) The fee relates to the full financial year.

The Annual General Meeting (AGM) has decided on the following fees for the Board of Directors members for the term until the next AGM: SEK 1,995 thousand to the Chair, SEK 670 thousand to the directors (excluding the President), SEK 150 thousand to the members of the Audit Committee, SEK 125 thousand to the members of the Remuneration Committee, SEK 270 thousand to the Chair of the Audit Committee and SEK 195 thousand to the Chair of the Remuneration Committee. In total SEK 6,494 (6,555) thousand was paid in fees to the Board of Directors.

## B.4 Compensation to employees, cont.

Average number of employees and gender breakdown	Number of employees		Women, %	
	2023	2022	2023	2022
Parent company, Sweden	108	101	59	54
Subsidiaries, Sweden	6,681	6,631	23	22
Finland	5,004	5,045	17	17
USA	1,483	1,396	14	14
Poland	695	718	33	31
Estonia	186	186	26	25
Norway	156	165	28	26
Denmark	136	137	25	25
Canada	105	111	20	21
The Netherlands	103	108	23	23
France	98	97	25	27
China	89	94	32	32
Germany	83	88	26	24
Ukraine	74	76	19	19
Italy	73	72	26	25
Great Britain	69	69	23	23
South Africa	66	69	9	11
Czech Republic	53	55	36	35
Spain	53	55	22	20
Lithuania	52	54	26	24
Brazil	37	38	37	33
Türkiye	36	36	20	21
Latvia	35	40	22	16
Chile	30	26	18	16
Australia	29	106	17	9
Mexico	27	24	35	42
Russia	10	34	83	61
Other < 20 employees	185	173	33	30
<b>Total</b>	<b>15,754</b>	<b>15,799</b>	<b>21</b>	<b>21</b>

The average number of employees is the average of the total number of employees at each quarter-end during the year. 16% (14%) of all the Boards of Directors' members in the Group were women, while the figure for the parent company was 43% (38%). The share of women in the management groups (including Presidents) in the Group was 22% (21%). The Group Executive Committee comprises seven men and four women.

## B.5 Other operating income/expenses

Other operating income	2023	2022
SEK millions	2023	2022
Sales of purchased energy and media	308	217
Sales of services	30	28
Net exchange rate gains	164	879
Gain on sale of shares and operations	39	-
Gain on sale of fixed assets	36	31
Investment grants / Government grants	68	53
Insurance compensation	290	101
Other	253	254
<b>Total</b>	<b>1,189</b>	<b>1,563</b>

Other operating expenses	2023	2022
SEK millions	2023	2022
Cost of sold energy and media	-342	-253
Net exchange rate losses	-490	-1,042
Loss on sale of shares and operations	-	-13
Loss on sale of fixed assets	-45	-15
Other	-319	-706
<b>Total</b>	<b>-1,197</b>	<b>-2,028</b>

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### Other operating income and expenses

Other operating income includes revenues from sales energy and services. In certain cases, sales of energy can also be recognized as a credit to energy expenses. Gains from disposal of fixed assets or businesses, insurance compensation as well as governments grant are reported as other operating income to the extent the grants are not credited against expenses or assets. Other operating expenses include purchases relating to sold energy and services when corresponding revenue is recognized as other operating income. Also losses from disposal of fixed assets or businesses is reported as other operating expenses.

Net exchange differences from operating activities and related non-hedge accounted derivative instruments are reported in other operating income when they amount to a net gain. When amounting to a net loss, they are reported in other operating expenses. Net exchange differences arising from financing activities are reported financial income and expenses.

## B.6 Affiliated companies, joint ventures and related party transactions

### Book values in affiliated companies and joint ventures

SEK millions	Office	% <sup>1)</sup>	2023	2022
<b>Joint ventures</b>				
Hybrit Development AB*	Stockholm, Sweden	33	557	537
Blastech Mobile LLC	USA	50	27	28
<b>Affiliated companies</b>				
Lulekraft AB*	Luleå, Sweden	50	10	10
Oxelösunds Hamn AB	Oxelösund, Sweden	50	6	6
Bet-Ker Oy	Finland	44	2	2
Manga LNG Oy	Finland	25	79	79
Raahen Voima Oy	Finland	75	279	279
Elliitti Holding Oy	Finland	40	0	0
Affiliated companies and joint ventures' equities in excess of the share book values		-1	62	
<b>Total participations in affiliated companies and joint ventures</b>		<b>959</b>	<b>1,004</b>	

\* Shares owned directly by the Parent Company

1) The percentages indicate the equity share which also corresponds to the share of the voting capital except for Raahen Voima, where a shareholder agreement limits the voting share to 50%.

A complete specification of other shares and participations is available from SSAB's Group headquarters in Stockholm.

### Change in affiliated companies and JVs

SEK millions	2023	2022
Book value, January 1	1,004	952
Investments/contributions	20	59
Shares of result after tax	-29	26
Dividend	-31	-81
Translation differences	-5	48
<b>Book value, December 31</b>	<b>959</b>	<b>1,004</b>

### Share of net result and revenue

SEK millions	Share of net result		Share of revenue	
	2023	2022	2023	2022
Lulekraft AB	2	1	190	150
Oxelösunds Hamn AB	8	9	231	225
Blastech Mobile LLC (joint venture)	17	68	111	234
Bet-Ker Oy	12	15	83	74
Manga LNG Oy	11	4	210	242
Raahen Voima Oy	-	-	383	854
Hybrit Development AB (joint venture)	-79	-71	20	65
Elliitti Holding Oy	0	-	39	-
<b>Total</b>	<b>-29</b>	<b>26</b>	<b>1,266</b>	<b>1,844</b>

### Share of assets and liabilities

SEK millions	Share of assets		Share of liabilities	
	2023	2022	2023	2022
Lulekraft AB	111	104	94	89
Oxelösunds Hamn AB	273	275	80	90
Blastech Mobile LLC (joint venture)	120	125	24	22
Bet-Ker Oy	73	72	16	19
Manga LNG Oy	281	294	153	177
Raahen Voima Oy	628	610	350	331
Hybrit Development AB (joint venture)	207	275	17	26
Elliitti Holding Oy	6	9	6	9
<b>Total</b>	<b>1,699</b>	<b>1,765</b>	<b>740</b>	<b>762</b>

## B.6 Affiliated companies, joint ventures and related party transactions, cont.

### Financial information on material affiliated companies and joint ventures

SEK millions	Hybrit Development AB		Raahen Voima Oy		Manga LNG Oy	
	2023	2022	2023	2022	2023	2022
Operating income	59	196	511	1,139	839	968
Operating expenses	-301	-409	-504	-1,129	-780	-910
Financial items and income taxes	4	1	-7	-11	-20	-26
<b>Net result</b>	<b>-237</b>	<b>-213</b>	<b>—</b>	<b>—</b>	<b>40</b>	<b>32</b>
Non-current assets	500	618	646	682	800	851
Current Assets	122	208	192	132	323	378
<b>Total assets</b>	<b>622</b>	<b>826</b>	<b>838</b>	<b>813</b>	<b>1,123</b>	<b>1,228</b>
Equity	572	749	372	373	525	487
Non-current liabilities	0	0	386	409	299	401
Current liabilities	50	77	80	32	299	341
<b>Total equity and liabilities</b>	<b>622</b>	<b>826</b>	<b>838</b>	<b>813</b>	<b>1,123</b>	<b>1,228</b>

Financial information is presented for Hybrit Development AB, Raahen Voima Oy and Manga LNG Oy. Raahen Voima Oy and Manga LNG Oy are considered material based on their financial information in relation to the other affiliated companies and joint ventures, whereas Hybrit Development AB has strategic materiality due to its role in SSAB's transformation to fossil-free steelmaking.



### Affiliated companies and joint arrangements

SSAB's affiliated companies are companies in which the Group has significant but not controlling interest in the company. SSAB typically defines significant influence based on the share of votes, the share being between 20% and 50% of the votes. Voting power is the determining factor also if the ownership exceeds 50%. SSAB's joint arrangements are classified as joint ventures, which means that SSAB and one or several parties have joint controlling interest and are entitled to the net assets.

Affiliated companies and joint ventures are reported using the equity method. Shares of the earnings in affiliated companies and joint ventures are reported in the operating result when the operations of these companies are related to SSAB's operations and considered to be of a business nature.

### Related party transactions and balances

SEK millions	2023	2022
<b>Revenue</b>		
Affiliated companies	689	1,309
Joint ventures	12	22
<b>Cost of goods sold</b>		
Affiliated companies	-1,089	-1,735
Joint ventures	-89	-275
Accounts receivable	117	31
Accounts payable	99	61
Other current liabilities	113	117

Revenues from related parties relate to sales of gas and fuel to energy producing companies as well as sales of services. Purchases relate to energy, materials and services, and are reported as cost of goods sold.

Compensation to the Group Executive Committee and the Board of Directors members is presented in note B.4.

# C. Operating assets and liabilities

SSAB continued to generate strong operating cash flow in 2023, as the release in working capital mostly offset the lower result. Strategic investments related mainly to Oxelösund for transformation to fossil-free steelmaking.

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### Operating assets and liabilities

**C.1**

Intangible and tangible fixed assets

**C.2**

Leases

**C.3**

Inventories

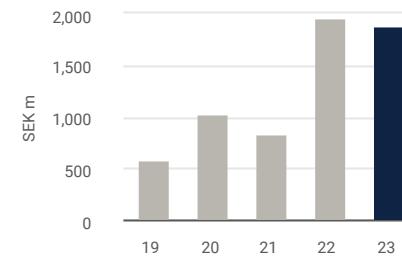
**C.4**

Accounts receivable and payable and other receivables and liabilities

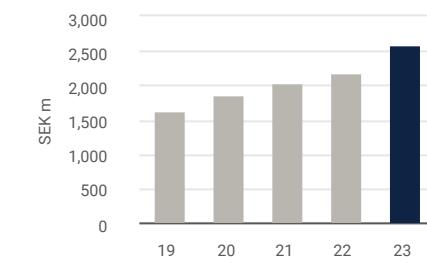
**C.5**

Provisions

#### Strategic capital expenditures



#### Maintenance capital expenditures



#### Return on capital employed

22 %

## C.1 Intangible and tangible fixed assets

### Intangible assets

SEK millions	2023							2022						
	Customer relations	Trademarks	Emission rights	Other intangible assets	Trademarks with indefinite useful life	Goodwill	Total	Customer relations	Trademarks	Emission rights	Other intangible assets	Trademarks with indefinite useful life	Goodwill	Total
<b>Acquisition value, January 1</b>	10,362	58	1,259	2,115	440	35,169	<b>49,404</b>	8,967	47	1,282	1,865	405	30,701	<b>43,267</b>
Acquisitions	—	—	2,093	148	—	—	<b>2,241</b>	—	—	802	154	—	—	<b>954</b>
Increase through acquisition of businesses	37	—	—	—	—	—	<b>37</b>	51	10	—	1	—	198	<b>260</b>
Decrease through divestment of businesses	-14	—	—	—	—	-3	<b>-17</b>	—	—	—	—	—	—	<b>—</b>
Divestments and disposals	—	—	-1,980	-31	—	—	<b>-2,011</b>	—	—	-927	-42	—	—	<b>-969</b>
Reclassifications	2	—	-1,281	56	—	—	<b>-1,223</b>	—	—	—	-63	—	—	<b>-63</b>
Translation differences	-373	0	-85	-44	-1	-1,070	<b>-1,574</b>	1,345	2	102	202	34	4,270	<b>5,955</b>
<b>Acquisition value, December 31</b>	<b>10,014</b>	<b>59</b>	<b>7</b>	<b>2,243</b>	<b>439</b>	<b>34,096</b>	<b>46,857</b>	<b>10,362</b>	<b>58</b>	<b>1,259</b>	<b>2,115</b>	<b>440</b>	<b>35,169</b>	<b>49,404</b>
<b>Accumulated amortization, January 1</b>	10,236	14	1,241	1,671	—	—	<b>13,165</b>	8,869	10	1,144	1,457	—	—	<b>11,481</b>
Divestments and disposals	—	—	—	-20	—	—	<b>-20</b>	—	—	—	-37	—	—	<b>-37</b>
Amortization for the year	34	3	—	97	—	—	<b>135</b>	29	3	—	103	—	—	<b>135</b>
Decrease through divestment of businesses	-15	—	—	—	—	—	<b>-15</b>	—	—	—	—	—	—	<b>—</b>
Reclassifications	—	—	-1,281	—	—	—	<b>-1,281</b>	—	—	—	-24	—	—	<b>-24</b>
Translation differences	-374	0	39	-40	—	—	<b>-375</b>	1,338	0	97	172	—	—	<b>1,610</b>
<b>Accumulated amortization, December 31</b>	<b>9,883</b>	<b>17</b>	<b>—</b>	<b>1,708</b>	<b>—</b>	<b>—</b>	<b>11,609</b>	<b>10,236</b>	<b>14</b>	<b>1,241</b>	<b>1,671</b>	<b>—</b>	<b>—</b>	<b>13,165</b>
<b>Accumulated impairment, January 1</b>	6	—	—	—	—	34,817	<b>34,823</b>	6	—	—	—	—	326	<b>331</b>
Impairment during the year	—	—	—	—	—	—	<b>—</b>	—	—	—	—	—	33,291	<b>33,291</b>
Decrease through divestment of businesses	—	—	—	—	—	-3	<b>-3</b>	—	—	—	—	—	—	<b>—</b>
Translation differences	—	—	—	—	—	-1,067	<b>-1,067</b>	—	—	—	—	—	1,200	<b>1,200</b>
<b>Accumulated impairment, December 31</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>33,747</b>	<b>33,753</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>34,817</b>	<b>34,823</b>
<b>Book value, December 31</b>	<b>126</b>	<b>42</b>	<b>7</b>	<b>535</b>	<b>439</b>	<b>348</b>	<b>1,496</b>	<b>120</b>	<b>44</b>	<b>18</b>	<b>444</b>	<b>440</b>	<b>349</b>	<b>1,416</b>

Amortization and impairment for the year included in the statement of profit or loss amounted to SEK 80 (33,354) million in cost of goods sold, SEK 15 (14) million in selling expenses and SEK 40 (57) million in administrative expenses.

## C.1 Intangible and tangible fixed assets, cont.

### Impairment test of goodwill and other assets with an indefinite useful life

Impairment test of goodwill and other assets with an indefinite useful life is carried out on business segment level, which are the Group's cash-generating units and the lowest level these assets are monitored. The goodwill allocation to business segments is based on expected contributions from the business acquisition giving rise to the goodwill item.

Recoverable amount for a cash-generating unit is based on value-in-use calculations that are based on the company's budgets and forecasts regularly produced by the management. Cash flows beyond a five-year period are extrapolated applying a long-term growth rate that does not exceed the long-term rate of growth for the market in which the cash-generating units operate.

The annual impairment test for 2023 did not result in a goodwill impairment. In 2022, goodwill was impaired by SEK 33,291 million, which was primarily related to the acquisitions of Ipsco and Rautaruukki. The impairment was reported as part of cost of goods sold and as an item affecting comparability, see notes A.3 and B.3.



#### Assessments in impairment test for goodwill and other intangible assets with indefinite useful lives

When calculating the recoverable amounts of cash-generating units to assess any impairment, a number of assumptions about future conditions and estimates of parameters is made.

