



**BUSINESS
REVIEW
2015**

SSAB



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SSAB

BUSINESS REVIEW

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SSAB IN BRIEF



SSAB SPECIAL STEELS



SSAB EUROPE



SSAB AMERICAS



TIBNOR



RUUKKI CONSTRUCTION

57 16,000 50

Net sales SEK 57 billion

Number of employees, approximately

Employees in more than 50 countries

SSAB is a highly-specialized global steel company driven by close customer relationships. SSAB develops high-strength steels and provides services for better performance and sustainability.

The company is a leading producer on the global market for Advanced High-Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T), strip, plate and tubular products, as well as construction solutions. SSAB's steels and services help to make end products lighter and increase their strength and lifespan.



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

- SSAB Special Steels – Global steel and service partner in Quenched & Tempered Steels (Q&T) and Advanced High-Strength Steels (AHSS)
- SSAB Europe – Leading Nordic-based steel producer of high-quality strip, plate and tube products
- SSAB Americas – Market-leading North American producer of quality steel plate and coil
- Tibnor – Leading Nordic distributor of steel and non-ferrous metals
- Ruukki Construction – European provider of energy-efficient building and construction solutions

SSAB is listed on Nasdaq OMX Stockholm (Large cap list) and has a secondary listing on Nasdaq OMX Helsinki.

- Headquarters in Stockholm, Sweden
- President & CEO Martin Lindqvist
- SSAB employs approximately 16,000 people in more than 50 countries
- Net sales: SEK 57 billion (SEK 60 billion pro forma in 2014)

WE ARE UNIQUE

- Global leadership in value-added high-strength steels
- Most innovative services and applications
- Home-market leadership in the Nordics and US
- Long-term customer relationships
- Strong end-user focus
- Globally recognized brands

Watch the Hardox video

Watch the Strenx video

SSAB has a cost-efficient and flexible production system. SSAB's production plants in Sweden, Finland and the US have an annual steel production capacity of 8.8 million tonnes.

The company also has capacity to process and finish various steel products in China, Brazil and many other countries.

In Sweden and Finland, production is integrated into a blast furnace process. In the US, electric arc furnaces are used for a scrap-based production process.

MAIN PRODUCTION SITES:

SSAB Europe

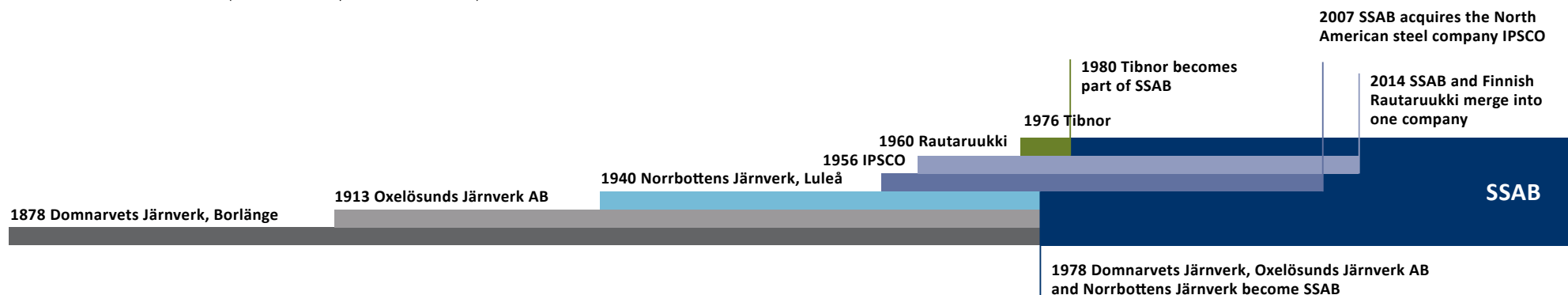
- Borlänge, Sweden
- Hämeenlinna, Finland
- Luleå, Sweden
- Raahe, Finland

SSAB Special Steels

- Oxelösund, Sweden

SSAB Americas

- Mobile, USA
- Montpelier, USA



YEAR 2015 IN BRIEF

KEY FIGURES	2015	2014
Sales, SEK million	56,864	47,752
Operating profit before depreciation/amortization, EBITDA ¹⁾ , SEK million	3,655	3,695
Operating profit/loss ¹⁾ , SEK million	-128	894
Profit/loss after financial items ¹⁾ , SEK million	-1,051	242
Earnings per share, SEK	-0.93	-3.33
Operating cash flow, SEK million	3,874	1,737
Proposed dividend, SEK	0	0
Energy consumption, GWh	8,384	8,792
Carbon dioxide emissions ²⁾ , thousand tonnes	9,606	9,608
Employees ³⁾	16,045	16,887
Lost-time incident frequency (LTIF) ⁴⁾	6.2	6.9

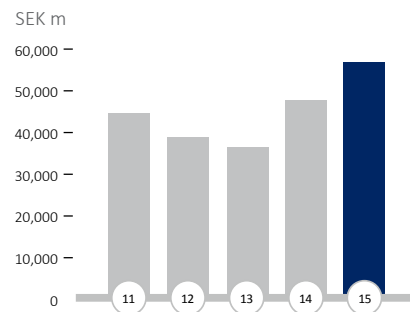
¹⁾ Excluding items affecting comparability

²⁾ Direct emissions from production (Scope 1)

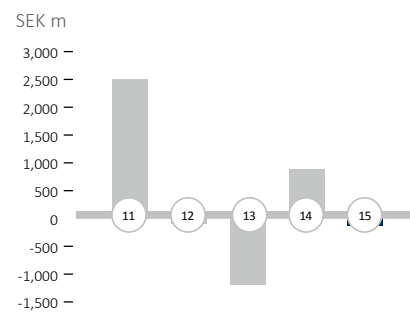
³⁾ Permanent employees at year-end

⁴⁾ Number of accidents resulting in an absence of more than one day per million working hours, own employees

Total sales

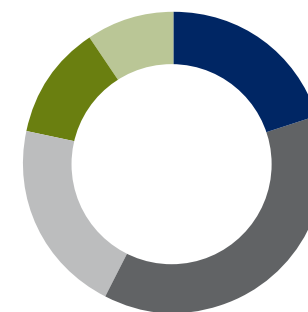
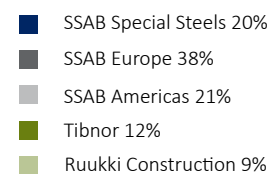


Operating profit/loss¹⁾

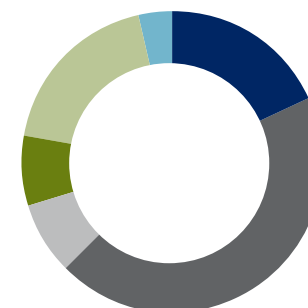
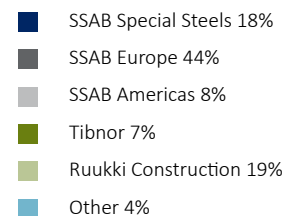


¹⁾ Excluding items affecting comparability

Sales, SEK 56,864 m



Employees¹⁾



¹⁾ Permanent employees at year end

VISION AND VALUES

OUR VISION

SSAB's vision points out the direction for the company's long-term development and the objective toward which the company strives:

a stronger, lighter and more sustainable world.

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

OUR VALUES

Our values are the guiding principles of our company. They shape our culture and characteristics. They serve as a compass for our actions and behavior, and describe what we stand for. Values guide us daily in making the right choices and doing the right things.



CUSTOMER'S BUSINESS IN FOCUS

- We constantly listen to and understand our customers' needs
- We aim to always take an active, long-term interest in our customers' business
- We want to earn our customers' trust
- We want to be our customers' innovation partner



TAKING RESPONSIBILITY

- We build strong, long-lasting relationships by being professional, cooperative and honest
- We keep our promises
- We work safely and responsibly
- We respect people and strive for diversity



EXCEEDING EXPECTATIONS

- We are dedicated, ambitious and proud of what we do
- We are straightforward, results-oriented and quickly take action
- We don't do things that don't create value for our stakeholders
- To achieve top performance, we always challenge ourselves and further enhance our expertise

SSAB IN THE VALUE CHAIN

SSAB's business model is built on fostering close, long-term customer relationships. Through intense collaboration, SSAB continuously develops new products, applications, services and processes in order to improve our customers' performance in sustainability and overall efficiency. Within SSAB's value chain, most value is created in the use phase, as our customers are able to produce lighter and stronger end products with extended lifespan. SSAB aims to reduce the environmental impact of our steel products in every phase of the lifecycle, from raw material extraction to recycling at the end of a product's life.



CAPITALS

FINANCIAL

- Debt
- Equity

PEOPLE

- 16,000 employees in more than 50 countries
- Subcontractors and service providers

NATURAL

- Iron ore pellets, scrap metal, coal and coke
- Other raw materials
- Fuels
- Electricity
- Water

INFRASTRUCTURE

- Steel production sites
- Steel service centers
- Hardox Wearparts network
- Stocks and distribution network
- Sales offices

EXPERTISE AND REPUTATION

- Research and development
- Knowledge in high-strength steels
- Knowledge of customers' applications
- Expertise in technical support
- Brands and brand programs
- Patents

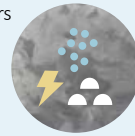
SOCIAL/RELATIONSHIP

- Strong, responsible supplier network
- Global sales network
- Joint innovation projects with customers
- Customer training
- Community engagement
- Industry and government participation



SOURCING

The raw materials used to make iron and steel account for SSAB's most significant purchases. Suppliers must comply both with SSAB's own policies and with international social and environmental guidelines.

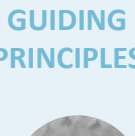


RECYCLING

Steel is a unique material that retains its properties no matter how many times it is recycled. Using recycled steel in steel production increases material efficiency and reduces CO₂ emissions.

PRODUCTION

Operational efficiency, flexibility, environmentally-sound technology and safe work environments are the core of SSAB's production.



GUIDING PRINCIPLES

USE

Through the use of SSAB's high-strength steels, customers are able to manufacture products which use less material, are stronger, lighter and more durable, and reduce costs, thus making customers and their products more competitive.

TRANSPORT

SSAB's business is dependent on efficient transport throughout all the stages of the value chain. SSAB focuses on minimizing our environmental footprint through timely transport and minimized fuel consumption.



SALES

SSAB has an extensive global sales network, which enables close collaboration with customers.



OUTPUTS

Strong, long-term customer relationships

PRODUCTS AND SOLUTIONS

- High-strength steels
- Standard strip and plate products
- Tubular products
- Construction products and solutions

SERVICES

- SSAB Shape steel processing services
- Hardox Wear services
- Technical support
- Innovation support

BY-PRODUCTS

- Residuals for recirculation in own production
- Scrap metal for recycling
- By-products for external use
- Electricity and heat used internally and sold externally

EMISSIONS AND WASTE

- Emissions into air
- Effluent discharge into waterways
- Waste

IMPACTS

ECONOMIC VALUE CREATED AND DISTRIBUTED TO STAKEHOLDERS

- Payments to suppliers of raw materials, goods and services
- Employee wages and benefits
- Dividends, interest payments and financial expenses
- Taxes to the public sector
- Donations and sponsored local activities

SUSTAINABLE OFFERING

- Innovative, sustainable steel applications
- Customers' improved competitiveness
- Reduced impact on the environment through higher penetration rate of high-strength steels globally; end products from less raw materials, with lower weight and fuel consumption, increased load capacity and longer lifespans
- Improved energy efficiency in buildings

SUSTAINABLE OPERATIONS

- A safe and secure work environment for SSAB's employees and contractors
- Conserving natural resources and reducing CO₂ emissions by utilizing residuals and recycled steel as raw materials
- Improved energy efficiency through energy recovery and systematic energy management

RESPONSIBLE PARTNER

- Responsible business practices throughout the supply chain
- Creation of local employment through own operations and local sourcing
- Long-term contracts and relationships with suppliers
- Local sponsorships and internships

CEO'S REVIEW



FOCUS ON EFFICIENCY AND CASH FLOW

The focus for SSAB during 2015 was to manage the impacts of the severe global crisis in the steel industry and to continue to integrate Rautaruukki into SSAB and capture the synergies identified in conjunction with the acquisition. The integration has gone very well. Realization of the synergies is progressing faster than anticipated and the savings will be greater than we originally estimated. We have updated the synergy target to SEK 1.8 billion with annual full run rate from the second half of 2016. The synergies arising from the Rautaruukki acquisition and other ongoing efficiency measures will reduce SSAB's cost base structure by SEK 2.5 billion a year compared with the time the acquisition was completed. In addition, we are carrying out actions and making continuous improvements to reduce our costs and improve our competitiveness.

STRONG CASH FLOW DESPITE A CHALLENGING MARKET ENVIRONMENT

2015 was marked by imbalances on the global steel market. The sharp fall in prices of raw materials such as iron ore and coal impacted negatively on steel prices. This, coupled with a steep increase in steel exports from Asia, contributed to heavy pressure on prices on SSAB's main markets despite stable underlying demand. Profitability in the industry is low and overcapacity both in Europe and Asia is adversely impacting the possibility of achieving a satisfactory return. Although we consider free trade to be important with regard to development of the global steel industry, the current situation of unhealthy competition means measures are called for to preserve the steel industry in Europe and North America.

After a strong first quarter, SSAB's earnings trend turned negative for the rest of the year. Earnings were primarily affected by tough market conditions but also the costs relating to investments in the blast furnace system. EBITDA, excluding items affecting comparability, totaled SEK 3.7 billion and operating profit was SEK -128 million. SSAB Americas and SSAB Europe reported lower earnings year on year, whereas SSAB Special Steels' earnings were at the same level as for 2014. Despite poor earnings performance, we delivered a strong net cash flow of SEK 2.3 billion, which enabled us to reduce the debt/equity ratio. In a weak market climate, SSAB has the advantages of considerable production flexibility, which enables positive cash flow even during periods of low demand.

WORLD-CLASS BLAST FURNACE SYSTEM

During 2015, we completed capital expenditure projects in our blast furnaces in Luleå (Sweden) and Raahe (Finland) to increase efficiency and reduce our environmental footprint. The blast furnace in Luleå underwent relining and is now set to continue production for another 15-20 years. In Raahe, a pulverized coal injection system has replaced an earlier heavy fuel oil injection system in the blast furnaces. This will result in more cost-effective steel production. Now that these investments are in place, we have, from an environmental point of view, world-class blast furnaces and greater flexibility to increase or decrease production.

TAKING THE LEAD – SSAB'S STRATEGIC DIRECTION

We have set ourselves the objective of achieving leading profitability in the steel industry. Although we have yet

We will achieve our objective through a combination of efficiency and growth in chosen segments.

to achieve this goal, we are well placed to do so. SSAB has a unique product offering and has strong positions in our home markets. On top of this, we have a unique service offering. We will achieve our objective through a combination of efficiency and growth in chosen segments.

The combination with Rautaruukki has resulted in lower costs and greater flexibility within Nordic strip operations. In North America, we already have a leading cost position, yet year after year we have further reduced costs whilst retaining a market-leading service. During the year, we launched a number of measures within the high-strength steel business to strengthen and clarify our offering through, among other things, a completely new brand platform, which includes our new brand Strenx. Through Strenx, we intend to build up the market's strongest brand of high-strength structural steel in a similar way to what we have done for wear steel through Hardox. We have also strengthened our service offering, not least in aftermarket services – Hardox Wearparts – and have created a new business unit, SSAB Services, which will focus solely on developing and growing SSAB's global service offering.

SUSTAINABILITY TARGETS

To further strengthen our focus on sustainability issues, in 2015 we launched a new sustainability strategy with three focus areas – sustainable offering, sustainable operations and responsible partner. Our measurable environmental targets relate to CO₂ emissions and reductions in energy and waste to be achieved by 2019. SSAB's production processes are already highly carbon-dioxide efficient, but we continue working to further decrease our environmental impact. We have also updated our social responsibility targets, including those related to diversity,

business ethics, compliance with SSAB's Code of Conduct and the follow-up of our supply chain. We aim to be the safest steel company in the world and our objective is zero accidents.

SSAB has been a signatory to the UN's Global Compact for a number of years. This makes clear our responsibility vis à vis the environment, people and communities that are affected by our operations. This report forms part of our communication on how our operations are aligned with Global Compact principles. We will continue to support the UN's Global Compact principles with regard to the environment, human rights, employee conditions and anti-corruption, and work to further integrate these principles into our operations, culture and value chain.

FOCUS ON CASH FLOW IN AN ENVIRONMENT OF UNCERTAINTY

Demand for steel has improved in early 2016 compared to late 2015 and World Steel Association and other industry organizations forecast modest positive growth in Europe and North America during 2016. Despite stable demand, there are many factors of uncertainty surrounding global overcapacity that will take a long time to resolve. In this climate, we will focus on those things we can control – our own cost position, cash flow and our ability to develop unique offerings for our customers. We are nevertheless convinced that we are correctly positioned – the world needs stronger steels. Our position and ability to innovate are decisive for future earnings. Lighter, stronger products of high-strength steel – this is our key contribution to a more sustainable world and the road to leading profitability in the steel industry.

Martin Lindqvist
President and CEO

OPERATING CONTEXT



Steel represents a challenging market. Complex factors govern SSAB's opportunities and risks both in our home markets and further afield. The company carefully and continuously monitors global economic and social development to shape our strategic decisions.

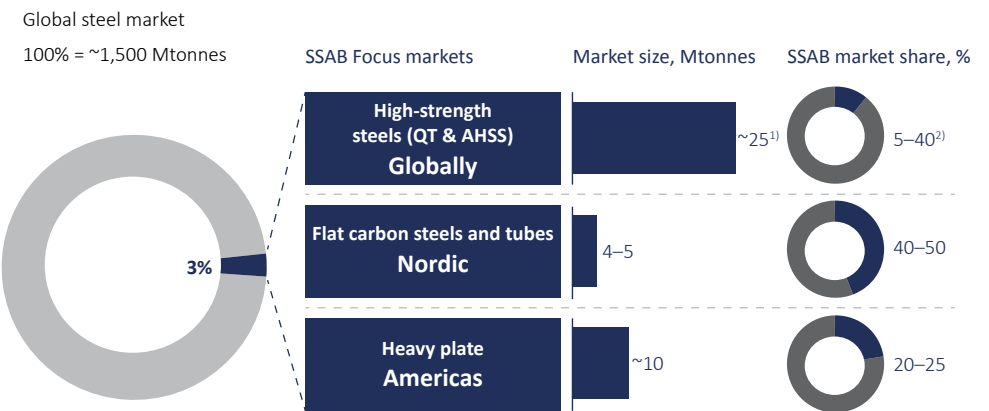
MARKET DEVELOPMENT

Long term, the global steel market is expected to grow 2–3% a year driven by continued GDP growth globally, greater demand from a growing middle class in emerging countries, and by the development of new applications. It is expected that emerging markets in Africa, India and Latin America will offer above-average growth rates, whereas moderate steel demand growth rates are anticipated in industrialized home market regions. In the long term, Chinese demand is expected to remain flat as Chinese economic growth shifts from being less export and infrastructure dependent to becoming more driven by domestic consumption.

Overcapacity will remain the biggest issue for the industry at large, as price pressures exert an increasing influence over the operations of all steel producers. The situation is expected to improve gradually in the years to come, driven by demand growth, a lower rate of new investments in steel capacity and possibly the structural removal of old capacity, particularly in Europe and China.

The shift from standard steels toward high-strength steels is expected to speed up during the next decade. Most steel consumers need to constantly improve the performance of their products and high-strength steels enable lighter and stronger applications. High-strength steels also enable better energy efficiency to the benefit of end users and are essential to meeting tougher environmental requirements.

SSAB is market leader in defined areas of the global steel market



¹⁾ Q&T steels, strip steels ≥ 700MPa

²⁾ Higher share in Q&T in some groups/region

Looking at specific segments, most areas are expected to see stable development in the coming years. The automotive segment has experienced positive growth recently, and the whole light vehicle industry is expected to improve even more in emerging markets. Within construction, developments have been stable, albeit at a low level, and the sector is expected to improve going forward. In mining,

despite current challenges, the fundamentals of long-term demand for high-strength steels remain solid. Development in the energy sector has been impacted by low energy prices, but will be supported by growing populations and increased income per capita in the long term.

