

A young girl with blonde hair is looking out of a window in an industrial setting. She is wearing a green jacket. The background is a blurred industrial environment with blue and grey tones.

SSAB ANNUAL REPORT 2021

Leading the green transition of the steel industry



Reinventing the future of steel

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

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Business Review

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This is SSAB

SSAB is a global steel company with a leading position in high-strength steels and related services. Our vision is a stronger, lighter and more sustainable world. SSAB aims to be the first, in 2026, to offer fossil-free steel to the market and largely eliminate carbon dioxide emissions from our own operations in around 2030.

Our business segments
– Leaders in their respective sectors

96 SEK BILLION
Revenue in 2021

Annual steel production capacity
8.8 MILLION TONNES

Steelmaking since
1878

14,000
professionals
in over 50 countries

Headquarters
Stockholm, Sweden



SSAB SPECIAL STEELS

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



SSAB EUROPE

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



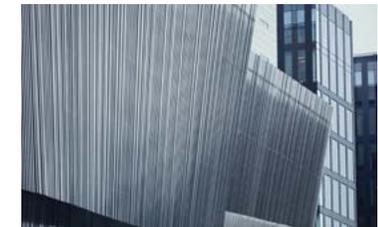
SSAB AMERICAS

North American steel producer, market-leading in high-quality steel plate and coil



TIBNOR

Leading supplier of steel, other metals and processing services in the Nordics



RUUKKI CONSTRUCTION

Sustainable building products and services in Europe

Global presence

SSAB has a strong global presence with employees in over 50 countries.

Our production plants in Sweden, Finland and the US have an annual steel production capacity of approximately 8.8 million tonnes.

SSAB FOCUS MARKETS

Nordic

Flat steels and tubes

North America

Heavy plate

Globally

Automotive Advanced High-Strength Steels (AHSS)

Quenched & Tempered (Q&T)

- SSAB main production sites
- SSAB processing sites
- Sales coverage



Vision and Values

The SSAB Way

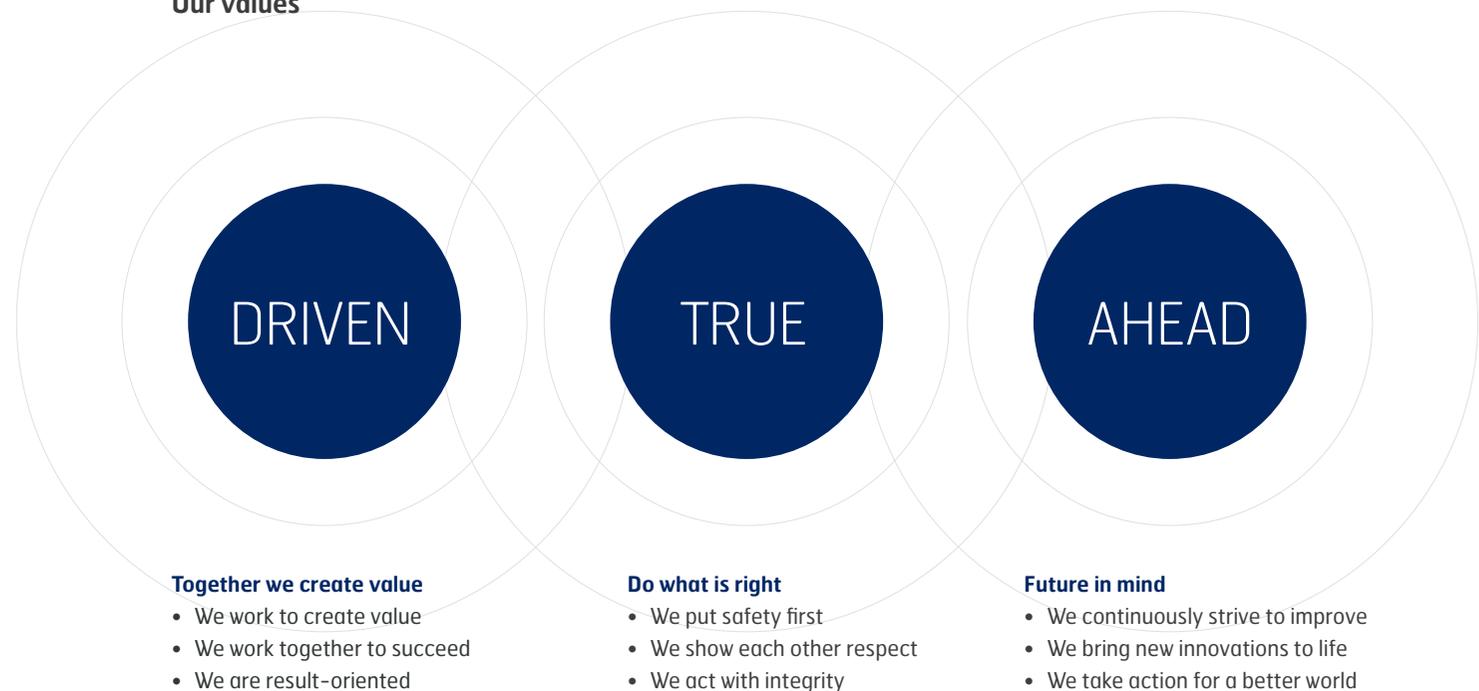
The SSAB Way is our way of describing the culture that has made and continues to make us successful, not only in our home markets in the Nordic region and the US, but also globally. It concludes who we are, what we do and how we do it, and it describes what we as a company have to offer. The SSAB Way includes our vision, values, strategy, and our Code of Conduct.

Our vision

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



Highlights in 2021



First in fossil-free steel

SSAB strengthened its position as the driving force in the green transition of the steel industry. For the first time ever, iron ore was reduced at a pilot scale using 100% fossil-free hydrogen. The world's first fossil-free steel was rolled at SSAB's production site in Oxelösund and delivered to Volvo Group. This trial delivery is an important step on the way to a completely fossil-free value chain for iron- and steelmaking and a milestone in the HYBRIT partnership between SSAB, LKAB and Vattenfall. During the fall, Volvo Group revealed the first vehicle, a load carrier for use in mining and quarrying, made of fossil-free steel.

Collaboration and delivery agreements related to fossil-free steel were signed with several other major customers too, including Volvo Cars, Daimler/Mercedes Benz, Faurecia, Cargotec, Peab, Autoliv and Lindab.



Commercial amounts of fossil-free steel in 2026

A new, decisive leap was taken in the HYBRIT joint initiative between SSAB, Vattenfall and LKAB with the decision to build a larger scale demonstration plant for fossil-free sponge iron in Gällivare, northern Sweden. The new plant will have an annual production capacity of 1.3 million tonnes of fossil-free sponge iron. SSAB and LKAB will deepen their partnership to create the most effective fossil-free steel value chain from mine to steel, to customer – with Vattenfall as an enabler of the need for electricity and hydrogen gas.

At the same time, SSAB's blast furnaces in Oxelösund will be replaced by an electric arc furnace in 2025. This will enable SSAB to use the sponge iron produced in Gällivare to make commercial amounts of fossil-free steel in 2026.



Good development in safety performance

Good progress with safety work in 2021 was largely a result of our long-term focus on safety issues and an improvement in the safety culture. The lost time injury frequency per million working hours (LTIF) decreased to 1.8 (3.7) and the total recordable injury frequency per million working hours (TRIF) was 9.2 (9.7). SSAB's ambition is to be the world's safest steel company and to achieve zero work-related injuries and illnesses.



Record result for all divisions

The full year 2021 was the best in SSAB's history, with record results posted by all divisions. The improvement was mainly driven by high steel prices but also by a good internal performance, with high production stability and improved safety results. Operating profit for the full year rose to a record high SEK 18,837 (-325) million. Net cash flow amounted to SEK 12.4 (2.2) billion for the full year and with net cash of SEK 2.3 billion, the Group is now debt free. The product mix was improved during the year in line with our strategic targets.

Historic year for SSAB

The year 2021 was one of strong performance for SSAB and for all business segments. Demand was strong with a good price trend and together with solid internal performance, including high production stability, made the year the best in SSAB's history in terms of earnings. In particular, I would like to highlight our improved safety work and progress in developing fossil-free steelmaking. SSAB has built up a unique position ahead of the radical transformation that awaits the steel industry.

Record result and debt-free SSAB

The market in 2021 was characterized by high steel prices and good demand in most segments and geographies where SSAB is active. All the same, the year was not without its challenges, such as the global pandemic and its consequences for both society at large as well as at individual level. There were also issues with bottlenecks in the supply system and a shortage of transport capacity. We dealt with these challenges well thanks to a clear focus and good performance from all employees. Major efforts were required to minimize the negative effects on our customers. The production level was high, with a number of our production lines setting new records during the year. We kept costs under control. Operating profit for the full year reached a record high SEK 18.8 billion compared to a minor loss for 2020. Net cash flow was strong and amounted to SEK 12.4 billion for the year, and at year-end 2021, the company had net cash of SEK 2.3 billion and was debt free.

Fewer injuries and recordable injuries

For many years now, we have been investing considerable resources to improve safety, not least by strengthening the safety culture with a raft of educational initiatives across the Group. We can now see that our long-term work is delivering results, which galvanizes us to work further towards our ambitious goal of becoming the world's safest steel company. Both lost time injury frequency resulting in absence of more than one day (LTIF) and total recordable injury frequency (TRIF) decreased to 1.8 (3.7) and 9.2 (9.7) respectively. During 2021, we continued to adjust our operations based on local Covid-19 restrictions and I am proud that despite the ongoing pandemic, we managed to maintain high, safe and stable production.

Growth in line with the strategy

Improving the product mix is one of the cornerstones in SSAB's strategy. We aim to use as much of our capacity as possible to make



high-strength steel and other premium products. This will pave the way for higher and more stable earnings. In 2021, SSAB Special Steels' shipments increased 30% to 1.46 million tonnes and SSAB Europe increased its share of premium products to 43%, compared to 38% in 2020. Our advanced products in Automotive AHSS set record shipment levels despite the shortage of components in the automotive industry, which slowed production during the second half of the year. Increased volumes of SSAB's high-strength steels make it easier for our customers, among other things, to reach their sustainability strategies since high-strength steels improve productivity and sustainability performance in the machinery and other equipment that our customers make.

Business driving faster transition

Customer demand is rapidly developing towards solutions with a lower climate footprint. This places high demand on SSAB to develop our product offering and to invest in new production niches in line with our strategic focus. Demand for fossil-free steel has grown strongly and in January 2022, SSAB's Board took a strategic decision to bring forward the transformation of the Swedish and Finnish production sites to respond to demand. The plan is to transform the Nordic strip production system. We will increase the capacity for premium products, improve our cost position and transition to fossil-free-production in full line with our strategy. Under the new plan, Luleå

and Raabe sites will be transformed into cost-effective mini-mills, with electric arc furnaces and rolling mills. Borlänge and Hämeenlinna will be further developed in line with the new production process. Strategic investments in the new strip production system are expected to total approximately SEK 45 billion. At the same time, this will eliminate the need to invest in existing systems with blast furnaces, steel plants and rolling mills. There will be a broader product program in special steels and a better product mix with fossil-free products. Costs can be reduced by, among other things, more efficient and more flexible production and material flows, and significantly shorter lead times. Once the blast furnaces are decommissioned, we will also avoid the future costs of carbon dioxide emissions.

Major contribution to Nordic climate ambitions

The plan means that all SSAB's emissions will be largely eliminated at the beginning of the next decade, significantly earlier than previously announced. The investment means a reduction of more than 8 million tonnes of carbon dioxide a year, compared with present levels. The transformation is considerable with regard to Nordic climate ambitions. Sweden's total carbon dioxide emissions can decrease by around 10% and Finland's by around 7%. SSAB has a strong financial position and the assessment is that the strategic investment program can be financed through our own cash flow. However, to make

“SSAB is well equipped and strongly positioned to face the challenges the steel industry has ahead of it.”

the transformation a reality, the necessary infrastructure must be in place in time, as well as access to competitive and fossil-free electricity.

Supporting UN global sustainability goals

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

Uniquely positioned for the future

SSAB is well equipped and strongly positioned to face the challenges the steel industry has ahead of it. We have a solid financial position with a debt-free balance sheet. We have established

our leadership in the industry's transition towards lower emissions and have already delivered the first fossil-free steel to a customer. Through our American operations over the years, we have built up competence for effective electric arc furnace-based production, and we will now draw on this experience in the planned transformation of our Nordic steelworks.

In conclusion, I would like to thank all SSAB employees, whose efforts have laid the foundation for the position of strength we are now in. I would also like to thank our customers for their confidence in SSAB and our products, and for supporting us to continue to develop our product offering, not least in fossil-free steel. Lastly, I would like to thank all our shareholders, who have chosen to join us on our journey towards world-class steelmaking and a more profitable and sustainable SSAB.

Martin Lindqvist,
President and CEO

2021 in brief

Key figures

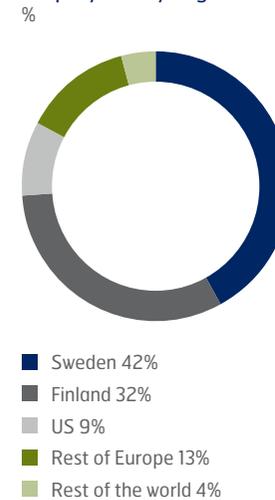
	2021	2020
Revenue, SEK million	95,891	65,396
Operating profit before depreciation/amortization, EBITDA, SEK million	22,094	3,364
Operating profit, SEK million	18,837	-325
Profit after financial items, SEK million	18,416	-802
Earnings per share, SEK	14.24	-0.50
Operating cash flow, SEK million	15,296	3,460
Dividend per share, SEK - 2021 proposal	5.25	0.00
Gross energy consumption, GWh	9,396	9,083
Carbon dioxide emissions ¹⁾ , thousand tonnes	10,605	9,474
Employees ²⁾	14,235	13,974
Lost time incident frequency (LTIF) ³⁾	1.8	3.7

¹⁾ Direct emissions from production (Scope 1)

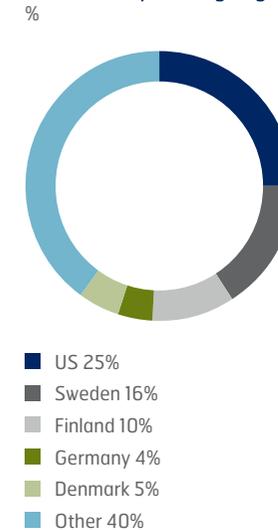
²⁾ Permanent employees at year end

³⁾ Number of accidents resulting in an absence of more than one day per million working hours, including contractors

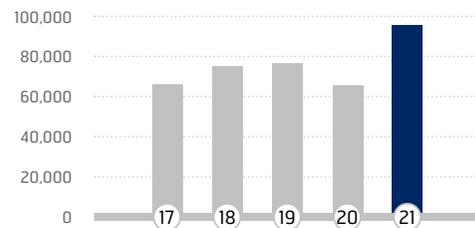
Employees by region in 2021



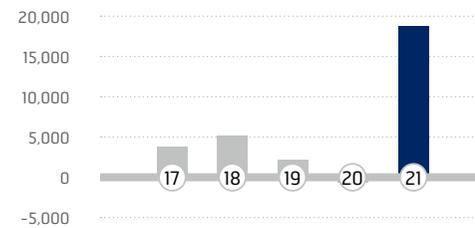
Revenue by main geographical markets in 2021



Revenue
SEK, m

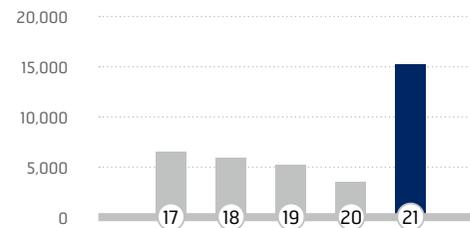


Operating profit/loss¹⁾
SEK, m

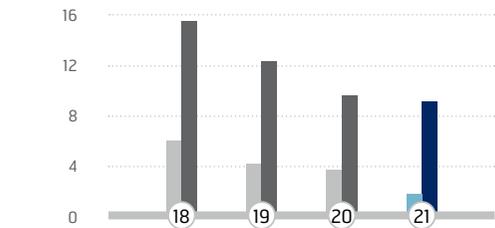


¹⁾ Excluding items affecting comparability

Operating cash flow
SEK, m



Injury frequency



■ Lost Time Injury Frequency (LTIF)

■ Total Recordance Injury Frequency (TRIF)

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 a solid balance sheet and shareholder dividends.

SSAB has three financial targets:

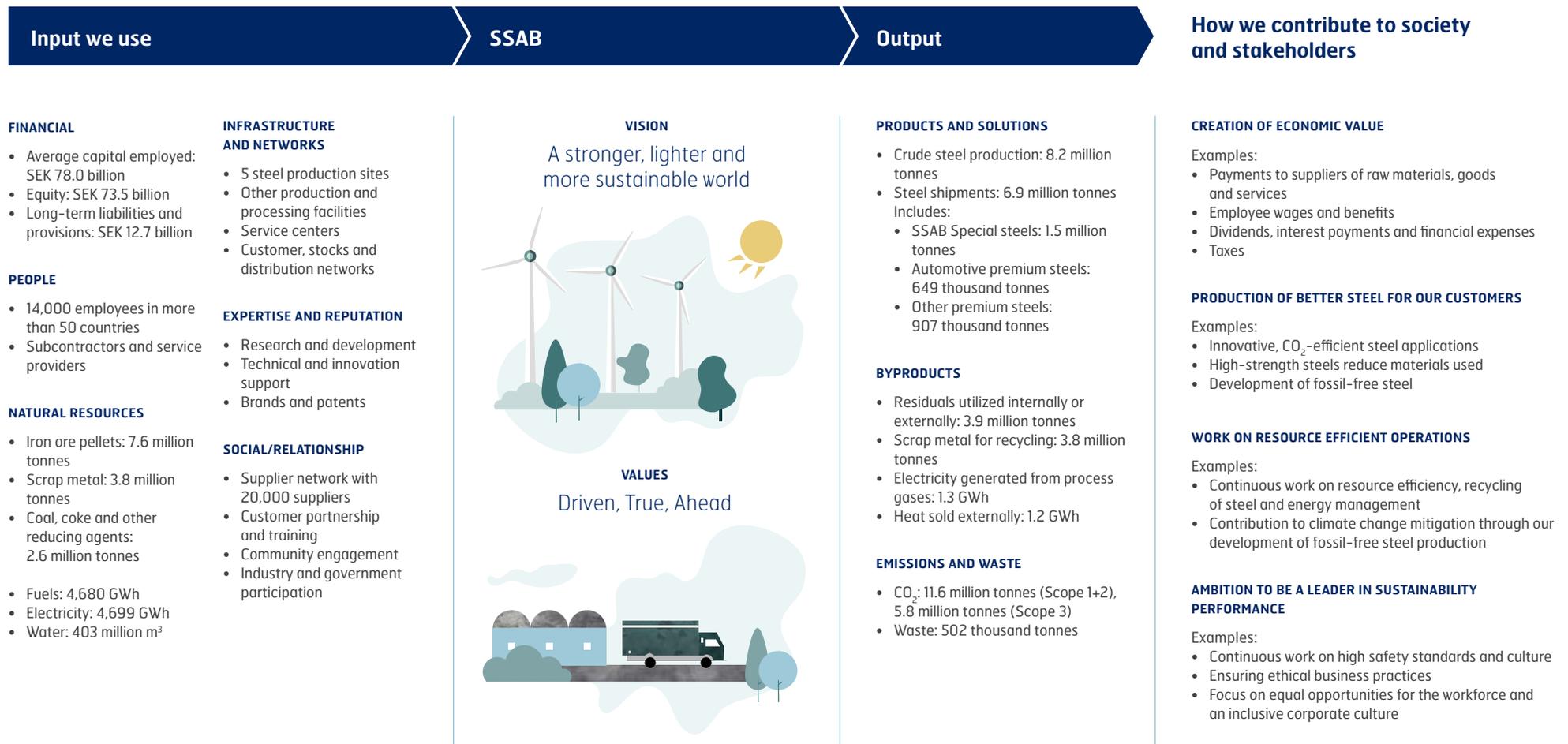
Area	Profitability	Capital structure	Dividends																																																
Objective	Industry-leading profitability measured as EBITDA margin among comparable peers (ArcelorMittal, AK Steel, Nucor, Salzgitter, Tata Steel Europe, ThyssenKrupp, US Steel).	Net debt/equity ratio will not normally exceed 35%.	Dividend target is 30–50% of profit after tax.																																																
2021 achievement	SSAB's EBITDA margin was 23.0% (5.1%). The position compared to peers declined to fourth place, compared to third place in 2020. The year was characterized by high steel prices, with exceptionally high prices on the North American market, which favored SSAB's competitors in the USA.	Cash flow was strong and SSAB was debt free with net cash of SEK 2.3 billion (net debt SEK 10.3 billion) at year-end 2021, which equates to a net debt/equity ratio of -3% (19%).	The Board proposes a dividend of SEK 5.25 per share for the financial year 2021, which equates to 37% of profit after tax.																																																
	<p>Profitability EBITDA margin, % and SSAB's position in peer group¹⁾</p> <table border="1"> <caption>Profitability Data (2017-2021)</caption> <thead> <tr> <th>Year</th> <th>EBITDA margin (%)</th> <th>Position in peer group</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>~10</td> <td>3</td> </tr> <tr> <td>2018</td> <td>~10</td> <td>3</td> </tr> <tr> <td>2019</td> <td>~8</td> <td>2</td> </tr> <tr> <td>2020</td> <td>~5</td> <td>3</td> </tr> <tr> <td>2021</td> <td>23.0</td> <td>4</td> </tr> </tbody> </table> <p>● Position in peer group — EBITDA margin, %</p> <p>¹⁾ The position in the peer group is based on the first nine months of 2021</p>	Year	EBITDA margin (%)	Position in peer group	2017	~10	3	2018	~10	3	2019	~8	2	2020	~5	3	2021	23.0	4	<p>Capital structure Net debt/equity ratio²⁾, %</p> <table border="1"> <caption>Capital structure Data (2017-2021)</caption> <thead> <tr> <th>Year</th> <th>Net debt/equity ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>~22</td> </tr> <tr> <td>2018</td> <td>~18</td> </tr> <tr> <td>2019</td> <td>~19</td> </tr> <tr> <td>2020</td> <td>~19</td> </tr> <tr> <td>2021</td> <td>-3</td> </tr> </tbody> </table> <p>²⁾ 2017 does not include leasing under IFRS</p>	Year	Net debt/equity ratio (%)	2017	~22	2018	~18	2019	~19	2020	~19	2021	-3	<p>Dividends³⁾ SEK</p> <table border="1"> <caption>Dividends Data (2017-2021)</caption> <thead> <tr> <th>Year</th> <th>Dividend per share (SEK)</th> <th>% of profit after tax</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>~1.0</td> <td>~40</td> </tr> <tr> <td>2018</td> <td>~1.5</td> <td>~40</td> </tr> <tr> <td>2019</td> <td>~0.5</td> <td>~40</td> </tr> <tr> <td>2020</td> <td>~0.5</td> <td>~40</td> </tr> <tr> <td>2021</td> <td>5.25</td> <td>37</td> </tr> </tbody> </table> <p>■ Dividend per share, SEK — % of profit after tax</p> <p>³⁾ 2021 is the Board's proposal</p>	Year	Dividend per share (SEK)	% of profit after tax	2017	~1.0	~40	2018	~1.5	~40	2019	~0.5	~40	2020	~0.5	~40	2021	5.25	37
Year	EBITDA margin (%)	Position in peer group																																																	
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Market and strategy

SSAB's strategy is to strengthen our leading positions in high-strength steels globally, in our home markets, and as a provider of value-added services.

Value creation



Input we use

SSAB

Output

How we contribute to society and stakeholders

FINANCIAL

- Average capital employed: SEK 78.0 billion
- Equity: SEK 73.5 billion
- Long-term liabilities and provisions: SEK 12.7 billion

PEOPLE

- 14,000 employees in more than 50 countries
- Subcontractors and service providers

NATURAL RESOURCES

- Iron ore pellets: 7.6 million tonnes
- Scrap metal: 3.8 million tonnes
- Coal, coke and other reducing agents: 2.6 million tonnes
- Fuels: 4,680 GWh
- Electricity: 4,699 GWh
- Water: 403 million m³

INFRASTRUCTURE AND NETWORKS

- 5 steel production sites
- Other production and processing facilities
- Service centers
- Customer, stocks and distribution networks

EXPERTISE AND REPUTATION

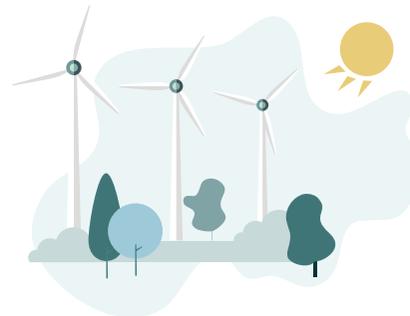
- Research and development
- Technical and innovation support
- Brands and patents

SOCIAL/RELATIONSHIP

- Supplier network with 20,000 suppliers
- Customer partnership and training
- Community engagement
- Industry and government participation

VISION

A stronger, lighter and more sustainable world



VALUES

Driven, True, Ahead



PRODUCTS AND SOLUTIONS

- Crude steel production: 8.2 million tonnes
- Steel shipments: 6.9 million tonnes
- Includes:
 - SSAB Special steels: 1.5 million tonnes
 - Automotive premium steels: 649 thousand tonnes
 - Other premium steels: 907 thousand tonnes

BYPRODUCTS

- Residuals utilized internally or externally: 3.9 million tonnes
- Scrap metal for recycling: 3.8 million tonnes
- Electricity generated from process gases: 1.3 GWh
- Heat sold externally: 1.2 GWh

EMISSIONS AND WASTE

- CO₂: 11.6 million tonnes (Scope 1+2), 5.8 million tonnes (Scope 3)
- Waste: 502 thousand tonnes

CREATION OF ECONOMIC VALUE

Examples:

- Payments to suppliers of raw materials, goods and services
- Employee wages and benefits
- Dividends, interest payments and financial expenses
- Taxes

PRODUCTION OF BETTER STEEL FOR OUR CUSTOMERS

Examples:

- Innovative, CO₂-efficient steel applications
- High-strength steels reduce materials used
- Development of fossil-free steel

WORK ON RESOURCE EFFICIENT OPERATIONS

Examples:

- Continuous work on resource efficiency, recycling of steel and energy management
- Contribution to climate change mitigation through our development of fossil-free steel production

AMBITION TO BE A LEADER IN SUSTAINABILITY PERFORMANCE

Examples:

- Continuous work on high safety standards and culture
- Ensuring ethical business practices
- Focus on equal opportunities for the workforce and an inclusive corporate culture

Global megatrends

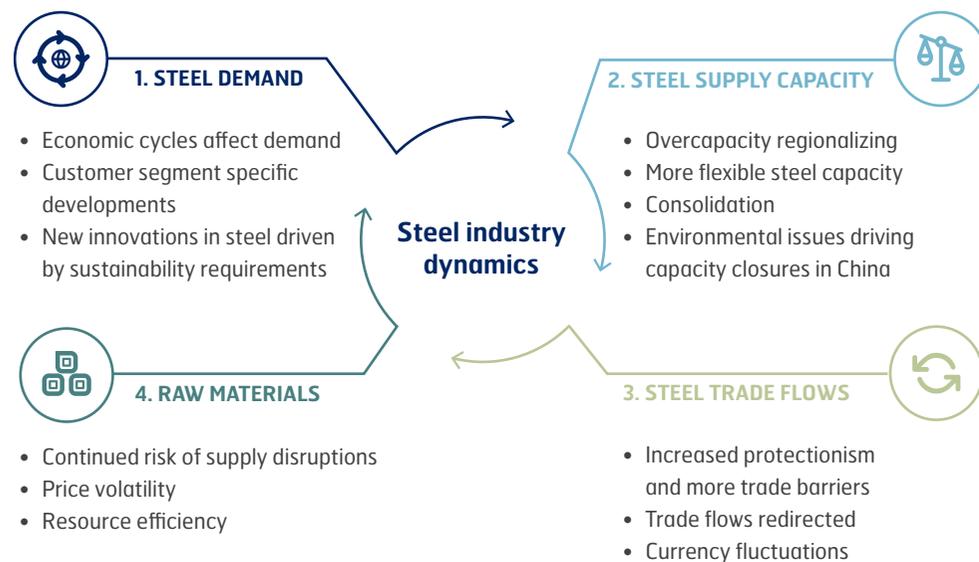


Climate change and resource scarcity	Population growth and urbanization	Digitalization	Changing geopolitical landscape
<p>DESCRIPTION</p> <ul style="list-style-type: none"> Global greenhouse gas emissions need to be radically reduced in order to limit climate warming and meet the targets set in the Paris Agreement Increasing consumption of world’s natural resources Increasing likelihood of extreme weather events, e.g. hurricanes, wildfires, and flooding <p>IMPACTS ON STEEL INDUSTRY DYNAMICS</p> <ul style="list-style-type: none"> Increasing demand for sustainable, recyclable material, e.g. steel Cost of carbon emissions Optimization of available steel capacity to promote more resource and CO₂ efficient products/processes Extreme weather events affecting steel operations , e.g. hurricanes more common <p>SSAB’S RESPONSE</p> <ul style="list-style-type: none"> Strategic target to offer fossil-free steel to the market in 2026 and largely eliminate carbon dioxide emissions from our own operations in around 2030 Helping customers to reduce their CO₂ footprint through upgrading to high-strength steel Consideration of physical climate risks across SSAB and in new investment decisions 	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Growing global population Rapid urbanization primarily in developing countries Urban areas need to be continuously developed to manage the increasing complexity <p>IMPACTS ON STEEL INDUSTRY DYNAMICS</p> <ul style="list-style-type: none"> Increasing demand for steel in construction, infrastructure and energy sector Increasing demand for sustainable and energy-efficient buildings and traffic solutions <p>SSAB’S RESPONSE</p> <ul style="list-style-type: none"> Developing new products and offerings to meet future challenges Offering broad spectrum of products to be used in construction and infrastructure, as well as in construction machinery and renewable energy plants 	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Digitalization impacting the business model for most companies New technologies available at affordable cost <p>IMPACTS ON STEEL INDUSTRY DYNAMICS</p> <ul style="list-style-type: none"> More efficient operating practices available Digital services adding more transparency in the value chain E-commerce and trade platforms impacting demand-supply dynamics <p>SSAB’S RESPONSE</p> <ul style="list-style-type: none"> Using robotics, machine learning and advanced analytics to improve production stability and process efficiency Renewing digital service portfolio to improve customer experience Developing new digital tools to help customers realize the potential of our steel New 3D-printing facility under construction in Oxelösund 	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Increasing protectionism, e.g. trade protection measures Increasing steel demand in developing economies <p>IMPACTS ON STEEL INDUSTRY DYNAMICS</p> <ul style="list-style-type: none"> Higher importance of regional markets Restrictions on trade and other cross-border flows <p>SSAB’S RESPONSE</p> <ul style="list-style-type: none"> Securing leadership positions in our home markets with cost leadership and preferred supplier status Taking an active stance for free and fair trade Advancing SSAB’s position in emerging markets for high-strength steels Improve production capabilities, so that each site can cover a broader product range

Steel market and SSAB's position

Following the Covid-19 pandemic, the global steel industry experienced a recovery during 2021 to activity levels not seen since the financial crisis of 2008. Steel prices climbed globally because of good steel demand, restricted supply availability and continued regionalization with falling global steel trade.

Four fundamental forces shaping steel industry dynamics



Steel prices

Steel prices in SSAB's core markets have been volatile in recent years. During the Covid-19 outbreak in 2020, both Europe and the Americas experienced supply chain disruptions. Many steel producers reduced their capacity during the initial downturn. As demand improved, prices started to climb towards the end of the 2020, and continued to surge during most of 2021 to new record levels in all markets. Hot-rolled coil prices peaked in Europe in July, when they were up 190% compared with the same period in 2020, and in the Americas in September when they were up 240% also compared with the same period previous year. Since then, prices have fallen somewhat – but a structurally healthier demand/supply balance indicates continued good steel prices.

1. Steel demand

Global steel demand has rebounded up to record levels

Global steel demand as a whole held flat during 2020. While the markets in the EU and North America experienced a demand drop of 8% and 15% respectively, continued growth in Asia fully offset that fall in demand. During 2021, industrial activity recovered in all markets, and in combination with low inventory levels in most value chains, apparent global steel demand rose 6% to a new record level of approximately 1,875 million tonnes. This has created the recent favorable market conditions for steel prices.

Demand for high-strength steel

The use of high-strength steels provides advantages in the form of stronger, lighter and more durable steel solutions. Use of these steels therefore continues to increase and experience higher growth than standard steels. Across segments, customers are working with high-strength steels to lower costs, improve safety and lighten the weight of their products, thereby reducing their environmental impact.

Supply chain disruptions

A shortage of steel and other key components such as semiconductor chips affected some sectors during 2021, and strained economic growth somewhat. Several vehicle manufacturers were forced to idle or reduce production during 2021 due to the lack of semiconductors. There was also a shortage of transport capacity, such as container and truck capacity, which affected many customer segments. Without these disruptions, steel demand would probably have been even higher during 2021.

Strong prospects for fossil-free steel

There is a growing interest for steel with a low environmental impact. Today, the mobility sector is leading the way with companies like Daimler/ Mercedes-Benz, Volvo Group and Volvo Cars aiming to reach carbon neutrality. This is clearly in line with the general trend among companies of setting science based emission targets that

are in line with the Paris Agreement. Almost 1,000 companies, including SSAB, have agreed on climate targets that are approved by the Science Based Targets initiative.

2. Steel supply trends

Healthy capacity utilization

Global steelmaking capacity peaked in 2015, at which point Chinese authorities decided to halt any further expansion of capacity and removed some 150 million tonnes of capacity. Also supply fell in other regions, like the EU and North America due to obsolete blast furnace capacity that has been removed from the market. These industry actions have resulted in an improvement in global capacity utilization from an average of 69% for 2010–2017, to 79% for 2018–2021E. With continued steel demand growth, and limited capacity expansion in the near term, the global steel industry is set to operate at much better utilization levels in coming years.

Supply landscape transformation

New customer demands and predicted increased costs for CO₂ emissions have triggered transformation in the steel industry. During 2021, the European Commission introduced its Fit for 55 package, which contains legislative proposals to increase the 2030 emissions reduction

target from 40% to at least 55%. Many industry participants are exploring new technologies – including ones using hydrogen – to meet these new demands. This is likely to mean that more steel companies will shift away from blast furnace based production to electric arc furnaces.

3. Steel trade flows

Increasing trade tensions

The introduction of trade barriers was growing worldwide already before the Covid-19 outbreak and the number of global trade restrictions has increased in recent years. Section 232 tariffs in the US may be the best-known measure, but several other regions have also introduced retaliatory measures. Furthermore, the European Commission has proposed a carbon border adjustment mechanism to prevent the risk of carbon leakage. However, in 2021 the US and EU agreed to ease tariffs on steel and aluminum.

Market regionalization

Trade policies combined with increasing steel demand locally have resulted in decreased trade, particularly between geographical regions. Extra-regional steel trade (i.e. excluding trade within for example the EU) has fallen by over 20% in the past 5 years, and supplied only 13% of global steel demand in 2020. The EU, the US, Mexico

and Canada remain large net importers of steel, with a trade deficit of 10 and 18 million tonnes respectively in 2020. China, which has historically been a major net exporter of steel, has been a net importer during parts of 2020 following a strong domestic demand recovery. The Covid-19 pandemic could be a further catalyst of market regionalization as companies may consider localizing supply chains and further support a local green re-start of the economy, e.g. through carbon border taxes.

4. Input materials

Volatility in iron ore prices

China's response to the economic fallout from the pandemic created a sharp rise in the price of iron ore. After months of widespread lockdowns due to outbreaks of Covid-19, China increased investments in the construction sector. At the same time, Brazil, a large mining country, was severely hit by Covid-19 and several mines were forced to cut production. During 2021, iron ore prices reached record levels at over USD 220/tonne, but started falling in June and closed the year at around USD 120/tonne after the situation had stabilized in China.

Volatility in coking coal prices

Coking coal prices started 2021 at a level of USD 100/tonne. However, robust demand coupled

with limited spot availability caused an upswing in coking coal prices, which at their highest were over USD 400/tonne at the end of the year.

Stable high scrap prices

Scrap prices in the US have remained high and stable at USD 400–500/tonne during 2021. Going forward, demand for premium scrap in particular is expected to increase as more electric arc furnaces are being built around the world.

SSAB's steel market position

SSAB is present in the steel segment commonly referred to as flat carbon steels, i.e., steels with a particular carbon content rolled into flat sheets or plates. With an annual steel production capacity of approximately 8.8 million tonnes, SSAB is a small player in the global steel market. This is why SSAB specializes in and focuses on four defined segments, where we have strong market positions:

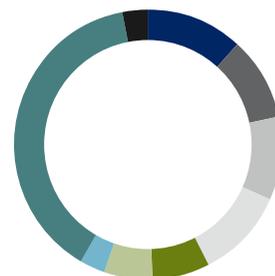
- Flat steel and tubes in the Nordics
- Heavy plate in North America
- Automotive premium steel (Advanced High-Strength Steel, AHSS) globally
- Special steels (Quenched & Tempered, Q&T and AHSS) globally

SSAB has leading positions in our Nordic and North American home markets. SSAB has an overall market share of around 40% for flat carbon steels in the Nordic region. In North America, SSAB is the largest producer of heavy plate, with a market share of about 30%. With our leading products, brands, knowledge and well-invested asset base, SSAB also holds the number one position in the global market for Quenched and Tempered (Q&T) plate and strip, and in selected Advanced High-Strength Steel (AHSS) segments.

These market segments account for about 3% of the global market for carbon steel. In addition to being a steelmaker, SSAB is also a steel and non-ferrous metal distributor via our subsidiary Tibnor, and offers steel-based construction solutions through our subsidiary Ruukki Construction.

The main customer segments served by SSAB include heavy transport, construction building and infrastructure, automotive, industrial applications, construction machinery (including lifting), energy and material handling (including mining). In our home markets, the Nordic region and North America, standard steels are also sold through steel service centers and distributors.

Customer segments
Share of total shipments in 2021



- Heavy transport 12%
- Construction 10%
- Automotive 10%
- Industrial applications 11%
- Construction machinery 7%
- Energy 6%
- Material handling 3%
- Service centers 39%
- Others 3%

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



Global carbon steel market
100% = ~1,800 million tonnes

3%

SSAB focus markets

Special steels Globally ¹⁾	Automotive premium steel Globally ²⁾	Flat carbon steels and tubes in The Nordics	Heavy plate in North America
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Market size, million tonnes



SSAB market share, %



¹⁾ Defined as Quenched & Tempered (Q&T) flat products and Hot-rolled Advanced High-Strength Steel (AHSS) ≥ 700MPa
²⁾ Defined as hot-rolled, cold-rolled and coated Advanced High-Strength Steel (AHSS) strip products for automotive ≥ 420MPa

Strategy - Taking the Lead



SSAB has continued to develop our Taking the Lead business strategy during 2021 to adjust it to the changing business environment. Our strategy continues to emphasize our commitment to being first in fossil-free steel and having a leading sustainability performance.



First in fossil-free steel

SSAB began its journey to revolutionize the steel industry 5 years ago. This idea has since then become a core priority for SSAB, and we aim to be the world's first steel company to deliver, in 2026, iron ore-based fossil-free steel to the market. This includes an active leadership role in the HYBRIT joint venture initiative together with LKAB and Vattenfall.

Nordic strip production and so accelerate the company's green transition. The decision was taken against a background of strongly growing demand for fossil-free steel. The plan is to replace the existing system with so-called mini-mills, which will result in a broader product program and improved cost position. The ambition is to largely eliminate carbon dioxide emissions from our own operations in around 2030, 15 years earlier than previously announced.

There is a growing interest from customers to lower the carbon footprint in their value chain, which opens up great potential for fossil-free steel as a premium product. During 2021, SSAB signed multiple partnerships in fossil-free steel with customers such as Volvo Group, Volvo Cars, Cargotec, Daimler/Mercedes-Benz and Peab. In January 2022, SSAB's Board took a policy decision to fundamentally transform



Leading home-market positions

Maintaining the market leading position in SSAB's two home markets, the Nordics and North American plate, remains a strategic priority for SSAB. We intend to strengthen our position in the coming years and to increase the share of premium steel shipments.

In Europe, SSAB will prioritize the Nordic home-market position, while continuing to shift the portfolio towards premium products, and to increase our supply to downstream assets, including Tubes, Tibnor and Ruukki Construction.

In North America, SSAB's market share leadership will evolve towards a premium offer strategy focusing on growing value and shipments from own cut-to-length centers and developing downstream partnerships to serve small and medium-sized customers.



Global leadership in high-strength steels

SSAB has a global leadership position in high strength steels, both in Quenched and Tempered (Q&T) steels, and premium automotive grades (AHSS). Our ambition is to build on this success and continue to grow within these segments, for example through customer upgrading, i.e. moving customers from standard grades to high-strength grades. We are introducing new innovative products and services to support this growth.

In recent years, SSAB has consolidated its position as an automotive supplier of premium AHSS products. Contrary to most automotive suppliers, SSAB's volumes held flat during the Covid-19 pandemic, and we will strive to further develop our position within the segment.



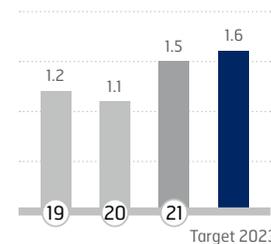
Leading value-added services

SSAB will continue with downstream initiatives to increase customer value and loyalty, for example by developing our market channels.

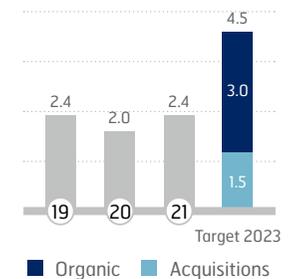
We have further strengthened our position within value-added services, through the acquisition of Astralloy in the US during 2021. Tibnor has successfully been restructured, enabling a new phase of profitable growth. Now the group has expanded its footprint with new local outlets in Sweden – branded as Handelsstålsgruppen – to increase penetration of local markets. Ruukki Construction will continue to grow in its current market areas.

SSAB's strategic targets

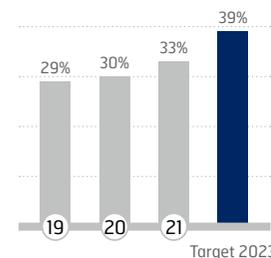
SSAB Special Steels
Shipments, million tonnes



SSAB Services
Revenue, SEK billion



SSAB Americas
Premium share





Most flexible operations

SSAB aims to develop global production in order to ensure long-term competitiveness, not least by converting to fossil-free steelmaking.

In the short-term, SSAB will continue running its Group-wide continuous improvements and working capital efficiency programs.



High-performing organization

SSAB's strategy entails building a high-performing organization with strong employee engagement.

SSAB will continue to work with leadership and competence development, and strive to enhance diversity in the workforce.

Being able to attract, develop and retain key talent is a constant battle. In this context, succession planning and performance management will be in focus, along with new learning and development programs. In addition, we are deepening and broadening our collaboration with target universities, schools and stakeholders to play an active role

in developing the education system and thus further strengthen the SSAB employer brand.



Superior customer experience

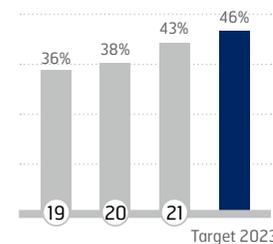
SSAB's strategy is to offer a superior customer experience compared to its competitors. We

do this by striving for competitive lead-times, and by introducing new digital services as well as knowledge services and brand programs.

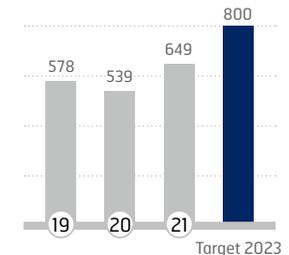
SSAB will continue to focus on quality, lead times, delivery performance and sales responsiveness. We will also continue to develop and grow our digital sales channels.

SSAB's strategic targets

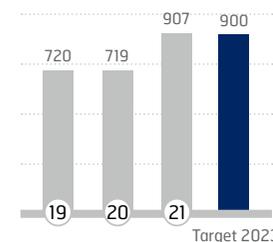
SSAB Europe
Premium share



SSAB Europe
Automotive AHSS
Shipments, thousand tonnes



SSAB Europe
Premium
Shipments, thousand tonnes



Market share
in the Nordics (over time),
SSAB Europe – supported
by Tibnor and Ruukki
Construction

40-45%



Leading sustainability performance

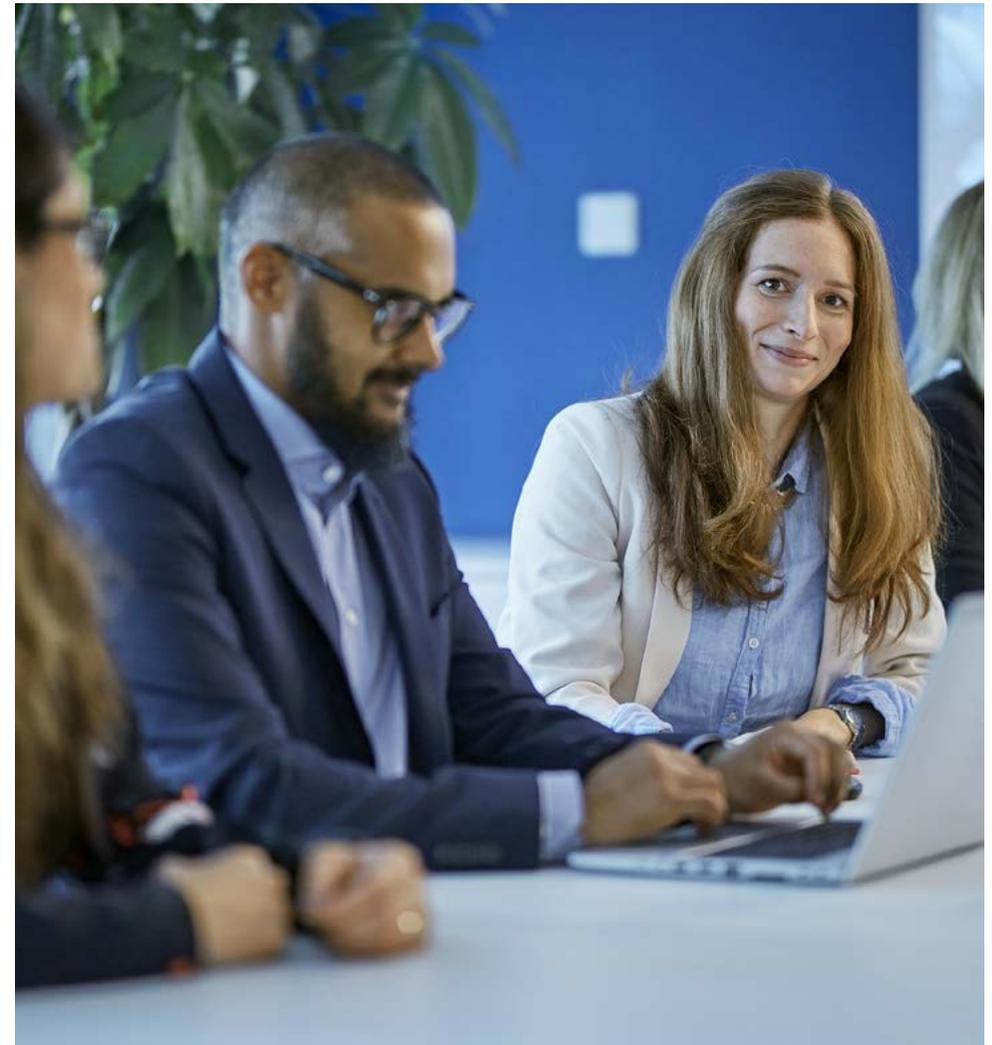
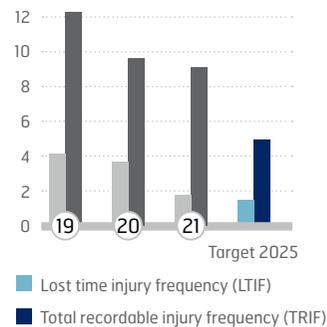
SSAB's business strategy includes industry-leading sustainability performance in all areas. SSAB wants to offer a safe work environment, adhere to high environmental standards, be a responsible partner to all of the company's stakeholders and to offer an inclusive and diverse workplace.

Gender equality

35%

Women in top management positions until 2025

Safety – Injury frequency





Business segments

Business segments

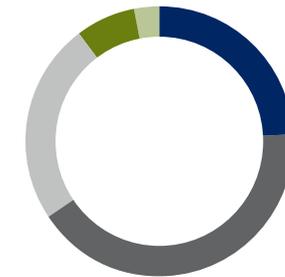
SSAB is structured across three steel divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, and two subsidiaries: Tibnor and Ruukki Construction.

Share of external revenue 2021 %



- SSAB Special Steels 24 (24)%
- SSAB Europe 36 (35)%
- SSAB Americas 21 (20)%
- Tibnor 13 (13)%
- Ruukki Construction 6 (8)%

Share of EBITDA 2021 %



- SSAB Special Steels 24 (68)%
- SSAB Europe 41 (15)%
- SSAB Americas 24 (-2)%
- Tibnor 7 (6)%
- Ruukki Construction 3 (13)%



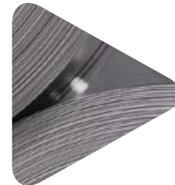
SSAB SPECIAL STEELS

SSAB Special Steels is the global market leader in high-strength steels. The division's wide product portfolio includes a number of unique steel grades. The Hardox brand has the highest awareness of all brands in the steel market.



Main production sites:

- Oxelösund, Sweden
- Mobile, Alabama, US



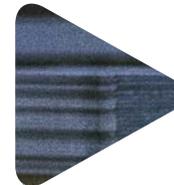
SSAB EUROPE

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



Main production sites:

- Borlänge, Sweden
- Hämeenlinna, Finland
- Luleå, Sweden
- Raahel, Finland



SSAB AMERICAS

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.

Main production site:

- Montpelier, Iowa, US



TIBNOR

Leading supplier of steel, other metals and processing services in the Nordics.



RUUKKI CONSTRUCTION

Sustainable building products and services in Europe.

SSAB Special Steels

Head of SSAB Special Steels:
Johnny Sjöström

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

Close collaboration and joint projects with customers

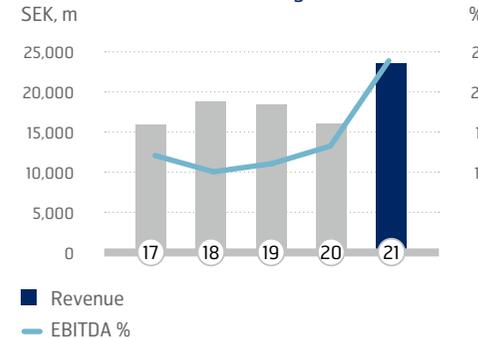
3,900
Employees, approximately

23,510 MILLION SEK
Revenue in 2021

1.5 MILLION TONNES
Steel shipments in 2021



SSAB Special Steels Revenue and EBITDA margin¹⁾



¹⁾ Excluding items affecting comparability

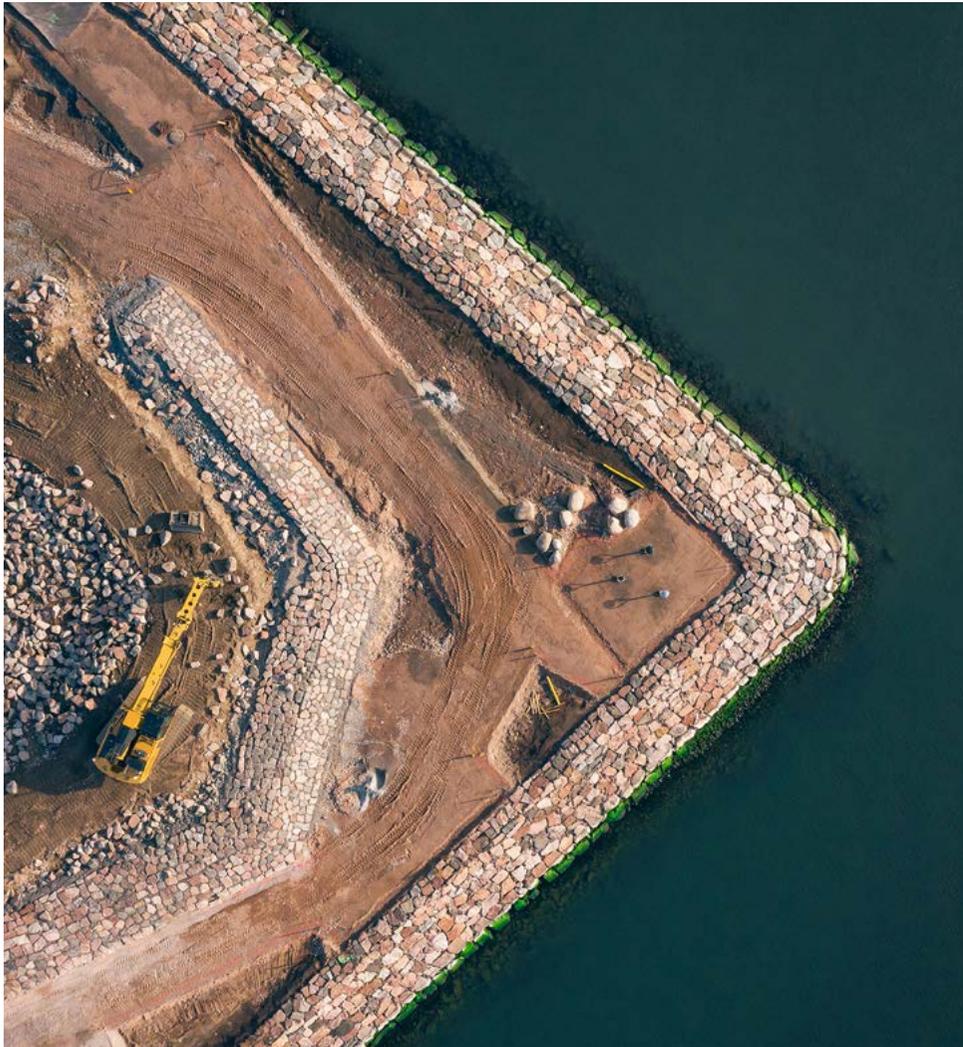
550

Hardox Wearparts members

115

Present in more than 115 countries

SSAB Special Steels' wide product portfolio includes a number of unique steel grades. Hardox – our global brand of wear steels – has the highest awareness of all brands in the steel market. Through close collaboration, we help our customers to utilize our products in the best possible way to create new, innovative steel solutions and applications.



Strategy

SSAB Special Steels aims to further strengthen its leading position in high-strength steels as well as in related value-added services. SSAB is the largest producer of high-strength steels with an estimated global market share of 25% and with almost 3 times more volumes sold than our closest competitor. Since 2000, SSAB Special Steel's shipments have increased by an average of around 8% a year, outperforming the general steel market. Structural growth is generated by the needs of manufacturers and end-users for higher productivity and better sustainability performance in machinery and equipment. Upgrading components to more advanced steel enables weight reduction and extended service life.

Development of new products and applications often takes place in close cooperation with customers. As early as possible in the development of a new product – be it a tipper, a chute or a crane – SSAB's engineers work together with the customer in developing solutions that best utilize the properties of each steel grade. We not only sell to service centers and large OEMs (Original Equipment Manufacturers) but our unique global sales network enables us to reach also small and mid-size customers in all corners of the world. This network includes own stock locations, local sales force as well as technical support.

To further develop the channels to the market, SSAB Special Steels is expanding the Hardox Wearparts

network as well as SSAB Services. Hardox Wearparts is a network of mainly independent companies offering wear parts and just-in-time repair services to end-users in the local aftermarket in the mining, quarrying, recycling and construction sectors. SSAB Services focuses on providing products and services to machine builders and the after-market business. This strategy allows SSAB to maintain a high service level in smaller and fragmented markets, and also to gain exposure to end-users' operating expenditures, which has a stabilizing effect on sales over the business cycle. This has proven to be a successful strategy, not only to increase the sales volume, but also to drive further upgrading to harder and stronger steels in line with our vision. This ability is continuously developed to further improve our position for the future.

Growing the volume of high-strength steels is key in the overall objective of the SSAB Group to improve the product mix. During the year, the responsibility for the Mobile plant in the US was transferred to SSAB Special Steels as a step to accelerate growth in high-strength steels. By 2026, when the steel mill in Oxelösund has been converted to an electric arc furnace (EAF) and the production of sponge iron using HYBRIT technology has started, SSAB Special Steels will be able to offer fossil-free high-strength steel products. There are currently several initiatives ongoing with customers to explore the benefits for both parties as well as for end-users to go for fossil-free steel, once available.



CASE

Heavy-duty contractor work requires high-quality tools

Götene Ufo is a Swedish company specialized in buckets which meet the toughness required by contractors. The recently developed steel, Hardox 500 Tuf, today forms the basis for Götene Ufo's Granit, a series of heavy-duty buckets, and has prolonged the useful life of the buckets and made them lighter.

Götene carried out a complete overview of steel grades and dimensions in 2021, with the result that Hardox 500 Tuf has replaced other steel grades they previously used. This has helped Götene to both reduce the steel in stock and manufacturing time. Cooperation with SSAB has therefore not only improved Götene's products but also resulted in better buying economics and reduced the risk of excess inventory.

Strategic targets

- Grow shipments to 1.6 (1.5) million tonnes during 2023
- Grow SSAB Services sales organically to SEK 3.0 billion

Strengths

- Unique and highly advanced premium products with high quality
- Unique go-to market model with a global network serving 115 countries
- Close customer collaboration and joint projects with customers result in highly paced development and increased competitiveness
- Strategy of being able to supply high-strength fossil-free steels in 2026

Competitors

ArcelorMittal, Dillinger, Voestalpine, Nucor, Nippon, ThyssenKrupp, NLMK Clabeq.