Key assumptions include discount rate (WACC), long-term growth rate and development in volumes, sales prices, costs and capital expenditure. The discount rate is defined separately for each business segment to reflect specific risks applicable to the segment and it is based on the average long-term interest rates during November–December and is stated before tax. The long-term growth rate corresponds to the forecasts available in industry and analyst reports as well as management's strategic assumptions and knowledge of the steel industry. The estimated gross margins are based on historical results and expected market trends for each business segment. Climate risks have been taken into account to the extent that they could be estimated. Future capital expenditure and cash flows regarding SSAB's transformation to fossil-free steelmaking have not been included in the calculations. An increase in discount rate of 0.5 percentage points for Tibnor and Ruukki Construction would not imply any impairment. A reduction of 0.5 percentage points in the margins for Tibnor and Ruukki Construction would entail an impairment of SEK 63 million.

### Assets with an indefinite useful life

SEK millions	Book value		Impairment	
	2023	2022	2023	2022
<b>Goodwill</b>				
SSAB Special Steels	–	–	–	-18,139
SSAB Americas	–	–	–	-12,401
SSAB Europe	–	–	–	-2,209
Tibnor	31	31	–	-542
Ruukki Construction	318	318	–	–
<b>Total</b>	<b>349</b>	<b>349</b>	–	<b>-33,291</b>
Ruukki Construction (Trademark Rautaruukki)	439	440	–	–
<b>Total assets with an indefinite useful life</b>	<b>787</b>	<b>789</b>	–	<b>-33,291</b>

### Significant assumptions used in value-in-use calculations

	SSAB Special Steels	SSAB Americas	SSAB Europe	Tibnor	Ruukki Construction
<b>2023</b>					
Long-term rate of growth, %	n/a	n/a	n/a	2	2
Weighted average discount rate (WACC), pre-tax, %	n/a	n/a	n/a	12.3	11.7
<b>2022</b>					
Long-term rate of growth, %	2	-30	0	2	2
Weighted average discount rate (WACC), pre-tax, %	12.4	17.8	11.6	11.9	11.6

## C.1 Intangible and tangible fixed assets, cont.

### Tangible fixed assets

SEK millions	2023						2022					
	Land and land improvements	Buildings	Machinery	Equipment, tools, fixtures and fittings	Construction in progress and advances to suppliers	Total	Land and land improvements	Buildings	Machinery	Equipment, tools, fixtures and fittings	Construction in progress and advances to suppliers	Total
<b>Acquisition value, January 1</b>	1,266	9,408	51,535	4,040	6,077	72,325	1,190	8,647	48,038	3,429	4,079	65,382
Acquisitions	7	115	285	196	3,793	4,396	18	136	260	127	3,455	3,997
Increase through acquisitions of businesses	6	31	7	1	—	45	—	3	32	5	—	41
Divestments and disposals	—	-24	-312	-63	—	-399	-11	-128	-659	-82	—	-880
Decrease through divestment of businesses	—	—	-14	-15	—	-29	—	—	—	—	—	—
Reclassifications	60	450	1,947	805	-3,315	-53	20	125	1,206	296	-1,651	-4
Translation difference	-12	-112	-588	-69	-28	-809	48	625	2,658	264	194	3,790
<b>Acquisition value, December 31</b>	<b>1,327</b>	<b>9,869</b>	<b>52,860</b>	<b>4,894</b>	<b>6,527</b>	<b>75,477</b>	<b>1,266</b>	<b>9,408</b>	<b>51,535</b>	<b>4,040</b>	<b>6,077</b>	<b>72,325</b>
<b>Accumulated depreciation, January 1</b>	<b>403</b>	<b>5,154</b>	<b>38,038</b>	<b>2,586</b>	<b>—</b>	<b>46,182</b>	<b>363</b>	<b>4,619</b>	<b>35,039</b>	<b>2,278</b>	<b>—</b>	<b>42,300</b>
Divestments and disposals	—	-12	-295	-58	—	-364	—	-100	-647	-83	—	-832
Depreciation for the year	33	400	2,117	262	—	2,812	30	362	1,930	211	—	2,533
Decrease through divestment of businesses	—	—	-12	-6	—	-18	—	—	—	—	—	—
Reclassifications	1	1	2	—	—	4	—	—	-7	7	—	—
Translation difference	-3	-53	-457	-14	—	-528	10	273	1,723	174	—	2,180
<b>Accumulated depreciation, December 31</b>	<b>433</b>	<b>5,491</b>	<b>39,394</b>	<b>2,770</b>	<b>—</b>	<b>48,088</b>	<b>403</b>	<b>5,154</b>	<b>38,038</b>	<b>2,278</b>	<b>—</b>	<b>46,182</b>
<b>Accumulated impairment, January 1</b>	<b>5</b>	<b>11</b>	<b>38</b>	<b>2</b>	<b>—</b>	<b>56</b>	<b>4</b>	<b>8</b>	<b>26</b>	<b>—</b>	<b>—</b>	<b>38</b>
Divestments and disposals	—	—	—	—	—	—	—	—	—	—	—	—
Impairment during the year	1	2	2	—	—	5	2	5	11	1	—	19
Reversal of previous years' impairment	-2	-6	-5	—	—	-13	—	-1	—	—	—	-1
Reclassifications	—	—	—	—	—	—	—	—	1	—	—	1
Translation difference	0	0	-1	0	—	-1	0	-1	1	0	—	-1
<b>Accumulated impairment, December 31</b>	<b>4</b>	<b>6</b>	<b>35</b>	<b>2</b>	<b>—</b>	<b>47</b>	<b>5</b>	<b>11</b>	<b>38</b>	<b>2</b>	<b>—</b>	<b>56</b>
<b>Book value, December 31</b>	<b>890</b>	<b>4,371</b>	<b>13,430</b>	<b>2,122</b>	<b>6,527</b>	<b>27,341</b>	<b>858</b>	<b>4,243</b>	<b>13,459</b>	<b>1,452</b>	<b>6,077</b>	<b>26,087</b>

Depreciation and impairment for the year included in the statement of profit or loss amounted to SEK 2,742 (2,491) million in costs of goods sold, SEK 30 (23) million in selling expenses and SEK 33 (38) million in administrative expenses. Investment commitments on December 31, 2023 amounted to SEK 3,387 (1,083) million.

## C.1 Intangible and tangible fixed assets, cont.

### Fixed assets per country/region

SEK millions	Intangible/tangible fixed assets and right-of-use assets		Acquisitions of intangible/tangible fixed assets	
	2023	%	2022	%
Sweden	12,477	40	10,794	36
Finland	9,892	31	9,689	32
Rest of Europe	1,466	5	1,540	5
USA	7,332	23	7,382	25
Rest of the world	372	1	425	1
<b>Total</b>	<b>31,538</b>	<b>100</b>	<b>29,830</b>	<b>100</b>
			<b>6,637</b>	<b>100</b>
			<b>4,948</b>	<b>100</b>

### Emission rights

The estimated consumption of emission rights in 2023 was 8.90 (8.54) million tonnes. The free allocation did not fully cover the consumption and a cost accrual of SEK 774 (212) million was recognized in accrued expenses (see note C.4). In 2023 SSAB bought 2.4 million tonnes of emission rights and sold 1.5 million tonnes. The same amount of rights that was sold was purchased back with forward contracts. The sold rights generated a loss of SEK 123 (gain of SEK 670) million which is reported in deferred income (see note C.4). The value of the future deliveries of emission rights is presented in contingent liabilities in note E.4. At year-end 2023, SSAB owned emission rights amounting to SEK 7 (18) million. The granted emission rights are stated at an acquisition value of SEK 0.



### Assessments regarding useful lives of intangible assets and tangible fixed assets

Useful lives are a key assumption impacting materially the values of intangible and tangible fixed assets, and these estimates are revised when changes to the previous estimates are identified.

The useful life of the Group's assets in Sweden and Finland is under regular review, as a result of the Group's strategic plans to transition to fossil-free steelmaking in the Nordic operations. Group Executive Committee has defined milestones or circumstances (e.g. an investment decision) for it to revise the remaining useful life estimates of the assets that will be replaced by the upcoming investments. Factors impacting the remaining useful life evaluation include, for example, the order in which the mills will be transformed and the length of various approval processes.

In June, 2023, SSAB's Board of Directors made an investment decision for a new electric arc furnace (EAF) with associated raw material handling in Oxelösund, Sweden. The aim is to start production with the new system in the end of 2026. Consequently, SSAB revised the remaining useful life estimates for the assets that will be replaced and become obsolete by the new production system so that these assets will be depreciated to their residual values by the end of 2026. As of July, 2023 the change increased SSAB's annual depreciation by approximately SEK 40 million.



### Intangible and tangible fixed assets

Intangible and tangible fixed assets are reported at acquisition value less any accumulated depreciation/amortization and impairment.

The acquisition value includes expenditure directly attributable to the acquisition of the asset or bringing it ready for its intended use, such as purchase price including any customs duties, transportation costs, costs related to preparation of the site, as well as costs related to installation, project management, testing and project commissioning. Costs for SSAB personnel directly contributing to the project are included in the acquisition value. Borrowing costs are included in the acquisition cost of the asset in material long-term investment projects. If cash flow hedge accounting is applied on capital expenditure, the realized fair value of these derivatives is also included in the acquisition value. Restoration expenses occurring at the disposal of a fixed asset are included in the acquisition value only if a reasonable estimate of such expenses can be made. In such case also a provision for restoration is recognized. See note C.5 for more information on restoration expenses and related provisions. Expenditure for material replacement components are added to the asset value or recognized as a separate asset only when the component is expected to be used for more than 3 years. All other forms of repairs and maintenance are recognized as expenses during the period in which they occur.

In SSAB's capital expenditure reporting, strategic capital expenditures are defined as investments that increase the cash flows through acquisitions of businesses and investments in plant expansion or technology that enhances competitiveness, while maintenance capital expenditure is defined as investments involving maintenance, rationalization or replacements that are made in order to maintain competitiveness as well as investments to comply with regulatory requirements.

## C.1 Intangible and tangible fixed assets, cont.

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The depreciation/amortization of tangible fixed assets and intangible assets with definite useful lives are based on the following useful life estimates:

### Estimated useful lives

Tangible fixed assets	estimated use, years
Vehicles, office equipment and computers	3–5
Light machinery	5–12
Heavy machinery	12–20
Land improvement	20
Buildings	25–50

### Intangible assets

Intangible assets	estimated use, years
Customer relations, trademarks and licenses	5–12
Software	3–5
Other intangible assets	5–15

The straight-line depreciation/amortization method is used for all types of tangible fixed and intangible assets with a limited useful life. Land is assumed to have a perpetual useful life and is thus not depreciated.

Capital gains and losses on the sale of tangible fixed assets are recognized as the difference between the net proceeds received from the sales and the reported value of the asset in the statement of profit or loss as other operating income or other operating expenses.

Intangible assets with indefinite useful lives include goodwill and certain trademarks.

### Impairment of intangible assets and tangible fixed assets

Intangible assets with an indefinite useful life (including goodwill) are tested for any impairment annually or more frequently if there are indications of potential impairment. Depreciated/amortized assets are tested for impairment when signs indicate a potential impairment. Impairment losses are reported as an expense within the operating result.

### Emission rights

Emission rights are reported as intangible assets at cost less any accumulated impairment. The cost for the rights received for free is zero. Emission rights with an indefinite useful life are tested for impairment on a quarterly basis. Provision is made if a shortfall in emission rights is identified between owned rights and the rights to be delivered due to actual emissions. Gains or losses from sale of emission rights are deferred and recognized as other operating income or expense during the same periods as the related emission expenses.

## C.2 Leases

### Right-of-use assets

SEK millions	2023					2022						
	Buildings	Land and land improvements	Machinery	Equipment, tools, fixtures and fittings	Vehicles	Total	Buildings	Land and land improvements	Machinery	Equipment, tools, fixtures and fittings	Vehicles	Total
Book value, January 1	1,245	21	644	18	397	2,326	1,245	19	703	20	469	2,456
Book value, December 31	1,150	20	1,002	13	516	2,701	1,245	21	644	18	397	2,326
Additions during the year	120	32	59	6	326	544	182	1	2	5	110	299
Depreciation for the year	348	7	146	11	222	734	310	3	171	13	211	708

### Lease liabilities on December 31

SEK millions	2023	2022
Current lease liabilities	764	691
Non-current lease liabilities	2,148	1,813
<b>Total</b>	<b>2,912</b>	<b>2,504</b>

### Maturity analysis of lease liabilities, undiscounted amounts

SEK millions	2023	2022
Within one year	788	709
Year two	642	548
Year three	519	484
Year four	396	400
Year five	288	302
Year six and later	1,116	593
<b>Total</b>	<b>3,749</b>	<b>3,037</b>

### Amounts recognized in the consolidated statement of profit or loss

SEK millions	2023	2022
Expense for low value leases	16	30
Expense for variable lease fees	16	89
Depreciation for the year	734	708
Interest rate expense	204	127
<b>Total</b>	<b>970</b>	<b>954</b>

Total cash outflow for lease agreements during the year amounted to SEK 865 (806) million.

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### Leases (Lessee)

The right-of-use asset and lease liability are recognized at the start of the lease term. The lease liability is initially recognized at the present value of future lease payments. If discount rate is not implicit in the lease agreement, an incremental borrowing rate is defined per currency by Group Treasury taking into account the lease term and lessee credit risk. When contract includes both lease and non-lease elements, or fixed and variable elements, it is evaluated case by case based on materiality whether the lease liability includes only the fixed lease elements or whether the non-lease elements are included, as well.

The right-of-use asset is measured at initial value less accumulated depreciation and any accumulated impairment, and taking into account any re-measurements. If the ownership of the asset transfers to SSAB at the end of the lease period, the useful life of the asset is estimated similarly as for purchased fixed assets. Extension options are considered in the lease term when it is highly probable that the option will be utilized.

The Group applies an exception to the above principles to low value leases, where no right-of-use asset or lease liability is recognized. These are recognized as rental and lease expenses within the operating result on a straight-line basis over the lease term. The Group defines low value leases as, for example, office equipment such as printers, copying machines, coffee machines and other assets having a value of less than around SEK 50 thousand in new condition. No right-of-use asset or lease liability is also recognized for lease contract with truly variable lease fees, which are recognized as expenses within the operating result.

## C.3 Inventories

**Inventories**

SEK millions	2023	2022
Raw materials, consumables and semi-finished goods	16,294	20,480
Slabs	2,524	2,567
Work in progress	856	869
Stocks of finished goods	12,811	13,991
<b>Total</b>	<b>32,485</b>	<b>37,907</b>

SEK 825 (1,357) million of the inventory value is valued at net realizable value. The share of inventories which is booked as expense amounted to SEK 96,936 (93,805) million during the period, of which SEK 462 (588) million was reported as an expense relation to impairment of inventories.

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Inventory value is materially affected by assumptions and estimates regarding product costing, the assumptions used in the net realizable value calculations and estimates of obsolescence. Assumptions, such as first-in-first-out (FIFO), are applied in the valuation of inventory. Determining the quantities of certain input materials is complex and requires assumptions and estimates such as volume/weight.