GLOBAL MEGATRENDS AND SSAB'S RESPONSE

THE WORLD NEEDS STEEL

IMPLICATIONS	OPPORTUNITIES AND THREATS	SSAB'S RESPONSE
<ul style="list-style-type: none"> Historically, steel consumption has grown in line with GDP Modern society depends on steel. The strong urbanization trend globally will support the demand growth for steel over the next decades Steel has a number of unique characteristics, including excellent recyclability, and has few, if any, substitutes In the short- and mid-term, moderate growth is expected since Chinese demand is anticipated to be slow and at best remain flat 	<ul style="list-style-type: none"> Growth opportunities in emerging markets and in certain segments such as transport and construction equipment (required in developing cities) Slow growth in mature markets Better access to scrap as collection rates increase in emerging markets 	<ul style="list-style-type: none"> Leading global position in high-strength steels, and capturing growth in emerging markets Strong position in segments such as heavy transport and construction machinery – sectors which are activated by urbanization Leading position in home markets

OVERCAPACITY EXERTS A HUGE INFLUENCE

<ul style="list-style-type: none"> China has overinvested in new capacity, while failing to retire older, obsolete production. This has led to overcapacity In Europe, steel production has yet to adapt to the post-financial-crisis level of steel consumption Standard steel has historically been a regional product – but taking global imbalances into account, trade between regions is now substantial Unfair competition may reduce the competitiveness of the EU steel industry – more burdens (taxes, CO₂ expenses, etc.) when compared to the situation for imported steel 	<ul style="list-style-type: none"> Price pressure globally: slowing growth in China forces domestic players to export steel at extremely low prices Risk of an extended period of low profitability in the industry Opportunities to differentiate, in terms of quality, lead times and services 	<ul style="list-style-type: none"> Differentiation – products, services, brands Flexible production set-up in the Nordics – the ability to increase and decrease crude steel capacity with five blast furnaces in the system Protect low-cost model in home markets, synergies from Rautaruukki acquisition. US operations already have a leading cost position in the region Advocacy for free and fair trade – through industry organizations, to protect SSAB's home markets from unfair trading practices
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CUSTOMERS ARE DEMANDING INNOVATION

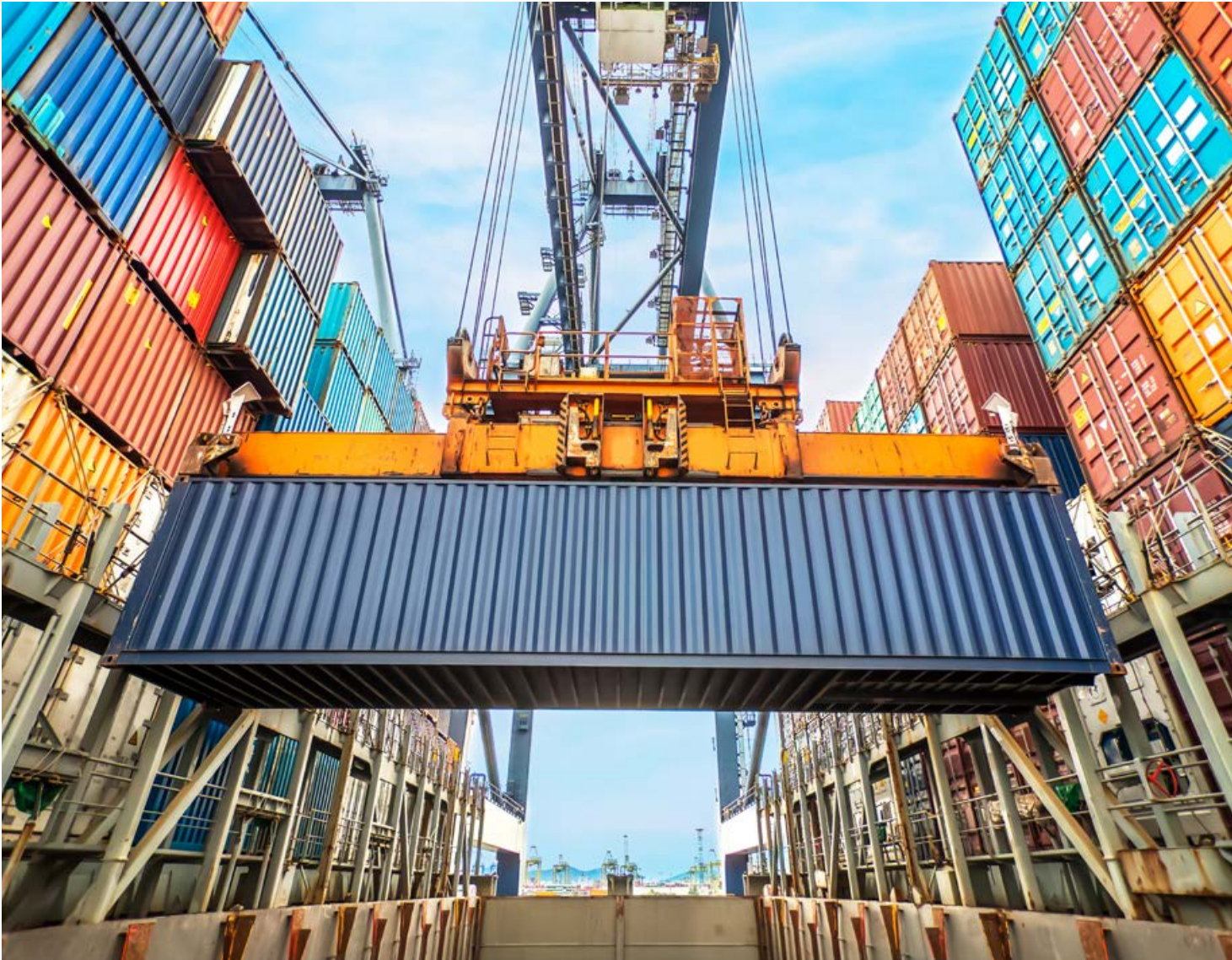
IMPLICATIONS	OPPORTUNITIES AND THREATS	SSAB'S RESPONSE
<ul style="list-style-type: none"> • Speed of innovation – customers need to constantly improve • Productivity – constant pressure across the value chains • Global customers • Heightened expectations in terms of delivery times, order tracking, control over flows, etc. 	<ul style="list-style-type: none"> • Need to improve product performance attributes – constant improvements in qualities and strengths • Competition with other materials, e.g. aluminum • Demand to deliver with short lead times, and an increase in demand for tailored products • Price pressure as customers grow in size 	<ul style="list-style-type: none"> • Constantly improving product performance – special steels like higher yield strength and tougher wear steels • Exerting efforts to help customers in application development – R&D, technical support, Knowledge Service Center • Developing a unique collaboration model with customers • More sales through SSAB's own stocks and service centers, etc.

SUSTAINABILITY TRENDS WILL TRANSFORM THE INDUSTRY

<ul style="list-style-type: none"> • Climate change is a fact and urgent measures are required to mitigate it • To decrease emissions, more efficient use of material and energy resources is critical • As an energy-intensive industry, steel has a large environmental impact • New regulatory requirements are coming into force regionally and globally • Customers need to reduce their environmental footprints 	<ul style="list-style-type: none"> • As customers respond to pressures both from the operational expense perspective and the regulatory sphere, they will need new solutions made from recyclable, more durable and stronger materials • Risk of different regulations for different regions – more pressure for steel production to relocate from Europe to other regions with less stringent regulations • Risk that other materials are favored over steel • Risk that industry does not keep up with external demands on environmental footprints 	<ul style="list-style-type: none"> • Increase the penetration rate of high-strength steels globally – to enable reduced emissions in the product use phase • Educate customers on how to use high-strength steels in more applications, to benefit the environment • Constantly improve environmental performance in production – SSAB is already among the most efficient steel producers in terms of CO₂ • Make sure that as one of the leading steel producers in terms of sustainability, SSAB is treated fairly in new regulations
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OUR STRATEGY



SSAB's strategy is driving us to become the industry-leading producer of high-strength steels globally, the market leader in our home markets and a provider of leading value-added services.

TAKING THE LEAD

SSAB's "Taking the Lead" strategy, first introduced in 2012, continues to drive the strategic decisions and actions of the company. The strategy has been updated for the coming years with renewed targets and areas of focus to align with the company's future goals and growth potential in each market. SSAB's vision – a stronger, lighter and more sustainable world – paves the way forward.

SEK 2.5 bn

"SSAB will reduce costs by SEK 2.5 billion in total, with full effect from 2017 onward."

SSAB'S STRATEGY CENTERS AROUND TWO DIMENSIONS:

1. Where SSAB is heading – core business aspirations

These three elements represent the core business goals for us to be an industry leader in our focus areas in home markets, high-strength steels and value-added services.

2. What makes SSAB stand out – distinguishing capabilities

These elements outline the capabilities we need to focus on in order to differentiate from the competition.





LEADING HOME-MARKET POSITIONS

The Nordic and North American home markets remain the foundation for SSAB's business. SSAB aims to maintain or strengthen our home market positions in the coming years.

NORDIC REGION

Priority initiatives for SSAB in the Nordic region:

DEVELOPING THE MULTI-CHANNEL SALES STRATEGY

SSAB will further secure our Nordic home-market leadership by developing all channels to market from the steel mills. These include SSAB's own channels, including the metal distribution company Tibnor, the steel construction company Ruukki Construction, and SSAB's downstream tube business, as well as direct customers and external steel distributors with which the company has long-term agreements.

IMPROVING THE PRODUCT MIX TOWARD PREMIUM PRODUCTS

SSAB aims to strengthen our position both in the Nordic region and in nearby markets by gradually improving our product mix, shifting sales focus to more profitable products and those in which SSAB has special capabilities.

AMERICAS

Initiatives for maintaining plate market leadership in the Americas:

INCREASING CAPACITY AT CURRENT MILLS TO GROW WITH THE MARKET

The plate market in North America is expected to recover and grow in the coming years with increased industrial activity. SSAB has options to gradually increase the capacity of our US mills by improving process efficiency and growing sales in an expanding market, while continuing to improve the cost position and offering superior customer service and lead times.

UTILIZING NORDIC IMPORTS AS A COMPLEMENT TO EXISTING PRODUCT OFFERINGS

The Nordic strip and plate mills complement the US mills in product grades and formats. With an improving domestic market, SSAB can increase sales in the North American market, either directly toward end customers or by utilizing cut-to-length facilities.





GLOBAL LEADERSHIP IN HIGH-STRENGTH STEELS

SSAB aims for global leadership in Quenched & Tempered Steels (Q&T) and in targeted Advanced High-Strength Steels (AHSS) segments. With leading brands, a unique product range, expertise and close collaboration with customers in developing new steel applications, SSAB is well positioned to take advantage of opportunities in high-strength steels. The company is well invested in production assets.

Market development priorities for achieving growth:

UPDATED CHANNEL AND BRAND STRATEGY

SSAB will work with multiple brands and channels, with a comprehensive offering in high-strength steels from high-end branded products to more commercial grades. The merger with Rautaruukki has broadened SSAB's product portfolio and enabled the development of a multi-channel strategy in high-strength steels.

SSAB's product brands – Hardox, Strenx, Docol, GreenCoat, Armox and Toolox – are the most valuable asset in new markets as they represent quality and trust for the benefit of customers.

SSAB's product brand programs, "Hardox In My Body" and "My Inner Strenx," provide members with marketing support, wide-scale technical support and innovative design methods.

There are also five new SSAB-based brands: SSAB Domex, SSAB Form, SSAB Weathering, SSAB Boron and SSAB Laser Plus.

CONTINUED R&D AND INNOVATION IN PRODUCTS AND APPLICATIONS

Research & Development continues to be a high priority for SSAB. This entails development in three areas:

- **Product development**, boosting SSAB's own high-strength offering with new products
- **Process development** at the mills, enabling more efficient, cost-effective and sustainable production
- **Application development**, taking customers' own products into account

SSAB will increase our investment especially in application development and establishing more customer collaboration to develop the use of our high-strength steels in their products.

INCREASING PRESENCE AND PENETRATION IN NEW MARKETS

SSAB will focus on emerging markets, where the penetration of high-strength steels is still low and growth potential is high as customers upgrade their steel usage from standard to high-strength steels. These markets include Africa, the Middle East, Latin America and Asia.

GROWING HIGH-STRENGTH STEELS IN THE AUTOMOTIVE SECTOR

SSAB has a leading position in specific safety details related to the automotive sector. This market is expected to grow in the coming years due to continuing trends in safety standards, and in lightweighting, to meet fuel efficiency standards. Likewise, SSAB aims to grow in this area.





LEADING VALUE-ADDED SERVICES

The way to differentiate in customer relationships is to offer value-added services. Value-added services represent an important area for SSAB's long-term development, as they are an additional way the company can distinguish ourselves in the competitive steel markets. Value-added services act as additional components to the strategic ambitions outlined above, supporting and enhancing SSAB's activities in our home markets and high-strength steel initiatives.

SSAB has set up a new business unit under the name SSAB Services to increase focus on service and the after-market business. This new unit will be responsible for SSAB's extended global service offering initially including the Wear Services and Shape businesses, and reported as part of SSAB Special Steels.

There are three main focus areas:

EXPANDING WEAR SERVICES AND THE HARDOX WEARPARTS NETWORK

SSAB Wear Services sells Hardox-branded wear plate to the Hardox Wearparts Network, which comprises around 180 member companies globally. These centers provide replacement parts and services to end customers in mining,

recycling, quarrying, cement and agriculture. SSAB has high aspirations for developing the Wear Services business and aims to more than double the number of centers.

EXPANDING SSAB SHAPE SERVICES IN SELECTED MARKETS

SSAB holds similar ambitions for SSAB Shape, which offers steel-processing services for OEMs and their sub-suppliers. As well as representing a step forward for SSAB in our customers' value chain, with potential for joint investments, this initiative also helps to enable the adoption of high-strength steels in selected emerging markets.

GROWING STOCK SALES GLOBALLY

SSAB aims to grow our distribution services business. Unlike many of our competitors, SSAB operates our own global stock network and can serve the end-user market with short lead times. SSAB will grow the share of stock shipments as a way of increasing the value of steel shipments to our customers.





MOST FLEXIBLE OPERATIONS

To outperform peers and achieve industry-leading profitability in the coming years, SSAB will both reduce fixed costs and increase structural flexibility in our production processes.

There are five main focus areas:

- Capacity flexibility in the Nordic production process: SSAB can operate with three, four or five blast furnaces depending on the market scenario at any given time
- Synergy program: SSAB is committed to delivering SEK 1.8 billion in synergies by mid-2016, just two years after the merger of SSAB and Rautaruukki
- Ruukki Construction has a savings program of SEK 200 million in addition to the Group-level synergy program
- Other cost improvements: Examples include a continued focus to have a leading cost position in North America and to improve the Q&T cost position in Oxelösund
- Continuous improvement: Roll out SSAB One to achieve continuous productivity improvements

These measures will enable SSAB to reduce costs by SEK 2.5 billion, compared to the cost level in 2014, with full effect from 2017 onwards.



HIGH-PERFORMING ORGANIZATION

To achieve its ambitious strategy targets, SSAB will further develop a high-performing organization. Employees and leaders at all levels will align their actions and behaviors to the strategic direction.

There are three main priorities toward achieving a high-performing organization:

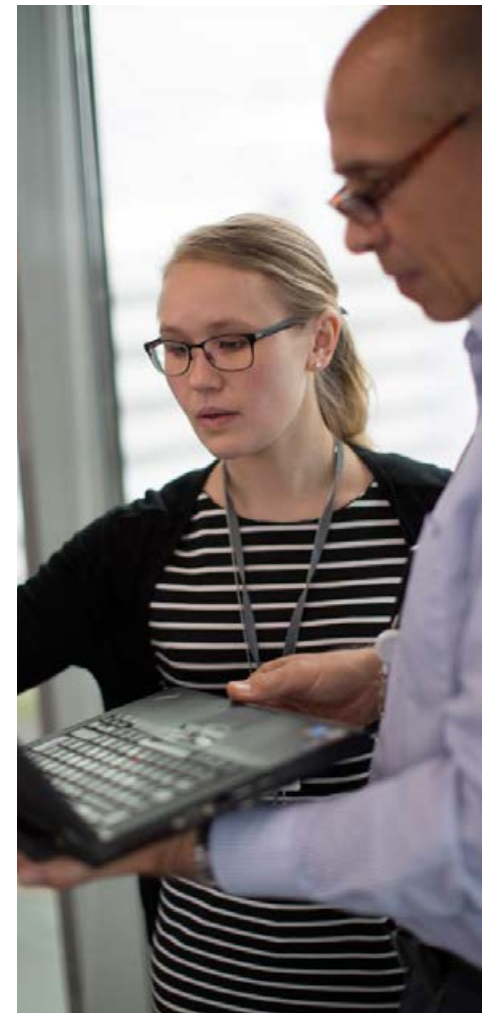
- Be the safest steel company in the world
- Utilize SSAB One as a management philosophy
- Strengthen the performance culture and employee engagement



SUPERIOR CUSTOMER EXPERIENCE

Part of SSAB's strategy is to go further than anyone else to offer customers a superior customer experience. To remain at the forefront, SSAB will continue to invest in research and development, technical customer support and joint innovation initiatives on how to get the best out of SSAB's high-strength steels. At the same time, the organization strives toward the highest standards in terms of product quality, shorter lead times and good delivery reliability.

SSAB's three distinguishing capabilities are described in more detail in other sections of this Annual report Business review, under the headings "[Sustainable operations](#)," "[High-performing organization](#)" and "[Sustainable offering](#)."



FINANCIAL TARGETS

SSAB's strategy aims to secure the company's long-term development to create value for shareholders and other stakeholders. SSAB's main financial objective is to secure industry-leading profitability and to generate solid cash flows, enabling debt reduction and shareholder dividends.

SSAB has three financial targets within three different areas.

AREA	OBJECTIVE
Profitability	SSAB aims for industry-leading profitability measured as EBITDA margin among comparable peers ¹⁾ .
Capital structure	The Group's operations are cyclical. The objective is a long-term net debt/equity ratio of 30%.
Dividends	Dividends are adapted to the average earnings level over a business cycle and, in the long term, constitute approximately 50% of profit after tax, taking into consideration the net debt/equity ratio. It should also be possible to use dividends to adjust the capital structure.

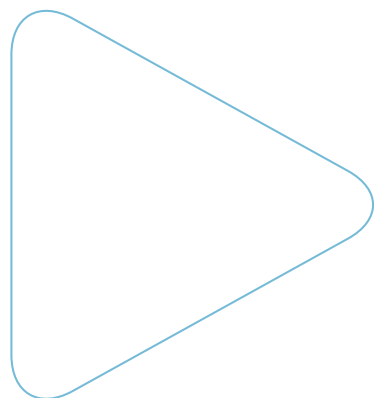
¹⁾ AK Steel, Dillinger, Nucor, Salzgitter, Steel Dynamics, Tata Steel Europe, ThyssenKrupp, US Steel



SUSTAINABILITY STRATEGY

SSAB's sustainability strategy supports the overall SSAB strategy. SSAB's objective is to become one of the world's most sustainable steel companies. Managing business in a sustainable way will increase the possibilities to deliver strong financial and operational results. SSAB summarizes our work in sustainability into three focus areas:

SUSTAINABLE OPERATIONS



SUSTAINABLE OFFERING

RESPONSIBLE PARTNER

1

SUSTAINABLE OFFERING

SSAB's sustainable offering is our external value proposition, what we offer our customers and other stakeholders. The core of SSAB's business is to develop and produce Advanced High-Strength Steels (AHSS) and Quenched and Tempered Steels (Q&T) that are stronger than ordinary steels, which in turn helps our customers to produce lighter and stronger products, thus reducing their environmental footprint.

2

SUSTAINABLE OPERATIONS

SSAB focuses on operational efficiency to ensure our operations are as sustainable as possible. SSAB works for continuous improvements to minimize emissions, aiming for material and energy efficiency, while at the same time providing our employees a safe and secure workplace with opportunities for individual, professional growth.

3

RESPONSIBLE PARTNER

Contributing to the communities in which SSAB operates is an integral part of the way we do business. Acting as a responsible partner refers to how we manage risks and take responsibility for business ethics and our supply chain.