SSAB Europe

Head of SSAB Europe:
Olavi Huhtala

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

Leading position in selected Automotive AHSS applications for the global automotive industry

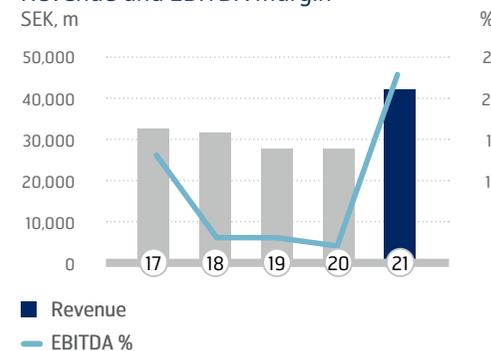
6,700
Employees, approximately

42,311 MILLION SEK
Revenue in 2021

3.6 MILLION TONNES
Steel shipments in 2021

Market leader in the Nordics

SSAB Europe Revenue and EBITDA margin¹⁾
SEK, m



¹⁾ Excluding items affecting comparability

41%
market share in the Nordics in 2021

43%
share of premium products

SSAB Europe is a leading premium producer of high-quality steel strip, plate and tubular products. The division stands out from other steelmakers through its know-how of production processes, applications of high-strength steels and value-added services.



Strategy

The Nordic home market is core to SSAB Europe's strategy. The focus is on developing the product and service offering to strengthen the market-leading position as the most reliable supplier and customers' first choice. Cooperation and synergies with Tibnor and Ruukki Construction are key elements in the strategy, as they support market share, profitability as well as resilience over the business cycle.

Improving the product mix remains an important area. By allocating a larger share of the production capacity to premium products, SSAB Europe can reduce shipments of standard products outside of the Nordic home market.

SSAB Europe has two main categories of premium products. First, advanced high-strength steels (AHSS), which are sold globally to the Automotive segment. Second, premium steels, which are sold in the European market to other industries. SSAB has a strong position in several automotive applications, thanks to the development of some of the most advanced products in the market for ultra high-strength martensitic, dual or complex phase steels. In vehicles, drivetrain electrification and hybrids are increasing the relative importance

compared to traditional combustion engines. Low weight, keeping high-strength stiffness and safety performance remain key elements in all new vehicle design. This is why SSAB expects the AHSS market to continue to grow structurally as automotive manufacturers seek to reduce weight and improve safety performance.

In premium steels, SSAB Europe is continuing to focus on upgrading current customers from standard to premium products, and to develop new customer segments and applications. Key growth-supporting initiatives seek to further promote end-user benefits through SSAB Europe's premium products and enhance collaboration with multi-channel distributors. In addition, the focus continues on launching new premium products and developing enhanced digital services and tools.

In construction and industry, decarbonization initiatives will also create opportunities for upgrading to premium steels in different applications. SSAB Europe focuses on close collaboration with customers to implement resource efficient solutions and bring fossil-free products to the market in 2026.



CASE

Volvo Cars the first car maker to explore fossil-free steel with SSAB

During the year, Volvo Cars teamed up with SSAB to jointly explore the development of fossil-free, high quality steel for use in the automotive industry. Of the CO₂ emissions from the material and production of the components going into the car, steel and iron production amounts to around 35% in a traditionally powered car and 20% in a fully electric car. By 2040, Volvo Cars' ambition is to be a climate-neutral company.

Strategic targets

- Share of premium products of 46% (2023)
- 800 thousand tonnes of Automotive AHSS shipments (2023)
- Market share 40-45% in the Nordic market

Strengths

- Close collaboration and long-term commitment to customers combined with support services
- Extensive product portfolio with unique automotive and premium steels supported by strong product brands
- Leading technology and materials expertise, application know-how
- Flexible service and supply chain adapted to end customer and distribution channels
- Among the most CO₂-efficient blast furnaces in the world and a strategy to bring fossil-free products to market in 2026

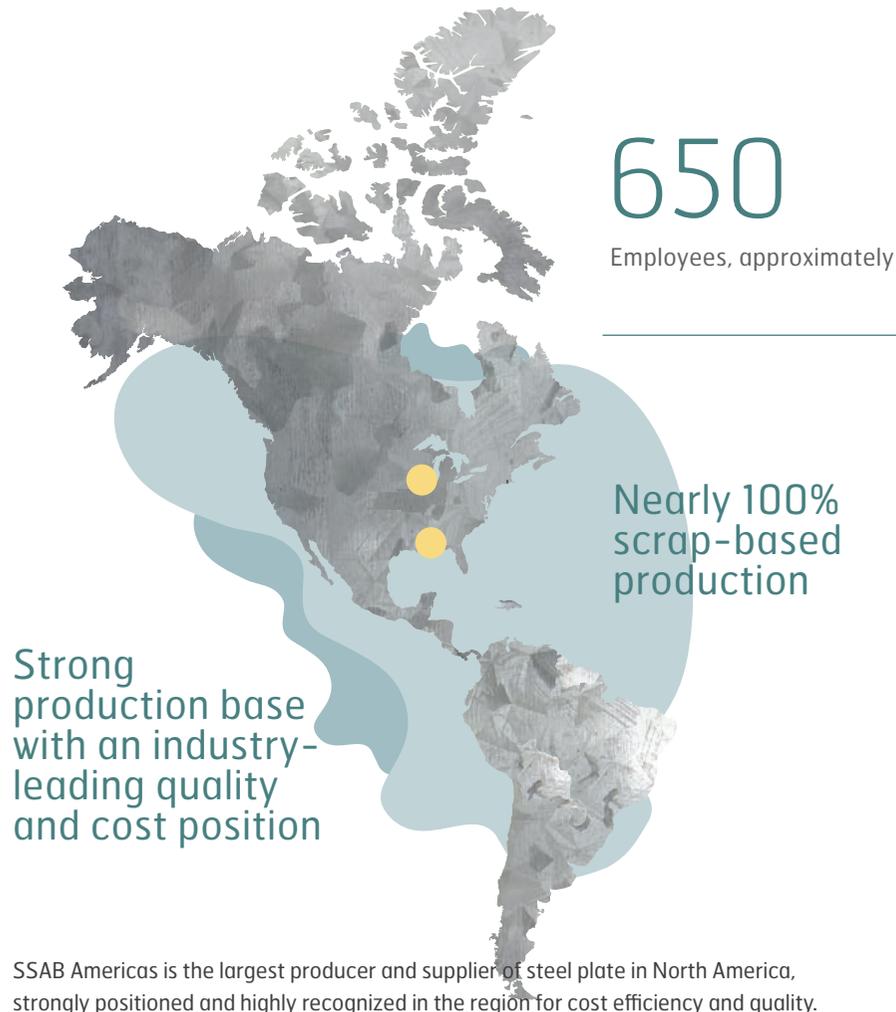
Competitors

ArcelorMittal, Dillinger, Salzgitter, ThyssenKrupp, Tata Steel Europe, US Steel, Voestalpine.

SSAB Americas

Head of SSAB Americas:
Charles Schmitt

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

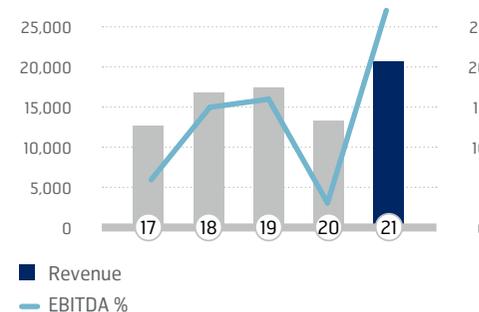


650
Employees, approximately

20,680 MILLION SEK
Revenue in 2021

1.9 MILLION TONNES
Steel shipments in 2021

SSAB Americas Revenue and EBITDA margin¹⁾

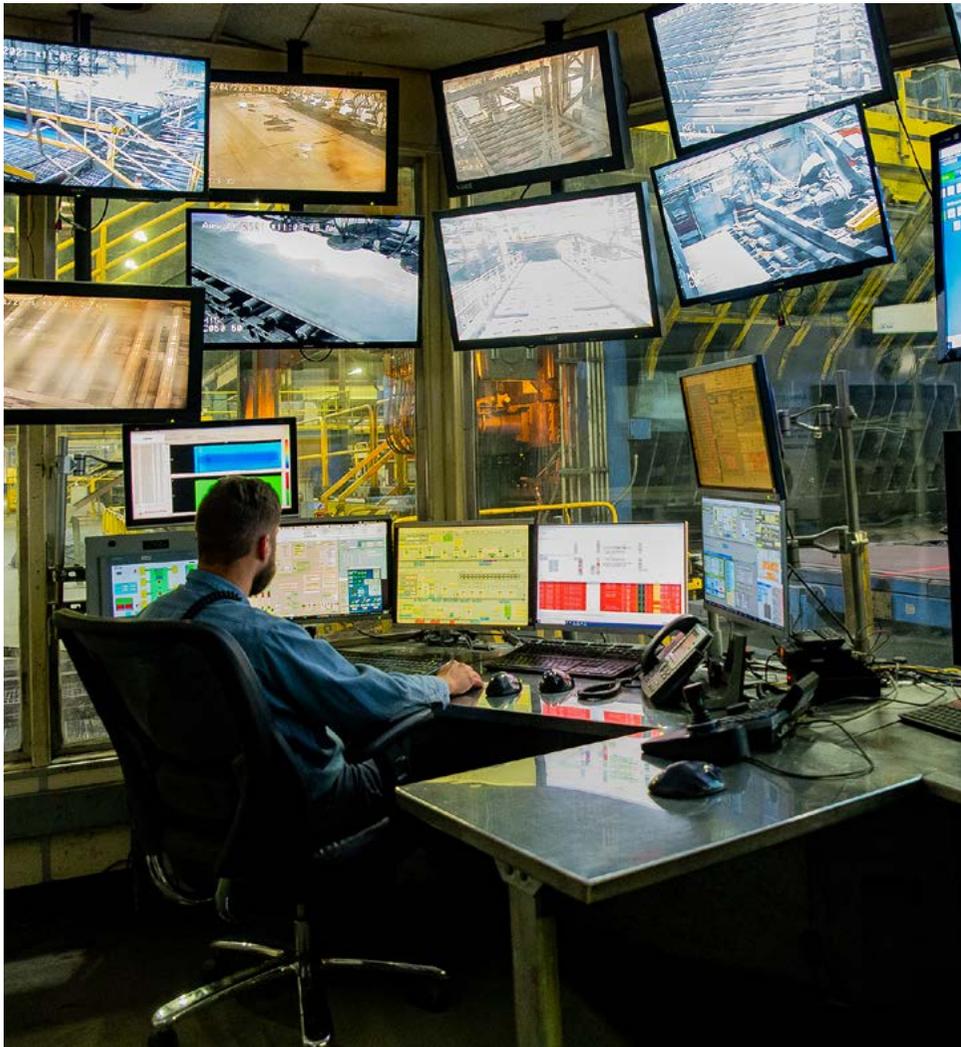


¹⁾ Excluding items affecting comparability

32%
Market share in 2021

No. 1
in quality, based on independent survey (Jacobson Report)

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.



Strategy

SSAB Americas' strategy focuses on a high level of service and superior quality while maintaining the lowest cost position and the most flexible setup in the market, as well as leadership in safety.

SSAB Americas' go-to-market and service model is targeting a diverse customer base with a higher share of fabricators and OEMs than previously. At the same time, the portfolio of products and services are differentiated to facilitate more growth of premium volume, such as products targeted at the energy, offshore, railway and shipbuilding segments.

The mid-term outlook for plate demand is strong, as there continues to be a significant need to reinvest in infrastructure in North America. Long-term, several end-user segments, such as heavy fabrication and construction equipment, will benefit. In addition, demand from wind energy, both onshore and offshore, is expected to remain positive in the long-term.

Strategic targets

- Increase the share of premium products to 39% by 2023 (2020: 30% and 2021: 33%)
- Increase the share of sales to end-users to be more than 50% (2020: 36% and 2021: 40%)

Strengths

- Strong North American production base with industry-best quality and a leading cost position
- Modern steel production facility utilizing electric arc furnace (EAF), which uses 99% recycled scrap metal as raw material
- Close partnerships with end users and fabricators to develop unique customized products and solutions like Ecosmart

Competitors

Domestic steel producers, such as Nucor, Cliffs, Evraz, Essar Algoma and imported products.

Tibnor

Head of Tibnor:
Kimmo Väkiparta

Leading supplier of steel, other metals and processing services in the Nordics

Logistics expertise
and modern customer
service solutions



Extensive
product range
and specialized
processing
services

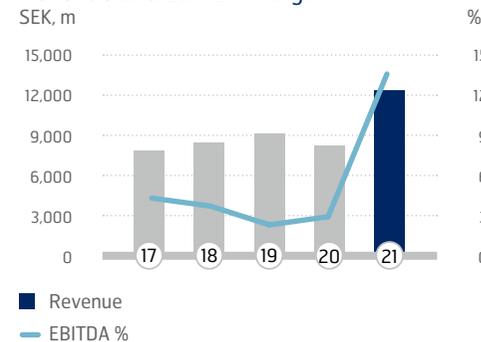
1,000

Employees, approximately

12,377 MILLION
SEK

Revenue in 2021

Tibnor
Revenue and EBITDA margin¹⁾
SEK, m



¹⁾ Excluding items affecting comparability

25%

market share
in Nordic steel
distribution

50%

of sales are
SSAB's products

Tibnor distributes steel and other metals to industry in the Nordics and Baltics, complemented by a wide range of value-adding processing and parts production services. Tibnor plays an important role in securing SSAB's leadership in the Nordic home market.



CASE

Hydrema develops, manufactures, and markets high-technology earth-moving equipment and mine clearing vehicles. Hydrema's products are complex and this makes it important for them to have a supplier that offers a wide range of steel products. Tibnor's wide and competitive range of products is therefore a perfect match for Hydrema.

Strategy

Tibnor's strategy is to provide customers with the broadest offering at the most competitive price. The focus is to win market shares through growth in all customer channels. This includes growth in parts volumes through a more efficient parts production setup, growing online sales, and strengthening the local presence through the subsidiary Handelsstålsgruppen, a growing group of resellers in Sweden.

Tibnor aims to strengthen its financial position further by additional cost savings and increased focus on automation and operational excellence.

Tibnor works in close collaboration with many strategic suppliers and partners, in order to create better solutions and thereby adding value for Nordic industry.

Strategic initiatives and targets

- Ensure good availability
- Implement cost savings, increase automation and improve ways of working
- EBITDA margin of more than 5% in 2022

Tibnor's role in SSAB's portfolio:

- Strengthen home-market position by targeting small and medium-sized customers
- Increase stability over the business cycle
- Support and market SSAB steel business' premium and service offerings
- Develop the parts business and other processing to increase value added

Competitors

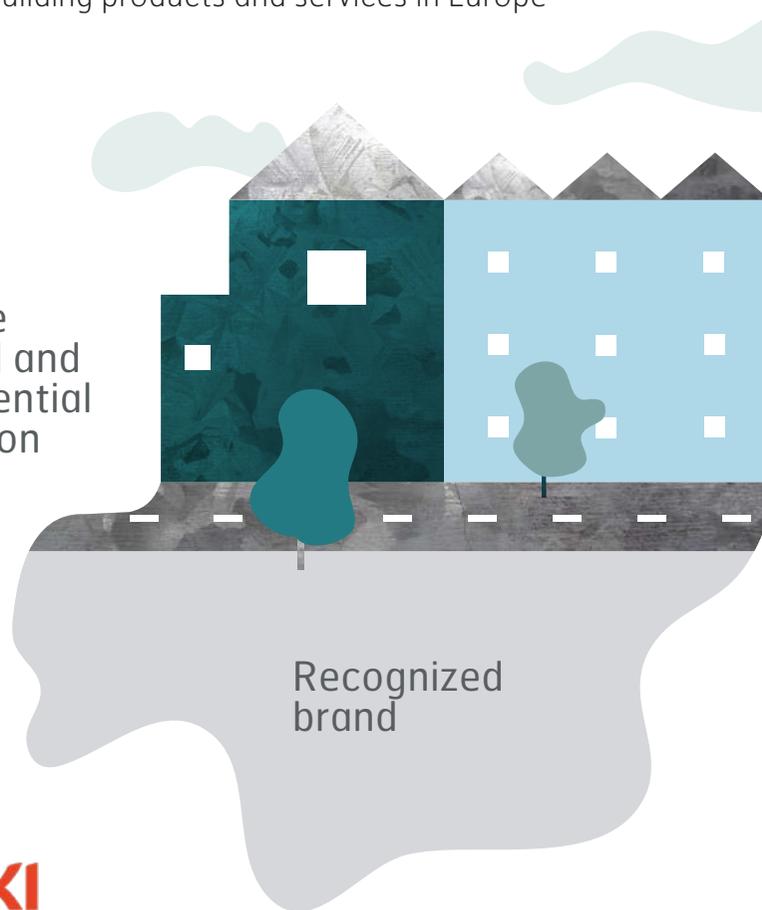
BE Group, Stena Stål, Norsk Stål, Lemvigh Muller and Kontino, as well as a number of national local companies and niche actors.

Ruukki Construction

Head of Ruukki Construction
Sami Eronen

Sustainable building products and services in Europe

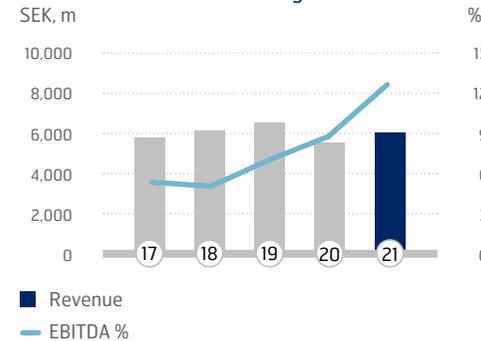
Operates both in the residential and non-residential construction segments



1,400
Employees, approximately

5,999 MILLION
SEK
Revenue in 2021

Ruukki Construction Revenue and EBITDA margin¹⁾



¹⁾ Excluding items affecting comparability

10
Operations in
10 countries



Ruukki Construction offers building products and services such as roofing and envelopes, for both residential and non-residential construction.



CASE

Ruukki Construction delivered Liberta rainscreen panels for the Lyckeskolan school building in Mark Municipality in Sweden. The municipality's and architect's aims for an impressive, bold and inviting main entrance to the building became a reality thanks to Ruukki's products and know-how, together with the goal-oriented cooperation of all stakeholders involved in the project.

Strategy

During the past few years, Ruukki Construction has created a solid foundation to achieve sustainable growth with customers in the core business areas - Roofing and Building Envelopes in the Nordics, Baltics and CEE.

Ruukki Construction's goal is to offer complete steel-based roofing and building envelope solutions for buildings. This includes product deliveries, design and technical support, with SSAB as the main steel supplier. Ruukki Construction focuses on outperforming construction market growth, both organically as well as by acquisitions to strengthen the offering in prioritized segments and markets.

Strategic focus areas and targets

- Outperform the general construction market growth in core markets
- Reduce unit costs through continuous improvement
- EBITDA margin exceeding 10% in 2022

Strengths

- Recognized brand with focus on product and service innovations
- Reliability with high-quality and certified products as well as extensive warranties
- Strong know-how in steel-based building products

Competitors

Steel-based building product suppliers such as Kingspan, Lindab and Areco.

Research and Development



SSAB's R&D model has long since been built on close collaboration and an understanding of both customer and end-user needs. With this well-established model, we continuously introduce new steel products, application possibilities and services.

SSAB's R&D organization plays a key role for the development of our production processes, in building a strong product portfolio and technical know-how supporting our customers to fully utilize the potential of our steels. We are constantly striving for the effective use of resources in producing and using steel.

Market driven R&D

Our R&D activities aim for SSAB products being the first choice of customers worldwide and setting the standard for performance in selected market segments. R&D activities take place throughout the development chain; from production processes to products and into customer applications. Many of our employees in R&D hold doctorate degrees and we have long-term, strategic collaboration with strong academic partners, universities and research institutes.

R&D facilities

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

SSAB key factors for successful R&D

- Market-driven
- Qualified and skilled employees
- Effective portfolio and project management
- Work environment that encourages collaboration and innovation
- Strong external partner network

Hardox

Hardox HiAce, targeted for applications in acidic and corrosive environments, continued to gain market interest and sales grew compared to last year. During 2021, we extended the dimension window for thin plates, which led to new possibilities in applications like garbage trucks and recycling containers. Hardox HiAce helps to meet the challenges of corrosive wear

SSAB works both directly with OEMs, subcontractors and end-users through our own sales force and via distributors, as opposed to many steel companies, who sell products only via distributors. We support our customers in developing better and more competitive products, helping end-users to increase productivity and thereby to reduce costs during the usage phase.

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 market offering.

environments found in municipal and industrial waste management, waste-to-energy plants, and in mining and process industries.

Strenx

Strenx 1100 Plus, a structural steel optimized for the demanding lifting segment, is unique in its capacity to achieve matching strength in welded joints. Ongoing development work to expand the dimensional window towards both thinner and thicker plates.

Automotive steels

The strong trend to introduce new high-strength steel grades in the car's "safety cage" continues in order to reduce the weight.

Another more recent trend is to utilize modern hot-rolled high-strength steels in order to reduce the weight of the chassis as well. SSAB has recently launched a family of grades with a tensile strength of 800 MPa with a set of attractive properties for chassis application, including excellent hole expansion properties. Further, SSAB has developed a unique steel grade with a tensile strength of 1000 MPa, which we introduced in OEM serial production during 2021.

Protection steels

Over the past few years, we have developed the product program for protection steels, focusing the production of Armox in Oxelösund and Ramor in Raabe. SSAB is today the only

supplier of complete product programs regarding grades and dimensions. We offer outstanding mechanical properties, which in most cases outperform the requirements of various national protection steel standards, combined with excellent workshop properties such as bending capabilities and weldability.

Color-coated steels

Over the past few years, SSAB's patented Bio-based Technology (BT) coating concept utilizing Swedish rapeseed oil-based paint has been implemented throughout the GreenCoat product program and during 2021, GreenCoat RWS Pural BT was launched.



The Swedish Steel Prize

The Swedish Steel Prize, an international award for ideas and products that have an impact on future steel solutions, is also an example of SSAB's close customer relationships. Held since 1999, the competition has attracted participants from across the world, and is a celebration of good engineering. The Swedish Steel Prize aims to recognize those who fully utilize the potential of steel properties. It also promotes the sharing of knowledge to inspire innovations that lead to a better world.

High-performing organization

A key element of SSAB's business strategy is to build a high-performing organization with strong employee engagement. Our work within competence sourcing is a key prerequisite for strengthening our competitiveness and delivering on our fossil-free steelmaking strategy.

During 2021, we increased our focus on learning and development programs. We are promoting a learning culture where our employees have an opportunity to take an active role in development actions and we also strive to enhance diversity in the workforce.

Joint efforts include projects such as Female Leader Engineer (Sweden) and Tekniksprånget (Sweden). These initiatives also contribute to diversity within the industry.

A preferred employer

SSAB's success is based on a diverse, continuously learning, multi-skilled workforce. We need to be able to attract, retain and motivate qualified employees. We target our employer branding and recruitment efforts at diverse groups of potential candidates with competences that are critical for SSAB. In 2021, we have also deepened and broadened our collaboration with universities, schools and other stakeholders in order to further strengthen the SSAB employer brand.

We collaborate with other partners and companies especially in Sweden, Finland and the US where we have our larger production sites, in order to increase the attractiveness of the industry.



In 2021, SSAB continued to implement development programs at different organizational levels:

- Technical Development Program: a Nordic trainee program for newly graduated civil engineers with a technical interest
- Business Development Program: a 2-4 year program with the purpose to secure leadership and progress in SSAB's important strategic projects
- Digitalization Trainee Program: a newly launched trainee program in Stockholm and Helsinki with the purpose of speeding up the digitalization of our customer experience, production and processes with modern technologies
- Middle manager training, focusing on change management, leadership and financial understanding

In 2021, 776 (777) new employees joined SSAB. Employee turnover was 6.9% (6.2%). To ensure that relevant competence development plans are in place, annual performance dialogs constitute key processes. For office workers, the annual rate of performance dialogs was 94% (95%).

Sustainability report

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Our sustainability approach

We strive to create a stronger, lighter and more sustainable world. Sustainability is a key business driver for both us and our customers. We want to be the first to place fossil-free steel on the market by 2026 and largely eliminate CO₂ emissions in our own operations around 2030.

Sustainability strategy



Our sustainability strategy is clearly linked to our overall business strategy. The strategy builds on our ambition to be the first to place fossil-free steel on the market and at the same time have leading sustainability performance.



First in fossil-free steel

One of our overall objectives is to produce commercial amounts of fossil-free steel by 2026. We also help our customers to reduce their environmental impact by both using better steel (more CO₂ efficient) and using steel better (more high-strength steel with less weight).

Use better steel

SSAB's blast furnace-based production is among the most CO₂ efficient in the world and thus lowers the CO₂ footprint of our own products as well as our customers'. This gives both us and our customers a competitive advantage.

Use steel better

We are world leading in high-strength steel. We help our customers to upgrade their products and use stronger steel to save weight and material. This in turn enables our customers to produce lighter and stronger products, thereby reducing their environmental footprint.

Go fossil free

We are committed to delivering fossil-free steel on commercial terms in 2026. Together with our partners LKAB (iron ore supplier), and Vattenfall (energy provider), we aim to create a fossil-free value chain for steel. This means that not only are we reinventing the steelmaking process, but also significantly reducing the environmental impact of our customers' products.



Leading sustainability performance

We are committed to leading sustainability performance, which includes the ambition to become the world's safest steel company and to largely eliminate carbon dioxide emissions around 2030.

Safety first

Everyone has the right to a healthy, accident-free work environment at SSAB. We are determined to become the world's safest steel



company, with the clear objective of achieving zero accidents, work-related injuries and illnesses.

Efficiency and responsibility

We want to conduct our operations in a resource-efficient and responsible way. For us, circularity is a key factor in increasing efficiency to help mitigate environmental impact and we are committed to the efficient use of raw materials and energy, including our by-products.

Responsible sourcing

Our suppliers must comply both with our own standards and with international guidelines, which are communicated in our Supplier Sustainability Policy.

Respect and integrity

We expect each employee to act with honesty, integrity and responsibility in their job, and that we collaborate with business partners who share our values. We want to offer an inclusive and diverse workplace.



UN Sustainable Development Goals

Our sustainability strategy is aligned with several of the UN Sustainable Development Goals (SDGs):

- 3. Good health and well-being
- 5. Gender equality
- 7. Affordable and clean energy
- 9. Industry, innovation and infrastructure
- 12. Responsible consumption and production
- 13. Climate action
- 16. Peace, justice and strong institutions
- 17. Partnerships for the goals

Sustainability through our value chain

We are committed to contributing to a long-term sustainable development, as captured in the UN Sustainable Development Goals and in the Paris Agreement. We will promote the achievement of these goals within our operations and value chain. For example, we have the ambition to create a fossil-free value chain – from the sourcing of raw materials to delivering steel to our customers. Currently, our value chain today has different impacts that we aim to manage and minimize in a responsible way.



	Sourcing	Production / Operations
Description	Raw materials, such as iron ore, coal, lime stone, alloys and scrap steel	Steel production in both blast furnaces and electric arc furnaces
Degree of impact	Medium	High
Impacts/Topics in focus	<ul style="list-style-type: none"> • Safety • Labor and human rights issues at suppliers • Environmental impacts from raw material extraction 	<ul style="list-style-type: none"> • Safety • CO₂ emissions and waste • Use of raw materials and energy
Value-created/ Positive outcomes	<ul style="list-style-type: none"> • Improved sustainability conditions at suppliers 	<ul style="list-style-type: none"> • A safer and healthier work environment for employees and contractors • More efficient use of natural resources and reduced CO₂ emissions by utilizing residuals and recycled steel • Improved energy efficiency • Contribution to climate change mitigation and future fossil-free steel production • Creation of employment at our production sites
Management of impacts	Read more on page 66 .	Read more on pages 57-65 .

SSAB and the EU Taxonomy

The EU Taxonomy is a classification system for environmentally sustainable economic activities. For 2021, large companies have to report how large a share of their business is included in the EU Taxonomy. As of the Annual report 2022, reporting on how large a part also meets the criteria for sustainable activities is mandatory.

SSAB's steelmaking operations are included in the taxonomy. They encompass the vast majority of our CO₂ emissions and account for about 80% of our revenues.

We are still evaluating the taxonomy criteria for climate change mitigation, both in terms of substantially contribute, do no significant harm and the minimum safeguard criteria. Our initial analysis is that our scrap-based steelmaking operations would meet the criteria for climate change mitigation, but our iron-ore based production sites would not. This illustrates the strategic importance of converting the sites in order to create a completely fossil-free value chain. Please refer to page [81](#) for our reporting on the EU Taxonomy.



	Transportation	Use phase	End-of-Life
Description	Efficient transportation throughout all stages of the value chain, both upstream and downstream, and within SSAB.	Use of SSAB's high-strength steels enables manufacturing of products that use less material, are stronger, lighter and more durable.	Steel is a unique material that retains its properties, no matter how many times it is recycled.
Degree of impact	Medium	Medium	Medium
Impacts/Topics in focus	<ul style="list-style-type: none"> • CO₂ emissions generated during the transportation of raw materials and products • Other emissions to air and water • Use of fossil fuels • Labor issues, health and safety at our logistics partners 	<ul style="list-style-type: none"> • Lower energy consumption and CO₂ emissions during the use phase • Development of fossil-free steel • Lower energy consumption in buildings 	<ul style="list-style-type: none"> • Recyclability of steel • Waste from steel products at the end of life
Value-created/ Positive outcomes	<ul style="list-style-type: none"> • More cost-efficient and sustainable transportation 	<ul style="list-style-type: none"> • Reduced CO₂ emissions in the use phase • Improved energy efficiency in buildings • More competitive customers 	<ul style="list-style-type: none"> • The use of steel scrap reduces the use of virgin raw materials and CO₂ emissions in the steel lifecycle • Minimized waste from steel products at the end of life
Management of impacts	Read more on pages 60-65 .	Read more on pages 50-55 .	Read more on page 63 .

SSAB and climate change

The steel industry accounts for about 7% of total CO₂ emissions globally and is thus clearly impacted by increased regulations and market shifts that are aiming towards a low-carbon society.

At the same time, a changing climate need to be observed and potential risks need to be mitigated for our production assets.¹⁾

number of internal workshops involving members of the Group Executive Committee and senior managers.

Transition risks and physical risks

Climate-related risks and opportunities are typically divided into transition risks, which encompass risks and opportunities associated with the transition to a low-carbon economy, and physical risks, which capture, for example, the increasing likelihood of extreme weather events and their impact.

Climate risks part of strategic decisions

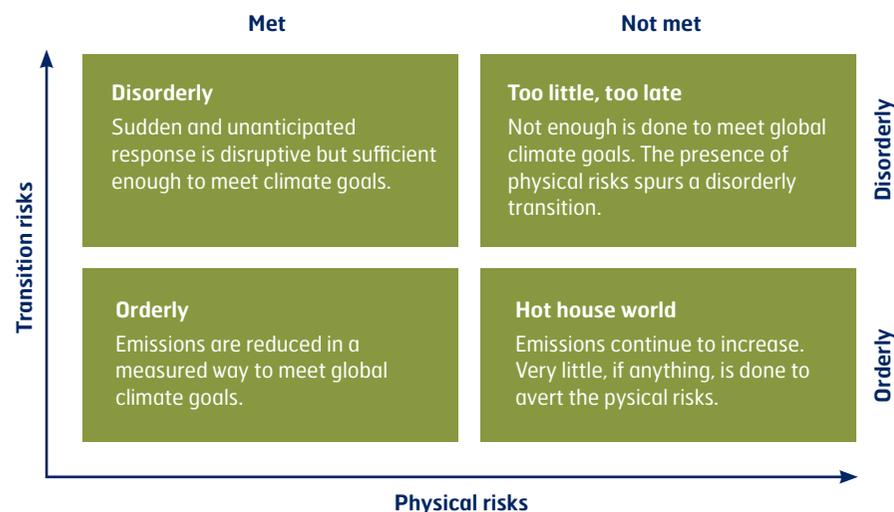
TCFD recommends companies to conduct a scenario analysis of how the business would be affected in different scenarios of global warming. As part of the general business strategy, SSAB has, in recent years, carefully analyzed the different transition risks in connection with global warming and the changing political and regulatory landscape regarding climate issues, but also changes in customers' demand and new business opportunities. These analyses were important factors in for example the establishment of HYBRIT in 2017 and the strategic decisions to start the transition to fossil free steel production.

The impact of physical risks is expected to be the greatest if global society fails to limit global emissions. Transition risks can, at the same time, create opportunities for companies with a clear transition strategy, for example, in terms of increased competitiveness. Apart from the risks themselves, society and companies will be affected by the way risks are mitigated from society at large. This is captured in the chart on this page.

SSAB closely monitors many factors related to the transition to a low-carbon society, including the global and EU political climate agenda and the development of EU ETS carbon price. We also see a great interest from customers in fossil-free steel, which is why we are exploring possibilities to convert to fossil-free production earlier than the original plan. In our opinion, climate-related transition risks and opportunities will be more significant to SSAB in the short- (< 5 years) and mid-term (until 2030) compared to climate-related physical risks.

Climate risks are identified and assessed as part of SSAB's overall risk management process. In this year's analysis, five risks out of a broad range of risks associated with climate change were identified among the major risks for SSAB, given their likelihood of occurrence and potential impact on SSAB's financial position and reputation. The main climate-related risks and opportunities are described below. The climate risk assessment process included a

Global climate scenarios (based on whether climate goals are met)



Source: A call for action: Climate change as a source for financial risk, Network for Greening the Financial System (2019).

¹⁾ This section complements the descriptions in this Annual Report under the headings Go fossil free (page 53), Resource-efficient operations (page 60) and Risk management (pages 126-133) and describes further the strategy and risk management in relation to climate change in line with the recommendations from the Task Force on Climate-related Financial Disclosure (TCFD). For SSAB's TCFD-index, see page 82.



Examples of climate-related risks and opportunities

Examples of physical climate risks

We are continuously reviewing physical risks such as increased severity and frequency of extreme weather. This is mainly conducted at site level, as they have different geographical prerequisites. For example, our production sites in the US are more exposed to the risk of increased frequency and magnitude of hurricanes, but also extreme low temperatures as it can potentially lead to production outages. In comparison, our production sites in the Nordic area are, for example, more exposed to the risk of increasing water temperatures in the Baltic Sea, which could potentially lower the effect of the cooling water systems. In comparison to transition risks, physical risks are deemed to be more relevant in the mid- (2030) to long-term (2050).

Scenario analysis

During the year, SSAB has explored possibilities to conduct a systematic scenario analysis of climate-related risks and opportunities in addition to the activities mentioned above. This analysis will continue during 2022 as part of the overall strategy and Enterprise Risk Management process.

Transition risks

	Policy and legal	Policy and legal	Technology	Policy and legal
Description	Uncertainties regarding development of the price of CO ₂ emissions Within the EU, the ETS system sets a price for CO ₂ emissions. The costs for the steel industry are estimated to increase, as the free allocation is gradually reduced. There are plans to mitigate higher relative production costs in the EU with a carbon border adjustment mechanism, given the lack of a global price on CO ₂ emissions.	Risk of delays in converting to fossil-free steelmaking SSAB has started work on converting to fossil-free steelmaking, replacing the blast furnaces with electric arc furnaces. In addition, HYBRIT is building a demonstration plant for the production of fossil-free sponge iron. This will require environmental permits as well as access to sufficient and stable power. Due to long and unpredictable processes, there is a risk that the conversion might be delayed if permits are not obtained in time and stable electricity cannot be supplied.	Risk in scaling up HYBRIT technology HYBRIT technology is a cornerstone in SSAB's strategy to deliver fossil-free steel to the market in 2026. There are a number of risks in the next phase, industrialization of the technology, such as the ability to produce steel on commercial terms.	Increased environmental regulations - energy, water, landfills, etc. SSAB may be faced with increased costs of complying with new and stricter environmental regulation.
Potential negative or positive financial impact	▼	▼	▼	▼

Transition opportunities

	Products and services	Policy and legal
Description	First in fossil-free steel SSAB aims to be the first steel company to bring fossil-free steel to market, at the latest 2026.	Lower relative exposure to carbon emission pricing SSAB is operating one of the most CO ₂ -efficient blast furnace operations in Europe, which reduces the need for CO ₂ allowances within EU ETS. The conversion of the blast furnaces to electric arc furnaces will also reduce the potential future costs for CO ₂ allowances.
Potential negative or positive financial impact	▲	▲

Physical risks

	Acute
Description	Increased severity and frequency of extreme weather events. Extreme weather, hurricanes, forest fires, and flooding can have a negative impact on SSAB operations, and on the demand for SSAB products.
Potential negative or positive financial impact	▼



First in fossil-free steel

SSAB's high-strength steels help our customers to produce lighter and stronger products, thereby reducing their environmental footprint. SSAB aims to be the first, in 2026, to bring fossil-free steel to market, and to largely eliminate CO₂ emissions from our own operations around 2030.



Use better steel : SSAB's customers benefit from leading CO₂ efficient production

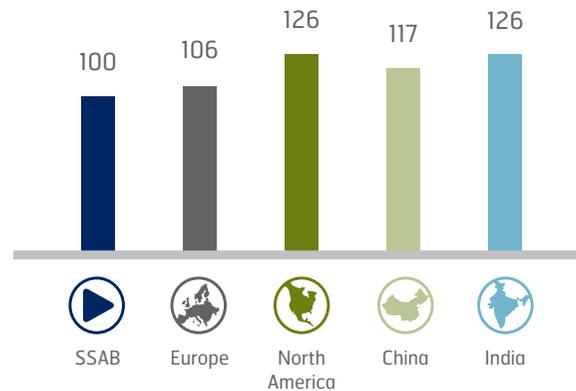
At SSAB, steelmaking processes have been continuously advanced and improved for a long time, which gives both us and our customers a competitive advantage.

SSAB's blast furnace-based production is among the most CO₂ efficient in the world, owing to the use of high-grade iron ore pellets and high-quality coke, as well as efficient processes. When comparing blast furnace production, our cold-rolled steel production emits approximately 6% less CO₂ than the European average and as much as 17% less than the Chinese average steel producer. In the US, our scrap-based EAF steel mills use close to 100% recycled steel as a raw material, thereby resulting in much lower direct CO₂ emissions compared to iron ore-based steel making.

Our continuous work to minimize emissions and improve our productivity, as well as resource efficiency, is described on pages [60-65](#).

State-of-art steelmaking technology

Tonne CO₂e/Tonne of cold-rolled steel (indexed)



Source: thinkstep, GWP benchmarking for iron-ore-based steel 2019 and SSAB EPD data



CASE

All SSAB products have verified environmental product declarations

An Environmental Product Declaration (EPD) is an independently verified document that provides transparent and comparable information about the environmental impact of products from a lifecycle perspective. Data on inputs, outputs and parameters of the process is collected and modeled to determine emissions to air, land, and water, as well as the resulting impacts in different categories, such as Global Warming Potential.

SSAB EPDs are compliant with ISO 14025 and also EN 15804 or ISO 21930, which provides objective data on the carbon footprint of SSAB products. During the last year, we have observed a rapidly developing regulatory and customer demand for EPDs. We see it as a clear competitive advantage that EPDs are available for all SSAB products.





Use steel better: Environmental benefits with SSAB's steels

SSAB has a broad range of high-strength and wear-resistant steels, which bring environmental benefits to our customers in terms of, for example, lower weight and higher capacity.

We measure the CO₂ savings and weight reduction achieved through increased use of our high-strength steels in our customers' products. During 2021, we achieved a reduction of 12 million tonnes in annual CO₂ savings during the use phase of our customers' products – more than our own direct emissions and clearly above the target of 10 million tonnes. Of the 12 million tonnes, we achieved a reduction of 10.3 million tonnes through the SSAB EcoUpgraded concept and 1.7 million tonnes through Automotive premium products.

As the trend towards using fossil-free fuels and electric drive trains is strong in the transportation, automotive and yellow goods industries, we have redefined our target. Going forward we will focus directly on the amount of steel saved by using our high-strength steels. This will generate weight savings in our customers' products, contributing to increased range in electric vehicles and/or reduced emissions from fuels used.

Our target for 2022 is set at 1 million tonnes of steel saved, defined as weight reduction through upgrading. It is based on the volumes of our high-strength steels delivered into our customers' products, compared to today's industry standards.

Strenx performance steel

The environmental advantages of using high-strength steels are significant in heavy equipment such as trailers, trucks and construction machinery. Strenx performance steel lightens the weight of the equipment by reducing steel thickness. Structural redesign can also reduce production costs through less welding and improved usability. In transportation vehicles, lower vehicle weight leads to increased payload capacity, lower fuel consumption and reduced CO₂ emissions. For example, the weight of a trailer chassis made with SSAB's high-strength steels can be reduced by up to 30% compared to using conventional steel grades.



CASE

SSAB EcoUpgraded saves CO₂ emissions

The SSAB EcoUpgraded concept saves CO₂ both in steel production and during the full lifetime of the end product. Upgrading from standard steel to SSAB high-strength steel can reduce the weight of the end product while maintaining the same strength and increasing durability and productivity. From a lifecycle perspective, this is beneficial since in many applications most of the environmental impact comes from the end product's use phase.

In the SSAB EcoUpgraded app, our customers can enter machine type and operational parameters. The app presents a visual report on the estimated fuel and CO₂ savings.

[SSAB.COM/ECOUPGRADED](https://www.ssab.com/ecoupgraded)



Hardox wear plate

SSAB’s premier abrasion-resistant steel, marketed under the brand name Hardox, is used in a range of machinery and equipment, for example, in transportation, mining, construction and road construction. These applications require a hardness and toughness that are met by Hardox wear plate. Using Hardox wear steel in tipper bodies provides greater wear resistance, thereby improving machinery performance and extending service life. Additionally, lighter equipment offer cost benefits in fuel savings or the possibility of transporting a higher payload and reduces the environmental impact over the machinery’s lifecycle. SSAB’s latest introduction to the Hardox product range is Hardox 500 Tuf, the new generation wear plate for tipper bodies, buckets and containers delivering extreme hardness and toughness, and Hardox HiAce, a new abrasion-resistant steel that fights wear in acidic corrosive environments.

Docol

The demand for advanced high-strength steels (AHSS) in the automotive industry is increasing following new safety regulations, emissions caps and a shift to electric vehicles. SSAB’s Docol AHSS steels make it possible to develop safer and lighter cars with lower emissions. Docol AHSS steels have been especially engineered for safety applications in cars with stringent requirements for reduced weight and high

energy absorption. SSAB’s latest innovation for the automotive industry is Docol HE, a new range of hot-rolled advanced high-strength steel with improved edge ductility. Docol HE has been developed for the most demanding applications and manufacturing conditions in the automotive industry.

GreenCoat color-coated steels

GreenCoat is SSAB’s brand for color-coated steels for the building industry. GreenCoat products feature a patented bio-based coating using a portion of Swedish rapeseed oil instead of fossil-based oils, which reduces the environmental footprint.

Fossil-free steel products for roofs and walls

Thanks to premium steel and premium coatings, Ruukki’s steel-based building products are both light and long-lasting, with guarantees of up to 50 years. This reduces the need for maintenance and use of new materials which in turn would cause carbon emissions. In addition, Ruukki products contribute to energy efficiency. Energy savings from airtight building envelopes can save up to 30% of the energy used and carbon released during the lifespan of a building. This helps customers to achieve high ratings in environmental certification systems for buildings.



CASE

Heavy Duty Tipper

Customer: Sinotruk
Location: China

By removing stiffeners and using the high load and lifetime performance of Hardox(R) 450, the weight of the tipper body could be reduced by 50%. This, in turn, increases the load capacity of the truck, reducing fuel consumption and emissions per tonne transported, which is even more important in city traffic, where this truck is operating.



CO₂-SAVINGS
22 tonnes/lifetime



CO₂ PAYBACK TIME
10 months



FUEL REDUCTION
6,200 l/lifetime



Taking 10 cars off the road for a year



Go fossil free: SSAB to be the first in fossil-free steel

SSAB aims to create a fossil-free value chain together with our partners and customers and secure our position as the driving force in the green transition of the steel industry. Already in 2021, we delivered the first fossil-free steel, a steel made from hydrogen-reduced iron produced at HYBRIT'S pilot plant in Luleå, to our customer Volvo Group. In 2026, we plan to bring fossil-free steel to market as a commercial product.

The steel industry is one of the highest CO₂-emitting industries, accounting for 7% of total CO₂ emissions globally. A growing global population, an increasing standard of living and greater urbanization will trigger a rise in global steel demand. Recycled scrap will not sufficiently meet the growing demand for new steel, and steel will still need to be produced by using iron ore-based production.

The steel industry has to adjust to the transition to a low-carbon economy. Even if SSAB already today is one of the world's most CO₂-efficient steel companies and our scrap-based steel is based on near 100% recycled material, we have to do more.

Therefore, in 2016, we joined forces with LKAB (Europe's largest iron ore producer) and

Vattenfall (one of Europe's largest energy companies) to create HYBRIT – an initiative to revolutionize iron- and steelmaking. HYBRIT stands for Hydrogen Breakthrough Ironmaking Technology, and by using it, we aim to replace coking coal, traditionally needed for ore-based steelmaking, with fossil-free electricity and hydrogen. Using this technology, we delivered the world's first fossil-free steel to Volvo Group.

Sweden has unique conditions for this kind of project, with good access to fossil-free electricity, high-quality iron ore and a specialized, innovative steel industry. Through the HYBRIT initiative we contribute to reducing Sweden's CO₂ emissions by 10% and Finland's by 7%.



CASE

The world's first vehicle made with fossil-free steel

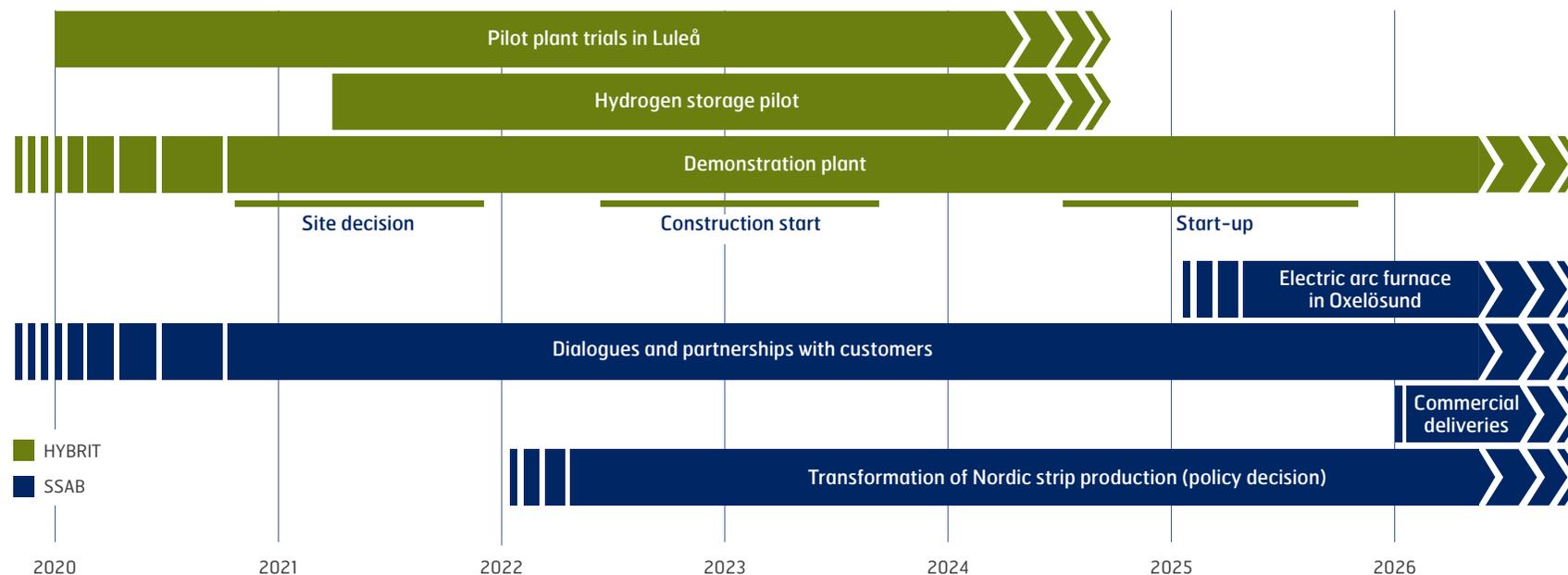
In October 2021, Volvo Group launched the first vehicle ever made with fossil-free steel with the introduction of their autonomous electric dumper, which contains more than three tonnes of fossil-free steel delivered by SSAB. The vehicle is a load carrier for use in mining and quarrying operations and represents one leg of the journey towards a decarbonized future.

The fossil-free steel from SSAB has the same high quality and properties as

conventional steel, despite the fact that the ironmaking process differs from the conventional method. Volvo Group plans to use SSAB's fossil-free steel to build more concept vehicles and machines. Getting small-scale serial production up and running is planned for 2022, with a gradual ramping up to mass production to follow. Volvo Group and SSAB have also agreed to work together on research and development to optimize the use of fossil-free steel in Volvo products.

Timeline for fossil-free steel production

First products are planned to reach the market in 2026



Timeline for fossil-free steel production

The first step toward fossil-free steel starts with the direct reduction pilot plant in Luleå, Sweden. The plant is the first of its kind and started up in 2020. In the pilot plant, the development of the process of reducing iron ore using fossil-free hydrogen will continue. Adjoining the pilot plant, work is underway on building an underground

hydrogen storage pilot facility, which will be operational from 2022. During 2020, the world’s first fossil-free iron ore pellets were produced at the LKAB site in Malmberget.

The total cost of the pilot phase is estimated to be SEK 2 billion and most of these investments have been carried out. The Swedish Energy Agency has committed to contribute SEK 600

million and the three owners, SSAB, LKAB and Vattenfall, have contributed to the remaining costs in equal shares.

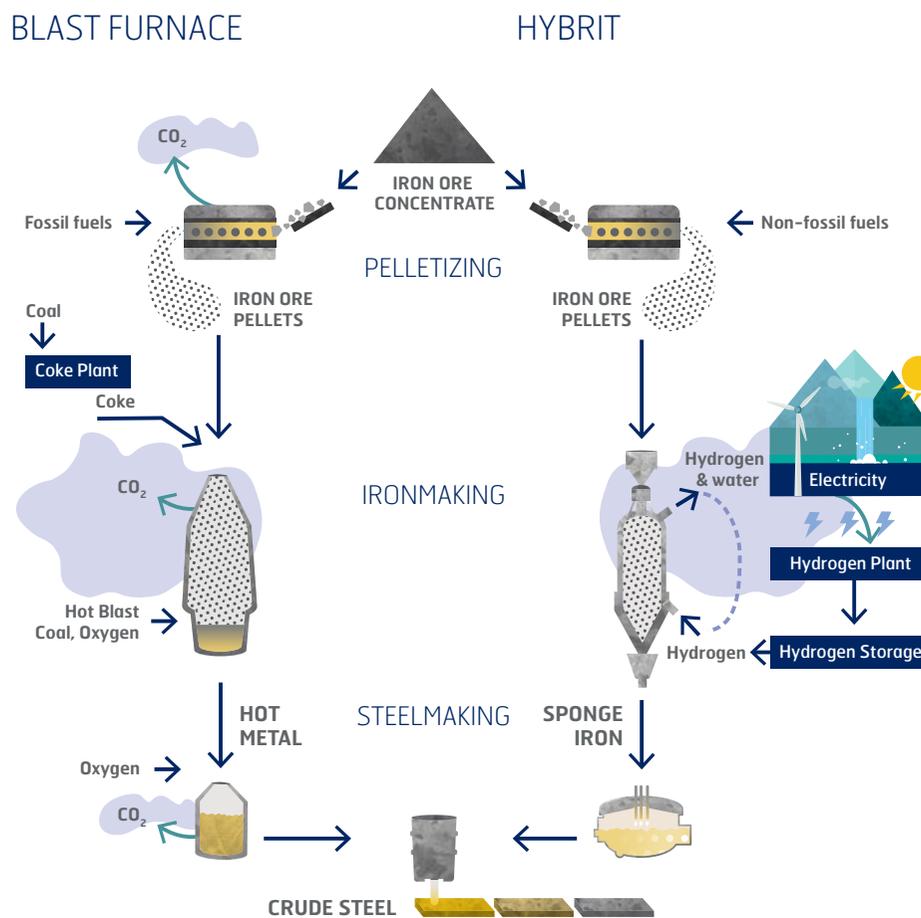
In addition to the development of the pilot plant, HYBRIT is preparing a demonstration plant in Gällivare, next to the LKAB iron ore mine. The plan is to complete the demonstration plant in 2025, at the same time as SSAB’s blast furnace

in Oxelösund, Sweden, is converted to an electric arc furnace. This will enable us to produce iron ore-based, fossil-free steel on commercial terms in 2026. At the end of the year, HYBRIT was granted support from the EU Innovation Fund, as one of seven European projects using breakthrough technologies within, for example, energy-intensive industries.

New policy decision

In January 2022, SSAB's Board took a policy decision to fundamentally transform Nordic strip production and accelerate the company's green transition. The decision was taken against the background of strongly growing demand for fossil-free steel. The plan is to replace the existing system with new mini-mill technology, which will result in a broader product program and improved cost position. The ambition is to largely eliminate carbon dioxide emissions in our own operations in around 2030, 15 years earlier than previously announced. However, to achieve this ambition, the necessary infrastructure, access to fossil-free electricity in particular, must be in place in time.

The policy decision means that the sites in Luleå and Raabe are planned to be transformed into cost-effective mini-mills, with electric arc furnaces and rolling mills. The sites in Borlänge and Hämeenlinna are planned to be further developed in line with the new production processes. The transformation is planned to take place during the next ten years, considerably faster than the earlier objective of 2045. The first step will be to develop a more detailed transformation plan for each production site. The order of site transformation will depend, among other things, on the availability of the necessary infrastructure, in particular access to competitive electricity. The plan means all SSAB's emissions in our own operations will be largely eliminated at the beginning of the next decade.



What do we mean by fossil-free steel?

- Fossil-free steel is a premium product where fossil-free sponge iron is used and no fossil CO₂ emissions occur during production.
- Fossil-free hydrogen is used instead of coal and coke to reduce the oxygen in iron ore. This means the process will emit water instead of carbon dioxide.
- The hydrogen is based on fossil-free electricity and no fossil fuels are used in the production process.



Leading sustainability performance

To be credible in our transformation towards fossil-free steel, we need to ensure our own sustainability performance. This includes our work to ensure a safe and healthy workplace, resource efficiency, circularity and responsible sourcing. Our zero tolerance against corruption is a given, and so is our work for a more inclusive workplace.

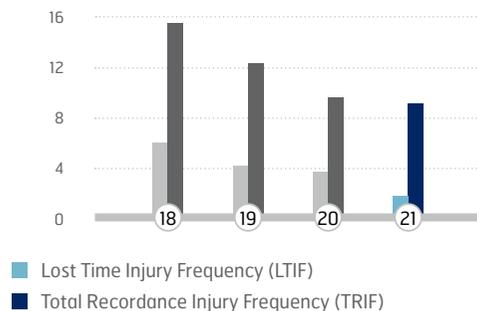


Safety first: Becoming the world's safest steel company

We believe everyone has the right to a healthy, accident-free work environment in SSAB. Our goal is to prevent all injuries and work-related illnesses and to become the world's safest steel company.

Overall, the safety performance during 2021 was good, thanks to continued structured efforts in all divisions. At the Group level, Lost Time Injury Frequency (LTIF) decreased to 1.8 (3.7) and total recordable injury frequency (TRIF) decreased to 9.2 (9.7).

Injury frequency



The most general types of accidents at SSAB are injuries to fingers and eyes, and musculoskeletal injuries such as knee, ankle or back injuries. The commonest injuries sustained are wounds or other superficial injuries, sprains, strains, bone fractures or concussion.

Our long-term work to improve safety continued during the year. In addition to the continuous safety procedures, we strengthened training efforts and implemented better follow-up schemes thanks to a new data collection system. We also note a positive change in overall safety culture and that the information sharing on serious incidents and best practices across the company have improved.

The targets for 2025 at the Group level include zero fatalities, LTIF below 1.5 and TRIF below 5.0. To reach these targets, we plan to continue improving the safety culture, further increase training efforts and awareness of safety matters.



Targets	KPI	2021	Target 2021	Target 2022	Target 2025
Eliminate fatalities and serious incidents	Number of fatalities	0	0	0	0
	Number of serious incidents	309	188	166	115
Reduce injuries and their severity	LTIF	1.8	3.4	1.63	< 1.5
	TRIF	9.2	9.2	7.7	< 5.0
	LTI severity rate	11	23	10	8
Eliminate major process safety incidents	Number of major process safety incidents	44	97	37	20
	Number of safety rounds	40,720	52,800	55,000	68,600
Safety leadership	Number of risk observations	27,805	25,900	28,000	35,300
	Number of near misses prevented	14,082	12,800	14,000	17,400

Sustainability Note 1 (page 83) contains more specific safety related KPIs, including historical values. All KPIs include contractors, except the Number of serious incidents and LTI severity rate. LTIF = Number of injuries resulting in an absence of more than one day per million working hours (Lost Time Injury Frequency). TRIF = Number of recordable injuries per million working hours (Total Recordable Injury Frequency). Serious incident = incidents involving moving machinery, cranes, falling objects, working at heights, on-site traffic, electric shocks. LTI severity rate = The number of absence days as R12 months cumulative.

Safety culture and leadership

A fundamental requirement for working at SSAB is individual responsibility to work safely every day. All SSAB employees are asked to sign SSAB's safety pledge, which is a commitment to always put safety first. The safety pledge also includes contractors and other partners working at our sites.

Safety work is integrated into our management system and is guided by SSAB's Group governing documents on safety. The health and safety principles comply with or exceed all applicable laws, regulations and internal requirements. SSAB's safety management system fulfills the requirements of ISO 45001 and is implemented at all our sites.

The line organization has the overall responsibility for health and safety issues, compliance with applicable safety requirements and for carrying out risk assessments. All divisions have annual safety targets, including both LTIF and TRIF, and report regularly on safety performance to the Group Executive Committee and the Board of Directors. All SSAB units and sites are required to systematically identify safety risks and carry out mitigation actions in order to minimize those risks.

