



SSAB

Transforming the future of steel

► Annual Report 2022

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STRATEGY REPORT

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

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CORPORATE GOVERNANCE

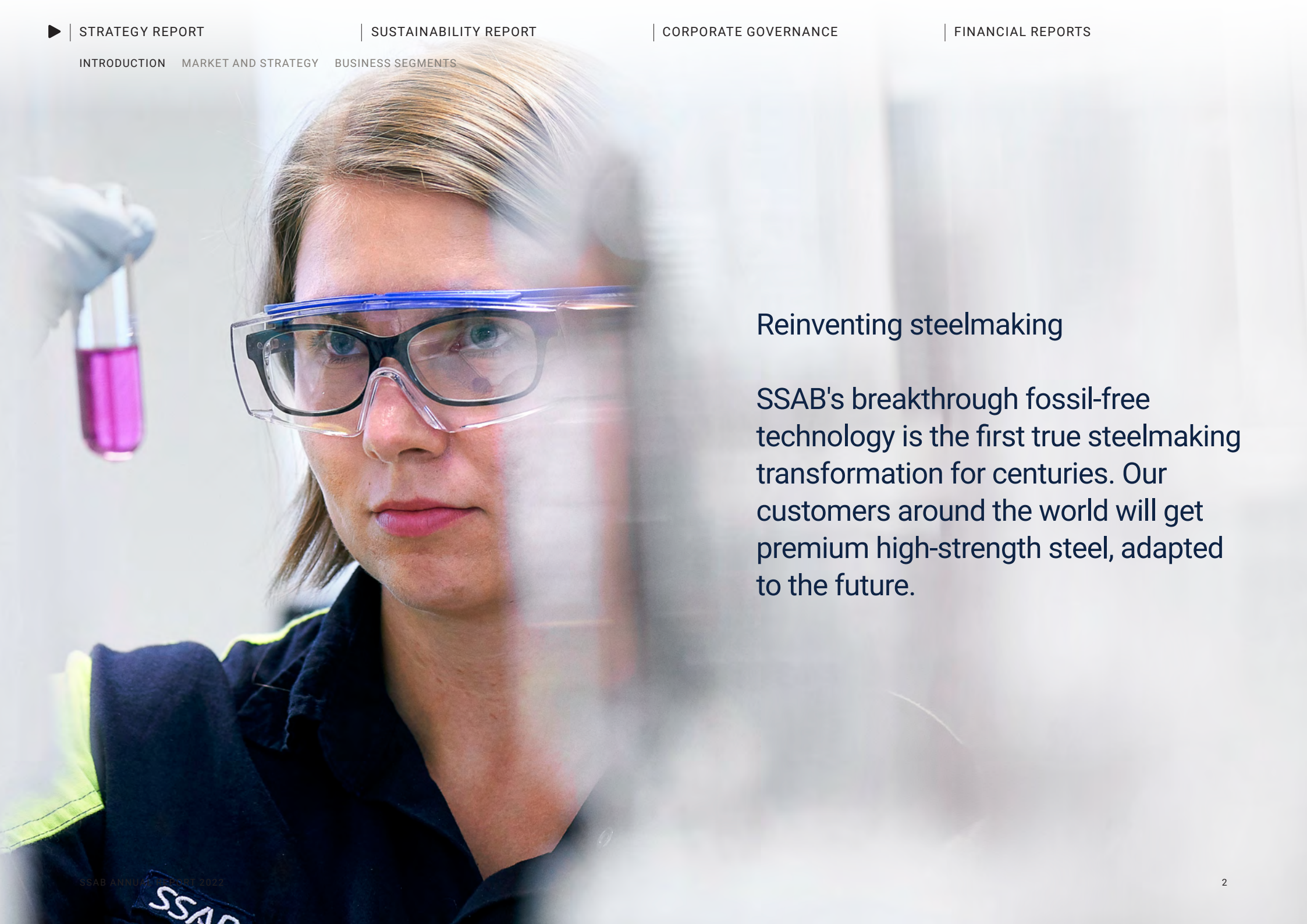
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Reinventing steelmaking

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

Strategy report

SSAB is a global steel company with a leading position in high-strength steels and related services. We aim to be the first steel company in the world to offer fossil-free steel to the market. In 2022, SSAB reported its highest earnings in the company's history and consolidated its leading position in the green transition in the steel industry.





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.

129 SEK
BILLION

Revenue in 2022

Steelmaking since

1878



15,000

Employees in over
50 countries

8.8 MILLION
TONNES

Annual steel production
capacity



Headquarters
Stockholm, Sweden

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



SSAB Special Steels

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



SSAB Europe

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



SSAB Americas

SSAB Americas is responsible for sales of 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 Nordics and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers.



Ruukki Construction

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



SSAB's home markets

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

Nordics

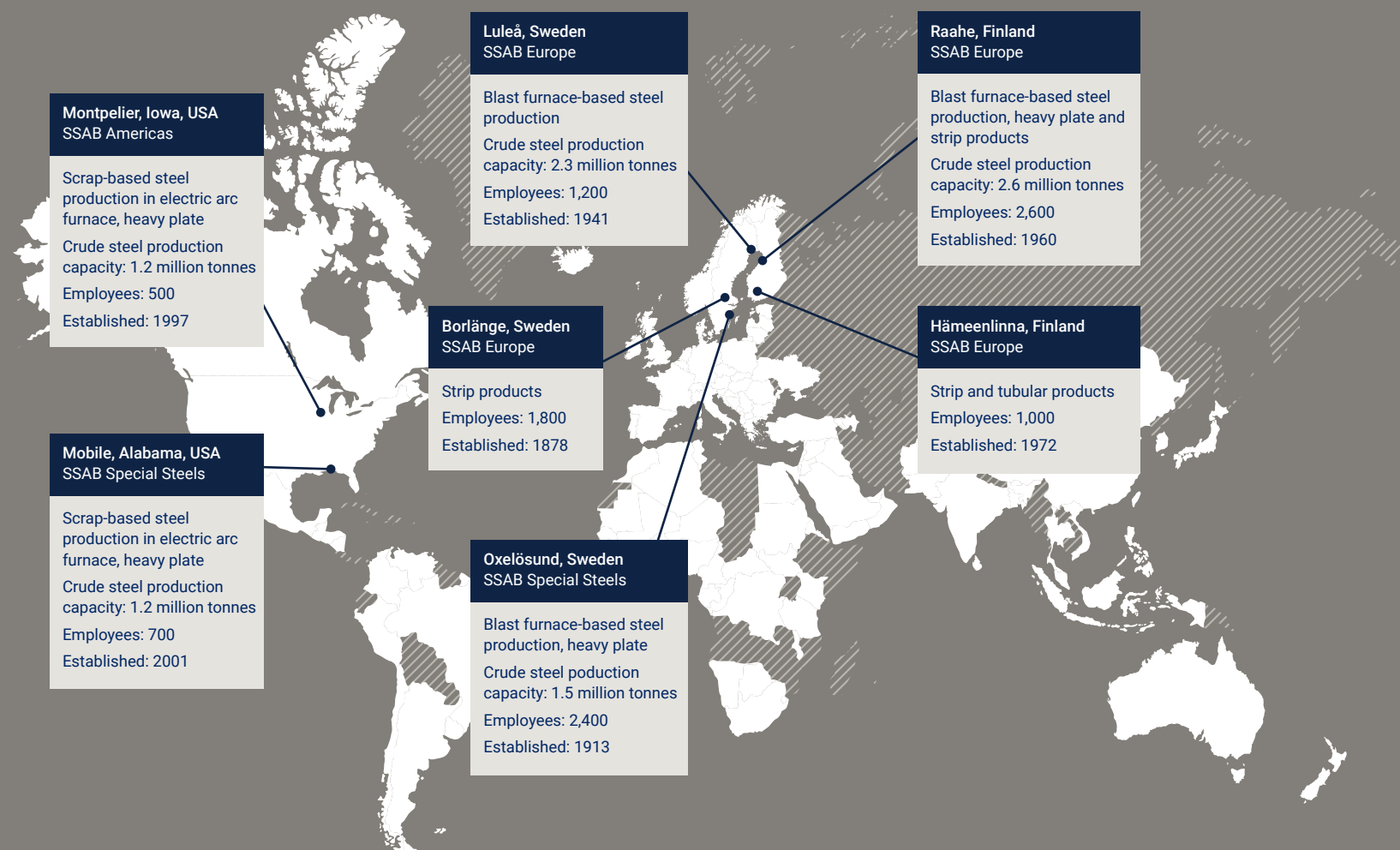
- Heavy plate, strip and tubular products

North America

- Heavy plate

Globally

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



Record earnings in a turbulent year

SSAB reported a strong increase in earnings in 2022 and reached a new record. The adjusted operating result was SEK 29.3 billion, compared to SEK 18.8 billion in 2021. All three steel divisions generated strong results despite a weak European market during the second half of the year and the turbulence ensuing from the war in Ukraine. SSAB took early leadership in the steel industry to enable a shift to production without coal or other fossil fuels. We consolidated this leading position during 2022 by delivering more than 500 tonnes of fossil-free steel to Volvo Group and others.

2022 was a year of turbulence. Russia's invasion of Ukraine triggered market unrest and disruption. Raw material and steel prices rose sharply in the face of a threat of shortages. Higher inflation gave rise to higher interest rates and the second half of the year saw a weakening of the European steel market. This was most pronounced in the construction industry. We have long experience of managing demand fluctuations and over the years have increased our flexibility and improved our product mix. This provides steadier earnings and cash flow generation over business cycles.

Our strategy brings stability

SSAB's strategy with global high-strength niche products combined with two home markets also provides a diversification that reduces dependence on individual regions. Our leading position in the global market for high-strength

steels and in North America for heavy plate compensated for the situation in Europe in 2022 and the Group could post positive earnings also during the fourth quarter. The heavy plate market was robust during 2022 and the operating margin for SSAB Americas rose to 38.1%.

Safety performance continued to improve

One of SSAB's most important goals is to be the world's safest steel company. This entails not just limiting physical risks but also equally importantly working on attitude to lay the foundation for a strong safety culture. We will continue our systematic long-term work to make SSAB a safer workplace. During 2022, lost time injury frequency (LTIF) per million hours worked decreased to 1.06 (1.80) and total recordable injury frequency (TRIF) decreased to 7.70 (9.20).





Better profitability in tough times

Another important goal in times of weak economic activity is to raise profitability. The steel industry will always be cyclical and we have to continue to strengthen flexibility. We are running a number of projects to convert fixed costs into variable costs to increase the ability to adapt costs to demand. Another important factor in order to increase our resilience is the product mix. Business development and investments have enabled us to increase volumes of high margin and less volatile high-strength and premium steels, while reducing volumes of standard steels outside of our home markets. We will continue developing new products and invest in further processing. One example of this is the increased quenched and tempered (Q&T) steel capacity in Mobile, which will start in early 2023.

In the longer term, our transformation program will make us even better placed for higher profitability. Rebuilding our strip production system in the Nordics is a leap towards a better cost position. The new mini-mills in Luleå and Raahе will mean greater flexibility, shorter lead times and more capacity for further processing. This will allow us to meet customer demands for more dimensions in high-strength steels.

Major challenges – SSAB in a strong position

Since blast furnace technology uses coal as the reducing agent, it is considered to be neither

economically nor environmentally sustainable in the long term. This represents a major challenge for future steelmaking. SSAB was one of the first steel companies to begin to plan for a future without carbon dioxide emissions and our work to this end began to take shape back in 2016. We continue to keep to our plan, which is the most ambitious in the industry. The goal is to largely eliminate all carbon dioxide emissions from our operations in around 2030.

“SSAB was one of the first steel companies to begin to plan for a future without carbon dioxide emissions”

Milestones towards fossil-free steel

Customer demand for steel with no carbon footprint continues to increase. In 2022, SSAB delivered around 500 tonnes of fossil-free steel to strategic customers. Feedback from customers has been positive and we can state that the properties of fossil-free steel are at least as good as those of blast furnace steel and that they meet all the requirements placed on our products. Our fossil-free steel is built on technology being developed by our joint venture Hybrit Development AB, where a number

of steps forward were taken during the year. Dedicated work by the research team resulted, among other things, in us being able to avoid briquetting, which is needed in direct reduction using natural gas. This saves costs, partly by avoiding this stage in the production of fossil-free iron and partly by more energy efficient steel production by not using briquettes in the electric arc furnaces.

The conversion in Oxelösund is progressing. Last year, the Swedish Energy Markets Inspectorate gave the green light for a new 130kV power line from Hedenlunda in Flen to SSAB in Oxelösund. Permit processes are lengthy and unpredictable and involve a risk for SSAB's transformation aimed at reducing Sweden's carbon dioxide emissions by around 10% and Finland's by around 7%.

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 which means that we have committed to contribute to long-term sustainable development in line with UN Sustainable Development Goals and the Paris Agreement.

Continued good cash flow generation

SSAB has a strong financial position, with earnings largely converted into cash flow. The Board proposes to increase the dividend to SEK 8.70 per share, compared to SEK 5.25 a year earlier. The Board will also propose an authorization for a share buyback program to the Annual General Meeting for a maximum of 10% of outstanding SSAB shares.

2022 was a volatile year and one which required our ability to quickly adjust to new market conditions. I would like to thank all our employees in helping us to do this. Whereas short-term fluctuations are always difficult to predict, our long-term course is clear. Our customers are driving development and we are working with them to develop new sustainable products. Customers and our Hybrit Development partners LKAB and Vattenfall will enable us to create a unique fossil-free value chain. Last but not least, I would like to thank all our shareholders. I am convinced that our plans will deliver good financial development. We have an exciting journey ahead of us.