SUSTAINABILITY TARGETS

GRI report, environmental targets and results in 2015

GRI report, social responsibility targets and results in 2015

At the end of 2019, SSAB will have achieved the following environmental and energy targets¹⁾:

A LASTING REDUCTION OF 200,000 TONNES IN CO₂ EMISSIONS

- Equals 2.1% of SSAB's total CO₂ emissions
- The target corresponds roughly to 100,000 cars each driving 15,000 km
- Reduction efforts focused mainly on ore-based iron and steel production since this accounts for 90% of SSAB's total CO₂ emissions

A LASTING REDUCTION OF 300 GWH IN PURCHASED ENERGY (ELECTRICITY AND FUELS)

- Equals approximately 3.5% of SSAB's total amount of purchased energy
- The target level corresponds roughly to the energy used by 15,000 households for electricity, hot water and heat during one year

A LASTING IMPROVEMENT OF 30,000 TONNES IN RESIDUAL UTILIZATION

- Equals approximately 12% of the total amount of material currently sent to landfill
- The target roughly corresponds to a normal soccer field filled with 3 meters of material
- The target will be achieved through improved internal recirculation of materials to SSAB steel production and external sales of by-products

Annually, SSAB will have achieved the following social responsibility targets:

- Annual performance dialogs between managers and all employees
- Compliance with SSAB's Code of Conduct and behavior in accordance with the company's core values. As part of this, during 2015, SSAB conducted a risk analysis of part of its operations through self-assessment based on Global Compact principles
- Training all employees in business ethics through e-learning by the end of 2016
- Completion of a self-assessment questionnaire regarding their social and environmental conditions for all suppliers registered in SSAB's purchasing system as medium- or high-risk
- Reaching an employee engagement score that exceeds the global average

By the end of 2019, SSAB will have achieved the following gender diversity target:

Women holding 30% of the top management positions in the company by the end of 2019 (up from 23% in 2015)



¹⁾ The base year for monitoring the targets referred to above is 2014

OUR BUSINESSES



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

SSAB SPECIAL STEELS

Global steel and service partner in
Quenched & Tempered Steels (Q&T) and
Advanced High-Strength Steels (AHSS)

Per Olof Stark (1954), EVP
Head of SSAB Special Steels

11,377

Sales in 2015¹⁾: SEK 11,377 million

20%

Share of SSAB Group's total sales

2,900

Number of employees

0.9

Steel shipments 2015: 0.9 million tonnes

¹⁾ External sales



SSAB Special Steels has global responsibility for the marketing and sales of high-strength steels, including all SSAB's Quenched & Tempered Steels (Q&T) and hot-rolled Advanced High-Strength Steels (AHSS) with yield strengths from 700 MPa and above. These products can further be divided into structural high-strength steels, wear-resistant steels, protection steels and tool steels. All SSAB special steels enable customers to design lighter, stronger and more durable products.

SSAB Special Steels has an extensive service offering including engineering and processing services, knowledge service centers, local stocks and a global network of centers for aftermarket services.

SSAB Special Steels is responsible for steel production in Oxelösund (Sweden) with an annual production capacity of 1.5 million tonnes, as well as for the sales of the above products produced in Mobile, Alabama (USA), Raahe (Finland) and Borlänge (Sweden).

CUSTOMERS AND END USERS

The division's main customer segments include manufacturers of machines and equipment used in construction, mining, materials handling, heavy transport and lifting equipment, but SSAB's special steels can be used wherever the goal is to design lighter, stronger and more durable products.

Customers include both equipment manufacturers and end users. By understanding the needs of the end users, SSAB Special Steels is able to jointly develop products for higher performance.

SSAB's unique competitive edge in special steels lies in one of the widest product and service portfolios on the market, combined with deep knowledge of steel properties and performance. This creates the foundation to work with customers to develop stronger, lighter and more durable products.

Examples of end applications for special steels:

APPLICATIONS FOR STRUCTURAL HIGH-STRENGTH

STEELS:

- Mobile crane booms and support legs
- Loader cranes
- Aerial work platforms
- Chassis for trailers and trucks
- Agricultural machinery
- Offshore oil rigs

APPLICATIONS FOR WEAR STEELS:

- Dumpers and tipper bodies
- Buckets
- Containers
- Mining equipment
- Recycling equipment and tools
- Wear parts in all kinds of machinery

APPLICATIONS FOR PROTECTION STEELS:

- Vehicles and carriers for safe transportation of personnel and valuables
- Protective buildings

APPLICATIONS FOR TOOL STEELS:

- Molds and dies
- Tool holders
- Axles

SSAB Special Steels' main customer segments:

- Heavy transport
- Construction machinery
- Material handling (incl. mining)
- Industrial applications and others
- Service centers

PRODUCTS AND SERVICES

Products:

- **Hardox** is a leading global brand of wear steels designed for maximum payload and longer service life – a unique combination of hardness and toughness
- **Strenx** SSAB's high-strength structural steel product brand, offers the most extensive portfolio of high-strength steels on the market. Yield strengths range from 600 MPa to 1300 MPa, which is the strongest steel available on the market
- **Raex** is a wear steel designed to withstand even the most demanding conditions. It is the safe and cost-effective choice with both good weldability and forming properties
- **Toolox** is the hardest prehardened tool steel in the world, supplied as Q&T plate or round bars
- **Armox** and **Ramor** are protection steels designed for the protection of life and property

Services:

SSAB has set up a new business unit under the name SSAB Services to increase focus on service and the after-market business. This new unit will be responsible for SSAB's extended global service offering initially including the Wear Services and Shape businesses, and reported as part of SSAB Special Steels.

- **Hardox Wearparts** is a one-stop shop for wear products and services. It consists of a worldwide network of approximately 180 Hardox Wearparts centers, 16 of which are owned by SSAB, in more than 55 countries. These centers provide spare parts, repair services and advice to the local aftermarket in, for example, the mining, quarrying, infrastructure, construction and recycling sectors
- **SSAB Shape** combines premium steel products with engineering and processing services offered through SSAB's own VAS Centers (Value Added Services) and a worldwide network of processing suppliers
- **Stock sales, technical support and Knowledge Service Center** complement the full service offering to further empower customers to develop their business and become more competitive



GENERAL MARKET CONDITIONS AND DEMAND

SSAB Special Steels has operated in a tough market environment as many end segments such as the mining sector and the market for construction machinery have been stagnant or in decline. Heavy transport has been one of the best developing segments in recent years.

Customer demand for lighter and more sustainable products is driving development toward increased use of high-strength steels. SSAB steels offer the possibility to build lighter products with a longer lifecycle in a way that reduces component wear and lowers fuel consumption, increases lifting performance and enables higher payloads. Market penetration of high-strength steels is increasing in all markets, although the penetration rate in emerging markets is considerably lower than in mature markets.

MARKET AREAS AND MARKET SHARE

- Global market share of 5–40%, depending on product group, with the highest market share in quenched & tempered steels
- Strong market position in main customer segments such as construction industry and heavy transport
- Focus on growth in segments and markets

that have the potential to grow faster than the standard steel market

- Europe accounts for about 50% of sales and North America for almost 20%
- Latin America, Africa and Asia are important regions for future growth

STRATEGY

SSAB Special Steels aims to be the global leader in wear, structural, protection and tool steels, as well as in related value-added services.

Strategic priorities:

- Focus on working safely throughout the division
- Maintain position as innovation leader with unique product and service portfolio
- Expand the downstream processing service portfolio with Hardox Wearparts and SSAB Shape
- Work closely with customers to upgrade their product designs to use high-strength steels
- Accelerate growth by creating a market by upgrading and developing segments, and by increasing a presence and penetration in new markets
- Realize at least SEK 250 million in cost synergies from Rautaruukki acquisition (full run rate to be achieved during the second half of 2016)

STRENGTHS

SSAB Special Steels is a cutting-edge developer and manufacturer of wear, structural, protection and tool steels.

- World-class product offering – widest product portfolio in the world
- Close collaboration and joint projects with customers to increase innovation and development
- A global production system enabling the supply of products in a uniquely broad range of thicknesses, qualities and dimensions
- Well-known and highly-respected product brands with loyal customers

Competitive lead-times and service on a global scale:

- Steel service centers and supporting downstream production sites and own stocks in approximately 160 locations in more than 50 countries worldwide
- A unique combination of expertise regarding the development of SSAB's steels, design and manufacturing of applications

COMPETITORS

International steel product manufacturers such as Dillinger Hütte, NLMK Clabecq, Voestalpine, ArcelorMittal, ThyssenKrupp, Tata Steel Europe, JFE and Nucor.

When SSAB Special Steels sells steel produced by another division of the company, the revenues are reported in SSAB Special Steels and settlement of account takes place between the divisions at the cost of goods sold.

2015 IN BRIEF

- Launch of Strenx, a new high-strength structural steel product brand
- Launch of the new Hardox Tube 500 range enabling lighter products with extreme wear resistance and a long service life
- Launch of Hardox and Toolox in round bars
- 30 new members of Hardox Wearparts network, which now comprises almost 180 centers globally
- SSAB received Best Supplier of the Year award from Manitou

SSAB EUROPE

Leading Nordic-based steel producer of high-quality strip, plate and tube products

Olavi Huhtala (1962), EVP
Head of SSAB Europe

21,405

Sales in 2015¹⁾: SEK 21,405 million

38%

Share of SSAB Group's total sales

7,100

Number of employees

3.6

Steel shipments 2015: 3.6 million tonnes

¹⁾ External sales



SSAB Europe is a leading producer of high-quality steel strip and plate as well as tube products. SSAB Europe's processing centers tailor products to customer needs. Production know-how of high-strength steels combined with the value-added services our customers need makes SSAB Europe stand out from many other steelmakers.

SSAB Europe is responsible for strip, plate and tubular products in Europe and for the automotive segment globally.

SSAB Europe's focus is on the home market in the Nordic region, as well as on selective growth opportunities in continental Europe and international markets.

SSAB Europe's main production sites are located in Raahе and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden). Production is based on integrated blast furnace processes. SSAB Europe's steel mills have an annual production capacity of 4.9 million tonnes.

Other production sites include the color-coating lines in Finspång (Sweden) and Kankaanpää (Finland). The division also has tube production

in Hämeenlinna, Lappohja, Oulainen, Pulkkila and Toijala (Finland) and in Virsbo (Sweden), as well as processing sites in the Netherlands, Norway, Russia, Poland, Sweden and the UK.

CUSTOMERS AND END USERS

SSAB Europe's broad range of products allows the division to support customers in diverse segments and in a wide range of applications.

SSAB Europe sells products both directly to end customers and to steel service centers. Some of the products for the Nordic and Baltic markets are also supplied via Tibnor.

SSAB Europe supplies different steel grades to major OEMs in the heavy and commercial vehicle sector. Like manufacturers of passenger vehicles, these manufacturers are seeking the benefits of lightweighting and more efficient use of fuel. The division also sells its products to major agricultural machinery makers. Heavy plates are used extensively in the Nordic markets and within Europe in the energy sectors, while color-coated materials are used by manufacturers of metal roofing and rainwater systems, particularly in the Nordic and Eastern European markets.

SSAB Europe's main customer segments:

- Construction building & infrastructure
- Automotive
- Industrial applications
- Heavy transport
- Energy
- Construction machinery
- Service centers

PRODUCTS AND SERVICES

SSAB Europe has a broad product offering through internationally well-known product brands. Yield strength classes of hot-rolled products reach 600 MPa. (Steel grades exceeding this strength level in hot-rolled products come under the product offering of SSAB Special Steels.) Cold-rolled and galvanized products range from 200 to 1700 MPa and are also available for many specific needs such as weather resistance and formability.

The full range of products includes the following:

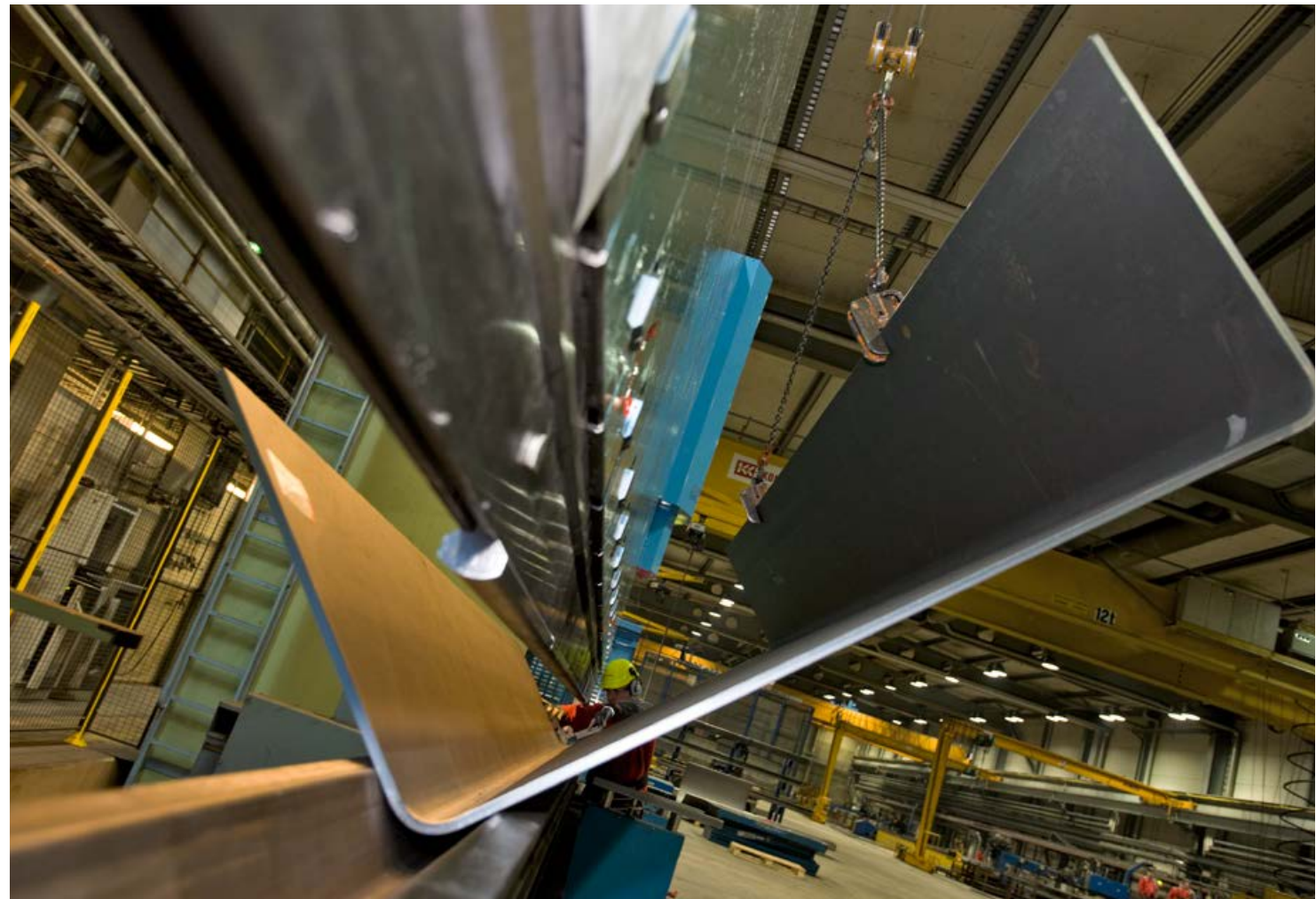
- Hot-rolled plate products
- Hot-rolled strip products
- Cold-rolled strip products
- Metal-coated strip products
- Color-coated strip products
- Tubes and sections
- Infra products

SSAB Europe's setup enables high availability, short delivery times, extensive logistics services with accurate deliveries and a high degree of flexibility to meet customer needs, particularly in the Nordic region. Customers can also obtain steels in different formats. SSAB Europe's service offering also includes technical development and workshop support, training and more.

GENERAL MARKET CONDITIONS AND DEMAND

Steel demand in Europe has been at historically weak levels during the past few years, but modest growth is expected in the years to come. There are large regional differences and growing potential for SSAB Europe's products and services in some Central and Eastern European countries.

The European steel industry continues to suffer from excess capacity and also considerable imports from producers in other parts of the world. The European steel industry is characterized by tough competition, with a margin squeeze when comparing raw material prices with steel prices on the market.



MARKET AREAS AND MARKET SHARE

- In the Nordic region, SSAB Europe is a full-range supplier of high-quality steel products from SSAB's broad product portfolio
- Leading position within selected Advanced High-Strength Steel (AHSS) applications for the automotive industry
- In Russia, building up a market presence in recent years
- In color-coated products, SSAB Europe has leading brands and products
- Extensive offering of tube products developed by the company's own product development team
- Nordic countries account for about 55% of sales, rest of Europe 40% and rest of the world 5%

Historically strong in Western Europe, SSAB Europe is now seeing increasing opportunities to develop sales activities in Eastern Europe.

The key market segments display the wide range of the company's customer offering: lifting, handling and transportation, yellow goods, automotive, offshore, agriculture, construction machinery and energy.

SSAB Europe is the only steel tube manufacturer in the Nordic countries with an extensive

selection of tubular products and sections to meet the needs of the construction, automotive and manufacturing industries.

STRATEGY

The Nordic region home market is a core part of SSAB Europe's strategy and the ambition is to develop the market, including the value-added offer, while maintaining the position as the most reliable and preferred supplier.

The merger of SSAB and Rautaruukki created a more competitive and flexible steel production system, and optimized product portfolio.

Throughout Europe, the focus is on supplying value-added material to customers in all markets, pursuing a strategy of selective growth rather than commodity sales.

Strategic priorities:

- Focus on working safely throughout the division
- Secure the Nordic home market and grow in selected categories and nearby markets
 - Realize more than SEK 1 billion in cost synergies from the Rautaruukki acquisition (full run rate to be achieved during the second half of 2016)
- Take advantage of the flexible production system in the combined company

- Win market share by strengthening the customer offering and value proposition
- Create good opportunities for focused growth initiatives

STRENGTHS

- Strong market position in the Nordic countries
- Close collaboration with customers to create a superior customer experience
- Broad product portfolio with unique and strong product brands
- Strong, growing customer base in Europe
- Strong technology and materials expertise
- Flexible production capacity
- Steel products tailored to customer-specific needs
- Strong partner and distribution network

COMPETITORS

SSAB Europe's main competitors include ArcelorMittal, Dillinger, Salzgitter, ThyssenKrupp, Tata Steel Europe and Voestalpine.

2015 IN BRIEF

- Luleå (Sweden) blast furnace relined, new LD converters installed and new cooling tower installed in the coking plant
- Investment in pulverized coal injection system in Raahe (Finland)
- Optimizing production – galvanized and color-coated steels relocated to Hämeenlinna and Kankaanpää (Finland) and Finspång (Sweden), closure of the metal and color-coating lines in Borlänge (Sweden) and also downsizing production and closing line pipe production in Virsbo (Sweden). Workforce reduction at several sites
- Launch of tailor-made, high-strength steels for the automotive industry
- Launch of GreenCoat – Color-coated solutions for the global building industry
- Johnson Controls honors SSAB with Gold Award for supplier performance

SSAB AMERICAS

Market-leading North American producer
of quality steel plate and coil

[Charles Schmitt \(1959\)](#), EVP
Head of SSAB Americas

11,852

Sales in 2015¹⁾: SEK 11,852 million

21%

Share of SSAB Group's total sales

1,200

Number of employees

1.9

Steel shipments 2015: 1.9 million tonnes

¹⁾ External sales



SSAB Americas is the largest producer and supplier of steel plate in North America, strongly positioned and highly recognized in the region for cost-efficiency and quality.

SSAB Americas' modern steel mills are located in Mobile, Alabama and Montpelier, Iowa and have a combined annual production capacity of 2.4 million tonnes. Both mills utilize a scrap-based, electric arc furnace method to produce steel. The mills are strategically located to cover the industrial heartland in North America, with access to the strategic southern port system to provide a logistical advantage.

SSAB Iowa has a modern, world-class research and development facility adjacent to the steel mill. It contains some of the most cutting-edge testing, simulation and metallographic equipment in the world.

SSAB Alabama has one of the world's most advanced quenching and tempering (Q&T) lines with a capacity to produce 300,000 tonnes of Q&T heavy plate a year.

In addition to the two steel mills, SSAB Americas has three cut-to-length facilities

located in Houston, Texas; St. Paul, Minnesota; and Toronto, Ontario (Canada). With the flexibility to handle both SSAB's steel as well as steel from external suppliers, these locations process coils of various widths, gauges and grades to meet customer-specific requirements with an enhanced service model.

CUSTOMERS AND END USERS

SSAB Americas manufactures a wide range of quality steel products including advanced high-strength steels that are used in various industries. SSAB Americas sells products both directly to end customers and to steel service centers.