SSAB applies occupational health and safety programs as required by local legislation in each of the countries where we operate. Safety programs are normally developed by local occupational health and safety committees consisting of representatives of the local management and

employees. In Sweden and Finland, SSAB has health and safety committees at all workplaces where more than 50 employees are working on a regular basis. In the US, SSAB has a variety of safety committees, which provide employees with an opportunity to participate in worker health and safety issues.

Group-wide cooperation

Group-wide cooperation in health and safety issues is ensured by two cross-divisional groups. The Health and Safety Council (H&SC) has primary responsibility to coordinate and propose policy recommendations and strategic initiatives to the Group Executive Committee, and is the decision-making body on operational safety issues. In addition, the H&SC is responsible for promoting a positive safety culture within the company. The H&SC consists of senior representatives from all SSAB divisions.

The Safety Expert Group consists of experts from the major sites, divisions and subsidiaries, with the purpose of sharing best practices, information on serious incidents, and recommendations on preventive actions. The group also proposes company-wide safety initiatives to the Health and Safety Council.

Contractor safety

Every year, hundreds of employees from external companies work at SSAB, particularly in maintenance and repairs. Based on a risk



assessment, some contractors are screened for robust safety practices. SSAB also provides contractors with safety training sessions and discussion forums in order to increase their safety awareness. All contractor accidents are included in SSAB's safety statistics regarding injury frequencies.

Process safety management

Work on process safety is an important part of preventive health and safety work. At SSAB, process safety is defined as a blend of engineering, operations and management skills focused on preventing catastrophic accidents and near misses. Working with process safety management also contributes positively to production stability and good quality maintenance.

Occupational Health Management

Wellbeing is a joint responsibility between the employer and the employee and facilitated by SSAB's framework for health. During the year, a major focus has been on minimizing potential impacts of the ongoing pandemic by adapting to guidelines issued by local authorities and adjusting our workplaces to minimize the risk of being infected.



CASE

Collaboration is the key to better contractor safety

During recent years, there has been a gradual increase in contractor services in SSAB's Swedish operations. From a safety perspective, this means that more and more people are temporarily present on sites without having the same knowledge of our operations and their inherent risks.

In Luleå, SSAB has worked over the past years with the so called Health and Safety Forum for contractors with representatives from both SSAB and contractor companies.

that we'd never understand unless they tell us about them. Everyone must be fully aware that we prioritize those who work in a safe way – not just that they do their jobs quickly."

Per Fahlman, CEO of Nyberg's Mekaniska Verkstad in Piteå, has been involved in the Health and Safety Forum from the start, and he is very pleased with its development.

"There's an incredibly big difference in the dialog, engagement and level of discussion. We now have a good dialog with SSAB about health and safety work," says Per.

Sanny Shamoun, Health and Safety Researcher from IVL Swedish Environmental Research Institute, conducted a research study with a focus on contractor safety, including interviews with contractors at SSAB Luleå. She confirms that the Health and Safety Forum is unique as a form of collaboration.

"The results of our research show that the Health and Safety Forum fulfills and deals with all the important factors that need to exist in order to overcome obstacles and difficulties with contractor safety, while at the same time enabling effective preventive health and safety work."

The Health and Safety Forum aims to increase dialog, collaboration and joint responsibility, to share knowledge and learn from each other and thereby create the conditions for our contractors to work safely.

"We've worked a lot on building trust – showing that by taking action we're really responding to their views," explains **Jonna Barsk**, Operation Strategist and Coordinator for SSAB Luleå's work on contractor safety. "Contractors can see risks and shortcomings



Resource-efficient operations

SSAB is committed to minimizing any adverse environmental impacts from our operations. We work with continuous improvement to minimize emissions and improve material and energy efficiency.

Direct and indirect emissions

The majority of SSAB's direct CO₂ emissions (93%) are generated by our Nordic iron ore-based steel production, mainly at our sites in Luleå, Oxelösund and Raabe, and are within the scope of the EU Emissions Trading System (ETS). Almost all of these emissions are related to the use of coke and coal as reducing agents. There is limited potential to reduce CO₂ emissions from current steelmaking processes further. However, emissions can be controlled and, to some extent, reduced by continuously striving to improve material and energy efficiency.

Scope 1 and 2

In 2021, SSAB's total direct CO₂ emissions (Scope 1) were 10,605 (9,474) thousand tonnes, of which 9,912 (8,733) thousand tonnes are attributable to our Nordic steel production and 674 (723) thousand tonnes to our scrap-based steel production in the US. The increase in the emissions from the Nordic steel production is in line with the increased production during 2021.

In 2021, SSAB's indirect CO₂ emissions (Scope 2) from purchased electricity and heat were 1,029

(1,340) thousand tonnes, mainly attributable to our scrap-based steel production in the US where electricity is used to melt the scrap metal in electric arc furnaces. The carbon intensity in purchased electricity decreased during the year and our target is that our Iowa operations will be fully powered by renewable energy in 2022.

Emission intensity (Scope 1 and 2)

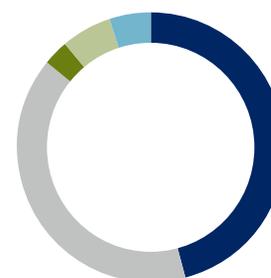
The emission intensity (tonnes of CO₂ emissions/tonne crude steel) was 1.80 (1.80) in our Nordic steel production and 0.53 (0.69) in our scrap-based steel production in the US.

Other indirect emissions (Scope 3)

We estimate our other indirect CO₂ emissions (Scope 3) every other year. In 2021, scope 3 emissions were estimated to be 5,767 thousand tonnes, based on reported values for 2020. This corresponds to 33% of SSAB's total CO₂ emissions. Most scope 3 emissions are generated in the processing of sold products and purchased raw materials and services.

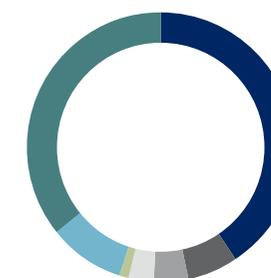
Please refer to the Sustainability Note 2 (page [84](#)) for more information about our emissions.

Scope 1 and 2 emissions, by country



- Sweden (Scope 1) 46%
- Sweden (Scope 2) 0%
- Finland (Scope 1) 40%
- Finland (Scope 2) 3%
- USA (Scope 1) 6%
- USA (Scope 2) 5%

Scope 3 emissions



- Raw materials, goods and services 40%
- Fuel and energy related activities 6%
- Upstream transportation 4%
- Waste generated in operations 3%
- Business travel 0%
- Employee commuting 1%
- Downstream transportation and distribution 9%
- Processing of sold products 35%

Science Based Target

In 2020, the Science Based Targets initiative approved SSAB’s target to reduce absolute Scope 1 and 2 emissions by 35% by 2032 from the base year 2018. The target is in line with the Paris Agreement and the objective of keeping global warming well below 2°C. During 2021, our Scope 1 and 2 emissions decreased by 1.6% compared with the base year 2018, mainly due to lower indirect emissions from our operations in the USA.

Following SSAB’s announcement in January 2022 of the policy decision to accelerate the green transition, we will review our climate target as part of the pre-feasibility phase, including to be in line with a 1.5 degree scenario.

The climate target is also included in the Sustainability-Linked Bond framework we completed during the year. The new framework gives us competitive terms to finance our transition and provides a direct link to our sustainability goals.

About the Science Based Targets initiative

The Science Based Targets initiative encourages companies to set science-based goals. The organization is a collaboration between CDP, the UN Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). SSAB was one of the first steel companies globally to have its climate target approved by the Science Based Targets initiative.



Targets	KPI	2021	Target 2022	Target 2025	Target 2026	Target 2030	Target 2031	Target 2032
Greenhouse gas emissions reduction, base year 2018	CO ₂ e reduction, million tonnes	0.2	0.5	1.2	1.8	3.1	4.0	4.1
	CO ₂ e reduction, % ¹⁾	1.6%	4%	10%	15%	26%	34%	35%
Circularity (in the Nordic production system)	Use of scrap/H-DRI ²⁾	18%	20%	29%	39%	46%	54%	54%
	Slag utilization ³⁾	81%	82%	100%	100%	105%	107%	107%
			lowa operations in US powered 100% by renewable electricity	50% use of EAF in Oxelösund	100% use of EAF in Oxelösund	25% use of EAF in Raabe	50% use of EAF in Raabe	

1) Science Based Targets initiative (SBTi) has approved CO₂e emission reduction target for target year 2032. Includes Scope 1 and Scope 2 emissions. Please refer to Sustainability Notes, table 2 for reporting methodology. SSAB will review the target going forward.

2) Home scrap, purchased scrap and H-DRI (Fossil-free Direct Reduced Iron) replacing BF (Blast Furnace) route iron ore pellets.

3) BF (Blast Furnace), BOF (Basic Oxygen Furnace) and EAF (Electric Arc Furnace) slag.

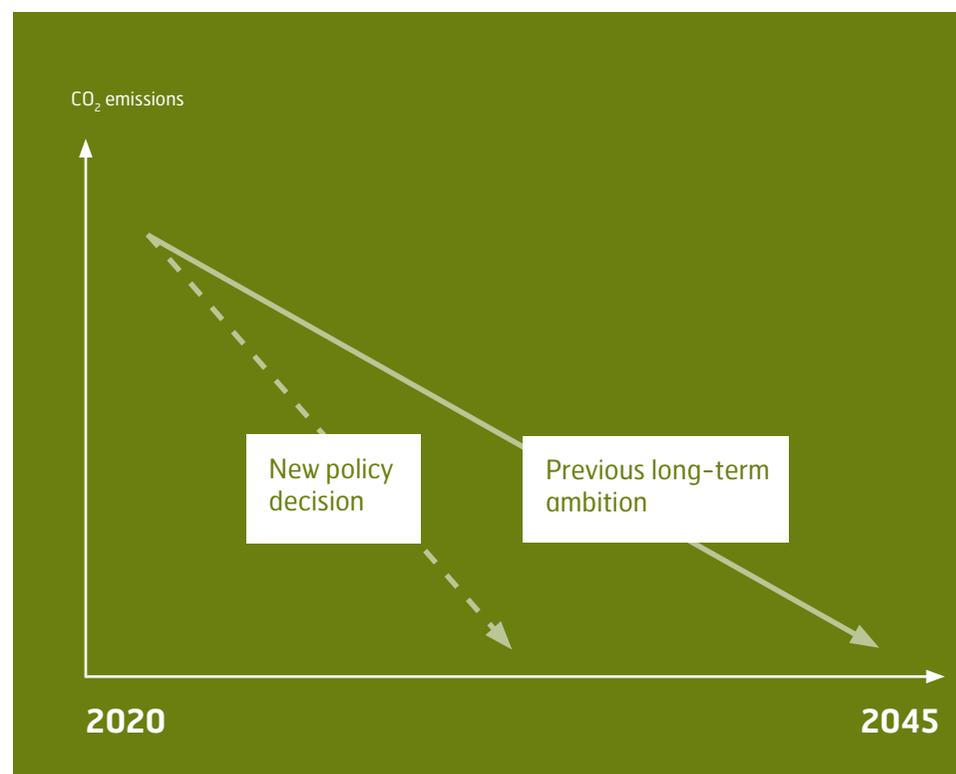


FOCUS

New policy decision to accelerate the green transition

In January 2022, SSAB's Board took a policy decision to fundamentally transform the Nordic strip production and accelerate the green transition. The decision was taken against the background of strongly growing demand for fossil-free steel. The plan is to replace the existing system with new mini-mill technology, which will result in a broader product program and improved cost position. The ambition is to largely eliminate carbon dioxide emissions in our own operations in around 2030, 15 years earlier than previously announced. However, to achieve this ambition, the necessary infrastructure, access to fossil-free electricity in particular, must be in place in time.

The decision was taken against the background of strongly growing demand for fossil-free steel.



Other emissions to air

In addition to CO₂, the most emissions generated are particulate matter (PM), sulfur oxides (SO_x) and nitrogen oxides (NO_x). Particulate emissions contain metals that originate mainly from iron ore pellets, coking coal and from residuals and the processing of steel products. Sulfur oxides emissions originate from raw materials and fuels containing sulfur. Nitrogen oxides emissions are mainly formed in the combustion processes in the coke plants and heating furnaces. SSAB monitors emissions arising from our operations both at production sites and in their vicinities to ensure compliance with emissions limits and requirements of local environmental authorities. Please see page 84 for more information.

Material efficiency and recycling

Steel is unique in its capacity to be infinitely recycled without loss of properties or performance and is the most recycled material in the world today. The use of recycled steel in the production of new steel lowers the environmental footprint and optimized steel recycling is hence a critical element in reducing carbon emissions. In addition, much of the material generated from our production is recirculated back into our own processes, thereby reducing both the need for virgin raw materials, and CO₂ emissions and waste.

The key raw materials needed in steelmaking include iron ore, coal, limestone, alloys and

scrap steel. Iron ore and coal are the main raw materials required for SSAB's steel production operations in Sweden and Finland. Scrap metal is the most important raw material for SSAB's steel production operations in the US. In 2021, SSAB used a total of 16.0 (14.1) million tonnes of raw materials. More information is included in Sustainability Note 3, page 85.

Scrap used in steel production

In 2021, SSAB used in total 3.8 (3.7) million tonnes of scrap, whereof 2.9 (2.8) million tonnes were external scrap and 0.9 (0.9) million tonnes were internally recycled scrap. SSAB uses approximately 20% of scrap metal in conjunction with steel production in the Nordics, and nearly 100% in the US.

Use of scrap/Fossil-free direct reduced iron

For SSAB in the Nordics, a transformation from blast furnace-based production to the use of electric arc furnaces is under way. The electric arc furnaces will use both fossil-free sponge iron and scrap metal. Both materials are included in our circularity target – scrap because it can be infinitely recycled and fossil-free sponge iron because, in the same way as scrap, it will replace the need for conventional iron making in blast furnaces. In our Nordic steel production, our target is a combined share of 29% from scrap and fossil-free sponge iron in 2025.



Slag utilization

The production of iron and steel gives rise to a range of residuals (e.g. slag, sludge and dust). Materials that cannot be recirculated internally can be processed into by-products and sold externally, thereby reducing CO₂ emissions by substituting natural resources in other industries. By-products such as slag are used as input material in a number of industries, for example, in road construction and as a substitute for cement. In 2021, 3.3 (3.6) million tonnes of residuals from the iron ore-based steel production were utilized internally or externally, which corresponds to 85% (92%). In 2021, 1.3 (1.4) million tonnes of by-

products were sold externally. Our target is to use the full annual production of slag in 2025. Later, we expect to be able to use previously stored slag volumes. During 2021, we have increased the storage of slag, which explains the decrease in volumes sold.

Waste management

In the Nordic region, SSAB works to optimize the value of its by-products, scrap and waste with a focus on sustainability and value creation. The recycling operations consist primarily of three parts; recirculation of materials to SSAB's own production, processing and selling by-products

externally and managing waste for which there is currently no environmentally or economically justifiable application. The waste materials therefore have to be removed from the processing cycle, either by being sent to landfill or to an external waste recipient, following all applicable regulations.

At all the major production sites in the Nordics SSAB is operating their own landfills, and a typical waste stream to landfill is dusts and sludges from the iron and steel production. These landfill facilities are managed according to applicable laws and are monitored by regulatory authorities.

SSAB Americas does not own or operate waste transportation equipment or landfills and deals only with government-approved landfills. Materials are tested and classified as waste before being sent to a landfill. Testing is conducted by a specialized third-party contractor.

All production facilities have their own monitoring and data collection systems which fulfills the requirements set by the authorities. There are continuous improvements ongoing, aiming to reduce the amounts of waste and increasing the utilization of residuals. Please see Sustainability note 3 on page 85 for more information.

Energy efficiency and recovery

SSAB's production processes are energy intensive and we thus work systematically with

energy efficiency and energy recovery at all sites, as well as production of electricity from process gases at steel mills, to ensure efficient use of energy and lower emissions.

In 2021, SSAB's total energy consumption (including electricity, purchased fuels and purchased heat) was 9,396 (9,083) GWh. The energy intensity amounted to 1,149 (1,205) kWh/tonnes crude steel. More information is included in Sustainability note 4 on page 85.

Electricity is SSAB's largest energy source, accounting for about 50% of the total energy consumption. The main fuels used at SSAB's production sites are process gases, natural gas, propane and, for the time being, heavy fuel oil. Process gases from SSAB's coke oven plants and blast furnaces are used primarily to replace external fuels in heating furnaces and secondarily to produce electricity in power plants. Natural gas, propane and fuel oil are used to heat furnaces. In order to achieve our long-term strategy towards fossil-free operations we need to eliminate our fuel-related emissions. We are currently mapping these, in order to be able to specify plans on how to replace the fossil fuels, for example, through the electrification of processes and increased use of biofuels and hydrogen.

To improve energy efficiency, energy flows are recovered in the production process (see the illustration). Process gases like blast furnace

Energy sources



- Electricity 50%
- Natural gas 39%
- Propane 9%
- Oil 2%

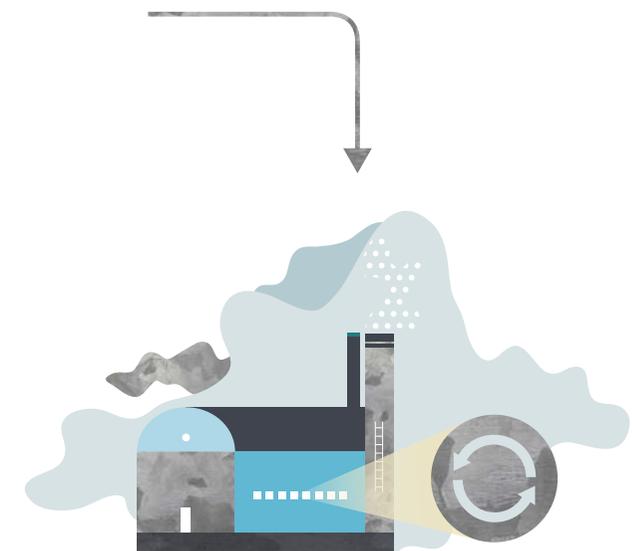
Raw material containing energy

- Iron ore
- Coal and coke

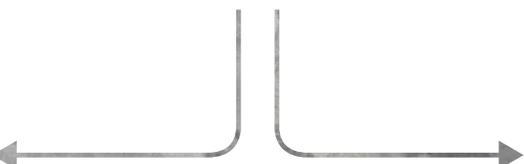
- Energy**
- Electricity
 - Natural gas/Propane
 - Fuel oil

Energy recovery at steel mill

Recovery of process gases and heat



STEEL PRODUCTION



- Inbound deliveries**
- Recovered process gases and electricity
 - Heat

- Outbound deliveries**
- Electricity
 - District heat



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 can be fully recovered to generate electricity and heat, thereby saving fuel resources and decreasing CO₂ emissions. Recovered heat has been used to produce district heating in Luleå, Oxelösund and Raahé since the 1980s, accounting for about 90% of local district heating needs.

Water use and circulation in the production process

Access to water is crucial for steel production, particularly in quenching, where water is used for the direct cooling of hot-rolled steel. Most of the water used in SSAB's production processes is recirculated in cooling systems.

SSAB's operations are located in areas where there is currently no scarcity of water, and no water sources are significantly affected by water

withdrawal by SSAB's operations. SSAB uses surface and/or ground water sources at all of its production sites, including both seawater and fresh water. Water is used mostly in processing, cooling and in scrubbing flue gases at the steel works and rolling mills. Water is also needed for electricity production and in slag granulation.

All of SSAB's sites take actions to prevent the risk of contaminating local water resources and to reduce effluent discharge into waterways. Discharges of effluent into the waterways consist of suspended solids, which contain calcium, magnesium and silicon compounds, and originate from the steel plants and blast furnaces. Oily emissions originate from the rolling processes. There are also some discharges of nitrogen and iron into the waterways. All SSAB's operations are subject to environmental permits and guidelines regarding discharged water. More information is provided in Sustainability note 5 on page [85](#).

Environmental governance

SSAB's environmental governance document includes the overall guidelines for the environmental work within the Group and supports day-to-day work across the organization. SSAB's environmental management is based on ISO 14001 and all of SSAB's production sites are certified according to this standard. SSAB's operations are subject to environmental permits containing numerous environmental conditions governing various

parameters regarding production levels, air emissions, discharge water effluent and waste management. SSAB records all environmental damage and other environmental non-compliances and reports them to the appropriate authorities.

SSAB's Executive Vice President and Chief Technical Officer is responsible for environmental issues and manages the HYBRIT implementation. To support work related to environmental issues, SSAB has Environmental Councils, which include representatives from the divisions, main production sites and from SSAB's subsidiaries, Ruukki Construction and Tibnor. The divisions, subsidiaries and sites are responsible for putting environmental protection into practice. Each production site has an environmental team or manager responsible for monitoring compliance with legislation and handling permits. Internal and external audits at sites ensure that everyday practices comply with set targets.

Environmental risks are included in the Enterprise Risk Management process and other regular risk assessment, for example, on possible emissions in the event of disruption or accident. Mitigation actions are based on the results of the risk assessments.

Responsible sourcing

It is important for us that our suppliers act responsibly, and that they comply both with SSAB's standards and with international sustainability guidelines in order to remain qualified suppliers.

During 2021, SSAB sourced products, materials and services worth an estimated SEK 68 (50) billion from approximately 20,000 suppliers in more than 60 different countries. This includes raw materials such as scrap, iron ore and coal but also maintenance services and spare parts. Sustainability is an integrated aspect of our sourcing operations and supply chain management. We assess suppliers based on quality, delivery performance, cost and sustainability.

Identification and evaluation of supplier risks

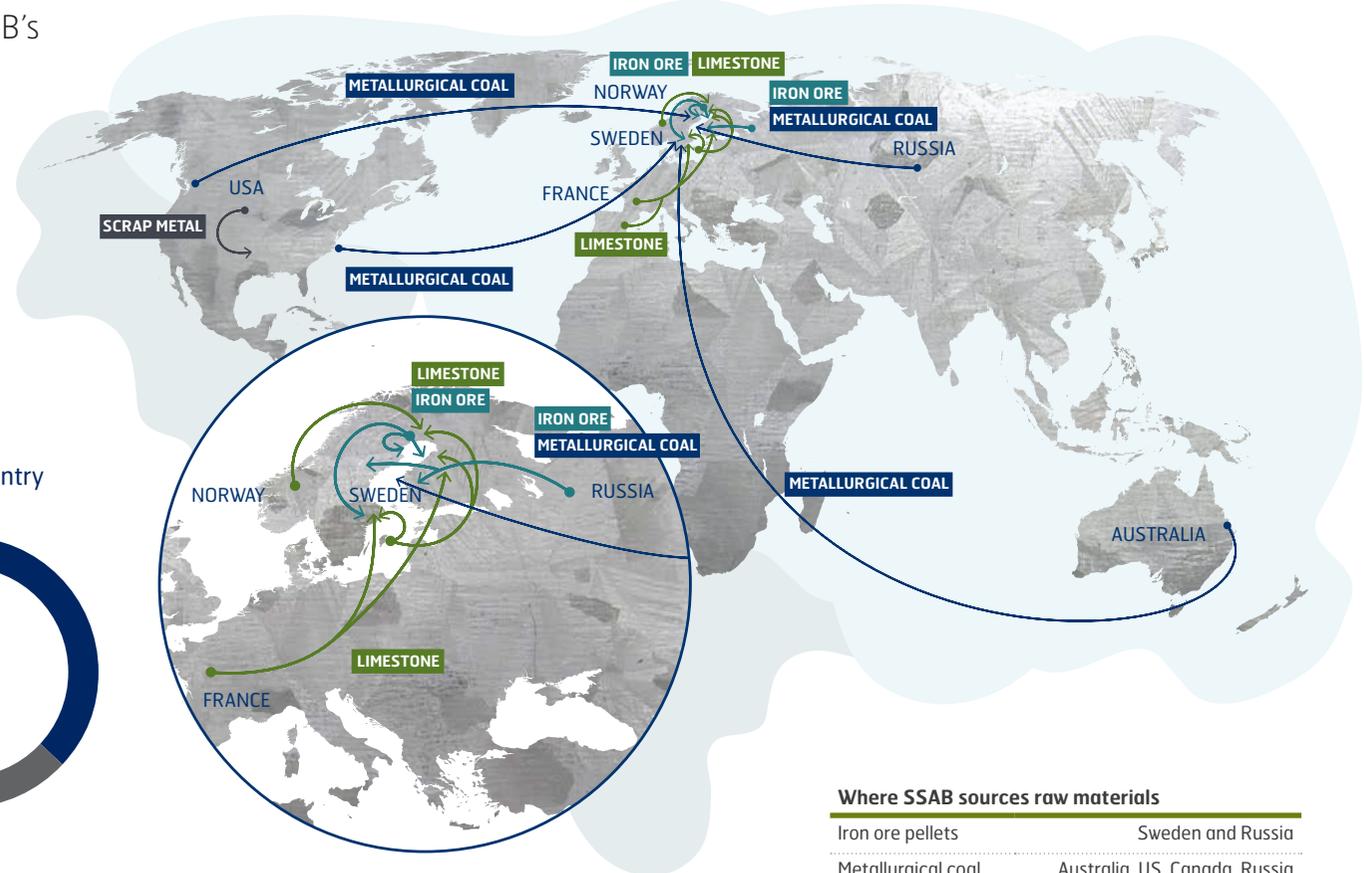
SSAB classifies first-tier suppliers based on a risk assessment, using, for example, risk indices for human rights, political and environmental risks per specific region and Transparency International's Corruption Perceptions index. Suppliers identified as medium- or high-risk suppliers must complete a self-assessment containing questions about their governance, social conditions and environmental performance. SSAB investigates and follows up on identified areas of non-compliance.

Sourcing by country of total spend



- Sweden 37%
- USA 27%
- Finland 12%
- Russia 5%
- Rest of Europe 16%
- Rest of the world 3%

Main flows of raw materials



Where SSAB sources raw materials

Iron ore pellets	Sweden and Russia
Metallurgical coal	Australia, US, Canada, Russia
Scrap	US, Sweden, Finland, Russia
Limestone	Sweden, Norway, France, Spain
Alloys	Brazil, Russia, China, South Korea, US etc.

In 2021, 96% (96%) of SSAB’s total spend was sustainability assessed with regards to sustainability risks, including a self-assessment, and 88% (93) of new suppliers were screened using social criteria.

Site visits and audits

Due to Covid-19, 2021 was characterized by restrictions on travel and the possibilities for on-site visits. This meant that most on-site visits and audits were performed remotely. In 2021, SSAB conducted 20 on-site visits and 4 extensive audits to suppliers related to sustainability matters.

Suppliers selected for on-site visits and third-party audits are identified in the annual audit plan, and based on a number of criteria, including a pre-evaluation of the supplier’s social and environmental risk profile, taking into consideration geographical location, product category and spend volume.

During the year, on-site visits were conducted at suppliers located in Finland covering different categories including raw materials, maintenance

SSAB Supplier Sustainability Policy

- Based on UN Global compact principles
- Includes requirements on labor and human rights, health and safety, anti-corruption and the environment. Ensures that SSAB collaborates with suppliers who share our values.
- Applies to all suppliers providing products and services
- SSAB reserves the right to conduct reviews or onsite audits to ensure compliance.
- All new or updated contracts from 2017 and onward refer to the Supplier Sustainability Policy or similar, and the same reference is included in our purchase orders.



Targets	KPI	2021	Target 2021	Target 2025	Target 2030	Target 2045
Sustainable supplier base	Share of new suppliers sustainability assessed	88%	100%	100%	100%	100%
	Share of total spend sustainability assessed (categorized/identified and self-assessment done)	96%	96%	96%	98%	98%
	Number of second- or third-party sustainability audits and on-site visits including social and environmental performance of suppliers	24	38	--	--	--

Historical values are included in Sustainability note 6 (page 86). During the year, we have initiated an evaluation of the CO₂ emissions from our supply chain, which will be continued during 2022.

and production-related material. SSAB also conducted one third-party sustainability audit in the United Kingdom and two in Russia. SSAB works with a leading audit company to conduct audits. The audits revealed non-conformances primarily related to safety, work environment and governance. SSAB has initiated a dialog with the respective suppliers regarding these observations.

Monitoring raw material traders

SSAB also sources alloys, coal and refractories through agents and traders. SSAB requires these suppliers to monitor their sources for sustainability commitment and we have an adapted assessment process by which these suppliers must declare how they monitor social and environmental compliance in their supply chain.

HSEQ cluster for joint evaluations of contractors

SSAB is member of a health, safety, environment and quality company cluster in Sweden and Finland for common evaluations of contractors. Several of SSAB's contractors working on SSAB's sites are audited annually by a third party through this cluster. In 2021, 8 HSEQ evaluations of contractors were conducted in Sweden and Finland. Also this is an activity that Covid-19 has restricted.

Actions against modern slavery

SSAB supports and respects internationally proclaimed human rights and has taken a variety of actions to verify the absence of child labor, forced labor, slavery and human trafficking in our supply chain. These actions include sustainability principles for our suppliers, risk assessments, onsite visits and audits and training of our employees.

No conflict minerals in SSAB's steel

Conflict minerals is a term used for minerals derived from conflict-ridden regions or countries where the mining of certain minerals risks contributing to, or financing, continued conflict and violation of human rights. SSAB does not use conflict minerals (including gold, tin, tungsten and tantalum) and, upon request, provides customers with a certificate affirming this.

Governance and risk assessment

SSAB's Chief Procurement Officer is responsible for sourcing related issues for SSAB Europe and SSAB Special Steels. The other divisions have an own procurement organization. A Procurement Sustainability manager coordinates and supports all divisions within SSAB within responsible sourcing. Risks regarding SSAB's purchasing and sustainable sourcing are included in the enterprise risk management process.



CASE

SSAB joined First Movers Coalition

During the COP26 climate forum in Glasgow, SSAB accepted the invitation to be a Founding Member of the First Movers Coalition, FMC, a joint initiative by the US Special Presidential Envoy for Climate, John Kerry and the World Economic Forum. The coalition will be a platform for companies to make purchasing commitments that create new market demand for low carbon technologies. The First Movers Coalition

aims to increase demand for products like sustainable aviation fuel and near zero-emission steel to help make clean technologies more affordable. SSAB is the only steel company joining the coalition and is committing to the ambition of contracting zero-emission medium and heavy-duty trucking services by 2030, if available on the market.



Zero tolerance for bribery and corruption

Anti-corruption and business ethics have become increasingly important for companies. Failure to address corruption, bribery and other issues related to business ethics could have a negative impact on SSAB's reputation and increase the risk for financial sanctions.

SSAB has zero tolerance for bribery and corruption. Our target is to ensure ethical conduct in line with our corporate culture and to increase knowledge about our Code of Conduct and our Ethics Line, where employees can raise concerns.

Code of Conduct

Our Code of Conduct is approved by the Board of Directors and is our ethical compass and outlines guidelines for how all employees are expected to behave in relation with stakeholders and in the market. The Code of Conduct is a part of "The SSAB Way" (see page 7) and covers areas such as health and safety, environment, employee relations, human rights and business practices. During the year, a review of the Code of Conduct has been initiated and will be finalized during 2022.

Anti-corruption

SSAB works actively to prevent corruption in our business. SSAB's governing document for anti-corruption defines SSAB's zero tolerance approach to bribery and corruption and sets

out guidance for our operations. Since 2020, SSAB has been a member of Transparency International's Corporate Supporters Forum, which provides an opportunity to collaborate and share knowledge.

E-learning in business ethics

All employees are expected to have completed training on our Code of Conduct and governing document for anti-corruption and to know how to report non-compliances through our Ethics Line. Communication and training are organized through an e-learning module, available in six languages.

By the end of 2021, 96% (91%) of our employees (13, 739 employees, including both office and production employees) had completed the training module, of which 95% in Sweden, 97% in Finland and 98% in North America. All members of the Group Executive Committee have completed the training. In addition to the training, a handbook on Business Ethics is available for all employees on our intranet.



SSAB's top management has an important role to promote a corporate culture where business ethics is embedded in all aspects of our business. In addition to the global e-learning in business ethics, all top managers have signed the Code of Conduct statement. The e-learning in business ethics is also part of the onboarding process. New employees are expected to accomplish it and to sign the Code of Conduct statement within the first few weeks of employment. By the end of 2021, 84% (75%) of new employees had initiated the onboarding process.

Ethics Line

Our Ethics Line provides employees with an avenue to raise their concerns. All employees are urged to report suspected breaches of the Code of Conduct. Employees can file a report anonymously online or by calling a global hotline available around the clock year through. The Ethics Line is implemented in 14 countries, corresponding to 89% (92%) of our employees. The implementation ratio for 2020 has been adjusted since previous reporting to include temporary employees. The target for 2021 was missed since we have increased the number of employees in countries where the Ethics Line has not yet been implemented. In 2021, 7 (9) incidents were reported through the Ethics Line, related to concerns including discrimination and harassment, labor issues, accounting and bribery. Following investigations, no further actions were deemed necessary.

Face-to-face training in business ethics

Internal training in business ethics is ongoing and is mainly provided to employees in management, sales and procurement, who are most at risk of being exposed to corruption and bribery risks. During 2021, several training sessions were held for employees in China with a focus on how to prevent, detect and deal with conflict of interest.

Competition Law Program

SSAB has a web-based learning course on competition law with the purpose of raising awareness of competition issues and explaining the basics of SSAB's governing documents on competition rules. By year-end, 97% (95%) of targeted employees had completed the training.

Review of integrity of business partners

SSAB has an instruction document for business ethics reviews that mainly covers agents and distributors in high-risk areas. 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.

Anti-corruption clause in contracts

SSAB includes anti-corruption clauses in contracts with business partners. For example, contracts with suppliers refer to the Supplier



Targets	KPI	2021	Target 2021	Target 2025	Target 2030	Target 2045
Ensure ethical conduct in line with SSAB's corporate culture and increase knowledge about the Code of Conduct and Ethics Line	All employees have completed the e-learning in business ethics; including training on our Code of Conduct	96%	95%	100% ¹⁾	100% ¹⁾	100% ¹⁾
	Share of new employees covered by the onboarding process; including signing the Code of Conduct statement and e-learning in business ethics	84%	80%	100% ¹⁾	100% ¹⁾	100% ¹⁾
	Share of employees who have access to the Ethics Line ²⁾	89%	95%	95%	95%	95%

¹⁾ Because of employee turnover, 100% may in practice never be reached

²⁾ Employees that do not have access to the Ethics Line have other local reporting channels

Sustainability Policy, which states that all forms of corruption and bribery are unacceptable and that suppliers should work against all forms of corruption and bribery. During the period 2018-2021, SSAB entered into or renewed 91 raw material contracts in the Nordic procurement organization. 82 of these contracts refer to the Supplier Sustainability Policy, and the other

contracts contain similar wording. Another example is contracts with companies in the Hardox Wearparts Network. They include an anti-corruption clause and reference to SSAB's Code of Conduct and governing documents for anti-corruption. During 2017-2021, SSAB entered into 344 Hardox Wearparts contracts, which all include the anti-corruption clause.

Inclusion and diversity

A key element of SSAB’s strategy is to build a high-performing organization with strong employee engagement. A part of this work is to promote a diverse workforce in order to secure a wide range of abilities, competences and experience.

Attract, hire and promote a diverse workforce

The success of our organization is based on a strong company culture, powered by a diverse, continuously learning and multi-skilled workforce. For us it is important to be able to attract, retain, and motivate qualified employees both in the short-term and long-term. We work together with other companies to increase the attractiveness of the industry, especially in Sweden, Finland and the US. Joint efforts include projects aiming to increase gender equality in the industry, such as Female Leader Engineer (Sweden), Tekniksprånget (Sweden), Women in Tech (Finland) and the Association of Women in the Metal Industries (USA).

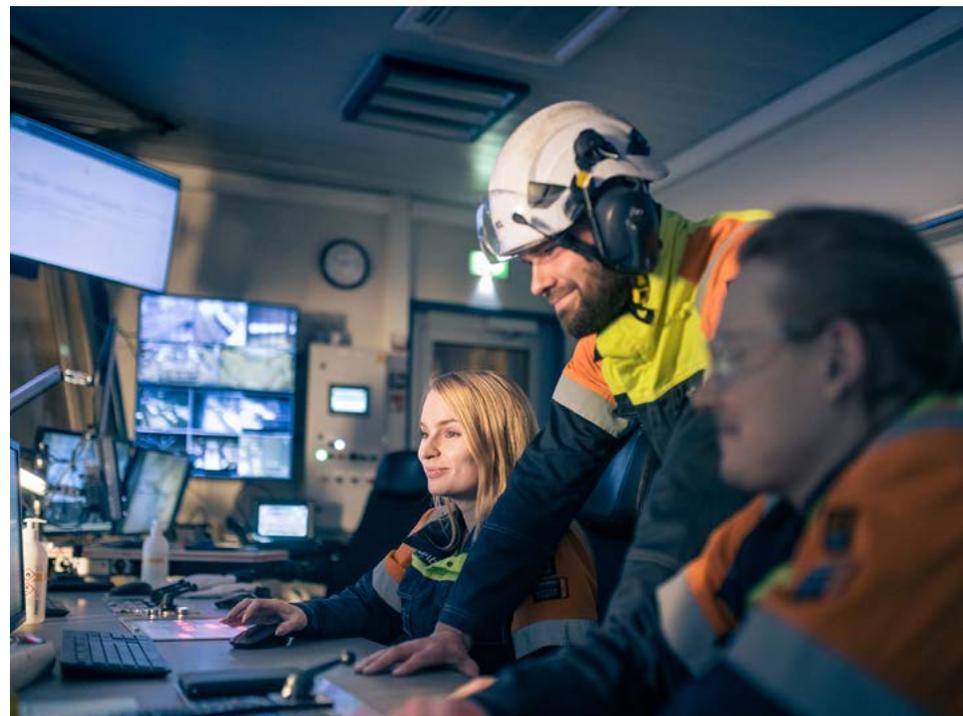
We are currently testing different solutions at division level to improve our recruitment process, with the aim of achieving a diverse set of candidates when recruiting. For example, some sites have chosen to work with specific diversity projects, such as a 50-50 gender ratio among summer workers, or working with the local institutions to provide internships for immigrants.

SSAB Americas provides civil treatment training for all employees and conducts workshops on diversity and inclusion for managers.

The metal and mining industry has a challenge when it comes to gender balance in the work force. We are committed to increase the number of women holding top management positions and aim to reach 35% in 2025 and 37% in 2030, compared with 22% at the end of 2021. In total, the share of women amounted to 20% (20). Please refer to Sustainability notes 7 and 8 (pages [86-87](#)) for more information.

An inclusive and innovative workplace

The scope of diversity is much wider than imbalance between women and men. SSAB is diverse in many ways: we operate in more than 50 countries, sell our products to 150 countries, and the combination of people with different backgrounds, perspectives and experiences ensure diverse capabilities. For SSAB, diversity means not only building a diverse workforce with



Targets	KPI	2021	Target 2022	Target 2025	Target 2030
Inclusion and diversity	Women in top management positions, %	22	32	35	37

a relevant competence base, but also creating an inclusive workplace. Inclusion, meaning equal opportunities and respectful treatment of all employees, is a ground rule for every part of SSAB's organization. We have zero tolerance for any kind of discrimination, whether based on ethnic origin, nationality, religion, political views, gender, sexual orientation or age. We also work actively to create an inclusive atmosphere where everyone feels welcome, valued and appreciated.

We have developed an internal approach to continuous improvement, SSAB One, based on lean methodology. Over the past year, the top priorities for all divisions have been to improve both safety and production stability. In addition, improvement projects are identified at all sites with the aim to improve quality, delivery performance and cost efficiency. Cross-functional teamwork that includes employees from different levels of the company is key to successfully identifying and solving the root causes of our challenges.

Enhance our reputation as an employer

In locations where SSAB operates, we play a significant role in the local community as, for example, an employer and taxpayer. Contributing to the communities in which we operate is an integral part of the way we do business. SSAB is an important partner for local

Employees by region¹⁾

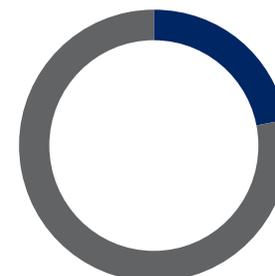


- Sweden 42%
- Finland 32%
- USA 9%
- Rest of Europe 13%
- Rest of the world 4%

¹⁾ Permanent employees at year-end

educational institutions and research. We offer opportunities for internships and thesis projects. In the communities in which SSAB operates in Sweden and Finland, we contribute to creating a wide range of recreational activities in which our employees, their families and the local community can participate. Examples include sponsorships of local sports organizations and exchange of knowledge with schools. SSAB Americas has a long tradition of community involvement. This takes place not only in the form of financial contributions, but also through

Employees - gender distribution¹⁾



- Women 22%
- Men 78%

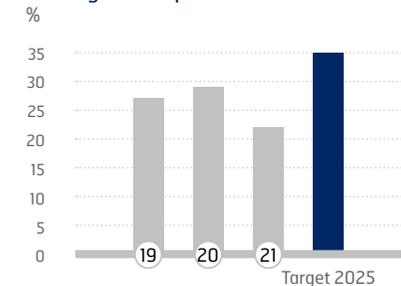
¹⁾ Permanent employees at year-end

participation in various charity initiatives and projects. SSAB Americas sponsors an annual scholarship at the University of South Alabama and supports primary education through the SSAB Foundation for Education.

Governance, responsibilities and risk assessment

The Human Resources function defines and guides the processes surrounding competence and leadership development, compliance, diversity and inclusion, compensation and

Share of women in top management positions



benefits and other human resource related topics.

The area of diversity and inclusion are governed by a Group directive and instructions, that along with a strong connection to our Code of Conduct provide the basic structure for diversity and inclusion. All employees at SSAB have a responsibility to uphold the Code of Conduct, and by that, participate to ensure that SSAB is considered an inclusive employer that embraces diversity.

Human rights and fair labor conditions

SSAB's commitment to human rights is confirmed in our Code of Conduct and in our Supplier Sustainability Policy. We have zero tolerance for forced or compulsory labor and child labor and aim for a safe and inclusive work environment where employees are free from harassment and discrimination.

All SSAB's employees in Sweden and Finland are covered by collective bargaining agreements, and approximately 75% of our employees in Sweden and Finland are represented by trade unions. Other countries have different arrangements according to country-specific practices and labor legislation. SSAB respects employee rights to, if they so choose, organize in accordance with the legislation and provisions in each respective country of residence. SSAB provides channels for employees to engage in the company's activities and express their opinions. Local management in each country is responsible for creating opportunities for employee engagement. SSAB also encourages direct interaction between supervisors and their teams.

The unions at SSAB in Europe have a European Works Council (EWC). During EWC meetings,

employee representatives are informed and consulted by central management on transnational issues of concern to the company's employees.

To mitigate human rights risks, we work to ensure compliance with local law and international standards on human rights. We have conducted a human rights risk assessment where representatives from sales, procurement, health and safety, environment and HR participated. External human rights expertise facilitated two internal workshops to raise awareness of human rights and identify key human rights risks and mitigation actions for the involved functions and their processes. The overall conclusion was that SSAB performs well. Human rights are important aspects when evaluating suppliers.





Sustainability governance

Additional information on our sustainability governance required in GRI Standards or by the Swedish Annual Accounts Act on the disclosure of sustainability information.

Sustainability governance

Sustainability governance at SSAB is based on our vision, values and Code of Conduct complemented by our governing documents. Sustainability, including issues relating to climate change, is an integral part of SSAB's strategy.

Organization of sustainability work

The Board of Directors has the highest decision-making authority in sustainability and issues related to climate change. SSAB's Board of Directors is collectively responsible for strategically managing risks and opportunities related to climate change, including SSAB's transition to fossil-free operations.

SSAB's Board of Directors approves the Code of Conduct, as well as the sustainability strategy and sustainability and climate-related targets. The Board of Directors regularly monitors the development of SSAB's performance in relation to the sustainability strategy and targets, including climate-related issues.

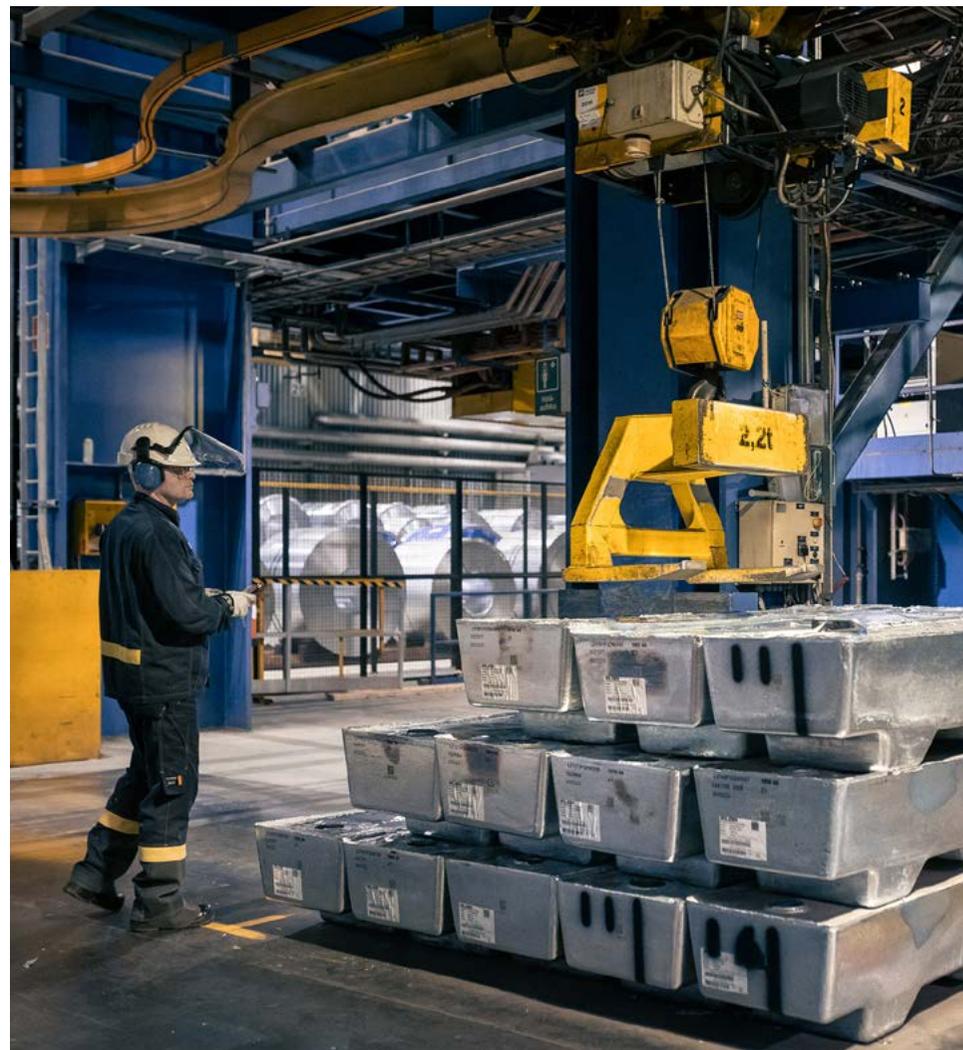
SSAB's Group Executive Committee (GEC) is responsible for outlining the company's strategic approach to sustainability and climate change, including adopting material topics, and regularly monitors the development and implementation of sustainability. Sustainability and climate issues are frequently on the agenda of SSAB's



GEC to ensure the close involvement of top management.

The Head of Sustainability is a member of the Group Executive Committee and is responsible for strategy development and coordination of sustainability at Group level as well as health and safety and ethics and compliance for the Group. The Head of Sustainability leads a Sustainability management team, which is a network of people with expertise in different sustainability areas, including representation from the divisions and subsidiaries, with the responsibility to coordinate and drive SSAB's sustainability initiatives.

In the Group Executive Committee, there are several executives responsible for implementing different parts of SSAB's fossil-free transition. For example, the Chief Technology Officer is responsible for environmental issues and manages the HYBRIT implementation. The Head of Sustainability manages operational initiatives towards SSAB becoming fossil free; the CFO manages SSAB's Risk Enterprise Management



process, which includes assessment of climate risks, and investments and financial matters related to climate change mitigation and adaptation. The heads of divisions are responsible for driving sustainability and climate work in line with the overall business and sustainability strategy.

In addition to the Sustainability management team, SSAB has different sustainability councils to support and collaborate on various sustainability issues, such as environment and health and safety.

SSAB links sustainability issues to compensation (read more on page [124](#)). For example, performance in relation to health and safety and climate-related issues, such as SSAB's transition to becoming fossil free, are part of incentive plans for selected employee groups and top management. Individual performance targets might also include targets for emission reductions or other sustainability-related topics.

At SSAB, risk management is integrated into the annual strategy process and includes the involvement of the Group Executive Committee, the Audit Committee and the Board of Directors. Sustainability risks, including climate change risks, are integrated into our Risk Enterprise Management process, which is presented to the Board annually. Read more on pages [47-48](#) and [126](#).

Governing documents and principles for sustainability

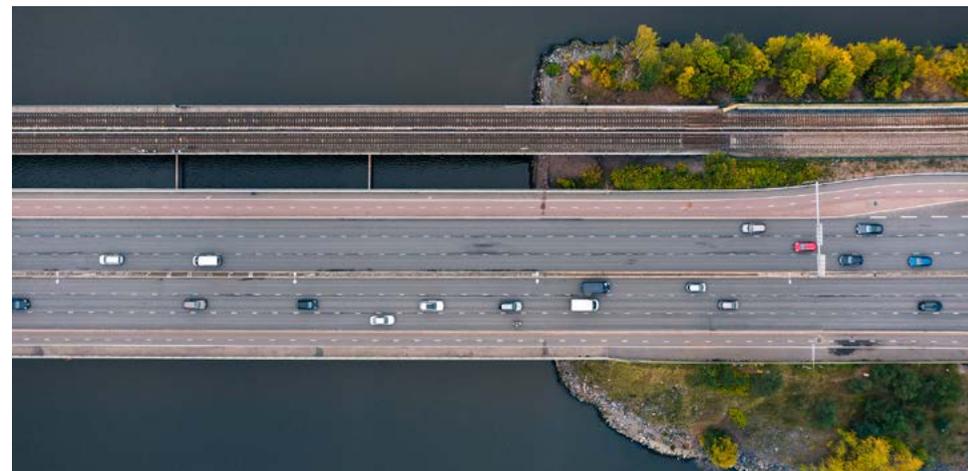
The SSAB Way and our values define who we are and how we act. The Code of Conduct, the sustainability strategy and the governing documents at Group level regarding sustainability (e.g. environment and safety) are our most important documents. Our sustainability governing documents are available on [ssab.com](#).

Management systems and risk management

Management systems and action plans ensure that SSAB systematically works on critical aspects of sustainability. 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 and governing documents. Management systems for systematic health and safety work, according to ISO 45001, have been implemented at all production sites. Environmental and climate work takes place primarily within the scope of ISO 14001, and all production sites are certified according to the standard.

Sustainability commitments

SSAB is a signatory to the UN Global Compact, and we continually work to protect and respect its 10 principles within the areas of human rights, labor standards, the environment and anti-corruption. We are also committed to conducting our business in line with the development laid



out by the Sustainability Development Goals and the Paris Agreement. SSAB also supports the International Bill of Human Rights, ILO Core Conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Stakeholder engagement

Our key stakeholder groups who are most impacted by our operations and/or similarly impact SSAB are existing and potential customers; existing and potential employees; shareholders, investors and financiers; existing and potential suppliers; local communities near SSAB's production sites and public agencies and organizations.

We also interact actively with media, analysts, regulators, various research bodies and partner organizations, research institutes, universities and vocational schools.

Approach to stakeholder engagement

We aim for regular and transparent interaction with our stakeholders. Transparent and continuous dialogue increases the trust in our ability to manage risks and utilize opportunities, which at the same time enhances the development of the company.



Examples of key topics discussed with stakeholders in 2021:

- First in fossil-free steel and our sustainability performance
- CO₂ emissions and how SSAB works to reduce our carbon footprint incl. SSAB’s Science Based Target
- HYBRIT’s progress in producing sponge iron, rolling and delivering the first fossil-free steel to a customer
- Safety in SSAB’s operations

Corporate climate policy engagement

SSAB’s engagement with policy- and decision makers globally, in the EU and nationally, aim to inform on the opportunities, challenges and needs connected to industrial decarbonization. Areas of specific interest to SSAB are climate policy, energy policy and industrial policy, as well as issues related to public funding and efficient permit processes. For our outreach activities in the European Union, SSAB is registered in the EU Transparency Register.

Key stakeholders, engagement, topics and concerns raised (GRI 102-43,44)

Stakeholder group	Examples of engagement	Key concerns, expectations	SSAB’s response/actions
Existing and potential customers	<ul style="list-style-type: none"> • Customer meetings and dialogs • Knowledge Service Center • Customer seminars and training 	<ul style="list-style-type: none"> • Partnerships on fossil-free steel • Stronger and lighter material • High quality, sustainable products • Reliability • R&D cooperation 	<ul style="list-style-type: none"> • Partnerships announced • Product development • EcoUpgraded concept • Partnership, for example on fossil-free steel
Existing and potential employees	<ul style="list-style-type: none"> • Performance dialogues • Coaching and training • Safety committees • Info screens, intranet • Employee surveys • Dialogs with unions • Cooperation with schools and universities 	<ul style="list-style-type: none"> • Healthy and safe workplace • Equal treatment and open communication • Job security and incentivizing compensation • Professional development • Responsible and sustainable operations 	<ul style="list-style-type: none"> • Operate in line with our vision, values and Code of Conduct • Promote a high-performing organization • Committed to high safety standards • Ambition of a more diverse workforce • Constructive dialog with unions
Shareholders, investors and financiers	<ul style="list-style-type: none"> • Annual General Meeting • Result conferences and webcasts • Investor meetings 	<ul style="list-style-type: none"> • SSAB’s transformation to fossil-freedom and fossil-free steel • Long-term value creation • Climate impact and risks • Responsible governance • Sustainable operations, especially focus on CO₂ emissions and resource efficiency • Safety • Transparent and reliable reporting 	<ul style="list-style-type: none"> • Our strategy and targets, including sustainability • Commitment to CO₂ reduction both short and long-term • Committed to high safety standards



SSAB's corporate climate policy engagement and dialog with society and decision-makers is anchored in our Code of Conduct and based on SSAB's overall sustainability approach. SSAB's climate targets have been approved by the Science Based Targets Initiative. This also guides our corporate climate lobbying – we support and advocate for the goals in the Paris Agreement.

Given the challenge to achieve a sustainable and business-driven transition to fossil-free operations, we will need to work and collaborate with other stakeholders, such as governments, industry associations and partners.

The corporate climate policy engagement and outreach strategy is decided by the Group Executive Committee and executed by experts throughout the organization. SSAB pursues this engagement either directly, or indirectly through industry associations or other member organizations.

We are currently working on strengthening our governance around corporate climate lobbying and to develop our assessment of member associations, and our own procedure on action where our industry associations and/ or other member organizations, contrary to our expectations, would not be aligned with the Paris Agreement's goals or our own objectives.

We aim for regular and transparent interaction with our stakeholders

Key stakeholders, engagement, topics and concerns raised, continued (GRI 102-43,44)

Stakeholder group	Examples of engagement	Key concerns, expectations	SSAB's response/actions
Existing and potential Suppliers	<ul style="list-style-type: none"> • Meetings and negotiations • Visits and audits • Training, supplier days 	<ul style="list-style-type: none"> • Suppliers' environmental and social footprint • Good financial position • Fair and equal treatment of suppliers • Long-term business relations • Responsible operations 	<ul style="list-style-type: none"> • Operate in line with our vision, values and Supplier Code of Conduct • Responsible sourcing practices • Manager supplier relationship in a systematic manner • Safety trainings of contractors
Local communities near SSAB's production sites	<ul style="list-style-type: none"> • Engagement and meetings with representatives (politicians, regulators, general public, media) and people living close to the production sites 	<ul style="list-style-type: none"> • Local well-being through employment, local purchasing and taxes • Operational safety • Reducing emissions, noise and other inconveniences • Open communication and interaction 	<ul style="list-style-type: none"> • Promoting sustainable development of the local communities through our operations, participating in local initiatives and sponsor selected local activities
Public agencies and organizations	<ul style="list-style-type: none"> • Involvement in many research projects on technological developments • Collaboration with industry associations 	<ul style="list-style-type: none"> • Climate change, reducing CO₂ emissions and other environmental impacts • Responsible and sustainable operations 	<ul style="list-style-type: none"> • Open communication and active engagement

We support and advocate for the goals in the Paris agreement

Memberships of Associations and National or International Advocacy Organizations (GRI 102-13)

Area or country	Organizations
Globally	LeadIT – Leadership Group for Industry Transition ETC – Energy Transitions Commission, First Movers Coalition
Europe	Eurofer, Euroslag, Eurometal, CLG–Corporate Leadership Group (indirectly through membership of Hybrit Development AB)
North America	AISI – American Iron and Steel Institute NAM – National Association of Manufacturers SMA – Steel Manufactures Association
Sweden	Jernkontoret, Svenskt Näringsliv (Confederation of Swedish Enterprise), SKGS (Skogen, Kemin, Gruvorna och Stålet), Steel and Metal Wholesalers Association, the Swedish Institute of Steel Construction, Swedish Mineral Processing Research Association, Swedish Cement and Concrete Research Institute, Swedish Leadership for Sustainable Development, Fossilfritt Sverige (Fossil-free Sweden), Transparency International's Corporate Supporters Forum
Finland	Finnish Metal Producers, Suomen ElFi (Finnish Large Electricity Consumers), Finnish Constructional Steelwork Association, Confederations of Finnish Construction Industries, the Federation of Finnish Technology Industries, Finnish Coal Info

Materiality assessment

SSAB conducted the latest materiality analysis in 2019, in order to define a new sustainability strategy. Material topics were identified and prioritized involving external and internal stakeholders. The GRI principles – stakeholder inclusiveness, sustainability context, materiality and completeness – were taken into consideration throughout the process. The process is described in the Annual Report 2020 (page 101). SSAB has conducted several stakeholder dialogs during 2021, which has confirmed the material topics.