Martin Lindqvist,
President and CEO

2022 in brief



Stepping up the transformation

In early 2022, SSAB's Board took a policy decision to transform the Nordic strip production system and accelerate the company's green transition. The plan involves replacing the blast furnaces and coke plants with new integrated mini-mills with electric arc furnaces, rolling mills and further processing to provide greater flexibility and an improved cost position. This is how SSAB plans to largely eliminate carbon dioxide emissions in its own operations in around 2030. A start was made on feasibility studies for the plants in Luleå and Raahé in 2022.



Fossil-free value chain

During 2022, SSAB consolidated its position as leader in the green transition in the steel industry by making significant progress in the development of fossil-free steelmaking and by delivering around 500 tonnes of fossil-free steel to strategic customers. Volvo Construction Equipment (Volvo CE) became the first in the world to deliver a construction machine built using SSAB fossil-free steel to its customer NCC. The handover of the articulated hauler took place just ten months after SSAB showcased the first steel ever made using hydrogen instead of coke.



Several new partnerships and new research results

Interest in fossil-free steel continued to grow during the year. SSAB began to work with a string of customers like Polestar, Epiroc, AlfaLaval, Shape Corp. and Oshkosh Corporation to jointly develop applications. SSAB fossil-free steel retains at least as high quality as our conventional steel and research also indicates that hydrogen-reduced iron (HRI) has superior properties. Hybrit Development AB filed patent applications to the European Patent Office in fall 2022.



Record earnings in 2022

SSAB's adjusted operating result for the full year 2022 was SEK 29.3 (18.8) billion, the highest in the company's history. SSAB's strategy and leading positions in special steels and American heavy plate compensated for a weak European market. Operating cash flow was SEK 22.7 (15.3) billion. Further improvement was seen in safety and the lost time injury frequency (LTIF) decreased to 1.06 (1.80). SSAB has a strong financial position and the Board proposes a dividend of SEK 8.70 (5.25) per share for 2022.



Key figures 2022

Key figures

	2022	2021
Revenue, SEK million	128,745	95,891
Adjusted operating result before depreciation/amortization EBITA, SEK million ¹⁾	32,675	22,094
Adjusted operating result, SEK million ¹⁾	29,283	18,837
Operating result, SEK million	-4,355	18,837
Result before tax, SEK million	-4,641	18,416
Result for the year, SEK million	-10,877	14,673
Adjusted earnings per share, SEK ¹⁾	22.38	14.24
Earnings per share, SEK	-10.57	14.24
Operating cash flow, SEK million	22,693	15,296
Net debt (+) / Net cash (-), SEK million	-14,287	-2,346
Dividend per share, SEK – 2022 proposal	8.70	5.25
Carbon dioxide emissions ²⁾ , thousand tonnes	9,827	10,641
Employees ³⁾	14,568	14,235
Lost time injury frequency (LTIF) ⁴⁾	1.06	1.8

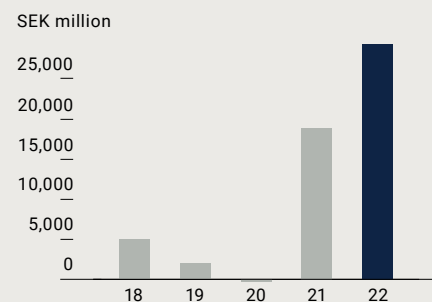
¹⁾ Excluding items affecting comparability that mainly include impairment of goodwill of SEK 33.3 billion.

²⁾ Direct emissions from production (Scope 1).

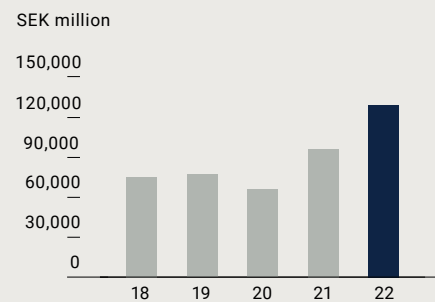
³⁾ Permanent employees at year end.

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

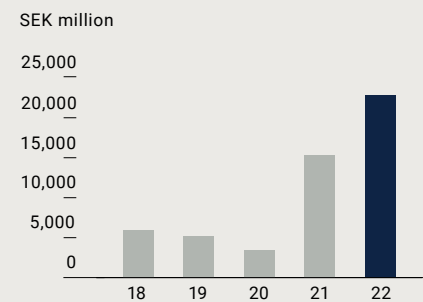
Adjusted operating result



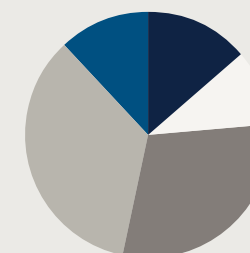
Revenue



Operating cash flow

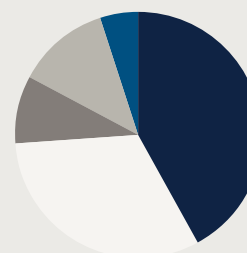


Revenue by geographic market in 2022



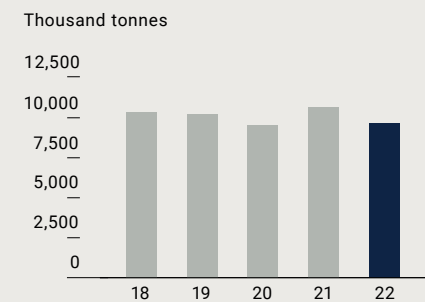
Sweden, 14%
Finland, 10%
US, 30%
Rest of Europe, 35%
Rest of the world, 12%

Employees by region in 2022



Sweden, 42%
Finland, 32%
US, 9%
Rest of Europe, 12%
Rest of the world, 5%

CO₂e emissions (Scope 1)



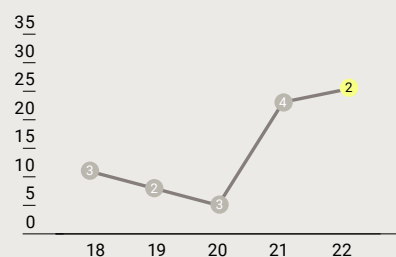
SSAB's overarching objectives

SSAB's strategy aims to secure the company's long-term development to create shareholder and stakeholder value. SSAB's financial objective is to reach industry-leading profitability and generate a steady cash flow, and in this way deliver a sound balance sheet and shareholder dividends. SSAB's longer-term sustainability ambitions are to launch fossil-free steel on the market in 2026 and to largely eliminate carbon dioxide emissions from our own operations in around 2030 and reach leading sustainability performance.

Financial targets

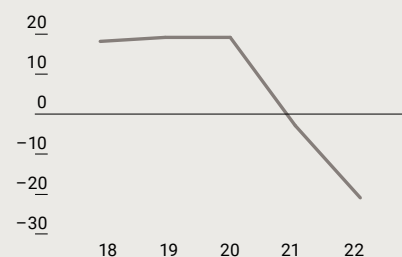
Area	Profitability	Capital structure	Dividends
Objective	Industry-leading profitability: Highest EBITDA margin compared with ArcelorMittal, Nucor, Salzgitter, Tata Steel Europe, ThyssenKrupp and U.S. Steel.	Net debt/equity ratio will not normally exceed 35%.	Dividend target is 30–50% of the result for the year.
Achievement	SSAB's adjusted EBITDA-margin was 25.3% (23%) which was second highest in the comparison group.	At year end, SSAB had a net cash position of SEK 14.3 billion (2.3 billion) which equates to a net debt/equity ratio of –21% (–3%).	The Board proposes a dividend of SEK 8.70 (5.25) per share for the year ended 2022, which corresponds to 39% of the adjusted result for the year.

Profitability
EBITDA margin, %, and SSAB's position in peer group¹⁾

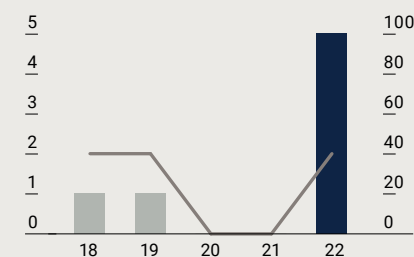


¹⁾ The position is based on the first nine months 2022.

Capital structure
Net debt/equity ratio, %



Dividend²⁾



²⁾ 2022 is the Board's proposal.

First in fossil-free steel

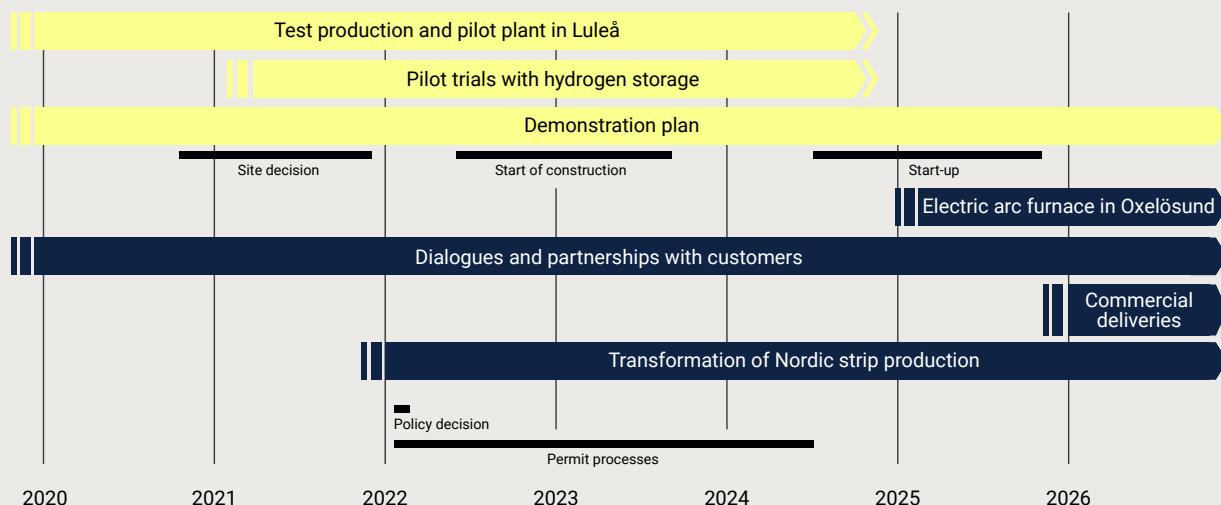
SSAB aims to create a fossil-free value chain together with our partners and customers and to secure our position as the driving force in the green transition in the steel industry. SSAB plans to launch fossil-free steel as a commercial product in 2026. The development of fossil-free sponge iron, the feedstock for fossil-free steel, is being undertaken by the joint venture company Hybrit Development AB. The plan is to complete the HYBRIT demonstration plant in around 2025, at the same time as SSAB's blast furnace in Oxelösund is converted to an electric arc furnace. SSAB's Board has also taken a policy decision to transform Nordic strip production until around 2030. The transformation will mean increased flexibility, shorter lead-times and that carbon dioxide emissions from SSAB's own operations will be largely eliminated.

Progress in 2022:

- Test production at the HYBRIT pilot plant in Luleå continued delivering very good results - new research shows that hydrogen-reduced iron ore has superior properties and Hybrit Development AB filed patent applications to the European Patent Office.
- The pilot hydrogen gas storage facility in Luleå began operating during the year.
- SSAB established cooperation around fossil-free steel with a number of partners including Polestar, Epiroc, AlfaLaval, Shape Corp. and Oshkosh Corporation.
- SSAB started the public consultation process concerning the transformation of the steel mill in Luleå towards the end of the year.

Timeline for fossil-free steel production

First products are planned to reach the market in 2026



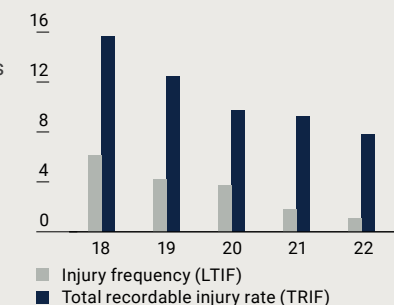
Safety first

All SSAB's employees have the right to a healthy, accident-free work environment. SSAB's ambition is to prevent all work-related injuries and diseases and to become the world's safest steel company. The targets for 2025 at the Group level are LTIF below 1.0 and TRIF below 4.9, per million hours worked.

Progress in 2022:

Safety work is delivering results and the injury frequency (LTIF) decreased to 1.06 (1.80) and total recordable injury rate (TRIF) decreased to 7.70 (9.20).

Injury frequency





Market and strategy

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



Global trends impacting the steel industry



	Climate change and scarce resources	Population growth and urbanization	Digitalization	Changing global market conditions
Impacts on the steel industry	- Increasing demand for steel with a low climate impact - Increasing cost of carbon emissions, especially within the EU - Development of more resource- and carbon-efficient products and processes - Climate change can affect steel production and supply chains	- Increasing demand for steel in the construction, infrastructure and energy sectors - Increasing demand for sustainable and energy-efficient buildings and traffic solutions	- Digital services provide greater availability of more efficient control systems and increased transparency in the value chain - E-commerce and digital platforms impact market dynamics	- Higher importance of regional markets because of growing protectionism and trade policy restrictions - Changed supply chains due to increasing regionalization, disruptions due to Russia's invasion of Ukraine and shutdowns related to Covid-19 - Increasing demand for steel in developing economies
Examples of how SSAB responds to the trends	SSAB intends to be the first steel company to launch, in 2026, fossil-free steel at a commercial scale and to replace blast furnaces and coke plants with electric arc furnaces in around 2030	SSAB offers a broad range of steel products used in construction and infrastructure, for example for construction machinery and renewable energy installations	- SSAB develops the portfolio of digital services and tools as well as new business areas such as additive manufacturing - SSAB works with the use of robotics, machine learning and advanced analysis to improve production stability and increase process efficiency	- SSAB continues to secure home market positions and improve production capacity to enable each site to cover a better range of products - SSAB works to improve its position on emerging markets for high-strength steel



Steel market and SSAB's position

Despite the economic and geopolitical unrest in the world during 2022, the driving forces on the global steel market continue to be favorable for SSAB.