Main customer segments:

- Energy: Gas, oil, offshore structures, transmission towers, wind turbines and petro-chemical tanks
- Heavy transport: Railway transport, ships and offshore, agriculture, forestry and fishing
- Construction: Lifting, yellow goods, construction machinery
- Infrastructure: Water transmission, storage tanks and bridges
- Service centers: Plate and coil
- Mining: Earthmoving equipment



PRODUCTS:

- Heavy plate
 - Heavy plate coils
 - Heat-treated heavy plate
 - Normalized plate
- Quenched and tempered plate
- Other products
 - Hot-rolled coil
 - Cold-rolled coil
 - Metal-coated products
 - Pre-painted products

GENERAL MARKET CONDITIONS AND DEMAND

The North American market for plate has been challenging as the strong dollar has hurt the US industry, imports from Asia have been high, and low oil prices have decreased investment in the energy sector. The US has experienced a record surge of unfairly traded imports from countries like China, severely impacting market share. The outlook is a modest improvement in line with the overall improvement of the US economy. Recovery within the general construction and civil engineering segments is improving employment in the construction sector and increasing equipment utilization rates. Automotive and heavy transport are expected to continue on a high level in the coming years. There remains

strong long-term demand for plate from energy-related industries and transportation, and strong demand for transporting products to refineries is increasing both railcar and line pipe demand. Wind tower and other alternative energy equipment continue to be excellent applications for plate products.

MARKET AREAS AND MARKET SHARE

- SSAB is the largest producer and supplier of heavy plate in North America, with a market share of around 20-25%
- SSAB maintains a strong market position in energy and heavy transport customer segments
- US accounts for about 85% of sales, Canada 5% and Latin America 5%

STRENGTHS

- Strong North American production base with an industry-leading cost position and best-in-class customer service reputation
- Two modern production facilities, electric arc furnaces (EAF), which use recycled scrap metal as raw material
- Close partnership with customers to develop unique customized products and solutions

SSAB Americas is also strongly committed to the environment as evidenced by numerous recycling projects:

- Scrap tire recycling program
- Electric arc furnace dust recycling
- Facility recycling/sorting areas
- ISO certifications for quality, environment and safety management (9001, 14001 and 18001)

STRATEGY

SSAB Americas' goal is to maintain the leading position on the heavy plate market and to gradually expand capacity to capture some of the expected market growth. Further investment decisions will be made based on the assessments of long-term supply and demand, and the ability to maintain the leading cost position.

- Focus on working safely throughout the division
- Provide industry-leading customer service levels
- Strengthen the low-cost leadership position, with continuous improvement processes

COMPETITORS

SSAB Americas' primary competitors are local steel producers, such as Nucor and Arcelor Mittal, and imported products.

2015 IN BRIEF

- Winner of 2015 American Metal Market Award for Steel Excellence in Environmental Responsibility & Stewardship
- Caterpillar Supplier Quality Excellence Process Certification, Gold level, Partner-level supplier in John Deere's Achieving Excellence Program and Trinity Industries' Premier Supplier Award
- Continued top performance in safety, setting new company record for lowest recordable injury rate ever
- Continued qualification of products from SSAB Alabama's QL6 line, now capable of producing Hardox and Strenx in thicknesses covering more than 90% of demand in the Americas
- Chuck Schmitt, President of SSAB Americas, named Chairman of American Iron & Steel Institute, an organization serving as the voice of the North American steel industry

TIBNOR

Leading Nordic distributor of steel and non-ferrous metals

[Mikael Nyquist](#) (1963), President
Head of Tibnor

6,968

Sales in 2015¹⁾: SEK 6,968 million

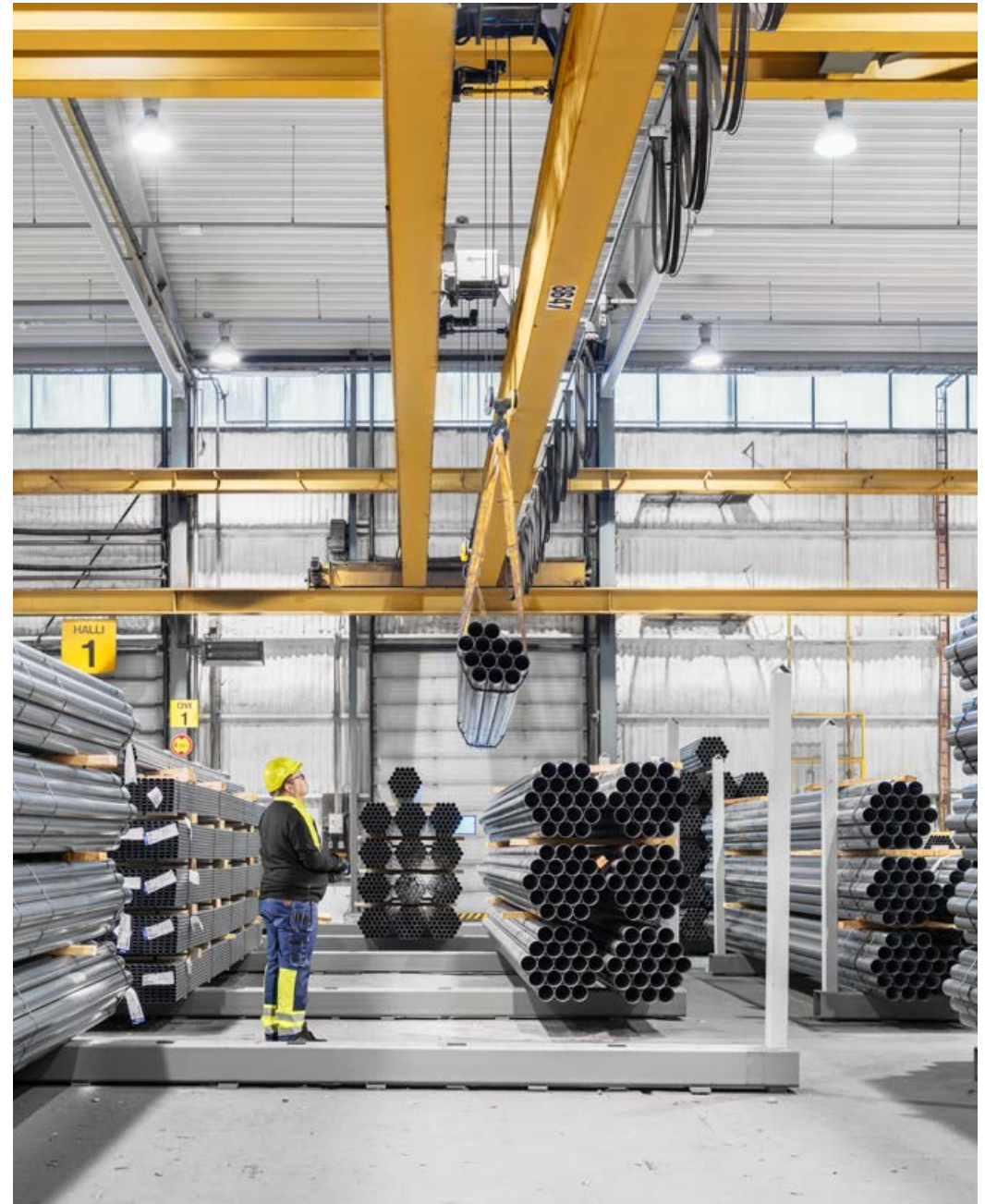
12%

Share of SSAB Group's total sales

1,200

Number of employees

¹⁾ External sales



Tibnor is the leading supplier of steel and non-ferrous metals to industrial companies in the Nordics and Baltics. The company offers a complete range of multi-metal products and related services in line with customer needs.

Tibnor has built up a strong reputation through an extensive range of products in combination with the processing of steel and non-ferrous metals, as well as efficient logistics and administrative solutions, which, among other things, make it easy to choose materials or place orders.

Tibnor's production units process products before delivery to the customer. This means that customers do not need to deal with preparatory manufacturing operations and they can use the material supplied directly in their core processes. The stock and processing business accounts for about 85% of sales, with direct mill supplies accounting for the remaining 15%.

CUSTOMERS AND END USERS

Tibnor's customers are Nordic and Baltic industries using steel and non-ferrous metals in their manufacturing processes. Core business segments are the following industries:

- Engineering
- Automotive, including heavy vehicles
- Construction

The first two segments often depend on export markets, whereas the construction segment is driven more by local investments in building and infrastructure.

Tibnor has approximately 10,000 customers in the Nordics and Baltics.

PRODUCTS & SERVICES

Tibnor offers a complete range of steel and non-ferrous products. The stock is closely monitored to meet the needs of the Nordic and Baltic manufacturing industry at all times. SSAB's product range represents approximately 45% of Tibnor's sales. Other producers' commercial and special steel products distributed by Tibnor include engineering steel and long products, such as beams, merchant bars and hollow sections used for construction purposes, as well as reinforcement bars for the building industry. Stainless steel and non-ferrous metals, mainly aluminum and copper, account for approximately 22% of sales.

Tibnor's processing activities are carried out using efficient and cost-effective production

methods, thus saving customers time, risk and the need for resources. Tibnor can process all product groups that it supplies to the market. Customers receive a product ready for use in their own production processes with no need for additional preparations.

Tibnor has a well-established distribution system that works with different logistics flows. These solutions range from 24-hour stock deliveries to individual material flows designed to meet customer needs.

Tibnor has extensive expertise in administrative solutions that make it easy for customers to choose material, create their own offers, place orders, access documents or work with procurement punchout. Customers can choose between using e-services, EDI, web-shops or personal service.

GENERAL MARKET CONDITIONS AND DEMAND

Close to 55% of all steel delivered in the Nordic region is supplied through distributors. Value-added services are of increasing importance for industrial customers as part of their efficiency improvement programs.

MARKET AREAS AND MARKET SHARE

Tibnor has a strong presence in the Nordics region, with Sweden accounting for about half of the sales, followed by Finland and Norway, both at about 20%, and then Denmark and the Baltics.

Tibnor has a share of around 20% of the Nordic distribution market.

STRATEGY

- Winning market share through the broadest product and service offering in the Nordics
- Capture synergies from the merger including purchasing, asset optimization and overhead cost reduction
- Continue to develop value-added services through a complete Nordic setup and superior customer and supplier collaboration
- Increase digitalization and expand digital services throughout the Nordics

Tibnor works within four clearly defined areas of expertise:

- Material supply and advice
- Processing
- Logistics
- Administrative solutions



STRENGTHS

Tibnor is a metals supplier with an insight into what works well in different industrial situations and can help its customers to make the right decisions when selecting steel and non-ferrous metals.

- Extensive product range and customer value-added services combined with a strong distribution network
- Full geographic coverage in the Nordics
- Good delivery accuracy and short lead-times with services that help customers to improve their logistics and administrative flows
- Strong combined set-up of processing for SSAB products, both flat carbon steel and tubes
- Strategic relations within SSAB, as well as with external material suppliers to enable unique customer support regarding choice of material

COMPETITORS

Competitors include BE Group, Stena, Norsk Stål, Kontino, as well as a number of national local companies and niche players.

2015 IN BRIEF

- Tibnor's new central category management – a Nordic purchasing team
- Launch of Tibnor's new transportation and distribution set-up to customers
- Re-branding former Rautaruukki steel & metals distribution units in Norway, Finland and the Baltics from Ruukki to Tibnor
- Launch of central warehouse and new Swedish distribution network for reinforcement products
- Centralized stocks for long stainless and aluminum products to Swedish automatic high-rack warehouse, serving several markets
- Closing of EM Eriksson Steel Service center and moving volumes to other processing units
- Opening new capability for laser-cutting and bending of long plates and carbon steel
- Signing a renewed three-year supply agreement with Nordic construction giant Peab

RUUKKI CONSTRUCTION

European provider of energy-efficient building and construction solutions

Jarmo Tonteri

Interim head of Ruukki Construction

5,260

Sales in 2015¹⁾: SEK 5,260 million

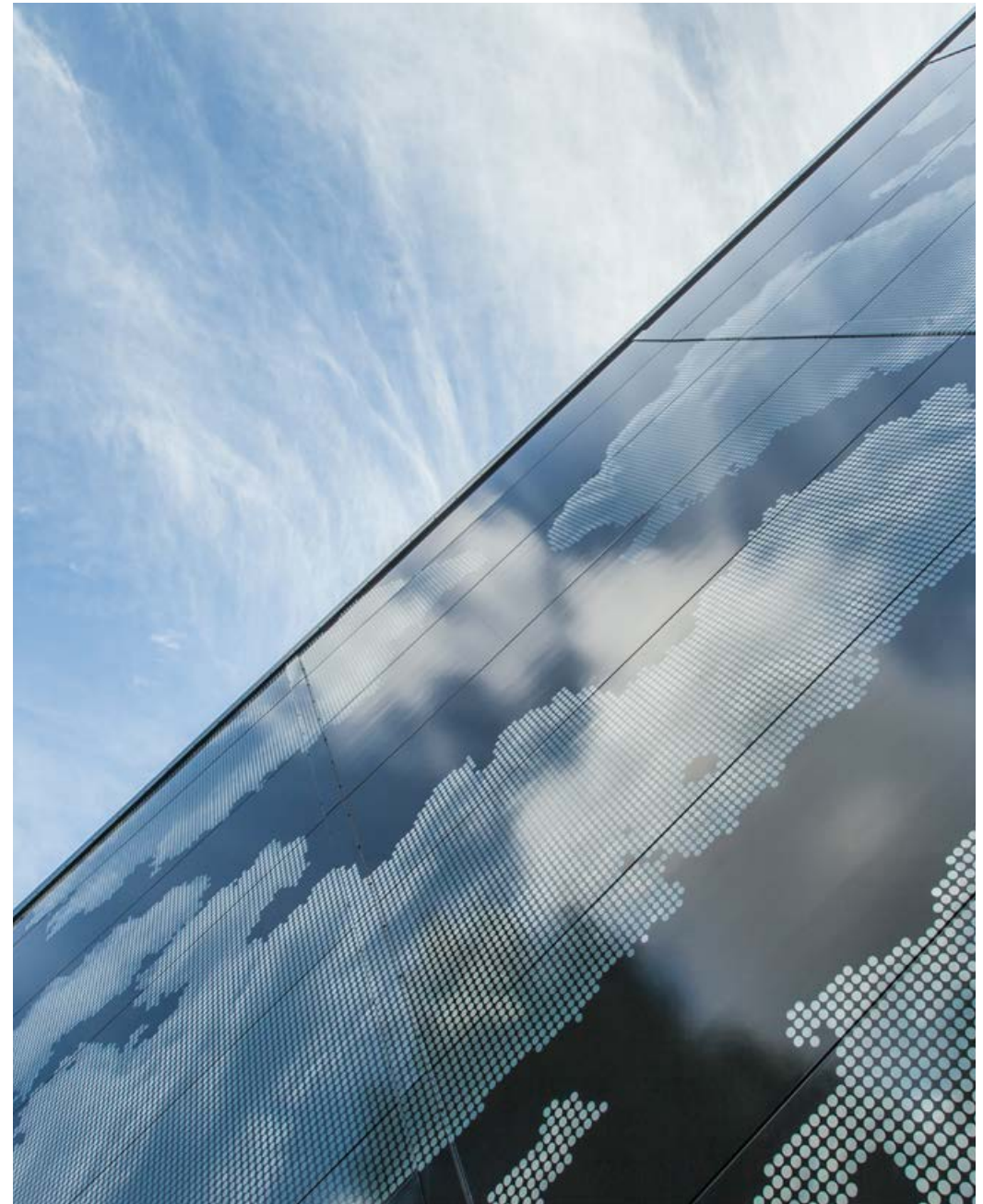
9%

Share of SSAB Group's total sales

3,000

Number of employees

¹⁾ External sales



Ruukki Construction serves the construction industry by manufacturing products and offering services that respond to the growing needs of customers who require energy-efficient solutions and flexibility to modify buildings. Ruukki Construction's services include design and consultancy, manufacturing and installation to achieve the lifetime efficiency of buildings.

Ruukki Construction's product and service portfolio extends from design to delivery of products such as steel frames, sandwich panels for walls, as well as profiled products including load-bearing sheets and roofing products for residential construction.

Ruukki Construction has operations in 16 countries. The main production units are Seinäjoki, Alajärvi, Vimpeli and Ylivieska (Finland); Zyrardow and Oborniki (Poland); Obninsk and Balabanova (Russia); Gargždai (Lithuania); Tunari (Romania); Anderslöv, Järnforsen and Landsbro (Sweden); Pärnu (Estonia) and Kopylov (Ukraine). Ruukki Construction's major steel supplier is SSAB Europe. External steel suppliers, mainly in CEE and Russia, play a minor role. Competitiveness is secured by market-level pricing from all suppliers.

CUSTOMERS AND END USERS

Ruukki Construction has a balanced customer mix across segments and countries throughout the value chain:

- Investors and developers
- Architects and construction engineers
- Installation companies and contractors
- Residential roofing dealers and tin smiths
- Consumers

CORE BUSINESS SEGMENTS

- Commercial and industrial construction
- Residential construction

PRODUCTS AND SERVICES

- Steel roofs, rainwater systems and accessories for residential construction
- Building components such as sandwich panels (e.g. Ruukki energy panels and Ruukki life panels), load-bearing sheets and façade claddings for non-residential buildings both for new buildings and renovation construction
- Solutions for single- and multi-story commercial, office and industrial construction, including steel frame, roof and wall components
- Design, installation and other services

OPERATING ENVIRONMENT AND GENERAL MARKET DRIVERS

Ruukki Construction operates both in the residential and non-residential construction segments. Energy efficiency is a growing trend in both segments.

General market drivers:

- End-customer segments from housing and retail to logistics and industry are facing drastic transformation due to changes in technology, consumer behavior and new, more sustainable values
- Greener, smarter solutions are increasing in popularity. Investment timeframes are shrinking and environmental transparency is becoming a norm
- Demand is growing for buildings that can be modified to take into account changing needs
- Renovation construction is experiencing market growth
- Construction business is becoming more service driven

MARKET AREAS AND MARKET SHARE

- Operations in the Nordics represent approximately 55%, Baltics 10%, Central Eastern Europe 20% and Russia 10% of sales

- Strong market positions in the Nordics strengthened by the integration of Plannja in conjunction with the combination of SSAB and Rautaruukki
- Growth potential in CEE and Russia

STRATEGY

Residential roofing:

TOWARD GROWTH AND ROLE CHANGE

- Build and roll out replicable business model
- Focus on selling complete roof package with good service to our customers in selected countries

Building components:

TOWARD ENERGY-EFFICIENT AND FUNCTIONAL BUILDING ENVELOPES

- Differentiate business focusing on energy-efficient & functional products
- Focus on fewer market segments and growth within them

Building systems:

FROM TAILORED TOWARD MODULAR CONCEPT BUILDINGS

- Step change in commercial & operational project management excellence
- Develop replicable modular solutions



STRENGTHS

- Number one brand and solid market positions
- New, innovative technologies and concepts
- Products that respond to market needs and delivered just in time
- Energy-efficient solutions
- High-quality products with extensive warranties and certificates
- Know-how including design, consultancy, manufacturing and installation
- Production capacity to meet requirements for large projects
- Frame and envelope delivery, including installation, from one supplier
- Strong materials know-how

COMPETITORS

Building components and roofing:

- Component suppliers such as Kingspan, Paroc, Trimo, Lindab, Weckman Steel, Metall Profil, Balex Metal and Blachy Pruszyński
- Construction business of global steel companies
- Small, local companies
- Alternative construction materials

Building systems:

- Steel frame suppliers such as Normek, Contiga and Polimex Mostostal
- System suppliers such as Lindab and LLENTAB
- Small, local supply companies
- Alternative construction materials

2015 IN BRIEF

- Launch of new façade product Ruukki on-wall solar system that converts sunlight into electricity for a building
- Jarmo Tonteri appointed interim head of Ruukki Construction
- Inauguration of the first near zero-energy hall in the Nordic countries in Hämeenlinna (Finland)
- Launch of new façade product Ruukki emotion that diversifies façades thanks to a composition of perforated cladding with integrated background lighting
- New sandwich panel production line that enhances customer service starts up in Oborniki (Poland)
- New efficiency program launched aiming to reduce costs by at least SEK 200m annually, full impact in 2017

SUSTAINABLE OFFERING



SSAB's sustainable offering is our external value proposition, what we offer our customers and other stakeholders. The core of SSAB's business is to develop and produce Advanced High-Strength Steels (AHSS) and Quenched and Tempered Steels (Q&T) that are stronger than ordinary steels, which in turn helps our customers to produce lighter and stronger products, thus reducing their environmental footprint.

HOW WE WORK WITH CUSTOMERS

SSAB's business model is built on fostering close, long-term customer relationships. Through intense collaboration, SSAB continuously develops new products, applications, services and processes in order to constantly enhance our market offerings.

Unlike many steel companies who prefer to act via distributors, SSAB also works directly with end users through our own sales force. We help our customers to develop better and more competitive products. We help them to increase productivity and thereby to reduce costs.