SSAB's material topics and boundaries

	Boundaries	GRI	SDG
Use better steel	SSAB production sites	305: Emissions	9, 12, 13, 17
Use steel better	SSAB Group, SSAB's customers	–	9, 12, 13, 17
Go fossil-free	SSAB Group, SSAB's customers, SSAB's suppliers	305: Emissions	9, 12, 13, 17
Safety first	SSAB Group, SSAB's contractors	403: Occupational Health and Safety	3
Efficiency and responsibility	SSAB production sites, SSAB's suppliers	301: Materials 302: Energy 306: Effluents and waste 414: Supplier social assessment	7, 9, 12, 13, 16
Respect and integrity	SSAB Group, SSAB's supplier and partners	205: Anti-corruption 405: Diversity and equal opportunity	5, 16

Please refer to the GRI Index on page 88 for overview of reported GRI Indicators.

Reporting practice

SSAB's Sustainability Report 2021 is prepared in accordance with the GRI Standard: Core. Sustainability disclosure requirements in the Swedish Annual Accounts Act are covered by the GRI Disclosures and complementary disclosures. The 2021 Annual Report also constitutes SSAB's Communication on Progress (CoP) for the UN Global Compact.

The GRI index on page [88](#) specifies where the information for each topic and indicator can be found and explains any omissions to the reported data. SSAB's 2021 Annual Report is published in English and Swedish and is available on SSAB's website.

Assurance of reporting

EY has provided limited assurance on SSAB's sustainability report in accordance with GRI Standards and expressed an opinion on the statutory sustainability report in accordance with the Swedish Annual Accounts Act. See page [92](#) for the assurance report.

Scope of data

The financial information in this report is based on SSAB's consolidated financial statements and is subject to audit. Unless otherwise stated, the financial data referred to in this report covers the whole SSAB Group. Information about personnel (HR data) has been collected from the company's corporate-wide personnel information systems. Unless otherwise stated, the HR data referred

to in this report covers the whole SSAB Group. Reporting does not cover associated companies and joint ventures or subcontractors and suppliers of goods and services, unless otherwise stated.

Regarding environmental data, the following production sites are included in the environmental reporting scope in 2021, which form the material scope for reporting:

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

These sites cover the following operations: all steel mills, all rolling mills, all coating lines and all tube mills as well cut-to-length (CTL) lines if located at the sites mentioned above.



Sustainability disclosures in accordance with the Swedish Annual Accounts Act

Sustainability disclosures

The Swedish Annual Accounts Act specifies that sustainability disclosures must be made in the areas of business model, environmental and social and employee-related matters as well as protection of human rights and anti-corruption. Please refer to the different sections according to the table below. In addition, the disclosures according to the EU Taxonomy are made here, as stipulated in the EU Directive 2020/852).

Eligible activities according to the EU Taxonomy

SSAB's steel production activities are included in the EU Taxonomy under the category Manufacturing of iron and steel. These activities capture all business activities included under the divisions SSAB Europe, SSAB Americas and SSAB Special steel and account for, in principle, 100% of SSAB's CO₂ emissions.

In addition, some of Ruukki Construction's product groups are also included in the taxonomy, as they enable climate mitigation for other activities, mainly buildings. These product

groups are sandwich panels with wool insulation and PIR insulation, which are included in the category Manufacturing of energy efficiency equipment for buildings. These product groups account for about 20% of Ruukki Construction's revenue.

NACE-codes relevant for SSAB in the category Manufacturing of iron and steel

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

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

such as water withdrawals, wastewater treatment plants, recycling of residual products, landfill facilities, power plants, production of hydrogen and oxygen. SSAB has concluded that these activities also are included in the category Manufacturing of iron and steel.

NACE-codes relevant for SSAB in the category Manufacturing of energy efficiency equipment for buildings

- C25.11 Manufacture of metal structures and parts of structures

External revenue:

Total external revenue in line with Note 1.

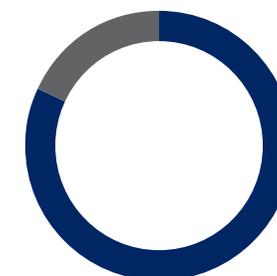
CapEx:

Total investments in tangible and intangible assets as well as right of use assets. The amount is aligned with total investments during the year specified in Notes 6, 7 and 21.

OpEx:

Fixed costs related to maintenance, real estate and research and development. The fixed costs according to the Taxonomy amount to about 6 % of total Opex as reported in Note 2.

Proportion of Taxonomy eligible activities Revenue



■ Eligible activities 82%
■ Non-eligible activities 18%

Sustainability disclosures

Business model	Environmental matters	Social and employee-related matters	Protection of human rights	Anti-corruption
Pages 4-40	Pages 47-48 , 50-55 , 60-65 , 84-85	Pages 57-59 , 71-72 , 83 , 86-87	Pages 66-68 , 73 , 86	Pages 69-70

Reporting according to EU Taxonomy

2021	Total (in million SEK)	Proportion of Taxonomy eligible activities	Proportion of non-eligible economic activities
External revenue	95,891	82%	18%
CapEx	3,757	90%	10%
OpEx	4,719	96%	4%



Climate-related financial disclosure index

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

	Governance	Strategy	Risk Management	Metrics and Targets
Area	Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended TCFD disclosures	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe the management's role in assessing and managing climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
SSAB Annual report 2021	a + b) Sustainability governance (pages 75-76), Corporate Governance report (pages 94-95)	a+b) SSAB and climate change (page 47), First in fossil free steel (pages 49-50), Risk management (page 126-133) c) SSAB and climate change (page 47)	a-c) Sustainability governance (pages 75-76), Risk management (page 126-133)	a+b) Resource-efficient operations (pages 60-61), Sustainability note 2 (page 84) c) First in fossil-free steel (pages 49-50), Resource-efficient operations (pages 60-61)

Sustainability notes

1 Safety

Work-related injuries (GRI 403-9)

	2021	2020	2019	2018
Total				
LTIs	48	101	126	184
LTIF	1.8	3.7	4.2	6.1
TRIF	9.2	9.7	12.4	15.6
Employees				
Fatal accidents	0	0	0	0
High consequence LTIs	2	9	7	7
Serious incidents	309	368	445	465
Total LTIs	37	73	102	153
LTIF	1.6	3.2	4.0	5.9
TRIF	9.3	9.7	12.4	12.4
Worked hours	23,585,560	22,767,926	25,474,602	25,942,824
Contractors				
Fatal accidents	0	0	0	0
High consequence LTIs	0	4	0	3
Total LTIs	10	28	24	31
LTIF	3.2	7.7	5.6	7.2
Worked hours	3,166,893	3,654,969	4,319,125	4,329,246

The numbers include Ruukki Building Systems until April 30, 2020.

LTIF by country/region (incl. employees)

	2021	2020	2019	2018
Sweden	2.6	3.3	3.7	6.6
Finland	1.3	5.5	5.4	8.2
USA	0.5	1.9	2.7	1.4
Rest of Europe	1.8	3.2	3.2	5.4
Rest of the world	2.4	2.4	3.4	5.2

TRIF by country/region (employees)

	2021	2020	2019	2018
Sweden	9.0	10.6	15.4	20.2
Finland	12.8	12.6	12.1	17.0
USA	4.7	4.0	8.2	8.0
Rest of Europe	6.2	5.4	6.6	5.9
Rest of the world	7.2	8.7	20.0	16.2

LTIF = Number of injuries resulting in an absence of more than one day per million working hours. Lost time injury (LTI) is any work-related injury, resulting in the employee not being able to return to work for the next calendar day.

TRIF = Total Recordable Injury Frequency per million working hours. Recordable injury means the sum of reported lost time injuries, medical treatment injuries and alternate duty cases.

Serious incident = incidents involving moving machinery, cranes, falling objects, working at heights, on-site traffic, electric shocks. Units may use their own definitions if they are a requirement from the local authority.

LTI severity rate = The number of absence days divided by the number of LTIs as R12 months cumulative.

High consequence LTI = Injuries from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months (e.g., fracture with complications).

2 Emissions

Greenhouse gas emissions (GRI 305-1, 305-2)¹⁾

Thousand tonnes	2021	2020	2019	2018	2017
Direct greenhouse gas (GHG) emissions, Scope 1²⁾					
Iron ore-based steel production in the Nordics	9,912	8,733	9,449	9,571	9,740
Sweden	5,312	5,095	5,853	5,212	5,622
Finland	4,599	3,639	3,596	4,360	4,118
Scrap-based steel production in the US	674	723	698	726	691
Other reported sites	19	17	17	21	22
Total	10,605	9,474	10,165	10,318	10,453
Indirect emissions from the generation of purchased electricity and heating, Scope 2³⁾					
Iron ore-based steel production in the Nordics	381	332	428	436	472
Sweden	34	32	74	55	39
Finland	346	300	354	382	433
Scrap-based steel production in the US	636	990	981	1,025	1,020
Other reported sites	13	17	21	23	27
Total	1,029	1,340	1,430	1,485	1,519

Other indirect GHG emissions, Scope 3 (GRI 305-3)

Thousand tonnes CO ₂ e	2020	% of Scope 3	2019	2018	2017
1. Purchased raw materials, goods and services	2,428	40%	2,142	2,142	1,827
3. Fuel and energy related activities	346	6%	370	370	395
4. Upstream transportation	254	4%	236	236	-
5. Waste generated in operations	181	3%	43	43	51
6. Business travel	2	0%	8	8	7
7. Employee commuting	32	1%	36	36	36
9. Downstream transportation and distribution	507	9%	501	501	512
10. Processing of sold products	2 017	35%	2,268	-	-
Total Scope 3 emissions	5 767	100%	5,604	3,336	2,826

Scope 3 calculation was performed following the requirements of Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI & WBCSD 2011) and is based on data from 2020 as data for 2021 were not available at the publication of this report. Greenhouse gas emissions are calculated as CO₂ equivalents. Biogenic emissions are not included in the calculation. Values for some categories are missing for the years 2017 and 2018 and the total emissions are thus not comparable. For 2019, 2018 values were used and new calculation of category 10. The Scope 3 calculation is conducted every second year from 2019 and onwards. A complete report of the Scope 3 calculation 2020 is available on SSAB's website.

¹⁾ The greenhouse gas emissions are measured in carbon dioxide equivalents (CO₂e). All data for 2017–2021 have been recalculated to be reported in CO₂e and for Scope 2 to represent the total electricity consumption without any deductions for on-site power generation. Biogenic CO₂e emissions are not relevant for SSAB and therefore not included in reporting.

²⁾ The direct CO₂e emissions are calculated in accordance with the procedures in the WBCSD GHG Protocol, together with additional guidelines from the EU and/or national authorities. The Scope 1 emissions for the Nordics in 2021 are preliminary. EU-ETS verification of GHG emission reports may result in minor adjustments.

³⁾ For electricity, indirect CO₂e (Scope 2) emissions are calculated using market based emissions factors. Generic emission factors are used for the generation of the purchased heat.

Greenhouse gas emissions intensity (GRI 305-4)

Tonnes of CO ₂ e emissions/tonne crude steel	2021	2020	2019	2018	2017
Iron ore-based steel production in the Nordics	1.80	1.80	1.90	1.82	1.84
Scrap-based steel production in the US	0.53	0.69	0.69	0.69	0.70
Average	1.42	1.43	1.52	1.46	1.49

The GHG intensity is reported as product emission intensity (tonnes of CO₂e emissions per tonne of crude steel produced). It is calculated as the sum of Scope 1 and Scope 2 emissions for all SSAB iron and steel production sites and rolling mills, divided by the total crude steel production in tonnes.

Other significant air emissions (GRI 305-7)

Tonnes	2021	2020	2019	2018	2017
Particulate matter (PM)	601	510	596	623	705
Sulfur dioxide emissions (SO _x)	3,491	2,549	3,243	2,306	2,809
Nitrogen oxides emissions (NO _x)	3,129	3,274	3,316	3,323	3,805

3 Materials and waste

Materials used by weight (GRI 301-1)

Thousand tonnes	2021	2020	2019	2018	2017
Iron ore pellets	7,601	6,417	6,813	7,130	7,128
Scrap (external + internal)	3,828	3,689	3,658	3,803	3,852
Reducing agents ¹⁾	2,594	2,309	2,525	2,526	2,582
Recycled materials	973	823	767	914	968
Slag formers ²⁾	789	661	699	756	728
Alloys	122	101	111	119	117
Metal and organic coatings	61	57	52	54	56
Non-renewable materials, total	15,969	14,057	14,626	15,303	15,431

¹⁾ Coke, coal and other reducing agents, such as oil ²⁾ Limestone, burnt lime, dolomite, carbide, etc.

Residuals generated (GRI 306-3)

Thousand tonnes	2021	2020	2019	2018	2017
Residuals from ore-based steel production	3,888	3,897	3,648	3,659	4,054
Utilized internally or externally	3,294	3,578	3,300	3,271	3,836
Residuals from scrap-based steel production	713	762	719	696	756
Utilized internally or externally	642	685	644	626	689
Total residuals	4,601	4,659	4,367	4,355	4,810
Utilized internally or externally	3,936	4,263	3,944	3,897	4,525

Waste, total weight

Thousand tonnes	2021	2020	2019	2018	2017
Industrial waste to landfill	369	331	366	356	441
Hazardous waste	54	51	52	53	50
Non-hazardous waste	79	63	69	66	70
Total weight	502	445	487	475	561

4 Energy consumption

Energy consumption within the organization (GRI 302-1)

GWh	2021	2020	2019	2018	2017
Fuels					
Natural gas	3,703	3,708	3,361	3,211	3,101
Propane	815	684	818	1,174	1,171
Fuel oil	163	215	376	309	206
Total non-renewable fuels	4,680	4,607	4,554	4,694	4,478
Electricity, heat and steam					
Electricity, purchased ¹⁾	3,357	3,270	3,449	3,311	3,301
Heat, purchased	17	21	28	28	31
Electricity generated from process gases	1,342	1,184	1,056	1,418	1,400
Gross energy consumption	9,396	9,083	9,088	9,452	9,210
Electricity and heat sold					
Heat, sold	1,193	1,097	1,165	1,173	1,169
Net total energy consumption ²⁾	8,203	7,985	7,923	8,279	8,041

¹⁾ Including external companies within the industrial area.

²⁾ The figure excludes the fuels used in transportation and vehicles, nor does it include employee travel and transportation.

5 Water

Water withdrawal by source (GRI 303-1)

Million m ³	2021	2020	2019	2018	2017
Surface water (inlands)	196	180	180	206	203
Surface water (sea)	205	198	198	225	226
Municipal water	1	1	1	1	2
Total water withdrawal	403	379	379	433	431

Effluent discharge into waterways

Tonnes	2021	2020	2019	2018	2017
Suspended solids	164	76	196	230	322
Mineral oil	1	2	2	8	6

6 Responsible sourcing

Responsible sourcing – social criteria (GRI 414-1)

%	2021	2020	2019
New suppliers that were screened using social criteria	88	93	91

7 Employees and other workers

Number of employees by gender (at end of period) (GRI 102-8)

	2021	2020	2019
Women	3,003	2,833	2,859
% of which are permanent	92.9%	94.2%	95.2%
% of which are temporary	7.1%	5.8%	4.8%
% of which are full-time	95.6%	98.3%	96.3%
% of which are part-time	4.4%	1.7%	3.7%
Employee turnover ²⁾	7.0%	6.8%	6.0%
Men	12,075	11,695	12,155
% of which are permanent	95.9%	96.7%	97.0%
% of which are temporary	4.1%	3.3%	3.0%
% of which are full-time	97.5%	98.4%	97.4%
% of which are part-time	2.5%	1.6%	2.6%
Employee turnover ²⁾	6.8%	6.1%	6.1%
Total workforce	15,078	14,528	15,014
% of which are permanent	94.4%	96.2%	96.7%
% of which are temporary	5.6%	3.8%	3.3%
% of which are full-time	97.2%	98.4%	97.3%
% of which are part-time	2.8%	1.6%	2.7%
Employee turnover ²⁾	6.9%	6.2%	6.1%

Number of employees by region and gender and employee turnover (at end of period)¹⁾ (GRI 102-8)

	2021	2020	2019
Sweden	6,346	6,083	6,252
% of which are women	21.8%	21.2%	21.0%
% of which are men	78.2%	78.8%	79.0%
Employee turnover ²⁾	2.6%	3.0%	2.4%
Finland	4,816	4,687	5,075
% of which are women	16.1%	15.6%	15.2%
% of which are men	83.9%	84.4%	84.8%
Employee turnover ²⁾	1.8%	1.7%	1.7%
USA	1,346	1,302	1,310
% of which are women	13.0%	12.4%	12.9%
% of which are men	87.0%	87.6%	87.1%
Employee turnover ²⁾	1.1%	0.6%	0.6%
Other Europe	2,026	1,962	1,949
% of which are women	27.2%	26.8%	25.2%
% of which are men	72.8%	73.2%	74.8%
Employee turnover ²⁾	1.0%	0.8%	1.0%
Rest of the world	544	494	428
% of which are women	22.1%	24.9%	26.6%
% of which are men	77.9%	75.1%	73.4%
Employee turnover ²⁾	0.3%	0.2%	0.3%

¹⁾ Permanent and temporary

²⁾ Permanent employees. Employee turnover shows the number of women and men, respectively, who terminated their contract during the year, compared with total number of permanent employed women and men, respectively. The numbers have been updated compared with previous years.

8 Diversity

The organization's governance bodies by gender and age group (GRI 405-1)

	2021		2020		2019	
	Board of Directors ¹⁾	Group Executive Committee	Board of Directors ¹⁾	Group Executive Committee	Board of Directors ¹⁾	Group Executive Committee
Total number	7	11	8	11	8	11
Women	43%	36%	50%	27%	38%	27%
Men	57%	64%	50%	73%	63%	73%
< 30 years	0	0	0	0	0%	0%
30–50 years	0%	18%	13%	36%	13%	36%
> 50 years	100%	82%	88%	64%	88%	64%

¹⁾ Alternate members (6) not included

Gender equality in top management positions (GRI 405-1)

%	2021	2020	2019
Men	78	71	73
Women	22	29	27

Top management positions is defined as management positions level 1-3.

Percentage of total number of employees per employee category and diversity categories gender and age (GRI 405-1)

	2021			2020			2019		
	Frontline workers	Office employees	Total	Frontline workers	Office employees	Total	Frontline workers	Office employees	Total
Women	12%	33%	20%	11%	33%	20%	10%	32%	18%
Men	88%	67%	80%	89%	67%	80%	90%	68%	82%
< 30 years	18%	7%	14%	15%	8%	12%	14%	5%	10%
30–50 years	49%	57%	52%	51%	57%	53%	50%	59%	54%
> 50 years	33%	36%	34%	34%	35%	35%	36%	36%	36%

GRI index

This report has been prepared in accordance with the GRI Standards: Core option.

Code	Description	Location in the report	Comments and omissions	
GRI 102: General disclosures				
Organizational profile	102-1	Name of the organization	Page 5	
	102-2	Activities, brands, products, and services	Pages 5-6 , 25	
	102-3	Location of headquarters	Page 5	
	102-4	Location of operations	Page 6	
	102-5	Ownership and legal form	Page 136	
	102-6	Markets served	Pages 6 , 19	
	102-7	Scale of the organization	Page 12	
	102-8	Information on employees and other workers	Pages 86-87	SSAB does not hold information about external staff/contractors in its global reporting system.
	102-9	Supply chain	Pages 15 , 45-46	
	102-10	Significant changes to the organization and its supply chain	Page 80	
	102-11	Precautionary Principle or approach	Pages 126-133	
	102-12	External initiatives	Pages 75-79	
	102-13	Membership of associations	Pages 75-79	
Strategy	102-14	Statement from senior decision-maker	Pages 10-11	
Ethics and integrity	102-16	Values, principles, standards and norms of behavior	Page 7	

Code	Description	Location in the report	Comments and omissions	
Governance structure	102-18	Governance structure	Pages 93-107	Corporate Governance Report
Stakeholder engagement	102-40	List of stakeholder groups	Pages 75-79	
	102-41	Collective bargaining agreements	Page 73	
	102-42	Identifying and selecting stakeholders	Page 79	
	102-43	Approach to stakeholder engagement	Pages 75-79	
	102-44	Key topics and concerns raised	Pages 79	
Reporting practice	102-45	Entities included in the consolidated financial statements	Pages 172-176	Note 8, Financial assets, shares and participations in affiliated companies and joint ventures
	102-46	Defining report content and topic boundaries	Pages 79-80	
	102-47	List of material topics	Page 79	
	102-48	Restatements of information		As of 2021, the greenhouse gas emissions are reported in carbon dioxide equivalents (CO ₂ e). All data for 2017-2021 have been recalculated to be reported in CO ₂ e and for Scope 2 to represent the total electricity consumption without any deductions for on-site power generation. See also Sustainability Note 2. The employee turnover for women and men has been recalculated. See Sustainability Note 7.
	102-49	Changes in reporting	Page 80	
	102-50	Reporting period		January 1, 2021 – December 31, 2021
	102-51	Date of most recent report		March 18, 2020
	102-52	Reporting cycle		Annual
	102-53	Contact point for questions regarding the report		Anna Viefhues, anna.viefhues@ssab.com
	102-54	Claims of reporting in accordance with the SR Standards	Page 80	
102-55	GRI content index	Page 88		
102-56	External assurance	Pages 80, 92		
GRI 103: Management approach	103-1	Explanation of the material topic and its boundary	Page 79	
	103-2	The management approach and its components	Pages 49-72	
	103-3	Evaluation of the management approach	Pages 49-72	
GRI 205: Anti-corruption	205-2	Communication and training ahead about anti-corruption principles and procedures	Pages 69-70	



Code	Description	Location in the report	Comments and omissions
ENVIRONMENTAL STANDARDS			
GRI 301: Materials	301-1	Materials used by weight or volume	Page 85
	301-2	Recycled input materials used	Page 85
GRI 302: Energy	302-1	Energy consumption within the organization	Page 85
	302-3	Energy intensity	Page 64
	302-4	Reduction of energy consumption	Page 85
GRI 305: Emissions	305-1	Direct GHG emissions (Scope 1)	Page 84
	305-2	Energy indirect GHG emissions (Scope 2)	Page 84
	305-3	Other indirect GHG emissions (Scope 3)	Page 84
	305-4	GHG emissions intensity	Page 84
	305-5	Reduction of GHG emissions	Page 84
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Page 84
GRI 306: Effluents and waste	306-1	Waste generation and significant waste-related impacts	Pages 63-64
	306-2	Management of significant waste-related impacts	Pages 63-64
	306-3	Waste generated	Page 85

Code	Description	Location in the report	Comments and omissions
SOCIAL STANDARDS			
GRI 401: Employment	401-1	New employee hires and employee turnover	Page 40 , 86
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	Pages 57-59
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 57-59
	403-3	Occupational health services	Pages 57-59
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 57-59
	403-5	Worker training on occupational health and safety	Pages 57-59
	403-6	Promotion of worker health	Pages 57-59
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 57-59
	403-9	Work-related injuries	Page 83
GRI 404: Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	Page 40
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 40
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Page 87
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	Page 86

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

This is the translation of the auditor's report in Swedish.

To SSAB AB (publ), corp id 556016-3429

Introduction

We have been engaged by the Board of SSAB AB (publ) to undertake a limited assurance engagement of SSAB AB (publ)'s Sustainability Report for the year 2021. The scope of the Sustainability Report has been defined on pages [88-91](#). The Statutory Sustainability Report is defined on page [81](#).

Responsibilities of the Board and Executive Management

The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on pages [80](#) in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

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

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

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of SSAB AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

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

Conclusions

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

A Statutory Sustainability Report has been prepared.

Stockholm, 11 March 2022

Ernst & Young AB

Rickard Andersson
Authorized Public
Accountant

Outi Alestalo
Expert member of FAR



Corporate Governance Report

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Corporate Governance Report 2021

SSAB’s organization is characterized by a way of working in which responsibilities and powers are largely delegated to the respective divisions and subsidiaries. SSAB’s share is listed on NASDAQ Stockholm and has a secondary listing on NASDAQ Helsinki. SSAB is governed by, among others, the NASDAQ Stockholm Rule Book for Issuers and the Swedish Corporate Governance Code (Corporate Code). This corporate governance report complies with the Swedish Annual Accounts Act and the Corporate Code, and is not part of the Report of the Board of Directors.

Organization as at December 31, 2021

SSAB is structured across three divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, as well as two larger wholly-owned subsidiaries: Tibnor and Ruukki Construction. The two latter are run as independent subsidiaries.

The diagram below shows SSAB’s corporate governance framework as at December 31, 2021, and how the central bodies operate.

Derogations from the Corporate Code

There are no derogations to report from the Corporate Code for 2021.

Shareholders

SSAB’s share capital consists of class A and class B shares, with class A shares carrying one (1) vote and class B shares one-tenth (1/10) of a vote. Both classes of shares carry the same rights to a share in the company’s assets and profits.

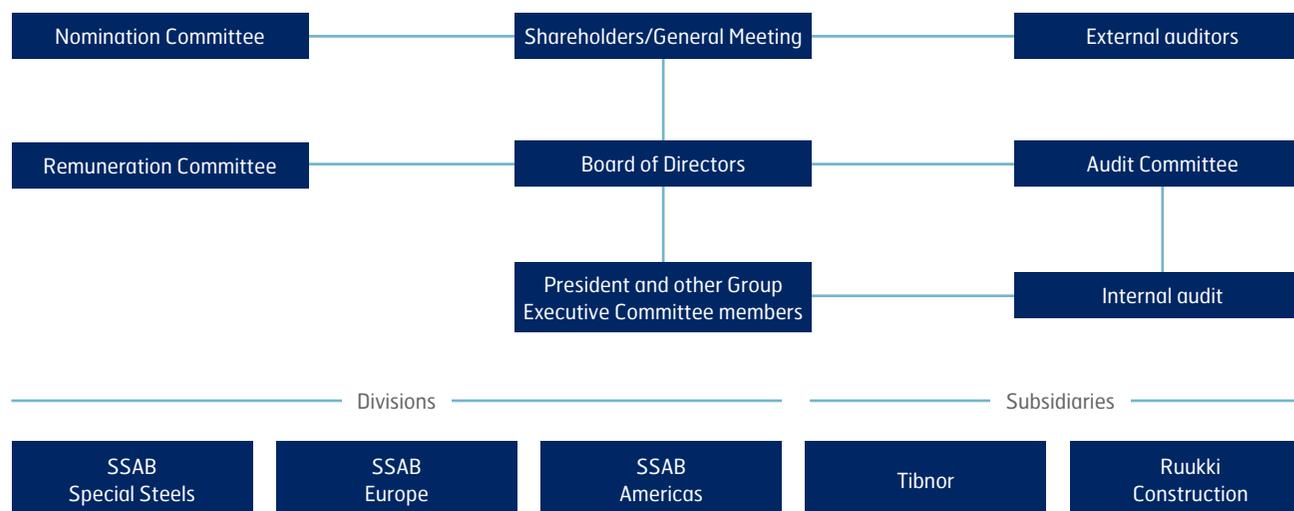
Important external and internal rules and policies which affect corporate governance:

Significant internal rules and policies

- Articles of Association
- The Board’s rules of procedure, incl. instructions to the CEO and instructions to Board committees
- Code of Conduct

Significant external rules

- Swedish Companies Act
- Swedish Book-keeping Act
- Swedish Annual Accounts Act
- Rules of NASDAQ Stockholm and NASDAQ Helsinki, www.nasdaqomxnordic.com
- Swedish Corporate Governance Code, www.corporategovernanceboard.se





As at December 31, 2021, there were a total of 152,352 shareholders. LKAB was the largest shareholder in terms of voting rights, followed by the Government of Finland, Folksam, Vanguard, Allianz Global Investors, Norges Bank, BlackRock, Ninety One, Handelsbanken Funds and Avanza Pension. The ten largest identified owners together owned approximately 39.7% of the voting capital and 31.0% of the share capital at the end of December 2021. Owners outside Sweden and Finland accounted for 18.3% of votes and 17.7% of the capital. See Shares and shareholders for more information about the ownership structure.

General meeting

The general meeting of shareholders is the company's highest decision-making body and is where owners exercise their shareholder power. At the Annual General Meeting (ordinary general meeting), the shareholders resolve, among other things, the following:

- Adoption of the annual report and consolidated financial statements
- Allocation of the company's profit/loss
- Discharge from liability for the Board of Directors and the CEO
- Election of the Board of Directors, its chairman and the auditors
- Method of appointment of the Nomination Committee (when applicable)
- Remuneration of the Board of Directors and the auditors
- Guidelines for the remuneration to the CEO and other senior executives (when applicable)
- Decision to approve the remuneration report

2021 Annual General Meeting

Due to Covid-19, the Board decided that the 2021 Annual General Meeting would be carried out in absence of physical presence of shareholders, agents or third parties. Shareholders were able to practice their voting right only in advance through so called postal voting before the annual general meeting, in accordance with 22 § of the law (2020:198) on temporary exceptions to facilitate implementation of general meetings.

The Annual General Meeting adopted the annual report and consolidated financial statements for 2020 released by the Board of Directors and the CEO, decided on the allocation of the company's profit and granted the directors and CEO discharge from liability. In addition, the Chairman of the Nomination Committee presented the Committee's work during the year and the rationale behind the proposals presented. The general meeting decided on the remuneration to the Board and the auditors in accordance with the Nomination Committee's proposals. It was further resolved that the Board will comprise eight directors and accordingly Bo Annvik, Petra Einarsson, Annareetta Lumme-Timonen, Marie Grönborg, Bengt Kjell (who was elected Chairman of the Board), Pasi Laine, Martin Lindqvist (President and CEO), were re-elected as Board members. Lennart Evrell was elected as new Board member. Marika Fredriksson had declined re-election to the Board.

Upon proposal by the Nomination Committee, it was decided that the number of auditors should be one registered auditing company and Ernst & Young AB was reelected as auditors for one year until the Annual General Meeting 2022. The Board of Director's revised proposal pursuant to the allocation of the company's

Owners as of December 31, 2021

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.2	2.1
Vanguard	2.9	2.8
Allianz Global Investors	1.9	0.8
Norges Bank	1.6	2.1
BlackRock	1.3	1.3
Ninety One	1.0	0.4
Handelsbanken Funds	0.9	3.3
Avanza Pension	0.8	1.4
Other shareholders	60.3	69.0
Total	100.0	100.0
Whereof foreign-registered shareholders ¹⁾	18.3	17.7

¹⁾ Includes shareholders outside Sweden and Finland

Source: Modular Finance.

earnings was presented to the Annual General Meeting. In accordance with the proposal by the Board of Directors and the CEO it was resolved that no dividends should be paid for the financial year 2020.

The General Meeting resolved to accept the Board's remuneration report. The report has been available at SSAB and on the company website since 24 March 2021.

The General Meeting resolved in accordance with the Board's proposal to amend the Articles of Association. The Board's proposal of amendments has been available at SSAB and on the company website since 24 March 2021.

Finally, the General Meeting resolved to authorize the Board of Directors to, at one or several occasions up to the next Annual General Meeting, resolve on new issues of shares of class B, with or without the disapplication of the shareholders' preferential rights to subscribe for shares. The total number of shares that may be issued by exercise of the authorization shall be within the limits of the Articles of Association and not exceed ten (10) percent of the total number of shares in the company.

The minutes of the Annual General Meeting may be viewed at www.ssab.com.

Extraordinary General Meeting

An extraordinary general meeting took place on October 28, 2021. The extraordinary general meeting was carried out in absence of physical presence of shareholders, agents or third parties. Shareholders were able to practice their voting right only in advance through so called postal voting before the extraordinary general meeting, in accordance with 22 § of the law (2020:198) on temporary exceptions to facilitate implementation of general meetings.

The company's Chairman of the Board, Bengt Kjell, had informed the Board that he wished to resign as member and Chairman of the Board due to the change in ownership, which took place in the company during May and June 2021. Annareetta Lumme-Timonen had informed the Board that she intended to resign as board member on the extraordinary general meeting, due to the change in ownership, which took place in September 2021.

The extraordinary general meeting resolved that the number of board members was reduced from eight to seven, that Maija Strandberg was elected as new board member, and that Lennart Evrell was elected as the new Chairman of the Board of the company.

Nomination committee

Duties of the Nomination Committee

The duties of the Nomination Committee include proposing to the Annual General Meeting a chairman of the Board of Directors, directors, auditors, a Chairman of the Annual General Meeting, Board fees and auditor fees.

Procedure for the appointment of the Nomination Committee

The 2012 Annual General Meeting adopted a procedure regarding the appointment of the Nomination Committee. The procedure applies until amended through a resolution adopted at a future Annual General Meeting. The procedure was adopted with some minor adjustments by the Annual General Meeting held on April 10, 2018. According to the procedure, the Chairman of the Board is tasked with requesting that no fewer than three and no more than five of the largest shareholders in terms of votes each appoint a member to constitute the Nomination Committee together with the Chairman of the Board.

At the 2020 Annual General Meeting, a new instruction was adopted for the Nomination Committee. The changes compared with the previous version mainly relate to how any conflicts of interest in the Nomination Committee are to be handled, and how the Nomination Committee is to act when a shareholder who has appointed a member has sold parts of his holding of SSAB shares and no longer constitutes one of the major shareholders.

There may be no more than six members in total. The member representing the largest shareholder in terms of votes shall be Chairman of the Nomination Committee. The composition of the Nomination Committee was announced on www.ssab.com on September 2, 2021. Shareholders were able to submit proposals to the Nomination Committee by, for example, email, until December 31, 2021. The Nomination Committee's proposals will be published no later than in conjunction with the notice of the Annual General Meeting.

Nomination committee ahead of the 2022 Annual General Meeting

Appointed by, name	Share (%) of votes at 31 December 2021
Pierre Heeroma, LKAB (Chairman of the Nomination Committee)	16.0
Kimmo Viertola, Government of Finland	8.0
Michael Kjeller, Folksam	5.2
Niklas Johansson, Handelsbanken Funds	0.9
Lennart Evrell (Chairman of the Board of Directors)	-

In connection with the issuance of the notice of the Annual General Meeting, the Nomination Committee will publish a reasoned statement regarding its proposal for a Board on www.ssab.com.

Work of the Nomination Committee ahead of the 2022 Annual General Meeting

Since the Nomination Committee was appointed in August 2021, Petter Söderström was replaced by Kimmo Viertola on the 20 September as a consequence of Solidium's shareholding transfer to direct ownership under the Prime Minister's Office. Lennart Evrell replaced Bengt Kjell in the Nomination Committee on the 28th of October as a result of him being elected as Chairman of the Board at the extraordinary general meeting. The Nomination Committee has convened 8 times in 2021 and additional meetings are planned before the Annual General Meeting.

After the Chairman of the Board Bengt Kjell, and thereafter the Board member Annareetta Lumme-Timonen had requested to resign from the Board, the Nomination Committee prepared and proposed to elect Lennart Evrell as new Chairman of the Board, to elect Maija Strandberg as new Board member, and to reduce the number of Board members to seven. The extraordinary general meeting which took place on October 28, 2021 resolved in accordance with the Nomination Committee's proposals.

The Board's evaluation process and the outcome of the evaluation was presented at the Nomination Committee's meeting in November. This year's Board evaluation took place in connection with a board meeting during the fall. Ahead of the evaluation a questionnaire was answered by each board member individually. The questionnaire included questions related to the board members own evaluation of the Board's work, both from efficiency and competence, when it comes to important areas for the company such as heavy processing industries, digitalization, risks and possibilities with regard to climate change and health and security. The answers and Board members' comments were thereafter compiled and served a basis for the evaluation discussion. The Nomination Committee took note of the compilation. No evaluation of the Chairman's service was carried out since the previous Chairman Bengt Kjell had resigned by the extraordinary general meeting.

The Nomination Committee has discussed the composition of the Board, and agreed on the fundamental Board member requirements, including the requirements on independent members. The Nomination Committee particularly took into account in its Board proposal the need for diversity and breadth, the requirements to strive for gender balance on the Board, and also took into account competence and experience in the mentioned areas above which are important to the company.



The Nomination Committee engages in continuous work in identifying and evaluating potential new directors. In submitting proposals for fees to the Board of Directors and its committees, the Nomination Committee, among other things, conducted an overview of Board fees in similar companies. Prior to the election of an auditor at the Annual General Meeting 2022, the Audit Committee has conducted an evaluation of the audit performance presented to the Nomination Committee on its December meeting. At the same meeting, the committee's recommendation regarding both election of auditors and fees was presented. The Nomination Committee followed the Audit Committee's recommendation when presenting its proposals to the 2022 Annual General Meeting.

Board of Directors

Responsibilities of the Board

The overall task of the Board of Directors is to manage the company's affairs in the best interests of both the company and its shareholders. The Board must regularly assess the Group's financial position and evaluate the operative management. The Board decides, among other things, on matters concerning the Group's strategic focus and organization, and decides on important capital expenditure (exceeding SEK 100 million).

When applicable, the Board prepares proposals for guidelines regarding the determination of salary and other remuneration to the CEO and other members of the company's senior management for decision at the Annual General Meeting.

Rules of procedure of the Board

Each year, the Board adopts the rules of procedure, including instructions to the CEO, which, among other things, govern the allocation of work between the Board and the CEO.

The rules of procedure further regulate the frequency of Board meetings and the allocation of work among the Board's committees. The rules of procedure state that there must be a Remuneration Committee and an Audit Committee. Ahead of each Board meeting, the directors receive a written agenda and full documentation to serve as the basis for decisions. Each Board meeting conducts a review of the Group's accident statistics, the current state of the business, the Group's results, financial position and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors health and safety work.

Chairman of the Board

The chairman of the Board of Directors presides over the Board's work, represents the company on ownership issues and is responsible for the evaluation of the work of the Board. In addition, the Chairman of the Board of Directors is responsible for regular contact with the CEO and for ensuring that the Board of Directors performs its duties.

Composition of the Board

Under the Articles of Association, the Board of Directors consists of a minimum of five and a maximum of ten members elected by the general meeting. The Board is quorate when more than half of the total number of directors is present. Taking into consideration the company's operations, phase of development and circumstances in general,

the Board must have an appropriate composition which is characterized by diversity and breadth as regards the competence, experience and background of its members. New directors undergo an introduction course to rapidly acquire the knowledge expected in order to best promote the interests of the company and its shareholders.

The Board of Directors' diversity policy

SSAB works actively to further diversity within the company. As a part of this work, the company, through the Nomination Committee, applies rule 4.1 in the Swedish Corporate Governance Code (the Corporate Code) as its diversity policy. In accordance with rule 4.1 in the Corporate Code, the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is also to strive for gender balance on the Board.

The Nomination Committee shall consider the diversity policy when preparing its proposals for the election of a Board member. In addition, the Board of Directors continuously discusses the question regarding diversity within the organization. The objective of the diversity policy is to cater the importance of sufficient diversity within the Board in order to encourage independent opinions and a critical approach which will contribute to efficient Board work in the company.

During the financial year 2021, the Board of Directors' diversity policy has mainly been implemented and applied in connection with the Nomination Committee's work ahead of the 2021 Annual General Meeting and the 2022 Annual General Meeting. This has resulted in a diversified and appropriate Board composition with Board members that possess the qualifications and experience required for SSAB's operations.

Work of the Board in 2021

In 2021, the Board of Directors held 12 meetings at which minutes were taken and at which the Board was quorate at all times. SSAB's General Counsel, who is not a director, served as secretary to the Board.

The year, in its whole, was marked by a strong recovery after the effects of Covid-19 during the previous year with a record demand and strong price increases. The strong market situation and a relatively stable and high production led to that the result for the full-year became the strongest in the history of the company. The combination of a very beneficial market situation, a relatively stable production and the company's strong financial situation gave the Board greater scope to focus more on the company's long-term strategic path concerning the conversion to fossil free steel production and long-term competitiveness.

Safety work has top priority across the Group and at every meeting the Board keeps close track of lost time injury frequency and the corrective actions implemented by the company. The Board also follows the company's sustainability performances with regular follow-ups of achievements of targets and continuously follows the company's most important operative, as well as short-term strategic key figures.

Board of Directors – appointed by the annual general meeting

				
Lennart Evrell, Chairman	Bo Annvik	Petra Einarsson	Marie Grönberg	Pasi Laine
b. 1954 Chairman since 2021, Master of Science Mechanical Engineering from the Royal Institute of Technology and a degree in business administration from Uppsala University Nationality: Swedish	b. 1965 MSc (Eng.) Business Administration. Nationality: Swedish	b. 1967 BSc Business Administration and Economics Nationality: Swedish	b. 1970 MSc (Eng.) Chemical Engineering Nationality: Swedish	b. 1963 MSc (Eng.) Nationality: Finnish
Elected to the board 2021	Elected to the board 2019	Elected to the board 2014	Elected to the board 2019	Elected to the board 2017
Shareholding¹⁾ 40,000 B-shares	Shareholding¹⁾ 0	Shareholding¹⁾ 18,750 B-shares	Shareholding¹⁾ 0	Shareholding¹⁾ 712 A-shares, 4,931 B-shares
Current appointments <ul style="list-style-type: none"> • Director: Svenska Cellulosa Aktiebolaget SCA, Epiroc Aktiebolag, ICA Gruppen Aktiebolag, Confederation of Swedish Enterprise and the Swedish Association of Industrial Employers 	Current appointments <ul style="list-style-type: none"> • Board Chairman: Abdon Food AB • President and CEO: Indutrade AB • Director: Adbon Group AB 	Current appointments <ul style="list-style-type: none"> • Director: Alimak Group, Scandinavian Biogas and Svenska Aerogel 	Current appointments <ul style="list-style-type: none"> • CEO: TreeToTextile AB • Director: Permascand Top Holding AB 	Current appointments <ul style="list-style-type: none"> • President and CEO of Valmet Oyj (since 2013) • Chairman: Ilmarinen Mutual Pension Insurance Company
Previous appointments <ul style="list-style-type: none"> • CEO: Boliden, Sapa and Munters 	Previous appointments <ul style="list-style-type: none"> • President and CEO: Haldex AB • Senior positions: Volvo Cars, SKF and Outokumpu 	Previous appointments <ul style="list-style-type: none"> • President and CEO: BillerudKorsnäs AB • EVP: Sandvik Group • Senior positions: Sandvik Materials Technology • Member of the Executive Board: Confederation of Swedish Enterprise • Chairman of the Board: Swedish Steel Producers' Association 	Previous appointments <ul style="list-style-type: none"> • President and CEO: Purac AB • EVP: Perstorp Group, Business Area Specialties & Solutions • Senior positions: Perstorp Group and Formox AB 	Previous appointments <ul style="list-style-type: none"> • Director: HKScan Oyj and Tamfelt Oyj • Several senior positions: Metso group, including President of Pulp, Paper and Power Technology, President of Metso Automation
¹⁾ Shareholdings include shares owned by closely-related persons				

Board of Directors – appointed by the annual general meeting



Martin Lindqvist

b. 1962
President and CEO
BSc (Economics)
Nationality: Swedish

Elected to the board
2011

Shareholding¹⁾

11,709 A-shares, 21,023 B-shares

Current appointments

- President and CEO: SSAB AB (employed at SSAB since 1998)
- Chairman: Jernkontoret and Stål och Metall
- Director: Svenska Cellulosa Aktiebolaget SCA and Swedish Association of Industrial Employers AB
- Alternate: Confederation of Swedish Enterprise

Previous appointments

- Director: Industrade Aktiebolag
- Head of business area: SSAB EMEA
- CFO: SSAB AB
- Chief controller: NCC



Majja Strandberg

b. 1969
MSc, Economics from Turku School of Economics, Finland (part of Turku University)
Nationality: Finnish

Elected to the board
2021

Shareholding¹⁾

0

Current appointments

- Senior Financial Counsellor at the Finnish Prime Minister's office, Government Ownership Steering Department
- Board member of Finnair Oyj and Neova Oy

Previous appointments

- Director: Nordic Morning Group, Exel Composites, VR Group, Dustin Group and Danske Bank Oyj
- CFO: Uponor Oyj
- Vice President: Finance at Valmet
- Several senior positions: ALSO, John Deere, Timberjack, Huhtamäki

¹⁾ Shareholdings include shares owned by closely-related persons

Board of Directors – appointed by the employees



Mikael Henriksson

b. 1961
Elected to the Board
2017

Current appointments

Furnace operator,
SSAB Special Steels



Tomas Karlsson

b. 1962
Elected to the Board
2015

Current appointments

Maintenance mechanic,
SSAB Europe



Tomas Jansson

b. 1966
Elected to the Board
2014

Current appointments

Sales Coordinator,
SSAB Europe

Alternates



Sven-Erik Rosén

b. 1965
Elected to the Board
2021

Current appointments

Fork-lift operator,
SSAB Europe



Patrick Sjöholm

b. 1965
Elected to the Board
2011

Current appointments

Maintenance mechanic,
SSAB Europe



Tomas Westman

b. 1955
Elected to the Board
2015

Current appointments

RM-coordinator,
SSAB Europe

Jonas Bergstrand, EVP, General Counsel, serves as secretary to the Board of Directors.

Auditors

SSAB must have one or two external auditors, or one or two registered public accounting firms, under its Articles of Association. It was decided on the Annual General Meeting 2021 that Ernst & Young AB should be reelected auditor for the company until the Annual General Meeting in 2022. Rickard Andersson is the principal auditor.

The external audit of the financial statements of the parent company and those of the group, as well as management by the Board of Directors and the CEO, is conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Practices in Sweden. The Company's principal auditor attends all meetings of the Audit Committee. The auditor attends at least one Board meeting a year, goes through the audit for the year and discusses the audit with the directors without the CEO and other members of the Company's management being present.

See [Note 2](#) in Financial reports for information regarding the auditor's fees.

Audit committee

Duties

The Audit Committee elects a Chairman from among its members. Members of the Audit Committee are elected from Board members who are not employees of the company. At least one of the members must be competent in accounting or auditing matters.

The duties of the Audit Committee are stated in the Board's rules of procedure. The Chairman of the Audit Committee is responsible for ensuring that the entire Board is kept regularly informed about the Committee's work and, where necessary, must submit matters to the Board for decision. The main task of the Audit Committee is to support the Board in its work to ensure the quality of financial reporting.

Member of the board	Elected to the board	Attendance statistics 2021			Independent of	
		Board meetings	Remuneration Committee	Audit Committee	The company and its management	The company's largest shareholders
Elected by the AGM¹⁾						
Lennart Evrell ²⁾ , Chairman since October 2021	2021	9	2	1	Yes	Yes
Bo Annvik	2019	11	6		Yes	Yes
Petra Einarsson	2014	12	6	6	Yes	Yes
Marie Grönborg	2019	12		5	Yes	Yes
Pasi Laine	2017	11			Yes	Yes
Majja Strandberg ³⁾	2021	3			Yes	Yes
Martin Lindqvist, President and CEO	2011	12			No, CEO at the company	Yes
Employee representatives						
Mikael Henriksson	2017	12			-	-
Tomas Jansson	2014	12			-	-
Tomas Karlsson	2015	11			-	-
Alternate members						
Sven-Erik Rosén ²⁾	2021	9			-	-
Patrick Sjöholm	2011	12			-	-
Tomas Westman	2015	12			-	-

¹⁾ Information about fees, see [Note 2](#) in Financial reports

²⁾ Elected new board member on the Annual General Meeting on April 14, 2021

³⁾ Elected new board member on the Extraordinary General Meeting on October 28, 2021



The Audit Committee oversees the company's internal control and risk management regarding financial reporting. The Audit Committee also assists the company's Nomination Committee with preparing proposals for a general meeting resolution on the election of auditors.

The Committee regularly meets the company's auditors, evaluates the audit work and establishes guidelines as to which additional services the company may source from its external auditors. Such additional services, up to a maximum of SEK 100,000 per assignment, must be approved in advance by the company's Chief Financial Officer. Assignments exceeding SEK 100,000 must be approved in advance by the chairman of the Audit Committee. All additional services must be reported to the Audit Committee each quarter.

The company has an established risk management process based on the company's processes and flows. In this process, the Audit Committee reviews and takes into account the risk areas that have been identified (both commercial risks and risks of errors in financial reporting). Based on the outcome of the internal and external risk assessment, the Committee regularly analyzes the focus and scope of the audit with the company's external and internal auditors.

Each year, the Audit Committee adopts an internal audit plan which, among other things, is based on the risks that have arisen in the risk management process described above. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of regular audit work. The head of Internal Audit presents conducted audits and any whistle blowers matters that have been reported to the Audit Committee. The Audit Committee also analyzes and elucidates significant accounting issues affecting the group.

Work in 2021

During 2021, the Audit Committee's focus has been the company's liquidity and funding matters, IT-security and the company's tax position, including ongoing tax audits. The Audit Committee took part in, and analyzed together with the external auditors, the risk analysis and audit plan which the auditors had established constituting the basis for the statutory audit.

The Audit Committee's members were since the Annual General Meeting Petra Einarsson (Chairman), Marie Grönborg and Bengt Kjell who resigned and was replaced as Chairman by Lennart Evrell at the constituent Board meeting after the extraordinary general meeting on October 28, 2021. Also, Annareetta Lumme-Timonen left her position as member, after the extraordinary general meeting on October 28, 2021. In 2021 the Audit Committee held six meetings at which minutes were taken.

Remuneration committee

Duties

In addition to the Chairman of the Board of Directors, the Remuneration Committee comprises one or more directors, who must normally be independent both of the company and of the company's top management, elected by the general meeting. Members of the Remuneration Committee must possess the required knowledge and experience of remuneration matters relating to senior executives. The CEO attends the Committee meetings to report on matters. The Remuneration Committee's duties are stated in the Board's rules of procedure. The Remuneration Committee submits proposals to the Board of Directors regarding the CEO's salary and other employment terms and conditions, sets salaries and employment terms for other members of the Group Executive Committee, and sets limits regarding the salary and employment terms and conditions for other senior executives. The Remuneration Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning remuneration principles, preparing the Board's proposal for guidelines to determine the salary and other remuneration of the CEO and other members of the company's senior management, as well as monitoring and evaluating the application thereof. The Remuneration Committee also monitors and evaluates programs regarding variable remuneration of the company's senior management.

Work in 2021

During 2021, the Remuneration Committee held three meetings at which minutes were taken. The Remuneration Committee comprised of Bo Annvik, Petra Einarsson and Bengt Kjell (Chairman) who resigned and was replaced as Chairman by Lennart Evrell at the constituent Board meeting after the extraordinary general meeting on October 28, 2021. The CEO is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

Group Executive Committee

Martin Lindqvist	Olavi Huhtala	Charles Schmitt	Johnny Sjöström	Jonas Bergstrand	Leena Craelius
b. 1962 President and CEO Nationality: Swedish	b. 1962 Executive Vice President and Head of SSAB Europe Nationality: Finnish	b. 1959 Executive Vice President and Head of SSAB Americas Nationality: American	b. 1974 Executive Vice President and Head of SSAB Special Steels Nationality: Swedish	b. 1965 Executive Vice President, Legal, M&A and Procurement Nationality: Swedish	b. 1971 Executive Vice President and CFO (acting) Nationality: Finnish
Member of the Group Executive Committee 2001	Member of the Group Executive Committee 2014	Member of the Group Executive Committee 2011	Member of the Group Executive Committee 2019	Member of the Group Executive Committee 2006	Member of the Group Executive Committee 2021
Shareholding¹⁾ 11,709 A-shares 21,023 B-shares	Shareholding¹⁾ 17,578 A-shares 77,873 B-shares	Shareholding¹⁾ 3,000 B-shares	Shareholding¹⁾ 10,600 A-shares	Shareholding¹⁾ 24,125 B-shares	Shareholding¹⁾ 0
Education BSc (Economics), Uppsala University	Education BSc (Engineering)	Education BSc (Business Administration/ Finance). The University of Texas at Arlington, two-year steel fellowship at the American Iron and Steel Institute	Education Master's degree in Physics, PhD in Materials Technologies, Karlstad University, Associate Professor, Luleå Technical University and EMBA Stockholm School of Economics	Education LLM, Uppsala University	Education MBA, Helsinki School of Economics, Helsinki
Background Employed at SSAB since 1998.	Background Employed at Rautaruukki/SSAB since 1987	Background Employed at IPSCO/SSAB since 1990	Background Employed at SSAB between 2012–2014 and since 2019	Background Employed at SSAB since 2006	Background Employed at SSAB/Rautaruukki since 2005
Previously Head of business area: SSAB EMEA, Head of business area: SSAB Strip Products, CFO: SSAB AB, CFO: SSAB Strip, Chief Controller: NCC	Previously EVP: Ruukki Metals, President: Ruukki Fabrication Executive roles in Sales and Production: Rautaruukki Metform	Previously Several positions: US Steel Corporation and VP of the Southern Business Unit: SSAB Americas	Previously President Uddeholms AB, President Scana Leshan (China), VP Technology and responsible for market development SSAB APAC, VP Product manager Outokumpu, Technology and Quality manager Outokumpu	Previously Corporate counsel: ABB, OM Gruppen and Ericsson Radio Systems	Previously CFO: SSAB Europe Division, Head of sales controlling; SSAB Special Steels division, Head of operations controlling; Ruukki Metals Division

¹⁾ Shareholdings include shares held by closely-related persons

Group Executive Committee

Maria Långberg	Martin Pei	Christina Friborg	Eva Petursson	Viktor Strömberg
b. 1970 Executive Vice President and Head of People, Culture and Communication Nationality: Swedish	b. 1963 Executive Vice President and CTO Nationality: Swedish	b. 1969 Executive Vice President and Head of Sustainability, Ethics & Compliance and Health & Safety Nationality: Swedish	b. 1968 Executive Vice President and Head of Research and Innovation Nationality: Swedish	b. 1973 Executive Vice President and Head of Strategy and Digitalization Nationality: Swedish
Member of the Group Executive Committee 2016	Member of the Group Executive Committee 2007	Member of the Group Executive Committee 2018	Member of the Group Executive Committee 2018	Member of the Group Executive Committee 2018
Shareholding¹⁾ 17,000 B-shares	Shareholding¹⁾ 300 A-shares 700 B-shares	Shareholding¹⁾ 6,700 B-shares	Shareholding¹⁾ 165 A-shares 6,500 B-shares	Shareholding¹⁾ 4,000 B-shares
Education BSc (Business Administration), Uppsala University MBA, Stockholm School of Economics	Education PhD, KTH Royal Institute of Technology, Stockholm	Education LLM, Uppsala University	Education Civil engineer and PhD in Steel Structures, Luleå University of technology	Education MBA, INSEAD, France and MSc in Industrial Engineering & Management, Linköping University
Background Employed at SSAB since 2013	Background Employed at SSAB since 2001	Background Employed at SSAB since 2018	Background Employed at SSAB since 2005	Background Employed at SSAB since 2011
Previously President Merox and VP Group Sustainability, SSAB, EVP & Head of Group Communications, SSAB, Senior Consultant, JKL, SVP Group Communications, Gambio	Previously EVP, Head of business area: SSAB APAC; EVP & Head of Technical Development: SSAB; General Manager Slab Production: SSAB Plate Division; Manager R&D Primary Products: SSAB Plate Division	Previously Head of Sustainable Business at Sandvik, founder and partner at Ethos International and various positions at Sida, UNHCR and OSCE	Previously Design specialist and research leader at SSAB Knowledge Service Center, Head of Strategic R&D at SSAB. Assistant professor in Steel Structures at Luleå University of Technology	Previously VP and Head of Strategy at SSAB AB. Associate Partner at McKinsey & Company, product manager at SAP and consultant at IBM

¹⁾ Shareholdings include shares held by closely-related persons

Group Executive Committee

Group Executive Committee's work and responsibilities

The Group Executive Committee is responsible for formulating and implementing the Group's overall strategies and addresses matters such as acquisitions and divestments. These matters, as well as major capital expenditures (in excess of SEK 100 million), are prepared by the Group Executive Committee for decision by the Board of Directors of the parent company.

The CEO is responsible for the day-to-day management of the company in accordance with the Board of Directors' instructions and guidelines. As at December 31, 2021, the Group Executive Committee comprised, in addition to the CEO, the heads of SSAB Europe, SSAB Americas and SSAB Special Steels, the Chief Financial Officer, the Head of Legal, M&A and Procurement, the Chief Technical Officer, the Head of People, Culture and Communication, the Head of Research and Innovation, the Head of Strategy and Digitalization and the Head of Sustainability.

The Group Executive Committee holds monthly meetings to monitor the results and financial position of the Group and the divisions. Other matters addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each division is responsible for the respective divisions' income statement and balance sheet. Overall, operational control of the divisions takes place through quarterly performance reviews. In most cases, the CEO of the parent company is the Chairman of the Board of Directors of each of the directly owned major subsidiaries such as Tibnor and Ruukki Construction, and these boards also include other members of the Group Executive Committee as well as employee representatives. Parallel with the quarterly performance reviews, the boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

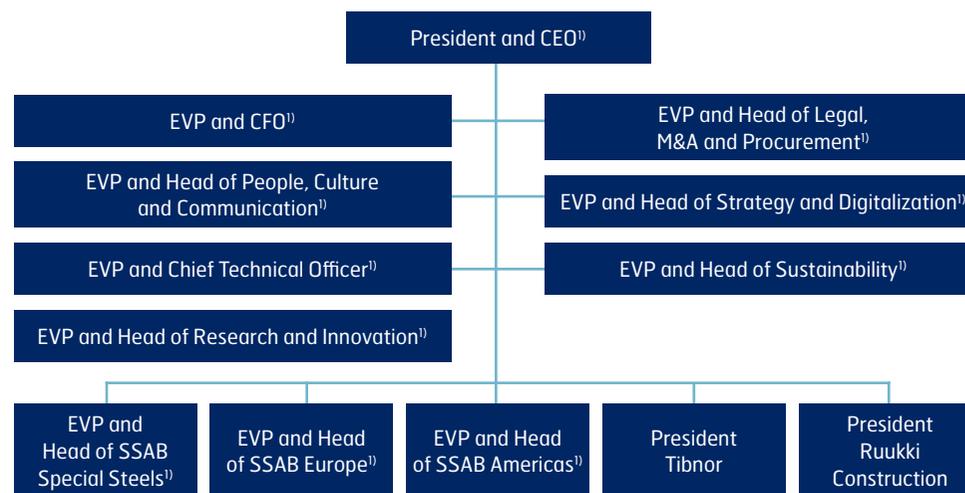
Remuneration report

The Annual General Meeting 2021 resolved to approve the Board's remuneration report. The Board's remuneration report has been available at SSAB and on the company website since March 24, 2021.