**AP**
**Inventories**

The Group applies the weighted average value method or FIFO (first in, first out) method to estimate the acquisition cost of inventories. SSAB Special Steels, SSAB Europe, SSAB Americas and Ruukki Construction mainly use the weighted average value method whereas Tibnor mainly uses the FIFO method.

The net realizable value is normally the sales price less production and selling expenses. With respect to products in the trading operations, the replacement cost with an added estimated gross margin is used as the best gauge of the net realizable value. In respect of raw materials, the replacement cost is used as the best gauge of the net realizable value. However, raw materials are not written down below the acquisition cost if the end product they are included in is expected to be sold at a price exceeding the manufacturing cost. Obsolescence of inventory is evaluated and inventory value impaired according to the Group's guideline for various materials and products.

## C.4 Accounts receivable and payable and other receivables and liabilities

### Accounts receivable and other receivables

SEK millions	2023	2022
<b>Current items</b>		
Accounts receivable	10,673	12,048
VAT receivables	489	581
Accrued bonuses, discounts, licenses and similar	85	106
Goods and services delivered, not invoiced	71	55
Prepaid insurance premiums	86	69
Accrued interest income	54	52
Other receivables	66	76
Other prepaid expenses and accrued income	360	396
<b>Total other current receivables</b>	<b>1,212</b>	<b>1,335</b>
<b>Total</b>	<b>11,885</b>	<b>13,383</b>

### Accounts receivable, other current receivables and derivatives per currency

SEK millions	2023	2022
SEK	1,036	1,593
USD	3,556	3,545
EUR	4,140	4,953
Other currencies	2,728	3,453
<b>Total</b>	<b>11,460</b>	<b>13,545</b>
Accounts receivable	10,673	12,048
VAT receivables	489	581
Other receivables	66	76
Derivative instruments	232	839
<b>Total</b>	<b>11,460</b>	<b>13,545</b>

### Age analysis of current receivables<sup>1)</sup>

SEK millions	2023	2022
Not due	9,276	10,810
1–30 days	1,707	1,738
31–120 days	360	222
121–365 days	35	96
> 365 days	83	83
<b>Total</b>	<b>11,461</b>	<b>12,949</b>

### Change in expected credit losses<sup>1)</sup>

SEK millions	2023	2022
Opening balance, January 1	-244	-166
Confirmed credit losses	31	32
Change in expected credit losses	-25	-94
Translation differences	5	-16
<b>Closing balance, December 31</b>	<b>-233</b>	<b>-244</b>

1) Includes accounts receivable, VAT receivables and other receivables.

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### Credit risk

Credit risks associated with accounts receivable and other receivables are managed in each subsidiary. Prior to impairment, these receivables had a gross value of SEK 11,461 (12,949) million. The expected credit losses amounted to SEK 233 (244) million, representing 2.0% (1.9%) of the outstanding accounts receivable on December 31, 2023. There are no concentrations of credit risk since the risk is allocated over a large number of customers spread throughout the world. In addition, individual credit rating tests are conducted and limits imposed for each customer.

## C.4 Accounts receivable and payable and other receivables and liabilities, cont.

### Accounts payable and other liabilities

SEK millions	2023	2022
<b>Non-current items</b>		
Other non-current employee benefits	166	184
Investment grant (Alabama tax credit)	20	11
Other items	6	9
<b>Total other non-current liabilities</b>	<b>192</b>	<b>204</b>
<b>Current items</b>		
Accounts payable	17,001	19,566
Accrued personnel expenses	2,776	2,746
Personnel withholding tax and social security liabilities	469	500
Deferred income from emission rights	881	1,457
Accrued expenses for emission rights	774	212
VAT payables	345	627
Goods and services received, not invoiced	728	626
Advance payments received from customers	116	182
Accrued discounts, bonuses and complaints	363	272
Accruals related to sold receivables	77	87
Accrued interest expenses	66	43
Other payables	96	102
Other accrued expenses and deferred income	229	179
<b>Total other current liabilities</b>	<b>6,920</b>	<b>7,032</b>
<b>Total</b>	<b>23,921</b>	<b>26,598</b>

### Liabilities related to contracts with customers

Liabilities related to contracts with customers include advance payments received from customers as well as accrued discounts, bonuses and complaints presented in the above table. The advance payments are expected to be recognized as revenue over the following 3 months.

### Accounts payable, other current payables and derivatives per currency

SEK millions	2023	2022
SEK	5,764	3,538
USD	10,635	12,564
EUR	1,373	4,896
Other currencies	574	321
<b>Total</b>	<b>18,345</b>	<b>21,320</b>
Accounts payable	17,001	19,566
Personnel withholding tax and social security liabilities	469	500
VAT payables	345	627
Advance payments received from customers	116	182
Other payables	96	102
Derivative instruments	319	342
<b>Total</b>	<b>18,345</b>	<b>21,320</b>



### Accounts receivable and payable and other receivables and liabilities

Accounts receivable and payable and other receivables and liabilities include financial assets or liabilities measured at amortized cost. For more information on accounting principles for financial assets and liabilities, see note D.4.

Trade and other receivables are valued less accumulated impairments. The Group applies the simplified approach for calculating expected credit losses, where the provision corresponds to the expected loss over the entire life of the trade receivable. Past credit losses as well as assessment of current and future economic conditions are considered in the analysis. Impairments of accounts receivable are reported in selling expenses in the statement of profit or loss.

### Factored accounts receivable

Factored accounts receivable have been derecognized from the statement of financial position when the related risks and rewards have materially been transferred to the counterparty of the factoring transaction. When the Group has obtained a credit insurance for the factored receivables, an amount corresponding to deductible of the insurance remains recognized in the Group statement of financial position as accounts receivable and other current liabilities.

## C.5 Provisions

### Provisions

SEK millions	2023						2022					
	Restructuring provision	Warranties provision	Environmental provision	Personnel-related provisions	Other provisions	Total	Restructuring provision	Warranties provision	Environmental provision	Personnel-related provisions	Other provisions	Total
Opening balance, January 1	2	33	56	170	198	460	4	44	48	129	10	236
Additional provisions	12	70	–	100	9	192	–	11	3	86	190	290
Utilized during the year	-4	-62	–	-97	-50	-213	-2	-24	–	-50	-3	-79
Decrease through divestment of businesses	–	–	–	–	-4	-4	–	–	–	–	–	–
Reclassification	-1	–	–	3	-3	-1	–	–	–	–	–	–
Translation difference	0	0	0	-2	0	-3	0	1	4	5	1	11
<b>Closing balance, December 31</b>	<b>9</b>	<b>40</b>	<b>55</b>	<b>174</b>	<b>150</b>	<b>429</b>	<b>2</b>	<b>33</b>	<b>56</b>	<b>170</b>	<b>198</b>	<b>460</b>

### Provisions in the statement of financial position

SEK millions	2023	2022
Non-current provisions	223	232
Current provisions	207	227
<b>Total</b>	<b>429</b>	<b>460</b>

AP

### Provisions

Provisions for restructuring measures are made when a detailed, formal plan for the measures is in place and well-founded expectations created among the affected parties. Provisions are reviewed during each reporting period.

A&amp;A

### Future restoration of the environment

Future clean-up and restoration will need to be carried out in the mills of the steel divisions. However, such activities will become relevant only when SSAB ceases to conduct operations in the area, and the needed expenditure is typically estimated when closures of operations are decided upon. In transformation to fossil-free steel production, in particular the blast furnaces and the coke ovens will be decommissioned. However, no material costs relating to the dismantling of this equipment has been identified. Restoration of these areas is not yet assessed relevant as the operations will continue on these sites.

### Emission rights

SSAB participates in the EU's emission rights trading system. Provision is made if a shortfall in emission rights is identified between owned rights and the rights to be delivered due to actual emissions. Emission rights are reported as intangible assets and are booked at acquisition value.

### Environmental restoration expenses

Expenses for environmental measures associated with previous operations and which do not contribute to current or future revenue are booked as a cost when incurred. The provision is calculated based on interpretations of applicable environmental legislation and regulations. Provisions are usually not recognized for land clean-up and restoration of industrial areas where operations are still conducted, since it is not possible to make a reasonable estimation on timing and cost of such clean-up.

## D. Capital structure and financial risk management

SSAB's financial position remained strong in 2023. A share buyback program was started during the fourth quarter, and the Board proposes a dividend of SEK 5.00 per share for the financial year 2023.

### ► D.

#### Capital structure and financial risk management

**D.1**

Capital structure

**D.2**

Net debt/cash

**D.3**

Financial risk management

**D.4**

Valuation of financial assets and liabilities

**D.5**

Other non-current assets

**D.6**

Financial income and expenses

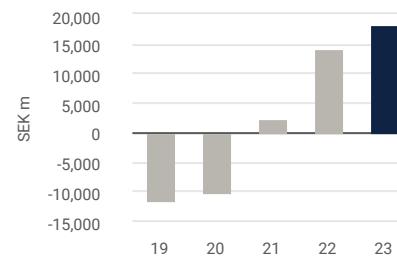
**D.7**

Equity

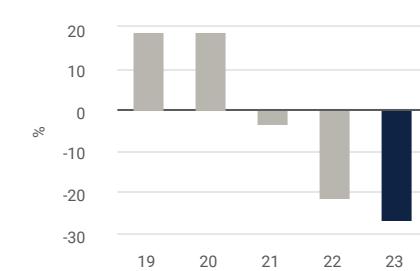
**D.8**

Pensions

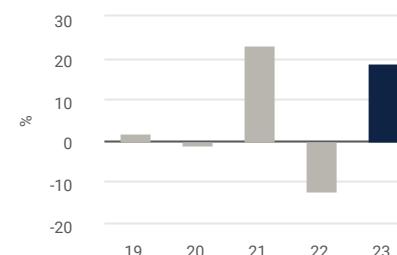
#### Net cash(+)/Net debt(-)



#### Net debt/equity ratio



#### Return on equity



Net debt/equity ratio

-27 %

## D.1 Capital structure

### Capital structure

SEK millions	2023	2022
Total equity	67,948	67,191
Total interest-bearing liabilities	7,711	8,173
<b>Total capitalization</b>	<b>75,659</b>	<b>75,363</b>
<b>Net debt/(cash)</b>	<b>-18,206</b>	<b>-14,287</b>

### Capital management

The capital structure is regularly reviewed by the Group Executive Committee as well as by the Board of Directors. The Group's operations are dependent on the business cycle, and the target is to maintain the net debt/equity ratio between -20% to 20%. Since 2021, SSAB has reported net cash, and consequently a negative net debt/equity ratio, and strong cash flow in 2023 has further increased the net cash. The main objective of capital management is to ensure the ability to continue to operate and to generate good return for the shareholders.

Equity can be managed by dividends, share buybacks, or new issues of equity. SSAB's dividend target is to distribute 40% of the result for the year as dividends. More information on the on-going share buyback program can be found in note D.7. Debt can be managed by raising new debt through capital market or banks, managing the utilization of financing facilities as well as repaying debt. The targets of debt management include optimized maturity structure and finance cost for the debt.

## D.2 Net debt/cash

### Net debt/(cash)

SEK millions	2023	2022
<b>Assets in net debt/cash</b>		
Cash and cash equivalents	28,916	24,900
Current interest-bearing receivables	41	40
Receivables from pension obligations	188	97
Other non-current receivables	37	59
Derivative assets in net debt/cash	84	250
<b>Total</b>	<b>29,265</b>	<b>25,347</b>
<b>Liabilities in net debt/cash</b>		
Non-current interest-bearing liabilities	6,282	6,291
Current interest-bearing liabilities	1,428	1,882
Lease liabilities	2,912	2,504
Liabilities from pension obligations	343	318
Derivative liabilities in net debt/cash	93	65
<b>Total</b>	<b>11,059</b>	<b>11,060</b>
<b>Total net debt/(cash)</b>	<b>-18,206</b>	<b>-14,287</b>

Net debt is an alternative performance measure. For more information, see note A.3.

## D.2 Net debt/cash, cont.

### Non-current interest-bearing liabilities

SEK millions	2023	2022
Capital market debt	7,406	7,937
Bank loans	—	98
<b>Total</b>	<b>7,406</b>	<b>8,035</b>
Less current portion	-1,124	-1,745
<b>Total</b>	<b>6,282</b>	<b>6,291</b>

### Current interest-bearing liabilities

SEK millions	2023	2022
Current portion of non-current interest-bearing liabilities	1,124	1,745
Commercial paper	1	—
Overdraft facility	137	15
Other current interest-bearing liabilities	167	122
<b>Total</b>	<b>1,428</b>	<b>1,882</b>

### Change in liabilities from financial activities

SEK millions	2023			2022		
	Interest-bearing liabilities	Lease liabilities	Other	Total	Interest-bearing liabilities	Lease liabilities
Opening balance, January 1	8,173	2,504	65	10,741	9,921	2,589
Cash flows	-557	-692	31	-1,218	-2,324	-682
Change in leases (non-cash)	—	1,102	—	1,102	—	609
Revaluations (non-cash)	95	-2	-3	90	575	-12
<b>Closing balance, December 31</b>	<b>7,711</b>	<b>2,912</b>	<b>93</b>	<b>10,715</b>	<b>8,173</b>	<b>2,504</b>
						<b>Total</b>

### Outstanding non-current interest-bearing liabilities

SEK millions	Interest rate (nominal), %	2023	2022
<b>Capital market debt (fixed interest)</b>			
2019–2028 SEK	2.75	1,515	599
2009–2023 EUR	2.87	—	1,667
<b>Total capital market debt (fixed interest)</b>		<b>1,515</b>	<b>2,266</b>
<b>Capital market debt (variable interest)</b>			
2019–2028 SEK	Stibor + 1.85–3.40	3,702	3,399
2010–2040 USD	0.11–3.73	2,189	2,272
<b>Total capital market debt (variable interest)</b>		<b>5,891</b>	<b>5,671</b>
<b>Bank loans (fixed interest)</b>			
2009–2023 EUR	2.9–3.57	—	98
<b>Total bank loans, fixed interest</b>		—	<b>98</b>
<b>Total</b>		<b>7,406</b>	<b>8,035</b>

## D.2 Net debt/cash, cont.

**R**

### Liquidity and refinancing risks

SSAB manages funding centrally and in coordination by the Group's treasury function.

To mitigate liquidity and refinancing risks, the Group aims to maintain sufficient amount of cash and cash equivalents and committed credit facilities as well as a balanced maturity profile for its long-term borrowings. Funding plans are reviewed regularly based on divisions' cash flow forecasts.

On December 31, 2023, long-term borrowing amounted to SEK 6,282 (6,291) million primarily through the capital markets and the existing note programs and to some extent through banks. European Medium Term Note program (EMTN) is used for long-term borrowing up to ten years, while Swedish and Finnish commercial paper programs are used for short term (< 1 year) borrowing. The program limit of the EMTN program is EUR 2,000 million, while the Swedish commercial paper program has a limit of SEK 5,000 million and the Finnish commercial paper program of EUR 500 million. At year-end, long-term borrowing within the EMTN program

amounted to SEK 5,224 (5,668) million, while the Swedish and Finnish commercial paper programs were not utilized (Swedish program SEK 150 million).