To remain at the forefront in the industry, SSAB will continue to invest in research and development, technical customer support and joint innovation initiatives to get the most out of SSAB's high-strength steels. At the same time, the organization strives toward the highest standards in terms of product quality, shorter lead times and delivery reliability.

DEVELOPMENT IN COLLABORATION WITH CUSTOMERS

As early as possible in the development of a new product – be it a tipper, a dumper or a crane – SSAB's qualified applications engineers work to support the customer in developing solutions that best utilize the qualities of each steel grade. This is how

SSAB enables customers to produce stronger, lighter and more durable end-products.

With an extensive network of local service centers around the world, SSAB provides prefabrication and steel processing services so customers can focus on their core business. Our service centers can supply slit coil, cut-to-length plate and other formats according to customer specifications. This is how we help customers to improve their production efficiency, cut material waste and improve end-product quality.

SSAB Shape combines premium steel products with engineering and processing services offered through our own VAS Centers (Value Added Services) and a worldwide network of processing suppliers.

- Customized product development and engineering
- Extensive design support and prefabrication services
- Reliable, tailor-made logistics and stock services

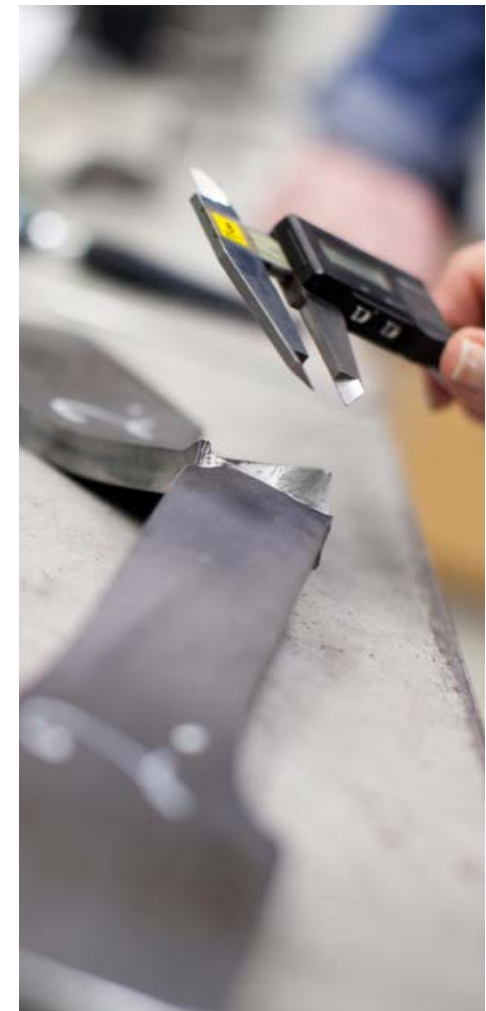
SSAB Tech Support:

SSAB Tech Support has a high local presence worldwide and can visit customers at short notice to solve acute problems or to initiate longer-term co-development projects. SSAB Tech Support can answer general customer questions about design, welding, forming and wear, and the team works closely with SSAB's specialist groups at the Knowledge Service Center for questions requiring more specialized expertise. Tech Support is the first contact for customers looking for technical support from SSAB.

RESEARCH & DEVELOPMENT

SSAB's expertise in high-strength steels is based on continuous and focused research and development. SSAB conducts market-driven research and development with a focus on product development, customer applications and process development. Relevant customer segments are identified through a structured process, where the lighter, stronger and more durable steel applications fill critical functions and add value.

SSAB's research work is governed by the mandate that SSAB's products will be the first choice for customers worldwide and will set the standard for performance in the selected market segments.



Research and development centers:

- Borlänge and Oxelösund (Sweden)
- Raahelä and Hämeenlinna (Finland)
- Montpelier (Iowa, USA)

Nearly a quarter of the employees at these research facilities hold doctorate degrees in technical fields from top universities. This high-end knowledge base ensures cutting-edge research in the industry. In addition to product improvements, research and development teams also focus on ways to enhance production and processing.

SSAB's research and development is focused primarily on advanced high-strength steels and wear steels, with an emphasis on those segments where demands on the steel are particularly critical. Increased environmental awareness has also been an important driving force in development work, as evidenced by high-strength steels that enable more energy-efficient transportation and lower CO₂ emissions. Lastly, knowledge about production processes, material recycling and efficient use of resources is also of great importance to SSAB's research and development.

SSAB key factors for successful research and development:

- Market-driven research and development
- Qualified and skilled employees
- Effective portfolio and project management
- Focus on effective problem-solving
- Work environment that encourages collaboration and innovation
- Strong external networks

BALANCED PROJECT PORTFOLIO

To remain a market leader in high-strength steels, SSAB must maintain a long-term perspective for research and development efforts. SSAB aims to allocate 10% of research and development resources to longer-term projects, those lasting about five to ten years.

Development projects begin with specific customer requirements, changes in the outside world, market analysis or develop around basic research on the steels' core properties. SSAB strives for a good balance between these categories.

How we work with customers**AFTERMARKET BUSINESS**

The aftermarket has always been an important part of SSAB's business. Much of SSAB's know-how comes from experience gained in the spare parts, repair and maintenance business, where new ideas are born and many new products developed.

Hardox Wearparts:

- An international network for customers manufacturing parts made of Hardox wear plate
- Experience and data gained from the network are being used to further develop the offerings, including developing solutions for customers' aftermarket needs

Hardox Wearparts is a one-stop shop for wear steels – servicing customers in the aftermarket, in industries like mining, quarrying and recycling. To serve customers from mining to recycling or quarrying, SSAB's wear steel portfolio has been broadened to include heavy castings and chrome-carbide overlay. As part of the offering, we can even measure and identify abrasion on existing equipment, analyze utilization conditions and needs, and calculate advantages using new and improved tools such as 3D scanning or the Wear Calc calculation tool.

Along with almost 180 companies included in the Hardox Wearparts network, SSAB continues to grow and develop the business worldwide.

ENVIRONMENTAL BENEFITS WITH SPECIAL STEELS

SSAB offers customers a broad range of high-strength and wear-resistant steels that enable better energy and material efficiency, as well as strength and durability for the applications in which they are used. Lighter vehicle weight also means higher payload capacity and improved fuel economy.

30%

lighter trailer bodies when using SSAB's high-strength steels compared to using traditional steel grades

SSAB Special Steels

OPTIMIZED WEIGHT AND FUEL CONSUMPTION IN THE TRANSPORTATION SEGMENT

The environmental and financial advantages of using high-strength steels are significant in active construction applications such as trailers, trucks, materials handling and lifting equipment, and construction machinery. Used in these applications, SSAB's high-strength steels reduce the weight of vehicle structures by enabling minimum steel thickness through new structural design. Structural redesign can also reduce production costs, e.g. through less welding and improved usability. Lower vehicle weight leads to increased payload capacity and lower fuel consumption and emissions. For example, the weight of trailer bodies made of SSAB's high-strength steels can be reduced by up to 30% compared to using traditional steel grades. In applications such as lifting

equipment, where high load-bearing capacity is required, the use of high-strength steel enables stronger designs. At the same time, structural wall thickness is reduced, resulting in material weight savings which can lead to lower fuel consumption and reduced emissions.

Automotive manufacturers are also calling for lightweight, durable materials with beneficial environmental properties that are manufactured with resource efficiency. SSAB's cold-rolled advanced high-strength steels help to make it possible to develop safer and lighter vehicles with lower emissions. Our advanced high-strength steels have been especially engineered for safety applications in cars with stringent requirements for reduced weight and high energy absorption.

PROLONGED SERVICE LIFE OF MACHINERY AND EQUIPMENT

SSAB's wear steels are Quenched and Tempered Steels (Q&T) that are used in a range of machinery and equipment in mining, quarrying, recycling and road building segments. All of these applications require the hardness and toughness that are characteristic of Q&T Steels. Use of Q&T Steels in buckets, crushers, blades, shredders and tippers provides greater resistance against wear, which in

turn improves machinery performance and extends service life. Additionally, lighter weight machinery offers cost benefits to end users and reduces the environmental impact over the machinery's lifecycle.

IMPROVED ENERGY-EFFICIENCY AND ECO-FRIENDLINESS WITH COATINGS

SSAB develops new functional surface coatings that lower energy consumption and maintenance costs, improve surface durability and extend the lifespan of buildings. There are several coatings that contribute to more environmentally friendly and sustainable construction. Thermal coatings reflect solar radiation when used on the building's exterior and thermal radiation when used on the building's interior leading to decreased energy consumption for heating and cooling. Some coatings are partly based on plant oil instead of traditional fossil oil – a technology that has been patented by SSAB and is unique in the market. The result is an improved coated steel product, with a prolonged service lifetime and reduced environmental footprint.



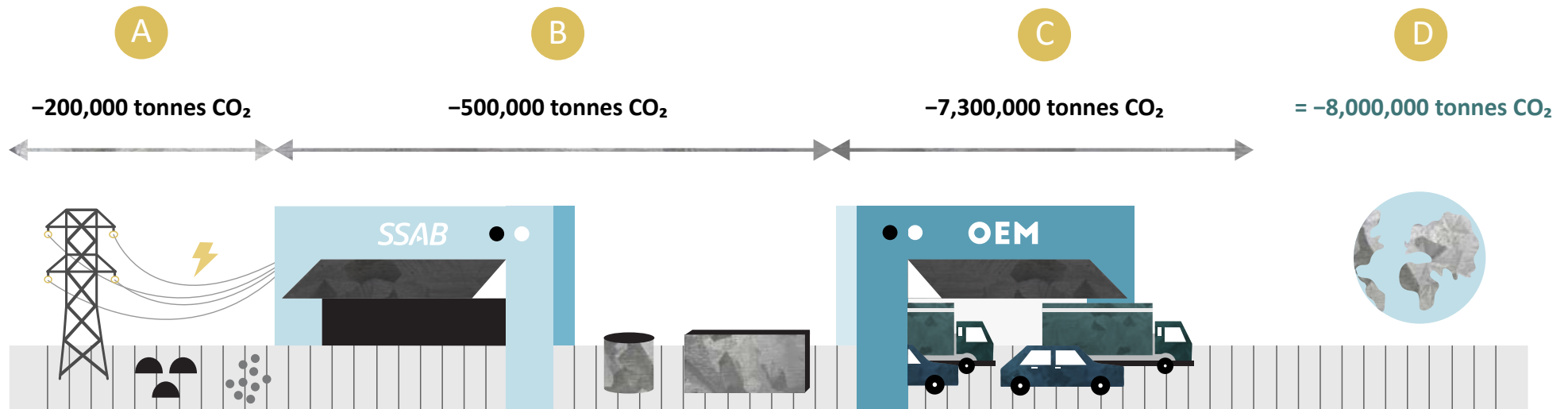
CASE:

CO₂ savings when upgrading to high-strength steels

This case illustrates a hypothetical scenario where one million tonnes of high-strength steels replace 1.3 million tonnes of standard steel used in vehicles.

When upgrading to high-strength steel, the application retains its performance even though less steel is being used. This results in weight savings for the steel application, which in turn means that less steel needs to be produced, thus fewer resources are needed. In the use phase, high-strength steels used in vehicles can provide environmental benefits because they lower vehicle weight, cut fuel consumption and thus result in less CO₂ emissions. Around 90% of the reduced environmental impact can be related to the use phase of lighter vehicles through reduced fuel consumption. From a lifecycle perspective, this case shows the large savings that can be achieved using high-strength steels.

- A.** When 300,000 tonnes less steel needs to be produced, indirect CO₂ emissions from upstream suppliers will decrease by 200,000 tonnes because less energy and raw materials are needed.
- B.** A reduction of 300,000 tonnes in steel produced results in 500,000 tonnes less direct CO₂ emissions from SSAB's steel production.
- C.** Upgrading vehicles to high-strength steels results in 7.3 million tonnes less CO₂ emissions in the use phase.
- D.** The total CO₂ savings out of this hypothetical case are around 8 million tonnes.



Source: Jernkontoret, the environmental research program "the steel eco-cycle", calculated based on the average lifespan of the European vehicle fleet.

CASE:

Wear-resistant knives from Fácil System

Brazilian company Fácil System has developed a shredder for using sugarcane straw in boilers for biomass energy cogeneration. The mill's rotor, which shreds the sugar cane straw, consists of a set of shredding knives bolted spirally to the equipment support at the axles.

The blades were developed with wear-resistant Hardox 600 steel and the machine's outlet grate, which determines the straw particle size, was made of Hardox 450. The innovative use of wear-resistant steels extends the service life of the knives, lowers maintenance costs, increases productivity and delivers energy savings.

"We are based in the sugar plantation region of Araraquara. I have perceived an added value in cane straw, which used to be left in the field," says Laércio Ribeiro, CEO of Fácil System. "The cane straw is now being used as boiler fuel to produce electricity. Use

of wear-resistant steels has considerably prolonged the durability of the components: We are now able to use the same device to shred straw for 15 days instead of two."

In Brazil, sugar cane straw is commonly used as a "green" and renewable energy source widely used to produce fuel for cars. Sugar cane straw has also become a raw material with great potential for a new biofuel known as second generation ethanol or E2G.

Fácil System was one of four finalists for the 2015 Swedish Steel Prize.



▶ Watch the video



CASE:

New rail transportation system from Milotek

The Futran System developed by the South African company Milotek Pty Ltd is a new, environmentally aware, suspended transportation system that provides a cost-effective, flexible alternative to traditional rail, truck, conveyor belt and even underground mine haulage systems.

High-strength steels Strenx 700 and Hardox 450 from SSAB are utilized in components, such as the track, the legs of the superstructure, the suspension system, the hanger brackets, as well as the skips used for ore haulage. The Futran System demonstrates many of the advantages of high-strength steels: low total weight, high load capacity, high wear resistance, good bendability, weldability and machinability.

“High transportation costs were the main reason we started looking for new alternatives. Our system is suspended in the air. The train and the wagons are hanging from an elevated rail supported by vertical posts. It has few moving parts and modularized components with a simplified design and minimized maintenance

costs. It is easier to install than most modern day transportation systems. From the very beginning, we saw the possibilities that high-strength steel offers. For example, the cost of the suspension system can be cut by 85%. In future, we want to use the Futran System also for human transportation,” says Andries Louw, founder and CEO of Milotek.

Two prototypes have been built so far, but many companies have shown interest and there are first projects already underway. One of these is being projected at a coalmine in Mozambique.

Milotek was one of four finalists for the 2015 Swedish Steel Prize.



Watch the video



CASE:

New generation forest harvester from Finnish Ponsse

For decades, forest harvesting machines have remained pretty much the same. They have traditional designs that focus on function and not on operation. Finnish company Ponsse Plc gave its designers free hand to create a new generation of forest harvester. The result was the Ponsse Scorpion, built around the operator with a focus on ergonomics and also providing both performance and comfort.

The Ponsse Scorpion features a symmetrical crane boom where the operator sits in the center point of all movements. It offers the operator total visibility and the ability to work comfortably and efficiently. By using Strenx 700 MC Plus high-strength steel in the crane arms, Strenx 700 in the chassis and Hardox 450 in the cutter head, the Scorpion has a lower overall weight which helps maneuverability in rough terrain.

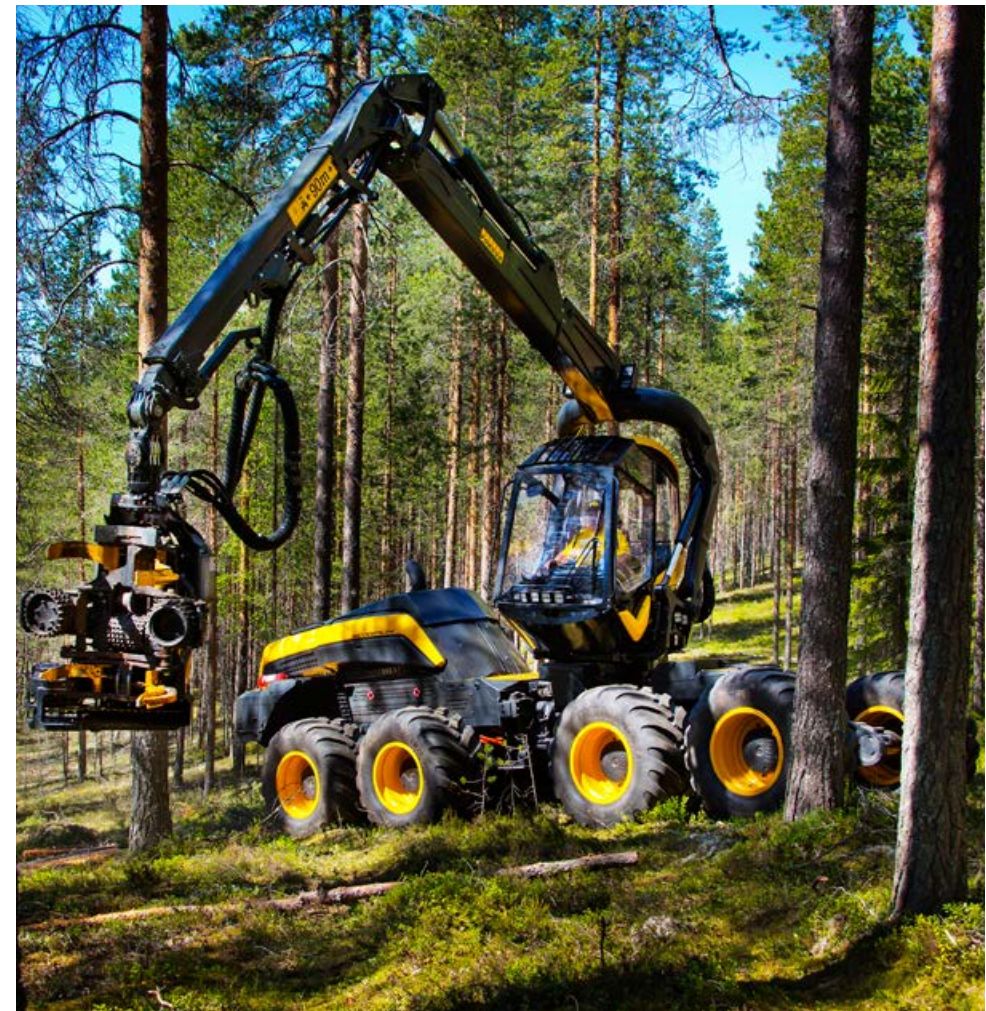
Lower weight allowed more bearings to be added, which gives the Scorpion its unique stability. Furthermore, fuel consumption has been reduced and boom movements are faster.

“One of our customers wanted to have a rotating operator cabin,” says R&D Director

Juha Inberg. “We came up with 3D layouts and decided that the new machine would have much more than a rotating cabin. The biggest advantage of the new Ponsse Scorpion is that it improves ergonomics significantly, which also increases production,” explains Inberg.

The Ponsse Scorpion has been in production since 2014 and there are over 200 machines in the field in about 30 countries. Ponsse has patented the crane and cabin arrangement, the triple-frame structure, frame stabilizing system and cabin leveling encoder arrangement. All Scorpion harvesters are produced at Ponsse’s production facility in Finland.

Ponsse was the winner of the 2015 Swedish Steel Prize.



▶ Watch the video



CASE:

Terex Cranes' innovative Boom Booster Kit

Terex Cranes Germany wanted to create a new boom system that could be retrofitted onto existing crane models. It would eliminate the need to buy an entirely new, larger crane.

The Boom Booster Kit is a highly innovative design unlike any other boom system on the market, and increases crane load capacity by more than 90%. It was developed without the need for additional reinforcements on the base crane and is easy to assemble. Setup of such a system takes about two days. It is also easy to transport.