Incentive program for senior executives

In 2011, a long-term incentive program was introduced for the entire Group. At the time the program covered a maximum of 100 (now 150) key employees, including the CEO and other senior executives. The program runs for rolling three-year periods, is cash based, and linked to the total return on SSAB's share compared to a benchmark

Group operational management structure



¹⁾ Member of Group Executive Committee

group of the company's competitors and SSAB's financial targets. The program was introduced to promote the company's ability to recruit and retain key employees. Reference is made to [Note 2](#) in the Financial reports for more information about current remuneration. The company has no share-related incentive programs.

Internal control

The overall objective of internal control is to ensure, to a reasonable degree, that the company's operational strategies and targets are monitored and that the owners' investments are protected. Internal control ensures, with reasonable certainty, that the internal and external reporting is reliable. It also ensures that the operation is carried out in accordance with applicable laws, regulations and the requirements imposed on listed companies. Internal control is the term collectively referring to the organization and its systems, processes and procedures contributing to the maintenance of control in these areas.

Risk management

The Group is tasked with seeking to ensure that risks do not materialize and, through various measures, with mitigating the fallout of any loss that occurs. Risk mapping of the Group's internal and external risks is carried out as an integrated part of the annual strategy process. The result of this work is reported to the Audit Committee and to the Board of Directors. The Group's Risk Management oversees and follows up both work on actively preventing the occurrence of loss at all and work on minimizing the impact of such loss should it occur. Each division and subsidiary is responsible for working proactively to prevent loss and each division has appointed risk managers participating in this work. For information on the Group's work and management of sustainability and sustainability risks, see the [Sustainability report](#).

The Board's description of internal control and risk management regarding financial reporting

Under the Swedish Companies Act and the Swedish Corporate Governance Code, SSAB's Board of Directors is responsible for internal control. The description of internal control and risk management regarding financial reporting has been prepared in accordance with the Annual Accounts Act.

Framework for internal control as regards financial reporting

SSAB's internal control is based on COSO, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The framework is based on five components: control environment, risk assessment, control activities, information and communication and monitoring.

Control environment

The control environment is characterized by the organizational structure, management's way of working and values, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board of Directors with important accounting matters that the Group applies and monitors internal control with respect to financial reporting. To maintain an efficient control environment and sound internal control, the Board has delegated practical responsibility to the CEO, who in turn has delegated responsibility to other members of the Group Executive Committee and to the CEOs of the subsidiaries.

The control environment for the financial reporting is ensured through different governing documents, such as directives and instructions. These include among others a Group accounting directive. Other significant governing documents are the directives regarding financial risks and investments and authorization rules and the Code of Conduct. The governing documents are updated on a regular basis upon changes in legislation and in standards.

Work on communicating the Group's Code of Conduct continued during 2021 and by the turn of 2021/2022, over 96% of the employees had completed the group's internal training module on business ethics.

Risk assessment

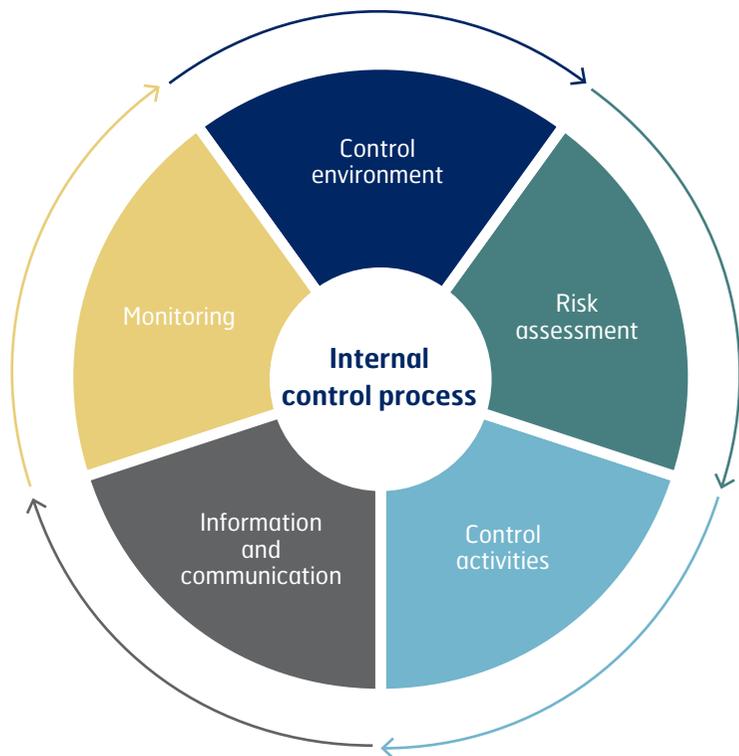
Risks associated with the financial reporting mainly concern accounting errors at the valuation of assets and liabilities, income and expenses and derogations from disclosure obligations. Fraud, loss/misappropriation of assets and deficiencies in business ethics are further risks assessed and managed, to, by reasonable means, ensure sound internal control of the financial reporting. SSAB's operation is characterized by processes involving well-established procedures and systems.

The overall risk assessments on Group level constitutes an integrated part of the ongoing reporting to the Group Executive Committee and the Board of Directors, and it constitutes the basis of the assessment of risks for errors in the financial reporting. Financial risks, such as exchange risks, refinancing risks, counterparty risks, interest risks and credit risks are mainly managed by the parent company's treasury function, in accordance with the Group's Finance Policy (see [Note 29](#) in the Financial reports).

Control activities

The primary purpose of control activities is to prevent and identify at an early stage significant financial reporting errors so that they can be addressed and rectified. Control activities, both manual and automated, take place both at general and more detailed levels within the group. Routines and activities have been designed to manage and mitigate significant risks associated with financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place at Group, subsidiary or process level, depending on the nature and affiliation of the control activity. As with other processes, the relevant head is responsible for the completeness and accuracy of control activities.

There is a more systematic approach to identifying financial risks and financial reporting risks, as well as documentation of controls as to how such risks are to be prevented and identified. The controls are adapted to each unit's work processes and systems structure, and these are evaluated through self-assessment supplemented with monitoring and review by internal audit. This way of working has been implemented in a system covering the entire Group which is used when verifying the reliability of financial reporting.



Control activities are carried out at all levels across the Group. For example, there are in every division Controller functions which analyze and follow up deviations and forward reports in the company. Monitoring by the Group Executive Committee takes place, among other things, through regular meetings with heads of divisions and subsidiaries with regard to operations, their financial position and results, as well as financial and operational key performance indicators. The Board of Directors analyzes, on an ongoing basis, among other things, business

reports in which the Group Executive Committee describes the most recent period and comments on the Group's financial position and results. This is how major fluctuations and deviations are followed up to minimize the risk of errors in financial reporting.

Information and communication

SSAB has well-established information and communication procedures to support the completeness and accuracy of the financial reporting. The parent company regularly communicates updates in financial directives and instructions to all personnel concerned. In addition to this are regular Group finance meetings held where the central finance functions, together with the finance managers of the divisions, processes information regarding news and changes in accounting principles, information requirements and updates within internal control. The company's intranet constitutes another important information channel within the company, where information is updated continuously and it ensures that the latest directives and instructions are always available.

The subsidiaries and the divisions regularly submits reports with analysis and comments on the financial result and risks to the Board.

The company's "whistleblower" function is another important channel of communication where accounting and internal control infringements, among other things, may be reported.

Financial information regarding the Group may only be disclosed by the Chairman of the Board, CEO, CFO, Head of Group Communications and Head of Investor Relations. The divisions may disseminate financial information regarding their operations only after equivalent information has been published by the Group.

Monitoring

The Board of Directors' monitoring of internal control with respect to financial reporting takes place primarily through the Audit Committee. The company's process for internal control include self-assessments and systematic follow-ups on risk analysis and control activities. In addition, the company's internal audit carry out yearly assessments of internal control. The monitoring of internal control also takes place within the framework of the statutory external audit. The Audit Committee monitors the financial reporting and takes part of reports from the internal and external auditors.

Internal audit

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate to the Chief Financial Officer. Internal audit's activities consist of supporting value creation in the Group by identifying risk areas, carrying out internal audits and thereafter recommending improvements within these areas. The internal auditor participates in the Audit Committee meetings.

The internal audit is organized at an overall Group level, with an audit plan drawn up for the entire Group. The Group's audit activities are planned by the head of internal audit and are decided by the Audit Committee.

The major part of the work is carried out through audits in accordance with the audit plan. Other work largely consists of specific audits and of monitoring of self-assessments in the group regarding internal control.

The audits are performed in accordance with an established and adopted audit process which is constantly developed in order to optimize the way of working and delivery of reports with generated added value. These reports describe observations, recommendations and improvement areas, with the aim of strengthening and enhancing efficiency in risk management and internal control. The function also carries out reviews on behalf of the Board or as required for other reasons.

During 2021, internal audit conducted regular, independent and objective audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The reviews were conducted in accordance with an adopted audit process and formally completed with a report and a planned follow-up. The result has been regularly submitted to divisional heads and the Audit Committee as regards observations, measures taken and implementation status.

During the year, internal audit also conducted a number of audits on subsidiaries where the company's manual for audits of risks concerning fraud and corruption was a part of the audit scope. The audits did not reveal any concrete irregularities; however, possibilities to reduce risks were identified. The identified improvement possibilities are implemented in accordance with established action plans. Due to Covid-19, and the accompanying traveling restrictions, a significant part of the audit of the subsidiaries was undertaken remotely.

Other mandatory disclosures pursuant to chapter 6, section 6 of the Annual Accounts Act

The following information is provided pursuant to the provisions of Chapter 6, Section 6 of the Annual Accounts Act regarding certain specific information that must be disclosed in the corporate governance report:

- Of the company's shareholders, LKAB, has direct or indirect shareholdings representing at least one tenth (1/10) of the voting rights carried by all shares in the company. As at December 31, 2021, LKAB's holding accounted for 16% of the total voting rights and 10.5% of the total number of shares.
- There are no restrictions on the number of votes that each shareholder may cast at a general meeting.
- The Articles of Association contain no provisions regarding the removal of directors or the amendment of the Articles of Association.
- The general meeting has not granted the Board of Directors authority to decide that the company may purchase its own shares.

Further information

Further information about corporate governance at SSAB is available at www.ssab.com and includes the following information:

- Routines regarding the Annual General Meeting:
 - when and where the Annual General Meeting is to be held
 - notice of the Annual General Meeting and how to register
 - the resolutions to be proposed to the Annual General Meeting
- Information from SSAB's previous Annual General Meetings, including for instance notices, minutes, addresses by the CEO and press releases
- Articles of Association
- Corporate governance reports from previous years
- Information about the Nomination Committee

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of SSAB AB (publ), corporate identity number 556016—3429

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2021 on pages [93–107](#) and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16, the auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 11, 2022

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant

Financial Reports 2021

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Board of Directors Report

SSAB AB (publ), registration number 556016-3429, is a global steel company with a leading position in high-strength steels and related services. Our vision is a stronger, lighter and more sustainable world.

SSAB aims to be the first, in 2026, to offer fossil-free steel to the market and largely eliminate carbon dioxide emissions from our own operations in around 2030. SSAB has a strong global presence with sales coverage across more than 150 countries. Our production plants in Sweden, Finland and the US have an annual steel production capacity of approximately 8.8 million tonnes.

Key figures 2021 - summary

- Revenue was SEK 95,891 (65,396) million
- Operating profit before depreciation/amortization was SEK 22,094 (3,364) million
- Operating profit/loss was SEK 18,837 (-325) million
- Earnings per share was SEK 14.24 (-0.50)
- Operating cash flow was SEK 15,296 (3,460) million
- Net debt/equity ratio was -3% (19%)

Key figures

SEK millions	2021	2020
Revenue	95,891	65,396
Operating profit before depreciation and amortization EBITDA	22,094	3,364
Operating profit/loss	18,837	-325
Profit/loss after financial items	18,416	-802
Profit/loss after tax	14,673	-490
Earnings per share (SEK)	14.24	-0.50
Operating cash flow	15,296	3,460
Net debt	-2,346	10,278
Net debt/equity ratio (%)	-3	19

The market

According to the World Steel Association, global crude steel production for 2021 amounted to 1,912 (1,829) million tonnes, up 4.5% compared to 2020. Chinese steel production decreased by 3%. Steel production increased in North America by 17% and in the EU-27 by 15%.

In North America, demand for heavy plate was good in most customer segments during the year and inventory levels remained low.

In Europe, market demand was strong during the first half of 2021. During the second half of 2021, the underlying demand was good, but the market was characterized by the lack of components in the automotive industry and doubts among distributors in the end of the year. Imports to Europe increased during the fall and the supply of steel improved, which led to an increase in inventory levels towards the end of 2021.

Global demand for high-strength steel was strong during 2021, basically in all markets.

In North America, the price trend for heavy plate was strong for a major part of the year, and was leveled off during the last months of the year. In Europe, market prices for strip and heavy plate rose during the first half of 2021, and then fell during the fall. Market prices for similar products in China showed the same trend as in Europe.

Revenue and operating profit

Revenue for the year of 2021 were SEK 95,891 (65,396) million, an increase of SEK 30,495 million or 47% compared with 2020. The outbreak of Covid-19 characterized the year of 2020. If revenue is compared to the full-year of 2019 instead, the increase amounts to SEK 19,406 million, corresponding to 25%.

The operating result for 2021 was SEK 18,837 (-325) million, an increase of SEK 19,162 million compared with 2020. All business segments contributed to the improvement. If the operating result is compared to the full year 2019, the increase was SEK 16,678 million.

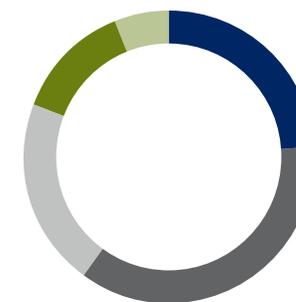
Analysis of total change in revenue and operating profit*

Revenue		Operating profit	
	Change vs. 2020, %		Change vs. 2020, SEK millions
Volume	7	Price and product mix	24,960
Price	40	Volume	1,870
Product mix	2	Variable costs	-7,270
Currency effects	-6	Fixed costs	-1,590
Other sales	4	Currency effects	-260
		Capacity utilization	1,340
		Other	112
Total	47		19,162

* Estimated changed, the numbers in the table are rounded

Share of external revenue 2021

%



- SSAB Special Steels 24 (24)%
- SSAB Europe 36 (35)%
- SSAB Americas 21 (20)%
- Tibnor 13 (13)%
- Ruukki Construction 6 (8)%

Share of EBITDA 2021

%



- SSAB Special Steels 24 (68)%
- SSAB Europe 41 (15)%
- SSAB Americas 24 (-2)%
- Tibnor 7 (6)%
- Ruukki Construction 3 (13)%

External revenue on the largest markets

SEK millions	2021	Share, %	2020	Share, %
Geographical areas				
Sweden	15,261	16	10,059	15
Finland	9,642	10	6,687	10
Denmark	4,943	5	3,122	5
Germany	3,871	4	3,125	5
Poland	4,196	4	3,090	5
Italy	3,493	4	1,937	3
Other EU-27	11,340	12	7,905	12
Norway	3,231	3	2,396	4
Great Britain	1,887	2	1,324	2
Other Europe	2,956	3	2,022	3
USA	23,540	25	15,704	24
Canada	3,646	4	2,195	3
Rest of the world	7,886	8	5,831	9
Total	95,891	100	65,396	100

Profit after financial net

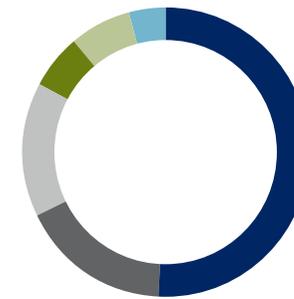
The financial net for 2021 amounted to SEK -421 (-477) million and result after financial net amounted to SEK 18,416 (-802) million.

Result after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for 2021 was SEK 14,662 (-510) million, equating to SEK 14.24 (-0.50) per share. Tax was SEK -3,743 (312) million.

The Group's cost structure

SEK 78.0 (66.5) billion



- Input materials 51 (43)%
- Manufacturing costs 17 (25)%
- Personnel costs 15 (16)%
- Energy 6 (5)%
- Purchased products 7 (6)%
- Depreciation/Amortization 4 (5)%

Input materials 2021

SEK 39.4 (28.5) billion



- Iron ore, pellets 35 (25)%
- Coal 13 (18)%
- Scrap 26 (24)%
- Alloys 11 (11)%
- Other 16 (22)%

Major maintenance outages

The table below shows all major planned maintenance outages for 2021 and 2020. In total, the Group's maintenance costs amounted to SEK 1,270 million during the full year 2021, which can be compared with SEK 805 million for 2020. The increase can partly be explained by the fact that the costs for 2020 were lower than normal, due to that the maintenance could, to a greater extent, be carried out with own resources due to a lower production level. In addition, the maintenance of the steel mill in Mobile, USA was done during 2021. This is more extensive than the maintenance in Montpelier, USA, which was done during 2020. This is due to the hardening lines (Q&T) in Mobile. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (under absorption), but exclude lost margins.

Major maintenance outages in 2021 and 2020

SEK millions	2021 Q1	2020 Q1	2021 Q2	2020 Q2	2021 Q3	2020 Q3	2021 Q4	2020 Q4	2021 Full year	2020 Full year
SSAB Special Steels	-	-	-	-	440	250	150	-	590	250
SSAB Europe	-	-	-	-	270	250	160	85	430	335
SSAB Americas	-	-	-	50	-	170	250	-	250	220
Total	-	-	-	50	710	670	560	85	1,270	805

Raw materials

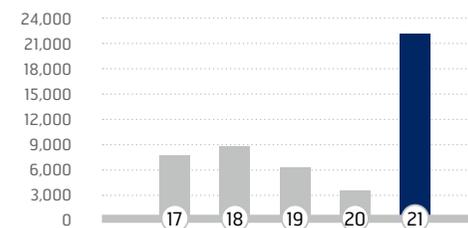
SSAB sources iron ore from LKAB in Sweden and from Severstal in Russia and prices vary depending on the market index. SSAB sources coking coal from Australia, the USA and Canada, usually on annual supply contracts with monthly pricing. SSAB Americas regularly purchases scrap metal on the spot market as a raw material for their production.

Change in SSAB's average purchase prices, 2021

% change	Change vs. 2020	
	USD	SEK
Iron ore	71%	61%
Coking coal	33%	24%
Scrap metal	45%	36%

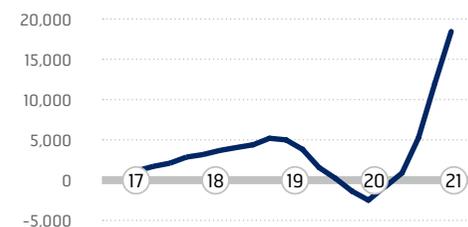
EBITDA

SEK millions



Profit/loss after financial items

SEK millions



— Rolling four quarters

Production and shipments

Crude steel production as well as rolling production was 9% higher in 2021 compared compared to 2020. During 2021, SSAB's steel shipments were 6,921 (6,460) thousand tonnes, up 7% compared with 2020.

Production and shipments

Thousand tonnes	2021	2020
Crude steel production	8,179	7,535
Rolling production	7,568	6,937
Steel shipments	6,921	6,459

Cash flow, financing and liquidity

Operating cash flow for the full year 2021 amounted to SEK 15,296 (3,460) million. Compared with 2020, cash flow was impacted primarily by a higher operating result.

Net cash flow amounted to SEK 12,436 (2,180) million. Net cash debt at December 31, 2021 was SEK 2,346 (-10,278) million.

The term to maturity of the total loan portfolio at December 31 averaged 6.2 (4.7) years, with an average fixed interest period of 1.2 (0.9) years.

Cash and cash equivalents were SEK 13,796 (7,051) million and non-utilized credit facilities were SEK 8,605 (14,471) million, which combined corresponds to 23% (33%) of the full year's revenue.

Operating cash flow and net debt

SEK millions	2021	2020
Operating profit before depreciation/amortization	22,094	3,364
Change in working capital	-5,485	1,570
Maintenance expenditures	-2,053	-1,622
Other	741	147
Operating cash flow	15,296	3,460
Financial items	-373	-545
Taxes	-1,357	-56
Cash flow from current operations	13,566	2,859
Strategic expenditures in plant and machinery	-835	-582
Acquisition of shares and operations	130	-231
Divestment of shares and operations	-	143
Cash flow before dividend	12,602	2,189
Dividend paid to shareholders	-	-
Dividend, non-controlling interest	-9	-9
Acquisition shares from non-controlling interest	-157	-
Net cash flow	12,436	2,180
Net debt at beginning of period	-10,278	-11,696
Net cash flow	12,436	2,180
Other ¹⁾	188	-762
Net cash (+)/debt (-) at the end of period	2,346	-10,278

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



Return on capital employed/equity

Return on capital employed before tax for the full year 2021 was 27% and return on equity after tax was 23%, whereas the corresponding figures for the full year 2020 were 2% and -1% respectively.

Equity

With earnings of SEK 14,662 (-510) million and other comprehensive income (mostly consisting of translation differences) of SEK 4,906 (-5,817) million, shareholders' equity in the company amounted to SEK 73,477 (53,987) million, equating to SEK 71.35 (52.42) per share.

Assets with undeterminable useful life

During 2021, SSAB Special Steels assumed responsibility for the steel mill in Mobile, Alabama from SSAB Americas, resulting in a reallocation of goodwill between the two cash-generating units. Consolidated assets with undeterminable useful life are allocated to the Group's cash-generating units as shown in the table below.

Assets with an undeterminable useful life per cash-generating unit

SEK millions	2021 31 Dec	2020 31 Dec
SSAB Special Steels	16,464	2,813
SSAB Americas	11,119	22,325
SSAB Europe	2,130	2,085
Tibnor	523	512
Ruukki Construction	140	140
Total goodwill	30,375	27,872
Ruukki Construction (Rautaruukki trade name)	405	397
Total assets with an undeterminable useful life¹⁾	30,780	28,269

¹⁾The change in values compared to the previous year is mainly due to currency effects.

Assets with an undeterminable useful life are tested for impairment each year towards the end of the fourth quarter and in the case of an indication of decline in value. The impairment test showed no need for an impairment charge. For more information about goodwill, see [Note 6](#) and [30](#).

Dividend and allocation of profit

A dividend is proposed of SEK 5.25 (0.00) per share. Consideration relating to proposed allocation of profit in [Note 33](#). Proposed allocation of profit on p. [211](#) is part of the Board of Director's Report.

Business segments

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

During 2021, SSAB Special Steels assumed responsibility for SSAB's steel mill in Mobile, Alabama from SSAB Americas. The change is in line with SSAB strategy to continue to grow and be a leader within special steel in the global market. The new organizational set up will provide a specialization of the American sites, following a clearer focus for future development and investments. All reference figures have been restated accordingly to reflect the new structure.

SSAB Special Steels

SSAB Special Steels has global responsibility for the marketing and sales of all SSAB's quenched and tempered steels (Q&T) and hot-rolled, advanced high-strength steels (AHSS) with yield strengths of 690 MPa and above. SSAB Special Steels is responsible for steel and rolling production in Oxelösund (Sweden) and Mobile (USA), as well as for sales of the aforementioned products made in Raabe (Finland) and Borlänge (Sweden). When SSAB Special Steels sells steels made by another division, the revenue is reported by SSAB Special Steels and the accounts are settled between the divisions at the cost of goods sold.

SSAB Europe

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment (cold-rolled strip). SSAB Europe is responsible for steel and plate production in Raabe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

SSAB Americas

SSAB Americas has profit responsibility for heavy plate in North America, and for steel and plate production in Montpelier, USA.

Tibnor

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

Ruukki Construction

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

The information in the tables on p. 117-121 excludes the depreciation/amortization on surplus values on tangible and intangible assets relating to the acquisitions of IPSCO and Rautaruukki.

For more information about business segments, see [Note 28](#).

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss		
	2021	2020	Change	2021	2020 ¹⁾	Change
SSAB Special Steels	23,510	16,201	7,309	4,624	1,470	3,154
SSAB Europe	42,311	27,954	14,357	8,095	-1,113	9,208
SSAB Americas	20,680	13,239	7,441	5,412	-257	5,669
Tibnor	12,377	8,241	4,136	1,533	96	1,438
Ruukki Construction	5,999	5,516	483	599	314	285
Other	-	-	-	-1,191	-489	-702
Depreciation/Amortization surplus values	-	-	-	-235	-346	111
Group adjustments	-8,986	-5,754	-3,231	-	-	-
Total	95,891	65,396	30,495	18,837	-325	19,162

¹⁾ The operating result for SSAB Special Steels and SSAB Americas has been restated due to the reorganization of the steel mill in Mobile, USA during the third quarter of 2021.

SSAB Special Steels

Full year in brief

- Shipments increased to 1,462 (1,127) thousand tonnes
- EBITDA margin up to 24% (16%)
- Operating result increased to SEK 4,624 (1,470) million

Key figures

SEK millions	2021	2020
Revenue	23,510	16,201
Operating profit before depreciation/amortization, EBITDA	5,567	2,604
Operating profit ¹⁾	4,624	1,470
Operating profit according to IFRS	4,558	1,395
Operating cash flow	3,916	2,372
Number of employees at end of period	3,922	3,806

¹⁾ Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values during 2021 was SEK 65 (75) million.

Revenue and operating result

Revenue for 2021 was up 45% compared with 2020 and amounted to SEK 23,510 (16,143) million. Higher volumes had a positive impact of 30 percentage points, higher prices had a positive effect of 22 percentage points, while currency effects had a negative effect of 7 percentage points.

The operating result for 2021 was SEK 4,624 (1,470) million, up SEK 3,154 million compared with 2020. Higher prices, higher volumes, lower variable costs as well as higher capacity utilization affected positively, but was counteracted by higher fixed costs and negative currency effects.

Market trend

During 2021, the demand was generally strong, including the major customer segments Heavy Transport, Construction Machinery and Material Handling, which include mining related operations. During the fall of 2021, Heavy Transport had a certain negative impact on the lack of components.

Production and shipments

Crude steel production for 2021 was up 2% compared with 2020, but rolling production was down with 1%. External shipments of steel during 2021 were up 30% compared with 2020.

Production and shipments

Thousand tonnes	2021	2020
Crude steel production	2,312	2,307
Rolling production	1,667	1,687
Steel shipments	1,462	1,127

The figures for crude steel production and rolling production has been restated for 2020 to reflect the new setup involving the steel mill in Mobile, USA.

Cash flow and capital expenditure

Operating cash flow for 2021 was SEK 3,916 (2,372) million. Cash flow was impacted positively by operating profit, but was counteracted by higher working capital.

Capital expenditure payments during 2021 were SEK 1,153 (688) million, of which SEK 533 (300) million were strategic investments.

SSAB Europe

Full year in brief

- Shipments increased to 3,588 (3,314) thousand tonnes
- EBITDA margin increased to 23% (2%)
- Operating profit/loss increased to SEK 8,095 (-1,113) million

Key figures

SEK millions	2021	2020
Revenue	42,311	27,954
Operating profit before depreciation/amortization, EBITDA	9,640	554
Operating profit/loss ¹⁾	8,095	-1,113
Operating profit/loss according to IFRS	7,957	-1,356
Operating cash flow	5,893	702
Number of employees at end of period	6,705	6,701

¹⁾ Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values during 2021 was SEK 138 (243) million.

Revenue and operating result

Revenue was up 51% compared with 2020 and amounted to SEK 42,311 (27,954) million. Higher prices had a positive impact of 43 percentage points, higher volumes had a positive impact of 8 percentage points, other revenue had a positive impact of 2 percentage points and a better product mix had a positive effect of 1 percentage point, while currency effects had a negative effect of 3 percentage points.

The operating result for 2021 increased to SEK 8,095 (-1,113) million, up SEK 9,208 million compared with 2020. Higher prices, higher capacity utilization, higher lower volumes and currency effects had a positive impact, but was counteracted by lower variable as well as fixed costs.

Market trend

During the first half of 2021, demand was strong, including the customer segment Automotive, with customers needing to restock inventory. During the fall of 2021, the customer segments Automotive and Heavy Transport was affected by lower production at customers due to the lack of semiconductors. Despite lower demand during the latter part of the year, SSAB's shipments of high-strength steels to the automotive industry reached a new record level for the full year of 2021.

Production and shipments

Both crude steel production and rolling production were up 15% during 2021 compared with 2020.

External shipments of steel during 2021 were up 8% compared with 2020.

Production and shipments

Thousand tonnes	2021	2020
Crude steel production	4,635	4,046
Rolling production	4,741	4,111
Shipments	3,588	3,314

Production figures include high-strength steel made for SSAB Special Steels. These volumes are not included in SSAB Europe's shipments.

Cash flow and capital expenditure

Operating cash flow for 2021 amounted to SEK 5,893 (702) million. Cash flow was impacted positively by higher operating profit, but was counteracted by higher working capital.

Capital expenditure payments during 2021 were SEK 1,299 (1,280) million, of which SEK 164 (230) million were strategic investments.

SSAB Americas

Full year in brief

- Shipments amounted to 1,871 (2,019) thousand tonnes
- EBITDA margin increased to 27% (-1%)
- Operating result amounted to SEK 5,412 (-257) million

Key figures

SEK millions	2021	2020
Revenue	20,680	13,239
Operating profit/loss before depreciation/amortization, EBITDA	5,587	-63
Operating profit/loss ¹⁾	5,412	-257
Operating profit/loss according to IFRS	5,406	-261
Operating cash flow	4,922	222
Number of employees at end of period	644	646

¹⁾ Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values during 2021 was SEK 6 (4) million.

Revenue and operating result

Revenue increased by 56% compared with 2020 and amounted to SEK 20,680 (13,239) million. Higher prices had a positive effect of 72 percentage points and other sales a positive effect of 1 percentage point, while lower volumes had a negative effect of 7 percentage points and currency effects a negative effect of 10 percentage points.

The operating result for 2021 was SEK 5,412 (-257) million, an increase of SEK 5,669 million compared with 2020. Higher earnings were mainly attributable to higher prices, but was counteracted by lower variable and fixed costs, negative currency effects and lower volumes.

Market trend

The North American heavy plate market began 2021 with strong demand in several customer segments, including some support for inventory restocking among customers. Demand continued to remain good during the second half of 2021, however SSAB's shipments during the fourth quarter of 2021 were negatively affected by the planned maintenance outage in Mobile, as well as difficult weather conditions in combination with lack of transport capacity.

Production and shipments

Crude steel production during 2021 was up 4% compared with 2020 and rolling production was up 2% compared with 2020. External shipments of steel were down 7% compared with 2020.

Production and shipments

Thousand tonnes	2021	2020
Crude steel production	1,233	1,182
Rolling production	1,160	1,140
Shipments	1,871	2,019

Shipments figures include heavy plate made at SSAB Special Steels' steel mill in Mobile but sold by SSAB Americas. From the third quarter of 2021 onwards, the steel mill in Mobile is no longer part of SSAB Americas' organization and the reference figures have been restated accordingly to reflect this.

Cash flow and capital expenditure

Operating cash flow during 2021 amounted to SEK 4,922 (222) million. The cash flow was impacted positively by the operating profit, but was counteracted by higher working capital.

Capital expenditure payments during 2021 amounted to SEK 149 (74) million, of which SEK 10 (0) million was strategic investments.

Tibnor

Full year in brief

- The operating result rose to SEK 1,533 (96) million

Key figures

SEK millions	2021	2020
Revenue	12,377	8,241
Operating profit before depreciation/amortization, EBITDA	1,680	240
Operating profit ¹⁾	1,533	96
Operating profit/loss according to IFRS	1,512	70
Operating cash flow	500	186
Shipments, thousand tonnes	869	781
Number of employees at end of period	1,007	981

¹⁾ Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values during 2021 was SEK 21 (25).

Revenue and operating result

Revenue increased by 50% compared with 2020 and amounted to SEK 12,377 (8,241) million. The increase was attributable to higher prices and higher margins.

The operating result for 2021 was SEK 1,533 (96) million, up SEK 1,437 million compared with 2020. Higher earnings were primarily attributable to higher prices, lower variable costs and higher volumes, but was counteracted by higher fixed costs.

Market trend

The first part of 2021 was characterized by high activity and rising prices with a lack of availability for several product groups. The increase was driven, among other things, by a strong trend within the automotive industry. During the fall of 2021, certain customer segments were negatively affected by the lack of components. The construction related segments continued to develop well. The end of the year was somewhat affected by lower production at a number of customers due to the lack of components.

Cash flow and capital expenditure

Operating cash flow for 2021 amounted to SEK 500 (186) million. Cash flow was impacted positively by the higher operating profit, but counteracted by higher working capital.

Capital expenditure payments during 2021 amounted to SEK 75 (53) million, of which SEK 22 (7) million were strategic investments.

Ruukki Construction

Full year in brief

- Strong demand
- Operating result increased to SEK 599 (314) million

Key figures

SEK millions	2021	2020
Revenue	5,999	5,516
Operating profit before depreciation/amortization, EBITDA	762	484
Operating profit ¹⁾	599	314
Operating profit according to IFRS	597	318
Operating cash flow	466	481
Number of employees at end of period	1,403	1,362

¹⁾ Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values during 2021 was SEK 3 (-4).

Revenue and operating result

Revenue increased by 9% compared with 2020 and amounted to SEK 5,999 (5,516) million.

Operating result for 2021 amounted to SEK 599 (314) million. The improvement compared to 2020 was mainly due to higher volumes but higher margins contributed as well. Compared with 2020, the business area Building Systems had revenue of approximately SEK 600 million and a slightly positive result until it was divested in April 2020.

Market trend

During 2021, demand was strong and generally higher compared to recent years. In the beginning of 2021, there was a recovery in the markets that were negatively affected by Covid-19 during 2020, Central and Eastern Europe, the Baltics and Norway. During the fourth quarter of 2021, demand was seasonally weaker, but the underlying trend remained good in all major markets.

Cash flow and capital expenditure

Operating cash flow for 2021 amounted to SEK 466 (481) million. Cash flow was impacted positively by operating profit but affected negatively by higher working capital.

Capital expenditure payments during 2021 amounted to SEK 167 (88) million, of which SEK 106 (45) million were strategic investments. During 2021, the remaining 33% of the shares in Piristeel was acquired for SEK 127 million.

Capital expenditures, research and development

Capital expenditures

Capital expenditure payments during 2021 amounted to SEK 3,018 (2,292) million, of which SEK 965 (670) million were strategic investments, including acquisitions and divestment of businesses and operations.

Research and development

Research and development activities are focusing on areas that aim at increasing the profitability of SSAB. Close collaboration with strategic customers and customer segments providing conditions for a market-driven product development that creates increased value also for end-customers. This is particularly evident for SSAB's high-strength steels, where also technical customer support is an important part of research and development. Continuous work is also carried out with the development of the processes for increased cost efficiency, sustainable processes and energy conservation. During the year, research and development investments amounted to SEK 352 (312) million.

Environment

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

The most important environmental aspects for SSAB are:

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

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

Permitted production at the Swedish plants¹⁾

Thousand tonnes	Location	Permitted production	Production 2021	Production 2020
Coke	Luleå	800	533	668
	Oxelösund	530	355	349
Hot metal	Luleå ²⁾	-	2,017	1,963
	Oxelösund	2,000	975	883
Steel slabs	Luleå	2,500	1,887	1,890
	Oxelösund	1,900	1,034	941
Hot-rolled steel	Borlänge	3,200	2,180	1,932
	Oxelösund ³⁾	1,000	578	486
Pickled steel	Borlänge	2,500	1,346	1,133
Cold-rolled steel	Borlänge	1,400	699	577
Annealed steel	Borlänge	900	621	504
Organic-coated products	Köping	30	21	19
	Finspång ⁴⁾	40	36	31
Steel tubes	Virso	125	15	16

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

²⁾ Not regulated

³⁾ Delivery of plate

⁴⁾ Unit million m²

Sustainability report

In accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, SSAB AB has chosen to establish the statutory sustainability report as a separate report. Sustainability report covers SSAB AB Group and it is on p. [41–92](#) in this annual report.



Personnel

As of December 31, 2021, the number of employees (excluding temporary employees) amounted to 14,235 (13,974). The total compensation to employees, including social security expenses and pension cost, amounted to SEK 10,831 (9,755) million. Additional information about compensation to employees, see [Note 2](#).

Number of employees per business segment at year-end

	2021	2020
SSAB Special Steels ¹⁾	3,922	3,806
SSAB Europe	6,705	6,701
SSAB Americas ¹⁾	644	646
Tibnor	1,007	981
Ruukki Construction	1,403	1,362
Other	554	478
Total	14,235	13,974

¹⁾ Number of employees 2020 has been restated due to the reorganization of the steel mill in Mobile, Alabama.

Remuneration guidelines for senior executives

These remuneration guidelines include the CEO and other senior executives. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

SSAB's business strategy aims to be an industry leader in terms of both profitability and sustainability. SSAB's stated objective is to become the safest steel company in the world, adhere to high environmental standards and be a responsible partner to all stakeholders. A more detailed description of the business strategy can be found on p. [20-23](#).

A successful implementation of the business strategy and the safeguarding of SSAB's long-term interests require that we can recruit and retain qualified employees. For this, we must be able to offer competitive

remuneration. These guidelines are intended to offer senior executives a competitive total remuneration, which in turn promotes the company's business strategy, long-term interests and sustainability.

Types of remuneration, etc.

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

The satisfaction of criteria for variable cash remuneration shall be measured over a period of one year for STI and three years for LTI. STI may amount to not more than 75% of the fixed annual cash salary for the CEO and not more than 50% for other senior executives. LTI may amount to not more than 30% of the fixed annual cash salary for the CEO and other senior executives.

For the CEO and other senior executives pension benefits shall be contribution-based except in those cases where so provided in the rules of a general pension plan (e.g. the Swedish ITP2 plan). The retirement age should be set individually, however, in no case earlier than the age of 62. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. Variable cash remuneration shall not qualify for pension benefits, except in those cases where so provided in the rules of a general pension plan. The pension premiums shall amount to not more than 50 % of the annual pensionable salary.

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

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

Termination of employment

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

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

Criteria for variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including sustainability.

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

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

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

For the CEO, STI shall comprise at least 85% of group objectives and the remainder of individual objectives. For senior executives with clear own profit responsibility, STI shall comprise at least 45% of unit objectives, up to a

maximum of 15% of individual objectives and the remaining part of Group objectives. For other senior executives, STI shall consist of at least 70% of Group objectives, up to a maximum of 15% of individual objectives and the remaining part of unit objectives.

LTI shall to 40%–60% be linked to the total return on the SSAB share in relation to a comparison group of the company's competitors and the remaining part shall be linked to a Group-wide financial objective such as return on capital employed, own EBITDA level or EBITDA margin. However, for employees in division Americas, 20%–40% of LTI shall be linked to SSAB Americas own earnings and return on capital employed.

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

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

To which extent the objectives for variable cash remuneration has been satisfied shall be evaluated when the measurement period has ended. Following a proposal from the remuneration committee, the Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the Remuneration Committee is responsible for the evaluation in consultation with the CEO. When the Board of Directors assesses how the financial objectives have been met, this should be done against the latest published financial information with any adjustments that the Board of Directors considers necessary or appropriate.

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



Salary and employment conditions for employees

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

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

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

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

Derogation from the guidelines

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



Risk management

SSAB's earnings and financial position are impacted by many factors, many of which are beyond the company's control and can affect SSAB either positively or negatively. Prudent risk management supports the achievement of SSAB's strategic objectives and targets, and ensures the continuity of operations also in changing circumstances.

Risk governance and management process

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

SSAB's Enterprise Risk Management process is integrated in the annual strategy process and is managed by the Chief Financial Officer. This includes an annual risk assessment conducted by the divisional and subsidiary managers as part of their strategy process. The result of the Group risk assessment is reported to the Audit Committee and to the Board of Directors.

SSAB's insurance function is tasked with procuring Group-wide protection for the insurable risks. The Group's treasury function manages financial risks centrally. SSAB's internal control function supports the divisions in identifying risk areas and establishing control processes to mitigate identified risk areas. SSAB's internal audit function conducts audits of SSAB's operations, including internal controls and processes, and recommends improvements. SSAB's internal audit reports directly to the Audit Committee. For full information about the Group's internal audit function, see the Corporate Governance Report. Sustainability risks are integrated into the strategy and risk management processes. All SSAB production sites are certified according to ISO 14001, in which risks are addressed.

Risk assessment

The purpose of SSAB's Enterprise Risk Management is achieving SSAB's strategies and targets and ensuring business continuity, even in the event of turbulence in the global steel market. The risk assessment assesses two types of risks:

- 1. Internal risks:** originate from activities and situations that SSAB has influence over
- 2. External risks:** based on external developments over which SSAB has no or limited control.

The risk level of a certain risk is calculated based on the estimated impact (financial/reputational) and likelihood (probability of occurrence) based on a specific classification system.

Operational risks

Internal risks

The top internal risks are briefly commented and presented in order of magnitude including associated planned and ongoing mitigation activities.

Risk factor	Risk description	Mitigation
Major production disruption at one of the seven steel mills	The steel production process is dependent on the continuous operation of critical production equipment, and production downtime may occur because of unanticipated mechanical failures or other events. Disruptions to this production process chain could have a material adverse effect on SSAB's operations and customer service levels.	Mitigating actions for mechanical failures include preventive equipment and system risk assessments, and keeping spare parts to reduce the downtime. Mitigations to process risks include maintaining stocks of crucial raw materials, products in progress and finished products as well as analyzing our vendors and incoming flows. In order to minimize costs, there are business continuity plans as well as property damage insurance and business disruption insurance in place. Continuity plans also include measures to protect personnel within critical functions, for example during a pandemic.
Information system (IT) security breaches and/or breakdowns	SSAB is dependent on an efficient IT infrastructure. SSAB's reputation and business could be materially harmed because of data breaches, data theft, unauthorized access or successful hacking.	SSAB has a cyber-security program in place to reduce the probability and impact of this risk, including risk assessments to legacy systems, training and awareness activities, and building and installed a Security Operation Center (SOC) as well as tools to detect any malicious attempts or anomalies.

Operational risks cont.

Risk factor	Risk description	Mitigation
Failure to attract, retain and develop needed competences and talents	SSAB's ability to continue to maintain and grow its business as well as provide high-quality products depends on the contributions of its management team and motivated qualified employees throughout the organization.	SSAB is running several programs to improve attractiveness as an employer, e.g. through collaborations with universities, nurturing talents with long-term career planning, and active succession planning.
Serious safety hazards and personnel accident(s)	As a manufacturing company, SSAB is subject to the risk of industrial accidents that could lead to production stoppages, the loss of key assets and employees (and those of subcontractors and suppliers) or injuries to persons living near affected sites.	SSAB's Health and Safety program is governed by Directives and Instructions, implemented throughout the company. Fundamental safety measures are continuously taken and constitute the practices and actions mentioned in SSAB One, for example, risk assessments and continuous preventive training of employees and contractors. Read more about safety management on p. 57 .

Operational risks cont.

Risk factor	Risk description	Mitigation
Loss of major customer and market share	Our customers may experience problems, due to, for example, an economic downturn, that leads to significantly lower business for SSAB, or the customer may opt for a competitor.	To reduce the risk, SSAB's sales organizations continue to work on customer mix and segments, and maintain close collaboration with our customers to understand demand swings and new needs.
Employees committing fraud and/or engaged in corruption activities	Failure to address corruption, bribery and other issues related to business ethics could have negative impacts on SSAB's reputation and brand.	Anti-corruption and business ethics at SSAB are governed by SSAB's Code of Conduct and ethics and compliance program. Actions to minimize the risk include defined and enforced policies, continuous training, internal governance and ongoing work to ensure that breaches of the Code of Conduct and policies are reported and properly investigated. Violations can be reported anonymously through a whistle-blower system (the Ethics Line). Read more on p. 69 .
Insufficient delivery performance to customers	The lead time to customers is heavily dependent on the smooth running of the steelmaking process. Production disruptions can affect the delivery performance to customers.	SSAB has taken several measures to reduce the probability of this occurring, for example by improving production stability and forecasting, accurate order processing, and increasing mill-to-mill flexibility.

Operational risks cont.

External risks

By their very nature, these external risks are harder to mitigate although certain mitigations can limit their impact. The external risks are briefly commented on and presented in order of magnitude below.

Risk factor	Risk description	Mitigation
Economic downturn/worsened steel demand in SSAB markets	The steel industry is sensitive to fluctuations in the business cycle, where changing demand combined with relatively fixed capacity leads to rapid movements in prices and margins.	SSAB focuses on specific markets in order to be the customers' supplier of choice in all business cycles. This includes our home markets, as well as high-strength steels segments globally, where demand is typically more stable. A continuous focus on developing special and premium niche products will enable SSAB to maintain and strengthen its position in relation to its competitors. In addition, a strong financial position is making SSAB more resilient to possible downturns.
Fluctuating/increasing raw material and energy prices	Raw materials are priced in the world market and prices generally vary in accordance with the availability of such raw materials and the demand for steel.	Price volatility has increased in recent years primarily because of fluctuating customer demand globally, supply shortages of raw materials and price speculation. SSAB aims to develop raw material supplies, e.g. various scrap grades, and secure dual source supply where possible. Limited volume of iron ore purchases are price-hedged. Most of the price risk in electricity is hedged through electricity derivatives - and physical delivery.
Steel price volatility	The development of steel prices directly affects SSAB's profitability. Steel prices fluctuate according to macroeconomic factors and are largely sensitive to the cyclical nature of the business sectors that are the principal consumers of steel.	To lower the impact of decreasing steel prices, SSAB aims to secure a proper mix of contract business, and to maintain the perception as a premium steel supplier to improve the ability to move the price volatility downstream.

Operational risks cont.

Risk factor	Risk description	Mitigation
Risks in the global trade system	SSAB's core markets continue to be exposed to global trade and pricing practices. Potential unfair trading practices, such as dumping and/or government subsidies, may impact SSAB's ability to compete with other producers and affect SSAB's operational and financial performance.	Actions by SSAB include advocating fair and free trade, and amending our sales strategy based on trade policy to secure SSAB's market position in core markets.
Global supply chain and sourcing disruptions	Steel production requires substantial amounts of raw materials, including iron ore, scrap metal, metallurgical coal, injection coal, coke and alloys. Failure to secure availability of raw materials could have an adverse effect on SSAB's operational and financial results.	To mitigate this risk, the purchasing function continues to work to diversify raw material sourcing i.e. to avoid single sourcing of material, but also to form closer collaboration with suppliers to better understand disturbances and identify redundancy plans for critical input materials.
Competitor activities/ innovation severely impacting the competitiveness of SSAB's offering	The markets in which steel companies operate are highly competitive. SSAB may be affected by new production technologies, products, services and customer offerings developed by competitors.	To remain competitive, SSAB invests in new production technologies and R&D to spur product development. Furthermore, SSAB continues with our home market strategies and automotive focus, but also works on downstream joint ventures and acquisitions.

Operational risks cont.

Risk factor	Risk description	Mitigation
Uncertainties regarding development of the price of CO₂ emissions	Within the EU, the ETS system sets a price for CO ₂ emissions and the cost for the steel industry is estimated to increase, as the free allocation is gradually reduced. There are plans to mitigate higher relative production costs in the EU with a carbon border adjustment mechanism, given the lack of a global price on CO ₂ emissions.	SSAB is operating one of the most CO ₂ -efficient blast furnace operations in Europe, which reduces the need for additional allowances. In addition, SSAB has been buying allowances in the market on a regular basis since 2018. SSAB is working actively to promote a global price for CO ₂ emissions. SSAB is actively working on the conversion to fossil-free production, earlier than the original plan.
Risk of delays in converting to fossil-free steelmaking	SSAB has started work on converting to fossil-free steelmaking, replacing the blast furnaces with electric arc furnaces. In addition, HYBRIT is building a demonstration plant for the production of fossil-free sponge iron. This will require environmental permits as well as access to sufficient and stable power. Due to long and unpredictable processes, there is a risk that the conversion might be delayed if permits are not obtained in time and stable electricity cannot be supplied.	SSAB's applications are based on an extensive analysis, often in cooperation with external experts and we work closely with key suppliers and other important stakeholders. SSAB also keeps an active dialogue with local society to get a good understanding of the conditions.
Risk in scaling up HYBRIT technology	HYBRIT technology is a cornerstone in SSAB's strategy to deliver fossil-free steel to the market in 2026. There are a number of risks in the next phase, industrialization of the technology, for example the ability to produce steel on commercial terms.	The HYBRIT project is run in a systematic way, starting with a pre-feasibility study in 2016 and pilot plant trials starting in 2020, continuously examining and honing the technology. The demonstration plant in Gällivare for the production of fossil-free sponge iron will be completed in 2025, at the same time as the conversion of SSAB's blast furnace in Oxelösund, Sweden, is planned to be finalized. Being defined as a breakthrough technology for the steel industry, the HYBRIT-project has been granted support from the EU Innovation Fund.

Operational risks cont.

Risk factor	Risk description	Mitigation
Increased environmental regulation – energy, water, landfills, etc.	As environmental legislation and regulations are amended, SSAB may be faced with the costs of complying with new and more stringent regulations.	To mitigate this challenge, SSAB continues government relations work, legislative tracking and participation in discussions to provide input on potential new regulations.
Business partners (customer or supplier) violating our ethical and compliance standards	SSAB brand and reputation as a responsible company could be negatively impacted if one or several of our business partners failed to meet our standards on business ethics. Risk of fines for violating laws.	Continuous assurance of compliance with SSAB Supplier Sustainability Policy through risk assessments and audits. Ongoing assessments regarding business ethics (mainly agents and distributors in high-risk areas). The process includes corruption risk assessments and training and awareness activities. Implementation of a sanction-screening tool.
Increased severity and frequency of extreme weather events such as cyclones and floods	Extreme weather, hurricanes, forest fires, and flooding can have a negative impact on SSAB operations, and on the demand for SSAB products.	SSAB takes physical climate risks into consideration in new investment decisions, process development and supply chain and production planning.
Global steel overcapacity continues to grow	Excess steel production capacity has been impacting steel industry dynamics since the financial crisis of 2008.	SSAB's mitigating strategies include participating in industry associations to promote the use of steel, working with the customer mix and investing in downstream activities.

Financial risks and sensitivity analysis

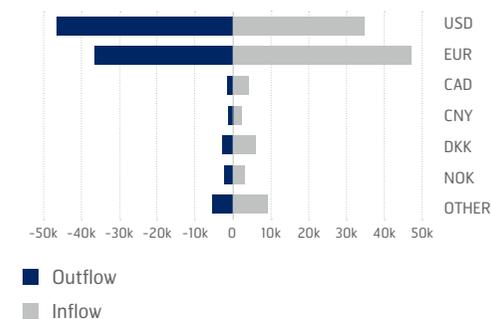
SSAB's financial risks are presented in more detail in [Note 29](#) to the financial statements.

Risk factor	Risk description	Mitigation
Refinancing risk/liquidity risk	Refinancing risk/liquidity risk means the risk of SSAB being unable to pay its obligations due to insufficient liquidity or difficulties in raising new loans.	The borrowing strategy is focused on securing the Group's needs for loan financing with regard to long-term loans and SSAB's day-to-day payment obligations to its lenders and suppliers. Borrowing takes place primarily through the Parent Company, taking into consideration the Group's financial targets. In order to minimize the refinancing risk, the objective is that long-term loans will have an even maturity and an average term to maturity in excess of three years. The liquidity buffer (i.e. non-utilized, binding credit facilities, as well as cash and cash equivalents) shall, depending on the net debt/equity ratio, exceed 5%-10% of the Group's sales.

Market risk	Market risks comprise the risk of the Group's earnings or financial position being affected by movements in market prices, such as interest rates and exchange rates.	Interest rate risks: The Group's interest rate risks relate to movements in market interest rates and their impact on the debt portfolio. The average fixed-rate term in the total debt portfolio should be approximately 1 year but is permitted to vary between 0.5 and 2.5 years.
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Currency flow 2021

SEK millions



Currency risks: SSAB's currency exposure, related to translation exposure, largely relates to the translation risk regarding net assets of foreign subsidiaries. This exposure is partly hedged through borrowing in foreign currency. The objective is to minimize the foreign exchange impact on the net debt/equity ratio. These hedges were closed during the year in accordance with SSAB's directive regarding financial risk management due to the heavy reduction in net debt. The Swedish krona (SEK) is the base currency. In order to manage the transaction risk, contracted commercial currency flows are hedged. Major investments and projects decided upon in foreign currency are hedged. The Group's most important currency flows are shown in the adjacent diagram.

Credit risk	Credit risk means the risk of losses due to the Group's customers or counterparties in financial contracts being unable to perform their payment obligations.	Financial counterparties are selected based on Standard & Poor's and Moody's current ratings for long-term borrowing and taking into account the Group's reciprocal commercial relations with the relevant counterparty. The minimum acceptable ratings for financial instruments are A- from Standard & Poor's or A3 from Moody's. Credit risks associated with accounts receivable and other claims are managed in each division and subsidiary, taking into account the Group's credit directive.
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Sensitivity analysis

The approximate full year effect on the profit after financial items and earnings per share of changes in significant factors is shown in the sensitivity analysis below.

	Change, %	Effect on profit/loss before tax, SEK millions	Effect on earnings per share, SEK ²⁾	Effect on equity, SEK million ²⁾
Steel price – steel operations	+/- 10	+/- 7,910	+/- 6.10	+/- 6,281
Volume – steel operation ¹⁾	+/- 10	+/- 2,640	+/- 2.04	+/- 2,096
Iron ore prices	+/- 10	+/- 1,370	+/- 1.06	+/- 1,088
Coal prices	+/- 10	+/- 340	+/- 0.26	+/- 270
Scrap metal prices	+/- 10	+/- 1,020	+/- 0.79	+/- 810
Interest rate	+/- 1%-point	+/- 60	+/- 0.05	+/- 48
Swedish Krona ³⁾	+/- 5	+/- 830	+/- 0.64	+/- 659

¹⁾ Excluding the effect of lower capacity utilization (underabsorption).

²⁾ Calculated based on a 20.6% tax rate.

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



Shares

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

Share capital

As of December 31, 2021, there are in total 1,029,835,326 shares in SSAB, of which 304,183,270 class A shares, corresponding to 304,183,270 votes, and 725,652,056 class B shares, corresponding to 72,565,205.6 votes, 376,748,475.6 votes in total. Each class A share carries one vote and each class B share carries one tenth of one vote. SSAB's share capital is SEK 9,063 million. The quotient value per share is SEK 8.80.

Ownership structure

At year-end 2021, SSAB had 152,352 shareholders.

SSAB's three largest owners in terms of voting rights at year-end 2021 were:

- LKAB 16.1%
- Government of Finland 8.0%
- Folksam 5.2%

The ten largest identified owners together owned approximately 39.7% of the voting capital and 31.0% of the share capital at the end of December 2021. Owners outside Sweden and Finland accounted for 18.3% of voting rights and 17.7% of the total number of shares. More information on p. [218](#).

Corporate Governance Report

The Corporate Governance Report is not part of the Board of Director's Report. The Corporate Governance Report and the related auditor's report are available on p. [93](#) in Annual Report 2021.

Outlook

Demand for steel during the first quarter of 2022 is estimated to be good, albeit with continued uncertainty associated with a shortage of components as well as bottlenecks in logistics chains, not least in the light of the spread of Covid-19. Global demand for high-strength steel is estimated to be good during the first quarter in more or less all markets.

In the beginning of February 2022, one of the blast furnaces at SSAB's steel mill in Raabe, Finland had to be shut down for unplanned repairs. The outage will result in lost production and shipments, as well as repair costs. The earnings of SSAB Europe are expected to be impacted negatively by around SEK 600 million in the first quarter of 2022.

Major planned maintenance outages 2022

The Group's total maintenance costs for the full year 2022 are expected to be SEK 1,040 million, compared to SEK 1,270 million in 2021. The lower figure for 2022 is explained primarily by SSAB Special Steels, where the steel mill in Mobile has a maintenance outage only every other year. The table below shows the major planned maintenance outages for 2022 and the costs of outages completed during 2021. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (under absorption), but exclude lost margins.

Major planned maintenance outages in 2022

SEK millions	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 Full year	2021 Full year	2020 Full year
SSAB Special Steels	-	-	-	320	320	590	250
SSAB Europe	-	-	230	120	350	430	335
SSAB Americas	-	-	-	370	370	250	220
Total	-	-	230	810	1,040	1,270	805

Statements

Consolidated statement of profit or loss

SEK millions	Note	2021	2020
Revenue	1	95,891	65,396
Costs of goods sold	2	-72,425	-61,617
Gross profit		23,466	3,780
Selling expenses	2	-2,125	-1,975
Administrative expenses	2	-2,494	-2,099
Other operating income	1	962	769
Other operating expenses	2	-949	-799
Shares in earnings of affiliated companies and joint ventures after tax	3	-22	-1
Operating profit		18,837	-325
Financial income	4	2,095	2,130
Financial expenses	4	-2,516	-2,607
Profit after financial items		18,416	-802
Taxes	5	-3,743	312
Profit for the year		14,673	-490
Of which attributable to:			
- Parent Company's shareholders		14,662	-510
- Non-controlling interests		11	20
Earnings per share¹⁾	12	14.24	-0.50
Dividends per share, 2021 – proposal	33	5.25	0.00

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

Consolidated statement of comprehensive income

SEK millions	Note	2021	2020
Profit for the year		14,673	-490
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Translation differences	12	4,745	-6,252
Cash flow hedges	12	348	-131
Hedging of currency risks in foreign operations ²⁾	12	-218	778
Tax attributable to items that may be subsequently reclassified to the income statement	5, 12	-25	-181
Total items that may be subsequently reclassified to the income statement		4,850	-5,787
Items that will not be reclassified to the income statement			
Re-measurement of the net defined benefit liability		71	-38
Tax attributable to items that will not be reclassified to the income statement	5	-12	2
Total items that will not be reclassified to the income statement		59	-35
Total other comprehensive income for the year, net after tax		4,909	-5,823
Total comprehensive income for the year		19,581	-6,312
Of which attributable to:			
• Parent Company's shareholders		19,568	-6,327
• Non-controlling interest		13	15

²⁾ Hedging is structured such that the net/equity ratio is unchanged in the event of changed exchange rates.