During the year, SSAB issued two five-year unsecured sustainability-linked bonds of SEK 2,100 million. The interest rate level is linked to SSAB meeting the various milestones in the company's climate goals, which are also approved by the Science Based Target Initiative.

At year-end, the Group's liquidity buffer, consisting of cash, short-term investments and non-utilized binding credit facilities, amounted to SEK 37,155 (35,158) million, equal to 31% (27%) of the revenue.

To the extent surplus liquidity arises, the Group seeks to repay its loans. If that is not possible, the funds are deposited with approved banks. On December 31, 2023, the total loan portfolio amounted to SEK 7,711 (8,173) million, with an average term to maturity of 6.2 (5.7) years.

### Contractual cash flows, December 31, 2023

SEK millions	Book value	Contractual cash flow	2024	2025	2026	2027	2028	Later
<b>Loans</b>								
Capital market debt	7,406	9,542	1,481	318	2,255	198	2,276	3,014
Bank loans	304	304	304	–	–	–	–	–
<b>Total, loans</b>	<b>7,710</b>	<b>9,846</b>	<b>1,785</b>	<b>318</b>	<b>2,255</b>	<b>198</b>	<b>2,276</b>	<b>3,014</b>
Accounts payable	17,001	17,001	17,001	–	–	–	–	–
Derivatives, outflow	362	362	310	14	26	9	3	–
Derivatives, inflow	419	419	233	67	91	21	7	–
<b>Total, loans, accounts payable and derivatives</b>	<b>24,654</b>	<b>26,790</b>	<b>18,863</b>	<b>265</b>	<b>2,190</b>	<b>186</b>	<b>2,272</b>	<b>3,014</b>

Interest flows are calculated based on interest rates and exchange rates at year-end. For contractual cash flows relating to lease agreements, see note C.2.

## D.2 Net debt/cash, cont.

### Current interest-bearing receivables

SEK millions	2023	2022
Restricted funds	15	30
Other current interest-bearing receivables	26	10
<b>Total</b>	<b>41</b>	<b>40</b>

### Cash and cash equivalents

SEK millions	2023	2022
Cash and bank balances	17,051	9,381
Short-term investments with maturity of less than three months	11,864	15,519
<b>Total</b>	<b>28,916</b>	<b>24,900</b>

### AP Debt

Debt is initially valued at fair value net of transaction costs, and is subsequently measured at amortized cost based on the effective interest rate calculated when raising the loan.

Fees for credit facilities are reported as transaction costs for the borrowing to the extent it is probable that the credit facility will be utilized, and recognized over the term the credit facility is utilized. To the extent the utilization is not probable, the fee is treated as a prepaid expense for the liquidity and amortized over the period of the facility.

### Cash and cash equivalents

Cash and cash equivalents include cash, immediately accessible bank balances as well as other short-term deposits with an original term to maturity of less than three months (short-term investments). Overdraft facilities are reported in the statement of financial position as borrowing among current interest-bearing liabilities.

## D.3 Financial risk management

### R

Financial risk management is governed by the Group's Directive of Financial Risk Management, which defines the responsibilities, processes and other principles of financial risk management. The objectives for financial risk management are to reduce volatility in the Group's earnings and ensure sufficient liquidity for the Group's operations. Most financial transactions take place through the parent company's treasury function in Stockholm, Sweden and through SSAB Finance Ireland in Ireland.

Financial risks include market and credit risks as well as liquidity and refinancing risks. Credit risks related to accounts receivable are discussed in note C.4 while liquidity and refinancing risks are discussed in note D.2. For a detailed description of the Group's financial risks, see section Financial risks and sensitivity analysis in the Board of Directors' Report.

### Market risks

Market risks result from changes in market prices, which can affect the Group's earnings or financial position, and include interest rate risk, currency risk and commodity price risk.

### Interest rate risk and hedges

On December 31, 2023, Group's interest-bearing liabilities amounted to SEK 7,711 (8,173) million, of which SEK 3,218 (3,966) million has a fixed interest or is swapped to a fixed interest. Including the interest rate swaps, the average fixed interest term was 1.4 (0.9) years. For the net debt at the year-end, including interest hedging, a change in market interest rates of 100 basis points (1 percentage point), would change the result for the year by SEK 156 (125) million.

At year-end, the value of interest rate swaps converting floating to fixed interest (entered into to secure cash flow in conjunction with interest payments) was SEK 67 (129) million. Cash flow hedge accounting is applied for these swaps and no inefficiency was identified during the year. The outstanding interest rate derivatives had an average maturity of 20 (32) months at year-end.

The Group's interest-bearing assets amounted to SEK 29,265 (25,347) million and consisted almost exclusively of cash and cash equivalents at variable interest rates.

**R**

## Currency risk and hedges

Currency hedges are used to reduce risks associated with exchange rate changes. Reported accounts payable and receivables in major currencies are hedged in order to minimize the effect of exchange rates to the Group's earnings. Major investments and projects in foreign currency can be hedged based on management decision. Other commercial currency flows that arise in connection with purchases and sales in foreign currency are short-term in nature and thus no hedging takes place. Instead, they are exchanged on the spot market.

In 2023, the Group had a net cash inflow of foreign currency of SEK 20 (13) billion. The most important currency flows are shown in a diagram in section Financial risks and sensitivity analysis in the Board of Directors' Report.

A five percentage point devaluation of the Swedish krona against the Group's two most important currencies, the US dollar and euro, including hedges, would have a positive impact on the result of the year of SEK 449 (293) million with respect to the US dollar and a positive impact of SEK 196 (558) million with respect to euro. Additionally, equity would be positively affected by the translation effect of foreign subsidiaries, net of equity hedges, by SEK 1,921 (3,393) million.

In 2023, net exchange rate differences amounted to SEK -326 (-163) million in operating result and SEK -119 (191) million in financial income and expenses. The breakdown accounts receivable and payable per currency is presented in note C.4.

### Borrowing per currency

SEK millions	2023	2022
SEK	5,385	3,995
USD	2,190	2,272
EUR	-3	1,885
Other currencies	140	18
<b>Total</b>	<b>7,711</b>	<b>8,173</b>

The translation exposure in net investments is hedged primarily through debt in the same currency. Consequently, borrowing in euro and the US dollar has not been separately hedged. In the absence of such debt, currency derivatives may be used instead. On December 31, 2023, these net investments amounted to EUR 1,768 (1,755) million and USD 2,091 (4,854) million, respectively. During 2023, SSAB applied net investment hedging only in relation to its investments in US dollar covering a part of the investment intended to be distributed as dividend to the parent company. This dividend was executed during Q4 2023, and the hedges consequently closed. The accumulated change in fair value reserve, before tax, relating to net investment hedging amounted to SEK -4,667 (-4,934) million at year-end. No inefficiency was identified during 2023.

In 2023, cash flow hedge accounting was applied to partly hedge the currency risk of euro capital expenditure. At year-end, these derivative instruments had a net fair value of SEK -29 (-) million. There was no inefficiency in this program as of December 31, 2023.

Fair value hedge accounting is applied in connection with certain purchases in euros. At year-end, such purchase orders amounted to SEK -1.7 (-1.6) billion. At year-end, derivative instruments related to fair value hedging had a net fair value of SEK -9 (68) million, while purchase orders subject to hedge accounting and accounts payable related to hedged purchase orders were SEK 9 (-68) million. Thus, there was no inefficiency at year-end.

At year-end, the net fair value of non-hedge accounted derivative instruments amounted to SEK -253 (-209) million, of which SEK -175 (-242) million was reported in operating result in other operating income and SEK -78 (33) million was reported in financial income and expenses. The outstanding FX derivatives had an average maturity of 5 (3) months at year-end.

### Commodity price risk and hedging

Information about the commodity price risk can be found in the Board of Directors' Report in section Financial risks and sensitivity analysis. Cash flow hedge accounting is applied for hedging price risk of electricity and iron ore.

Electricity price risk relating to forecasted electricity consumption at the mills is partly hedged with derivative instruments and partly by physical delivery contracts. At year-end, the amount of forecasted purchases hedged with electricity derivatives was 3,035 (3,011) GWh and the net fair value of the related derivative instruments was SEK 275 (1,242) million. There was no inefficiency at year-end. The outstanding electricity derivatives had an average maturity of 23 (30) months at December 31, 2023.

Iron ore is hedged in limited volumes using average swaps. At year-end, the forecasted purchases hedged with iron ore derivatives amounted to 26,900 (91,015) tonnes and the net fair value of related derivative instruments was SEK 6 (2) million. There was no inefficiency at year-end. The outstanding iron ore derivatives had an average maturity of 0 (4) months at year-end.

### Counterparty credit risk

The limits for individual counterparties are evaluated continuously. For derivative transactions, SSAB has the ISDA framework in place. On December 31, 2023 the total counterparty risk was SEK 28,954 (26,289) million, of which derivative instruments accounted for SEK 38 (1,388) million and investments in cash and cash equivalents amounted to SEK 28,916 (24,900) million.

## D.3 Financial risk management, cont.

### Hedge accounted derivatives

SEK millions	2023							2022												
	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Fair value reserve (before tax)	Fair value adjustment on the hedged item		Change in fair value of the hedging instrument (before tax)	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Fair value reserve (before tax)	Fair value adjustment on the hedged item		Change in fair value of the hedging instrument (before tax)						
		Assets	Liabilities		Assets	Liabilities			Assets	Liabilities		Assets	Liabilities							
<b>Cash flow hedges</b>																				
<b>Commodity price risk</b>																				
Forward contracts – electricity	3,035 GWh	302	27	275	–	–	-967	3,011 GWh	1,242	–	1,242	–	–	984						
Forward contracts – iron ore	26,900 tonnes	6	–	6	–	–	4	91,015 tonnes	2	–	2	–	–	-2						
<b>Currency risk</b>																				
Forward contracts – EUR capital expenditure	781	–	29	29	–	–	29	–	–	–	–	–	–	–						
<b>Interest rate risk</b>																				
Interest flows, external debt	1,700	67	–	67	–	–	-62	1,700	129	–	129	–	–	116						
<b>Fair value hedges</b>																				
<b>Currency risk</b>																				
EUR purchases	1,739	–	9	–	9	–	-59	1,562	68	–	–	–	68	66						
<b>Hedges of net investments in foreign operations</b>																				
<b>Currency risk</b>																				
Equity	–	–	–	-4,667	–	–	267	–	–	–	-4,934	–	–	371						

## D.3 Financial risk management, cont.

**AP**

### Derivative instruments

The fair value of a derivative instrument is classified as a non-current asset or a non-current liability when the outstanding term of the hedged item exceeds twelve months and as a current asset or a current liability when the outstanding term of the hedged item is less than twelve months.

The gains or losses arising from fair value changes are presented in operating result when the derivative instruments relate to operating activities and in financial income and expenses when the derivative instruments relate to financing activities.

Currency forward contracts and swaps are used to hedge the exchange movement in accounts payable and receivable in major currencies and major investments in non-current assets in foreign currency, and to hedge net investments in foreign subsidiaries and Swedish krona payment flows on foreign loans. Interest swaps are used to hedge exposure to interest rate risks. The fair value of currency forward contracts and currency swaps is calculated based on forward contract prices on the balance sheet date, while interest rate swaps are valued calculated on the basis of future discounted cash flows.

### Hedge accounting

Hedge accounted derivative contracts are classified as hedging the fair value of a reported asset or liability or a signed delivery order (fair value hedging), hedging a planned transaction (cash flow hedging), or hedging a net investment in a foreign company.

In fair value hedging, the fair value changes of derivative instruments are reported in the cost of goods sold within the statement of profit or loss together with the changes in the fair value of the asset or liability or the delivery order to which the hedging relates.

In cash flow hedging and net investment hedging, the effective part of the fair value changes of derivative instruments is reported in other comprehensive income, whereas the gains or losses attributable to the ineffective part are reported as financial items in the profit or loss. If cash flow hedges relate to capital expenditure, the realized fair value of the derivatives is recognized in the acquisition value of the asset.

Sources of hedge ineffectiveness during the term of the hedging relationship include significant changes in credit risk of one of the parties and, in case of cash flow hedge, change in timing of the payment of the hedged item or high probability of forecasted volumes exceeding the actual outcomes.

## D.4 Valuation of financial assets and liabilities

### Financial assets and liabilities

SEK millions	2023					2022				
	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value
<b>Financial assets</b>										
Other non-current financial assets	128	–	–	128	128	151	–	–	151	151
Derivative assets	–	44	375	419	419	–	202	1,372	1,573	1,573
Accounts receivable	10,673	–	–	10,673	10,673	12,048	–	–	12,048	12,048
Other current interest-bearing receivables	41	–	–	41	41	40	–	–	40	40
Cash and cash equivalents	28,916	–	–	28,916	28,916	24,900	–	–	24,900	24,900
<b>Total financial assets</b>	<b>39,758</b>	<b>44</b>	<b>375</b>	<b>40,177</b>	<b>40,177</b>	<b>37,140</b>	<b>202</b>	<b>1,372</b>	<b>38,712</b>	<b>38,713</b>
<b>Financial liabilities</b>										
Non-current interest-bearing liabilities	6,282	–	–	6,282	6,881	6,291	–	–	6,291	6,248
Current interest-bearing liabilities	1,428	–	–	1,428	602	1,882	–	–	1,882	1,869
Derivative liabilities	–	306	56	362	362	–	342	–	342	342
Accounts payable	17,001	–	–	17,001	17,001	19,566	–	–	19,566	19,566
<b>Total financial liabilities</b>	<b>24,711</b>	<b>306</b>	<b>56</b>	<b>25,073</b>	<b>24,845</b>	<b>27,739</b>	<b>342</b>	<b>–</b>	<b>28,081</b>	<b>28,026</b>

### Derivative assets and liabilities

SEK millions	2023					2022				
	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value
<b>Derivative assets</b>										
Cash flow hedges	–	–	375	375	375	–	–	1,372	1,372	1,372
Fair value hedges	–	–	–	–	–	–	68	–	68	68
Derivatives, not hedge-accounted	–	44	–	44	44	–	134	–	134	134
<b>Total derivative assets</b>	<b>–</b>	<b>44</b>	<b>375</b>	<b>419</b>	<b>419</b>	<b>–</b>	<b>202</b>	<b>1,372</b>	<b>1,573</b>	<b>1,573</b>
<b>Derivative liabilities</b>										
Cash flow hedges	–	–	56	56	56	–	–	–	–	–
Fair value hedges	–	9	–	9	9	–	–	–	–	–
Derivatives, not hedge-accounted	–	297	–	297	297	–	342	–	342	342
<b>Total derivative liabilities</b>	<b>–</b>	<b>306</b>	<b>56</b>	<b>362</b>	<b>362</b>	<b>–</b>	<b>342</b>	<b>–</b>	<b>342</b>	<b>342</b>

## D.4 Valuation of financial assets and liabilities, cont.

### Fair values of financial instruments

Based on the three-level fair value hierarchy, SSAB's financial assets and liabilities are classified on levels 1 and 2. Electricity and iron ore derivatives are on level 1 as their fair values are based on listed market values. The rest of the financial instruments are classified on level 2 as their fair valuation is based on other observable market data than listed prices.

Fair value on commodity price derivatives is calculated based on market prices on applicable exchanges. The fair value of currency derivatives is calculated based on current forward prices at the reporting date. Fair value of interest rate derivatives are calculated based on the discounted cash flow method.