Steel demand

- Relatively stable medium-term demand on SSAB's home markets
- Increasing demand in infrastructure and the defense industry
- Increasing demand for SSAB's products, for example, high-strength steel and, going forward, fossil-free steel

Steel trade flows

- Decreasing global trade in recent years
- Continued protectionism in many parts of the world
- EU's carbon border adjustment mechanism (CBAM) for goods with a high carbon footprint
- SSAB is well positioned on its home markets, the USA and Nordics, with production close to customers



Steel supply capacity

- Sharp contraction in Russian and Ukrainian steel production
- Carbon dioxide emission costs affect the marginal costs of blast furnace steelmaking
- New investments have long lead times
- SSAB has a leading position in transformation of the steel industry

Raw materials

- Temporary shortage of input materials in the European steel industry because of Russia's invasion of Ukraine
- High demand for more sustainable alternatives
- SSAB has robust supply chains through long-standing partnership with iron ore supplier LKAB among others



Market segments

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

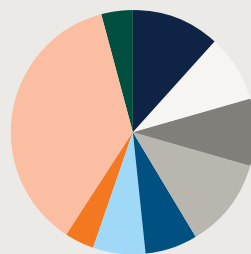
- Flat steel and tubes in the Nordics
- Heavy plate in North America
- Automotive premium steel (advanced high-strength steel, AHSS) globally
- Special steels, for example AHSS and quenched and tempered (Q&T) globally

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

Customer segments

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

Customer segments
Share of total shipments in 2022



- Heavy transport, 12%
- Construction, 9%
- Automotive, 9%
- Industrial applications, 12%
- Construction machinery, 7%
- Energy, 7%
- Material handling, 4%
- Service centers, 37%
- Others, 4%



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

2%

Global carbon steel market = ~1,800 million tonnes

SSAB focus markets

Special steels, globally¹⁾

Automotive premium steel, globally²⁾

Flat carbon steels and tubes in the Nordics

Heavy plate North America

Market size, million tonnes

~5

~20

4–5

~7



SSAB market share, per cent

~25%

~3%

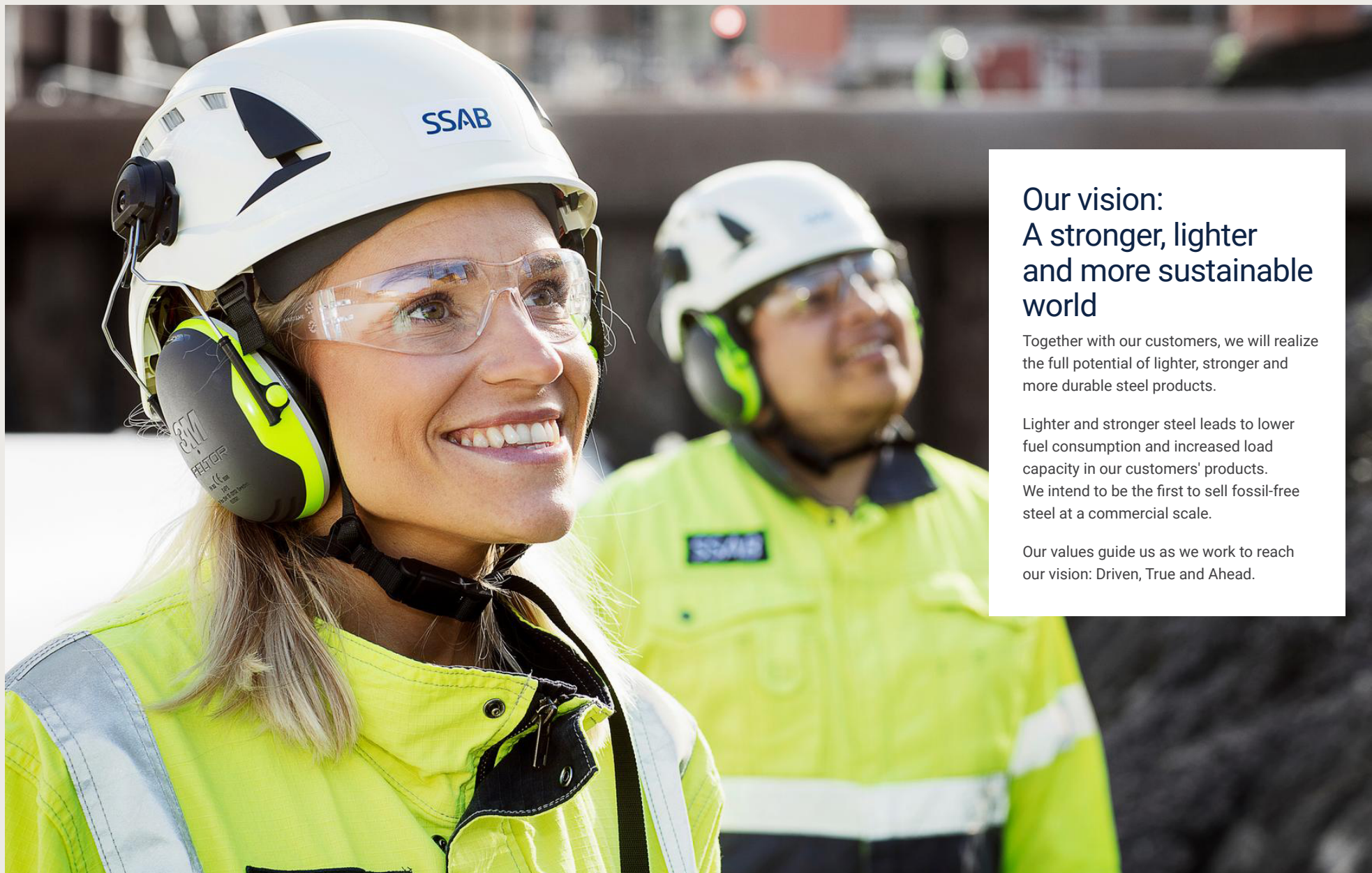
~40%

30%



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.



Our vision: A stronger, lighter and more sustainable world

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

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

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

SSAB's strategic direction

The strategy describes how SSAB creates value for the company, customers and owners, and how SSAB will stand out in a competitive global steel market.



► First in fossil-free steel

SSAB's strategy is to develop and offer fossil-free, iron ore-based steel on a commercial basis. To succeed, SSAB set up a joint venture, Hybrit Development, with iron ore supplier LKAB and power supplier Vattenfall, to be the first in the world to develop a competitive production process for fossil-free sponge iron. SSAB has decided on a transformation strategy to replace blast furnace-based production in the Nordics with a mini-mill system with electric arc furnaces in around 2030.

► Leading home-market positions

SSAB's strategy is to be market leader on our two home markets, the Nordics and North America, where SSAB has a natural competitive advantage because of our proximity to steel mills. SSAB will achieve this by prioritizing customers in these markets while aiming to increase the share of premium steels of total sales.

► Global leadership in high-strength steels

SSAB's strategy is to be global market leader in the quenched and tempered (Q&T) steel and specific high-strength steel (AHSS) segments as these special steels deliver value added for customers. SSAB works by upgrading customers from standard steels to high-strength alternatives, by continuously working with customers to develop products and by investing in the production system to enable growth.

► Leading value-added services

SSAB's strategy is to develop and increase the use of steel-related services to create higher customer value and loyalty. SSAB offers comprehensive services around the world through own sales organizations in 50 countries and through Tibnor, Ruukki Construction and SSAB Services, and partner networks such as Hardox® Wearparts.

► Most flexible operations

SSAB's strategy is for more flexible operations than the steel industry as a whole to be able to faster adjust to market fluctuations and to customers' individual needs. Group-wide continuous improvement and working capital efficiency programs are running as part of this aim. In the longer term, the work also includes a more flexible product system by switching entirely over to integrated mini-mills with electric arc furnaces, rolling and further processing.

► High-performing organization

SSAB's strategy and business model are built around a high-performing and decentralized organization with high employee engagement. Our employees in more than 50 countries require local engagement and initiative. SSAB will continue to work with leadership and competence development, and strive to enhance diversity in the workforce.

► Superior customer experience

SSAB's strategy is to offer a superior customer experience – from sales to shipments – that exceeds that of our competitors. SSAB does this by among other things a unique sales model in the steel industry where we often sell directly to end users, a portfolio of highly advanced products and world-leading brands, together with constant work for competitive lead times and delivery accuracy.

► Leading sustainability performance

SSAB's strategy is to be industry-leading within sustainability. Sustainability should be a distinguishing factor compared to competitors. SSAB's ambition is to be the world's safest steel company, to largely eliminate all carbon dioxide from our own operations in around 2030 and to always set the highest standards in business ethics.

Developing the fossil-free offering



The steel industry is one of the highest carbon dioxide-emitting industries, accounting for around 7% of global carbon dioxide emissions. A growing global population, higher standard of living and greater urbanization will trigger a rise in global steel demand. Since recycled scrap will be unable to meet the growing demand for new steel, there will continue to be a need for iron ore-based steel. At the same time, customer demand is rapidly evolving towards solutions with a lower climate footprint. This is why SSAB aims to be the first in the industry to launch fossil-free steel on the market.

Recent years have seen SSAB begin to work with a number of customers in different segments to develop applications for fossil-free steel. In total, SSAB delivered around 500 tonnes of fossil-free steel to strategic customers during 2022.

Going forward, SSAB will focus on developing the market and awareness of fossil-free steel and continue a large number of customer collaborations. Fossil-free steel will have a clear role in SSAB's strategy to offer premium products with significant added value.

SSAB, VOLVO GROUP AND NCC FORERUNNERS

In 2022, Volvo Construction Equipment (Volvo CE) became the first company in the world to deliver a construction machine made using SSAB fossil-free steel to a customer. Volvo CE handed over the articulated A30G dumper built using fossil-free steel to NCC in conjunction with Stockholm+50, a major international environment meeting convened by the UN. At the handover, Martin Lindqvist, SSAB's President and CEO said:

"This is a step change in the green transition. I'm happy and proud to collaborate with Volvo Group and NCC as forerunners in decarbonization. Together, we hope to inspire others so that we strengthen the competitiveness of sustainable solutions and enable the objectives of the Paris Agreement."





Increased growth in special steels and premium products



SSAB has a leading position in high-strength steels, both in specific quenched and tempered (Q&T) and advanced high-strength steels (AHSS). SSAB aims to increase growth in these segments by, for example, upgrading customers' need for steel from standard grades to high-strength steels. This is where the development of new innovative products and services plays an important role in meeting customers' ever-increasing demands in respect of steel properties. SSAB's unique global sales organization is a prerequisite to be able to reach out to potential customers in smaller markets and segments globally.

SSAB has a systematic approach to identifying new applications where high-strength steel can make a difference and assists customers with expertise on how products and applications can best be designed taking account of the steel's unique properties. This can involve, for example, how a tipper body can best be designed for optimal load capacity and service life as well as developing new products and applications to set a new market standard. SSAB's product offering in XMOR is an example of the latter, where mining industry products are developed and then made available through licensed partners.

High-strength and wear-resistant steels bring environmental benefits to SSAB's customers since they are lighter and strong than standard steel. This translates into prolonged service life and can save both use of material and fuel consumption.

LONGER PRODUCT LIFETIME AND HIGHER PRODUCTIVITY FOR SSAB'S CUSTOMERS

Schlam Group is a leading supplier of mining dump truck bodies headquartered in Perth, Australia. Schlam and SSAB have been working together for a number of years to make the best possible use of SSAB's high-strength steels. For example, SSAB supported Schlam with expertise in Hardox 500 Tuf and its unique properties, including its exceptional toughness in relation to hardness. This allowed Schlam to develop the Hercules HX, a new generation of lighter, abrasion-resistant, high-productivity mining dump truck bodies. The body is 20%

lighter than the company's already class-leading Hercules. The lower tare weight also saves on fuel and tire wear. The total service life of the dump body has increased by 100%. CEO Matt Thomas: **"The Hercules EXO is an ultra-lightweight body that maximizes payload without sacrificing body life or requiring the addition of wear packages. It is the culmination of 20 years of continuous improvement and innovation wrapped into one high-performance dump body."**



-8 000 000 tonnes of CO₂



Annual reduction of carbon dioxide emissions by more than 8 million tons per year



Increased capacity for premium products



Shorter lead times

Transformation of the Nordic production system



Customer demand is rapidly evolving towards solutions with a lower climate footprint. Against a background of strongly increasing demand for fossil-free steel, SSAB's Board took a policy decision in January 2022 to bring forward the transformation of the Swedish and Finnish production sites by around 15 years compared to the earlier plan.

The transformation involves rebuilding SSAB's Nordic strip production system, which will increase the capacity for premium products, improve our cost position, shorten lead times and enable fossil-free steelmaking. The plan is to transform the steelworks in Luleå and Raahe into cost-effective mini-mills, with electric arc furnaces, integrated rolling and further processing. The sites in Borlänge and Hämeenlinna will be further developed in line with the new production processes.

The plan means that all SSAB's carbon dioxide emissions from its own operations will largely be eliminated in around 2030, considerably earlier than previously planned. The closure of SSAB's blast furnaces will reduce the direct carbon dioxide emissions by around 90%, which corresponds to an annual reduction of more than 8 million tonnes of carbon dioxide emissions, based on the last 5 years. The remaining direct emissions relate mainly to

different heating processes, where SSAB is working to find alternative fuels.

The transformation is significant in relation to Nordic climate goals. Sweden's total carbon dioxide emissions can reduce by around 10% and Finland's by around 7%.

Feasibility studies began in 2022 and are expected to continue during 2023 before any concrete investment decisions are made. Among other things, relevant environmental permits for the respective installations must be applied for. In order for the transformation to become a reality, the requisite infrastructure must be in place in time as well as the availability of competitive fossil-free electricity.