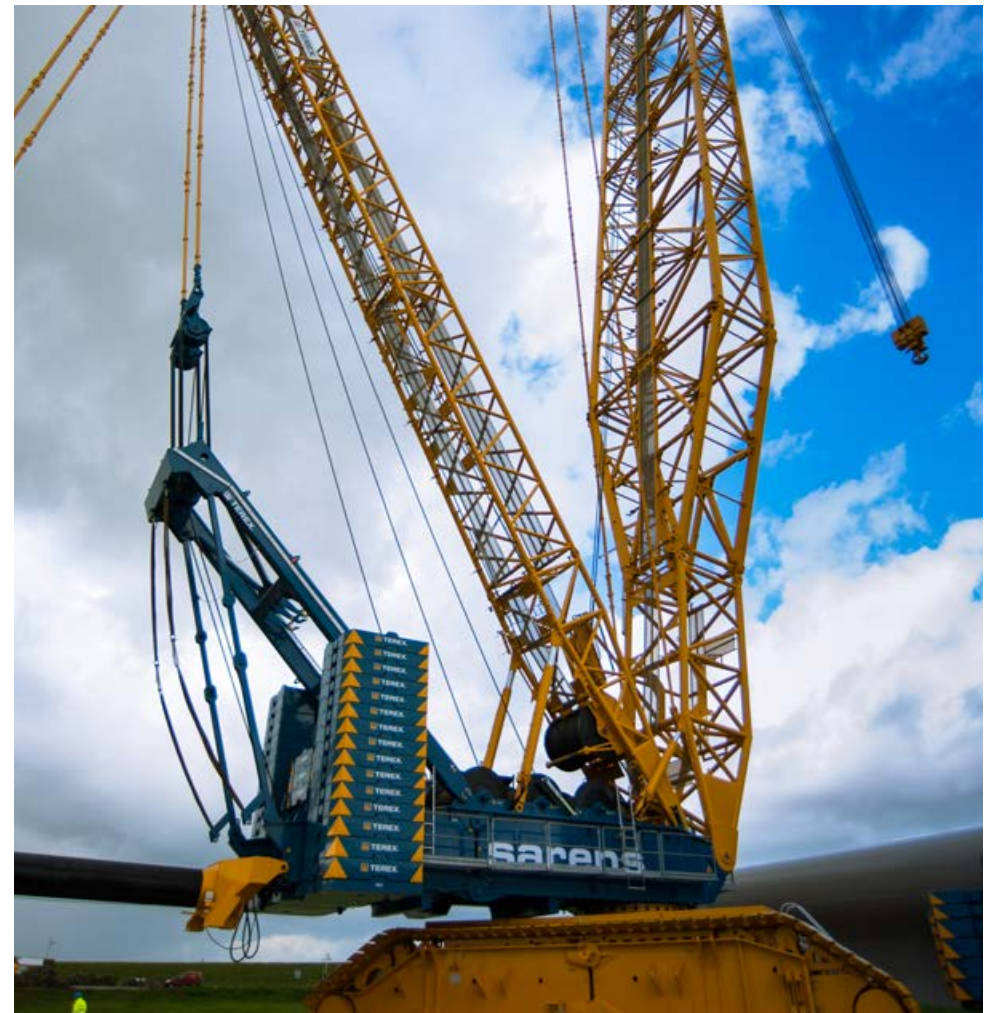
The Boom Booster utilizes a variety of high-strength steels for components like the trusses, tube members and bolted joints, including Strenx 700MC, 770QL and 960QL, Strenx 700 profiles and SSAB Domex 460NL.

“Think of it like chip tuning a car, which instantly increases the performance,” explains Harald Riedinger, Director Technology &

Innovation, Terex Cranes Group. “The Terex Boom Booster is an add-on boom structure that can almost double the efficiency in the steep and long boom configurations of our CC 8800-1 crane model.”

The Boom Booster can be partially or completely disassembled, depending on the specific road transportation regulations, thanks to the pin bolt structure. It fits in standard 40-foot open-top containers. This leads to improved handling and transportation functionality with better utilization of standard means of transport, while requiring fewer trucks, which decreases fuel consumption.

Terex Cranes Germany was one of four finalists for the 2015 Swedish Steel Prize.



Watch the video



ENERGY-EFFICIENT CONSTRUCTION SOLUTIONS

Ruukki Construction continuously develops products and solutions that improve energy efficiency over a building's lifetime, as well as during manufacturing. Despite a challenging economic climate, customers are greatly interested in energy efficiency and green values.

MORE SUSTAINABLE BUILDINGS

Energy-efficient solutions, material-efficient products and active innovation are the key initiatives in Ruukki Construction's sustainability strategy.

Ruukki energy panel has been on the market for a few years and has established a sound position in Ruukki's product portfolio. Use of Ruukki energy panels, which provide good insulation and airtightness properties, can cut annual energy consumption by up to 20% compared with traditional panels or façade solutions.

Ruukki life panel utilizes recycled materials, thus reducing the global warming potential of the manufacturing of these products by as much as 20%. Life panels have proven to be exceptionally popular, especially in the Nordic countries. Today, a significant share of the panels produced in the Nordic countries are of the life type.

Ruukki Construction's solar energy solutions for roofing and façades enable solar energy to be used for the heating of domestic hot water and living spaces, as well as for the production of electricity. The Solar product family was rolled out in 2014. Interest in these new solutions has risen slowly but steadily. To make it easier for the consumer to purchase these systems, Solar product packages are also available.

OFFERING CUSTOMER VALUE IN SUSTAINABLE CONSTRUCTION

Over the past couple of years, Ruukki Construction has developed its sustainable customer value offering to include not only products, but business concepts that make the values more accessible to end users. Ruukki Construction was involved in a project to build a near zero-energy hall on the campus of HAMK University of Applied Sciences in Hämeenlinna, Finland. Construction of this near zero-energy hall was completed in 2015. The

pilot business concept developed for the project ensures profitable investments for property owners of highly energy-efficient buildings.

The building project was successful at keeping additional investments at a very low level. An analysis of the building solution shows estimated energy consumption values to be as much as 20% lower than the extremely energy-efficient solution used in the investment calculations. The next steps will be to verify the energy savings during the first year of the pilot project and to apply the business model to other customer projects.

The completed building showcases several of Ruukki Construction's innovative energy solutions: Energy panels, solar energy solutions, energy piles and other modern ways of producing energy to meet the hall's energy requirements.

20%

savings in annual energy consumption when using Ruukki Construction's energy panels instead of traditional panels

Ruukki Construction

CORPORATE IDENTITY AND BRANDS

SSAB counts the company's reputation and brands among our most valuable assets. All company brands share the same parent brand: SSAB.

SSAB stands for sustainability and performance. We work together with our customers to develop new and better solutions in all parts of the value chain. Our ultimate goal is to improve the sustainability and performance of our customers' products and processes.

SSAB works with multiple brands and channels, with a comprehensive offering in high-strength and wear steels from high-end branded products to more commercial grades. The 2014 merger with Rautaruukki has broadened SSAB's product portfolio and enabled the development of a multi-channel strategy.

PRODUCT BRANDS

SSAB has a strong end-user focus and a product brand strategy that allows customers to benefit from strong product brands.

SSAB has two power brands: **Hardox** and **Strenx**, which both have a unique global market position.

- Hardox is a global leading brand of wear steels designed for maximum payload and longer service life
- Strenx is a brand covering structural steel products designed for sustainable and lightweight solutions

Hardox in My Body:

This logo on a product verifies that it's been manufactured using Hardox wear steels and not an inferior imitation.

My Inner Strenx:

My Inner Strenx represents a quality certification for applications that use Strenx steels.

SSAB also has a wear steel brand, **Raex**, that is sold through distributors.

SSAB's targeted product brands include: **Docol, Toolox, Armox** and **GreenCoat**.

Additionally, five product groups have SSAB in their name:

- SSAB Domex
- SSAB Form
- SSAB Weathering
- SSAB Boron
- SSAB Laser Plus








For more information about the product brands > www.ssab.com

SSAB's two subsidiaries have their own corporate brands:

- **Tibnor** is the leading Nordic distributor of steel and non-ferrous metals
- **Ruukki Construction** has retained the Ruukki brand and logo after the merger in 2014 between SSAB and Finnish company Rautaruukki, which used the marketing name Ruukki



BRAND MANAGEMENT STRUCTURE

ROLE OF THE BRAND	LOGOTYPE	PRIMARY TARGET GROUPS
<p>SSAB Corporate Brand</p>		<p>The primary target group for SSAB consists of customers (distributors, fabricators, OEMs) and equity investors as well as current and future employees.</p>
<p>Power brands: Global product brands with unique market position</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>PERFORMANCE STEEL</p> <p>Watch the video</p> </div> <div style="text-align: center;">  <p>WEAR PLATE</p> <p>Watch the video</p> </div> </div>	<p>Customers (fabricators, OEMs), end-users</p>
<p>Targeted product brands</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>HIGH STRENGTH STEEL</p> <p>Watch the video</p> </div> <div style="text-align: center;">  <p>ENGINEERING & TOOL STEEL</p> <p>Watch the video</p> </div> <div style="text-align: center;">  <p>PROTECTION PLATE</p> <p>Watch the video</p> </div> <div style="text-align: center;">  <p>COLORFUL STEEL</p> <p>Watch the video</p> </div> </div>	<p>Customers (fabricators, OEMs, distributors), end-users</p>
<p>SSAB branded products</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid #ccc; padding: 5px; margin: 2px;">SSAB Domex</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 2px;">SSAB Laser®Plus</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 2px;">SSAB Form</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 2px;">SSAB Weathering</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 2px;">SSAB Boron</div> </div>	<p>Customers (distributors, fabricators, OEMs)</p>

SUSTAINABLE OPERATIONS



SSAB focuses on operational efficiency to ensure our operations are as sustainable as possible. SSAB works for continuous improvements to minimize emissions, aiming for material and energy efficiency, while at the same time providing our employees with a safe and secure workplace with opportunities for individual, professional growth.

PRODUCTION SITES



SSAB is a highly specialized global steel company with approximately 16,000 employees in more than 50 countries. Our production facilities are located in Sweden, Finland and the US. We have smaller production sites and steel service centers located around the world. These facilities include a finishing line in Shanghai for customers in Asia, and steel service centers in the Nordic countries and Baltic states.

SUSTAINABLE AND EFFICIENT PRODUCTION

SSAB has a cost-efficient and flexible production system. SSAB's production plants in Sweden, Finland and the US have an annual steel production capacity of 8.8 million tonnes. To outperform peers and achieve industry-leading profitability in the coming years, SSAB will both reduce fixed costs and increase structural flexibility in our production processes. SSAB is also committed to continuous environmental work aiming to minimize any adverse environmental impacts from our operations.

FLEXIBILITY AND IMPROVED COST EFFICIENCY IN THE NORDIC PRODUCTION SYSTEM

The merger of SSAB and Rautaruukki created a more competitive and flexible steel production system in the Nordics. SSAB has five blast furnaces: one in Luleå, two in Raahe and two in Oxelösund, for a total capacity of around 6.4 million tonnes. SSAB can now operate with three, four or five blast furnaces depending on market demand at any given time.

SSAB's blast furnace in Luleå was fully modernized in 2015. The blast furnaces in Raahe, Finland were modernized in 2011 and in Oxelösund, modernization was implemented

in 2010. A pulverized coal injection system has replaced an earlier heavy fuel oil injection system in the blast furnaces in Raahe. This will result in more cost-effective steel production and lower raw material costs, reducing annual expenses by around SEK 200 million in 2016 and beyond. A new hot stove for Oxelösund's largest blast furnace has also improved production efficiency as of 2015.

SSAB is committed to delivering SEK 1.8 billion in synergies by mid-2016, most of which are derived from a more flexible operational setup, structural changes, efficiency in production and raw material optimization. SSAB wants to be the "best in basics," i.e. being the best

in lead times and delivery performance.

Since the merger, extensive work has been done to increase efficiency in production, streamline shipments to customers and reduce the complexity in the production system.

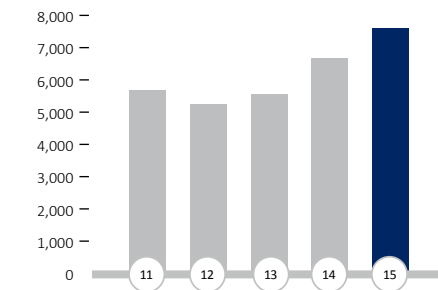
The merger with Rautaruukki has presented an opportunity to leverage the equipment and expertise at various locations with our broad product offering. This will result in improved product quality and optimization of mill capacity. Two examples include the transfer of metal-coated products production from Borlänge to Hämeenlinna and the consolidation of color-coated products production from four lines to three.

Another aspect of production efficiency is more robust harmonization and standardization of operating procedures. In the new setup, the same steel quality can be offered by multiple production systems. This will allow SSAB to transfer production between our sites depending on market demand and customer location.

Processes and internal productivity are also continuously developed through training and implementation of SSAB's management philosophy, based on "lean principles," called SSAB One.

Crude steel production

Thousand tonnes



CONTINUED FOCUS ON MAINTAINING A LEADING COST POSITION IN THE AMERICAS

SSAB continues its strategy of maintaining a leading cost position in the Americas.

SSAB runs two modern steel mills in the US with an annual production capacity of 2.4 million tonnes. Located in Alabama and Iowa, both mills utilize an electric arc furnace method to produce steel, with nearly 100% of the raw material used in the process being scrap metal.

The mills are strategically located in the southern and central regions of the US, covering the industrial heartland of North America, with access to the strategic southern port system to provide a logistical advantage. SSAB Americas also has three cut-to-length (CTL) facilities in Houston, Texas; St. Paul, Minnesota; and Toronto, Canada. CTL facilities have the flexibility to process internally-produced steel as well as steel from external suppliers. Together, SSAB Americas' five facilities provide a flexible network of facilities that produces, processes and delivers steel efficiently to customers across North America, and adapts to market conditions faster than any competitor.

SSAB Alabama has one of the world's most advanced quenching and tempering (Q&T) lines with a capacity to produce 300,000 tonnes of Q&T heavy plate a year, and SSAB Iowa boasts one of the world's most advanced research and development centers. These facilities allow for the in-house development of technology, continuous improvement, and advanced product offerings as well as service to customers.

The SSAB Americas division also has established solid raw material and energy optimization strategies to maintain costs in its operations.

MINIMIZING ENVIRONMENTAL IMPACTS FROM STEEL PRODUCTION

SSAB's most significant environmental impacts occur at our main production sites in Luleå, Borlänge, Oxelösund, Raahe, Hämeenlinna, Mobile and Montpelier.

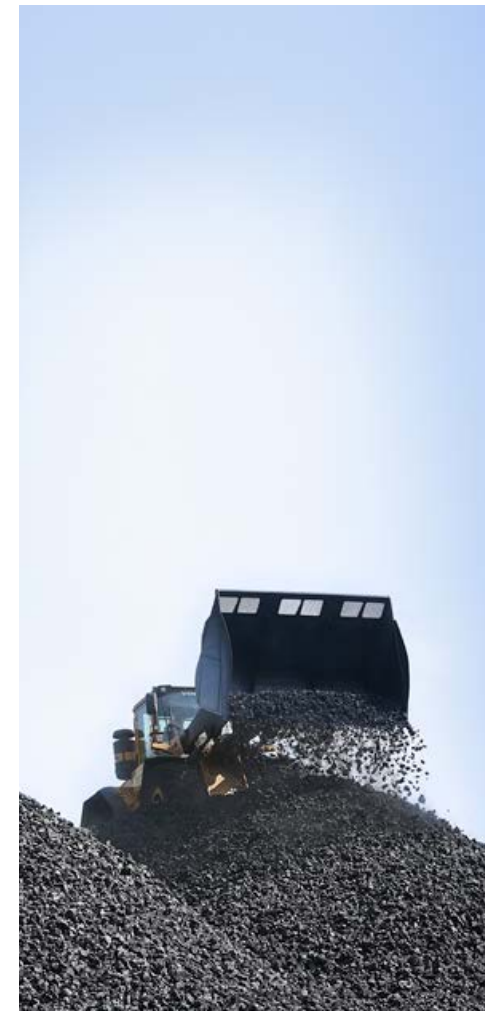
The process of producing steel from iron ore is carbon-intensive and raw materials used in the production, such as coke and coal, are the main sources of carbon dioxide (CO₂) emissions, energy usage also contributes to the generation of CO₂ emissions. The steelmaking process has been continuously advanced and improved to become extremely efficient. As a result, SSAB's blast furnaces in Europe are among the most efficient in the world in terms of minimizing emissions from steel production. There are several reasons for this: the use of high-grade raw materials in the form of iron-ore pellets, high-quality coke and efficient, uninterrupted processes in which the blast furnaces operate. A large number of usable residuals, such as heating, gas, slag and dust, are recovered to minimize the consumption of purchased energy and generation of waste.

Using recycled steel and scrap metal in steel production saves natural resources and increases material efficiency, which

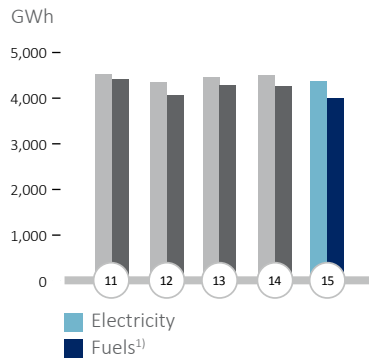
leads to lower CO₂ emissions. In scrap-based production in the US, carbon dioxide emissions are substantially lower than those generated in conjunction with iron ore-based steel production. SSAB uses approximately 20% scrap metal for steel production in the Nordics and nearly 100% in the US.

The continuous development of environmental performance is ensured by monitoring our performance against environmental targets and the environmental management system. SSAB's environmental management is based on the Group's Environmental Policy and the international environmental and energy management system ISO 14001 and ISO 50001 standards. All SSAB's manufacturing sites have third-party certification for the ISO 14001 standard.

Industry-wide cooperation is important for identifying new technical solutions that can further decrease the environmental impacts of the steelmaking processes. SSAB participates in various national and international joint projects with research institutions and industry associations to continue to research and identify new technologies.

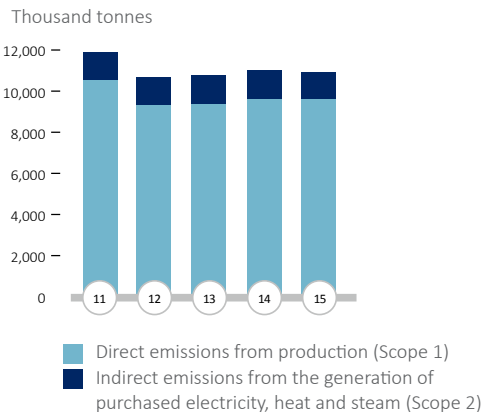


Energy consumption



¹⁾ Includes natural gas (NG), liquefied petroleum gas (LPG), oil and biogas. Coal and coke excluded

Carbon dioxide emissions



MATERIAL AND ENERGY EFFICIENCY IN PRODUCTION

Emissions from steel production are controlled and can be further reduced by continuously improving material and energy efficiency in the processes. Material efficiency means making more out of less material, resulting in increased efficiency in the use of natural resources. The production of iron and steel gives rise to a range of residuals. Recirculating material back into the steelmaking process reduces the need for virgin raw materials, which reduces CO₂ emissions and waste. Material that cannot be recirculated internally can be processed into by-products and sold externally, creating new revenue streams as well as reducing CO₂ emissions by substituting natural resources in other industries.

SSAB's production processes are energy-intensive. Systematic energy efficiency management and energy recovery at all sites, as well as production of electricity from process gases at certain steel mills, ensure efficient use of energy and lower emissions. Process gases like blast furnace gas, coke oven gas and converter gas are generated in the iron- and steelmaking processes. Steam and hot water are also produced. These energy flows are recovered to generate electricity and heat, thereby saving additional fossil fuel resources.

The energy-rich gases which cannot be used in steel production are used in local power plants to supply SSAB with approximately 43 (40)% of the electricity needs of steel production in Sweden and Finland. Heat is generated in converters, where iron is made into steel.

Since the 1980s, recovered heat has been used to produce district heating in Luleå, Raahe and Oxelösund. The recovered heat meets about 90% of local district heating needs.

GRI report, environmental impacts

2015 IN BRIEF

- After the modernization of Luleå blast furnace, SSAB now has better flexibility in Nordic crude steel production – one of the key reasons for the acquisition of Rautaruukki
- The investment in a pulverized coal injection system at Raahe will generate annual savings of around SEK 200 million beginning in 2016
- SSAB is committed to delivering SEK 1.8 billion in synergies by mid-2016, most of which will be derived from a more flexible operational setup, structural changes, efficiency in production and raw material optimization. In 2015, SEK 625 million of synergies were achieved
- Crude steel production was 7,593 (8,071) thousand tonnes
- Total energy consumption was 8,384 (8,792) GWh. The use of purchased energy was 7,270 (7,759) GWh
- 1,114 (1,033) GWh of electricity was produced from recovered energy
- Direct carbon dioxide (CO₂) emissions were 9,606 (9,608) thousand tonnes
- The modernization of Luleå blast furnace benefits the environment through less dust emissions, less noise and a better workplace environment
- In Luleå, the old coke plant cooling tower was replaced, which means 50% less dust emissions



HIGH-PERFORMING ORGANIZATION

A high-performing organization is one of the key elements in SSAB's strategy and an essential enabler for achieving the company's ambitious strategy targets.