Accounts receivable are reported in the amount expected to be received following the assessment of expected credit losses. Other current interest-bearing receivables consist of restricted cash with a term to maturity of less than 12 months, whereas cash and cash equivalents consist of bank balances and bank deposits with short maturities. For both of these items the fair values are estimated to be substantially consistent with the book value.

Non-current and current interest-bearing liabilities consist primarily of debt that is valued at amortized cost. Fair values have been calculated based on the interest rate for outstanding terms to maturity as applicable at the end of the year. Accounts payable are reported in the amount which is expected to be paid and are valued at acquisition value.

### Netting of derivative assets and liabilities

If full netting in accordance with ISDA agreements had been applied, the derivative instruments would have amounted to SEK 57 (1,231) million of financial assets and SEK 0 (0) million of financial liabilities.

AP

### Financial assets and liabilities at amortized cost

Financial assets in this category include investments and accounts receivable, other receivables and cash and cash equivalents. Expected credit losses are assessed for accounts receivable and other current receivables, accounting principles are presented in the note C.4.

Financial liabilities in this category include borrowings, accounts payable and other payables. See note D.2 for accounting principles on borrowings and C.4 for accounting principles for accounts payable and other payables.

### Financial assets and liabilities at fair value through other comprehensive income

Financial assets and liabilities in this category include derivative instruments to which hedge accounting is applied.

### Financial assets and liabilities at fair value through profit or loss

Financial assets managed and evaluated based on fair values are included in this category. Derivative instruments, to which hedge accounting is not applied, are included in this category as well. Changes in value are reported in the statement of profit or loss, either in operating result for derivative instruments relating to business activities or in financial income and expenses for derivative instruments relating to financial activities. For more information on accounting principles related to derivative instruments and hedge accounting, see note D.3.

## D.5 Other non-current assets

### Other non-current assets

SEK millions	2023	2022
Equity investments	92	91
Receivables from pension obligations	188	97
Other non-current receivables	37	59
<b>Total</b>	<b>317</b>	<b>248</b>
<b>Equity investments</b>		
SEK millions	2023	2022
<b>Book value, January 1</b>	<b>91</b>	<b>354</b>
Investments	–	13
Divestments	-1	–
Impairments	–	-288
Reclassification	1	-3
Translation differences	–	17
<b>Book value, December 31</b>	<b>92</b>	<b>91</b>

The impairment in equity investments in 2022 relates to SSAB's ownership in Voimaosakeyhtiö SF through which it participated in the Fennovoima nuclear plant project in Finland. In 2023, SSAB granted Voimaosakeyhtiö SF a loan of SEK 12 million, which was immediately fully impaired.

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### Equity investments

Equity investments are valued at fair value. For some unlisted equity instruments fair value cannot be reliably measured and cost can be used as an approximation of fair value. For such instruments material reduction in fair value can be recognized in form of an impairment.

## D.6 Financial income and expenses

### Financial income and expenses

SEK millions	2023	2022
<b>Financial income</b>		
Interest income on financial assets at amortized cost	1,068	271
Interest income on derivative instruments	124	115
Exchange rate differences	222	2,885
Dividends	2	–
Other	12	13
<b>Total</b>	<b>1,428</b>	<b>3,284</b>
<b>Financial expenses</b>		
Interest expenses on financial liabilities at amortized cost	-759	-471
Interest expenses on derivative instruments	-31	-59
Exchange rate differences	-341	-2,694
Other	-48	-346
<b>Total</b>	<b>-1,179</b>	<b>-3,570</b>
<b>Total net financial items</b>	<b>248</b>	<b>-286</b>

AP

Exchange rate differences include exchange gains or losses arising from valuation of cash and cash equivalents, debt and loan receivables in foreign currencies at period end rates as well as from fair value changes of derivative instruments related to financing activities.

Interest expenses on lease liabilities are included in interest expenses on financial liabilities at amortized cost. Interest expenses on leases are presented in note C.2.

Other financial income and expense items include interest income and expenses related to benefit-based pension obligations, commitment and financial fees related to committed credit facilities as well as interest capitalized to the values of intangible and tangible fixed assets.

# D.7 Equity

## Change in reserves

SEK millions	2023			2022		
	Reserve for hedges of foreign operations	Reserve for cash flow hedges	Translation reserve	Total	Reserve for hedges of foreign operations	Reserve for cash flow hedges
Reserves, January 1	-3,917	1,041	18,767	15,891	-4,211	217
Translation differences during the period	-	-	-1,452	-1,452	-	-
Fair value changes during the period	267	-157	-	110	371	1,356
Tax related to fair value changes during the period	-55	147	-	92	-77	-250
Transfers to the profit or loss	-	-915	-	-915	-	-323
Tax related to transfers to the profit or loss	-	68	-	68	-	43
<b>Reserves, December 31</b>	<b>-3,706</b>	<b>184</b>	<b>17,315</b>	<b>13,793</b>	<b>-3,917</b>	<b>1,041</b>

## Earning per share

	2023	2022
Result for the year attributable to the parent company's shareholders, SEK millions	13,029	-10,886
Weighted average number of shares, millions	1,028.0	1,029.8
Earning per share, SEK	12.67	-10.57

## Numbers of shares and share capital

	2023	2022
Numbers of shares, millions	1,029.8	1,029.8
Share capital, SEK millions	9,063	9,063

## Shares, share capital and other contributed funds

The share capital consists of 1,029.8 (1,029.8) million shares with a quotient value of SEK 8.80 (8.80) per share. 304.2 (304.2) million of the shares are Class A shares and 725.7 (725.7) million shares are Class B shares. Each Class A share entitles to one vote, while each Class B share entitles the holder to one tenth of a vote. The average number of shares was 1,028.0 (1,029.8) million. Other contributed funds amounting to SEK 23,021 (23,021) million consist of funds paid in by the shareholders in connection with share issues in excess of the par value of the shares.

## Reserves

Exchange rate differences arising upon the translation of the net investment in foreign subsidiaries into Swedish kronas are included in the translation reserve. The exchange rate differences from the translation of loans or other financial instruments that are in place to hedge the exchange movement in net assets in foreign subsidiaries are reported in the reserve for hedges of foreign operations.

Exchange rate differences relating to cash flow hedging of significant sales in foreign currency, market price differences relating to cash flow hedging of commodities as well as hedging of interest rates from variable to fixed rate are reported in the reserve for cash flow hedges.

## Share buyback program and treasury shares

The 2023 Annual General Meeting gave the Board of Directors an authorization to decide on the purchase of own Class A and/or Class B shares from Nasdaq Stockholm and/or Nasdaq Helsinki on one or more occasions before the next Annual General Meeting in 2024.

## D.7 Equity, cont.

In October, 2023, SSAB's Board of Directors resolved to implement a share buyback program for a total maximum amount of SEK 2.5 billion. The purpose of the program is to adjust SSAB's capital structure to create greater value for the shareholders. The Board of Directors intends to propose to the Annual General Meeting 2024 that it resolves to reduce the share capital by cancellation of the shares acquired by SSAB.

The allocation between the share classes A and B reflect the current trading volume of the two share classes, entailing that 25% (i.e. up to SEK 625 million) is allocated to the purchase of Class A shares and 75% (i.e. up to SEK 1,875 million) to the purchase of Class B shares. Purchases commenced on October 26, 2023 and will end between February 2 and March 11, 2024. The total number of treasury shares held by SSAB will not at any time exceed 10% of the total number of shares.

On December 31, 2023 SSAB held 18,276,773 (-) treasury shares, of which 4,489,777 (-) were Class A shares and 13,786,996 (-) Class B shares. The value of treasury shares amounted to SEK 1,347 (-) million. Transaction costs related to the share buyback program amounted to SEK 1 million in 2023.

### **Considerations relating to proposed allocation of profit**

The Board of Directors propose a dividend of SEK 5.00 (8.70) per share for 2023, corresponding to SEK 5,149 (8,960) million, the final amount will be calculated based on the number of outstanding shares after the completion of the share buyback program. The remaining profit to be carried forward to next year. In the Annual General Meeting of 2024, the shareholders can either approve or reject this proposal.

On December 31, 2023, the retained earnings of the Group were SEK 21,993 (19,149) million and the parent company's unrestricted equity was SEK 65,193 (65,603) million. The equity included unrealized gains from financial instruments reported at market value of SEK 59 (184) million. On December 31, 2023, the Group's net cash amounted to SEK 18,206 (14,287) million, resulting in the net debt/equity ratio of -27% (-21%). As the Group's operations are affected by the business cycle, the net debt/equity ratio target is between -20% and 20%. The Group reported a result for the year amounted to SEK 13,038 (-10,877) million, and adjusted result for year of SEK 13,038 (23,062) million. The Group's policy is to distribute 40% of the profit after tax as dividends.

In 2022, the SSAB Board of Directors made a directional strategic decision to fundamentally transform the Nordic strip production. This is a major step in SSAB's green transition to become the first steel company in the world to offer fossil-free steel on the market, and to high extent remove carbon dioxide emissions from its own operations around 2030. In June 2023, SSAB's Board of Directors made an investment decision for the conversion of Oxelösund mill in Sweden, which is an important step in SSAB's transformation to fossil-free steel production. The transformation will involve major investments in the Nordic operations over the next 10 years. In its dividend proposal, the Board of Directors has taken into consideration the future investment needs as well as the solid financial position and net cash of the Group.

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### **Dividends**

Dividends proposed by the Board of Directors do not reduce equity until the Annual General Meeting has approved the resolution regarding the payment of dividend.

### **Treasury shares**

When the parent company or any other Group company purchases company's own shares, the purchase price, including transaction costs, is deducted from the parent company's retained earnings as treasury shares until the shares are cancelled.

## D.8 Pensions

The Group's employees, former employees and their survivors may be covered by defined contribution and defined benefit plans relating to post-employment benefits. The defined benefit plans cover retirement pension and survivors' pensions.

The liabilities on pension obligation reported in the statement of financial position relate to the defined benefit plans. The Group's major benefit-based pension plans are Rautaruukki's Finnish pension scheme (A-säätiö), Finnish defined benefit plans and the Norwegian pension scheme (CCB Pensionskasse) but there are also smaller pension plans in Sweden and in USA. The plans are covered by a re-insured provision in the balance sheet and by pension benefit plans and funds.

For the defined contributions plans, regular payments are made to government and independent institutions, who take over the obligations towards the employees.

### Sweden

Blue collar employees are included in the SAF/LO plan, which is a defined contribution pension plan. White-collar employees are included in the ITP plan. Both plans are based on collective agreements and comprise of several employers from various industries.

The ITP plan has two parts, the ITP1, a defined contribution pension plan valid for employees born 1979 or later, and the ITP2, a defined contribution pension plan valid for employees born before 1979. The major part of the ITP2 plan is managed by SSAB within the FPG/PRI system. Funding takes place through a provision covered by a credit insurance in Försäkringsbolaget PRI Pension guarantee. Part of the ITP2 plan is covered through an insurance within Alecta. Additionally, SSAB AB has other defined benefit obligations relating to individual pension agreements with earlier employees and senior executives.

Some white-collar employees in Sweden are covered by a defined benefit-based ITP2 plan for age and family pension (alternative family pension) through an insurance by Alecta. According to a statement from Swedish Financial Reporting Board, UFR 10 the ITP plans financed through insurance by Alecta are classified as a defined benefit plans that comprises of several employers. For the financial year 2023 (as well as 2022) the Company did not have access to all information to be able to disclose its proportional share of the pension obligation, the plan assets and the administration costs, and consequently, has not been able to account the plans as a defined benefit plans. The benefit-based

ITP2 plan covered through an insurance by Alecta is therefore accounted as a defined contribution plan. The expected fees in 2024 for the ITP2 insurances that are with Alecta amount to SEK 41 million.

The collective consolidation level of the market value of the assets in Alecta, as a percentage of the insurance obligations, is calculated using the insurance technical methods and assumptions by Alecta, which do not correspond with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 155%. If the collective consolidation level is outside of these thresholds, actions are taken to revert back to the normal interval. At a low consolidation level, an action can be to increase the agreed fees for new take-outs and/or existing benefits. At a high consolidation level, an action can be to reduce premiums. At the end of the year, Alecta's surplus, on a collective consolidation level, was 157% (172%).

### Pension expenses

SEK millions	2023	2022
Fees for contribution-based plans	808	881
Fees for pension insurance policies with Alecta	139	136
Pension expenses, benefit-based plans	17	-8
Special employer's contributions	91	85
Other	1	1
<b>Total pension expenses in operating result</b>	<b>1,055</b>	<b>1,094</b>
Net interest expense on benefit-based plans	4	5
<b>Total pension expenses in statement of profit or loss</b>	<b>1,060</b>	<b>1,099</b>
Net actuarial (gains)/losses before tax on benefit-based plans	-50	-105
<b>Total pension expenses in comprehensive income</b>	<b>1,010</b>	<b>994</b>

### Net pension obligations in the statement of financial position

SEK millions	2023	2022
Liabilities from pensions obligations	343	318
Receivables from pension obligations	188	97
<b>Net pension obligations</b>	<b>155</b>	<b>221</b>

Payments to defined benefit plans in 2024 are expected to be SEK 35 million.

## D.8 Pensions, cont.

### Net pensions obligations by country

SEK millions	2023					2022						
	Finland	Norway	USA and Canada	Sweden	Other	Total	Finland	Norway	USA and Canada	Sweden	Other	Total
Funded pension obligations	721	251	97	10	1	1,079	780	264	84	3	—	1,131
Fair value of plan assets	819	310	92	8	1	1,230	814	330	80	2	—	1,226
<b>Pension obligations less plan assets</b>	<b>-98</b>	<b>-59</b>	<b>4</b>	<b>2</b>	<b>—</b>	<b>-151</b>	<b>-33</b>	<b>-67</b>	<b>3</b>	<b>1</b>	<b>—</b>	<b>-96</b>
Unfunded pension obligations	97	13	80	39	76	306	110	14	73	36	83	316
<b>Net pension obligations by country</b>	<b>-1</b>	<b>-46</b>	<b>85</b>	<b>41</b>	<b>76</b>	<b>155</b>	<b>76</b>	<b>-53</b>	<b>77</b>	<b>38</b>	<b>83</b>	<b>221</b>

### Changes in net benefit-based pension obligations

SEK millions	2023		2022			
	Pension obligations	Plan assets	Net pension obligations	Pension obligations	Plan assets	Net pension obligations
Total, January 1	1,447	1,226	221	1,614	1,241	373
Benefits earned during the year	31	—	31	39	—	39
Interest expenses/income	46	42	4	22	17	5
Actuarial gains/losses	-7	43	-50	-174	-59	-115
Fees from employer	—	51	-51	—	30	-30
Paid benefits	-113	-110	-2	-152	-85	-68
Curtailments and settlements	—	—	—	-17	-2	-15
Reclassifications	4	4	—	—	—	—
Translation differences	-24	-26	2	115	84	31
<b>Total, December 31</b>	<b>1,385</b>	<b>1,230</b>	<b>155</b>	<b>1,447</b>	<b>1,226</b>	<b>221</b>

### Distribution of plan assets

%	2023	2022
Equity instruments	25	24
Bonds	47	35
Real estate	12	13
Cash	3	4
Investments funds	13	21
Other	0	2
<b>Total</b>	<b>100</b>	<b>100</b>

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#### Exposure to the most significant risks in defined benefit plans

##### Asset volatility

In long-term, equity instruments are generally expected to outperform bonds that in turn reduce volatility and are less risky than equities in short-term. The investment portfolio may also be subject to other risks, such as credit risk on bonds and exposure to the real estate market.