Consolidated statement of financial position

SEK millions	Note	2021 31 Dec	2020 31 Dec
ASSETS			
Fixed assets			
Intangible assets	6	31,455	28,896
Tangible fixed assets	7	23,044	22,022
Right-of-use assets	21	2,457	2,344
Financial assets	3, 8, 13	1,559	1,348
Deferred tax receivables	14	309	233
Total fixed assets		58,824	54,843
Current assets			
Inventories	9	25,599	17,444
Accounts receivable	29	10,870	6,905
Prepaid expenses and accrued income	10	1,088	661
Current tax receivables		452	417
Other current interest-bearing receivables	11, 19	987	896
Other current receivables	29	403	385
Cash and cash equivalents	11, 19	13,796	7,051
Total current assets		53,195	33,759
TOTAL ASSETS		112,019	88,601

SEK millions	Note	2021 31 Dec	2020 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	12	9,063	9,063
Other contributed funds		23,022	23,022
Reserves	12	6,095	1,247
Retained earnings including profit for the year		35,298	20,655
Total equity for the shareholders in the Parent Company		73,477	53,987
Non-controlling interests		31	109
TOTAL EQUITY		73,508	54,096
Long-term liabilities			
Pension provisions	13, 19	452	492
Deferred tax liabilities	14	1,476	376
Other long-term provisions	15	179	166
Long-term interest-bearing liabilities	16, 19	8,492	9,031
Other long-term non-interest-bearing liabilities	17	218	316
Lease liabilities	21	1,920	1,801
Total long-term liabilities		12,736	12,181
Current liabilities			
Short-term provisions	15	56	56
Short-term interest-bearing liabilities	16, 19	1,430	5,960
Lease liabilities	21	670	652
Accounts payable	29	16,219	11,068
Current tax liabilities		1,662	233
Other current liabilities	29	1,275	1,045
Accrued expenses and deferred income	18, 29	4,462	3,311
Total current liabilities		25,774	22,324
TOTAL EQUITY AND LIABILITIES		112,019	88,601

Consolidated statement of changes in equity

SEK millions	Note	2021						2020							
		Equity attributable to the Parent Company's shareholders					Non-controlling interest	Total equity	Equity attributable to the Parent Company's shareholders					Non-controlling interest	Total equity
		Share capital	Other contributed funds	Reserves	Retained earnings incl. profit for the year	Total			Share capital	Other contributed funds	Reserves	Retained earnings incl. profit for the year	Total		
Equity, January 1		9,063	23,022	1,247	20,655	53,987	109	54,096	9,063	23,022	7,028	21,202	60,314	103	60,417
Translation differences	12	-	-	4,742	-	4,742	2	4,745	-	-	-6,246	-	-6,246	-5	-6,252
Cash flow hedges	12	-	-	348	-	348	-	348	-	-	-131	-	-131	-	-131
Tax attributable to cash flow hedges	5, 12	-	-	-70	-	-70	-	-70	-	-	26	-	26	-	26
Hedging of currency risks in foreign operations		-	-	-218	-	-218	-	-218	-	-	778	-	778	-	778
Tax on hedging of currency risks in foreign operations	5, 12	-	-	45	-	45	-	45	-	-	-207	-	-207	-	-207
Re-measurement of the net defined benefit liability	13	-	-	-	71	71	-	71	-	-	-	-38	-38	-	-38
Tax on re-measurements of the net defined benefit liability	5	-	-	-	-12	-12	-	-12	-	-	-	2	2	-	2
Profit for the year		-	-	-	14,662	14,662	11	14,673	-	-	-	-510	-510	20	-490
Total comprehensive income		-	-	4,848	14,721	19,568	13	19,581	-	-	-5,781	-545	-6,327	15	-6,312
Investments, non-controlling interest		-	-	-	-78	-78	-82	-160	-	-	-	-	-	-	-
Dividend, Parent Company's shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend, non-controlling interest		-	-	-	-	-	-9	-9	-	-	-	-	-	-9	-9
Equity, December 31		9,063	23,022	6,095	35,298	73,477	31	73,508	9,063	23,022	1,247	20,655	53,987	109	54,096

Consolidated statement of cash flows

SEK millions	Note	2021	2020
BUSINESS OPERATIONS			
Profit from operating activities			
Operating profit		18,837	-325
Reversal of non-cash items			
• Non distributed shares in affiliated companies' earnings		22	-9
• Depreciation, amortization and write-down of fixed assets	6, 7	3,257	3,689
• Profit/loss upon sale of fixed assets		-1	46
• Profit/loss upon sale of shares and operations		-	-15
• Change in provisions		5	-136
• Other reversals		-32	146
Interest received		139	111
Interest paid		-512	-655
Tax paid		-1,357	-56
		20,358	2,796
Working capital			
Inventories		-7,566	2,101
Accounts receivable		-3,667	-415
Accounts payable		4,762	-447
Other current receivables		-326	177
Other current liabilities		1,311	154
		-5,485	1,570
CASH FLOW FROM OPERATING ACTIVITIES		14,873	4,366

SEK millions	Note	2021	2020
INVESTING ACTIVITIES			
Investments in plant and machinery	6, 7	-3,382	-2,204
Divestment of plant and machinery	6, 7	1,235	114
Investments/acquisitions of shares and operations	8, 25	-130	-233
Divested shares and operations	26	-	143
Other investing activities		5	1
CASH FLOW FROM INVESTING ACTIVITIES		-2,272	-2,178
FINANCING ACTIVITIES			
Dividend, to shareholders		-	-
Dividend, non-controlling interest		-9	-9
Investments, non-controlling interest		-157	-
New loans	27	4,337	13,924
Repayment/amortization of loans	27	-10,011	-10,622
Financial investments		-133	-715
Other financing		944	-1,893
CASH FLOW FROM FINANCING ACTIVITIES		-5,029	685
CASH AND CASH EQUIVALENTS			
Balance, January 1		7,051	3,597
Cash flow from operating activities		14,873	4,366
Cash flow from investing activities		-2,272	-2,178
Cash flow from financing activities		-5,029	685
Translation differences, cash and cash equivalents		-827	581
CASH AND CASH EQUIVALENTS, December 31	11	13,796	7,051
Contracted, non-utilized overdraft facilities		8,605	14,471
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)		22,401	21,522

Parent Company's statement of profit or loss

SEK million	Note	2021	2020
Gross profit		-	-
Selling and administrative expenses	2	-464	-315
Other operating income/expenses	1, 2	248	164
Operating loss		-216	-150
Result from shares in subsidiaries and affiliated companies	4	243	-537
Other interest expenses and similar items	4	-468	497
Profit after financial items		-441	-190
Appropriations	24	833	-312
Profit before tax		392	-502
Tax	5	-140	-14
Profit for the year		252	-516

Parent Company's statement of comprehensive income

SEK millions	Note	2021	2020
Profit for the year		252	-516
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Cash flow hedges		22	-5
Tax attributable to other comprehensive income	5	-5	1
Total items that may be subsequently reclassified to the income statement		18	-4
Total other comprehensive income for the year, net after tax		18	-4
Total comprehensive income for the year		269	-520

Parent Company's statement of financial position

SEK millions	Note	2021 31 Dec	2020 31 Dec
ASSETS			
Fixed assets			
Intangible fixed assets	6	7	2
Tangible fixed assets	7	1	3
Financial assets	8	66,555	66,373
Long-term receivables from subsidiaries	19	5,764	8,639
Deferred tax receivables	14	31	79
Total fixed assets		72,358	75,096
Current assets			
Accounts receivable	29	1	3
Current receivables from subsidiaries		7,352	6,989
Current tax receivables		7	7
Other current interest-bearing receivables	11, 19	906	823
Other current receivables	29	14	8
Prepaid expenses and accrued income	10	448	255
Cash and cash equivalents	11, 19	12,031	5,662
Total current assets		20,759	13,747
TOTAL ASSETS		93,117	88,842

SEK millions	Note	2020 31 Dec	2019 31 Dec
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
• Share capital		9,063	9,063
• Statutory reserve		902	902
Unrestricted equity			
• Retained earnings		53,963	54,463
• Profit for the year		252	-516
TOTAL EQUITY		64,180	63,911
Provisions			
Pension provisions	13, 19	2	2
Other long-term provisions	15	56	43
Deferred tax liabilities	14	52	-
Total provisions		110	45
Long-term liabilities			
Liabilities to subsidiaries		66	4
Long-term interest-bearing liabilities	16, 19	6,428	6,941
Long-term non-interest-bearing liabilities	17	1	65
Total long-term liabilities		6,495	7,010
Current liabilities			
Short-term interest-bearing liabilities	16, 19	1,149	5,797
Accounts payable	29	19	13
Current tax liabilities		37	1
Liabilities to subsidiaries		20,844	11,473
Other current liabilities	29	125	53
Accrued expenses and deferred income	18, 29	144	533
Short-term provisions	15	14	7
Total current liabilities		22,332	17,876
TOTAL EQUITY AND LIABILITIES		93,117	88,842

Parent Company's statement of changes in equity

SEK millions	Note	2021							2020						
		Restricted equity		Unrestricted equity					Restricted equity		Unrestricted equity				
		Share capital	Statutory reserve	Share premium	Reserve for fair value	Retained earnings	Profit for the year	Total	Share capital	Statutory reserve	Share premium	Reserve for fair value	Retained earnings	Profit for the year	Total
Equity, January 1	12	9,063	902	22,469	-7	32,001	-516	63,911	9,063	902	22,469	-3	28,978	3,023	64,431
Cash flow hedges		-	-	-	22	-	-	22	-	-	-	-5	-	-	-5
Tax on cash flow hedges		-	-	-	-5	-	-	-5	-	-	-	1	-	-	1
Profit for the year		-	-	-	-	-	252	252	-	-	-	-	-	-516	-516
Total comprehensive income		-	-	-	18	-	252	269	-	-	-	-4	-	-516	-520
Retained earnings from previous year		-	-	-	-	-516	516	-	-	-	-	-	3,023	-3,023	-
Dividend to shareholders	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity, December 31		9,063	902	22,469	11	31,485	252	64,180	9,063	902	22,469	-7	32,001	-516	63,911

Parent Company's statement of cash flows

SEK millions	Note	2021	2020
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-216	-150
Reversal of non-cash items			
• Depreciation of tangible fixed assets	6, 7	2	2
• Change in provisions		21	6
• Other reversals		0	0
Interest received		315	391
Interest paid		-366	-479
Tax paid		-9	-4
		-253	-235
Working capital			
Accounts receivables		-3	-1
Accounts payable		6	-2
Other current receivables		-247	18
Other current liabilities		-189	24
Commercial intra-group transactions		386	-60
		-47	-22
CASH FLOW FROM OPERATING ACTIVITIES		-300	-256

SEK millions	Note	2021	2020
INVESTING ACTIVITIES			
Investments in fixed assets	6, 7	-1,737	-
Divestment of fixed assets	6	1,731	-
Dividends from subsidiaries	4	24	9
Received/paid group contributions		-312	218
Acquisitions/divestiture of shares and operations	8, 25	-98	-236
Other investing activities		0	-1
CASH FLOW FROM INVESTING ACTIVITIES		-392	-10
FINANCING ACTIVITIES			
Dividend to shareholders		-	-
New loans	27	4,337	13,919
Repayments/amortization of loans	27	-9,775	-10,260
Financial investments		-83	-823
Financial intra-group transactions		12,771	698
Other financing (+ increase)		669	-455
CASH FLOW FROM FINANCING ACTIVITIES		7,920	3,079
CASH AND CASH EQUIVALENTS			
Balance, January 1		5,662	2,066
Cash flow from operating activities		-300	-256
Cash flow from investing activities		-392	-10
Cash flow from financing activities		7,920	3,079
Currency effects, cash and cash equivalents		-858	783
CASH AND CASH EQUIVALENTS, December 31		11	12,031
		12,031	5,662
Contracted, non-utilized overdraft facilities		8,605	14,471
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)		20,636	20,133

5-year summary

Key figures, Group

	2021	2020	2019	2018	2017
Revenue, SEK millions	95,891	65,396	76,485	74,941	66,059
Operating profit/loss, SEK millions	18,837	-325	1,961	4,940	3,838
Profit/loss after financial items, SEK millions	18,416	-802	1,572	4,403	2,863
Profit/loss after tax for the Parent Company's shareholders, SEK millions	14,662	-510	1,075	3,549	2,295
Investments in plant and operations, SEK millions	3,512	2,437	4,079	2,559	1,614
Cash flow from current operations, SEK millions	13,566	2,859	3,447	4,800	5,319
Net debt excluding IFRS 16, SEK millions	-	-	9,880	8,582	11,574
Net debt including IFRS 16, SEK millions ¹⁾	-2,346	10,278	11,696	10,527	-
Average capital employed, SEK millions	77,975	79,059	79,121	74,417	74,947
Total assets, SEK millions	112,019	88,601	93,978	92,487	87,476
Return on capital employed before tax (%)	27	2	3	7	6
Return on equity after tax (%)	23	-1	2	6	4
Equity ratio (%)	66	61	64	64	61
Net debt/equity ratio excluding IFRS 16, %	-	-	16	14	22
Net debt/equity ratio including IFRS 16, % ¹⁾	-3	19	19	18	-
Dividend per share (SEK), 2021 - proposal	5.25	0.00	0.00	1.50	1.00
Earnings per share (SEK) ¹⁾	14.24	-0.50	1.04	3.45	2.23
Average number of employees, incl. temporary employees	15,255	15,121	15,829	16,133	16,158
Revenue per average employee, SEK millions	6.3	4.3	4.8	4.6	4.1
Production of crude steel, thousand tonnes	8,179	7,535	7,623	8,028	7,995

¹⁾ Opening balance on January 1 2019 has been adjusted for IFRS 16.

Accounting and valuation principles

The significant accounting principles applied in the preparation of these consolidated financial statements are set forth below. Unless otherwise stated, these principles have been applied consistently with respect to all presented years.

General information

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

Principles for preparation of the report

The consolidated financial statements have been prepared in accordance with the Swedish Annual accounts act (1995:1554) as well as International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) with interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC), as such have been adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for the Group, has been applied.

Accounting standards and applications introduced during the year have had no material impact on the Group's earnings and financial position.

The consolidated financial statements have been prepared in accordance with the acquisition value method, other than with respect to certain financial assets and liabilities (including derivative instruments) which have been valued at fair value through profit and loss.

The preparation of reports in accordance with IFRS requires the use of a number of important estimations for accounting purposes. In addition, management must make certain assessments in conjunction with the application of the Group's accounting principles. Those areas that include a high degree of assessment, which are complex, or in which assumptions and estimations are of material significance for the consolidated financial statements are stated in [Note 30](#).

The Parent Company applies the same accounting principles as the Group, except where stated below in a particular section. The differences that exist between the principles applied by the Parent Company and the Group are due to limitations on the possibilities to apply IFRS to the Parent Company as a consequence of the provisions of the Swedish Annual Reports Act and the Swedish Pension Obligations (Security) Act and also, in

certain cases, for tax reasons. In addition, the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, has been applied.

Standards, changes and interpretations that entered into force in 2021 and are relevant to the Group

- AMENDMENTS: IFRS 7, FINANCIAL INSTRUMENTS; DISCLOSURES, IFRS 9, FINANCIAL INSTRUMENTS, IFRS 16, LEASING AND IAS 39, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT AND, "INTEREST RATE BENCHMARK REFORM – PHASE 2". The effective date of the Amendment is January 1, 2021. The Amendment makes it possible to update the hedging documentation for existing hedging relationships to adapt it to the new reference interest rates. The Group has applied this Amendment from January 1, 2021. The Amendment has not had any impact on the Group's financial reports for 2021, but may affect the hedging documentation for future hedging relationships with new reference interest rates.

Standards, changes and interpretations relevant to the group that have been adopted by the EY but have not yet entered into force and have not been applied by the group prematurely

- AMENDMENTS: IAS 16, PROPERTY, PLANT AND EQUIPMENT (PP&E); PROCEEDS BEFORE INTENDED TO USE. The effective date of the Amendment is January 1, 2022. The Amendment prohibit an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use, instead the proceeds is reported as income. The entity must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The Group will apply this Amendment from January 1, 2022. The Amendment is not expected to have any impact on the financial reports.

Consolidated financial statements

The consolidated financial statements are prepared in accordance with the Group's accounting principles, and include the accounts of the Parent Company, SSAB AB (publ) and all Group companies. The Group companies are consolidated from the time when the Group gains control or a controlling interest over the company. Controlling interest is defined as when the Parent Company has control over the investment object, is exposed to or is entitled to a variable return from its involvement in the investment object and can use its influence over the investment object to influence its return. Divested companies are included in the consolidated financial statements up to the time when the Group don't have the control or a controlling interest over the company. In the SSAB's consolidated financial statements, any intra-group transactions have been eliminated.

**Subsidiaries**

The Group's annual accounts are prepared in accordance with the acquisition method, entailing that the equity of subsidiaries at the time of acquisition defined as the difference between the fair value of identifiable assets, liabilities and contingent liabilities – is eliminated in its entirety against the acquisition price. Those surpluses that comprise the difference between the acquisition value and the fair value of the Group's share of identifiable acquired assets, liabilities and contingent liabilities are reported as goodwill. If the acquisition price is lower than the fair value of the net assets of the acquired subsidiary, the difference is reported directly in the report of profit or loss. With respect to each acquisition, the Group determines whether all non-controlling interests in the acquired company shall be reported at fair value or at the proportion of the net assets of the acquired company represented by the holding. Acquisition costs are reported as an expense when they occur.

- Goodwill is initially valued as the amount by which the total purchase price and fair value of non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. Acquired companies are included in the consolidated financial statements commencing the date on which a controlling influence is obtained, while divested companies are reported up to the date on which the controlling influence ceases.
- Intra-group transactions and unrealized internal profits are eliminated in the consolidated financial statements. Unrealized losses are also eliminated unless the transaction constitutes evidence of impairment of the transferred asset. Where appropriate, the accounting principles for subsidiaries have been changed in order to ensure a consistent application of the Group's accounting principles.
- In the consolidated cash flow statement, the purchase price with respect to acquired or divested operations is reported under the headings "Acquisition of shares and operations" and "Divested shares and operations". Thus, the assets and liabilities of the acquired/divested companies at the time of the acquisition/divestment are not included in the cash flow statement.

Non-controlling interest

Non-controlling interest is reported as a separate item in the equity of the Group. Acquisition from non-controlling interest is reported as a transaction within equity, between the Parent Company's shareholders and non-controlling interest. Therefore, goodwill does not arise in those transactions. Profit from divestment to non-controlling interest is also reported in equity.

Affiliated companies and joint arrangements**Affiliated companies**

SSAB's affiliated companies are all companies in which the Group has significant but not controlling interest, which usually applies to shareholdings comprising between 20% and 50% of the votes. Shares in affiliated companies are reported according to the equity method.

Joint arrangements

A joint arrangement is classified either as joint operation or a joint venture, depending on the contractual rights and obligations of each investor. SSAB's joint arrangements are classified as joint ventures, which means that SSAB and one or several parties have joint controlling interest and are entitled to the net assets. Joint ventures are reported according to the equity method.

Equity method

Affiliated companies and joint operations ventures in the form of joint ventures are reported in accordance with the equity method and valued initially at acquisition value in the Group's statement of financial position. The equity method entails that the Group's book value of the shares in affiliated companies and joint ventures corresponds to the Group's share in the equity of the affiliated companies and joint ventures and, where appropriate, the residual value of surplus values or under-values from a Group perspective, including goodwill. The Group's share in the earnings of affiliated companies and joint ventures which, arises after the acquisition, is reported in the report of profit or loss and the Group's share of other comprehensive income is included in the other comprehensive income for the Group.

In the consolidated statement of profit or loss, "Shares in earnings of affiliated companies and joint ventures after tax" comprise the Group's shares in earnings of affiliated companies and joint ventures, after tax. Dividend from affiliated companies and joint ventures are reported as a decrease of the carrying amount of the investment. Shares in the earnings of affiliated companies and joint ventures are reported in the operating profit when operations in affiliated companies and joint ventures are related to SSAB's operations and considered to be of a business nature. Any intra-group profits are eliminated in relation to the share of equity held.

In the Parent Company, affiliated companies and joint ventures are reported in accordance with the acquisition value method.

Transactions in foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which the company in question primarily operates (functional currency). Swedish kronor are used in the consolidated financial statements. This the functional currency and reporting currency of the Parent Company. Transactions in foreign currency are reported at the exchange rate prevailing on the transaction date. In certain cases, the actual rate is approximated to the average rate during a month. At the end of the month, receivables and liabilities in foreign currency are translated in accordance with the closing day rate at that time. Exchange rate differences relating to the business are reported in the operating profit, while differences attributable to financial assets and liabilities are reported as a net sum among financial items.

The statements of profit or losses of foreign subsidiaries are translated into Swedish kronor at the average exchange rates for the year, while their statements of financial position are translated into Swedish kronor at the closing day rates. Any translation differences that arise are transferred directly to the consolidated statement of comprehensive income and reported in the item "Translation reserve".

Loans or other financial instruments taken up in order to hedge net assets in foreign subsidiaries are reported in the consolidated financial statements at the closing day rate. Any exchange rate differences less deferred taxes are transferred directly to other comprehensive income and thereby set off against the translation differences which arise in conjunction with the translation of these subsidiaries' statements of financial position into Swedish kronor.

Upon sales of foreign subsidiaries, the total translation differences that relate to the foreign subsidiary are reported as a part of capital gains/losses in the consolidated statement of profit or loss.

Goodwill and adjustments of assets and liabilities to fair value in connection with the acquisition of foreign subsidiaries are treated as assets and liabilities in the foreign operations and thus translated in accordance with the same principles as the foreign subsidiaries.

Revenue recognition

Revenues are recognized when the control of the goods has been transferred to the customer. Revenue is recognized at the transaction price, taking into account any estimated variable amount that the Group is entitled

to (expected proceed). The amount corresponds to amounts received for sold goods less value added tax and taking into account discounts and returns. In Revenue, in the consolidated statement of profit or loss, exchange rate differences from forward contracts, which are entered into in order to hedge sales in foreign currency, are included. For information regarding hedge accounting, see [Note 29](#).

The Group recognizes revenue at the point in time when the distinct performance obligation is satisfied and when the customer has obtained the control over the sold good. This can be done at a point in time or over time. The specific criteria for revenue recognition for each of the Group's operations are described below.

Sales of steel

Revenues from sales of steel are recognized after the control has been transferred to the customer, which occurs when the goods sold are transferred to the customer and no disposition right or opportunity to actual control over the goods remains for the Group and when there are no unsatisfied performance obligations outstanding that might affect the customers approval of the goods. In most cases, this means that revenues are reported upon delivery of the goods to the customer in accordance with agreed delivery terms and conditions.

Sales of services

Revenues from sales of services are recognized in the period in which the services are performed.

Intra-group sales

All intra-group sales are eliminated in the consolidated financial statements.

Interest income and dividends

Interest income is reported in accordance with the effective rate/yield (effective interest rate method). Dividends are reported when the right to receive the dividend has been established.

Regarding dividends from subsidiaries see the section entitled Dividends, the Parent Company.

Pricing between Group companies

Arm's length pricing is applied to deliveries of goods and services between companies in the Group.

Government support

Government support and grants are reported at fair value when there is reasonable certainty that the grant will be received and that the Group will fulfill the conditions attached to the grant. Government support and grants related to cost recovery are accrued and reported in the statement of profit or loss over the same period as the expenses which the grants are intended to reimburse. Grants related to assets are recognized in the statement of financial position through a reduction in the reported value of the assets.

Research and development expenses

Research and development expenses are booked as they are incurred. Development expenses may be capitalized under certain strict conditions. However, this requires, among other things, that future economic benefits can be demonstrated at the time the expenses are incurred. The projects that take place are short-term in nature and do not involve significant amounts, and thus development expenditures are also booked as costs.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value less deduction for accumulated depreciation and any accumulated impairment. Depreciation is based on the acquisition value of the assets and estimated useful life. If major investments include components, an assessment must always be made as to whether the useful life of the component differs from that of the entire facility. The acquisition value includes expenditures directly attributable to the acquisition of the asset. Any borrowing costs in conjunction with the construction and design of fixed assets, a significant portion of which is required for completion for use or sale, are added as a part of the acquisition cost of the asset. Restoration expenses in connection with disposals of fixed assets are included in the acquisition value only where the criteria for making a provision for such restoration expenses may be deemed fulfilled. Additional expenditures for acquiring replacement components are added to the reported value of the fixed asset or recognized as a separate asset only where it is likely that the Group will enjoy the future economic benefits associated with the asset and the acquisition value of the asset can be measured in a reliable manner. The reported value for the replaced part is removed from the statement of financial position. All other forms of repairs and maintenance are recognized as expenses in the statement of profit or loss during the period in which they occur. Land is assumed to have a perpetual period of use and thus is not depreciated. Other tangible fixed assets are classified into groups for calculation of depreciation based on their estimated useful life, in accordance with the following table.

Examples of items	estimated use, years
Vehicles, office equipment and computers	3–5
Light machinery	5–12
Heavy machinery:	
• Relining of blast furnaces	12–15
• Steel furnaces, rolling mills and cranes	15–20
• Blast furnaces and coke ovens	15–20
Land improvement	20
Buildings	25–50

The useful life of the assets is reviewed annually and adjusted where required. The assets are normally depreciated to zero without any remaining residual value. The straight-line depreciation method is used for all types of tangible non-current assets with a limited useful life. Where the book value of an asset exceeds the expected recovery value, the asset is written down to such value.

Capital gains and capital losses upon the sale of tangible non-current assets are determined by comparing the revenue from the sale with the reported value. This is reported in the statement of profit or loss as "Other operating income" or "Other operating expenses".

Intangible assets

Similarly, intangible assets are classified in two groups, with assets with a determinable useful life being amortized over a determined useful life, while assets with an undeterminable useful life are not amortized at all.

Intangible assets with an undeterminable useful life

Goodwill

The compensation transferred in conjunction with a business acquisition is valued at fair value. Goodwill comprises the amount by which the acquisition value (the compensation) exceeds the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the time of the acquisition. Goodwill upon the acquisition of a subsidiary is reported as an intangible asset. Goodwill is tested annually to identify any impairment and reported at acquisition value less accumulated impairment. Testing for impairment is also carried out in those cases where there are indications that the asset may have diminished in value. Impairment of goodwill is reported as an expense and not reversed. Profits or losses upon the sale of a unit include the

remaining reported value of the goodwill which relates to the sold unit. When testing for any impairment, goodwill is allocated over cash-generating units. The allocation is made on the cash-generating units or groups of cash generating units which are expected to benefit from the business acquisition which gave rise to the goodwill item. Goodwill is monitored on a divisional level.

Trademarks

Acquired trademarks are reported at cost. Trademarks that don't have a determinable useful life are tested annually to identify any impairment and are reported at cost less accumulated impairment. Testing for impairment is also carried out in those cases where there are indications that the assets may have diminished in value. Impairment of trademark is reported as an expense and not reversed.

Emission rights

Emission rights are reported at cost. Emission rights received for free are reported at nominal value (i.e. at zero). Emission rights with an undeterminable useful life are tested for impairment on a quarterly basis and are reported at cost deducted with accumulated amortization. The need for impairment is also tested in cases where there are indications that the assets may have decreased in value.

Intangible assets with a determinable useful life

Customer relations

Acquired customer relations are reported at cost. Customer relations have a determinable useful life and are reported at cost less accumulated amortization. Straight line amortization is applied to allocate the costs for customer relations over their assessed useful life (six to twelve years).

Trademarks and licenses

Acquired trademarks and licenses are reported at cost. Trademarks and licenses that have a determinable useful life are reported at cost less accumulated amortization. Straight line amortization is applied to allocate the costs for trademarks over their assessed useful life and licenses are amortized over the term of the agreement (five to ten years).

Software

Acquired software licenses are capitalized on the basis of the costs incurred upon acquisition and placement into operation of the relevant software. These capitalized costs are amortized on a straight-line basis over the assessed useful life (three to five years).

Expenses for development and acquisition of new software are capitalized and reported as an intangible asset provided they have a significant value for the Company in the future and they can be deemed to have a useful life in excess of three years.

These capitalized expenses are depreciated on a straight-line basis over the assessed useful life (three to five years). Expenses for training and software maintenance are, however, booked directly as costs.

Other intangible assets

Other intangible assets are reported at cost less accumulated amortization. Straight line amortization is applied to allocate the costs over their assessed useful life (five to fifteen years).

Impairment of non-financial assets

Intangible assets with an undeterminable useful life (including goodwill) are not amortized but, rather, tested annually for any impairment or otherwise where signs indicate a decline in value.

Other non-financial assets with an undeterminable useful life are tested when signs indicate a decline in value. Amortized assets are tested for impairment when signs indicate a decline in value. Where the estimated recovery value is less than the reported value, the asset is written down to the recovery value. The asset's period of use is then calculated and amortization commences. The recovery value is the asset's fair value reduced by selling expenses, or its useful value, whichever is higher. When testing for impairment, assets are grouped on the lowest levels for which there are separately identifiable cash flows (cash-generating units). With respect to assets other than financial assets and goodwill which have previously been impaired, an annual test is conducted as to whether a reversal should be made.



Leasing - Lessee

The right-of-use asset and lease liability are recognized at the start of the lease term. The lease liability is initially recognized at the present value of future lease payments discounted at the rate implicit in the lease agreement, or where this cannot be determined, the Group's incremental borrowing rate. Subsequent measurement of the lease liability is done by increasing the value to reflect the interest rate and the decrease the value due to payments. In addition, any re-measurements of the lease liability are taken into account.

The acquisition value of the right-of-use asset consists of the initial value of the lease liability plus any advance payments and other initial direct costs. Subsequent measurement of the right-of-use asset is at acquisition value less accumulated depreciation and any accumulated impairment, and taking into account any re-measurements. Depreciation is recognized on a straight-line basis over the lease term or over the economic life of the asset if it is reasonably certain that title will transfer to the Group, for example, through exercising an option to purchase at the end of the lease term.

An exception to the principles that the Group is applying is applicable to low value leases, where no right-of-use asset or lease liability is recognized. These are recognized as a straight-line cost over the lease term. The Group defines low value leases as, for example, office equipment such as printers, copying machines, coffee machines and other assets having a value of less than around SEK 50 thousand in new condition.

In the Parent Company, all leasing agreements are recognized as a straight-line cost over the lease.

Financial assets

Financial assets include cash and cash equivalents, accounts receivable, shares and participations, loan claims and derivative instruments. They are reported initially at an acquisition value corresponding to the fair value of the asset plus a supplement for transaction costs, with the exception of assets that are valued at fair value through profit or loss. Reporting thereafter is dependent on the classification of the asset. Financial assets are removed from the statement of financial position when the debt/instrument is finally paid or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

Spot purchases and sales of financial assets are reported on the Settlement day (i.e. the day on which the asset is delivered).

Accounts receivable are reported in the statement of financial position when an invoice has been issued. The fair value of listed financial assets corresponds to the asset's listed transaction price on the balance sheet date. The fair value of unlisted financial assets is determined through use of valuation techniques, for example, recently conducted transactions, prices of similar instruments and discounted cash flows.

Financial assets are classified in three valuation categories: "Fair value through profit or loss", "amortized cost" and "fair value through other comprehensive income".

- **FAIR VALUE THROUGH PROFIT OR LOSS:** Assets included in this category are financial assets that do not meet the requirements for valuation at amortized cost or at fair value through other comprehensive income. Financial assets and liabilities held for trading are always classified as "Financial assets at fair value through profit or loss" as well as financial assets that are managed and evaluated based on fair values. Holdings in this category are reported as short-term investments if their term to maturity on the acquisition date is less than three months and as "Other interest-bearing current receivables" if the term to maturity is between three and twelve months. Derivative instruments, except where used for cash flow hedge accounting, are included in this category as well. Assets in this category are valued regularly at fair value and changes in value are reported in the statement of profit or loss. Derivative instruments taken up in respect of business-related items are reported in the operating profit, while derivative instruments of a financial nature are reported in financial items. Assets in this category are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.
- **AMORTIZED COST:** Financial assets found in this category have a business model to receive contractual cash flows and the contractual cash flows are payments only of principal and interest. Loans and receivables, investments and accounts receivable are financial assets that can be found in this category. The claims arise when cash, goods or services are provided directly to the debtor without an intention of trading in the receivables. Assets in this category are valued at amortized cost, less write-downs for expected credit losses. The amortized cost is determined based on the effective interest rate, which is calculated on the acquisition date. Accounts receivable with a maturity of less than 12 months are not recognized at amortized cost, but at the amount that are expected to be received, net after deduction of expected credit losses. They are included in Current assets, except for items with a maturity in excess of 12 months after the closing date, which are reported as fixed assets.

- **FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:** Financial assets (debt instruments) found in this category have a business model to both receive contractual cash flows and sell the asset and the contractual cash flows are payments only of principal and interest. Derivative instruments to which cash flow hedge accounting is applied are included in this category as well. Assets in this category are valued regularly at fair value with changes in value reported in other comprehensive income, except for foreign exchange gains and losses and write-downs of expected credit losses, which are recognized in the statement of profit or loss. Interest income based on the effective interest method is reported in the statement of profit or loss. Upon removal of the investments from the statement of financial position, any accumulated profit or loss previously reported in comprehensive income is reversed to the statement of profit or loss. The accumulated results from the derivatives in equity are reversed to the statement of profit or loss in those periods in which the hedged item affects earnings. The assets in this category are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.

At initial recognition, it is allowed to irrevocably classify equity instruments (shares) that are not held for trading purposes, at fair value through other comprehensive income. The subsequent changes in fair value, both unrealized and realized, are reported in other comprehensive income. The Group applies this for unlisted shares.

Other shares and participations

Consist primarily of investments in equity instruments which do not have a listed market price.

Non-current receivables

Non-current receivables are receivables held without any intention of trading in the claim. Parts where the outstanding holding period is less than one year are reported among "Other current interest-bearing receivables".

Accounts receivable

Accounts receivable are reported initially at transaction price and accounts receivable in excess of twelve months are reported at amortized cost applying the effective interest rate method, less any provisions for expected credit losses. Accounts receivable are reported at the amount that is expected to be received (i.e. after deductions for bad debts). The Company has had no accounts receivable with a due date in excess of twelve months. Any impairment of accounts receivable takes place in selling expenses in the statement of profit or loss.

The reported accounts receivable include receivables that are subject to a factoring agreement. According to the agreement the Group has sold part of the accounts receivables and received liquid funds. The receivables cannot therefore be sold or pledged. These receivables are included in a pre-determined, defined customer group.

The accounts receivables remain in the consolidated accounts with the remaining credit risk that is not transferred to the factoring company. When the accounts receivable is fully paid and no credit risk remains, the balance is de-recognized in the consolidated accounts.

Cash and cash equivalents

Cash and cash equivalents include cash, immediately accessible bank balances as well as other short-term deposits with an original term to maturity of less than three months (short-term investments). Investments with an original term to maturity of between three and twelve months are reported under "Other current interest-bearing receivables" and classified as assets valued at the fair value via the statement of profit or loss. Overdraft facilities are reported in the statement of financial position as borrowing among "Current interest-bearing liabilities".

Impairment loss model for expected credit losses

The Group applies the simplified approach, that is, the provision will correspond to the expected loss over the entire life of the trade receivable.

For other items subject to expected loan losses, a three-stage write-down model is applied. Initially, as well as on each balance sheet date, a loss provision is reported for the next 12 months or for a shorter period of time depending on the remaining maturity (stage 1). If there has been a significant increase in credit risk since the first accounting date, a loss reserve for the remaining maturity of the asset is reported (stage 2). For assets that are deemed to be impaired, credit is still reserved for expected credit losses for the remaining term (stage 3). The Group has defined a receivable as credit impaired if the receivable is delayed for more than 90 days or if other factors indicate that the receivable is credit impaired. Substantial increase in credit risk is defined as delayed payment by more than 30 days, or a significant deterioration in credit rating that does not result in a continued investment grade rating. The valuation of expected credit losses is based on different methods for different credit risk exposures. Provisions for expected credit losses have been made for accounts receivable.



In addition, provision requirements for other financial assets are monitored and provision is made if necessary. The Group writes off assets and receivables when there is no longer a probable expectation of receiving additional compensation for the asset or receivable.

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value.

The Group applies the FIFO method (first in, first out) or weighted average value method to estimate the acquisition cost.

The FIFO method is based on the assumption that goods that are purchased or produced first are sold first and that the units that remain in the warehouse at the end of a period are the ones that are bought or produced most recently. When calculating the acquisition value, a weighted average value is normally used to approximate FIFO.

The method based on weighted average prices means that the cost of each unit is determined from a weighted average of the cost values of similar units at the beginning of the period and of the cost values of the units purchased or produced during the period. The average figures can be calculated periodically or at each additional delivery, depending on the conditions of the individual company.

The net realizable value is normally calculated as the sales price less production and selling expenses. With respect to products in the trading operations, the replacement cost with an added estimated gross margin is used as the best gauge of the net realizable value. In respect of raw materials, the replacement cost is used as the best gauge of the net realizable value. However, raw materials are not written down below the acquisition value where the end product in which they are included is expected to be sold at a price which exceeds the manufacturing cost.

Work in progress and finished inventories are valued at the manufacturing cost or the net realizable value, whichever is lower. Necessary provision is made for obsolescence.

The acquisition value of inventories includes all costs for purchasing, Production and other expenses incurred in bringing the goods to their current location and condition.

Employee benefits

Pensions

Within the Group there are both contribution-based and benefit-based pension plans. Generally, the plans are financed through payments to insurance companies or manager-administered funds.

In the contribution-based plans, fixed fees are paid to a separate legal entity and there is no obligation, legal or informal, to pay any additional fees. In the contribution-based plans, payments are recognized as an expense during the period when the employees have performed the services to which the fees relate. Blue collar employees in Sweden are covered by such a contribution-based plan.

In the benefit-based plans, compensation is payable to employees and former employees based on salary at the time of retirement and upon termination of employment and the number of years in service. The Group bears the risk that the costs for the promised payments will be higher than estimated.

In the consolidated statement of financial position, the net of the estimated present value of the obligations and fair value of the managed assets is reported either as a long-term provision or as a long-term financial claim. In those cases where a surplus in a plan cannot be utilized in full, only that part of the surplus which can be recovered through reduced future fees or refunds is reported. Set-off of a surplus in one plan against a deficit in another plan takes place only where a right of set-off exists.

Pension expenses and pension obligations for benefit-based plans are calculated in accordance with the Projected Unit Credit Method. The method allocates pension expenses as the employees perform the services that increase their entitlement to future compensation. The obligation is calculated by independent actuaries and constitutes the present value of the anticipated future disbursements. The discount rate that is applied corresponds to the rate of interest on high-quality corporate bonds with a term to maturity which corresponds to the average term for the obligations. The most important actuarial assumptions are stated in [Note 13](#).

Actuarial profits or losses may arise upon determination of the present value of the obligations and the fair value of the managed assets. These arise either as a consequence of the actual result differing from previously made assumptions, or due to changes in the assumptions. Such actuarial profits and losses are recognized in



their entirety in the Group's other comprehensive income when they arise. Net interest on defined benefit plan obligations and managed assets are reported as interest income or interest expense in the profit or loss.

White-collar personnel in Sweden are covered by a collective benefit-based plan, the ITP (supplementary pensions for salaried employees) plan. The ITP plan has been financed through the purchase of pension insurance with the mutual insurance company, Alecta. However, at present no information is available which makes it possible to report this plan as a benefit-based plan. Accordingly, the plan is reported as a contribution-based plan, and thus premiums paid to Alecta during the year are reported as pension expenses.

The Parent Company and other legal entities within the Group report benefit-based pension plans in accordance with the local rules in each country.

Profit shares and variable salary

SSAB employees are covered by a profit-sharing system which entitles them to a share in the profit above a minimum level. The Group Executive Committee and a number of other senior executives have instead salaries which contain a variable element related to the profit level and individually set targets. The costs for these systems are booked as accrued expenses regularly during the year as soon as it is likely that the targets will be met. In 2011, a long-term incentive program was introduced for the Company's senior executives, including the President, which is capped at 25% of fixed salary. The program runs for rolling three-year periods, is cash-based, and is linked to the total return on the SSAB share relative to a comparison group comprised of the Company's competitors. A percentage of the costs for the program are booked each year, based on a continuous assessment of the outcome for the three-year period.

Compensation upon termination of employment

Compensation upon termination of employment is paid when employment is terminated prior to the normal retirement age or where an employee accepts voluntary retirement in exchange for such compensation. The Group reports severance compensation when the Group is demonstrably obliged either to terminate an employee in accordance with a detailed formal plan without the possibility of recall, or to provide compensation upon termination as a result of an offer made in order to encourage voluntary retirement. Benefits which fall due more than twelve months from the balance sheet date are discounted to present value.

Provisions

Provisions are reported when the Group has an obligation as a result of an event that has occurred and it is likely that payments will be demanded for fulfillment of the obligation. A further requirement is that it is possible to make a reliable estimation of the amount to be paid out. Provisions for restructuring measures are made when a detailed, formal plan for the measures is in place and well-founded expectations have been created among the parties that will be affected by the measure, and this takes place prior to the balance sheet date.

Emission rights

SSAB participates in the EU's emission rights trading system. Provision is made if a shortfall in emission rights is identified between owned rights and those rights which will have to be delivered due to emissions having taken place. The value of any surplus emission rights is reported only when it is realized as an external sale. Emission rights are reported as intangible assets and are booked at acquisition value.

Environmental restoration expenses

Expenses for environmental measures associated with previous operations and which do not contribute to current or future revenue are booked as a cost when incurred. The environmental undertaking is calculated based on interpretations of applicable environmental legislation and regulations and reported when it is likely that payment liability will be incurred and a reasonable estimation can be made of such amount. Provisions have not been made for land clean-up to prepare the industrial areas for other use in the future, since it is not possible to make a reasonable estimation of when such cleanup will take place.

Financial liabilities

Financial liabilities include loan debts, accounts payable and derivative instruments. Reporting thereafter takes place depending on how the liabilities are classified. Financial liabilities are removed from the statement of financial position when the debt/instrument is paid in full or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

**Accounts payable**

Accounts payable are valued initially at fair value and thereafter at accrued acquisition value.

Loan debts

Loan debts are valued initially at net fair value after transaction costs, and thereafter at amortized cost. The amortized cost is determined based on the effective interest rate which was calculated when the loan was raised. Accordingly, premiums and discounts as well as direct issuance costs are allocated over the loan period. Fees paid for loan facilities are reported as transaction costs for borrowing to the extent that it is probable that part or all of the credit facility will be utilized. In such cases, the charge is recognized during the term when the credit facility is utilized. To the extent there is no evidence that it is probable that some or all of the facility will be utilized, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amounts of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Loans which constitute the hedged object in fair value hedging are valued and booked at fair value.

Derivative instruments and hedging

Currency derivatives in the form of forward contracts and swaps are used to hedge the effect of exchange rates on reported accounts payable and receivables in major currencies, in conjunction with major projects and investments in non-current assets made in foreign currency, to hedge net investments in foreign subsidiaries, and to hedge Swedish kronor payment flows on foreign loans. Derivative instruments in the form of interest swaps are used to hedge exposure to interest rate risks.

- All derivative instruments are reported in the statement of financial position at fair value. The method for reporting accrued profit/loss differs, however, depending on the purpose of the derivative instrument. When a derivative contract is entered into, it is characterized as hedging of the fair value of a reported asset/liability

or of a signed delivery order ("fair value hedging"), hedging of a planned transaction ("cash flow hedging"), hedging of a net investment in a foreign company, or as a derivative instrument which does not meet the requirements for hedging accounting.

- When the transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item, as well as the Group's risk management objectives and risk management strategy as regards the hedging. The Group also documents its assessment, both when hedging is entered into and on a regular basis, of whether the derivative instruments used in hedge transactions are effective in counteracting changes in fair value or cash flows that relate to the hedged items. Assessment of the efficiency is prospective and if possible, it is done on a qualitative basis.
- Information regarding fair value of various derivative instruments used for hedging purposes is set forth in [Note 29](#). Changes in the hedging reserve in equity are set forth in [Note 12](#). The entire fair value of a derivative instrument which constitutes a hedge instrument is classified as a non-current asset or non-current liability when the outstanding term of the hedged item exceeds twelve months and as a current asset or current liability when the outstanding term of the hedged item is less than twelve months.
- Fair value hedging: Changes in the fair value of derivative instruments which are categorized as, and meet the requirements for, "fair value hedging" are reported in the statement of profit or loss together with changes in the fair value of the asset/liability or the delivery order to which the hedging relates.
- Cash flow hedging: The effective part of changes in fair value of derivative instruments which are identified as, and meet the requirements for, cash flow hedging, is reported in other comprehensive income. The profit or loss attributable to the ineffective part is reported immediately in financial items in the statement of profit or loss. Accumulated amounts in equity are reversed to the statement of profit or loss in those periods in which the hedged item affects earnings. When a hedge instrument lapses or is sold, or when the hedging no longer fulfills the criteria for hedge accounting and there are accumulated profits or losses in equity regarding the hedging, such profits or losses remain in equity and are reported as income at the same time as the forecast transaction is finally reported in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the accumulated profit or loss which is reported in equity is transferred immediately to the statement of profit or loss. Where the transfer relates to cash flow hedging of financial items, it is reported in the statement of profit or loss among financial items.

- Net investment hedging: Hedging of net investments in foreign companies is reported in the same manner as cash flow hedging. The effective part of changes in value of derivative instruments and liabilities, which are used as hedge instruments, is reported in other comprehensive income. The ineffective part of changes in value is reported immediately in financial items in the statement of profit or loss. Accumulated profits and losses in equity are reported in the statement of profit or loss when the foreign operations are divested, in whole or in part.
- Sources of hedge ineffectiveness that may arise during the term of the hedging relationship are a significant changes in credit risk of one of the parties and, in case of cash flow hedge, change in timing of the payment of the hedged item, or that secured volume based on highly probably forecasts would exceed actual outcomes.
- Certain derivative transactions do not meet the formal criteria for hedge accounting, these are reported in the profit or loss. Derivatives for operating items are reported in operating profit/loss, while derivatives of a financial nature are reported among financial items.

Derivative instruments which are reported in hedge accounting and executed in respect of business-related items are reported in operating profit, while derivative instruments of a financial nature are reported in financial items. The fair value of currency forward contracts and currency swaps is calculated based on forward contract prices on the balance sheet date, while interest rate swaps are valued calculated on the basis of future discounted cash flows.

Taxes

The Group's reported tax expense consist of tax on the taxable earnings for the period according to current tax rates as well as any tax adjustments for prior periods and changes of deferred tax receivables and liabilities related to temporary differences and utilized deficits. The current tax expense is calculated on the basis of the tax rules that have been decided on the balance sheet date or, in practice) have been decided in the countries where the Parent company and its subsidiaries are operating and generate taxable income.

The Group continuously evaluate the claims made in income tax returns regarding situations where applicable tax rules are subject to interpretation and assess whether it is probable that a tax authority will accept an uncertain tax treatment. The Group values the reported taxes, either based on the most probable amount or the expected value depending on which method that best predicts the outcome of the uncertainty.

Deferred tax

Deferred tax is calculated in order to correspond to the tax effect which arises when final tax is triggered. The deferred tax corresponds to the net effect of tax on all differences between the tax value of assets and liabilities and their value for accounting purposes in the group accounting (temporary differences), using the applicable future decided or communicated tax rates that will apply when the tax is expected to be realized.

The deferred tax corresponds to the net effect of tax on all differences between the tax value of assets and liabilities and their value for accounting purposes (temporary differences), applying the future tax rates already decided upon or announced which will apply when the tax is expected to be realized.

- Temporary differences that arise between the tax value of assets and liabilities and their value for accounting purposes in the group accounting. Temporary differences arise primarily through accelerated depreciation of fixed assets, profits from intra-group inventory transactions, untaxed reserves in the form of tax allocation reserves, non-utilized losses carried forward, as well as fair value adjustments in conjunction with business combinations. However, deferred tax liability is not recognized if it arise as a result of the first recognition of goodwill.
- A deferred tax asset due to losses carried forward is recognized as an asset only to the extent that it is probable that the deductions can be counted against future taxable income in different tax jurisdictions.
- In the Parent Company's statement of financial position, the accumulated values of accelerated depreciation and other untaxed reserves are reported in the item "Untaxed reserves" without deduction of the deferred tax. In the Parent Company's statement of profit or loss, changes in the untaxed reserves are reported on a separate line.

Deferred tax assets and liabilities are reported net when there is a legal right of set-off for current tax assets and liabilities, and when the deferred tax assets and liabilities relate to taxes charged by one and the same tax authority and refer to either the same tax subject or other tax subjects, where there is an intention regulate the balances through net payments.

In accordance with IAS 12, current and deferred tax are reported in the Consolidated statement of profit or loss, except when the tax refers to items that are recognized in the Other comprehensive income or directly in Equity. In such cases, the tax is recognized in Other comprehensive income and Equity respectively.

Dividends

Dividends proposed by the Board of Directors do not reduce equity until the annual general meeting has adopted a resolution regarding payment of the dividend.

Dividends, the Parent Company

An anticipated dividend is reported in those cases where the Parent Company is exclusively entitled to decide on the amount of the dividend and the Parent Company, prior to the date on which its financial statements are published, has decided on the amount of the dividend and ascertained that the dividend will not exceed the dividend capacity of the subsidiary.

Group contributions in the Parent Company

Group contributions received and provided, and the tax consequences thereof, are reported as a transfer to untaxed reserves, and the tax effect as a tax expense/income in the statement of profit or loss.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents in the cash flow statement consist of cash and bank balances as well as short-term investments with a term to maturity of less than three months from the acquisition date, which are exposed to only an insignificant risk of change in value.

Segment reporting

Operating segments

The Group is organized in five reportable operating segments with clear profit responsibility. The operating segments are the three steel divisions: SSAB Special Steels, SSAB Europe, SSAB Americas and the subsidiaries Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries by their respective Boards. In addition, there are other operating segments which are not reportable since they do not reach the threshold values in IFRS 8 and they are not monitored separately by the Group Executive Committee. The segment reporting takes place in such a manner that it corresponds to the internal reporting which is submitted to the Group Executive Committee. The Group Executive Committee is the highest Executive

decision-making body which is responsible for the allocation of resources and assessment of the results of operating segments, and takes strategic decisions. A more detailed description of the reportable segments and their operations is provided on p. 115–121 in [Note 28](#).

Assets and liabilities held for sale

Significant non-current assets (or divestments groups) are classified as Non-current assets held for sale when their reported value will primarily be recovered through a sales transaction and a sale is deemed to be very likely. They are reported at reported value or fair value less selling expenses, whichever is lower, if their book value is primarily recovered through a sales transaction and not through permanent use.

Earnings per share

Earnings per share before dilution are calculated based on the year's earnings in the Group attributable to the Parent Company's ordinary shareholders, and on a weighted average number of shares. When calculating earnings per share after dilution, earnings and the average numbers of shares are adjusted to take into account the effects of dilutive potential ordinary shares. No dilution has taken place during 2021.



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1 Revenue and other operating income

External revenue, Group

SEK millions	2021						2020					
	Business segments						Business segments					
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
Geographical areas												
Sweden	596	8,644	-	4,600	1,421	15,261	336	5,149	-	3,100	1,474	10,059
Finland	320	5,645	-	2,114	1,563	9,642	235	3,490	-	1,426	1,536	6,687
Denmark	171	1,764	-	2,844	164	4,943	104	1,156	1	1,745	116	3,122
Germany	1,443	2,366	-	60	1	3,871	1,018	2,077	-	29	2	3,125
Poland	922	2,284	-	42	949	4,196	569	1,731	-	20	771	3,090
Italy	1,390	2,103	-	1	-	3,493	754	1,182	-	1	0	1,937
Other EU-27	3,157	6,263	121	691	1,108	11,340	2,258	4,266	-	455	926	7,905
Norway	62	782	-	1,825	562	3,231	64	505	-	1,315	512	2,396
Great Britain	533	1,351	-	0	3	1,887	375	942	-	0	6	1,324
Other Europe	1,681	1,040	-	28	208	2,956	1,208	654	-	17	142	2,022
USA	4,525	1,083	17,931	0	1	23,540	3,163	868	11,672	0	1	15,704
Canada	1,481	-	2,161	-	4	3,646	873	-	1,320	-	2	2,195
Rest of the world	6,387	1,130	353	14	3	7,886	4,750	902	164	13	2	5,831
Total	22,666	34,454	20,566	12,219	5,986	95,891	15,706	22,922	13,158	8,120	5,490	65,396
Product area												
Steel products	22,080	31,889	20,566	-	-	74,535	15,137	21,338	13,158	-	-	49,632
Trading operations	-	-	-	12,219	-	12,219	-	-	-	8,120	-	8,120
Ruukki Construction's operations	-	-	-	-	5,986	5,986	-	-	-	-	5,490	5,490
Slabs, by-products and scrap	256	2,480	-	-	-	2,736	258	1,495	-	-	-	1,753
Other	331	85	0	-	-	415	310	90	-	-	-	400
Total	22,666	34,454	20,566	12,219	5,986	95,891	15,706	22,922	13,158	8,120	5,490	65,396

Contract revenue from agreements which extend over more than twelve months does not amount to a substantial value, therefore it is not disclosed.

Other operating income SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Sales of purchased energy and media	146	116	0	-
Sales of services	25	26	2	3
Net exchange rate differences	513	440	2	2
Profit upon sale of company or business	27	19	0	-
Profit upon sale of fixed assets	33	6	0	-
Investment grants / Government grants	29	32	5	4
Insurance compensation	22	4	0	-
Other	167	126	240	157
Total	962	769	248	166

2 Operating expenses

Type of cost SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Raw materials in the steel operations, including change in raw material inventory	37,278	26,481	-	-
Supplies and inputs	2,125	2,031	-	-
Purchased products in the trading operations	4,403	2,906	-	-
Purchased products in the steel operations	1,297	1,103	-	-
Energy	4,395	3,304	-	-
Change in inventory, work in progress and finished products	-4,234	1,479	-	-
Compensation to employees	11,671	10,548	254	190
Material, services and maintenance	8,372	6,879	128	87
Depreciation/amortization	3,257	3,689	2	2
Freight	7,067	5,825	-	-
Other	2,362	2,243	81	37
Total operating expenses	77,993	66,490	464	317

Audit fees and related services SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Ernst & Young				
Audit fees	20	20	4	4
Audit related services	2	1	1	1
Tax consulting	0	0	-	-
Other services	8	1	8	1
Total	30	21	13	5

During the year EY Sweden invoiced SEK 10 (10) million for audit services. EY Sweden's fees for other services than audit amounts to 80% (8%) compared to EY Sweden's fees for audit. The EY network's fees for other services than audit amount to 36% (4%) compared to the network's invoiced fees for audit services.

Audit fees and related services, cont. SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Other				
Audit fees	4	8	-	-
Audit related services	3	2	-	0
Tax consulting	16	11	2	1
Other services	3	3	2	2
Total	26	24	4	3

Operating expenses have been reduced by the following government support and other grants SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Support related to personnel costs	73	122	2	4
Investment grant	-	-	-	-
Other	0	2	-	-
Total grants	73	124	2	4

The Group has received SEK 71 (125) million in government grants related to Covid-19, whereof SEK 1 million have been reported as Other operating income and SEK 70 million have been reported as a reduction of personnel costs (mainly short-time work allowance in the Swedish operations). SSAB AB has received SEK 2 (4) million in government grants related to Covid-19, whereof SEK 2 million have been reported as a reduction of personnel costs.

2 Operating expenses cont.

SEK millions	Group						Parent Company					
	2021			2020			2021			2020		
	Wages, salaries and other compensation (of which tantium)	Social security expenses	(of which pension expenses)	Wages, salaries and other compensation (of which tantium)	Social security expenses	(of which pension expenses)	Wages, salaries and other compensation (of which tantium)	Social security expenses	(of which pension expenses)	Wages, salaries and other compensation (of which tantium)	Social security expenses	(of which pension expenses)
Board, President & Executive Management ¹⁾	72 (7)	39	(20)	82 (24)	39	(20)	50 (3)	30	(16)	57 (15)	34	(16)
Other Employees	8,502	2,218	(870)	7,603	2,031	(778)	104	64	(24)	52	41	(22)
Total	8,574	2,257	(890)	7,685	2,070	(798)	154	94	(40)	109	75	(40)

¹⁾ The Group included 13 members of executive management, of which two only worked parts of 2021. The Board consisted by the end of the year of six members. In the Parent Company, only personnel employed and working within the Parent Company is included and seven members of executive management. Personnel in some of the larger subsidiaries are formally employed by the Parent Company but are reported in terms of number and expense in the relevant subsidiary. In the Parent Company expenses for the president of SSAB EMEA AB are also reported.

Board fees

Board of Directors

At the Annual General Meeting (AGM) in April 2021, Bengt Kjell was re-elected as Chairman of the Board. At the AGM, it was decided that the Chairman's fee should amount to SEK 1,850 thousand, and directors' fees (excluding the President) to SEK 620 thousand each. Members of the Audit Committee should receive a fee of SEK 140 thousand and members of the Remuneration Committee should receive a fee of SEK 115 thousand. The Chairman of the Audit Committee should receive SEK 250 thousand and the Chairman of the Remuneration Committee should receive SEK 185 thousand. In total SEK 6,532 (6,555) thousand was paid in fees to the Board of Directors. The fees have been paid pro rata, based on length of duty. In October 2021, at an extraordinary general meeting, Lennart Evrell was elected as Chairman of the Board.