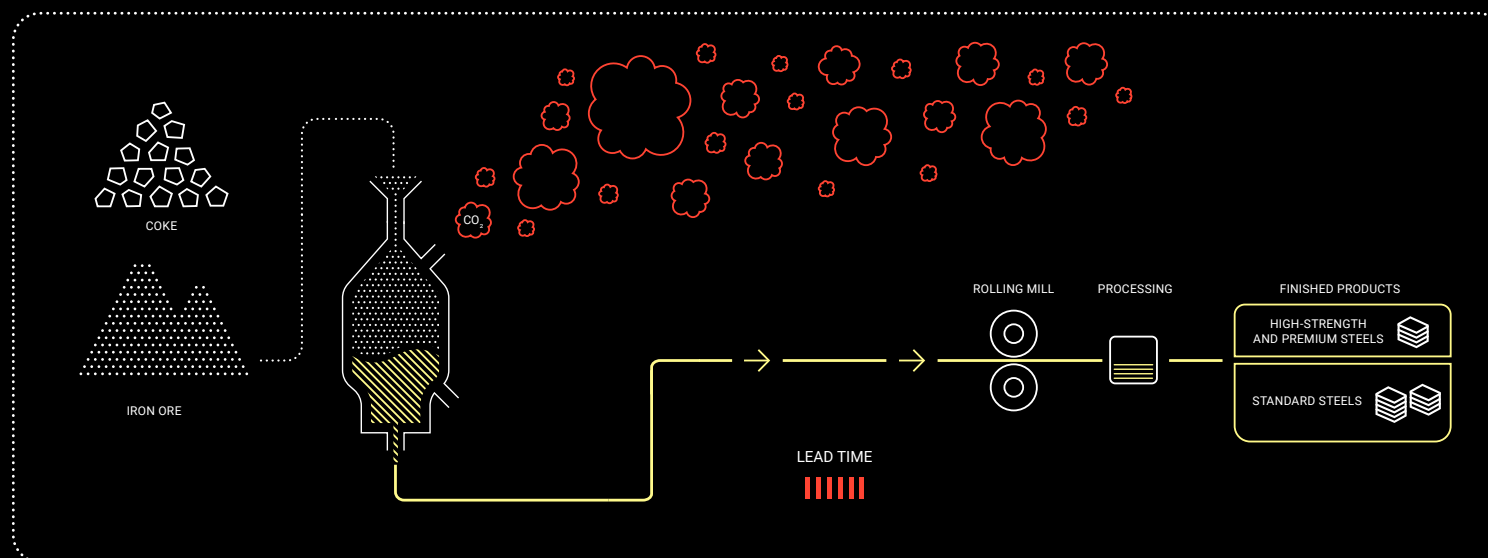
The following aspects are needed for SSAB's transformation within the next ten years:

- Timely availability of electricity at the sites in Finland and Sweden
- Availability of raw materials – primarily fossil-free sponge iron and recycled scrap
- Timely permits
- Availability of competence
- Regulation resulting in costs for emitting carbon dioxide
- Level playing field for all European steel companies regarding state aid

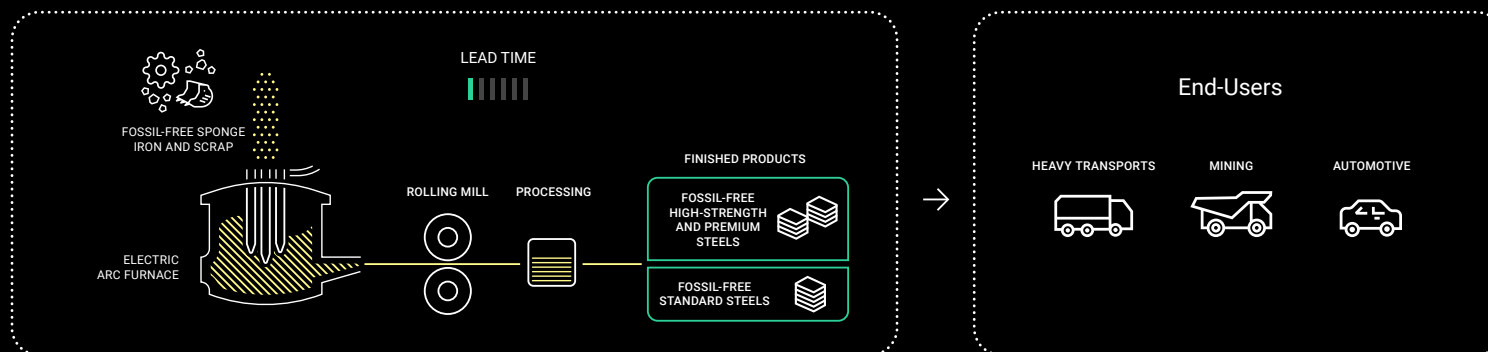


Illustration of the Nordic production system

Traditional production system with blast furnace



Integrated mini-mill with electric arc furnace, rolling mill and further processing





Business segments

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



SSAB Special Steels

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

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

SSAB Special Steels' strategy is to drive the market for high-strength steels by launching

new products and by developing applications with customers to enable them to upgrade to high-strength steel from standard steel. One example of this is Hardox HiAce, which has been engineered for applications in acidic and corrosive environments like garbage trucks. Another example of applications development is customer collaboration where the properties of SSAB's structural steel allow for a new design of cranes using thinner steel to give greater lifting capacity.

Sales are diversified across customer-segments and geographies. SSAB Special Steels sells plate both direct to machine builders and

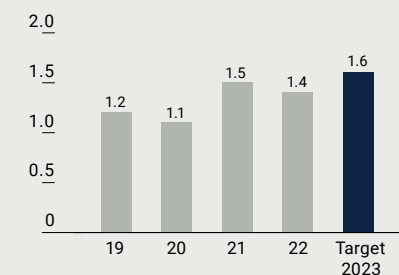
service centers as well as to smaller end-users through our own global sales network. SSAB Services, the internal organization, and the Hardox Wearparts network (independent actors offering wear parts and repair services) supply the market with parts made of Hardox wear plate. Read more about SSAB Special Steels result on page 89.

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

SSAB Special Steels has responsibility for the following Group strategic targets:

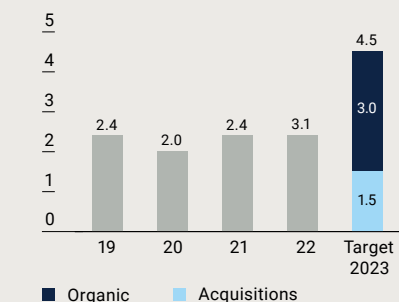
SSAB Special Steels

Shipments, million tonnes



SSAB Services

Revenue, SEK billion



SSAB Special Steels contributes to SSAB's strategy by:

- Increasing the Group's share of high-strength steel in relation to total sales
- Switching from blast furnace technology to electric arc furnace technology in Oxelösund
- Developing the fossil-free offering
- Increasing downstream growth through SSAB Services to reduce sensitivity to business cycles





SSAB Europe

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

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

SSAB Europe's product portfolio includes brands such as Docol (advanced high-strength steel for the vehicle industry) and Greencoat (color-coated steel for the construction industry) as well as other brands and standard products.

SSAB Europe focuses on developing the offering of products and services by, for example, improving the product mix and working with various distribution channels. Premium products comprise advanced high-strength steels (AHSS) for the vehicle segment and premium steels. SSAB Europe is strongly positioned in several vehicle applications with some of the most advanced products on the ultra-high-strength steel market. In premium steels, like color-coated products, steel for effective laser cutting

and corrosion-resistant steels, SSAB Europe will continue focusing on upgrading from standard to premium products and developing offering to new customer segments and applications. This also applies to the development of fossil-free steel, for which a number of SSAB Europe's customers have entered into partnerships. Read more about SSAB Europe's result on page 90.

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

SSAB Europe contributes to SSAB's strategy by:

- Strengthening the position on SSAB's Nordic home market
- Increasing the share of premium products
- Switching from blast furnace technology to electric arc furnace technology in Luleå and Raahe
- Developing the fossil-free offering

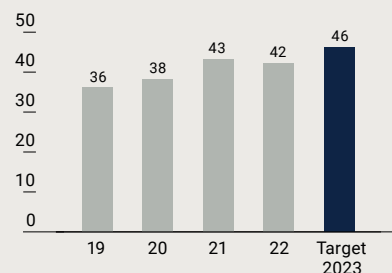
40–45%

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

SSAB Europe has responsibility for the following Group strategic targets:

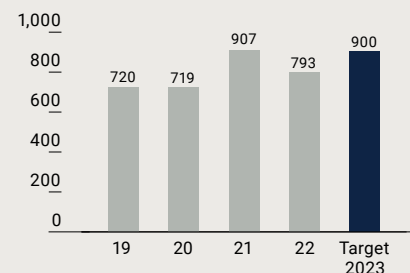
SSAB Europe

Percentage of premium products



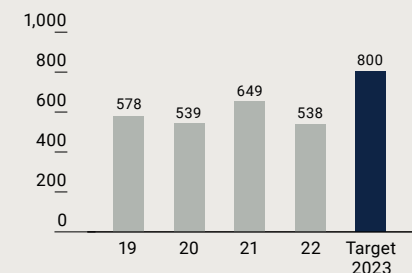
SSAB Europe Premium

Shipments, thousand tonnes



SSAB Europe Automotive AHSS

Shipments, thousand tonnes



SSAB Americas

SSAB Americas is the largest heavy plate producer in North America and is strongly positioned and highly recognized in the region for cost efficiency and quality

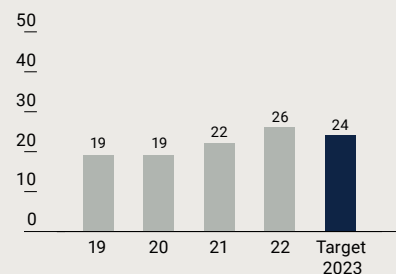
SSAB Americas has responsibility for sales of heavy plate in North America and for scrap-based steel and plate production in Montpelier, (USA). SSAB Americas focuses on a high level of service and quality while maintaining the lowest cost position and the most flexible setup in the market. SSAB Americas works actively to reach a good balance between sales via distributors (currently just over 50% of sales) and end-users. The focus is also on increasing the growth of premium products for the energy and offshore segments as well as for railroads and shipbuilding. Read more about SSAB Americas result on page 91.

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

SSAB Americas has responsibility for the following Group strategic targets:

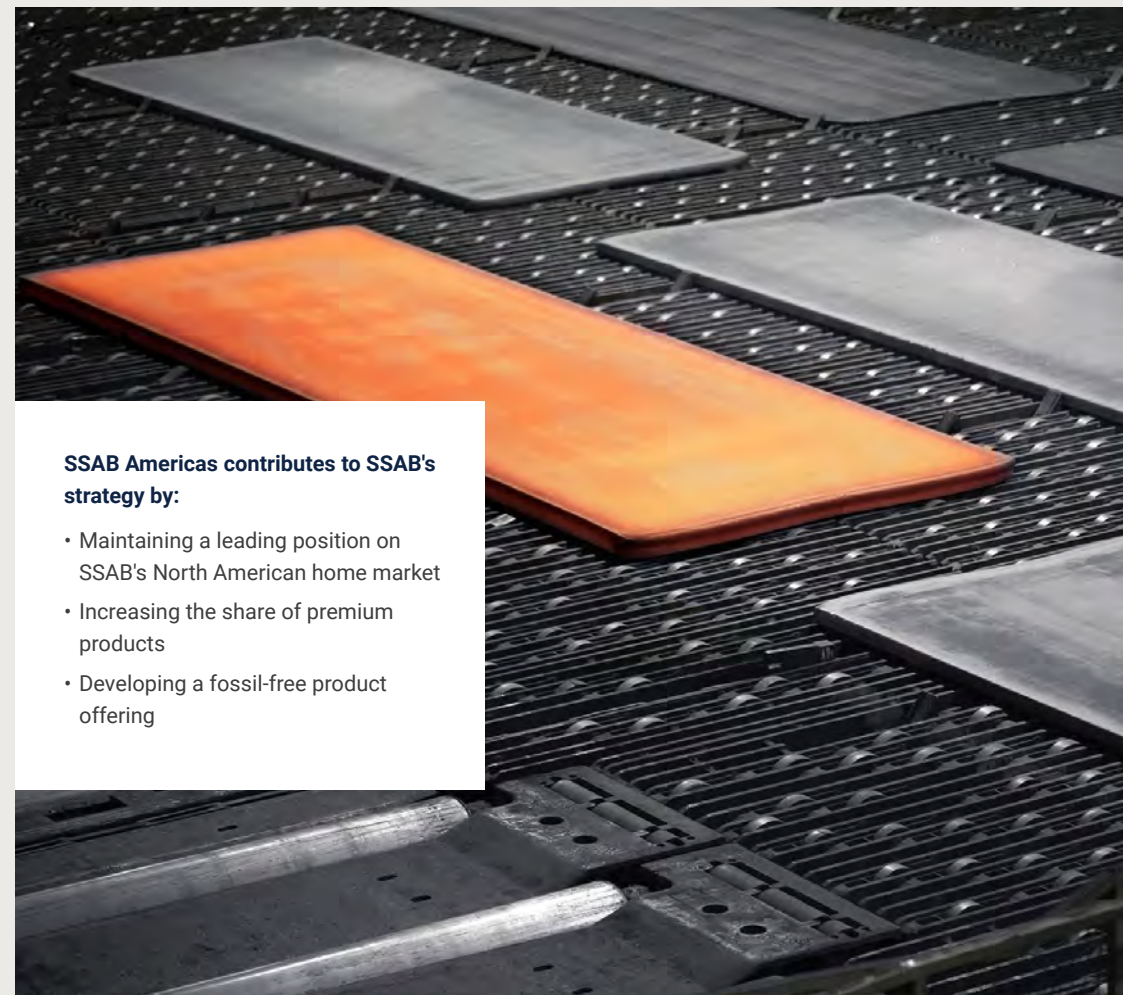
SSAB Americas

Percentage of premium products



SSAB Americas contributes to SSAB's strategy by:

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





Tibnor

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

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordics and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers, and plays an important role in securing SSAB's leadership in the Nordic home market. The focus is on increased growth, for example in components, by increased online sales and a strong local presence. Tibnor works closely with many strategic suppliers and partners to create better solutions for customers in Nordic industry. Read more about Tibnor's result on page 92.