##### Discount rate

Defined benefit pension obligations are calculated using a discount rate based on the interest rate on first-class corporate bonds. A decrease in the bond interest rate increases pension obligations, although this is partly offset by an increase in the value of plan assets.

##### Inflation risk

Pension benefits are subject to increases based on inflation and, thus, an increase in inflation.

## D.8 Pensions, cont.

### Significant actuarial assumptions

%	Finland	Norway	USA and Canada	Sweden
<b>2023</b>				
Discount rate	3.7	4.2	4.9	3.7
Inflation	2.4	2.0	—	2.0
Future salary growth	2.5	3.5	3.4	—
Pension increase rate	2.6	—	—	2.0
Expected remaining service period, years	2.0	1.0	7.0	—
<b>2022</b>				
Discount rate	3.2	3.8	5.2	3.5
Inflation	2.6	2.0	—	2.0
Future salary growth	3.5	3.7	3.4	—
Pension increase rate	2.8	—	—	2.0
Expected remaining service period, years	2.0	1.0	6.0	—
Life expectancy				
Duration, years	9	11	18	4
Gompertz' model with Finnish Tyel parameters 2015				
K2013FT				
PRI2012-MP2021/CPM2014 Private Sector, Projections Scale CPM-B				
DUS23				
Life expectancy				
Duration, years	10	15	17	4
Gompertz' model with Finnish Tyel parameters 2015				
K2013FT				
PRI2012-MP2020/CPM2014 Private Sector, Projections Scale CPM-B				
DUS21				

### Sensitivity to the significant actuarial assumptions

SEK million	Finland	Norway	USA and Canada	Sweden	Total
<b>2023</b>					
Discount rate, +0,5 %	-30.1	-10.5	-16.4	-0.1	-57.1
Discount rate, -0,5 %	32.8	11.7	18.5	0.1	63.1
Life expectancy, +1 year	19.1	5.4	3.0	0.3	27.7
<b>2022</b>					
Discount rate, +0,5 %	-34.3	-13.0	-15.7	-0.1	-63.0
Discount rate, -0,5 %	37.6	14.5	17.7	0.1	69.9
Life expectancy, +1 year	21.8	6.3	2.4	0.3	30.7

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### Assumptions relating to benefit-based pension plans

The value of defined benefit plans is subject to actuarial assumptions such as life expectancy, inflation and discount rates. These assumptions are used to determine the size and cost of the commitment. The assumptions are proposed by external independent actuaries and approved by the management.

A sensitivity analysis has been done on above actuarial assumptions since changes in them can impact the defined benefit obligation. Analysis has been done by considering a change in each assumption separately, and any relations between the assumptions have not been taken into account. Considering the total amount of the Group's net benefit-based pension obligations, reasonable changes in the assumptions are not expected to result into material change in the Group's net pension obligation.

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### Pensions

The Group has both contribution-based and benefit-based pension plans in place. Generally, the plans are financed through payments to insurance companies or manager-administered funds. For benefit-based plans, the Group bears the risk that the costs for the promised payments will be higher than estimated.

In the consolidated statement of financial position, the net of the estimated present value of the benefit-based obligations and fair value of the managed assets is reported either as a liability from pension obligations or as a receivable in other non-current assets.

The ITP2 plan for supplementary pensions for salaried employees is a collective benefit-based plan financed through a purchased pension insurance with the mutual insurance company, Alecta. As no information is available to report this plan as a benefit-based plan, it is reported as contribution-based, and thus premiums paid to Alecta during the year are reported as pension expenses.

# E. Other notes

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### Other notes

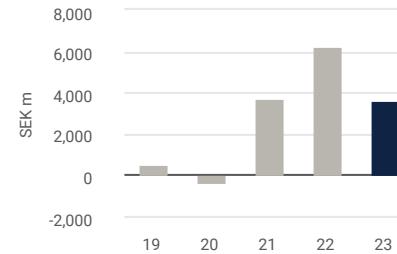
**E.1**  
Income taxes

**E.2**  
Acquisitions and divestments

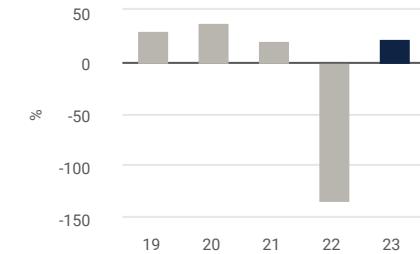
**E.3**  
SSAB subsidiaries

**E.4**  
Pledged assets and contingent liabilities

#### Income tax expenses



#### Effective tax rate



Income tax expenses, MSEK

3,677

## E.1 Income taxes

### Income tax expenses

SEK millions	2023	2022
Swedish corporate income tax expenses	382	1,232
Foreign corporate income tax expenses	3,267	4,066
<b>Total current tax expenses</b>	<b>3,649</b>	<b>5,298</b>
Deferred tax expenses	29	937
<b>Total income tax expenses in the statement of profit or loss</b>	<b>3,677</b>	<b>6,235</b>
<b>Total income tax expenses in other comprehensive income<sup>1)</sup></b>	<b>-150</b>	<b>313</b>

1) For details see Consolidated statement of comprehensive income.

### Reconciliation of tax rates

%	2023	2022
Applicable tax rate in Sweden	20.6	20.6
<b>Tax effect of:</b>		
Non-tax deductible expenses <sup>1)</sup>	1.5	-151.2
Non-taxable income <sup>1)</sup>	-1.2	11.5
Changes in tax rates	0.1	-0.4
Differences between Swedish and foreign tax rates	0.5	-14.9
Taxes relating to prior years	0.3	-1.2
Unbooked deficit credit	0.0	-0.1
Other	0.3	1.3
<b>Effective tax rate</b>	<b>22.0</b>	<b>-134.3</b>

1) Non-tax deductible expenses in 2022 mainly consisted of goodwill impairment, while non-taxable income mainly consisted of dividends from subsidiaries.

### Deferred tax receivables and liabilities

SEK millions	2023	2022
<b>Deferred tax receivables</b>		
- due within 12 months	150	440
- due after more than 12 months	398	181
<b>Total</b>	<b>548</b>	<b>621</b>
<b>Deferred tax liabilities</b>		
- due within 12 months	-1,046	-37
- due after more than 12 months	-1,841	-3,078
<b>Total</b>	<b>-2,887</b>	<b>-3,115</b>
<b>Net deferred tax liabilities</b>	<b>-2,339</b>	<b>-2,494</b>

The Group has not recognized deferred tax receivables on losses carried forward amounting to SEK 3,587 (1,760) million. SEK 30 (133) million of these will expire within 12 months.

No deferred tax liabilities were recognized on retained earnings in subsidiaries and affiliated companies as transferring those profits to the parent company is normally exempt from taxation. To the extent it is not exempt from taxation, the parent company can determine when these profit are transferred and such transfers will not take place in the foreseeable future.

## E.1 Income taxes, cont.

### Changes in deferred tax receivables (+) and liabilities (-)

SEK millions	2023							2022								
	Accelerated depreciation of fixed assets	Right-of-use assets	Lease liabilities	Liabilities on pension obligations	Surplus values	Unutilized tax losses	Other	Total	Accelerated depreciation of fixed assets	Right-of-use assets	Lease liabilities	Liabilities on pension obligations	Surplus values	Unutilized tax losses	Other	Total
<b>Opening balance, January 1</b>	-2,666	-499	536	248	-181	16	52	-2,494	-2,195	—	—	137	-192	42	1,042	-1,167
Adjustment to the opening balance	—	—	—	—	—	—	—	—	—	-563	591	—	—	—	-28	—
Changes in profit or loss	-158	-93	97	-19	47	78	19	-29	-327	77	-69	128	38	-32	-752	-937
Changes in other comprehensive income	—	—	—	9	—	—	141	150	—	—	—	-29	—	—	-284	-313
Changes against investment grant	—	—	—	—	—	—	10	10	—	—	—	—	—	—	-22	-22
Increase due to acquisition of businesses	—	—	—	—	-11	—	—	-11	—	—	—	—	-15	—	-5	-20
Translation difference	39	17	-18	—	4	-19	11	35	-144	-13	14	12	-12	6	101	-37
<b>Net closing balance, December 31</b>	<b>-2,785</b>	<b>-575</b>	<b>615</b>	<b>237</b>	<b>-141</b>	<b>76</b>	<b>234</b>	<b>-2,339</b>	<b>-2,666</b>	<b>-499</b>	<b>536</b>	<b>248</b>	<b>-181</b>	<b>16</b>	<b>52</b>	<b>-2,494</b>

### Pillar Two in SSAB

The Group is within the scope of the OECD Pillar Two model rules regarding minimum taxation. In December 2023, the government of Sweden enacted the Pillar II income tax legislation, effective as of December 31, 2023 and applicable for financial years starting as of January 1, 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and a 15% minimum rate. All entities within the Group had an effective tax rate that exceeds 15% in 2023, except for 10 subsidiaries that operate in Bulgaria, Croatia, Hungary, Ireland, Romania, Saudi-Arabia, United Arab Emirates and Uzbekistan.

Based on the figures for 2023, the net results of the entities with an effective tax rate below 15% totaled approximately 6.4% of the Group's net result, of which Ireland accounted for 6.3% with an effective tax rate of 13%. Ireland has announced a change in the statutory tax rate from 12.5% to 15% as of 2024 to comply with the Pillar II regulations. The current assessment is therefore that the implementation of the Pillar II tax legislation is expected to have minor effects on the Group's total income tax expense and effective tax rate. However, due to the complexities in applying the legislation and calculating GloBE income, and to the fact that the rules have yet to be implemented in some other

jurisdictions, the quantitative impact of the enacted, or substantively enacted, legislation cannot yet be properly estimated. Thus, even entities currently having an effective tax rate above 15% might still be impacted by the Pillar II legislation and top-up tax may apply. The Group continues to closely monitor the implementation and effects of the Pillar II rules.

## E.1 Income taxes, cont.

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### Deferred tax

The Group conducts operations in several countries, which increases complexity in determining deferred tax receivables and liabilities, and material assessments and assumptions are required to determine the value of the deferred tax receivables and liabilities on the balance sheet date. The company must assess the probability of utilizing the deferred tax receivables to offset future taxable profits. Future changes in taxation legislation and trends in the business environment will impact the Company's future taxable profits and thus the possibility to utilize deferred tax receivables on loss carry-forwards and other temporary differences. A change in the probability assessment of future taxable profits could have either a positive or negative effect on the Group's result for the year. Key assessments and assumptions are also made regarding recognition of provisions and contingent liabilities relating to tax risks.

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### Income taxes

The Group continuously evaluates the claims made in income tax returns regarding situations where applicable tax rules are subject to interpretation and assess whether it is probable that a tax authority will accept an uncertain tax treatment. The Group values the reported taxes either based on the most probable amount or the expected value depending on which method best predicts the outcome of the uncertainty.

### Deferred tax

Temporary differences that give rise to deferred tax receivables and liabilities arise primarily through accelerated depreciation of fixed assets, profits from intra-group inventory transactions, untaxed tax allocation reserves, leasing contracts, unutilized losses carried forward, as well as fair value adjustments relating to business combinations.

The Group applies the IAS 12 temporary exception, and does not recognize or disclose information on deferred taxes related to Pillar Two income taxes.

## E.2 Acquisitions and divestments

### Acquisitions

During 2023, Tibnor acquired 100% of the shares in the Swedish entity Stålshoppen i Örebro AB with revenue of SEK 34 million in 2022. During 2023, Ruukki Construction acquired 70% of the shares in the Swedish entity Design tak i Småland AB. The company's revenue was of SEK 44 million in 2022. SSAB Special Steel acquired the Swedish entity LaserTool i Blekinge AB, with revenue of SEK 4 million in 2022.

The purchase price for these acquisitions amounted to SEK 65 million and the fair value of net assets amounted to SEK 65 million. The cash and cash equivalents for the Group was affected by SEK -52 million.

During 2022, Tibnor acquired 100% of the shares in the Swedish entities Swestål AB, Swe Distribution & Logistik AB, Askims Rostfria Stål and Imero Höglund. Tibnor also acquired 100% of the shares in the Finnish entity TM Rauta Oy. During 2022, Ruukki Construction acquired 90% of the shares in Dala-Profil AB in Sweden as well as 100% of the shares in Poimukate Oy, including 40% of the shares in Eliittikatot Oy, and 60% of the shares in Vimpelin Listapalvelu Oy in Finland.

The purchase price for these acquisitions amounted to SEK 539 million, fair value of net assets amounted to SEK 384 million. The cash and cash equivalents for the Group was affected by SEK -433 million.

### Divestments

In 2023, SSAB divested G & G Mining Fabrication Pty Ltd, Australia. The transaction price was SEK 69 million, and the divested net assets amounted to SEK 63 million. The cash and cash equivalents for the Group was affected by SEK 61 million.

No divestments took place in 2022.