Board fees approved by the general meeting			Fee 2021, SEK thousands ¹⁾		Fee 2020, SEK thousands ¹⁾	
Elected by general meeting ²⁾	Elected	Position	Board fee	Committee fee	Board fee	Committee fee
Bengt Kjell ⁴⁾	2015	Chairman	1,079	190	1,800	305
Lennart Evrell ⁵⁾	2021	Chairman/ Member	1,133	135	-	-
Petra Einarsson	2014	Member	620	365	600	335
Marika Fredriksson ³⁾	2016	Member	-	-	600	135
Pasi Laine	2017	Member	620	-	600	-
Bo Annvik	2019	Member	620	115	600	110
Marie Grönborg	2019	Member	620	140	600	135
Annareetta Lumme-Timonen ⁴⁾	2020	Member	620	82	600	135
Majja Strandberg ⁵⁾	2021	Member	620	-	-	-

¹⁾ The fee relates to the full term (April–March). Consideration to changes in the Board during the year has been made.

²⁾ The CEO and Employee Representatives are included in the Board of Directors but do not receive any related compensation.

³⁾ Resigned at the annual general meeting in April 2021.

⁴⁾ Resigned at the extraordinary general meeting in October 2021.

⁵⁾ At the extraordinary general meeting in October 2021, Lennart Evrell was elected as Chairman of the Board and Majja Strandberg was elected as member.



2 Operating expenses cont.

Salaries and compensation for the president and other senior executives

Resolution of the Annual General Meeting

According to a resolution adopted by the AGM in April 2021, compensation to the President and other members in the company's senior management comprise of fixed salary, possible variable compensation, other benefits such as company car, and pension. "Other members of the Company's senior management" mean members of the Group Executive Committee. The total compensation package shall be at market terms and conditions and competitive in the employment market in which the executive works. Fixed salary and variable compensations shall be related to the executive's responsibilities and authority. The variable compensations shall be based on results as compared with defined and measurable targets and shall be subject to a ceiling in relation to the fixed salary. The variable compensations shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. in the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensations may be included in the basis for pension computation due to legislation or competitive practice in the local market.

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

Consultant fees in line with prevailing market conditions may be payable insofar as any director performs work on behalf of the company, in addition to the Board work.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice on the local market.

Pension benefits shall be contribution-based with individual retirement ages, in no case earlier than the age of 62. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

Remuneration committee

Within the Board of Directors there is a Remuneration Committee, which makes proposals to the Board regarding the President's salary and other employment terms and conditions, and determines the salary and other employment terms and conditions for the Group Executive Committee in accordance with guidelines decided upon by the AGM. The Committee consists of Lennart Evrell (Chairman), Petra Einarsson and Bo Annvik. The President is a co-opted member of the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

Compensation in 2021

Compensation to the President and other members of the Group Executive Committee consisted of a fixed salary component, a short-term variable salary component, and a long-term variable salary component. There is no share-related compensation.

The short-term variable salary component is related to: A) three Group objectives, 1. EBITDA margin relative to other comparable steel companies (Arcelor Mittal, Nucor, Salzgitter, ThyssenKrupp, US Steel and Tata Steel Europe), 2. net operating working capital of sales and 3. a sustainability objective established by the Board, measuring injury frequency, combined with B) divisional financial and operational objectives as well as C) one or more individual objectives. The individual objectives account for 15% of the total short-term variable pay. The other 85% relate to SSAB Group objectives and divisional objectives. SSAB Group objectives account for 85% of the President's short-term variable salary. For Executive Vice Presidents of Group functions, SSAB Group objectives account for 70% of short-term variable salary and for divisional Executive Vice Presidents 30–40%. Financial or operational divisional or functional objectives account for the remaining part.

This short-term variable salary component is capped at 75% of fixed salary for the President and at 50% for others. The divisional head of SSAB Americas receives variable compensation which is considered to be competitive in the local market. The target result is 60% of fixed salary but may amount to a maximum of 180% in the event of extremely high performance.

In 2011, a long-term incentive program was introduced covering at the time a maximum of 100 (now 150) key persons throughout the Group, including the company's President and other senior executives. The purpose of the program is to promote the company's ability to recruit and retain key contributors. The program applies for rolling three-year periods, is cash-based and linked to the total return on the SSAB share compared with a comparison group comprising the company's competitors (Arcelor Mittal, Nucor, Salzgitter, ThyssenKrupp and US Steel) and return on capital employed. For participants in the program outside North America, the result is capped at between 18% and 30% of fixed salary. The outcome for participants in North America is capped at between 30% and 108%, for these participants, the program is also linked to SSAB Americas' results and return on

2 Operating expenses cont.

capital employed. The estimated annual cost for the 2021 program is SEK 79 million excluding social fees in the event of maximum realization.

Payments under the long-term incentive program take place in cash and on condition that the employment remains.

President and Chief Executive Officer

The total paid compensation package, excluding pension, amounted to SEK 14.3 (18.5) million out of which the short-term variable pay amounts to SEK 0 (5.2) million, which is 0% of the maximum outcome of the program or 0% of the annual base pay. The retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 45 (49)% of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment. There is a 12-month notice period in the event of dismissal by the company. In addition, in such situation, severance compensation is payable equal to 12 months' salary. In the event of the President's resignation, the termination period is 6 months and, in such a situation, there is no entitlement to severance compensation. Variable salary components are earned during the termination period only on condition that the President remains in active service.

Other Group Executive Committee members

Apart from the President, the Group Executive Committee comprised 10 (10) persons. The Group Executive Committee is presented in the [Corporate Governance Report](#).

The total paid compensation package, excluding pension, amounted to SEK 43.7 (48.8) million out of which the short-term variable pay amounts to SEK 0 (13.5) million, which is 0% of the maximum outcome of the program.

The minimum retirement age for members of the Group Executive Committee is 62. Pensions are based on contributions, exceptions from this are Olavi Huhtala. He continues to be covered by the benefit-based pension scheme with a possible retirement age of 60 via Rautaruukin Eläkesäätiö, of which he has long been covered through his employment at Rautaruukki, as well as Charles Schmitt, whose pension scheme is in accordance with US legislation and practice.

The other members of the Group Executive Committee are entitled to 12 months' notice in the event of dismissal by the company. In addition, in such a situation, severance compensation is payable equivalent to 6 months' salary. Members of the Group Executive committee must give 6 months' notice of resignation, whereupon there is no entitlement to severance compensation.

No change of control clause is applied.

Total compensation and benefits are shown in the adjacent table:

Compensation and benefits for the President and other members of the Group Executive Committee ¹⁾	President		Other Group Executive Committee	
	2021	2020	2021	2020
SEK millions				
Fixed salary ²⁾	12.9	11.6	35.5	31.1
Other benefits ³⁾	0.4	0.4	2.1	1.6
Short-term variable salary ⁴⁾	0.0	5.2	0.0	13.5
Long-term variable salary ⁴⁾	1.0	1.3	6.0	2.3
Total compensation	14.3	18.5	43.7	48.8
Pension expenses	5.8	5.6	11.4	12.1
Total	20.1	24.1	55.1	60.9

¹⁾ Includes compensation to 10 (11) members of the Group Executive Committee for the full year, 1 (0) member of the Group Executive Committee for 11 months and 1 (0) member of the Group Executive Committee for 2 months.

²⁾ For 2021, includes payment of SEK 0.18 (0.3) MSEK to the President in respect of vacation compensation, as well as cost-compensation in respect of company residence in the amount of SEK 0.3 (0.3) million. During the period April to December 2020 temporary cost savings were implemented through deductions in salary for the CEO and Group Executive Committee. For the CEO, deduction was SEK 0.9 million and for other members of the Group Executive Committee SEK 2.3 million.

³⁾ Relates primarily to housing-benefit, car and gasoline benefits. For 1 (0) member of the Group Executive Committee, benefits in connection with international assignment is included.

⁴⁾ The amounts relate to payments made in the relevant financial year, which were earned in previous years. The compensation for 2021 is not known at the end of the accounting year due to the fact that comparisons are made with competitors who have not yet reported their figures, and also the fact that the Board can decide to reduce the compensation if special reasons exist, compensation in this table is reported only in the year in which payment has taken place. Booked variable salary components for 2021 for the entire Group Executive Committee amounted to SEK 26.2 (6.0) million. For 1 (0) member of the Group Executive Committee the long-term variable salary component refers to two payments due to postponement the 2020 payout.

3 Affiliated companies, joint ventures and related party transactions

Share of earnings and sales SEK millions	Share of earnings after tax		Share of sales	
	2021	2020	2021	2020
Lulekraft AB	2	1	178	122
Oxelösunds Hamn AB	11	15	201	200
Blastech Mobile LLC (joint venture)	64	37	191	136
Bet-Ker Oy	9	10	68	57
Manga LNG Oy	25	8	190	121
Raahen Voima Oy	-	-	444	212
Hybrit Development AB (joint venture)	-133	-72	31	9
Total	-22	-1	1,301	855

Share of assets and liabilities SEK millions	Share of assets		Share of liabilities	
	2021	2020	2021	2020
Lulekraft AB	119	94	103	79
Oxelösunds Hamn AB	271	252	89	81
Blastech Mobile LLC (joint venture)	116	96	28	29
Bet-Ker Oy	58	54	15	14
Manga LNG Oy	280	262	175	185
Raahen Voima Oy	683	587	425	335
Hybrit Development AB (joint venture)	294	343	32	67
Total	1,820	1,689	868	790

Receivables from affiliated companies and joint venture SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Included in balance sheet items:				
Accounts receivable	213	69	1	3
Prepaid expenses and accrued revenue	-	-	-	-
Total	213	69	1	3

Liabilities to affiliated companies and joint venture SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Included in balance sheet items:				
Other current liabilities	110	49	110	49
Accounts payable	280	72	-	-
Total	390	121	110	49

Share of owning and equity share can be found in [Note 8](#).

Related party transactions

The following transactions with affiliated companies and joint ventures occurred during the year:

SSAB Americas purchased plate shot blasting and painting services from Blastech Mobile for SEK 228 (189) million. Lulekraft purchased gas from SSAB Europe for SEK 254 (180) million and resold electricity for SEK 178 (80) million. Raahen Voima purchased gas and fuel from SSAB Europe for SEK 466 (106) million and sold back energy for SEK 405 (154) million. SSAB Europe purchased gas from Manga LNG for SEK 162 (120) million.

Oxelösunds Hamn sold port services to SSAB Europe and SSAB Special Steels for SEK 249 (239) million and purchased other services for SEK 57 (73) million. SSAB Europe purchased refractory materials from Bet-Ker for SEK 103 (38) million. Hybrit Development purchased administrative services from the Parent Company for SEK 3 (2) million. SSAB Europe sold services to Hybrit Development for SEK 7 (4) million and purchased services for SEK 2 (2) million.

4 Financial items

Group		
SEK millions	2021	2020
Financial income		
Interest income according to the effective interest method from interest-bearing receivables recognized at amortized cost	43	54
Interest income, derivative instruments measured at fair value	57	76
Exchange rate differences	1,988	1,999
Dividends	4	0
Other	3	1
Total	2,095	2,130
Financial expenses		
Interest expense according to the effective interest method from interest-bearing liabilities recognized at amortized cost ¹⁾	-438	-500
Interest expenses, derivative instruments measured at fair value	-26	-19
Exchange rate differences	-2,002	-1,989
Other	-50	-99
Total	-2,516	-2,607
Total financial net	-421	-477

¹⁾ Amount of interest expenses related to leasing is specified in [Note 21](#).

Parent Company		
SEK millions	2021	2020
Dividends from subsidiaries	24	9
Dividends from affiliated companies	1	1
Write-down of subsidiary shares	-14	-890
Interest income from subsidiaries	331	429
Interest expenses to subsidiaries	-100	-85
Total result from subsidiaries and affiliated companies	242	-537
Interest income according to the effective interest method from interest-bearing receivables recognized at amortized cost	10	25
Interest income, derivative instruments measured at fair value	11	21
Interest expense according to the effective interest method from interest-bearing liabilities recognized at amortized cost	-229	-286
Net exchange rate differences	-222	801
Other	-38	-64
Total other financial items	-468	497
Total financial net	-227	-39

5 Taxes

The tax for the year amounted to SEK -3,743 (312) million and the effective tax rate was 20.3% (38.9%).

Taxes	Group		Parent Company	
	2021	2020	2021	2020
SEK millions				
Swedish corporate income tax	-191	-31	-45	31
Foreign corporate income tax	-2,572	-95	-	-
Total current tax expenses	-2,764	-126	-45	31
Deferred taxes	-980	438	-95	-45
Total tax in the income statement	-3,743	312	-140	-14
Total tax in other comprehensive income¹⁾	-37	-179	-5	1

¹⁾ For details see Consolidated statement of changes in equity on p. 139 and on p. 143 for the Parent Company.

Reconciliation of tax rates	Group		Parent Company	
	2021	2020	2021	2020
%				
Applicable tax rate in Sweden	20.6	21.4	20.6	21.4
Tax effect of:				
• non-tax deductible expenses ²⁾	0.8	9.2	3.6	-38.5
• non-taxable income ²⁾	-1.2	2.9	-1.3	8.2
• changes in tax rates	-1.8	-	-	-
• other tax rates in foreign subsidiaries ³⁾	2.3	11.5	-	-
• taxes relating to earlier periods	0.4	-3.7	13.0	6.1
• unbooked deficit credit	-0.4	-5.7	-	-
• other	-0.4	3.3	-	-
Effective tax rate	20.3	38.9	35.8	-2.8

²⁾ Non-tax deductible expenses mainly consist of write-downs of shares while non-taxable revenue mainly consists of dividends from subsidiaries.

³⁾ The Group has operations in countries where tax rate and tax regulation are different from those in Sweden. Thus, the foreign tax rates are affecting the Group's tax rate.

6 Intangible assets

Group	2021							2020						
	Customer relations	Trademarks	Emission rights	Other intangible assets	Trademarks with undeterminable useful life	Goodwill	Total intangible assets	Customer relations	Trademarks	Emission rights	Other intangible assets	Trademarks with undeterminable useful life	Goodwill	Total intangible assets
SEK millions														
Acquisition value, January 1	8,121	25	1,255	1,654	397	28,192	39,644	9,150	143	1,307	1,769	467	31,618	44,454
Acquisitions	-	-	494	136	-	-	631	-	0	-	70	-	-	70
Increase through acquisition of shares/operations	-	21	-	-	-	-	21	-	-	-	-	-	-	-
Divestments and disposals	0	-	-494	-19	-	-	-513	-5	-20	-	-35	-48	-2	-110
Decrease through sale of shares/operations	-	-	-	-	-	-	-	-	0	-	-16	-	0	-17
Reclassifications	-	-	-	-5	-	-	-5	69	-100	-	2	-	-117	-147
Translation differences	845	0	27	98	9	2,510	3,489	-1,092	3	-52	-135	-23	-3,307	-4,606
Acquisition value, December 31	8,967	47	1,282	1,865	405	30,701	43,267	8,121	25	1,255	1,654	397	28,192	39,644
Accumulated amortization, January 1	8,003	8	1,120	1,293	-	-	10,424	9,067	6	1,166	1,362	-	-	11,601
Divestments and disposals	0	-	-	-14	-	-	-14	-3	-	-	-26	-	-	-30
Amortization for the year	23	2	-	90	-	-	116	24	2	-	92	-	-	118
Decrease through sale of shares/operations	-	-	-	-	-	-	-	-	-	-	-16	-	-	-16
Reclassifications	-	-	-	-1	-	-	-1	0	-	-	0	-	-	0
Translation differences	843	0	24	89	-	-	956	-1,085	0	-46	-119	-	-	-1,250
Accumulated amortization, December 31	8,869	10	1,144	1,457	-	-	11,481	8,003	8	1,120	1,293	-	-	10,424
Accumulated write-down, January 1	6	-	-	0	-	319	325	6	-	-	0	-	339	345
Write-down for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation differences	-	-	-	0	-	6	6	0	-	-	0	-	-20	-20
Accumulated write-down, December 31	6	-	-	0	-	326	331	6	-	-	0	-	319	325
Book value, December 31	92	37	138	408	405	30,375	31,455	113	17	135	361	397	27,872	28,896

Amortization for the year is included in the income statement in the amount of SEK 55 (59) million in cost of goods sold, SEK 11 (10) million in selling expenses and SEK 49 (49) million in other administrative expenses.

6 Intangible assets cont.

Test of impairment of goodwill and other assets with an undeterminable useful life

During 2021, SSAB Special Steels assumed responsibility for the steel mill in Mobile from SSAB Americas, resulting in a reallocation of goodwill between the two cash generated units. Test of impairment of goodwill and other assets with an undeterminable useful life takes place annually towards the end of the fourth quarter or in the case of an indication of decline in value. The Group's most significant assets with an undeterminable useful life is allocated to the Group's cash-generating units below.

Assets with an undeterminable useful life

SEK millions	2021	2020
Goodwill		
SSAB Special Steels	16,464	2,813
SSAB Americas	11,119	22,325
SSAB Europe	2,130	2,085
Tibnor	523	512
Ruukki Construction	140	140
Total goodwill	30,375	27,872
Ruukki Construction (Trademark Rautaruukki)	405	397
Total assets with an undeterminable useful life¹⁾	30,780	28,269

¹⁾ The main reason for value changes compared to previous year is due to exchange rate differences.

For more information about the business segments, see [Note 28](#). Recoverable amounts for cash-generating units are based on value in used calculations. The calculations are based on the company's budget and forecasts regularly produced by the management team. Cash flow beyond a five-year period have been extrapolated applying an assessed rate of growth in accordance with the information below. The rate growth does not exceed the long-term rate of growth for the market in which these cash-generating units operate.

Significant assumptions used in calculations of use value are shown in the table below:

2021	SSAB Special Steels	SSAB Americas	SSAB Europe	Tibnor	Ruukki Construction
Assessed long-term rate of growth, %	2	2	2	2	2
Weighted average discount rate, before tax, %	8.8	11.6	8.6	8.6	8.5

2020	SSAB Special Steels	SSAB Americas	SSAB Europe	Tibnor	Ruukki Construction
Assessed long-term rate of growth, %	2	2	2	2	2
Weighted average discount rate, before tax, %	7.8	9.9	7.7	7.9	7.5

The assumptions above have been used to analyze the cash-generating unit.

The management has established the budgeted and forecast gross margin based on historical results and expectations regarding market trends and each specific cash-generating unit. The rate of growth used for the margin before depreciation, EBITDA, corresponds to the forecasts available in industry and analyst reports. The discount rate used is stated before tax and reflects specific risks applicable locally for each specific cash-generating unit.

Calculations conducted using the above assumptions have demonstrated that no impairment of goodwill exists at December 31. For a sensitivity analysis, see [Note 30](#).

6 Intangible assets cont.

Emission rights

The estimated consumption of emission rights in 2021 was 9.28 (8.19) million tonnes. The free allocation has not fully covered the consumption for 2021 and a cost accrual of SEK 143 million has been reported in accrued expenses (see note 18). In 2021 SSAB has bought emission rights for 1.3 million tonnes and sold rights with the corresponding amount. Furthermore the same amount of rights have been purchased back with forward contracts. The sold rights have generated a profit of SEK 709 million which has been reported as deferred income (see Note 18). The value of the future deliveries of emission rights is presented in contingent liabilities in Note 23. The emission rights are reported as intangible assets, with granted emission rights being booked at an acquisition value of SEK 0. At year-end SSAB owned emission rights were valued at SEK 138 (135) million, which are reported as intangible assets.

Parent Company

SEK millions	2020			2019		
	Emission rights	Software	Total intangible fixed assets	Emission rights	Software	Total intangible fixed assets
Acquisition value, January 1	-	5	5	-	5	5
Acquisitions	1 731	6	1 737	-	-	-
Divestments and disposals	-1 731	-	-1 731	-	-	-
Acquisition value, December 31	-	11	11	-	5	5
Accumulated amortization, January 1	-	3	3	-	2	2
Amortization for the year	-	1	1	-	1	1
Accumulated amortization, December 31	-	4	4	-	3	3
Book value, December 31	-	7	7	-	2	2



7 Tangible fixed assets

Group	2021						2020						
	Land and land improvements	Buildings	Machinery	Equipment, tools, fixtures and fittings	Construction in progress and advances to suppliers	Total tangible fixed assets	Land and land improvements	Buildings	Machinery	Equipment, tools, fixtures and fittings	Leased assets	Construction in progress and advances to suppliers	Total tangible fixed assets
SEK millions													
Acquisition value, January 1	1,148	8,189	45,400	3,283	3,093	61,113	1,253	8,360	45,728	3,326		3,217	61,884
Acquisitions	5	101	189	88	2,366	2,749	0	89	449	83		1,512	2,134
Increase through acquisitions of shares/operations	2	11	2	-	-	15	-	-	-	-		-	-
Divestments and disposals	-1	-18	-313	-65	0	-398	-74	-8	-284	-53		15	-404
Decrease through sale of shares/operations	-	-	-	-	-	-	2	51	30	-1		-1	81
Reclassifications	8	71	1,334	48	-1,462	-1	6	117	1,401	66		-1,555	34
Translation difference	27	294	1,428	76	82	1,906	-38	-419	-1,924	-137		-95	-2,615
Acquisition value, December 31	1,190	8,647	48,038	3,429	4,079	65,382	1,148	8,189	45,400	3,283		3,093	61,113
Accumulated depreciation, January 1	329	4,148	32,489	2,089	-	39,056	311	3,907	31,620	2,014		-	37,852
Divestments and disposals	-1	-15	-294	-55	-	-364	0	-4	-220	-41		-	-267
Depreciation for the year	29	368	1,900	193	-	2,490	26	387	2,274	216		-	2,903
Decrease through sale of shares/operations	-	-	-	-	-	-	-	16	22	-1		-	39
Reclassifications	0	-1	-3	0	-	-3	-	2	13	-13		-	2
Translation difference	6	119	948	50	-	1,123	-8	-162	-1,219	-85		-	-1,473
Accumulated depreciation, December 31	363	4,619	35,039	2,278	-	42,300	329	4,148	32,489	2,089		-	39,056
Accumulated write-down, January 1	3	7	24	0	-	35	4	13	28	0		-	45
Divestments and disposals	-	-	0	0	-	0	-	-	0	0		-	0
Write-down for the year	-	-	-	0	-	0	-	-	-	-		-	-
Reversal of write-down previous years	-	-1	-	-	-	-1	-	-	-	-		-	-
Reclassifications	-	-	-	-	-	0	-	-	-	-		-	-
Translation difference	0	1	2	0	-	4	-1	-5	-4	-		-	-11
Accumulated write-down, December 31	4	8	26	0	-	38	3	7	24	0		-	35
Book value, December 31	823	4,020	12,973	1,151	4,079	23,044	816	4,034	12,887	1,194		3,093	22,022

7 Tangible fixed assets cont.

Depreciation and write-downs for the year are included in the income statement in the amount of SEK 2,430 (2,837) million, in costs of goods sold, SEK 21 (24) million in selling expenses and SEK 39 (44) million in administrative expenses. As per the balance sheet date, there were contracted investments in fixed assets valued at SEK 698 (709) million which were not reported in the financial statements.

Parent Company

SEK millions	2021		2020	
	Equipment, tools, fixtures and fittings	Total tangible fixed assets	Equipment, tools, fixtures and fittings	Total tangible fixed assets
Acquisition value, January 1	13	13	13	13
Acquisitions	-	-	-	-
Divestments and disposals	0	0	-	-
Acquisition value, December 31	12	12	13	13
Accumulated depreciation, January 1	10	10	9	9
Divestments and disposals	-	-	-	-
Depreciation for the year	1	1	1	1
Accumulated depreciation, December 31	11	11	10	10
Book value, December 31	1	1	3	3

8 Financial assets, shares and participations in affiliated companies and joint venture

Group	2021				2020			
	Other shares and participations	Other long-term receivables	Participations in affiliated companies and JV	Total financial assets	Other shares and participations	Other long-term receivables	Participations in affiliated companies and JV	Total financial assets
SEK millions								
Book value at January 1	302	148	899	1,348	284	240	736	1,260
Investments	46	22	118	186	32	18	232	283
Change in fair value, derivatives	-	108	-	108	-	-59	-	-59
Divestments and amortization	0	-20	-	-20	-2	-25	0	-27
Impairments	-	-	-	-	0	0	-	0
Shares in profit after tax	-	-	-22	-22	-	-	-1	-1
Reclassification	-	-10	-	-10	0	-4	-	-4
Dividend	-	-	-59	-59	-	-	-44	-44
Translation differences	7	5	16	28	-12	-22	-24	-59
Book value at December 31	354	254	952	1,559	302	148	899	1,348

Other shares and participations consist primarily of unlisted holdings in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value. Other long-term receivables are receivables that are classified partially in the category "Financial assets valued at amortized cost" and partially in "Derivatives for hedging classified at fair value".

Parent Company

Parent Company	2021				2020					
	Shares in subsidiaries	Shares in affiliated companies	Other shares and participations	Other long-term receivables	Total financial assets	Shares in subsidiaries	Shares in affiliated companies	Other shares and participations	Other long-term receivables	Total financial assets
SEK millions										
Book value at January 1	65,992	370	8	4	66,373	66,878	138	8	1	67,025
Investments	-	118	-	0	118	4	232	-	1	236
Change in fair value, derivatives	-	-	-	77	77	-	-	-	3	3
Impairments	-14	-	-	-	-14	-890	-	-	-	-890
Book value, December 31	65,978	488	8	81	66,555	65,992	370	8	4	66,373

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Parent Company's shares and participations in subsidiaries

	Reg. no	Office	Number	% ¹⁾	Book value 2021, MSEK	Book value 2020, MSEK
Swedish operating subsidiaries:						
Plannja AB	556121-1417	Luleå	80,000	100	16	16
SSAB EMEA AB	556313-7933	Oxelösund	1,000	100	3,961	3,961
Tibnor AB	556004-4447	Stockholm	1,000,000	100	425	425
SSAB Technology AB	556207-4905	Stockholm	1,000	100	556	556
SSAB Americas Holding AB	556858-6654	Stockholm	50,000	100	4	13
SSAB APAC Holding AB	556858-6647	Stockholm	50,000	100	45	50
Foreign operating subsidiaries:						
SSAB Central Inc.		Canada	1 000	100	361	361
SSAB US Holding Inc.		USA	100	100	25,409	25,409
Rautaruukki Oyj		Finland	138,929,363	100	14,077	14,077
SSAB Finance Ireland		Ireland	130,000,000	100	21,120	21,120
Other ²⁾					4	5
Dormant companies					0	0
Total					65,978	65,992

Other shares and participations

	Book value 2021, MSEK	Book value 2020, MSEK
Tenant-owner rights	8	8
Total, Parent Company's other shares and participations	8	8
<hr/>		
Subsidiaries' other shares and participations ²⁾	346	293
Total, Group's other shares and participations	354	302

Parent Company's shares in affiliated companies and joint venture

	Reg. no	Office	Number	% ¹⁾	Book value 2021, MSEK	Book value 2020, MSEK
HYBRIT Development AB	559121-9760	Stockholm	500,000	33	478	359
Lulekraft AB	556195-0576	Luleå	100,000	50	10	10
Total, Parent Company's shares in affiliated companies and joint venture					488	370

Subsidiaries' shares and participations in affiliated companies and joint venture

	Reg. no	Office	Number	% ¹⁾	Book value 2021, MSEK	Book value 2020, MSEK
Oxelösunds Hamn AB	556207-4913	Oxelösund	50,000	50	182	171
		USA		50	87	66
Bet-Ker Oy	1003246-0	Finland	120	44	43	40
Manga LNG Oy	2592122-8	Finland	3,151,042	25	77	77
Raahen Voima Oy	2604933-9	Finland	1,875	75	258	252
					647	607
Equity shares in affiliated companies and joint venture's equity in excess of the book value in the Parent Company					-183	-78
Total, Group participations in affiliated companies and joint venture					952	899

¹⁾ The percentages indicate the equity share which, in all cases, also corresponds to the share of the voting capital.

However, the voting share in Raahen Voima is, through a shareholder agreement, limited to 50%

²⁾ A complete specification of other shares and participations is available from SSAB's Group headquarters in Stockholm

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Indirectly owned subsidiaries (not directly owned by SSAB AB)

Name	Office	Ownership %	Name	Office	Ownership %
Abraservice Belgium SA	Belgium	100	Piristeel Oy	Finland	100
Abraservice CZ Sro	Czech Republic	100	Plannja A/S	Norway	100
Abraservice Deutschland GmbH	Germany	100	Plannja A/S	Denmark	100
Abraservice France SAS	France	100	Plannja Förvaltnings AB	Sweden	100
Abraservice Holding SAS	France	100	Plannja Siba AB	Sweden	100
Abraservice Ibérica INT, SAU	Spain	100	Plannja SP z.o.o	Poland	100
Abraservice Italia SpA	Italy	100	Plannja Steinwalls AB	Sweden	100
Abraservice Nederland BV	Netherlands	100	Plåtdepån i Borlänge AB	Sweden	100
Abraservice Polska Sp. z.o.o	Poland	100	Presteel Oy	Finland	80
Abraservice Portugal LDA	Portugal	100	Rannila Uü	Estonia	100
Abraservice UK	Great Britain	100	Rautaruukki Uü	Estonia	100
Abraservice Özel Celik Ltd Si	Turkey	100	Ruukki Building Components AS	Norway	100
BevakningsAB Företagsskydd	Sweden	100	Ruukki Bulgaria EOOD	Bulgaria	100
Borlänge Handelsstål AB	Sweden	100	Ruukki Construction Norge AS	Norway	100
EO Stål AB	Sweden	100	Ruukki Construction Oy	Finland	100
Foncière Saint-Marcel	France	100	Ruukki CZ s.r.o.	Czech Republic	100
Förvaltnings AB Tegelhögen	Sweden	100	Ruukki Finance B.V.	Netherlands	100
G & G Mining Fabrication	Australia	100	Ruukki Holding B.V.	Netherlands	100
Geha Beheer BV	Netherlands	100	Ruukki Latvia SIA	Latvia	100
Göteborgs Stål AB	Sweden	100	Ruukki Metals Trading & Marketing India Private Limited	India	100
Handelsstålgruppen i Sverige AB	Sweden	100	Ruukki Polska Sp.zo.o.	Poland	100
Hardox Wearparts Center Stirling Ltd.	Great Britain	100	Ruukki Products AS	Estonia	100
Kiinteistö Oy Kauhavan Metallitie 4	Finland	100	Ruukki Romania S.R.L.	Romania	100
Linköpings Stål AB	Sweden	100	Ruukki Slovakia s.r.o.	Slovakia	100
LLC Ruukki Investment Ukraine	Ukraine	100	Ruukki Sverige AB	Sweden	100
LLC Ruukki Ukraine	Ukraine	100	Ruukki UK Ltd	Great Britain	100
Metform Oy	Finland	100	SC Plannja SRL, Romania	Romania	100
Mjölby Handelsstål AB	Sweden	100	Smålands Stål AB	Sweden	100
MS Cité SARL	France	100	Sundsvalls Stål AB	Sweden	100
Norrköpings Handelsstål AB	Sweden	100			



8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Indirectly owned subsidiaries (not directly owned by SSAB AB)

Name	Office	Ownership %
SSAB Adriatic d.o.o.	Croatia	100
SSAB Alabama Inc.	USA	100
SSAB Argentina SRL	Argentina	100
SSAB Bulgaria Ltd	Bulgaria	100
SSAB Columbia S.A.S.	Colombia	100
SSAB Construction Inc.	USA	100
SSAB Danmark A/S	Denmark	100
SSAB Egypt LLC	Egypt	100
SSAB Enterprises LLC	USA	100
SSAB Europe Oy	Finland	100
SSAB Europe SSC AB	Sweden	100
SSAB Hardox P.R. (SSAB Swedish Steel (Tianjin) Co., Ltd.)	China	100
SSAB Hardox Stahl GmbH	Austria	100
SSAB Holding Danmark A/S	Denmark	100
SSAB Inc	USA	100
SSAB Iowa Inc.	USA	100
SSAB Israel Ltd	Israel	100
SSAB Minnesota Inc.	USA	100
SSAB Nordic Steel AB	Sweden	100
SSAB Oxelösund AB Sucursal Del	Peru	100
SSAB Poland Sp.z.o.o, Poland	Poland	100
SSAB Sales Inc.	USA	100
SSAB Saudi Factory LLC	Saudi Arabia	100
SSAB South Africa Pty Ltd	South Africa	100
SSAB Swedish Steel Aceros de Chile Limitada	Chile	100
SSAB Swedish Steel BV	Netherlands	100
SSAB Swedish Steel India CIS	Russia	100
SSAB Swedish Steel (China) Co., Ltd.	China	100
SSAB Swedish Steel Comércio Aço Ltda.	Brazil	100
SSAB Swedish Steel d.o.o.	Serbia	100
SSAB Swedish Steel Eesti OU	Estonia	100

Name	Office	Ownership %
SSAB Swedish Steel FZE	United Arab Emirates	100
SSAB Swedish Steel India PVT Ltd	India	100
SSAB Swedish Steel Indonesia	Indonesia	100
SSAB Swedish Steel Int. Trade (Kunshan) Co	China	100
SSAB Swedish Steel Lda	Portugal	100
SSAB Swedish Steel Lda	Angola	100
SSAB Swedish Steel LLC	Ukraine	100
SSAB Swedish Steel LLC	Uzbekistan	100
SSAB Swedish Steel LLP	Kazakhstan	100
SSAB Swedish Steel Ltd	Canada	100
SSAB Swedish Steel Ltd	Korea	100
SSAB Swedish Steel Ltd. Shanghai	China	100
SSAB Swedish Steel Ltd. UK	Great Britain	100
SSAB Swedish Steel Mepe	Greece	100
SSAB Swedish Steel Pakistan (Private) Limited	Pakistan	100
SSAB Swedish Steel Pte Ltd.	Singapore	100
SSAB Swedish Steel Pty Ltd.	Australia	100
SSAB Swedish Steel s.r.o.	Czech Republic	100
SSAB Swedish Steel SARL	Morocco	100
SSAB Swedish Steel Sdn Bhd	Malaysia	100
SSAB Swedish Steel SpA	Italy	100
SSAB Swedish Steel SRL	Romania	100
SSAB Swedish Steel Strip Products INT Trade (Kunshan)	China	100
SSAB Swedish Steel Taiwan Ltd.	Taiwan	100
SSAB Swedish Steel (Thailand) Co. Ltd.	Thailand	49
SSAB Swedish Steel Trading Kft	Hungary	100
SSAB Swedish Steel Trading Ltd, Ungern	Hungary	100
SSAB Swedish Steel, Hong Kong	Hong Kong	100
SSAB Swedish Steel, Japan	Japan	100
SSAB Texas Inc.	USA	100

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Indirectly owned subsidiaries (not directly owned by SSAB AB)

Name	Office	Ownership %
SSAB Wear Solutions LLC	USA	100
Swedish Steel AB Mexico Sa De CV	Mexico	100
Tappers Stål & Metaller AB	Sweden	100
Tibnor AS	Norway	100
Tibnor AS	Denmark	100
Tibnor Estonia AS	Estonia	100
Tibnor Lanna AB	Sweden	100
Tibnor Latvia SIA	Latvia	100
Tibnor Oy	Finland	100
Tibnor SIA	Latvia	100
UAB Tibnor	Lithuania	100

9 Inventories

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Raw materials, consumables and semi-finished goods	11,989	8,084	-	-
Slabs	2,195	1,377	-	-
Work in progress	655	763	-	-
Stocks of finished goods	10,759	7,220	-	-
Total	25,599	17,444	-	-

SEK 1,222 (302) million of the inventory value is valued at net realizable value. The share of inventories which is booked as an expense amounts to SEK 72,425 (61,617) million during the period, where SEK 478 (424) million was reported as an expense relating to impairment of inventories.

10 Prepaid expenses and accrued income

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Delivered, non-invoiced goods and services	69	38	-	-
Bonuses, discounts, licenses and similar	85	59	-	-
Prepaid rents	23	33	2	5
Prepaid insurance premiums	52	45	1	2
Derivatives reported in hedge accounting	135	203	79	195
Derivatives not reported in hedge accounting	507	21	344	24
Prepaid bank fees	16	20	16	20
Other prepaid expenses	201	242	6	8
Total	1,088	661	448	255

11 Other current interest-bearing receivables/ Cash and cash equivalents

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Other current interest-bearing receivables				
Restricted funds	963	818	905	818
Other current interest-bearing receivables	23	77	1	5
Total current interest-bearing receivables	985	896	906	823
Cash and cash equivalents				
Cash and bank balances	7,165	6,457	5,542	5,130
Short-term investments (term to maturity of less than three months)	6,631	594	6,489	532
Total cash and cash equivalents	13,796	7,051	12,031	5,662
Total	14,781	7,946	12,937	6,485

All short-term investments and current interest-bearing receivables are valued at amortized costs.

12 Equity

The share capital amounts to SEK 9,063 (9,063) million, divided into 1,029.8 (1,029.8) million shares with a quotient value of SEK 8.80 (8.80) per share. 304.2 (304.2) million of the shares are Class A shares and 725.7 (725.7) million shares are Class B shares. Each Class A share entitles one vote, while each Class B share entitles the holder to one tenth of a vote. No shares are held in treasury by the company or its subsidiaries. The average number of shares was 1,029.8 (1,029.8) million (average number of shares have been adjusted based on the bonus issue element in the rights issue). Other contributed funds amounting to SEK 23,021 (23,021) million and consists of funds paid in by the shareholders in connection with new issues, in excess of the par value of the shares.

Exchange rate differences which arise upon the translation into Swedish kronor of the net investment in foreign subsidiaries are transferred to the translation reserve. The accumulated translation differences amounted to SEK 10,091 (5,349) million. The exchange rate differences in conjunction with the translation of loans or other

financial instruments taken up in order to hedge the exchange rate of net assets in foreign subsidiaries are transferred to the reserve for hedge of foreign operations. The accumulated translation differences amounted to SEK -4,211 (-4,038) million. Exchange rate differences in conjunction with cash flow hedge of significant sales in foreign currency as well as hedge of interest rates from variable to fixed rate are transferred to the reserve for cash flow hedge. The accumulated translation differences amounted to SEK 217 (-62) million.

The proposed dividend for 2021 amounts to SEK 5.25 (0.00) per share.

Numbers of shares/share capital

	Group	
	2021	2020
Numbers of shares in million	1,029.8	1,029.8
Share capital in SEK million	9,063	9,063

Group

SEK millions	2021				2020			
	Reserve for hedge of foreign operations	Reserve for cash flow hedges	Translation reserve	Total reserves	Reserve for hedge of foreign operations	Reserve for cash flow hedges	Translation reserve	Total reserves
Reserves, January 1	-4,038	-62	5,349	1,247	-4,609	43	11,595	7,028
Translation differences during the period	-	-	4,742	4,742	-	-	-6,246	-6,246
Fair value changes during the period	-218	217	-	-1	778	-370	-	408
Tax related to fair value changes during the period	45	-44	-	1	-207	75	-	-132
Transferred to the income statement	-	131	-	131	-	239	-	239
Tax related to transferred to the income statement	-	-26	-	-26	-	-49	-	-49
Reserves, December 31	-4,211	217	10,091	6,095	-4,038	-62	5,349	1,247



13 Pensions

The Group's employees, former employees and their survivors may be covered by defined contribution and defined benefit plans relating to post-employment benefits. The defined benefit plans cover retirement pension and survivors' pensions. For the defined contributions plans, continuous payments to authority and to independent bodies is done and therefore they take over the obligations towards the employees.

The obligation reported in the balance sheet is derived from the defined benefit plans.

Within the Group, there are both defined contribution and defined benefit pension plans. For defined contribution plans and for pension plans for salaried employees in Sweden who are subscribed to Alecta, the premiums are reported as the year's expense for the past period. The Group's major pension plans are Rautaruukki's Finnish pension scheme (A-säätiö), Finnish defined benefit plans and the Norwegian pension scheme (CCB Pensjonskasse) but there are also smaller pension plans in Sweden and in the US.

Actuarial gains / losses for defined benefit plans are reported in Other comprehensive income. The actuarial gains on pension liabilities net have arisen mainly due to higher return on plan assets, offset by lower discount rates.

The plans are covered by a re-insured provision in the balance sheet and by pension benefit plans and funds. The calculations are based on the Projected Unit Credit Method using the assumptions shown in the table on p. 182. The method distributes the cost of pensions as employees perform services that increase their entitlement to future benefits.

The obligation is calculated by independent actuaries and is the present value of the expected future payments.

SSAB's forecast payment of pensions in relation to defined benefit plans, both funded and unfunded, amounts to SEK 33 million for 2022.

Sweden

Labourers are included in the SAF / LO plan which is a defined contribution pension plan based on collective agreements and that include several employers within several branches. White-collar workers are included in the ITP plan, which also is based on collective agreements and comprises several employers within several branches. The ITP plan has two parts, the ITP1, a defined contribution pension plan which is valid for employees born 1979 or later, as well as ITP2, a defined contribution pension plan which is valid for employees born before 1979. The major part of the ITP2 plan is managed by SSAB within the FPG / PRI system. Financing takes place through a provision which is safeguarded by a credit insurance in Försäkringsbolaget PRI Pension guarantee. One part of the ITP2 plan is safeguarded through an insurance within Alecta. In SSAB AB, there is in excess of above obligations other defined benefit obligations applied to individual pension agreements to earlier employees and pensions to senior executives.

Some of the white-collar workers in Sweden are safeguarded by the ITP2 plan defined benefit pension obligations for age- and family pension (alternative family pension) through an insurance by Alecta. According to a statement from Swedish Financial Reporting Board, UFR 10 the classification for ITP plans, which is financed by insurance by Alecta, this is a defined benefit that comprises several employers. For the financial year 2021 (as in 2020) the company did not have access to all information to be able to disclose their proportional share of the obligation of the plan, the plan assets and the cost of administration, which means that it has not been possible to account for the plans as a defined benefit plan. The pension plan ITP2 which is safeguarded through an insurance by Alecta is therefore accounted as a defined contribution plan. The premium for the defined benefit age- and family pension is individual and calculated based on salary, earlier earned pension and expected remaining period of service. The expected fee for the next reporting period for ITP2 insurances that are with Alecta amount to SEK 44 million.

The collective consolidation level consists of the market value of the assets in Alecta, in percent of insurance obligations calculated in accordance with the insurance technical methods and assumptions by Alecta, which do not correspond with IAS 19. The collective consolidation level shall normally be allowed to vary between 125% and 155%. If the collective consolidation level in Alecta is below 125% or exceeds 155%, action shall be taken in order to make assumptions so the consolidation level will revert to the normal interval. At a low consolidation level, one action can be to increase the agreed fee for new take out and/or increase of existing benefits. At a high consolidation level, one action can be to implement premium reductions. At the end of the year, Alecta's surplus, in the form of a collective consolidation level, was 172% (148%).

13 Pensions cont.

Total pension expenses SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Fees for contribution-based plans	782	711	18	19
Fees for pension insurance policies with Alecta	131	116	16	13
Pension expenses, benefit-based plans	16	20	0	-1
Special employer's contributions	83	82	7	9
Other	4	2	-	-
Total pension expenses	1,015	932	40	40

Provisions for pension obligations in the balance sheet SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Funded pension obligations	1,229	1,255	-	-
Fair value of plan assets	-1,241	-1,204	-	-
Pension obligations less plan assets	-12	51	-	-
Unfunded pension obligations	385	380	2	2
Pension obligations, net	373	430	2	2

Changes in benefit-based pension obligations during the year SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Pension obligations, January 1	1,630	1,725	2	2
Benefits earned during the year	40	36	-	0
Actuarial gains/losses	-25	71	-	-
Interest expenses	12	20	0	0
Paid benefits	-118	-124	0	-1
Curtailements and settlements	3	0	-	0
Reclassifications	7	-	-	-
Translation differences	65	-98	-	-
Pension obligations, December 31	1,614	1,630	2	2

Changes in the value of the plan assets during the year SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Plan assets, January 1	1,200	1,292	-	-
Actuarial gains/losses	43	33	-	-
Return during the year	8	15	-	-
Fees from employer	29	41	-	-
Paid benefits	-93	-103	-	-
Curtailements and settlements	1	-6	-	-
Reclassifications	7	-	-	-
Translation differences	47	-72	-	-
Plan assets, December 31	1,241	1,200	-	-
Pension obligations, net	373	430	2	2

13 Pensions cont.

Net pension obligations in balance sheet	Group		Parent Company	
	2021	2020	2021	2020
SEK millions				
Pensions provisions	452	492	2	2
Long-term receivables	79	61	-	-
Pension obligations, net	373	430	2	2

Pensions obligations by country, December 31

SEK millions	2021						2020					
	Finland	Norway	USA and Canada	Sweden	Other	Total	Finland	Norway	USA and Canada	Sweden	Other	Total
Funded pension obligations	876	245	104	3	0	1,229	917	233	101	4	0	1,255
Fair value of plan assets	832	324	84	2	0	1,241	838	294	71	2	0	1,204
Pension obligations less plan assets	44	-79	21	2	0	-12	79	-61	30	2	0	51
Unfunded pension obligations	120	15	131	34	85	385	123	15	124	30	86	380
Pension obligations by country, net	165	-64	152	35	85	373	203	-46	155	32	86	430

Specification of plan assets

Distribution, %	2021	2020
Equity instruments	21.8	17.9
Bonds	40.2	49.3
Real estate	10.1	10.2
Cash	4.1	2.3
Investments funds	15.5	18.4
Other	8.3	1.9
Total	100.0	100.0

Exposure to the most significant risks in defined benefit plans

Asset volatility

A large part of the plan's assets is invested in bonds that over time should give less volatility and be less risky than equities.

Discount rate

Defined benefit pension obligations have been calculated using a discount rate based on the interest rate on first-class corporate bonds. A decrease in the bond loan interest rate increases pension liabilities, although this is partly offset by an increase in the value of plan assets.

Inflation risk

Pension liabilities are subject to inflation and an increase in inflation increases pension liabilities.

13 Pensions cont.

Significant actuarial assumptions

%	2021				2020					
	Finland	Norway	USA and Canada	Sweden	Finland	Norway	USA and Canada	Sweden		
Discount rate	0.9	2.2	3.0	0.6	0.3	1.3	2.6	0.2		
Inflation	2.0	2.0	2.0	2.0	1.2	2.0	2.0	2.0		
Future salary growth	2.0	3.0	3.4	2.0	1.8	2.8	3.4	2.0		
Pension increase rate	2.2	-	-	2.0	1.4	-	-	3.0		
Expected remaining service period (year)	3	8	7	-	3	9	7	0		
Life expectancy	Finland: Gompertz' model, with Finnish TyEL parameters 2015			USA: 100% of CPM 2014 Private Sector Table with Projection Scale CPM-B/PRI2012/MP2020	Sweden: DUS14	Finland: Gompertz' model, with Finnish TyEL parameters 2015			USA: 100% of CPM 2014 Private Sector Table with Projection Scale CPM-B/PRI2012/MP2020	Sweden: DUS14
Duration	12	15	18	5	12	15	19	4		

Sensitivity in the defined benefit-based obligation to the significant actuarial assumptions, by country

SEK millions	2021					2020				
	Finland	Norway	USA and Canada	Sweden	Total	Finland	Norway	USA and Canada	Sweden	Total
Discount rate, +0.5 %	-46.1	-15.7	-23.5	-0.1	-85.3	-47.9	-14.5	-23.0	-0.1	-85.4
Discount rate, -0.5 %	51.2	17.5	26.8	0.1	95.6	53.4	16.0	26.3	0.1	95.8
Life expectancy, +1 year	28.4	7.4	4.4	0.3	40.5	27.2	7.0	4.2	0.4	38.7

A sensitivity analysis has been done on above actuarial changes since the Group considers that the changes can have a major impact on the benefit obligation. Furthermore, it is likely that changes to the assumptions occurs. Estimations have been done by analyzing every change separately. If there should be any relation between the assumptions, the estimations have not taken this into consideration. The assumptions of a decrease in life expectancy is seen as limited and therefore it has not been estimated in the sensitivity analysis.

14 Deferred tax liabilities and tax receivables

Deferred tax on retained earnings in subsidiaries and affiliated companies is not taken into consideration. To the extent profits are transferred to the Parent Company, such a transfer is normally exempt from taxation. To the extent such a transfer is not exempt from taxation, the Parent Company determines the date of such transfer and such transfer will not take place within the foreseeable future.

Changes in deferred tax (receivables +/liabilities -), Group

SEK millions	2021							2020						
	Accelerated depreciation of fixed assets	Unutilized tax losses	Pension provisions	Long-term deferred income	Deferred tax on surplus values	Other	Total	Accelerated depreciation of fixed assets	Unused tax losses	Pension provisions	Long-term deferred income	Deferred tax on surplus values	Other	Total
Opening balance, January 1	-1,556	329	151	33	-230	1,128	-143	-1,553	259	111	106	-325	1,075	-327
Changes against earnings	-555	-286	-7	-8	53	-177	-980	-115	80	46	3	69	355	438
Changes against other comprehensive income	-	-	-12	-	-	-25	-37	-	-	2	-	-	-181	-179
Changes against investment grant	-	-	-	-8	-	-	-8	-	-	-	-70	-	-	-70
Increase due to acquisition of shares/operations	-	-	-	-	-	-1	-1	-	-	-	-	-2	-	-2
Decrease due to disposal of shares/operations	-	-	-	-	1	-	1	-	-	-	-	7	-	7
Translation difference	-84	-1	5	3	-16	96	3	112	-9	-8	-6	21	-120	-10
Closing balance, December 31, net	-2,195	42	137	21	-192	1,021	-1,167	-1,556	329	151	33	-230	1,128	-143

14 Deferred tax liabilities and tax receivables cont.

A deferred tax receivable due to losses carried forward is recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses. The Group did not recognize deferred tax receivables on losses carried forward in the amount of SEK 1,539 (1,433) million. SEK 132 (107) million of these will expire within 12 months.

Deferred tax receivables and liabilities are distributed as follows:

Deferred taxes SEK millions	Group	
	2021	2020
Deferred tax liabilities		
• due within 12 months	217	91
• due after more than 12 months	91	142
Total	309	233
Deferred tax liabilities		
• due within 12 months	-	-
• due after more than 12 months	-1,476	-376
Total	-1,476	-376
Deferred tax, net	-1,167	-143

Changes in deferred tax (receivables +/liabilities -), Parent Company

SEK millions	2021				2020			
	Unused tax losses	Pension provisions	Other	Total	Unused tax losses	Pension provisions	Other	Total
Opening balance, January 1	-	27	53	80	-	26	67	93
Change previous year	-	-	-	-	-	-	30	30
Changes against earnings	-	5	-100	-95	-	1	-45	-44
Changes against other comprehensive income	-	-	-5	-5	-	-	1	1
Closing balance, December 31	-	32	-52	-20	-	27	53	80

15 Other provisions

Group

SEK millions	2021						2020						
	Restructuring provision	Warranties provision	Environmental provision	Personnel-related provisions	Other provisions	Total	Restructuring provision	Warranties provision	Environmental provision	Personnel-related provisions	Calculated result from assets held for sale	Other provisions	Total
Opening balance, January 1	25	40	42	105	11	222	27	43	38	96	132	21	357
Additional provisions	2	5	5	56	3	71	27	3	5	50	-	5	90
Utilized during the year	-23	-1		-36	0	-60	-26	-3	-	-35	-132	-10	-206
Reclassification				3	-3	0	-	-2	-	-	-	-5	-7
Translation difference	1	0	1	2	0	4	-3	-1	-2	-6	-	-1	-13
Closing balance, December 31	4	44	48	129	10	236	25	40	42	105	-	11	222

of which reported as:

	2021	2020
• Other long-term provisions	179	166
• Short-term provisions	56	56
Total	236	222

Parent Company

SEK millions	2021		2020	
	Personnel-related provisions	Total	Personnel-related provisions	Total
Opening balance, January 1	50	50	44	44
Additional provisions	26	26	36	36
Utilized during the year	-5	-5	-30	-30
Closing balance, December 31	70	70	50	50

of which reported as:

	2021	2020
• Other long-term provisions	56	43
• Short-term provisions	14	7
Total	70	50

16 Interest-bearing liabilities

Long-term interest-bearing liabilities	Group		Parent Company	
	2021	2020	2021	2020
SEK millions				
Capital market debt ¹⁾	9,399	7,982	7,428	6,123
Bank loans ²⁾	235	1,681	-	1,308
Other	-	1	-	-
Total	9,635	9,663	7,428	7,432
Less amortization 2021 vs. 2020	-1,144	-632	-1,000	-491
Total	8,492	9,031	6,428	6,941

¹⁾ For information, see Specification of capital market debt in the adjacent table

²⁾ For description, see Specification of bank loans in the adjacent table

Issued/matures	Interest rate (nominal), %	Group		Parent Company	
		2021	2020	2021	2020
SEK millions					
Outstanding interest-bearing liabilities					
Specification of capital market debt					
Fixed interest					
2019 - 2026 SEK	2.75	599	596	599	596
2015 - 2025 USD	3.47	-	67	-	-
2009 - 2023 EUR	2.87	1,532	1,502	1,532	1,502
Total capital market debt (fixed interest)		2,131	2,165	2,131	2,098
Variable interest					
2017 - 2026 SEK	Stibor + 1.85 - 3.40	4,394	2,394	4,394	2,394
2010 - 2040 USD	0.09 - 0.15	2,874	3,424	903	1,632
Total capital market debt (variable interest)		7,268	5,818	5,297	4,025
Specification of bank loans					
Fixed interest					
2009 - 2023 EUR	2.9 - 3.57	235	372	-	-
Total bank loans, fixed interest		235	372	-	-
Variable interest					
2008 - 2022 USD	Libor + 1.30 - 3.30	-	1,308	-	1,308
Total bank loans, variable interest		-	1,308	-	1,308
Total		9,635	9,663	7,428	7,432

16 Interest-bearing liabilities cont.

Repayment of long-term interest-bearing liabilities

SEK millions	2021						2020					
	within 1 year	within 1–2 years	within 2–3 years	within 3–4 years	within 4–5 years	More than 5 years	within 1 year	within 1–2 years	within 2–3 years	within 3–4 years	within 4–5 years	More than 5 years
Group	1,144	1,624	1,997	-	1,996	2,874	632	1,982	1,568	1,996	66	3,419
Parent Company	1,000	1,532	1,997	-	1,996	903	491	1,816	1,497	1,996	-	1,632

The Group's exposure, regarding long-term interest-bearing liabilities, to changes in interest rates and contractual dates for interest rate renegotiation was as follows:

Amount falling due for interest rate renegotiation

SEK millions	2021						2020					
	within 1 year	within 1–2 years	within 2–3 years	within 3–4 years	within 4–5 years	More than 5 years	within 1 year	within 1–2 years	within 2–3 years	within 3–4 years	within 4–5 years	More than 5 years
Group	1,990	1,606	1,997	-	1,996	903	1,810	1,959	1,568	1,996	-	1,698
Parent Company	1,000	1,532	1,997	-	1,996	903	-	1,816	1,497	1,996	-	1,632

Reported amounts, per currency, for the Group's borrowing are set forth in [Note 29](#).

Short-term interest-bearing liabilities

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Current part of long-term liabilities	1,144	632	1,000	491
Commercial paper	150	2,297	150	2,297
Overdraft facility	16	4	-	-
Other short-term interest-bearing liabilities	120	3,027	-	3,009
Total	1,430	5,960	1,149	5,797

Loan debts are valued at the amortized cost. The majority of the loans in foreign currency are used as hedges for the net investment in SSAB Americas and in Rautaruukki and thus have not been hedged.

17 Long-term non-interest-bearing liabilities

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Investment grant (Alabama tax credit)	29	42	-	-
Other long-term employee benefits	180	190	-	-
Long-term derivatives, not hedge accounted	-	0	-	11
Long-term derivatives, hedge accounted	1	55	1	31
Other items	8	29	-	24
Total	218	316	1	65

18 Accrued expenses and deferred income

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Accrued personnel expenses	2,427	1,685	78	45
Non-invoiced goods and services received	425	344	-	-
Deferred income from emission rights ¹⁾	733	-	-	-
Accrued expenses for emission rights	143	-	-	-
Accrued interest expenses	39	42	37	39
Accrued discounts, bonuses and complaints	214	231	-	-
Derivatives reported in hedge accounting	1	61	-	29
Derivatives not reported in hedge accounting	37	744	18	416
Energy taxes	9	6	-	-
Other items	434	198	11	4
Total	4,462	3,311	144	533

¹⁾ In 2020 these items were reported in Long-term non-interest-bearing liabilities, other items, see [Note 17](#)

19 Net debt

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Interest-bearing assets				
Cash and cash equivalents	7,165	6,457	5,542	5,130
Short-term investments	6,631	594	6,489	532
Interest-bearing receivables from subsidiaries	-	-	11,863	15,285
Plan assets, pensions	79	61	-	-
Long-term receivables	80	83	-	-
Other interest-bearing receivables ¹⁾	1,381	1,094	1,138	1,021
Total	15,337	8,289	25,032	21,969
Interest-bearing liabilities				
Short-term interest-bearing liabilities	1,430	5,960	1,259	5,787
Long-term interest-bearing liabilities	8,492	9,031	6,428	6,941
Leasing liability	2,589	2,453	-	-
Pension provisions	452	492	2	2
Liabilities to subsidiaries	-	-	20,492	11,143
Other liabilities	28	631	9	294
Total	12,991	18,567	28,190	24,167
Total net debt	-2,346	10,278	3,157	2,199

For definitions of Net debt, see [Note 33](#).

20 Average number of employees and gender breakdown

Group	Number of employees		Women, %	
	2021	2020	2021	2020
Parent Company				
Sweden	90	81	52	57
Total, Parent Company	90	81	52	57
Subsidiaries				
Sweden	6,318	6,190	22	21
Finland	4,960	5,004	16	16
USA	1,339	1,320	13	12
Russia	56	58	63	62
Poland	693	703	30	28
Norway	157	155	23	21
Estonia	178	170	24	24
Lithuania	49	61	22	18
Canada	106	105	19	17
China	90	91	33	32
Ukraine	81	80	19	20
South Africa	71	60	15	20
Czech Republic	53	58	34	34
Italy	69	68	26	25
Germany	87	88	24	24
Great Britain	67	69	24	25
Denmark	132	139	22	25
Netherlands	108	103	22	22
Brazil	34	30	29	33
Australia	93	73	9	12
Chile	28	29	21	17
Latvia	36	36	16	17
France	98	107	27	25
Spain	54	52	18	17
Other < 20 employees	209	191	33	34
Total, subsidiaries	15,165	15,040	20	19
Total, Group	15,255	15,121	20	17

The average number of employees is calculated as an average of the total number of employees at the end of each quarter during the year. Women accounted for 18% (21%) of the members of all Board of Directors in the Group, while the figure for the Board of Directors of the Parent Company was 43% (36%). The percentage of women in the management groups (including Presidents) in the Group was 21% (28%). The Group Executive Committee comprises seven men and four women.