A high-performing organization provides a structure that helps to align actions and behavior with strategic direction. An ability to timely match the competences demanded by the business with available skills and development plans among employees, while delivering on synergy targets, is an important criterion for being a high-performing organization.

- There are three main priorities toward achieving a high-performing organization:
- Be the safest steel company in the world
 - Utilize SSAB One as the management philosophy
 - Strengthen the performance culture and employee engagement

UTILIZE SSAB ONE AS THE MANAGEMENT PHILOSOPHY

SSAB One – shared management philosophy
 SSAB One is our common management philosophy. It encompasses SSAB's vision, values and principles, which together give a

direction and framework for the company. Use of the word "management," does not mean the philosophy is exclusive to managers, but that it is relevant to each and every one of us. Only when all of our employees have a good understanding of our management philosophy can we successfully involve everyone in SSAB's development efforts. SSAB One provides us with a common framework and language between the different parts of our company.

SSAB One serves as a common denominator for our improvement structure at SSAB. We'll succeed by ensuring we have an understanding of SSAB One and the company's vision as our common purpose, living the values as standards for our convictions and behavior, and using our principles as the rationale to achieve our fundamental goals.

SSAB One has two objectives:

- Improve our flows based on customer demand
- Involve all employees in continuous improvement



Principles:

- Normal state: We can only improve if we have defined and visualized the normal state. This makes it easy for everyone to see how safety, quality and efficiency reflect how we work. Any deviations can easily be recognized and immediately acted upon
- Right from me: Each of us ensures that we get things right the first time round. Errors are prevented from progressing in the production

- flow. We have a systematic way of dealing with deviations and errors and learning from them
- Learn and improve: Development is part of everyone's daily work. Managers coach their teams
- Customer demand driven: We understand customer needs and focus on improving all the activities that create customer value



STRENGTHEN THE PERFORMANCE CULTURE AND EMPLOYEE ENGAGEMENT

The global process for management planning

A strong managerial pipeline is not only a requirement for a high-performing organization, but also a strategic choice for SSAB. Leaders are instrumental in delivering results and managing change. The company applies a global process for management planning and annual review to ensure we retain a firm grip on and understanding of our leadership capability.

Through the global annual Management Review process, SSAB works to ensure that internal leadership talents are identified and systematically developed. In the process, all SSAB managers are assessed against the company's manager criteria, and succession plans are established. An important function of the Management Review is to ensure that we have suitable internal candidates for managerial positions.

The results of the Management Review are used actively throughout the year for competence development, appointments and as support in organizational development.

Engaging SSAB employees for performance toward goals

Aligning individual performance with SSAB's strategic direction is a central element in being a high-performing organization. Clarity concerning goals and performance expectations, as well as feedback, are key enablers to effectively manage our change journey and to achieve results. In annual performance dialogs, all employees and managers follow up on results, provide mutual feedback, discuss the workplace atmosphere and plan future performance and individual development. SSAB continuously reviews and aligns reward structures to ensure performance management processes are effectively supported. Matching potential candidates with development opportunities at different levels in the organization is important for developing a high-performing organization.

Leveraging the potential of diversity

SSAB is a knowledge company; our success depends heavily on the competence of our employees. SSAB has about 16,000 employees from diverse demographic backgrounds in more than 50 countries. Leveraging this diversity is a prerequisite to providing a superior customer

experience. However, appreciating and working toward diversity is not enough. SSAB also strives for inclusion, which means that employees feel a sense of belonging and have equal opportunities to contribute and succeed.

The steel industry is traditionally male-dominated, and with only 19% of our employees being women, SSAB is no exception. We believe that improving gender balance will positively contribute to our performance culture. In order to increase the number of women in top management, SSAB launched a diversity target, aiming to have women in 30% of the top management positions in the company by the end of 2019.

With the long-term goal of increasing the presence of female employees across the company, we will start by placing women in top management positions, creating role models for others. To accelerate the process, we have initiated an in-house mentoring program. It is a mutual learning experience for both mentors and mentees, through challenging each other, exchanging experiences, broadening perspectives and building

networks across the organization. SSAB also has a number of initiatives and tools to promote diversity and inclusion in the company:

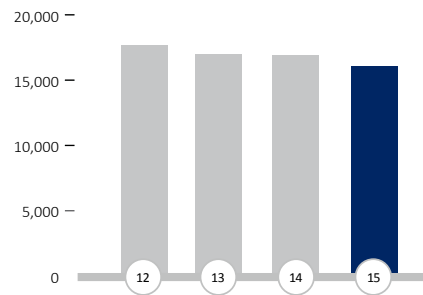
- Global management planning
- Global employee survey
- Consortium programs for management and leadership development
- Networks and internal mentoring programs
- Collaboration with other companies and authorities: In several locations across Sweden, SSAB partners with local municipalities to create internships for people with diverse backgrounds, including those from outside of the country. This partnership not only enhances diversity in the community, but also provides participants an opportunity to learn another language and about the labor market in Sweden
- SSAB has appointed a coordinator for the diversity work at group level. It is a way to ensure that proper focus is being placed on the topic and that the various initiatives in the area are carried out as planned

Employee engagement

SSAB conducts employee engagement surveys to give employees an equal opportunity to voice their views on a number of important topics. The surveys help analyze the drivers of employee engagement and capture improvement opportunities which contribute to leadership, high performance and engagement. The survey results are utilized at all organizational levels, starting with the Group Executive Committee.

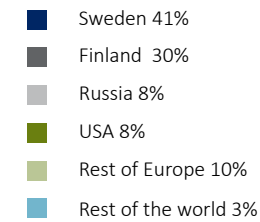
Each manager is responsible for planning, executing and following up improvements with his or her team based on the results of the survey.

Employees¹⁾



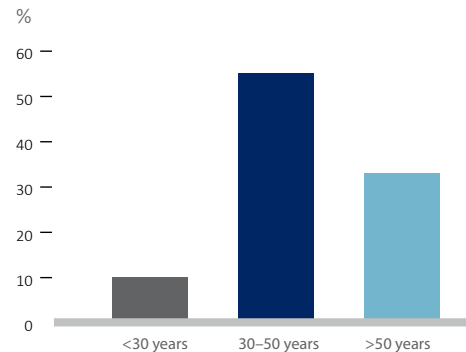
¹⁾ Permanent employees at year-end

Employees by region¹⁾



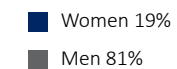
¹⁾ Permanent employees at year-end

Employees – Age distribution¹⁾



¹⁾ Permanent employees at year-end

Employees – Gender distribution¹⁾



¹⁾ Permanent employees at year-end



HEALTH AND SAFETY

SSAB strives to be the safest steel company in the world, with an objective to achieve zero accidents, work-related injuries or illnesses. Ensuring a safe and secure environment for our employees, contractors and visitors is our highest priority.

SAFETY IN FOCUS

Every SSAB employee has a personal responsibility to work safely every day; it is a fundamental requirement for working at SSAB. Occupational safety is an important part of how we operate, and it is integrated into our management system. In addition to safety, SSAB focuses on preventive health care and wellness to promote the overall well-being of employees. In order to achieve our objective of zero accidents, injuries and work-related illnesses, SSAB will do the following:

- Ensure safety is an integral part of all activities and decisions throughout the company
- Cooperate to prevent accidents and work-related illness by identifying, evaluating and removing risks
- Systematically identify and eliminate the root causes of accidents and near misses which have occurred, with the aim of preventing them from happening
- Ensure that management and the line organizations are responsible for occupational

safety. They are assisted by occupational safety specialists. However, all SSAB employees are responsible for their own safety and for that of others in their own working environment. We must interrupt and instruct colleagues and contractors when they take a risk or fail to comply with established safety rules. All work which is not performed safely must be discontinued

- Ensure that all managers lead by example. They are responsible for the work environment and must serve as good role models
- Ensure that all employees are provided with all necessary instructions, as well as the training and equipment necessary for facilitation of safe work methods
- Comply with or exceed all applicable laws, regulations and SSAB requirements
- Establish clear objectives and carry out regular monitoring to ensure that these objectives are fulfilled



6.2

Lost time injury frequency (LTIF)

764

Safety observation frequency

SAFETY MANAGEMENT IN SSAB

To improve safety performance, SSAB has established a company-wide safety expert group and safety management team. The safety management team consists of senior management of operations from all SSAB's divisions, Tibnor and Ruukki Construction. The safety management team is the decision-making body on safety issues relevant for the whole group. The team is also responsible for promoting a positive safety culture within the company. The chairman of the team for 2015 is Paul Wilson, Vice President of Operations in SSAB Americas.

The main objective of the safety expert group is to share information on divisional safety programs, achieved results, best practices, information on serious incidents, and recommendations on preventive actions. The group also prepares group-wide safety initiatives to be decided in the safety management team. SSAB's safety management system fulfills the requirements of international standard OHSAS 18001.

CONTRACTORS' SAFETY

Every year, hundreds of employees from external companies work at SSAB, particularly in the areas of maintenance and repairs. Contractor companies are screened for strong

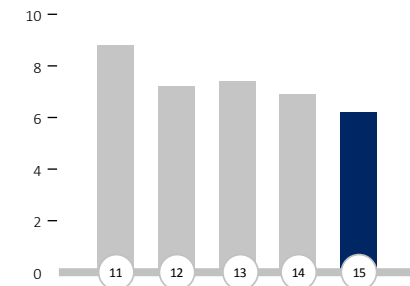
safety practices, and partner companies work together with SSAB to ensure the safety of anyone working at an SSAB facility. SSAB also provides contractors with safety training sessions and discussion forums, in order to increase their safety awareness. training sessions and discussion forums, in order to increase their safety awareness.

GRI report, safety

2015 IN BRIEF

- SSAB's lost time injury frequency resulting in an absence of more than one day was 6.2 (6.9)
- There were a total of 165 (188) accidents
- In Oxelösund a tragic fatal accident occurred in the harbor area on December 1, when a forklift ran over a person working in the area. The harbor is operated by Oxelösunds Hamn AB, which is jointly owned on a 50-50 basis by SSAB and the municipality of Oxelösund. Both the deceased and the forklift driver were employed by Oxelösunds Hamn AB. The police, the Swedish Work Environment

Lost time injury frequency (LTIF)*, own employees



* Number of accidents resulting in an absence of more than one day per million working hours

- Authority and Oxelösunds Hamn are all investigating the accident
- Main group-wide safety initiatives for 2015 included setting common safety policy and management principles
- The focus area for sharing best practices was contractor safety management
- A group-wide safety awareness communication campaign was launched with the theme "Be responsible. Act safely." The campaign focused on being responsible for yourself, for your co-workers and for your family and friends

CASE:

Making progress in safety culture at Hämeenlinna

SSAB Europe's site in Hämeenlinna continued to make good progress in safety during 2015. Hämeenlinna sustained a 12-month period without a single injury resulting in absence.

The site's target for 2015 was to achieve less than 6 injuries per million hours worked, compared to an injury frequency rate of 9.5 accidents per million hours worked in 2014. Lost time injury frequency fell in 2015 and was 1.9, clearly exceeding the target.

The reduction in incidents was driven by systematic safety training sessions for both foremen and front-line employees at the site. "Must intervene" training highlighted the importance of intervening in unsafe work and being responsible for coworkers and oneself. There was also a strong focus on the orientation of summer workers, none of whom were involved in any incidents in 2015.

Safety information is displayed on info boards, the intranet and noticeboards. Safety rounds and safety "moments" are additional tools foremen use daily to improve the safety culture. These tools are intended to engage as many people as possible in safety improvement at work.

SSAB Europe's facilities provide safety alerts, made in conjunction with incidents and near-miss situations, to other facilities to enhance best practices.



RESPONSIBLE PARTNER



Contributing to the communities in which SSAB operates is an integral part of the way we do business. Acting as a responsible partner refers to how we manage risks and take responsibility for business ethics and our supply chain.

RESPONSIBLE BUSINESS PRACTICES

POLICIES AND GUIDELINES

SSAB's values define who we are and what we stand for, and serve as a compass for our actions and behavior. Our values guide us daily in making the right choices and doing the right thing. Our values are complemented by our policies and guidelines.

The Code of Conduct, the Environmental Policy and the Safety Policy are the most important company policies. SSAB also has local policies and guidelines that complement the Code of Conduct and correspond to the challenges the company faces in different geographies. All of our policies and guidelines are regularly reviewed and updated.

CODE OF CONDUCT

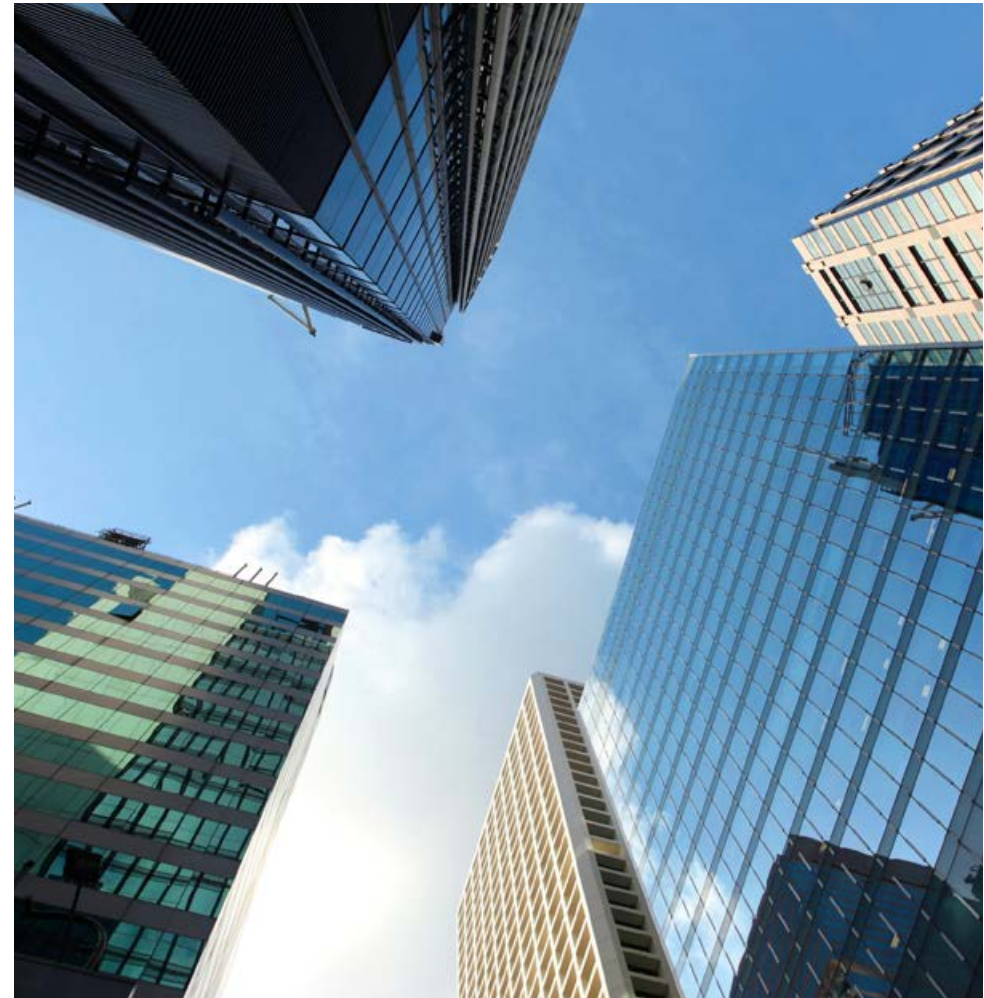
SSAB's Code of Conduct (Code) applies to everyone in the company worldwide, regardless of function, grade or standing, and is communicated to employees through e-learning. The Code is SSAB's ethical compass and outlines guidelines for SSAB's behavior vis-à-vis stakeholders and the market. The Code helps us translate values into action and forms the basis for our environmental and social responsibility commitments. The Code requires compliance with legislation and regulatory requirements. The provisions of the Code take precedence over all other policies

in a division or at a subsidiary level and, in certain cases, may be more far-reaching than national laws and regulations. The Code is based on international standards including the UN Declaration of Human Rights and UN Global Compact Principles. The Code covers areas such as environment, health and safety, employee relations, personal integrity and business ethics.

SSAB has also published a guide that summarizes SSAB's Code and relevant policies to guide employees on how to handle business relationships and how to approach ethically challenging situations which may occur in our daily work.

SAFETY POLICY AND ENVIRONMENTAL POLICY

SSAB is committed to creating value for our stakeholders and to building relationships based upon respect, responsibility and excellence with our employees, customers, shareholders and other business partners – and to doing so in a socially and environmentally responsible manner. SSAB is determined to be the safest steel company in the world, with the objective of achieving zero accidents, work-related injuries and illnesses. The provision of a safe and secure work environment for our employees, contractors and visitors who spend time at our sites is the highest priority. Every



employee who works for SSAB has the personal responsibility to work in a safe manner every day. Working safely is a fundamental condition of employment at SSAB. Occupational safety is part of the integrated management system.

Our Environmental Policy establishes the most important ambitions for SSAB's environmental work and covers those environmental aspects which play a key role in the sustainable development of SSAB's business. The Environmental Policy supports the day-to-day work across the organization and essentially entails the following:

- SSAB will continue to develop products and services in collaboration with customers, so as to actively contribute to environmentally sound and profitable business
- SSAB believes in the efficient use of raw materials and energy, while minimizing waste

RISK AWARENESS AND SYSTEMATIC RISK MANAGEMENT

Management systems and action plans ensure SSAB systematically carries out our work on critical sustainability issues. Several different management systems and tools, both developed in house and third-party certified, are used to effectively control operations in accordance with SSAB's Code of Conduct, Safety Policy and Environmental Policy. Safety

management systems for systematic health and safety work have been implemented at all production sites, including OHSAS 18001. Environmental and climate work takes place primarily within the scope of the ISO 14001 environmental management standard and via local energy management systems. Work environment -related risks and environmental risks are also covered by SSAB's internal risk controls and internal audits. Our systems ensure that targets are set, performance is measured and progress is followed up.

GLOBAL COMPACT AND SELF-ASSESSMENT

SSAB is a signatory to the UN's Global Compact and we continually enhance our efforts to protect and respect its ten principles and promote its spirit within the areas of human rights, labor standards, the environment and anticorruption.

According to our sustainability targets, SSAB acts in compliance with our Code of Conduct and behaves in accordance with our values. As part of this, SSAB conducted a risk analysis of part of its operations during 2015 through self-assessment based on Global Compact principles. The self-assessment tested SSAB's performance on all ten UN Global Compact principles and how well these issues were managed within SSAB. The

objective was to identify risk areas within our operations and potential gaps in our existing policies and procedures. The results of the self-assessment will be reviewed and, if necessary, action plans developed in early 2016.

BUSINESS ETHICS

SSAB continues to strive to ensure that the company maintains a global culture of respect, honesty and integrity. By providing a framework for business ethics and compliance, SSAB continues to focus on creating a mature organizational culture that encourages ethical conduct. This framework provides the required support and tools to meet SSAB's expectation that each and every employee acts with honesty, integrity and responsibility while performing their work.

GLOBAL BUSINESS REQUIRES GOOD MANAGEMENT OF BUSINESS ETHICS

Business ethics are an important part of SSAB's sustainability and corporate social responsibility work. The need for training in business ethics increases as our business becomes more global and complex, and as tougher legislation has been enacted in several countries in recent years.



BUSINESS ETHICS FUNCTION

SSAB's business ethics function is organized as part of the Legal function. It focuses on developing and coordinating SSAB's anti-corruption program across the company and promoting the principles of ethical business behavior. Employees can contact the business ethics team to seek advice regarding ethical behavior.

ANTI-CORRUPTION POLICY

SSAB's Anti-Corruption Policy defines SSAB's zero tolerance approach to bribery and corruption and sets out guidance for our daily operations. The policy provides employees with information on how SSAB defines bribery and improper benefits and how employees are expected to act in relation to our suppliers, customers and other business partners.

WHISTLEBLOWER PROGRAM

Everyone working at SSAB must feel a sense of responsibility to react when improprieties are suspected or uncovered. SSAB has a company-wide whistleblower program for employees to seek guidance or report serious improprieties and violations of the company's policies. The whistleblower program allows employees to report anonymously about serious issues and violations of SSAB's various policies. Awareness about the whistleblower program has been promoted through employee communications.