## E.3 SSAB subsidiaries

Subsidiaries directly owned by SSAB AB are marked with \*

Name	*	Office	Ownership %
Askims Rostfria Stål AB		Sweden	100
BevakningsAB Företagsskydd		Sweden	100
Borlänge Handelsstål AB		Sweden	100
Dala-Profil AB		Sweden	100
Designtak i Småland AB		Sweden	70
EO Stål AB		Sweden	90
Förvaltnings AB Tegelhögen		Sweden	100
Göteborgs Stål AB		Sweden	100
Handelsstålgruppen i Sverige AB		Sweden	100
Imero Höglund AB		Sweden	100
LaserTool i Blekinge AB		Sweden	100
Linköpings Stål AB		Sweden	100
Mjölby Handelsstål AB		Sweden	100
Norrbotten Stål AB		Sweden	100
Norrköpings Handelsstål AB		Sweden	100
Plannja AB	*	Sweden	100
Plannja Siba AB		Sweden	100
Plannja Steinwalls AB		Sweden	100
Plåtdepån i Borlänge AB		Sweden	100
Ruukki Sverige AB		Sweden	100
Smålands Stål AB		Sweden	100
SSAB Americas Holding AB	*	Sweden	100
SSAB APAC Holding AB	*	Sweden	100
SSAB EMEA AB	*	Sweden	100
SSAB Europe SSC AB		Sweden	100
SSAB Nordic Steel AB		Sweden	100
SSAB Technology AB	*	Sweden	100
Stålshoppen i Örebro AB		Sweden	100
Sundsvalls Stål AB		Sweden	100

Name	*	Office	Ownership %
Swe Distribution & Logistik AB		Sweden	100
Swestål AB		Sweden	100
Tappers Stål & Metaller AB		Sweden	100
Tibnor AB	*	Sweden	100
Tibnor Lanna AB		Sweden	100
SSAB Swedish Steel Lda		Angola	100
SSAB Argentina SRL		Argentina	100
SSAB Swedish Steel Pty Ltd.		Australia	100
SSAB Hardox Stahl GmbH		Austria	100
Abraservice Belgium SA		Belgium	100
SSAB Swedish Steel Comércio Aço Ltda.		Brazil	100
SSAB Bulgaria Ltd		Bulgaria	100
SSAB Central Inc.	*	Canada	100
SSAB Swedish Steel Ltd		Canada	100
SSAB Swedish Steel Aceros de Chile Limitada		Chile	100
SSAB Swedish Steel (China) Co., Ltd.		China	100
SSAB Swedish Steel Int. Trade (Kunshan) Co		China	100
SSAB Swedish Steel Ltd. Shanghai		China	100
SSAB Swedish Steel Strip Products INT Trade (Kunshan)		China	100
SSAB Columbia S.A.S.		Colombia	100
SSAB Adriatic d.o.o.		Croatia	100
Abraservice CZ Sro		Czech Republic	100
Ruukki CZ s.r.o.		Czech Republic	100
SSAB Swedish Steel s.r.o.		Czech Republic	100
Plannja A/S		Denmark	100
SSAB Danmark A/S		Denmark	100
SSAB Holding Danmark A/S		Denmark	100
Tibnor AS		Denmark	100
SSAB Egypt LLC		Egypt	100

Name	*	Office	Ownership %
Rannila Üü		Estonia	100
Rautaruukki Üü		Estonia	100
Ruukki Products AS		Estonia	100
SSAB Swedish Steel Eesti OU		Estonia	100
Tibnor Estonia AS		Estonia	100
Metform Oy		Finland	100
Piristeel Oy		Finland	100
Poimukate Oy		Finland	100
Presteel Oy		Finland	80
Rautaruukki Oyj		Finland	100
Ruukki Construction Oy		Finland	100
SSAB Europe Oy		Finland	100
Tibnor Oy		Finland	100
TM Rauta Oy		Finland	100
Vimpelin Listapalvelu Oy		Finland	60
Abraservice France SAS		France	100
Abraservice Holding SAS		France	100
Foncière Saint-Marcel		France	100
MS Cité SARL		France	100
Abraservice Deutschland GmbH		Germany	100
Abraservice UK		Great Britain	100
Hardox Wearparts Center Stirling Ltd.		Great Britain	100
Ruukki UK Ltd		Great Britain	100
SSAB Swedish Steel Ltd. UK		Great Britain	100
SSAB Swedish Steel Mepe		Greece	100
SSAB Swedish Steel, Hong Kong		Hong Kong	100
SSAB Swedish Steel Trading Kft		Hungary	100
SSAB Swedish Steel Trading Ltd, Ungern		Hungary	100
Ruukki Metals Trading & Marketing India Private Limited		India	100
SSAB Swedish Steel India PVT Ltd		India	100
SSAB Swedish Steel Indonesia		Indonesia	100
SSAB Finance Ireland	*	Ireland	100
SSAB Israel Ltd		Israel	100
Abraservice Italia SpA		Italy	100
SSAB Swedish Steel Spa		Italy	100

Name	*	Office	Ownership %
SSAB Swedish Steel, Japan		Japan	100
SSAB Swedish Steel LLP		Kazakhstan	100
SSAB Swedish Steel Ltd		Korea	100
Tibnor Latvia SIA		Latvia	100
UAB Tibnor		Lithuania	100
SSAB Swedish Steel Sdn Bhd		Malaysia	100
Swedish Steel AB Mexico Sa De CV		Mexico	100
SSAB Swedish Steel SARL		Morocco	100
Abraservice Nederland BV		The Netherlands	100
Geha Beheer BV		The Netherlands	100
Ruukki Finance B.V.		The Netherlands	100
Ruukki Holding B.V.		The Netherlands	100
SSAB Swedish Steel BV		The Netherlands	100
Plannja A/S		Norway	100
Ruukki Building Components AS		Norway	100
Tibnor AS		Norway	100
SSAB Swedish Steel Pakistan (Private) Limited		Pakistan	100
SSAB Oxelösund AB Sucursal Del		Peru	100
SSAB Swedish Steel Philippines Inc		Philippines	100
Abraservice Polska Sp. z.o.o.		Poland	100
Ruukki Polska Sp.z.o.o.		Poland	100
SSAB Poland Sp.z.o.o., Poland		Poland	100
TM-Rauta Sp.z.o.o.		Poland	100
Abraservice Portugal LDA		Portugal	100
SSAB Swedish Steel Lda		Portugal	100
Ruukki Romania S.R.L.		Romania	100
SC Plannja SRL, Romania		Romania	100
SSAB Swedish Steel SRL		Romania	100
SSAB Swedish Steel India CIS		Russia	100
SSAB Saudi Factory LLC		Saudi Arabia	100
SSAB Swedish Steel d.o.o.		Serbia	100
SSAB Swedish Steel Pte Ltd.		Singapore	100
Ruukki Slovakia s.r.o.		Slovakia	100
SSAB South Africa Pty Ltd		South Africa	100
Abraservice Ibérica INT, SAU		Spain	100

Name	*	Office	Ownership %
SSAB Swedish Steel Taiwan Ltd.		Taiwan	100
SSAB Swedish Steel (Thailand) Co. Ltd.		Thailand	49
Abraservice Özel Celik Ltd Si		Türkiye	100
LLC Ruukki Investment Ukraine		Ukraine	100
LLC Ruukki Ukraine		Ukraine	100
SSAB Swedish Steel LLC		Ukraine	100
SSAB Swedish Steel FZE		United Arab Emirates	100
SSAB Alabama Inc.		USA	100
SSAB Construction Inc.		USA	100
SSAB Enterprises LLC		USA	100
SSAB Inc		USA	100
SSAB Iowa Inc.		USA	100
SSAB Minnesota Inc.		USA	100
SSAB Sales Inc.		USA	100
SSAB Texas Inc.		USA	100
SSAB US Holding Inc.	*	USA	100
SSAB Wear Solutions LLC		USA	100
SSAB Swedish Steel LLC		Uzbekistan	100

## E.4 Pledged assets and contingent liabilities

### Pledged assets

SEK millions	2023	2022
Real property mortgages	30	30
Restricted funds	15	30
Other pledged assets	3	7
<b>Total</b>	<b>48</b>	<b>68</b>

### Other commitments and contingent liabilities

SEK millions	2023	2022
Contingent liabilities regarding subsidiaries' obligations	211	371
Other contingent liabilities	605	646
Other commitments	4,546	4,211
<b>Total</b>	<b>5,362</b>	<b>5,228</b>

The Group's contingent liabilities for subsidiaries' obligations are primarily related to bank guarantees and performance guarantees. The Group's other contingent liabilities consist mainly of guarantees on liabilities of associated companies for which the Group has individual responsibility as well as unrecognized pension obligations. Other commitments relate mainly to forward contracts for emission rights.

### Conditions not reported as contingent liability

The Group is involved in a very limited number of legal disputes concerning insurance and warranty matters, as well as complaints. The anticipated outcome of these cases has been taken into consideration in the accounting.

SSAB's fully owned subsidiary SSAB EMEA AB has a 50% holding in Oxelösunds Hamn AB. A legal process was underway since 2017 when Swedish Customs had imposed specific purchase taxes and VAT on imports. During 2022 Oxelösunds Hamn paid SEK 245 million to Swedish Customs and SSAB EMEA AB compensated the payment to Oxelösunds Hamn.



## Parent company statements

### Parent company's statement of profit or loss

SEK million	Note	2023	2022
<b>Gross profit</b>		-	-
Selling and administrative expenses	3	-638	-485
Other operating income/expenses	2	370	274
<b>Operating result</b>		<b>-268</b>	<b>-210</b>
Result from shares in subsidiaries and affiliated companies	5	9,123	16,261
Financial income and expenses	5	1,042	711
<b>Result after financial items</b>		<b>9,897</b>	<b>16,762</b>
Appropriations	6	65	-
<b>Result before tax</b>		<b>9,962</b>	<b>16,762</b>
Income taxes	7	-16	-60
<b>Result for the year</b>		<b>9,946</b>	<b>16,702</b>

### Parent company's statement of comprehensive income

SEK millions	Note	2023	2022
<b>Result for the year</b>		<b>9,946</b>	<b>16,702</b>
<b>Other comprehensive income</b>			
<i>Items that may be subsequently reclassified to the profit or loss</i>			
Cash flow hedges		-61	116
Income tax attributable to cash flow hedges	7	13	-24
<b>Other comprehensive income</b>		<b>-49</b>	<b>92</b>
<b>Total comprehensive income for the year</b>		<b>9,897</b>	<b>16,794</b>

**Parent company's statement of financial position**

SEK millions	Note	Dec 31 2023	Dec 31 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible fixed assets	8	36	40
Tangible fixed assets	8	—	1
Shares in subsidiaries and other companies	9	66,552	66,533
Non-current receivables from subsidiaries	10	9,677	4,668
Other non-current receivables	10	187	670
Deferred tax receivables	7	6	17
<b>Total non-current assets</b>		<b>76,458</b>	<b>71,929</b>
<b>Current assets</b>			
Current receivables from subsidiaries	10	2,770	8,852
Current tax receivables		38	11
Other current receivables	10	292	919
Cash and cash equivalents	11	27,398	23,026
<b>Total current assets</b>		<b>30,499</b>	<b>32,808</b>
<b>TOTAL ASSETS</b>		<b>106,957</b>	<b>104,738</b>

SEK millions	Note	Dec 31 2023	Dec 31 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
• Share capital		9,063	9,063
• Statutory reserve		902	902
Unrestricted equity			
• Retained earnings		55,248	48,901
• Profit for the year		9,946	16,702
<b>TOTAL EQUITY</b>		<b>75,157</b>	<b>75,567</b>
<b>Provisions</b>			
Liabilities on pension obligations		4	1
Non-current provisions	12	61	48
Deferred tax liabilities		7	27
<b>Total provisions</b>		<b>78</b>	<b>77</b>
<b>Non-current liabilities</b>			
Non-current liabilities to subsidiaries	13	132	540
Other non-current liabilities	13	4,136	3,995
<b>Total long-term liabilities</b>		<b>4,268</b>	<b>4,535</b>
<b>Current liabilities</b>			
Current provisions	12	15	13
Current liabilities to subsidiaries	13	25,629	21,948
Current tax liabilities		94	129
Other current liabilities	13	1,715	2,469
<b>Total current liabilities</b>		<b>27,453</b>	<b>24,559</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>106,957</b>	<b>104,738</b>

**Parent company's statement of changes in equity**

SEK millions	2023							2022						
	Restricted equity			Unrestricted equity				Restricted equity			Unrestricted equity			
	Share capital	Statutory reserve	Share premium	Reserve for fair value	Retained earnings	Result for the year	Total	Share capital	Statutory reserve	Share premium	Reserve for fair value	Retained earnings	Result for the year	Total
<b>Equity, January 1</b>	9,063	902	22,469	103	26,330	16,702	75,567	9,063	902	22,469	11	31,485	252	64,180
Cash flow hedges	-	-	-	-61	-	-	-61	-	-	-	116	-	-	116
Income taxes on cash flow hedges	-	-	-	13	-	-	13	-	-	-	-24	-	-	-24
Profit for the year	-	-	-	-	-	9,946	9,946	-	-	-	-	-	16,702	16,702
<b>Total comprehensive income for the year</b>	-	-	-	-49	-	9,946	9,897	-	-	-	92	-	16,702	16,794
Retained earnings from previous year	-	-	-	-	16,702	-16,702	-	-	-	-	-	252	-252	-
Dividend to shareholders	-	-	-	-	-8,959	-	-8,959	-	-	-	-	-5,406	-	-5,406
Purchases of own shares	-	-	-	-	-1,347	-	-1,347	-	-	-	-	-	-	-
<b>Equity, December 31</b>	<b>9,063</b>	<b>902</b>	<b>22,469</b>	<b>54</b>	<b>32,725</b>	<b>9,946</b>	<b>75,158</b>	<b>9,063</b>	<b>902</b>	<b>22,469</b>	<b>103</b>	<b>26,330</b>	<b>16,702</b>	<b>75,567</b>

For more information on the share buyback program and treasury shares, see note D.7 to the consolidated financial statements.

**Parent company's statement of cash flows**

SEK millions	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Operating result		-268	-210
<b>Reversal of non-cash items:</b>			
Depreciation of tangible fixed assets	8	6	1
Change in provisions	12	16	-9
Interest received		1,655	910
Interest paid		-1,672	-796
Income tax paid		-67	-9
<b>Cash flow from operating activities before the change in working capital</b>		<b>-329</b>	<b>-112</b>
<b>Change in working capital</b>			
Accounts receivables		-2	4
Accounts payable		-16	27
Other current receivables		984	-788
Other current liabilities		-227	517
Commercial intra-group transactions		-686	225
<b>Cash flow from change in working capital</b>		<b>53</b>	<b>-16</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-275</b>	<b>-128</b>

SEK millions	Note	2023	2022
<b>INVESTING ACTIVITIES</b>			
Investments in intangible/tangible fixed assets	8	-3,346	-2,326
Divestment of intangible/tangible fixed assets	8	3,345	2,270
Dividends from subsidiaries	5	9,893	16,489
Investments/acquisitions affiliated companies and joint venture	9	-20	-79
Other investing activities		1	-1
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>9,873</b>	<b>16,353</b>
<b>FINANCING ACTIVITIES</b>			
Dividend to shareholders		-8,960	-5,406
Purchases of own shares		-1,292	-
Borrowing of new debt	13	2,095	-
Repayment of debt	13	-2,657	-2,177
Financial investments		-1	906
Financial intra-group transactions		5,155	488
Other financing activities		-297	3,576
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-5,956</b>	<b>-2,614</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Balance, January 1		23,026	12,031
Cash flow from operating activities		-275	-128
Cash flow from investing activities		9,873	16,353
Cash flow from financing activities		-5,956	-2,614
Currency effects, cash and cash equivalents		729	-2,615
<b>CASH AND CASH EQUIVALENTS, December 31</b>	11	<b>27,398</b>	<b>23,026</b>
Contracted, non-utilized overdraft facilities		8,239	10,258
<b>DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)</b>		<b>35,637</b>	<b>33,284</b>

# Parent company notes

## 1. Accounting Principles

The parent company applies the same accounting principles as the Group, except for the items stated below. These differences between the principles applied by the parent company and the Group result from limitations to apply IFRS to the parent company due to the provisions of the Swedish Annual Reports Act and the Swedish Pension Obligations (Security) Act, and also, in certain cases, for tax reasons. In addition, the Swedish Corporate Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, has been applied.

**Affiliated companies and joint arrangements:** In the parent company, affiliated companies and joint ventures are reported in accordance with the acquisition value method.

**Leases – lessee:** In the parent company, all lease agreements are recognized as a straight-line cost over the lease term.

**Pensions:** The parent company reports benefit-based pension plans in accordance with the local rules.

**Dividends:** An anticipated dividend is reported when the parent company is exclusively entitled to decide on the amount of the dividend and has decided prior to the balance sheet date on the amount of the dividend and ascertained that the dividend will not exceed the dividend capacity of the subsidiary.

**Group contributions:** Group contributions received and provided, and the tax consequences thereof, are reported as a transfer to untaxed reserves, and the tax effect as a tax expense/income in the statement of profit or loss.