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

Tibnor contributes to SSAB's strategy by:

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

Ruukki Construction

Ruukki Construction is a supplier of steel-based building products and services for roofing and wall solutions for sustainable buildings, with a focus on northern and eastern Europe

Ruukki Construction offers complete steel-based roofing and wall solutions for buildings. This includes products, design and technical support, with SSAB as the main steel supplier. Several restructures in recent years have given Ruukki Construction a solid foundation on which to achieve sustainable growth with customers in the core business areas – roofing and building envelopes in the Nordics, Baltics and Central Eastern Europe. Read more about Ruukki Construction's result on page 93.

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

Ruukki Construction contributes to SSAB's strategy by:

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

Sustainability Report

Everything we do is aimed at creating a stronger, lighter and more sustainable world. Sustainability is a key business driver for both us and our customers. We want to be the first, in 2026, to launch fossil-free steel on the market and largely eliminate carbon dioxide emissions from our own operations in around 2030.

Sustainability strategy

SSAB's sustainability strategy consists of two parts, First in fossil-free steel and Leading sustainability performance, and is integrated into the overall business strategy.



First in fossil-free steel

SSAB aims to be the first steel company in the world to launch fossil-free steel on the market in 2026. SSAB is already working to help customers reduce their environmental impact by for example getting them to upgrade from standard to high-strength steel.



Leading sustainability performance

SSAB aims to be a leader in sustainability, which includes the ambition to become the world's safest steel company and to largely eliminate carbon dioxide emissions from its own operations in around 2030.

Sustainability commitments

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

UN Sustainable Development Goals



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



SSAB has zero tolerance of all forms of discrimination, and works actively to create an inclusive work environment where everyone feels valued. Our purchasing work also encompasses gender equality, by specifying requirements to respect human rights and including a ban on discrimination in our Supplier Code of Conduct.



SSAB is driving the expansion of fossil-free electricity in the countries where we operate. Through the joint venture Hybrit Development AB, we are involved in the development of fossil-free sponge iron using hydrogen gas, produced from fossil-free electricity. In our purchasing work, too, we follow up CO₂ emissions and require their reduction.



Through HYBRIT, we want to create a fossil-free value chain for steel. This means that we are reinventing the steelmaking process, while significantly reducing the environmental impact of our customers' products.



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



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



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



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

Stakeholders

The most important stakeholder groups that are most affected by SSAB's operations, or that have the most impact on SSAB's operations, are:

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

Other stakeholders include the media, regulatory authorities, research institutes, universities and vocational schools. SSAB strives to maintain a continuous, open dialog in order to increase understanding of stakeholders' perspectives on the business.

Issues discussed during the year included the following:

- SSAB's transition to fossil-free steel production and work to reduce climate impact
- Access to electricity and electricity network connections to our production sites
- Health and safety in SSAB's operations
- SSAB's work in the areas of inclusion and diversity

Read more about stakeholder engagement on SSAB's website.

Stakeholder dialogs about SSAB's transition

During the year, SSAB initiated the consultation process for the transformation of steelmaking in Luleå, from blast furnace and coke plant to a new, integrated mini-mill system with electric arc furnace, rolling mill and further processing. Within the framework of the consultation process, stakeholder dialogs were conducted with, among others, the general public, the municipality, authorities, local businesses and particularly affected parties, such as local residents. The consultation is part of the environmental impact assessment under Swedish law. In Raahe too, where SSAB is also planning transform to a mini-mill system, there is ongoing dialog with stakeholders, not only with representatives of various authorities and organizations, but also representatives from SSAB being available for questions from the general public.

Materiality analysis

SSAB conducted its most recent materiality analysis in 2019. The process was described in the Annual Report 2020 (page 101). In 2022, the materiality analysis was evaluated by the Sustainability Management Team, which includes experts from different sustainability areas. The material topics identified in 2019 remain material, but additional topics were identified for continued monitoring in terms of materiality and reporting, including water and biodiversity.

Material topics according to GRI and their scope

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

The GRI Index on page 57–59 specifies where the information on each aspect and the associated indicator can be found in the Annual Report.

About the Sustainability report

SSAB's Sustainability report 2022 has been prepared in accordance with GRI Standard, Core, and also includes sustainability reporting in accordance with the Swedish Annual Accounts Act. EY has conducted a limited assurance examination of the Sustainability Report (pages 29–59, excluding pages 39–41) and has expressed its conclusions on the Statutory Sustainability Report (page 94). See page 60 for the auditor's opinion.

The Sustainability report relates to the SSAB Group in accordance with the consolidated financial statements. Unless otherwise stated, associated companies, joint ventures or subcontractors are not included. Reporting of environmental data includes the following production sites:

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

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

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



Sustainability in the value chain

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

RAW MATERIAL
Iron ore, coal, scrap



TRANSPORTATION
Ship, rail and road



STEEL PRODUCTION
Steel production in blast furnace and electric arc furnace



BY-PRODUCTS AND WASTE
A large part of by-products can be sold on



END OF LIFE
90% of all steel is recycled



TRANSPORTATION
Ship, rail and road



USE PHASE
Steel is used for an average of 70 years

RAW MATERIALS

Moderate impact:

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

Fossil-free sponge iron and scrap

STEEL PRODUCTION

High impact:

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

Fossil-free steel production

TRANSPORTATION

Moderate impact:

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

Fossil-free transportation

USE PHASE

Moderate impact:

- ▶ Usage

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

END-OF-LIFE

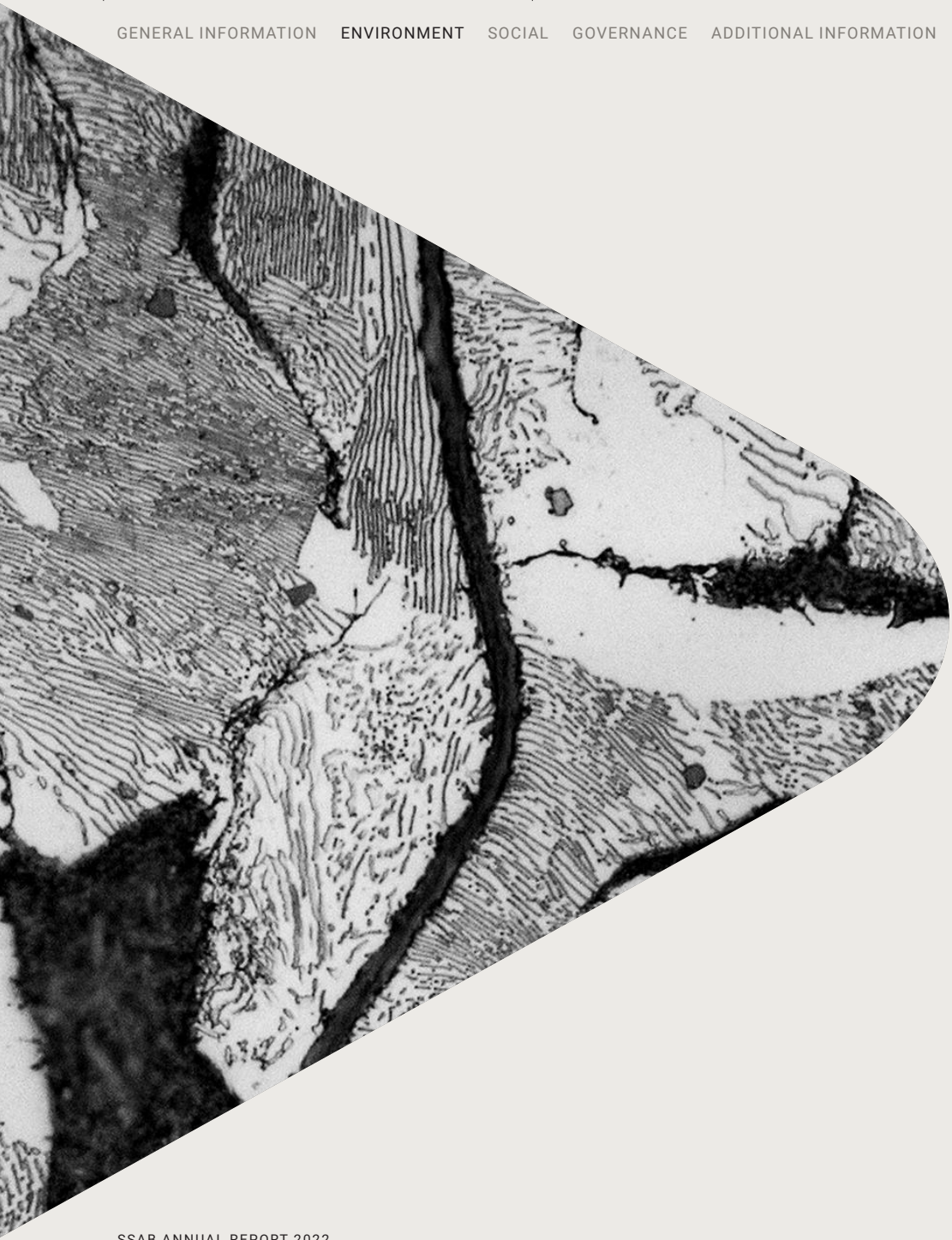
Low impact:

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

Recycled fossil-free scrap

Innovations for the future





Environment

SSAB is committed to minimizing the negative environmental impact of its operations, to largely removing carbon dioxide emissions from its own operations in around 2030, and working continuously to minimize emissions and improve material and energy efficiency.

Climate

Environmental benefits of SSAB's steel

SSAB has a wide range of high-strength and wear-resistant steels that already provide environmental benefits today in the usage phase due to lower weight and higher capacity in customers' end products. SSAB calculates and follows up the weight reductions achieved in the end products through the increased use of high-strength steels. During the year, a saving of 1,071 (1,025) thousand tonnes of steel was achieved. This relates to weight reduction by upgrading to SSAB's high-strength steels compared to practices in each customer segment.

Greenhouse gas emissions

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

The majority of SSAB's direct carbon dioxide emissions (Scope 1) come from Nordic iron ore-based steel production and originate from the use of coke and coal as reducing agents in steelmaking. SSAB's Nordic sites are among the most CO₂-efficient in the world, mainly due to the use of high-grade iron ore pellets and high-quality coke. There are limited opportunities to

further reduce emissions in current processes, and before the planned transformation is completed, direct emissions will vary with steel production.

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

Target: Resource efficiency

Thousand tonnes	2022	Target 2022	Target 2023	Target 2024	Target 2026	Target 2030
Steel volume saved	1,071	1,000	1,050	1,095	1,165	1,290



Target: Reduction of greenhouse gas emissions and circularity

	2022	Target 2022	Target 2025	Target 2026	Target 2030	Target 2031	Target 2032
CO ₂ e reduction, million tonnes ¹⁾	0.8	0.5	1.2	1.8	3.1	4.0	4.1
CO ₂ e reduction ¹⁾	7%	4%	10%	15%	26%	34%	35%
Use of scrap/H-DRI ²⁾	19%	20%	29%	39%	46%	54%	54%
Slag utilization ³⁾	83%	82%	100%	100%	105%	107%	107%



SSAB ECOUPGRADED REDUCES CARBON DIOXIDE EMISSIONS

One way to achieve environmental benefits is the SSAB EcoUpgraded concept, which reduces CO₂ emissions both per unit of steel produced and throughout the product's service life. Upgrading to high-strength steels can reduce the weight of end products while maintaining

strength and service life and increasing productivity compared to standard steels. For vehicles and machines that use fossil fuels, the usage phase has the greatest environmental impact. In this context, the use of high-strength steel results in significant fuel savings, which means lower CO₂ emissions. In the SSAB EcoUpgraded app, SSAB customers can enter machine type and operating parameters to obtain information about their estimated fuel and CO₂ savings.

SSAB also calculates other indirect carbon dioxide emissions (Scope 3), but for reasons of cost and resources this is done every other year, last done 2021 based on the 2020 figures. Most of SSAB's Scope 3 emissions come from purchased raw materials, as well as from the processing of sold products.

Targets and outcomes

SSAB's targets for greenhouse gas emissions are approved by the Science Based Targets initiative (SBTi), based on an ambition level of "below 2°C". This includes Scope 1 and Scope 2 and represents a 35% reduction in emissions between 2018 and 2032. No major reductions in emissions are expected in the first few years compared with 2018, although the increased proportion of renewable electricity at the site in Iowa has made a positive contribution. The major reductions in emissions will take place in connection with the transformation to fossil-

free steelmaking. SSAB's emission targets will need to be updated by 2025 to be in line with the 1.5°C level. Updating of the target will include the accelerated transformation of the Nordic production sites, which was communicated in January 2022 and therefore did not form the basis of the current climate target approved by SBTi in 2020.

In 2022, Scope 1 emissions fell to 9,827 (10,641) thousand tonnes in line with the lower production volumes. Scope 2 emissions increased to 1,180 (1,029) thousand tonnes

due to a general increase in greenhouse gas emission factors. Carbon dioxide intensity (Scope 1 and 2, tonnes of CO₂e/tonne crude steel) was 1.95 (1.80) in Nordic steelmaking and 0.57 (0.55) in scrap-based steel production in the US.