E-LEARNING IN BUSINESS ETHICS

All employees are expected to comply with SSAB's Code of Conduct, Anti-Corruption Policy and to have knowledge of how to report non-compliance in accordance with the whistleblower policy. Shared ethical guidelines are fundamental in a global company such as SSAB. Training is organized through a global

e-learning module to reach out to all employees in order to provide basic training in business ethics and implement anti-corruption efforts.

FACE-TO-FACE TRAINING IN BUSINESS ETHICS

Internal training in business ethics takes place on a regular basis. The training is mainly provided to employees in management, sales and procurement, and is based on SSAB's values, policies and guidelines. During the course of the training, participants are taught what is meant by corruption and bribery, and how SSAB's anti-corruption program is structured. This is followed by a discussion focused on practical, real-life examples and dilemma discussions. Experience has shown that business ethics training builds trust and provides for more personal discussions with employees. In 2015, training was provided to employees from procurement and an advanced training offered to legal counsels across the company.

TRAINING IN SSAB AMERICAS

As a supplement to the company's global compliance training, within SSAB Americas, employees receive compliance training in the form of webinars, in-person seminars, lunch events, toolbox talks, intranet publications, email advisories and desktop manuals on a variety of topics including business ethics, the





US Foreign Corrupt Practices Act and related anti-corruption laws, anti-trust rules, conflict minerals and harassment prevention training.

REVIEW OF BUSINESS PARTNERS

In some situations, SSAB reviews the integrity of our business partners more closely. SSAB has an instruction for business ethics reviews that mainly covers agents, certain distributors and consultants who represent SSAB against any third party. In most cases, there is no need to review the integrity of a business partner more closely, but the instruction means that SSAB may not enter into or renew agreements with business partners that are within the typical risk areas for corruption, before an initial assessment showing that such partners respect our fundamental rules of business ethics. There should be a written agreement between SSAB and the business partner specifying the duties to be performed, an adequate and reasonable compensation and the business partner must be competent and qualified to perform the work for which they are being hired. An anti-corruption clause is also implemented in the agreements.

ANTI-CORRUPTION MANUAL

SSAB has an anti-corruption manual to audit fraud and corruption risks and carried out three audits in subsidiaries during 2015 based on this manual. These audits have not

revealed any specific irregularities, but have identified potential to further reduce risks from this perspective. Defined risk mitigation measures are implemented according to agreed action plans.

2015 IN BRIEF

- Since the merger with Rautaruukki, SSAB has undergone a major reorganization. To ensure all company policies and guidelines continue to meet external and internal requirements, SSAB updated several of our policies throughout 2015. The Code of Conduct was updated and approved by the Board of Directors, as well as new Safety and Environmental policies
- One of SSAB's sustainability targets refer to web-based training for all employees in business ethics. SSAB's e-learning module in business ethics was updated during the year and now is available in six languages
- The objective was to train 75% of all employees during 2015, with all employees having completed training by the end of 2016. At year-end 2015, 75% of SSAB employees had completed the training

RESPONSIBLE SOURCING

SSAB has thousands of suppliers all over the world. The input materials used to make iron and steel account for SSAB's most significant purchases. Suppliers must comply both with SSAB's own policies and with international social and environmental guidelines.

EFFICIENT AND RESPONSIBLE SOURCING OF GOODS AND SERVICES

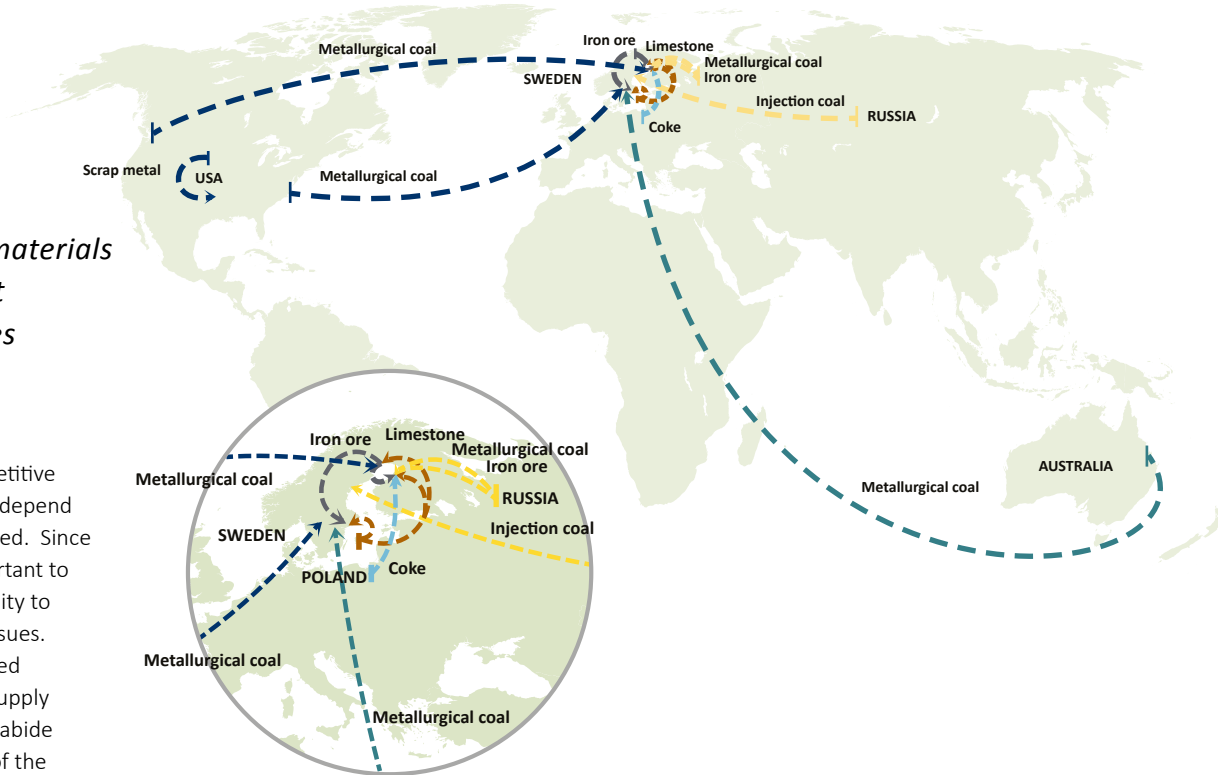
SSAB has an extensive supply chain including around 20,000 suppliers, active in more than 60 countries. However, measured by supplier spend, more than half of our purchases come from Finland, Sweden and North America. SSAB buys input materials, products and services in most of the countries in which we operate. These materials and services range from input goods like scrap, iron ore, coal and alloys to gas, refractories, zinc, paint, maintenance services and spare parts.

SSAB contracts only the most competitive suppliers and the strategies for this depend on the products or services purchased. Since the supply chain is global, it is important to evaluate supplier risks and their ability to address social and environmental issues. At SSAB, sustainability is an integrated aspect of sourcing operations and supply chain management. Suppliers must abide by SSAB's Code of Conduct as part of the terms and conditions of their contracts.

Stringent quality requirements and long-term business relations provide the sourcing organization with a good insight into conditions at suppliers. We assess suppliers on the basis of quality, delivery reliability, cost and sustainability.

COST SAVINGS THROUGH MORE EFFICIENT SOURCING PRACTICES

The merger with Rautaruukki has opened many new possibilities to reduce SSAB's total costs related to sourcing, and is a significant part of



WHERE SSAB SOURCES ITS INPUT MATERIALS

Iron ore pellets	Mainly Sweden, also Russia
Metallurgical coal	Australia, North America, smaller share from Russia
Injection coal	Russia
Scrap	US, Sweden, Finland
Supportive blast furnace coke	Poland
Limestone	Sweden
Alloys	Around 40 different suppliers

20,000
number of active suppliers

GRI report, supplier assessment



the total synergy savings. This is done by, for example, consolidating the supplier base and volumes, identifying new logistics solutions for incoming and outgoing goods and learning from each other by sharing best practices.

SSAB has some key components under way on this front:

- Moving from a site-centric way of working to a category-based structure to create better value. A category structure helps us to work globally on synergies.
- Using the SSAB One management philosophy to work with suppliers to reduce costs within the value chain. An example of this is the utilization of hidden assets in the form of empty return transport, which is now being redesigned to transport input goods for SSAB's own operations.
- Providing different parts of our operations such as Sales, Production and Finance with updated analyses and information on input materials and logistics markets.

INCORPORATING SUSTAINABILITY CRITERIA IN SOURCING

SSAB is a signatory to the UN's Global Compact initiative and the principles of the compact are applied in our work with suppliers. SSAB's Code of Conduct reflects Global Compact principles and represents the most important

control document in regards to working with suppliers. SSAB's supplier contracts include SSAB's Code of Conduct, and suppliers are required to adhere to it. SSAB also reserves the right to conduct reviews of our suppliers or onsite audits to ensure compliance with the principles mentioned in the Code.

SSAB's updated Group Procurement Policy addresses quality, delivery reliability and cost issues, as well as the principles of the Global Compact and how to take them into account when evaluating suppliers.

SSAB also has an Anti-Corruption Policy, which provides employees with information on how SSAB defines bribery and improper benefits, and how employees are expected to act in relation to suppliers, customers and other business partners.

INCREASED FOCUS ON IDENTIFICATION AND EVALUATION OF SUPPLIER RISKS

SSAB systematically identifies the risks related to our suppliers. We do this by placing suppliers in various risk categories depending on the countries in which they operate. Classification is based on Maplecroft's Human Rights Risk Index and Transparency International's Corruption Perceptions Index. Classification in this way illustrates the risks in areas such as

human rights, labor conditions and corruption, and shows that few suppliers have a high-risk profile. Suppliers who are placed in the medium- or high-risk group are required to complete a self-assessment questionnaire containing questions about, for example, their social conditions and environmental credentials. Unsatisfactory answers are investigated.

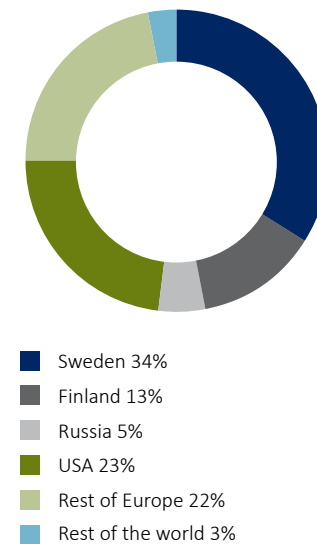
SSAB also conducts regular visits to major suppliers of input materials around the world, including high-risk suppliers. On these visits, purchasers and quality managers visit production sites and conduct quality inspections. Aspects such as a supplier's social conditions and environmental performance are important and will be the subject of even greater focus during future visits. SSAB is further developing our monitoring of suppliers located in high-risk countries.

NO CONFLICT MINERALS IN SSAB'S STEEL

SSAB does not use conflict minerals (including gold, tin, tungsten and tantalum) and, upon request, provides customers with certification affirming this.¹⁾

¹⁾ "Conflict minerals" is a term used for minerals derived from areas characterized by large-scale internal strife, where the mining of minerals risks contributing to, or financing, continued conflict and violation of human rights.

Sourcing by country



2015 IN BRIEF

- SSAB sourced products, materials and services worth an estimated SEK 44,3 (37,9) billion
- SSAB has 20,000 active suppliers in more than 60 countries
- In total, 200 self-assessments were registered in SSAB's purchasing system

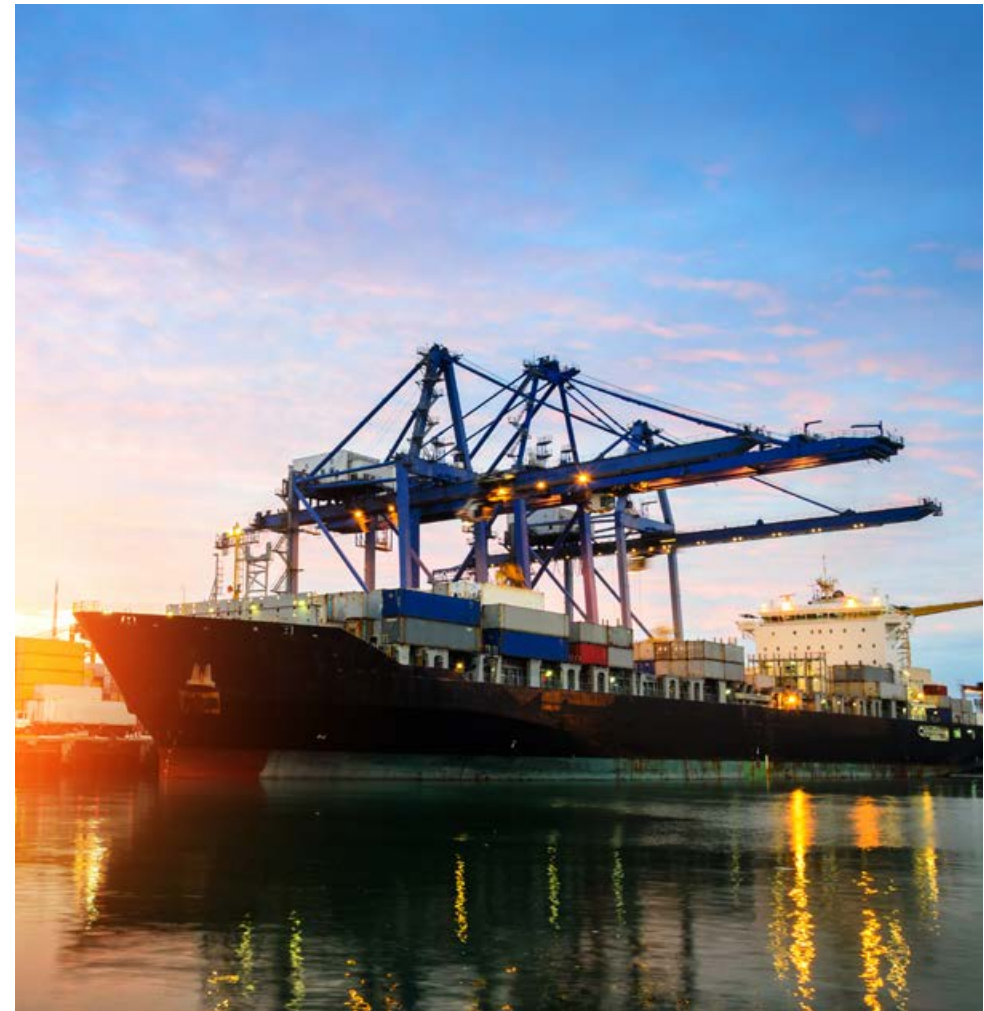
CASE:

SSAB and Aspo ESL Shipping signed a long-term agreement for raw material sea transport to reduce CO₂ emissions

SSAB needs volume flexibility for key input materials to meet fluctuations in the blast furnace consumption of these materials. SSAB's vision of a stronger, lighter and more sustainable world, encourages the pursuit of solutions to limit environmental impacts, where sea transport is of significant importance.

SSAB and Aspo Group's ESL Shipping Ltd signed a long-term frame agreement covering sea freight for SSAB's inbound raw material sea transport within the Baltic Sea and from the North Sea. The agreement secures deliveries of coking coal, iron ore and PCI coal to SSAB's coking plants and blast furnaces in Raahe, Luleå and Oxelösund. The new combined sea freight agreement will result in a reduction of more than 50% in CO₂ emissions per tonne of cargo transported compared to present

vessels. Besides these environmental benefits, the cost savings provided by new technology will also allow better profitability. The cost savings related to the agreement are part of SSAB's synergy program announced in conjunction with the merger with Rautaruukki in 2014. The new agreement will result in ESL Shipping building two new, energy-efficient LNG-fueled ships. The two ships have been ordered and will be delivered during 2018.



SSAB IN THE COMMUNITY

In locations where SSAB operates, the company plays a significant role in the local and regional community as an employer, tax payer, buyer of regional goods and services, and charitable benefactor. Contributing to the communities in which we operate is an integral part of the way the company does business.

ACTIVE ENGAGEMENT IN LOCAL COMMUNITIES

SSAB strives to develop and maintain good relations with various stakeholders in our society and actively engages with the communities in which we operate. The way we work with each local community is defined at the site level. In addition our own employees, SSAB engages with politicians, regulators, media and the general public, and people living close to the production sites.

SSAB is also an important partner for local educational institutions and research. We also extensively offer internships and thesis projects to college students.

SSAB also works together with local environmental regulators on site-specific issues. Besides ongoing collaboration with local authorities, SSAB also works together

with cities and associations to monitor environmental conditions such as air quality and waterways.

Every year, SSAB hosts important visitors from the community, such as schoolchildren, students, customers, subcontractors, various inspectors and regulators.

SUPPORTING LOCAL ACTIVITIES IN SWEDEN AND FINLAND

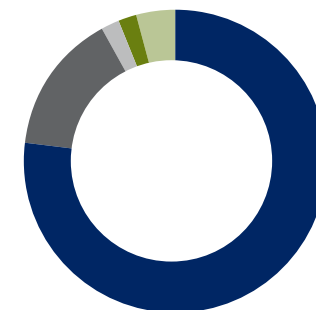
In the communities in which SSAB operates in Sweden and Finland, we contribute to creating a wide range of recreational activities in which SSAB's employees, their families and also the local community can participate. Examples include sponsorships of local sports organizations and exchange of knowledge with schools. SSAB also supports associations in which employees are involved, primarily within sports and culture.

STRONG COMMUNITY INVOLVEMENT IN SSAB AMERICAS

SSAB Americas has a long tradition of community involvement. This takes place not only in the form of financial contributions, but also through participation in various initiatives or support projects. One of the largest organizations supported by SSAB is United Way, a charitable organization which supports the needy through donations, education and volunteer work. Employees' contributions are matched by the company. Another example is SSAB's Foundation for Education, a charity program through which we donate funding of at least \$100,000 each year to local schools in Alabama, money that is raised through the recycling of scrap tires for use as a raw material in steel production in Mobile. Employees and local partners in Mobile also come together every year for the Fill the Bus program, to collect donations of school supplies for local children in need. In Montpelier, Iowa, SSAB's employees sponsor and support The Make-a-Wish Foundation, an organization which aims to realize the dreams of sick children. Support from the company in Montpelier also goes to The Community Foundation of Greater Muscatine, which supports smaller organizations and charitable projects in the region.

Distribution of economic value added to different stakeholder groups

SSAB creates economic value that is distributed to various stakeholders in society, such as our shareholders, financiers, suppliers, personnel, public sector through taxes and communities through local community projects, sponsorship and donations. The economic value retained is reinvested in the company in strategic and maintenance investments, R&D and other investments to develop our ability to create value.



- Suppliers 77%
- Employees 15%
- Shareholders and financiers 2%
- Public sector 2%
- Retained in business 4%

DONATIONS TO SOS CHILDREN'S VILLAGES ORGANIZATION

Since 2012, SSAB has been working with the SOS Children's Villages organization to support different charity projects. In 2015, all SSAB employees in Sweden, Finland, Norway and Denmark were given the opportunity to support the refugee work of the SOS Children's Villages by making a donation. Employees' contributions were matched by the company.

CASE 1:

Raahen Voima and SSAB made disbursements to develop the archipelago

Raahen Voima and SSAB set up a fund in 2014 to promote the development, recreational use and protection of the archipelago in the Raahe, Finland area. The fund supports voluntary work done for the benefit of the archipelago and its natural environment. Disbursements are made to societies, organizations and foundations on application.

Some of the first disbursements were made for the design of an outdoor map, to sailing and maritime societies for tidying up work, to the local maritime rescue association and Sail Training Association Finland for their activities, for the restoration of a

nature trail and fishing base, as well as for work to develop the capability for sea search and rescue and diving missions.

CASE 2:

SSAB grants endowment to University of South Alabama School of Engineering

To support continuing education in the field of engineering, SSAB donated \$110,000 to the University of South Alabama (USA) to establish the SSAB Scholarship Endowment Fund. The fund will go toward scholarships benefiting full-time junior and senior level students in the University's College of Engineering. Through the university's Mitchell-Moulton Scholarship Initiative, USA will match the amount of \$110,000 as the funds are received from SSAB over the next four years. SSAB previously supported the university with generous donations toward the inception of USA's new engineering facilities in Shelby Hall. Several USA graduates are now employed by SSAB.

CASE 3:

School children in Borlänge visit SSAB

In Borlänge, Sweden, SSAB gives local school children the opportunity to visit the mill. The study visits take place in collaboration with Museum of the Future in Borlänge. The idea

is to increase knowledge about the steel industry – what it does and what it's like to work there – and partly to increase awareness of what SSAB does in Borlänge. The aim is also to encourage more students to study technology in high school. Last year, a total of 26 classes of eighth graders visited Borlänge in November.



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