## 2. Other operating income

SEK millions	2023	2022
Government grants	6	5
Net exchange differences	4	2
Other items	364	270
<b>Total</b>	<b>374</b>	<b>277</b>

## 3. Operating expenses

SEK millions	2023	2022
Compensation to employees	301	229
Services	225	149
Depreciation/amortization	6	1
Other items	110	107
<b>Total</b>	<b>642</b>	<b>487</b>

### Audit fees and related services

SEK millions	2023	2022
<b>Ernst &amp; Young</b>		
Audit fees	7	5
Audit related services	1	2
Other services	1	0
<b>Total Ernst &amp; Young</b>	<b>9</b>	<b>7</b>

## 4. Compensation to employees

SEK millions	2023	2022
Wages and salaries and other compensation	189	140
Social security expenses	65	45
Pension expenses	47	44
<b>Total</b>	<b>301</b>	<b>229</b>

## 5. Financial income and expenses

SEK millions	2023	2022
<b>Result from subsidiaries and affiliated companies</b>		
Dividends from subsidiaries	9,893	16,489
Dividends from affiliated companies	1	1
Interest income from subsidiaries	602	382
Interest expense to subsidiaries	-1,373	-611
<b>Total result from subsidiaries and affiliated companies</b>	<b>9,123</b>	<b>16,261</b>
<b>Other financial items</b>		
Interest income on receivables at amortized cost	994	226
Interest income on derivative instruments	67	69
Interest expenses on liabilities at amortized cost	-246	-181
Net exchange differences	255	635
Other items	-29	-38
<b>Total result from other financial items</b>	<b>1,042</b>	<b>711</b>
<b>Total net financial income and expenses</b>	<b>10,165</b>	<b>16,972</b>

## 6. Appropriations

SEK millions	2023	2022
Group contributions received	65	-
<b>Total</b>	<b>65</b>	<b>-</b>

## 7. Income taxes

SEK millions	2023	2022
Current tax expenses	5	96
Deferred tax expenses (+) / income (-)	11	-36
<b>Total tax expenses in the statement of income</b>	<b>16</b>	<b>60</b>
<b>Total tax expenses (+) / income (-) in other comprehensive income</b>	<b>-13</b>	<b>24</b>

### Effective tax rate reconciliation

%	2023	2022
Applicable tax rate in Sweden	20.6	20.6
<b>Tax effect of:</b>		
Non-taxable income	-20.5	-20.3
Taxes related to prior periods	0.1	0.0
<b>Effective tax rate</b>	<b>0.2</b>	<b>0.4</b>

### Change in net deferred tax receivables (+) / liabilities (-)

SEK millions	Pensions obligations	Other items <sup>1)</sup>	Total
<b>Opening balance, January 1</b>	166	-174	-9
Recognized in statement of income	-11	-	-11
Recognized in other comprehensive income	-	13	13
<b>Net closing balance, December 31</b>	<b>154</b>	<b>-162</b>	<b>-8</b>

### 2022

<b>Opening balance, January 1</b>	32	-52	-20
Recognized in statement of income	134	-98	36
Recognized in other comprehensive income	-	-24	-24
<b>Net closing balance, December 31</b>	<b>166</b>	<b>-174</b>	<b>-9</b>

1) Other items mainly relate to valuation of derivatives.

## 8. Intangible assets and tangible fixed assets

SEK millions	2023				2022			
	Emission rights	Software	Total intangible assets	Total tangible fixed assets	Emission rights	Software	Total intangible assets	Total tangible fixed assets
Acquisition values, January 1	–	45	45	12	–	11	11	12
Acquisitions	3,345	1	3,346	–	2,270	56	2,326	–
Divestments and disposals	-3,345	–	-3,345	–	-2,270	–	-2,270	–
Reclassifications	–	–	–	–	–	-22	-22	–
Acquisition values, December 31	–	46	46	12	–	45	45	12
Accumulated depreciation/amortization, January 1	–	5	5	12	–	4	4	11
Depreciation/amortization for the year	–	6	6	1	–	1	1	1
Accumulated depreciation/amortization, December 31	–	10	10	12	–	5	5	12
Book value, December 31	–	36	36	0	–	40	40	1

Tangible fixed assets consist of equipment, fixtures and fittings.

## 9. Shares in subsidiaries and other companies

SEK millions	2023				2022			
	Shares in subsidiaries	Shares in affiliated companies	Other shares	Total	Shares in subsidiaries	Shares in affiliated companies	Other shares	Total
Book value, January 1	65,978	547	8	66,533	65,978	488	8	66,474
Investments	–	20	–	20	–	59	–	59
Divestments	-1	–	–	-1	–	–	–	–
Book value, December 31	65,977	567	8	66,552	65,978	547	8	66,533

Subsidiaries and affiliated companies directly owned by the parent company are presented in the notes E.3 and B.5 to the consolidated financial statements.

## 10. Receivables

SEK millions	2023	2022
<b>Non-current receivables from subsidiaries</b>		
Loan receivables	9,634	4,668
Derivative assets	43	-
<b>Total non-current receivables from subsidiaries</b>	<b>9,677</b>	<b>4,668</b>
<b>Other non-current receivables</b>		
Derivative assets	187	669
Other items	1	1
<b>Total other non-current receivables</b>	<b>187</b>	<b>670</b>
<b>Current receivables from subsidiaries</b>		
Loan receivables	2,387	8,419
Group contribution receivables	65	-
Accrued interest income	43	28
Accounts receivable	47	182
Derivative assets	228	223
<b>Total current receivables from subsidiaries</b>	<b>2,770</b>	<b>8,852</b>
<b>Other current receivables</b>		
Accounts receivable and other receivables	6	228
Accrued income and prepaid expenses	103	107
Derivative assets	184	584
<b>Total other current receivables</b>	<b>292</b>	<b>919</b>

## 11. Cash and cash equivalents

SEK millions	2023	2022
Cash and bank balances	15,561	7,747
Short-term investments with maturity of less than 3 months	11,837	15,279
<b>Total</b>	<b>27,398</b>	<b>23,026</b>

## 12. Provisions

### Personnel-related provisions

SEK millions	2023	2022
<b>Opening balance, January 1</b>	<b>61</b>	<b>70</b>
Additional provisions	27	5
Utilized during the year	-13	-14
<b>Closing balance, December 31</b>	<b>76</b>	<b>61</b>
Non-current provisions	61	48
Current provisions	15	13
<b>Total</b>	<b>76</b>	<b>61</b>

## 13. Liabilities

SEK millions	2023	2022
<b>Non-current liabilities to subsidiaries</b>		
Loan payables	–	1
Derivative liabilities	132	540
<b>Total non-current liabilities to subsidiaries</b>	<b>132</b>	<b>540</b>
<b>Other non-current liabilities</b>		
Capital market debt	4,093	3,995
Derivative liabilities	43	–
<b>Total other non-current liabilities</b>	<b>4,136</b>	<b>3,995</b>
<b>Current liabilities to subsidiaries</b>		
Loan payables	25,459	21,369
Accrued interest expense	–	42
Accounts payable	-4	65
Derivative liabilities	174	471
<b>Total current liabilities to subsidiaries</b>	<b>25,629</b>	<b>21,948</b>
<b>Other current liabilities</b>		
Current portion of non-current capital market debt	1,124	1,667
Accounts payable and other payables	205	406
Accrued expenses and prepaid income	153	116
Derivative liabilities	234	281
<b>Total other current liabilities</b>	<b>1,715</b>	<b>2,469</b>

Outstanding capital market debt	Nominal interest rate, %	2023	2022
<b>SEK millions</b>			
<b>Capital market debt (fixed interest)</b>			
2019–2028 SEK	2.75	1,515	599
2009–2023 EUR	2.87	–	1,667
<b>Total capital market debt (fixed interest)</b>		<b>1,515</b>	<b>2,266</b>
<b>Capital market debt (variable interest)</b>			
2019–2028 SEK	Stibor + 1.85–3.40	3,702	3,396
<b>Total capital market debt (variable interest)</b>		<b>3,702</b>	<b>3,395</b>
<b>Total capital market debt</b>		<b>5,217</b>	<b>5,661</b>
<b>Repayment of capital market debt</b>			
<b>SEK millions</b>		<b>2023</b>	<b>2022</b>
Within 1 year		1,124	1,667
Within 1–2 years		–	1,998
Within 2–3 years		1,998	1,997
Within 3–4 years		–	–
Within 4–5 years		2,098	–
<b>Total</b>		<b>5,220</b>	<b>5,661</b>
<b>Borrowing per currency</b>			
<b>SEK millions</b>		<b>2023</b>	<b>2022</b>
SEK		5,217	3,995
EUR		–	1,667
<b>Total</b>		<b>5,217</b>	<b>5,661</b>
<b>Of which:</b>			
Capital market debt		5,217	5,661

## 14. Financial risk management

Financial risk management is governed by the Group's Directive of Financial Risk Management, which defines the responsibilities, processes and other principles of financial risk management. The objectives for financial risk management are to reduce volatility in the Group's earning and ensure sufficient liquidity for the Group's operations. Most financial transactions take place through the parent company's treasury function in Stockholm, Sweden and through SSAB Finance Ireland in Ireland. More information on financial risk management can be found in the Board of Directors' Report and in the notes to the consolidated financial statements: in relation to market risks and counterparty risks in note D.3 and in relation to liquidity and refinancing risk in note D.2.

The parent company may incur credit losses related to its receivables from other Group companies. These receivables are mainly loan receivables that relate to the parent company's role to provide financing to its subsidiaries, and they are analyzed for expected credit losses. Receivables were not impaired due to expected credit losses in 2023 nor in 2022.

## 15. Leases

SEK millions	2023	2022
Minimum lease payment, operational lease	29	25
<b>Maturity of lease liabilities, undiscounted</b>		
SEK millions	2023	2022
Within 1 year	20	18
Within 1–2 years	17	18
Within 2–3 years	–	15
<b>Total</b>	<b>37</b>	<b>52</b>

## 16. Pledged assets and contingent liabilities

SEK millions	2023	2022
Pledged assets		
Restricted funds	0	–
<b>Other commitments and contingent liabilities</b>		
Contingent liabilities regarding subsidiaries' obligations	2,382	2,629
Other commitments and contingent liabilities	4,297	3,962
<b>Total</b>	<b>6,679</b>	<b>6,591</b>

Contingent liabilities regarding subsidiaries' obligations relate mainly to guarantees for subsidiaries' loans. Other commitments and contingent liabilities consist mainly of forward contracts for emission rights and unrecognized pension obligations.

# Proposed allocation of profit

The amount at the disposal of the Annual General Meeting of SSAB AB (publ), reg. no. 556016-3429 is as follows:

Retained earnings	55,248
Result for the year	9,946
<b>SEK millions</b>	<b>65,194</b>

Of this, a share premium reserve comprises SEK 22,469 million and a fair value reserve SEK 54 million.

The Board of Directors and the President propose that the profit be allocated as follows:

Dividend to the shareholders, SEK 5.00 <sup>1)</sup>	5,149
Carried forward to next year	60,045
<b>SEK millions</b>	<b>65,194</b>

1) Final amount will be calculated based on the number of shares outstanding after the completion of the share buyback program.

According to the consolidated statement of financial position, the Group's retained earnings amounted to SEK 21,993 (19,149) million.

The Board of Directors and the President hereby affirm that the consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a fair and true view of the parent company's financial position and earnings. The Board of Directors' Report for the Group and the parent company provides a true and fair overview of the development of the operations, financial position and earnings of the Group and parent company and describes material risks and uncertainty factors facing the parent company and the companies included in the Group.

The Annual and Sustainability Report and the consolidated financial statements have been approved for publication by the Board of Directors on March 5, 2024.

The Annual Report also contains the Group's and parent company's sustainability reporting in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, see page 103.

Stockholm, March 5, 2024

**Lennart Evrell**

Chair

**Petra Einarsson**

Director

**Bernard Fontana**

Director

**Marie Grönborg**

Director

**Tomas Karlsson**

Director

**Mikael Mäkinen**

Director

**Sven-Erik Rosén**

Director

**Patrick Sjöholm**

Director

**Maija Strandberg**

Director

**Martin Lindqvist**

President and CEO

Our auditor's report was submitted on March 5, 2024

Ernst & Young AB

**Rickard Andersson**

Authorized public accountant

# Auditor's report

To the general meeting of the shareholders of SSAB AB,  
corporate identity number 556016-3429.

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of SSAB AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 92–179 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities as described in the section Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

**Valuation of tangible fixed assets****Description**

As of December 31 2023, tangible fixed assets amount to SEK 27,341 million and represent a significant part of SSAB Group's total assets.

In accordance with the information in note C.1, tangible fixed assets are reported at cost after any accumulate depreciation and write-downs. Depreciation is based on the assets cost and estimated useful life. The estimated useful life is largely based on assumptions that significantly affect the reported total value of tangible fixed assets and the size of annual depreciation and write-down costs related to the same.

SSAB is currently in a transition process where they are working to offer fossil-free steel to the market in 2026, and to eliminate its carbon emissions by around the year 2030 by fully transitioning production to fossil-free steel production. A significant part of existing tangible fixed assets will therefore gradually be replaced with new ones suitable for fossil-free steel production. The transition required extensive and regular review as well as assessments regarding useful life in respect of the company's current tangible fixed assets, where management has set milestones (e.g., an investment decision) to revise estimates of the remaining useful life for the assets that will be replaced by the upcoming investments, and identify any write-down needs. Factors that influence the assessment of the remaining useful life include, for example, the order in which plants will be converted and the length of various approval processes. Furthermore, SSAB's operations are affected by the global climate risks and climate changes the world is facing, which also increase the uncertainty regarding future events, which in turn could affect useful lives and valuation of current tangible fixed assets.

Based on the above, we have assessed the valuation of tangible fixed assets as a particularly significant area in our audit.

**How our audit addressed this key audit matter**

Our audit procedures have amongst other procedures included;

- Assessment of the company's process for determining acquisition values, depreciation, write-downs and useful lives.
- Review of assets acquired during the year and estimated useful lives.
- Analysis of the climate risks impact on asset's estimated useful life and the company's evaluation of the same.
- Review of the company's assumptions and forecasts for impairment tests.
- Examination of used discount rate and assumption of long-term growth by comparison with other companies operating in the same industry.
- Assessment of the valuation and calculation models used, aided by our own internal valuation experts.
- Analysis of own sensitivity analyses regarding the company's impairment test.
- Analysis of the reliability of previous years' forecasts by comparing previous years' forecasts to actual outcomes.
- Audit of the disclosed information in the Group annual report.

**Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–91. The remuneration report for financial year 2023 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistakes.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or mistakes, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or mistakes and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or mistakes, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from mistakes, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's

and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of SSAB AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the

Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

- As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's loss we examined whether the proposal is in accordance with the Companies Act.

## The auditor's examination of the ESEF report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for SSAB AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of SSAB AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include validation of that the ESEF report have been established in a valid XHTML-format, and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity, cash flow and notes.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of SSAB AB (publ) by the general meeting of the shareholders on the 6 April 2022 and has been the company's auditor since the 8 April 2019.

Stockholm 5 March, 2024  
Ernst & Young AB

**Rickard Andersson**  
Authorized Public Accountant

# Addresses

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