In 2021, SSAB joined the Business Ambition for 1.5°C campaign and made a commitment to set a long-term net zero target (2050) for Scope 1, Scope 2 and relevant parts of Scope 3. The target must be adopted no later than 2024. During the year, SSAB also started work to set a science-based target for Scope 3 emissions.

Greenhouse gas emissions (GRI 305-1)¹⁾

Thousand tonnes	2022	2021	2020	2019	2018
Emissions from production, Scope 1					
Iron ore-based steel production in the Nordic region	9,209	9,916	8,697	9,414	9,549
Sweden	5,334	5,335	5,076	5,834	5,198
Finland	3,875	4,581	3,621	3,581	4,352
Scrap-based steel production in the US	602	706	757	723	765
Other sites reported	16	19	17	16	18
Total	9,827	10,641	9,471	10,154	10,333

Greenhouse gas emissions (GRI 305-2)¹⁾

Thousand tonnes	2022	2021	2020	2019	2018
Indirect emissions from generation of purchased electricity and heat, Scope 2					
Iron ore-based steel production in the Nordic region	442	381	332	428	436
Sweden	113	34	32	74	55
Finland	329	346	300	354	382
Scrap-based steel production in the US	725	636	990	981	1,031
Other sites reported	13	13	17	18	19
Total	1,180	1,029	1,339	1,427	1,487

¹⁾ Greenhouse gas emissions are measured in carbon dioxide equivalents (CO₂e). Biogenic CO₂e emissions are not relevant for SSAB and are therefore not included in this report. The direct CO₂e emissions (Scope 1) have been calculated in accordance with the instructions in the WBCSD GHG Protocol, together with additional guidelines from the EU and/or national authorities. Scope 1 emissions for the Nordic region for 2022 are preliminary. The ongoing verification process within EU-ETS for greenhouse gas emission reports may result in minor adjustments. For electricity, indirect CO₂ emissions (Scope 2) are calculated using market-based emission factors for total electricity consumption without deductions for self-generated electricity. Generic emission factors are used for the production of purchased heat.

Scope 1 and 2 emissions by country



- Sweden (Scope 1) 5,534
- Sweden (Scope 2) 113
- Finland (Scope 1) 3,875
- Finland (Scope 2) 329
- USA (Scope 1) 602
- USA (Scope 2) 725

Direct greenhouse gas emissions (Scope 1), production sites¹⁾

Thousand tonnes	2022	2021
SSAB Raahe	3,814	4,501
SSAB Luleå	3,363	3,386
SSAB Oxelösund	1,751	1,722
SSAB Montpelier	287	381
SSAB Mobile	315	324
SSAB Borlänge	221	228
SSAB Hämeenlinna	61	80
SSAB Finspång	11	12
SSAB Kankaanpää	4	5

Direct greenhouse gas emissions (Scope 2), production sites¹⁾

Thousand tonnes	2022	2021
SSAB Raahe	281	293
SSAB Luleå	42	13
SSAB Oxelösund	41	12
SSAB Montpelier	241	197
SSAB Mobile	483	438
SSAB Borlänge	30	9
SSAB Hämeenlinna	48	53
SSAB Finspång	1	0
SSAB Kankaanpää	2	2

Other emissions to air

SSAB's operations also give rise to other significant emissions to air, such as particulate matter (PM), sulfur oxides (SOx) and nitrogen oxides (NOx). SSAB ensures that emissions are kept within the framework of emission conditions and other requirements from the environmental authorities.

Other indirect greenhouse gas emissions, Scope 3 (GRI 305-3)

Thousand tonnes of CO ₂ e	2021	2020	2019	2018	2017
1. Purchased raw materials, goods and services	n/a	2,428	2,142	2,142	1,827
3. Energy-related activities (fuels and electricity)	n/a	346	370	370	395
4. Upstream transportation	n/a	254	236	236	–
5. Waste generated in operations	n/a	181	43	43	51
6. Business travel	n/a	2	8	8	7
7. Employee commuting	n/a	32	36	36	36
9. Downstream transportation and distribution	n/a	507	501	501	512
10. Processing of sold products	n/a	2,017	2,268	n/a	n/a
Total Scope 3 emissions	n/a	5,767	5,604		

Scope 3 calculation was performed following the requirements of Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI & WBCSD 2011). Data is available with a one-year time lag. Scope 3 emissions are calculated every other year from 2019 onwards. A complete report of the Scope 3 calculation for 2020 is available on SSAB's website. For 2019, the 2018 values have been used, and a new calculation of category 10 was included. Values for certain categories are missing for 2017 and 2018, and total emissions are therefore not comparable. Greenhouse gas emissions are calculated as CO₂ equivalents. Biogenic emissions are not included in the calculation.

Greenhouse gas intensity (GRI 305-4)

Tonnes of CO ₂ e emissions/tonne crude steel	2022	2021	2020	2019	2018
Iron ore-based steel production in the Nordic region	1.95	1.80	1.79	1.89	1.82
Scrap-based steel production in the US	0.57	0.55	0.70	0.70	0.71
Average	1.51	1.42	1.43	1.51	1.47

The GHG intensity is reported as product emission intensity (tonnes of CO₂ 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	2022	2021	2020	2019	2018
Particulate matter (PM)	531	601	510	596	623
Sulfur dioxide emissions (SOx)	2,393	3,491	2,549	3,243	2,306
Nitrogen oxide emissions (NOx)	3,484	3,129	3,274	3,316	3,323

¹⁾ Please refer to footnote 1) on the previous page.

Energy

SSAB's production processes are energy-intensive. Systematic work is therefore undertaken on energy efficiency and energy recovery at all sites, as well as on electricity generation from process gases at steel mills, in order to ensure high system efficiency and limit total emissions.

Total energy consumption (including electricity, purchased fuels and purchased heat) was 8,961 (9,376) GWh, and energy intensity amounted to 1,229 (1,146) kWh/tonne crude steel. Electricity is the largest energy source, accounting for approximately 50% of total energy consumption. Electricity is used primarily to power the electric arc furnaces at the US sites. Natural gas, propane and heating oil are mainly used for various heating and heat treatment processes.

By recovering process gases and heat energy at coking plants, blast furnaces and steel mills, SSAB does not only use the energy for its own purposes, but also produces electricity and district heating, which are sold externally. Recycled energy has been used to produce district heating at the sites in Luleå, Raahe and Oxelösund since the 1980s, corresponding to around 90% of local district heating needs.

SSAB has already hedged most of its electricity consumption in the Nordic region through financial instruments and physical delivery (see Note D.3). During the year, SSAB also reviewed how steel production can be further adapted in order to relieve the load on the grid for parts of the day, in view of the strained situation in the Nordic electricity market. Electricity prices in the US are regulated in each state.

Energy consumption within the organization (GRI 302-1)¹⁾

GWh	2022	2021	2020	2019	2018
Fuels					
Natural gas	3,255	3,680	3,708	3,361	3,211
Propane	932	815	684	817	1,174
Oil	187	163	214	425	376
Non-renewable fuels, total	4,374	4,658	4,606	4,603	4,761
Electricity, heat and steam					
Electricity, purchased ²⁾	3,532	3,357	3,271	3,448	3,311
Heat, purchased	18	18	21	28	28
Electricity produced from process gases	1,037	1,342	1,184	1,056	1,418
Energy consumption, gross	8,961	9,375	9,082	9,135	9,518
Electricity and heat, sold					
Heat, sold	1,095	1,193	1,098	1,165	1,172
Net total energy consumption³⁾	7,866	8,182	7,984	7,970	8,346

¹⁾ Minor adjustments have been done for historic data due to the EU-ETS verification of GHG emission reporting.

²⁾ Including external companies within the industrial area.

³⁾ The figures do not include vehicle fuels, nor employee travel and transportation.

Energy consumption, per region, 2022

GWh	Nordic region ¹⁾	USA ²⁾	Other
Fuels			
Natural gas	1,102	2,150	3
Propane	866		66
Oil	186		1
Non-renewable fuels, total	2,154	2,150	70
Electricity, heat and steam			
Electricity, purchased ¹⁾	1,590	1,897	45
Heat, purchased			18
Electricity, produced from process gases	1,037		
Energy consumption, gross	4,781	4,047	133
Electricity and heat, sold			
Heat, sold	1,077		18
Net energy consumption²⁾	3,704	4,047	115

¹⁾ Blast furnace-based steel production (steel mill, rolling mill): Oxelösund, Luleå, Raahe, Borlänge and Hämeenlinna.

²⁾ Scrap-based steel production (steel mill, rolling mill): Mobile and Montpelier.

Information about climate-related risks and opportunities in accordance with TCFD

The steel industry accounts for about 7% of total carbon dioxide 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, the potential

effects of an increasingly changing climate must be taken into account, especially with regard to SSAB's production sites and the supply chain.

For SSAB, climate risks primarily include two aspects:

- The EU and many other countries have introduced and will introduce increasingly strict regulations to reduce carbon dioxide emissions. The steel industry will encounter

both new, stricter regulations and changed market conditions as the outside world seeks to reduce emissions.

- Climate change may change the conditions for how SSAB's operations are conducted.

In recent years, SSAB has carefully analyzed various risks resulting from global warming, such as changes in laws and regulations regarding climate issues and carbon dioxide emissions, as well as positive impacts such as increased demand for steel with a lower carbon footprint.

These analyses have been an important part of the development of SSAB's strategic ambition to be the leader in the steel industry's green transition.

Short-term climate-related risks (the next three years) are included in the annual Group-wide risk process. Various climate-related issues are also included in the annual strategy process, such as business strategy aspects or long-term scenario analyses (see below).

TWO CLIMATE SCENARIOS

Based on IPCC's climate scenarios RCP 2.6 and RCP 8.5, as well as descriptions in SSP 1 and SSP 5, SSAB has compiled two climate scenarios, with a time horizon of about 20–25 years ahead, which also formed the basis for the internal analyses of SSAB's business strategy. Both the RCP and the SSP scenarios are described on the SMHI (Swedish Meteorological and Hydrological Institute) website.

- Scenario with low future emissions: The global temperature rise is limited to 2°C and carbon dioxide emissions are negative by the end of the century. High demand for sustainable products and high regulatory pressure have contributed to all industries transitioning to operations with a low carbon footprint.

- Scenario with high future emissions: The global temperature rise is 4°C at the end of the century, and carbon dioxide emissions are 3 times as high as they are today. Global agreements on climate policy and binding commitments to emission reductions have not been realized. The population's resource-intensive lifestyle continues, and although some industries are shifting towards a lower carbon footprint, others continue unchanged with high emissions.

Physical climate effects: The physical climate risks were analyzed by SMHI, based on RCP 2.6 and RCP 8.5. The physical climate analysis included temperature, precipitation, wind speed and water supply. A total of 10 different indicators were analyzed. 3 different time periods were used in the analysis: short term (up to 2040), medium term (2040–2070) and long term (2070–2100).

Examples of climate-related risks and opportunities

	Products and services	Politics and regulation	Politics and regulation	Technology
Risk/ opportunity	First in fossil-free steel	Uncertainty regarding the trend in the price of CO ₂ emissions	Risk that the timetable for fossil-free steelmaking is delayed.	Risks associated with the upscaling of HYBRIT technology.
		Within the EU, the price for CO ₂ emissions is set within the ETS system. A high price of CO ₂ is a burden on emissions-intensive industry, but it makes a transition to fossil-free steel production more profitable in relative terms.	SSAB's timetable for the transition to fossil-free steel production is dependent on efficient permit processes and on the necessary infrastructure being in place at the right time, above all access to fossil-free electricity.	HYBRIT technology for producing fossil-free sponge iron is an important element of SSAB's transition to fossil-free steel production. The technology is currently being tested on a pilot scale, and upscaling to an industrial scale is associated with challenges.
Description	SSAB aims to be the first steel company to bring fossil-free steel to market.			
Possible financial impact	+	+/-	-	-

See also the section SSAB's risk management.

Scenario analysis

During the year, an overall analysis of the business strategy was conducted based on two different climate scenarios: low and high future levels of carbon dioxide emissions (see fact box below). The basis for the analysis included simulations performed by SMHI (Swedish Meteorological and Hydrological Institute) regarding local climate change at SSAB's largest production sites.

SSAB's business strategy in different climate scenarios

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

Scenario analysis

Future scenario (approx. 2050)	The steel industry's position in each scenario	SSAB's position in each scenario
Scenario with low future emissions	Global agreements have resulted in a strict international climate policy and high costs associated with CO ₂ emissions.	
	Large steel companies have switched to fossil-free steel production or production with low CO ₂ emissions, partly due to strong demand.	Steel with a low CO ₂ footprint is becoming the new normal. During a transitional period, fossil-free steel can probably justify higher added value for the customer compared to standard steel. But this price premium is considered to be less likely when the entire industry has made the transition.
	Steel with a low CO ₂ footprint has been developed over time and become a standard product. The ability to adapt quickly is and has been a competitive advantage.	
Scenario with high future emissions	The physical climate effects have not been sufficiently noticeable for a wide-ranging transition, and a lack of global coordination has further delayed it.	There is demand for fossil-free steel, but probably to a lesser extent than for the above scenario. The possible price premium for fossil-free steel is not considered to be as distinct, but can probably be realized over a longer period of time.
	Many steel producers have continued to use carbon-intensive production methods, but a small number have chosen to make the transition and assume a niche position with low-emission steel.	

Physical effects of climate change

An overall summary shows that the greatest climate impacts at SSAB's sites, both in scenarios with low and high future emissions, are expected to take the form of a hotter climate and increased precipitation. For the Nordic plants, for example, primarily in Northern Sweden and Finland, this means increased

precipitation in the form of rain during the winter. SSAB continuously reviews the physical climate risks at a local level. SSAB takes into account future climate change in both the planning and implementation of the transition towards fossil-free steel production, but the additional costs for this are not deemed to be significant for the Group as a whole.