21 Leasing

Group

In the balance sheet, the following amounts are reported related to IFRS 16:

Right-of-use assets

SEK millions	2021						2020					
	Buildings	Land and land improvements	Machinery	Equipment, tools, fixtures and fittings	Vehicles	Total	Buildings	Land and land improvements	Machinery	Equipment, tools, fixtures and fittings	Vehicles	Total
Book value, January 1	1,327	14	450	33	519	2,344	1,592	16	576	43	317	2,545
Book value, December 31	1,245	19	703	20	469	2,457	1,327	14	450	33	519	2,344
Additions Right-of-use assets during the year	137	14	94	2	68	315	92	0	69	10	390	560
Depreciation for the year, Right-of-use assets	-283	-3	-155	-16	-195	-652	-274	-2	-150	-20	-207	-653

The table below is a maturity analysis of the lease liabilities, undiscounted amounts:

Leasing liability as of December 31

SEK millions	2021	2020
Short-term part of leasing liability	670	652
Long-term part of leasing liability	1,920	1,801
Total	2,589	2,453

Maturity analysis

SEK millions	2021	2020
Within one year	682	672
Year two	547	579
Year three	437	401
Year four	387	331
Year five	320	280
Year six and later	699	756
Total	3,073	3,020

21 Leasing cont.

In the Income statement, following amounts are related to leasing:

SEK millions	2021	2020
Expense for low value leases	32	36
Expense for variable leasing fees, not included in the lease liability	149	146
Depreciation for the year	652	663
Interest rate expense	127	130
Total	960	975

Total cash outflow for lease agreements during the year amounts to SEK 742 (744) million.

Parent Company

The Parent Company has one material lease which is a rental agreement for office space. Revenue related to sublet of leases amounts to SEK 2 (3) million.

SEK millions	2021	2020
Minimum leasing payments, operational leasing	23	24

Table below is a maturity analysis of the lease liabilities, undiscounted amounts:

SEK millions	2021	2020
Within one year	19	19
Year two	18	18
Year three	18	18
Year four	15	18
Year five	-	10
Year six and later	-	-
Total	71	83

22 Pledged assets

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Real property mortgages	61	60	-	-
Restricted funds	963	818	905	818
Total	1,024	878	905	818

23 Contingent liabilities

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Contingent liabilities regarding subsidiaries' obligations ¹⁾	715	648	2,696	2,497
Other contingent liabilities ²⁾	2,925	1,690	2,041	698
Total	3,640	2,338	4,737	3,195

¹⁾ The Group's contingent liabilities for subsidiaries' obligations are primarily related to bank guarantees and performance guarantees. Of the Parent Company, SEK 2,041 (1,844) million relates to guarantees for subsidiaries' loan.

²⁾ The Group's other contingent liabilities consist mainly of guarantees on liabilities of associated companies for which the Group has individual responsibility, forward contracts for emission rights as well as unrecognized pension obligations. Other contingent liabilities for the Parent Company consist primarily of forward contracts for emission rights and unrecognized pension obligations.

Conditions not reported as contingent liability

SSAB's fully owned subsidiary SSAB EMEA AB has a 50% holding in Oxelösunds Hamn AB. A legal process has been underway since 2017, when Swedish Customs has imposed specific purchase taxes and VAT on imports to a value of around SEK 260 million. There is a risk of Oxelösunds Hamn being required to pay the amount, in full or in part, and that SSAB EMEA AB will have to make a shareholder contribution so that Oxelösunds Hamn is able to pay. SSAB's view is that there is no obligation to impose specific purchase taxes and VAT and, hence, no provision has been made. In addition to the above, the Group is involved in a very limited number of legal disputes concerning insurance and warranty matters, as well as complaints. The anticipated outcome of these cases has been taken into consideration in the accounting.

24 Appropriations

Parent Company

SEK millions	2021	2020
Group contribution, received	833	-
Group contribution, given	-	-312
Total	833	-312

25 Acquisitions of shares and operations

During 2021, Tibnor AB acquired 100% of the shares in Handelsstålgruppen i Sverige AB. The purchase price amounted to SEK 24 million and fair value of the acquired net assets amounted to SEK 24 million. During the second quarter of 2021, SSAB acquired the assets of Astralloy Steel Products, Inc. The purchase price amounted SEK 9 million. As the assets fair value were higher than the purchase price, a negative goodwill of SEK 27 million has been reported as Other operating income in the Consolidated statement of profit and loss. The two acquisitions affected the Group's cash and cash equivalents with SEK 33 million.

No acquisitions occurred in 2020.

26 Divested shares and operations

No divestments occurred in 2021. During 2020, the divestment of Ruukki Construction's project business, Building Systems was finalized. The divestment contributed with a positive cash flow of SEK 144 million and a gain of SEK 20 million.

Value of divested assets and liabilities - Building Systems

SEK millions	2020
Fixed assets (Note 6, 7)	265
Current asset	485
Liabilities	-472
Total divested net assets ¹⁾	278
Accumulated exchange rate difference at date of the divestment	-20
Total divested net assets, excluding exchange rate difference	258
Reported gain/loss	-112
of which reported in prior year	-132
Reported gain/loss in the consolidated statement of profit and loss	20
of which transaction costs	-7
Cash and cash equivalents in the divested companies	-2
Net received payment and impact on the Group's cash and cash equivalents	144

¹⁾ Of the net assets, SEK 664 million was reported as Assets held for sale and SEK 371 million as Liabilities held for sale in the balance sheet on December 31, 2019.

27 Change in liabilities from financial activities

Group

SEK millions	2021				2020			
	Interest-bearing liabilities	Leasing liabilities	Other	Total	Interest-bearing liabilities	Leasing liabilities	Other	Total
Opening balance, January 1	14,991	2,453	633	18,077	12,609	2,629	133	15,371
Cash flows	-5,564	-610	-187	-6,361	3,301	-614	549	3,236
Non-cash flow items								
Change leasing agreements	-	740		740	-	428	-	428
Revaluations	494	6	-418	82	-919	10	-49	-958
Closing balance, December 31	9,922	2,589	28	12,538	14,991	2,453	633	18,077

Parent Company

SEK millions	2021				2020			
	Interest-bearing liabilities	Liabilities to subsidiaries	Other	Total	Interest-bearing liabilities	Liabilities to subsidiaries	Other	Total
Opening balance, January 1	12,729	11,143	294	24,166	9,541	10,388	126	20,055
Cash flows	-5,327	9,349	-276	3,746	3,659	1,234	-10	4,883
Non-cash flow items								
Revaluations	286	0	-9	277	-471	-479	178	-772
Closing balance, December 31	7,687	20,492	9	28,190	12,728	11,143	294	24,166

28 Business segments

The Group Executive Committee has established the business segments based on the information used for making strategic decisions. SSAB's overriding strategy is that SSAB will be a global leader within high-strength steels, the leading supplier on its domestic markets, and the leader within added value services. The key features of SSAB's strategic plan of action are based on creating a flexible business, a superior customer experience, and a high-performing organization. The Group is organized into five reportable business segments designated as divisions, with a clear profit responsibility. The business segments consist of the three steel divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, as well as the fully owned subsidiaries: Tibnor and Ruukki Construction.

Segment information provided is as follows:

Revenue and results per business segment	Total revenue		of which internal sales		Operating profit/loss	
	2021	2020	2021	2020	2021	2020
SEK millions						
Business segment:						
SSAB Special Steels ¹⁾	23,510	16,201	843	495	4,624	1,470
SSAB Europe	42,311	27,954	7,856	5,031	8,095	-1,113
SSAB Americas ¹⁾	20,680	13,239	114	81	5,412	-257
Tibnor	12,377	8,241	158	120	1,533	96
Ruukki Construction	5,999	5,516	13	26	599	314
Other	-	-	-	-	-1,191	-489
Depreciation/amortization on surplus values ²⁾	-	-	-	-	-235	-346
Group adjustments	-8,986	-5,754	-8,986	-5,754	-	-
Total	95,891	65,396	-	-	18,837	-325

¹⁾ Total revenue and operating profit/loss has been restated for SSAB Special Steels and SSAB Americas taking into account the reorganization of the steel mill in Mobile, USA.

²⁾ Depreciation and amortization on surplus values related to the acquisitions of IPSCO and Rautaruukki amounted to; SSAB Special Steels with SEK 65 (75) million, SSAB Europe with SEK 138 (243) million, SSAB Americas SEK 6 (4) million, Tibnor SEK 21 (25) million, Ruukki Construction with SEK 3 (-4) million and in Other with SEK 2 (3) million.

Tibnor and Ruukki Construction are operated as independent subsidiaries by their respective Boards and act at arm's length in relation to SSAB. For more information about each business segment, see p. 115. In addition, there are other business segments that are not reportable since they do not reach the threshold values set forth in IFRS 8 and they are not monitored separately by the Group Executive Committee. They are included in "Other".

Segment reporting takes place in a manner which corresponds to the internal reporting provided to the Group Executive Committee. The Group Executive Committee is the highest executive decision-maker responsible for the allocation of resources, assessment of the business segments' results, and making strategic decisions.

Balance and cash flow information per business segment	Depreciation and amortization		Maintenance expenditures		Strategic expenditures	
	2021	2020	2021	2020	2021	2020
SEK millions						
Business segment:						
SSAB Special Steels	944	1,133	620	388	533	300
SSAB Europe	1,544	1,667	1,135	1,049	164	230
SSAB Americas	176	194	139	74	10	0
Tibnor	147	144	53	47	22	7
Ruukki Construction	162	170	61	43	106	45
Other	49	34	44	21	-	-
Depreciation/amortization on surplus values ²⁾	235	346	-	-	-	-
Total	3,257	3,689	2,053	1,622	835	582

28 Business segments cont.

Geographical areas

The manufacture of the Group's steel products take place almost exclusively in Sweden, Finland and the United States. For disclosure of revenue per country/geographical area, see [Note 1](#).

The table below shows the reported value of tangible and intangible fixed assets and capital expenditures broken down by geographic areas according to the location of the assets.

Fixed assets and capital expenditures per country/region	Intangible/tangible fixed assets and Right-of-use assets				Capital expenditures in plant and machinery			
	2021	%	2020	%	2021	%	2020	%
SEK millions								
Sweden	9,550	17	8,803	17	2,214	65	1,019	46
Finland	14,533	26	14,498	27	581	17	761	35
Poland	387	1	355	1	65	2	17	1
Denmark	227	0	202	0	1	0	11	0
Rest of EU-27	562	1	537	1	76	2	57	3
Norway	292	1	282	1	4	0	2	0
USA	30,936	54	28,088	53	415	12	311	14
Canada	122	0	106	0	5	0	3	0
China	203	0	199	0	3	0	2	0
Rest of the world	145	0	190	0	17	1	21	1
Total	56,956	100	53,262	100	3,382	100	2,204	100

29 Financial risk management

Financial risk management is governed by the Group's Directive of Financial Risk Management. Most financial transactions take place through the Parent Company's finance function in Stockholm and through SSAB Finance Ireland in Ireland. For a detailed description of the Group's financial risks, see p. 134.

Refinancing risks (liquidity risks)

As of December 31, 2021, long-term borrowing amounted to SEK 8,496 (9,031) million. Borrowing takes place primarily through the bank market and through existing note programs. For long-term borrowing up to ten years, a European Medium Term Note program (EMTN) is used, while Swedish and Finnish commercial paper programs are used for borrowing for short terms (< 1 year). The program limit of the EMTN program is EUR 2,000 million, while the Swedish commercial paper program has a limit of SEK 5,000 million and the Finnish commercial paper program has a limit of EUR 500 million.

At year-end, long-term borrowing within the EMTN program amounted to SEK 6,538 (4,505) million, while borrowing within the Swedish commercial paper program amounted to SEK 150 (1,365) million and borrowing within the Finnish commercial paper program amounted to EUR 0 (93) million.

At year-end, the Group's liquidity buffer, consisting of cash and cash equivalents, short-term investments and non-utilized binding credit facilities, amounted to SEK 22,401 (21,522) million, equal to 23% (33%) of revenue.

To the extent surplus liquidity arises, the first priority is to repay loans. If that is not possible, the funds are invested in government securities or deposited with approved banks.

As of December 31, 2021, the total loan portfolio amounted to SEK 9,921 (14,991) million, with an average term to maturity of 6.2 (4.7) years. The maturity structure during the coming years is presented in [Note 16](#).

The contractual payments on the outstanding loan debt, including interest payments and derivative instruments, are shown in the following table:

December 31, 2021

SEK millions	Book value	Contractual cash flow	2022	2023	2024	2025	2026	Later
Loans								
Capital market loans	9,553	9,676	1,159	1,537	2,001	4	2,065	2,910
Bank loans	368	376	301	75	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total, loans	9,921	10,051	1,459	1,612	2,001	4	2,065	2,910
Accounts payable	16,219	16,219	16,219	-	-	-	-	-
Derivatives, outflow	40	40	40	-	-	-	-	-
Derivatives, inflow	735	735	642	41	15	24	14	-
Total, including accounts payable and derivatives	25 444	25 574	17 076	1 571	1 986	-20	2 051	2 910

Interest flows are calculated based on interest rates and exchange rates at year-end. For contractual cash flows relating to leasing agreements, see [Note 21](#).

29 Financial risk management cont.

Market risks

Market risks are the risk of changes in market prices, such as interest rates and exchange rates, which can affect the Group's earnings or financial position.

Interest rate risk

As of December 31, 2021, the total interest-bearing loan amounted to SEK 9,921 (14,991) million, of which SEK 4,838 (6,523) million carry is fixed interest or is swapped to fixed interest. Including the interest rate swaps, the average fixed interest term was 1.2 (0.9) years. Given the same net debt as at the end of the year, including interest hedging, a change in market interest rates of 100 basis points (1 percentage point), would change earnings after tax by approximately SEK -48 (48) million. Loans which are subject to rate negotiation in the coming years are shown in [Note 16](#).

At year-end, the value of interest rate swaps converting floating to fixed interest (entered into to secure cash flow in conjunction with interest payments) was SEK 13 (-9) million, which is reported in Other comprehensive income. No inefficiency was identified during the year.

The Group's interest-bearing assets amounted to SEK 15,337 (8,289) million and consisted almost exclusively of cash and cash equivalents at variable interest rates.

Currency risk

The target for SSAB's currency risk management is to mitigate the impact of exchange rate changes. Currency hedges are used in accordance with the Group's directive of financial risks to reduce risks associated with exchange rate changes. Reported accounts payable and receivables in major currencies (currently EUR, USD and GBP) are hedged in order to minimize the effect of exchange rates to the Group's income statement.

Major investments and projects decided upon in foreign currency are hedged in their entirety. Other commercial currency flows that arise in connection with purchases and sales in foreign currency are short-term in nature and thus no hedging takes place. Instead, they are exchanged on the spot market.

The Group had a total net inflow of foreign currency. During 2021, the net foreign currency inflow was SEK 9 (-0.5) billion. The Group's most important currency flows are shown in the diagram on p. [134](#).

A five percentage point devaluation including hedges of the Swedish krona against the Group's two most important currencies, USD and EUR, would have a negative impact on earnings after tax of approximately SEK 115 (-30) million with respect to USD and a positive impact of just over SEK 173 (13) million with respect to EUR. Additionally, Equity would be positively affected by the translation effect of foreign subsidiaries, net of equity hedges, with approximately SEK 2,939 (1,886) million.

In 2021, net exchange rate differences were reported in the amount of SEK -33 (-112) million in operating profit and SEK -13 (10) million in financial items.

As per December 31, the breakdown per currency of account receivables, other current receivables and derivative instruments was as follows:

Breakdown per currency	Group		Parent Company	
	2021	2020	2021	2020
SEK millions				
SEK	1,698	1,133	12	10
USD	2,452	1,867	195	188
EUR	4,507	2,631	96	26
Other currencies	3,258	1,883	9	6
Total	11,915	7,513	312	230
Of which:				
Accounts receivable	10,870	6,905	-	3
Other current receivables	403	385	12	8
Derivative instruments ¹⁾	642	224	300	219
Total	11,915	7,513	312	230

¹⁾ Derivative instruments are included in the balance sheet item 'Prepaid expenses and accrued income' with the amount of SEK 642 (224) million and, for the Parent Company, SEK 300 (219) million.

29 Financial risk management cont.

As of December 31, the breakdown per currency of accounts payable, other current liabilities and derivative instruments was as follows:

Breakdown per currency SEK millions	Group		Parent Company	
	2021	2020	2021	2020
SEK	3,408	2,120	15	25
USD	9,398	7,352	-	306
EUR	4,284	2,931	6	178
Other currencies	443	306	17	11
Total	17,532	12,709	38	520
Of which:				
Accounts payable	16,219	11,068	19	13
Other current liabilities	1,275	836	-	62
Derivative instruments ¹⁾	39	805	19	444
Total	17,532	12,709	38	520

¹⁾ Derivative instruments are included in the balance sheet item 'Accrued expenses and deferred income' with the amount of SEK 39 (805) million and, for Parent Company, SEK 19 (444) million.

Borrowing per currency SEK millions	Group		Parent Company	
	2021	2020	2021	2020
SEK	5,162	7,367	5,162	7,367
USD	2,874	4,794	903	2,940
EUR	1,864	2,827	1,622	2,431
Other currencies	21	4	-	-
Total	9,921	14,991	7,688	12,738

Borrowing in EUR and USD has not been hedged separately since the borrowing in itself is a hedge of the net investment in EUR and USD.

Commodity price risk

Information about commodity price risk can be found in the Board of Directors' report, p. [130](#).

Credit risk

The limits for individual counterparties are evaluated continuously. At December 31, 2021 the total counterparty risk was SEK 15,085 (7,081) million, of which derivative instruments accounted for SEK 1,289 (30) million and investments in cash and cash equivalents amounted to SEK 13,796 (7,051) million.

In addition to the above, there are credit risks associated with accounts receivable and other receivables, which are managed in each subsidiary. Prior to write down in respect of impairment, these receivables had a gross value of SEK 11,439 (7,464) million. There is no concentration of credit risk since the risk is allocated over a large number of customers spread throughout the world. In addition, individual credit rating tests are conducted and limits imposed for each customer.



29 Financial risk management cont.

Age analysis regarding Accounts Receivables and Other receivables

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Not due	9,776	6,217	15	10
1 - 30 days	1,376	935	-	-
31 - 120 days	116	139	-	-
121 - 365 days	43	38	-	-
> 365 days	127	136	-	-
Total	11,439	7,464	15	10

Change in loss allowance

SEK millions	Group		Parent Company	
	2021	2020	2021	2020
Opening balance, January 1	-174	-209	-7	-7
Change through acquisition of companies	-	-	-	-
Confirmed credit losses	20	25	-	-
Change in expected credit losses	-6	37	4	-
Translation differences	-6	-26	-	-
Closing balance	-166	-174	4	-7

The Group calculates expected credit losses on accounts receivable and other receivables. The impairment test is carried out by the respective subsidiary in accordance with the credit risk management process. For receivables with objective evidence of impairment, write-down calculations are made on an individual level, taking into account both historical, prevailing and forward-looking factors. For other receivables, which have a higher credit quality, and receivables of lesser value, a collective calculation is made of expected credit losses based on historical loss level, taking into account current and prospective factors. Expected credit losses in relation to gross amounts of outstanding claims amount to 1.5%. Liquid funds are also subject to the requirement for impairment, but expected credit losses for these holdings are considered immaterial.



29 Financial risk management cont.

Financial instruments and hedge accounting

Hedging of currency risk

Hedging of the net investments is governed by the Group's directive of financial risks. The translation exposure is hedged primarily through loans in the same currency, in the absence of which currency derivatives may be used instead. At December 31, 2021, these net investments amounted to EUR 1 339 (872) million and USD 5,221 (4,617) million respectively. During 2021, SSAB closed the net investment hedges in both EUR and USD. The accumulated change in fair value of hedging reserve for loans and derivatives which has been identified as hedging instruments, amounted to SEK -5,305 (-5,087) million as of December 31. No inefficiency was identified during 2021.

Currency derivatives are valued at fair value in the balance sheet. As regards the currency hedging which meets the requirements for hedge accounting pursuant to IFRS 9 and comprises fair value hedging, changes in value of the currency derivatives do not impact on earnings. They are set off in the income statement against corresponding changes in the value of the hedged order. In connection with the delivery of such purchases, the hedged part of the acquired asset is reported at the hedged rate. At year-end, purchase orders for which currency forwards had been contracted had a total value of SEK -0.8 (-0.2) billion. At year-end, derivative instruments for 'fair value hedging' had a reported net fair value of SEK 2 (-8) million, while purchase orders subject to hedge accounting and accounts payable related to hedged purchase orders were reported at SEK -2 (8) million. Thus, there was no inefficiency at the end of the accounting year. At year-end, 'fair value hedging' was only applied for major investments in foreign currencies.

Derivative instruments which are not reported in hedge accounting are valued at fair value in the income statement. Hedges related to accounts receivable, accounts payable and major projects are recognized in Other operating profit or loss. Hedges related to financial items are recognized in the Financial net. At year-end, these non-realized derivative instruments amounted to net SEK 341 (-723) million, of which SEK 66 (-124) million was reported in Other operating income and SEK 275 (-599) million was reported in Financial items.

The Group's total outstanding FX derivatives had an average maturity of 2 (2) months at year-end.

Hedging of commodity price risk

Cash flow hedging is applied when hedging price risk of electricity and iron ore. The electricity and iron ore derivatives employed by the Group have been defined as cash flow hedges. The relationship between the hedging instrument and the hedged item is documented when the hedging contract is made. Hedge effectiveness is measured both at the start of the hedging relationship and quarterly throughout the duration of the relationship. The effective part of changes in the fair value of the derivatives that are designated as, and qualify for, cash flow hedging is recognized in Other comprehensive income. The ineffective part of changes in the fair value of the derivatives is booked directly to Other operating expenses. The realized result of the effective part of hedges is recognized as an adjustment to the cost for electricity and iron ore in costs of goods sold, in the period during which the hedged items affects the result.

Electricity price risk relating to forecasted electricity consumption at the mills is partly hedged through standard derivative products listed on the market, partly by physical delivery contracts. At year-end, the amount of forecast purchases in respect of which electricity derivatives had been contracted was 2,132 (2,232) GWh. At year-end, derivative instruments which relate to forecasted electricity purchases and which meet the requirements for hedge accounting amounted to net SEK 258 (-66) million, of which SEK 258 (-66) million was reported in Other comprehensive income. There was no inefficiency at the end of the accounting year.

The Group's total outstanding electricity derivatives had an average maturity of 30 (33) months at December 31, 2021.

Iron ore is hedged in limited volumes. Derivative products are average swaps. At year-end, the amount of forecasted purchases in respect of which iron ore derivatives had been contracted was 62,900 (-) tonnes. At year-end, derivative instruments which met the requirements for hedge accounting amounted to net SEK 4 (-) million, of which SEK 4 (-) million was reported in Other comprehensive income. There was no inefficiency at the end of the accounting year.

The Group's total outstanding commodity derivatives had an average maturity of 33 (41) months at year-end.

29 Financial risk management cont.

Hedging of interest rate risk

Cash flow hedging also takes place in respect of certain loans carrying floating interest rates where a variable to fixed interest rate swap is used. For interest-rate derivatives which meet the requirements for hedge accounting pursuant to IFRS 9, changes in the value of the interest rate derivatives do not impact earnings. They are reported in Other comprehensive income. At year-end, such interest-rate derivatives had a booked fair value of SEK 13 (-9) million, of which SEK 13 (-9) million was reported in Other comprehensive income. There was no inefficiency at the end of the accounting year.

The Group's total outstanding interest rate derivatives had an average maturity of 18 (26) months at year-end.

Effect on financial position and performance for the Group - hedging instrument

SEK millions	2021			Line item in the statement of financial position where the hedging instrument is included	2020			Line item in the statement of financial position where the hedging instrument is included
	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument			Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		
		Assets	Liabilities		Assets	Liabilities		
Cash flow hedges								
Commodity price risk								
Forward contracts - Electricity contracts	2,132 GWh	259	1	Accrued income/expenses and prepaid income/expenses	2,232 GWh	11	77	Accrued income/expenses and prepaid income/expenses
Forward contracts - Iron ore	62,900 tonnes	4	-	Accrued income/expenses and prepaid income/expenses	-	-	-	Accrued income/expenses and prepaid income/expenses
Interest rate risk								
Interest flows, external debt	2,700	14	1	Accrued income/expenses and prepaid income/expenses	1,700	-	9	Accrued income/expenses and prepaid income/expenses
Fair value hedges								
Foreign exchange risk								
EUR purchases	759	2	-	Accrued income/expenses and prepaid income/expenses	234	-	9	Accrued income/expenses and prepaid income/expenses

Effect on financial position and performance for the Group - hedged item

SEK millions	2021					2020				
	Fair value adjustment		Line item in the statement of financial position where the hedged item is included	Line item in income statement where fair value adjustment is included	Cash flow hedge/Foreign currency translation reserve (before tax)	Fair value adjustment		Line item in the statement of financial position where the hedged item is included	Line item in income statement where fair value adjustment is included	Cash flow hedge/Foreign currency translation reserve (before tax)
	Assets	Liabilities				Assets	Liabilities			
Cash flow hedges										
Commodity price risk										
Forward contracts - Electricity	-	-	-	-	258	-	-	-	-	-66
Forward contracts - Iron ore	-	-	-	-	4	-	-	-	-	-
Interest rate risk										
Interest flows, external debt	-	-	-	-	13	-	-	-	-	-9
Fair value hedges										
Foreign exchange risk										
EUR purchases	-	2	Accrued income/expenses and prepaid income/expenses	Other operating income/expenses	-	9	0	Accrued income/expenses and prepaid income/expenses	Other operating income/expenses	-
Hedges of a net investment in a foreign operation										
Foreign exchange risk										
Equity	-	-	-	-	-5,305	-	-	-	-	-5,087

Effect on financial position and performance for the Group

	2021				2020			
	Change in the value of the hedging instrument recognized in OCI/ income statement (before tax)	Hedge ineffectiveness recognized in Income statement (before tax)	Line item in income statement for ineffectiveness	Amount reclassified from the cash flow hedge/ foreign currency translation reserve to income statement (before tax)	Change in the value of the hedging instrument recognized in OCI/ income statement (before tax)	Hedge ineffectiveness recognized in Income statement (before tax)	Line item in income statement for ineffectiveness	Amount reclassified from the cash flow hedge/ foreign currency translation reserve to income statement (before tax)
SEK millions								
Cash flow hedges								
Commodity price risk								
Forward contracts - Electricity	324	-	Other operating income/ expenses	-	-126	-	Other operating income/ expenses	-
Forward contracts - Iron ore	4	-	Other operating income/ expenses	-	-	-	Other operating income/ expenses	-
Interest rate risk								
Interest flows, external debt	22	-	Other operating income/ expenses	-	-5	-	Other operating income/ expenses	-
Fair value hedges								
Foreign exchange risk								
EUR purchases	10	-	Other operating income/ expenses	-	-6	-	Other operating income/ expenses	-
Hedges of a net investment in a foreign operation								
Foreign exchange risk								
Equity	-218	-	Financial income/ expenses	-	778	-	Financial income/ expenses	-

29 Financial risk management cont.

Valuation of financial assets and liabilities

Financial assets and liabilities, Group

SEK millions	2021					2020				
	Valued at amortized cost	Profit or loss	Other comprehensive income	Book value	Fair value	Valued at amortized cost	Profit or loss	Other comprehensive income	Book value	Fair value
Financial assets										
Financial fixed assets	434	-	-	434	434	385	-	-	385	385
Derivative assets	-	381	354	735	735	-	21	207	227	227
Accounts receivable	10,870	-	-	10,870	10,870	6,905	-	-	6,905	6,905
Other current interest-bearing receivables	987	-	-	987	987	69	-	-	69	69
Cash and cash equivalents	13,796	-	-	13,796	13,796	7,051	-	-	7,051	7,051
Total financial assets	26,087	381	354	26,822	26,822	14,410	21	207	14,637	14,637
Financial liabilities										
Long-term interest-bearing liabilities	8,492	-	-	8,492	8,591	9,031	-	-	9,031	9,130
Short-term interest-bearing liabilities	1,430	-	-	1,430	1,324	5,960	-	-	5,960	5,865
Derivative liabilities	-	40	-	40	40	-	752	108	860	860
Accounts payable	16,219	-	-	16,219	16,219	11,068	-	-	11,068	11,068
Total financial liabilities	26,141	40	-	26,181	26,174	26,059	752	108	26,919	26,923

Derivative assets - and liabilities, Group

SEK millions	2021					2020				
	Valued at amortized cost	Profit or loss	Other comprehensive income	Book value	Fair value	Valued at amortized cost	Profit or loss	Other comprehensive income	Book value	Fair value
Derivative assets										
Cash flow hedges	-	-	276	276	276	-	-	11	11	11
Fair value hedges	-	2	-	2	2	-	0	-	0	0
Hedges of net investment	-	-	78	78	78	-	-	195	195	195
Derivatives not subject to hedge accounting	-	379	-	379	379	-	21	-	21	21
Total derivative assets	-	381	354	735	735	-	21	207	227	227
Derivative liabilities										
Cash flow hedges	-	-	-	-	-	-	-	87	87	87
Fair value hedges	-	2	-	2	2	-	9	-	9	9
Hedge of net investment	-	-	-	-	-	-	-	22	22	22
Derivatives not subject to hedge accounting	-	38	-	38	38	-	744	-	744	744
Total derivative liabilities	-	40	-	40	40	-	752	108	860	860

29 Financial risk management cont.

Assessment of fair value of financial instruments

The classification takes place hierarchically on three levels based on the input data used in valuing instruments. On level 1, listed prices on an active market are used, e.g. stock exchange prices. On level 2, observable market data regarding assets and liabilities, other than listed prices, is used, e.g. interest rates and return curves. On level 3, the fair value is determined based on an assessment technique which is based on assumptions that are not based on prices or data that are directly observable. The fair value assessment of the financial instruments in SSAB is based on data in accordance with level 2 except electricity and iron ore derivatives, which fair values are based on listed market values and thus classified on level 1.

Financial assets consist largely of other non-current receivables and are valued at the amount which is expected to be received following an assessment of expected credit losses.

Derivative instruments are valued at fair value, calculated with established valuation models based on observable market data. The fair value on a derivative is defined as the amount to which an instrument would be exchanged to in an orderly financial transaction at reporting date. The fair value of currency derivatives is calculated based on current forward prices at the reporting date. Fair value of commodity price derivatives is calculated based on market prices on applicable exchanges. Fair value of interest rate derivatives are calculated based on the discounted cash flow method. At year-end, the derivatives were valued at SEK 735 (227) million as financial assets and SEK -40 (-860) million as financial liabilities. If full netting had been applied the derivatives had been booked at SEK 695 (30) million as financial assets and SEK 0 (-576) million as financial liabilities.

Accounts receivable are reported in the amount which is expected to be received following an individual and collective assessment of expected credit losses as well as possible provisions for credit losses.

Other current interest-bearing receivables consist of restricted cash with a term to maturity of less than 12 months. Fair value is estimated to be substantially consistent with the acquisition value.

Cash and cash equivalents consist of bank balances and bank deposits with short terms to maturity, and the fair value is estimated to be substantially consistent with the acquisition value.

Long-term interest-bearing liabilities consist primarily of loans that are not subject to hedge accounting and are valued at amortized cost. Fair value has been calculated based on the interest rate for outstanding terms to maturity as applicable at the end of the year.

Short-term interest-bearing liabilities are valued at amortized cost. Fair value has been calculated based on the rate of interest for outstanding terms to maturity as applicable at the end of the year.

Accounts payable are reported in the amount which is expected to be paid and are valued at acquisition value.

Management of capital

The Group's capital management is aimed at ensuring that the operations can continue to be conducted and generate good return for the shareholders. Since the Group's operations are dependent on the business cycle, the target is that the net debt/equity ratio will not normally exceed 35%.

In order to maintain or adapt the capital structure, dividends may be adjusted, share buybacks or redemption may take place, or new issues or divestments of assets may take place in order to reduce liabilities. The dividend target is 30 - 50% of profit after tax.

At December 31, 2021, the net debt/equity ratio was -3% (19%).

30 Key assessments and assumptions

The Group makes assumptions and assessments about the future. Actual results may differ from the resulting accounting assumptions. The conditions for SSAB's operations are constantly changing, which means that these assumptions change. Management also makes assumptions on the application of the Group's accounting principles.

The assumptions and assessments set out in this note relate to those areas, which involve a higher degree of complexity in assumptions and of items where the risk of inappropriate assumptions and estimates can result in material adjustment.

Important assumptions on the application of the accounting principles

Future restoration of the environment

In the steel operations' industrial areas, there is a need for future land cleanup. In accordance with applicable rules, such cleanup will become relevant only when SSAB ceases to conduct operations in the area. At present, it is not possible to assess if and when operations will cease and, accordingly, no provision has been made for such land cleanup.

Important sources of uncertainty in assessments

Assessment impairment test for goodwill and other intangible assets with undeterminable useful lives

When calculating the recovery amount of cash-generating units to assess any need for impairment of goodwill and other intangible assets with undeterminable useful lives, a number of assumptions about future conditions and estimates of parameters have been made.

At the year-end 2021, the annual impairment test was carried out of the goodwill and other intangible assets with undeterminable useful lives. The test showed no need for impairment. The valuation was carried out at a time when the global economy remained characterized by Covid-19 and major uncertainty, which affected the world outside and demand for steel. Under these circumstances, it is extraordinarily difficult to make an assessment as regards future earning capacity and thereby an assessment of the fair value of assets with undeterminable useful lives. All business segments improved their result for 2021, compared with 2020. Higher prices, higher volumes and better capacity utilization affected the result positively, however, the improved result was offset by higher variable and fixed costs

The calculation of the discount rate is based on the average long-term interest rates during the two-month period November–December. For all cash-generating units, it is assessed that there is an adequate room for deterioration in the estimates without this leading to any need for impairment. For further information on the impairment test, see [Note 6](#).

Assumptions per cash-generating unit

SSAB Americas

A need to start writing down goodwill would arise if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 17.1 (1.0) percentage points higher than the assessment made in the calculation or if the long-term forecasted margins before depreciation/amortization (EBITDA) were to be 13.9 (0.9) percentage points lower than the assessment made in the forecast. The impairment test was conducted based on the average risk-free long-term rate in the USA for the period of November–December 2021.

SSAB Special Steels

A need to start writing down goodwill would arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 2.7 (1.9) percentage points higher than the assessment made in the calculation or if the long-term forecasted margins before depreciation/amortization (EBITDA) were to be 3.8 (1.8) percentage points lower than the assessment made in the forecast.

SSAB Europe

A need to start writing down goodwill would arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 10.2 (2.9) percentage points higher than the assessment made in the calculation or if the long-term forecasted margins before depreciation/amortization (EBITDA) were to be 5.2 (1.9) percentage points lower than the assessment made in the forecast.

Tibnor

A need to start writing down goodwill would arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 7.2 (4.2) percentage points higher than the assessment made in the calculation or if the long-term forecasted margins before depreciation/amortization (EBITDA) were to be 2.7 (1.0) percentage points lower than the assessment made in the forecast.

30 Key assessments and assumptions cont.

Ruukki Construction

A need to start writing down goodwill or other assets with undeterminable useful lives would arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 17.5 (14.3) percentage points higher than the assessment made in the calculation or if the long-term forecasted margins before depreciation/amortization (EBITDA) were to be 6.7 (5.7) percentage points lower than the assessment made in the forecast.

Deferred tax

The Group conducts operations in several countries, which increases the complexity when determining deferred tax assets and tax liabilities. This requires that assessments and assumptions are made to determine the value of the deferred tax asset and deferred tax liability on the balance sheet date. The company must assess the probability that the deferred tax assets will be utilized to offset future taxable profits. Future changes to taxation legislation and trends in the business climate will impact the company's future taxable profits and thus affect the possibility to utilize deferred tax assets on loss carry-forwards and other temporary differences. As of December 31, 2021, SEK -1,167 (-143) million net was recognized as deferred tax based on best assessment of future taxable profits in the Group. At year-end 2021, the Group also had tax loss carry-forwards of SEK 42 (1,433) million, for which no deferred tax asset had been recognized. Accordingly, a changed assessment of the probability of future taxable profits could have a positive or negative effect. Key assessments and assumptions are also made regarding recognition of provisions and contingent liabilities relating to tax risks. For further information regarding deferred taxes, see [Note 14](#).

Pension benefits

SSAB provides pension solutions and other benefits to Group employees after termination of their employment. In some countries defined benefit plans exist and the accounting of such plans is complex since i.e. actuarial assumptions such as life expectancy, inflation and discount rates are used to determine the size and cost of the commitment. A large part of the group's pension obligations with respect to white collar staff are benefit-based and insured on a collective basis with Alecta. Since it is not possible at present to obtain information from Alecta regarding the group's share of the obligations and managed assets, the pension plan taken out with Alecta is reported as a contribution-based plan. The funding level reported by Alecta at the end of the year does not indicate the existence of a deficit. However, it is not possible to obtain any detailed information from Alecta regarding the amount of the pension liabilities.

The group's benefit-based plans at the end of the year amounted to SEK 1,614 (1,630) million. The most significant actuarial assumptions applied and a sensitivity analysis can be found in [Note 13](#).

Inventory

Inventory value is affected by assumptions and estimates regarding product costing, application of the Lower of Cost or Market method and estimates of obsolescence. Complex assumptions, such as first-in-first-out (FIFO), are applied in the valuation of inventory. The quantity of certain input materials is complex in size and require assumptions and estimates in the form of volume/weight. SSAB's inventories at year-end amounted to SEK 25,599 (17,444) million, where SEK 1,222 (302) million were valued at net realizable value. For further information, see [Note 9](#).

Accounts receivable

Expected credit loss is based on assessments of the customers' future payment ability, which by its nature, is difficult to estimate. The group applies the simplified method for calculating expected credit losses. The method involves expected credit losses throughout the term of the receivable being used as the basis for accounts receivable. The item has been the subject of special assessment and, compared with the preceding year, the expected credit losses decreased by SEK 8 million to SEK 166 (174) million, thereby representing 1.5% (2.5%) of outstanding accounts receivable.

31 Events after the reporting period

Subsequent events after the financial year

SSAB is leading the green transition in the steel industry through the unique HYBRIT initiative, which SSAB is driving forward together with its partners. Demand for fossil-free steel is showing strong growth and it is against this background that in January 2022, SSAB's Board took a strategic decision to fundamentally transform Nordic strip production and accelerate the company's green transition. The plan is to replace the existing production system with so-called mini-mills, which will result in a broader product program and improved cost position. The ambition is to eliminate virtually all carbon dioxide emissions 15 years earlier than the original plan announced earlier. However, for this to be done, the necessary infrastructure, electricity transmission capacity in particular, must be in place in time.

Strategic investments in the new strip production system are expected to total around SEK 45 billion during 2022–2030. At the same time, this will eliminate the need to invest in existing systems with blast furnaces, steel plants and rolling mills. SSAB has a strong financial position and the assessment is that the company can finance the strategic investment program through its own cash flow.

In the beginning of February 2022, one of the blast furnaces at SSAB's steel mill in Raabe, Finland had to be shut down for unplanned repairs. The outage will result in lost production and shipments, as well as repair costs. The earnings of SSAB Europe are expected to be impacted negatively by around SEK 600 million in the first quarter of 2022.

Following the Russian invasion of Ukraine in February 2022, there is, among other things, a risk of supply chain disruptions and/or rising prices of input materials, including energy, as well as a risk of a slowdown in economic activity in general. The uncertainty prevailing at the time of publishing this report makes it difficult to assess how this will affect SSAB's future revenue and earnings.

32 Definitions

Capital employed

Total assets less non-interest-bearing current and long-term liabilities.

Cash and cash equivalents

Cash and bank balances, as well as short-term investments with a term to maturity of less than three months on the date of acquisition.

Cash flow from current operations

Operational cash flow less financial items and paid tax.

Earnings per share

Profit for the year attributable to the Parent Company's shareholders divided by the average number of shares.

EBITDA

Operating profit before depreciation and amortization.

EBITDA margin

Operating profit before depreciation and amortization as a percentage of total revenue.

Equity

Total equity according to the consolidated balance sheet.

Equity per share

Equity, excluding minority interests, divided by number of shares at year-end.

Equity ratio

Equity as a percentage of total assets.

Items affecting comparability

Items in the income statement where the result of transactions of a non-recurring nature in the company's operations makes comparison difficult with the result of other periods are treated as items affecting comparability.

Maintenance capital expenditures

Investments involving maintenance, rationalization, replacements or which relate to the environment and are made in order to maintain competitiveness.

Net debt

Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio

Net debt as a percentage of equity.

Operating cash flow

Funds generated from operations including change in working capital as well as cash flow for regular maintenance investments, but before financial items and paid tax.

Operating margin

Operating profit/loss as a percentage of total revenue.

P/E ratio

Equity as a percentage of total assets.

Return of equity after tax

Profit for the year after tax as a percentage of average equity per month during the year.

Return on capital employed before tax

Operating profit increased by financial revenue as a percentage of average capital employed per month during the year.

Revenue

Revenue less deduction for value added tax, discounts and returns.

Strategic capital expenditures

Investments that increase the cash flow through acquisitions of shares and operations, investments in plant expansion or new competitiveness-enhancing technology.

Yield

Dividend as a percentage of the share price at year-end.

33 Considerations relating to proposed allocation of profit

At the 2022 Annual General Meeting, the shareholders will, among other things, vote on the dividend proposed by the Board of Directors.

The company's financial position as of December 31, 2021 is stated in this annual report. As of December 31, 2021, the retained earnings of the Group were SEK 35,298 (20,655) million and the Parent Company's unrestricted equity was SEK 54,216 (53,947) million. The equity included unrealized profits resulting from financial instruments being reported at market value in the amount of SEK 223 (0) million.

As of December 31, 2021, net cash (2020 was net debt) amounted to SEK 2,346 (-10,278) million, resulting in the net debt/equity ratio decreasing with 22 percentage points, and amounted to -3% (19%). Since the Group's operations are dependent on the business cycle, the target is that the net debt/equity ratio will not normally exceed 35%. The Group reported a positive result after tax of SEK 14,673 (-490) million. The Group's policy is to distribute 30–50% of the profit after tax.

SSAB's Board has taken a policy decision to fundamentally transform the Nordic strip production and accelerate the company's green transition. This will involve major investments over the next 10 years. Despite the future investment needs and considering the solid financial position with a net cash/equity ratio and an expected continued good generation of cash flows, the Board proposes to the Annual General Meeting dividend to be paid by SEK 5.25 per share, corresponding to SEK 5,406 million and 37% of profit after tax.

Proposed allocation of profit

The amount at the disposal of the Annual General Meeting of SSAB AB (publ), reg. no. 556016-3429 is as follows:

Retained earnings	53,965
Loss for the year	252
SEK millions	54,216

Of this, a share premium reserve comprises SEK 22,469 million and a fair value reserve comprises SEK 11 million.

The Board of Directors and the President recommend that the profit be allocated as follows:

Dividend to the shareholders, SEK 5.25 per share	5,406
Carried forward to next year	48,810
SEK millions	54,216

According to the consolidated balance sheet, the Group's retained earnings amounted to SEK 35,298 (20,655) million.

The Board of Directors and the President hereby affirm that the consolidated financial statements have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU and provide a true and fair view of the Group's financial position and earnings. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a fair and true view of the Parent Company's financial position and earnings. The report of the directors for the Group and the Parent Company provides a true and fair overview of the development of the operations, financial position and earnings of the Group and Parent Company and describes material risks and uncertainty factors facing the Parent Company and the companies included in the Group.

The Annual and Sustainability Report and the consolidated financial statements have been approved for publication by the Board of Directors on March 7, 2022.

The Annual Report also contains the Group's and Parent Company's sustainability reporting in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, see p. [81](#).

Stockholm, March 7, 2022

Lennart Evrell
Chairman

Bo Annvik
Director

Petra Einarsson
Director

Marie Grönberg
Director

Mikael Henriksson
Director

Tomas Jansson
Director

Tomas Karlsson
Director

Pasi Laine
Director

Maija Strandberg
Director

Martin Lindqvist
President and CEO

Our auditor's report was submitted on March 11, 2022
Ernst & Young AB

Rickard Andersson
Authorized public accountant



Auditor's report

To the general meeting of the shareholders of SSAB AB,
corporate identity number 556016-3429

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of SSAB AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages [109-211](#) in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description	How our audit addressed this key audit matter
<p>Goodwill and trademarks</p> <p>As per 31 December 2021, Goodwill amounts to 30 375 MSEK, constituting a significant part of SSAB's Total assets. Goodwill amounts are allocated to the group's five cash-generating units (CGUs). Further, as per 31 December 2021, there are trademarks with indefinite useful lives in the company amounting to 405 MSEK.</p> <p>Impairment test of goodwill including trademarks with indefinite useful lives is performed annually, as well as whenever impairment indicators have been identified. Goodwill and trademarks with indefinite useful lives acquired through acquisitions are allocated to company's CGUs which is described note 6.</p> <p>When carrying value exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the higher of the CGUs net realizable value and the value in use, meaning the discounted value of future cash flows. The cash flow projections are based on forecasts for the upcoming five-year period, approved by senior management. As described in note 6, value in use calculations contains a high degree of judgment regarding key assumptions such as sales trends, EBITDA and discount rates.</p> <p>Note 30 describes the key assumptions for calculating value in use, including management's sensitivity analysis for significant assumptions. Due to assessments and assumptions necessary for the value in use calculation, we have assessed valuation of goodwill and trademarks with indefinite useful lives as a Key Audit Matter in our audit.</p>	<p>Our audit procedures have amongst other procedures included;</p> <ul style="list-style-type: none"> • Assessment of the company's process on establishing and performing impairment test. • Examination of the company's process on identifying CGUs, and of how the business is internally assessed. • Examination of re-allocation of goodwill made in 2021. • Examination of used discount rate and assumptions on long-term growth for each CGU through comparison to other companies within the same type of business. • Assessment of the valuation and calculation models used aided by our own internal valuation experts. • Assessment of reasonableness of assumptions made. • Analysis of company's sensitivity analyses. • Analysis of the reliability of previous years' forecasts by comparing previous year's forecast to actual outcome. • Audit of the disclosed information in Group annual report.

	Description	How our audit addressed this key audit matter
Inventories	<p>SSAB has stocks of raw material, work in progress and finished goods. Those items are located at a large number of warehouses. Per 31 December 2021, total Inventories amount to 25 599 MSEK, and constitute a significant part of SSAB's total assets.</p> <p>Inventories are valued at the lower of acquisition cost and net realizable value. Inventories accounting- and valuation principles are more thoroughly described in the Accounting and Valuation principles section.</p> <p>Measurement of cost in production- and logistical processes includes a high degree of judgment. The company defines normal production levels and allocates a certain part of direct and indirect costs to products refined in production.</p> <p>Further, on a regular basis, the company assesses the product's net realizable value and identifies slow-moving and obsolete goods for impairment test. The company also uses a high degree of judgment in the Inventories counts, since some goods such as coal and iron ore in certain situations are stored in piles. In such cases, warehouse employees make estimations to conclude on the quantity.</p> <p>Due to subjective assessments and assumptions made, we have assessed valuation of Inventories including concluding on quantities for certain raw material as a Key Audit Matter in our audit.</p>	<p>Our audit procedures have amongst other procedures included;</p> <ul style="list-style-type: none"> • Evaluation of company's process on Inventories valuation, including identification of company's key controls connected to this and evaluation of their design. • Evaluation of company's applied Inventories valuation principles, including determination of net realizable value and obsolete products assessment. • Examination of company's allocation of direct and indirect costs related to work in progress and finished goods. • Participation in several cycle counts performed by the company during the year. • Performing Inventory price testing on a sample of Inventories items.



Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-108. The remuneration report for financial year 2021 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistakes.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or mistakes, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden

will always detect a material misstatement when it exists. Misstatements can arise from fraud or mistakes and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or mistakes, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from mistakes, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.



We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of SSAB AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the



company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for SSAB AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of SSAB AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of SSAB AB (publ) by the general meeting of the shareholders on the 14 April 2021 and has been the company's auditor since the 8 April 2019.

Stockholm 11 March, 2022

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant



Shares and shareholders

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

The 2021 closing prices on the Nasdaq**Stockholm Exchange were:**

SSAB class A share: SEK 52.44

SSAB class B share: SEK 45.61

Total year-end market capitalization:

SEK 49 billion

Share performance during 2021:

SSAB class A share: 77.7%

SSAB class B share: 71.1%

OMX Stockholm 30 index: 27.7%

The highest price was:

SSAB class A share: SEK 53.88

SSAB class B share: SEK 47.98

The lowest price was:

SSAB class A share: SEK 29.40

SSAB class B share: SEK 26.30

Ownership structure

At year-end 2021, SSAB had 152,352 shareholders.

SSAB's three largest owners in terms of voting rights at year-end 2021 were:

- LKAB 16.08%
- Government of Finland 8.0%
- Folksam 5.2%

The ten largest identified owners together owned approximately 39.7% of the voting capital and 31.0% of the share capital at the end of December 2021. Owners outside Sweden and Finland accounted for 18.3% of voting rights and 17.7% of the total number of shares.

Dividend policy and dividends

Dividend target is 30 - 50% of profit after tax. The Board of Directors has resolved to propose to the Annual General Meeting to be held on April 6, 2022 that a dividend of SEK 5.25 (0.00) per share will be paid.

Investor relations

During 2021, a number of virtual meetings were held with owners, investors and analysts, both in Sweden and outside, mostly in Europe and the United States. Presentations and investor meetings are regularly held in connection with the publication of interim reports and annual results.

Ticker codes

Nasdaq Stockholm: SSABA and SSABB

Nasdaq Helsinki: SSABAH and SSABBH (class A and class B shares respectively)

During the year, SSAB's shares were traded on the Nasdaq Stockholm Exchange for a total of SEK 91.7 billion. Shares were traded on all exchange days and averaged approximately SEK 362 million per day. The volume of A shares traded during the year corresponded to 285% of the average number of outstanding shares. The volume of B shares traded corresponded to 185% of the average number of outstanding shares. Trading in the share in Helsinki (A and B share) averaged 0.94 million shares per day during 2021. The SSAB share is also traded on multilateral trading facilities (MTF), on market places such as Chi-X and BATS. Of the total volume of traded shares, 76.2% of the class A shares and 79.3% of the class B shares were traded on Nasdaq Nordic (Stockholm and Helsinki).

Share capital

As of December 31, 2021, there are in total 1,029,835,326 shares in SSAB, of which 304,183,270 class A shares, corresponding to 304,183,270 votes, and 725,652,056 class B shares, corresponding to 72,565,205.6 votes, 376,748,475.6 votes in total. Each class A share carries one vote and each class B share carries one tenth of one vote. SSAB's share capital is SEK 9,063 million. The quotient value per share is SEK 8.80.

Share breakdown

Shareholding	Number of shares	% of votes	% of share capital
1–500	14,078,249	1.3	1.4
501–1,000	17,525,598	1.5	1.7
1,001–5,000	78,504,346	6.9	7.6
5,001–15,000	60,652,438	4.4	5.9
15,001–20,000	15,863,760	1.1	1.5
20,001–	688,269,187	62.7	66.8
Anonymous ownership	154,941,748	22.1	15.0
Total	1,029,835,326	100.0	100.0

The number of shares and share capital have changed since 1989 as follows:

Year		Change in number of shares	Number of shares	Change in share capital SEK millions	Share capital, SEK millions
1989	Conversion	15,000,000	26,500,000	150	2,650
1994	Conversion	5,500,000	32,000,000	550	3,200
1995	Split 4:1	96,000,000	128,000,000	0	3,200
1998	Redemption	-15,891,199	112,108,801	-397	2,803
2001	Reduction	-11,210,880	100,897,921	-281	2,522
2005	Redemption	-9,968,861	90,929,060	-249	2,273
2006	Redemption	-4,546,453	86,382,607	-114	2,159
2006	Bonus issue	0	86,382,607	121	2,280
2006	Split 3:1	172,765,214	259,147,821	0	2,280
2007	New issue 1:4	64,786,954	323,934,775	571	2,851
2014	New issue	225,310,735	549,245,510	1982	4,833
2016	Rights issue 8:7	480,589,816	1,029,835,326	4,229	9,063

Owners as of December 31, 2021

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.2	2.1
Vanguard	2.9	2.8
Allianz Global Investors	1.9	0.8
Norges Bank	1.6	2.1
BlackRock	1.3	1.3
Ninety One	1.0	0.4
Handelsbanken Funds	0.9	3.3
Avanza Pension	0.8	1.4
Other shareholders	60.3	69.0
Total	100.0	100.0
Whereof foreign-registered shareholders ¹⁾	18.3	17.7

¹⁾ Includes shareholders outside Sweden and Finland

Source: Modular Finance.

**Share-related key figures**

		2021	2020	2019	2018	2017
Share price, at year-end, class A share	SEK	52.44	29.30	32.85	30.49	44.90
Earnings per share (EPS)	SEK	14.24	-0.50	1.04	3.45	2.23
Cash flow before dividend and financing per share	SEK	12.24	2.13	1.27	4.34	4.93
Equity per share	SEK	71.35	52.42	58.57	57.71	51.69
Dividend per share	SEK	5.25 ¹⁾	0.00	0.00	1.50	1.00
Average number of shares	million	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Number of shares at year-end	million	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Market capitalization at year-end	SEK million	49,048	27,910	32,139	27,358	40,224
Valuation						
Direct yield, % ²⁾		10.01 ¹⁾	0.00	0.00	4.92	2.23
P/E ratio ²⁾		3.68	-	31.59	8.84	20.13
Price/equity, % ²⁾		73	56	56	53	87

¹⁾ In accordance with the Board's proposal.

²⁾ Based on closing price for the class A share.

Annual General Meeting, Nomination Committee, Calendar

Annual General Meeting

The shareholders of SSAB AB (publ) (company registration number 556016-3429) are hereby given notice to the Annual General Meeting to be held on Wednesday, April 6, 2022. Due to the corona virus, the Board of Directors has decided that the Annual General Meeting will be held without the physical presence of shareholders, representatives or third parties, and that the shareholders will only be able to exercise their voting rights in advance through so-called postal voting ahead of the meeting. The Government of Sweden has started to phase out the infection control measures but has, due to the risk that the infection spread may continue to have significant consequences for society, enabled companies to hold general meetings without physical presence by the temporary legislation proposed to enter into force on March 1, 2022. In view of the uncertainties in respect of the development of the infection spread going forward and in order to ensure that the Annual General Meeting can be held on the pre-announced date, SSAB has deemed that the Annual General Meeting 2022 should be held without physical presence by postal voting only. Information on the resolutions passed at the Annual General Meeting will be disclosed on April 6, 2022, as soon as the outcome of the postal voting has been confirmed.

In addition, presentations by the Chairman of the Board and the Managing Director, in which certain questions submitted from shareholders also will be answered, will be published on the Company's website, www.ssab.com, on April 6, 2022.

Participation

A person who wishes to participate in the Annual General Meeting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as per the record date on Tuesday, March 29, 2022, and give notice of participation by casting its postal vote in accordance with the instructions under the heading "Postal voting" below so that the postal voting form is received by SSAB no later than on Tuesday, April 5, 2022.

The name, personal identification number (or company registration number), address and telephone number of the shareholder must be provided in the notice.

Nominee-registered shares

In order to be entitled to attend the Annual General Meeting, shareholders whose shares are registered in the name of a nominee (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must, in addition to giving notice of participation in the Annual General Meeting by submitting its postal vote, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of the record date on Tuesday, March 29, 2022. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee by Thursday, March 31, 2022 will be taken into account in the presentation of the share register.

Proxies

If the shareholder submits its postal vote by proxy, a power of attorney must be issued for the proxy. Proxies and, with respect to a legal entity, a certificate of registration, shall be submitted, together with the postal voting form, in ample time prior to the Annual General Meeting to: SSAB AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. A power of attorney is valid one year from its issue date or such longer time period as set out in the power of attorney, however not more than five years. The certificate of registration must reflect the circumstances on the day of the Annual General Meeting and should not be older than one year at the time of the Annual General Meeting. The Company provides proxy forms for shareholders wishing to vote by proxy. The form is available on the Company's website, www.ssab.com, and will be sent to those shareholders who so request and state their mailing address. Order may be placed by telephone on +46 (0)8 45 45 760.

Postal voting

The shareholders may exercise their voting rights only in advance by postal voting in accordance with section 22 of the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations that enters into force as of March 1, 2022.

A special form must be used for the postal vote. The form for postal voting is available on the Company's website, www.ssab.com. The postal vote form is considered as notice to participate in the Annual General Meeting.

The signed form must be received by SSAB by Tuesday, April 5, 2022 at the latest. The form may be sent by email to GeneralMeetingService@euroclear.com or by mail to SSAB AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their votes electronically through verification with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/euroclearproxy>. Such electronic votes must be submitted no later than April 5, 2022. If the shareholder submits its postal vote by proxy, a power of attorney must be attached to the postal voting form. If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the form.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

In order to receive the postal voting form by post, please contact SSAB at +46 (0)8 45 45 760.

Dividend

The Board is to propose a dividend of SEK 5.25 (0.00) per share for 2021 and April 8, 2022 as the record date. If the annual general meeting adopts the Board's proposal, the dividend is expected to be paid on April 13, 2022. The proposal will involve a payout totaling SEK 5.4 billion to shareholders.

Nomination Committee

- Pierre Heeroma, LKAB, Chairman
- Kimmo Viertola, the Finnish government
- Michael Kjeller, Folksam
- Niklas Johansson, Handelsbanken funds
- Lennart Evrell, Chairman of the Board of Directors

Calendar for financial information

- SSAB will publish the following information for the financial year 2022:
- Report for the first quarter, April 26, 2022
- Half-year report, July 22, 2022
- Report for the third quarter, October 25, 2022

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