Estimated change of climate in different scenarios¹⁾

	Temperature		Precipitation ²⁾		Wind speed		Watercourses and sea	
	Higher future emissions	Lower future emissions	Higher future emissions	Lower future emissions	Higher future emissions	Lower future emissions	Higher future emissions	Lower future emissions
Luleå								
Oxelösund								
Raahe								
Mobile								
Montpelier								

■ Major change compared to the present

■ Moderate change compared to the present

■ Minor change compared to the present

□ No change

¹⁾ Summary of estimated changes for the period 2040–2100, made by SSAB.

²⁾ Estimate of annual precipitation. The degree of change varies from season to season.

Disclosures according to the EU Taxonomy

SSAB's steel operations are included in the EU Taxonomy under the category Manufacturing of iron and steel. Steel production includes all economic activities that are part of the SSAB Special Steels, SSAB Europe and SSAB Americas divisions, which in principle account for 100% of SSAB's carbon dioxide emissions (Scope 1). External revenue, capital expenditure and operational expenditure, according to special definitions, from steel production are thus counted as being included (eligible) in the taxonomy.

External revenue, capital expenditure and operational expenditure from the sandwich panels product category, which were included in 2021 taxonomy reporting, are considered to be non-essential from a Group perspective and are not included in 2022 taxonomy reporting.

Definitions of economic activities

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

- C19.10 Manufacture of coke oven products
- C24.10 Manufacture of basic iron and steel and of ferro-alloys
- C24.20 Manufacture of tubes, pipes, hollow sections and related fittings, of steel

- C24.32 Cold rolling of narrow strip
- C24.52 Casting of steel
- C25.11 Manufacture of metal structures and parts of structures
- C25.61 Treatment and coating of metals

In addition to the above activities, SSAB's steel divisions also run operations without specific NACE codes, such as pickling, annealing, slitting, cut-to-length and packaging. In addition, there are also supporting or complementary activities such as water withdrawals, wastewater treatment plants, recycling of residuals, landfill facilities, power plants, and production of hydrogen and oxygen. SSAB has concluded that these activities are also included in the category Manufacturing of iron and steel.

The following NACE codes are relevant in the category Manufacturing of energy-efficiency equipment for buildings:

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

Technical screening criteria for climate

The EU Taxonomy includes technical screening criteria for how economic activities can be considered to contribute significantly to reducing climate impact or to contributing to climate change mitigation. The limit values are set out in Annex 1 of the Delegated Act C (2022) 2800/3 and on the special EU Taxonomy Compass website.

- None of SSAB's steel mills that produce iron ore-based steel meet the limits for the production of crude iron or coke (see paragraphs a.i. and a.iii of Annex I under 3.9 Manufacturing of iron and steel).
- SSAB's scrap-based steelmaking in electric arc furnaces (Mobile and Montpelier plants in the US) uses more than 90% recycled steel and thereby meets the criteria according to (b.ii).

Criteria for not causing significant harm

The taxonomy also includes limit values for not causing significant harm, in the areas of climate adaptation, water and marine resources, circular economy, pollution and biodiversity. The technical screening criteria are defined in several appendices to the Delegated Act and on the EU Taxonomy Compass website.

SSAB's scrap-based steelmaking is not considered to cause significant harm, based on SSAB's analysis of the taxonomy's criteria. This analysis is based on SSAB's assessment of the purpose of the regulation and on a materiality perspective. The taxonomy regulation is in many respects difficult to interpret, especially for activities that take place outside of the EU and are therefore not covered by the European environmental regulation to which many of the criteria refer, while there is also a lack of practice regarding interpretation.

- Climate adaptation: SSAB's climate risk

analysis has been conducted in accordance with accepted climate models and with a resolution of 0.22 degrees (approximately 25 kilometers) and the emission scenarios RCP 2.6 and RCP 8.5. No significant material risks have been identified. Read more on page 37-38.

- Water and marine resources: SSAB's scrap-based sites have the necessary permits for the extraction of groundwater, discharges of process water and surface storm water. Both sites have established procedures and processes to enhance effluent water quality and to reduce discharge volumes. Both sites are located in areas with low water stress.
- Pollution: At SSAB's scrap-based sites, there are two fire protection agents with a low concentration (<1%) of persistent organic pollutants, known as POPs. Traces of mercury can occur in a small number of products linked to the production processes. Four kinds of refrigerants with ozone-depleting substances are in use; these are being replaced in accordance with applicable regulations. SSAB considers that there is compliance with both the RoHS Directive and REACH Annex XVII (Restrictions List). SSAB's use of chemicals does, however, include certain substances on the Restrictions List, but their use is not in conflict with the current requirements. Substances under REACH Article 59 (Candidate List) or other substances that meet

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

- Biodiversity: Biodiversity risks resulting from emissions to water, air or land are managed within the framework of the environmental permits that exists for the operations. The necessary precautions have been taken and the risks are therefore not considered significant. SSAB complies with all relevant US regulations in this area, even though SSAB has not yet been obliged to draw up a formal environmental impact assessment for its sites. Furthermore, the sites are not close (within 50 km) to any area deemed to be particularly sensitive, such as Natura 2000 sites, UNESCO World Heritage Sites or other areas of particular importance for biodiversity.

Minimum safeguards

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

Definitions

- External revenue: Total external revenue in accordance with Note B.2 Revenue and other operating income.
- Capital expenditure: Total capital expenditure in tangible and intangible assets and right-of-use assets. The amount is aligned with total capital expenditure during the year in accordance with Note C.1 Intangible and tangible fixed assets and Note C.2 Leases.
- Operational expenditure: Fixed costs for maintenance, real estate and research and development. The fixed costs as defined in the taxonomy amount to approximately 6% of the total operating costs in accordance with Note B.3 Operating expenses.

Turnover

Turnover	Code	Turnover, total MSEK	Turnover, share %	Criteria for substantial contribution	Criteria for Do No Significant Harm (DNSH)								Category
				Climate change mitigation %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned share of turnover %	
A. Taxonomy-eligible activities													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Scrap-based steel production	3.9 (b)	39,833	31	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	31	Transition
A.2. Taxonomy-eligible activities which are not environmentally sustainable (not Taxonomy-aligned)													
Iron ore-based steel production	3.9 (a)	65,595	51										
Total A.1. and A.2.		105,248	82										
B. Activities not included in the taxonomy		23,315	18										
Total A + B		128,743	100										

Capital expenditure

Capital expenditure				Criteria for substantial contribution	Criteria for Do No Significant Harm (DNSH)								
Category	Taxonomy-aligned share of capital expenditure	Minimum safeguards	Biodiversity and ecosystems	Pollution	Circular economy	Water and marine resources	Climate change adaptation	Climate change mitigation	Climate change mitigation	Code	Capital expenditure, share	Capital expenditure, total	
Y/N	Y/N	Y/N	Y/N	%	%	%	%	%	%		%	MSEK	
A. Taxonomy-eligible activities													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Scrap-based steel production	17	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100	3.9 (b)	17	907	
A.2. Taxonomy-eligible activities which are not environmentally sustainable (not Taxonomy-aligned)													
Iron ore-based steel production										3.9 (a)	73	3,811	
Total A.1. and A.2.													
B. Activities not included in the taxonomy													
Total A + B													

Operational expenditure

Operational expenditure	Criteria for substantial contribution			Criteria for Do No Significant Harm (DNSH)									
	Code	Operational expenditure, SEK million MSEK	Operational expenditure, share %	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned share of operational expenditure	Category	
				%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	
A. Taxonomy-eligible activities													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Scrap-based steel production	3.9 (b)	754	14	100	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100	Transition
A.2. Taxonomy-eligible activities which are not environmentally sustainable (not Taxonomy-aligned)													
Iron ore-based steel production	3.9 (a)	4,513	82										
Total A.1. and A.2.		5,267	95										
B. Activities not included in the taxonomy		270	5										
Total A + B		5,537	100										

Materials and waste

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

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

Scrap as raw material

In the US plants, almost 100% scrap metal is used as a raw material and the Nordic iron ore-based plants also use about 20% scrap metal as raw material. In total, SSAB's annual use of scrap amounted to 3.7 (3.8) million tonnes, of which just over 1.0 million tonnes were internally generated scrap.

Slag utilization

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

Recycling and management of waste

If there is no environmentally or economically viable alternative to make use of waste, it must

be sent either to internal landfills or to external waste recipients, in accordance with current legislation.

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

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

Targets and outcomes

SSAB's circularity target is defined as the total use of scrap and fossil-free sponge iron in Nordic steel production. The target is for the use of scrap and fossil-free sponge iron in the Nordic region to reach 29% by 2025, when the site in Oxelösund has been converted for an electric arc furnace. The outcome for 2022 was 19% (18%).

SSAB also has a target for all Nordic annual slag production to be taken into use internally or externally from 2025 onwards. The outcome for 2022 was 83% (81%).

Materials used by weight (GRI 301-1)

Thousand tonnes	2022	2021	2020	2019	2018
Iron ore pellets	6,483	7,601	6,417	6,813	7,130
Scrap (external + internal)	3,705	3,828	3,689	3,658	3,803
Reducing agents ¹⁾	2,299	2,594	2,309	2,525	2,526
Recycled materials	717	973	823	767	914
Slag formers ²⁾	717	789	661	699	756
Alloys	110	122	101	111	119
Metal and organic coatings	46	61	57	52	54
Non-renewable materials, total	14,077	15,968	14,057	14,625	15,302

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

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

Residuals generated (306-3)

Thousand tonnes	2022	2021	2020	2019	2018
Residuals from ore-based steel production	2,932	3,888	3,897	3,648	3,659
Utilized internally or externally	2,440	3,294	3,578	3,300	3,271
Residuals from scrap-based steel production	754	713	762	719	696
Utilized internally or externally	685	642	685	644	626
Total residuals	3,686	4,601	4,659	4,367	4,355
Utilized internally or externally	3,125	3,936	4,263	3,944	3,897

Waste, total weight

Thousand tonnes	2022	2021	2020	2019	2018
Industrial waste to landfill	333	369	331	366	356
Hazardous waste	48	54	51	52	53
Non-hazardous waste	58	79	63	69	66
Total weight	439	502	445	487	475

Water

Responsibilities and governance

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

Surface water withdrawal (inland)

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

Surface water withdrawal (salt/brackish water)

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

Areas of water stress

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

Total water withdrawal by source (GRI 303-1)

Million m ³	2022	2021	2020	2019	2018
Surface water (inland)	190	196	180	180	206
Surface water (sea)	196	205	198	198	225
Municipal water	2	1	1	1	1
Total water withdrawal	388	402	379	379	432

Emissions to water

Tonnes	2022	2021	2020	2019	2018
Suspended solids	302	164	76	196	230
Mineral oil	2	1	2	2	8

Biodiversity

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

Local initiatives

There are many examples of local agreements with municipalities, county administrative boards or stakeholder organizations, in which SSAB collaborates with biologists from government agencies or other organizations, for example to preserve dead wood to create habitats for fauna, to plan for nesting boxes or the natural establishment of vegetation and meadowland, for example in connection with the decommissioning of landfill sites. In 2022, inventories were done of natural values and nesting birds in the industrial areas in both Luleå and Raahe. The results of these inventories will be taken into account within the framework of ongoing environmental permit reviews.

Examples from previous years:

- Agreement with Borlänge Municipality to preserve a valuable recreational area in Islingbyholen with a unique environment and significant natural and cultural values, and to keep it accessible to the public. SSAB has also worked with the municipality to adapt land and vegetation by an existing noise barrier in order to create a large-scale insect hotel.
- Restoration of wetland upstream of the site in Oxelösund in collaboration with the Swedish Anglers Association and landowners in the area. The wetlands provide a regenerated spawning ground for pike in the Långsjön lake in Sörmland in order to stabilize the ecosystem locally, reduce the discharge of nutrients into the Baltic Sea and, in the long term, to reduce algal bloom.

Responsibilities for and governance of environmental work

SSAB's Group Executive Committee has adopted the directive and instruction for environmental work. The Group's Chief Technical Officer is responsible for environmental work. Environmental managers in each country coordinate the work through bodies such as environmental councils with representatives from the steel divisions as well as Tibnor and Ruukki Construction. Responsibility for compliance with environmental work rests with the line organization, and each site has its own environmental function to monitor compliance with legislation and environmental permits. The local environmental functions also manage local stakeholder dialogs, such as contact with regulatory authorities. All SSAB's production sites are certified in accordance with ISO 14001. Environmental work is monitored at different levels: locally, for divisions and subsidiaries, and Group-wide. Follow-up takes place, for example, against legal requirements, requirements from government agencies and other environmental aspects that have been identified as significant. Carbon dioxide emissions are one parameter that is monitored at all levels and also reported quarterly and annually in external communication.





Social

SSAB aims to be the world's safest steel company, and to achieve leading sustainability performance in areas such as Responsible sourcing and Inclusion and diversity.

Employees

At the end of the year, SSAB had 15,326 employees, an increase of 248 compared to the previous year. Most of SSAB's employees are in Sweden, followed by Finland and the US. 95% are permanently employed and 20% of the workforce are female. Employee turnover was 8.1% (6.9%), and 990 (776) new employees were hired during the year.

Competence development

SSAB has several internal development programs for different levels of the organization, such as an internal business development program and a training module for middle managers. SSAB also has trainee programs, for example with a focus on digitalization. During the year, SSAB focused on competence development in connection with the planned transformation of the Nordic sites. For example, a pilot program at the site in Luleå will start in 2023 with a focus on electricians. SSAB has also applied for funding from the EU's Just Transition Fund for both competence and technological development in Luleå. One key element of competence development is the Annual Talks Dialogs. 92% (94%) of office workers had Talks Dialogs in 2022.

Collective bargaining agreements and trade union representation

All SSAB employees in Sweden and Finland are covered by collective bargaining agreements, and approximately 75% of employees in Sweden and Finland are represented by trade unions. There are different arrangements for employees in the US and other countries in accordance with practice and labor legislation in each country. SSAB respects employees' rights to organize in accordance with national laws and regulations. SSAB provides channels for employees to engage in the company's activities and express their views, for example through information meetings or employee surveys. The trade unions at SSAB in Europe have a European Works Council (EWC), where, for example, SSAB's management provides information about matters of importance to employees.

Personnel who are not employees

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

Remuneration

SSAB's remuneration policy is described on page 95. SSAB reports total remuneration for the CEO and the average total remuneration for employees in the parent company in the Board's remuneration report, which is adopted by the Annual General Meeting and published on SSAB's website. SSAB does not follow up on the average wage increase for the Group as a whole.

Number of employees per employee category

	2022	2021	2020
Total workforce	15,326	15,078	14,528
of which permanent employees	95%	94%	96%
of which temporary employees	5%	6%	4%
of which full-time	97%	97%	98%
of which part-time	3%	3%	2%
Sweden	6,507	6,346	6,083
Finland	4,810	4,816	4,687
USA	1,413	1,346	1,302

Number of permanent employees by gender and region

	2022	2021	2020
Permanent employees	14,568	14,235	13,974
of which female	20%	19%	19%
of which male	80%	21%	21%
of which in Sweden	6,135	5,962	5,870
of which in Finland	4,551	4,501	4,469
of which in USA	1,405	1,340	1,299

Number of full-time employees by gender and region

	2022	2021	2020
Full-time employees	14,921	14,656	14,296
of which female	20%	20%	20%
of which male	80%	80%	80%
of which in Sweden	6,276	6,105	–
of which in Finland	4,679	4,678	–
of which in USA	1,413	1,346	–

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

	2022	2021	2020
New employees, total	990	776	77
Employee turnover, total	8.1%	6.9%	6.2%
Female	8.0%	7.0%	6.8%
Male	8.1%	6.9%	6.1%
Sweden	7.3%	6.2%	7.5%
Finland	6.3%	5.8%	5.8%
USA	11.9%	11.0%	9.2%

Of the 758 temporary employees, 35% are women. 50% work in Sweden, 34% in Finland and 1% in USA. Of the 405 part-time employees, 32% are women. 57% work in Sweden, 32% in Finland and 0% in USA. Of the 990 new employees, 23% are women. 37% were employed in Sweden, 19% in Finland and 22% in USA.

Occupational health and safety

SSAB's ambition in the area of occupational health and safety is to prevent all work-related accidents and illnesses and to become the world's safest steel company.

Responsibilities and governance

Safety work is integrated into SSAB's management system and summarized in the Group's governing document for safety, which has been adopted by the Group Executive Committee. SSAB's safety principles meet or exceed all applicable laws, regulations and internal requirements. The safety management system meets the requirements of ISO 45001 and has been implemented at all SSAB sites. Safety work also includes issues relating to process safety.

All SSAB sites are required to systematically identify safety risks and take action to minimize these risks. Local occupational health and safety programs must be developed in accordance with legislation in each country. This is generally done by local health and safety committees consisting of representatives of

local company management and employees. In Sweden and Finland, there are health and safety committees at all workplaces with more than 50 employees. In the US, there are several health and safety committees, which provide employees with the opportunity to participate in health and safety issues.

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

Group-wide collaboration on health and safety issues is ensured by two groups:

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

Personal safety pledge

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

Contractor safety

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

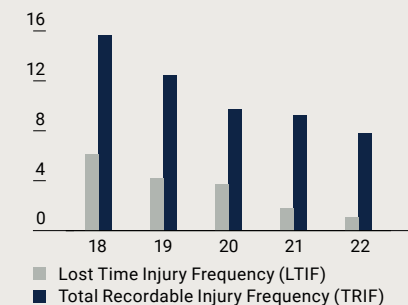
Targets and outcomes

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

The overall safety performance during the year was good. The number of accidents resulting in absence of more than one day per million hours worked (LTIF, Lost Time Injury Frequency) fell to 1.06 (1.80) and the total recordable injury frequency (TRIF) fell to 7.8 (9.2).

Safety training initiatives continued during the year. For example, SSAB Europe completed a comprehensive safety program aimed at all employees in the division.

Injury frequency



Work-related injuries (GRI 403–9)

	2022	2021	2020	2019	2018
Total					
LTIs	30	48	101	126	184
LTIF	1.06	1.8	3.7	4.2	6.1
TRIF	7.8	9.2	9.7	12.4	15.6
Employees					
Fatal accidents	0	0	0	0	0
High consequence LTIs	0	2	9	7	7
Total LTIs	17	37	73	102	153
LTIF	0.69	1.60	3.2	4.0	5.9
TRIF	7.5	9.3	9.7	12.4	12.4
Hours worked	24,521,439	23,585,560	22,767,926	25,474,602	25,942,824
Subcontractors					
Fatal accidents	0	0	0	0	0
High consequence LTIs	0	0	4	0	3
Total LTIs	13	10	28	24	31
LTIF	3.5	3.2	7.7	5.6	7.2
Hours worked	3,740,095	3,166,893	3,654,969	4,319,125	4,329,246

The figures include Ruukki Building Systems up to and including April 30, 2020.

LTIF by country/region (including employees)

	2022	2021	2020	2019	2018
Sweden	1.38	2.6	3.3	3.7	6.6
Finland	0.69	1.3	5.5	5.4	8.2
USA	1.41	0.5	1.9	2.7	1.4
Rest of Europe	0.72	1.8	3.2	3.2	5.4
Rest of the world	0	2.4	2.4	3.4	5.2

TRIF by country/region (employees)

	2022	2021	2020	2019	2018
Sweden	8.1	9.0	10.6	15.4	20.2
Finland	7.8	12.8	12.6	12.1	17.0
USA	5.4	4.7	4.0	8.2	8.0
Rest of Europe	7.2	6.2	5.4	6.6	5.9
Rest of the world	5.6	7.2	8.7	20.0	16.2

LTIF (Lost Time Injury) = work-related injury that resulted in the employee not being able to return to work the next calendar day.

LTIF (Lost Time Injury Frequency) = the number of injuries of resulting in an absence of more than one day per million hours worked.

TRIF (Total Recordable Injury Frequency) = total recordable injury frequency per million hours worked. Recordable injury means the sum of reported lost time injuries, medical treatment injuries and restricted work injuries.

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

SSAB is currently reviewing the methodology in how serious incidents are classified and has therefore excluded it from reporting and targets, until a new, more satisfactory method is implemented, which is planned to be done in 2023.



Targets for safety work

	2022	Target 2022	Target 2023	Target 2025
Number of fatalities	0	0	0	0
LTIF	1.06	1.63	1.50	<1.5
TRIF	7.8	7.7	6.2	<5.0
LTI severity rate	14.7	10	10	10
Number of major process safety incidents	21	86	75	52

Including contractors, apart from the LTI severity rate.

Inclusion and diversity

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

Governance and responsibilities

Work on inclusion and diversity is summarized in governing documents at Group level and contains SSAB's principles for an inclusive workplace where all employees have the same rights. The line organization has overall responsibility for inclusion and diversity. During the year, all divisions set targets in the area of inclusion and diversity. As of 2022, these are being monitored regularly by the Group Executive Committee. The work is coordinated by the HR function at Group level.

Work on inclusion and diversity encompasses SSAB's own employees. Issues concerning inclusion and equal treatment are monitored through activities including the annual employee survey. The SSAB Ethics Line (see page 54) also provides employees with the opportunity to anonymously report cases of discrimination, for example.

Strategy, targets and outcomes

In 2022, SSAB's Group Executive Committee adopted a new strategy for inclusion and diversity, based on three aspects: employees, the workplace and society. The Group-wide gender equality target was adjusted, and as of 2022 it covers the proportion of women among line managers. The target for 2025 was set at 23% women, compared with the outcome for the year of 20% (19%). The proportion of women among the total number of employees was 21%.

Activities during the year

- SSAB joined Diversity Charter Sweden, a network that is part of a major European initiative to increase diversity in trade and industry, and which provides opportunities for sharing with other organizations and companies on diversity-related issues.
- SSAB Americas continued to focus on training in non-discrimination and inclusion. More than 970 employees took part in the training module in 2022. The 60 most senior managers also received training in dealing with unconscious bias in connection with job interviews.

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

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

Board¹⁾

	2022	2021	2020	2019
Total number	8	7	8	8
Female	3	3	4	3
Male	5	4	4	5
Aged < 30	0	0	0	0
Aged 30-50	0	0	1	1
Aged > 50	8	7	7	7

Group Executive Committee

	2022	2021	2020	2019
Total number	11	11	11	8
Female	4	4	3	3
Male	7	7	8	5
Aged < 30	0	0	0	0
Aged 30-50	2	2	4	4
Aged > 50	9	9	7	7

Gender equality target

	2022	Target 2023	Target 2024	Target 2025
Share of women (line managers)	20	21	22	23



Employees

%	2022	2021	2020	2019
Female	21	20	20	18
Male	79	80	80	82
Aged < 30	14	14	12	10
Aged 30-50	52	52	53	54
Aged > 50	34	34	35	36

Frontline workers

%	2022	2021	2020	2019
Female	13	12	11	10
Male	87	88	89	90
Aged < 30	18	18	15	14
Aged 30-50	49	49	51	50
Aged > 50	33	33	34	36

Office employees

%	2022	2021	2020	2019
Female	33	33	33	32
Male	67	67	67	68
Aged < 30	7	7	8	5
Aged 30-50	57	57	57	59
Aged > 50	36	36	35	36

Line managers

%	2022	2021
Share of women	20	19

¹⁾ Members appointed by the employees (6) are not included.

Responsible sourcing

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

SSAB's purchases take place primarily from Sweden, Finland and other European countries (55% of purchases from Europe in total), but also from the US (31%). Only a small proportion come from other countries, primarily Australia. In 2022, SSAB purchased products, materials and services to a value of approximately SEK 85 (68) billion. Iron ore pellets are the largest purchasing category, followed by coal and scrap. These three categories amounted to approximately 40% of the Group's total costs for input materials. Work on sustainability in the supply chain includes both SSAB's direct suppliers and, to an increased extent, their subcontractors, in some cases at multiple levels. It also includes SSAB's employees with sourcing responsibility, in the form of training modules and instructions.

Responsibilities and governance

SSAB's Supplier Code of Conduct is adopted by the Group Executive Committee and is available on SSAB's website. To support employees with sourcing responsibility, there are also instructions on sustainability work and procedures for follow-up on sustainability at suppliers. At Group level, the sustainability function within the Sourcing Department is responsible for strategic work and coordination through, for example, regular meetings for

those responsible for sourcing within the Group. Responsibility for compliance with the instructions rests with the line organization. Targets and outcomes are followed up at least quarterly.

Identification and assessment of supplier risks

SSAB risk-assesses suppliers based on factors such as risks to the environment and corruption, as well as risks related to geographical location. Suppliers assessed as moderate or high risk must answer additional questions regarding corporate governance, social conditions and environmental work, and SSAB takes any necessary action based on this.

Site visits and audits

The annual audit plan defines at which suppliers site visits or third-party audits are to be conducted. The selection is based, among other things, on the supplier's social and environmental risk profile. During the year, 80 audits related to sustainability were conducted. In two cases, non-conformances with SSAB's expectations of suppliers were noted at the suppliers' sites, related to occupational health and safety. These non-conformances have been addressed by the suppliers. SSAB also noted several improvement areas at suppliers, for example how they can work on sustainability at their subcontractors and how they can better follow up on customer satisfaction.

Actions against modern slavery

SSAB supports and respects internationally established human rights and has taken several measures to prevent child labor, forced labor, slavery and human trafficking from occurring in the supply chain. These measures include

updating SSAB's Supplier Code of Conduct, risk assessments and audits, and training of SSAB employees.

No conflict minerals

SSAB does not use so-called conflict minerals (gold, tin, tungsten and tantalum), and on request will provide customers with a certificate confirming this.

Activities during the year

- As a consequence of Russia's invasion of Ukraine, SSAB has ceased all sourcing of coal and iron ore from Russia and replaced this with sourcing primarily from Sweden, Australia and the US.
- During the year, a major update of SSAB's Supplier Code of Conduct was carried out in order to better reflect SSAB's own Code of Conduct, stricter customer requirements for sustainability in the supply chain, and new EU directives.
- SSAB implemented a new supplier assessment tool that will facilitate the risk assessment,

and make it possible to focus on specific risks, such as human rights.

- The audit process was improved with the aim of enabling more and more comprehensive risk assessments, as well as the possibility of conducting audits remotely.
- SSAB increased its focus on subcontractors further down the supply chain in order to reduce sustainability risks.

Targets and outcomes

During the year, 97% (96%) of SSAB's suppliers (based on costs) had been assessed from sustainability perspectives, and 91% (88%) of new suppliers were audited, including from social perspectives. SSAB conducted 80 (24) on-site visits and sustainability audits, either in-house or through third parties.

In 2021, SSAB joined the First Movers Coalition, an initiative to create demand for low-carbon technology in the market. SSAB has committed to 30% of purchased transport services being fossil-free by 2030.



Target: Responsible sourcing

	2022	Target 2022	Target 2025	Target 2030
Share of new suppliers that are sustainability-assessed	91%	100%	100%	100%
Share of total spend sustainability-assessed	97%	95%	96%	98%
Number of audits/evaluations	80	40	–	–

Responsible sourcing (GRI 414-1)

	2022	2021	2020	2019
Share of new suppliers that are sustainability-assessed	91%	88%	93%	91%
Share of total spend sustainability-assessed	97%	96%	–	–
Number of audits/evaluations	80	24	–	–



Governance

SSAB's work on governance from a sustainability perspective includes, among other things, responsibility, mandate and risk management for sustainability work in general, but also SSAB's work on business ethics and anti-corruption.

Sustainability governance

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

Responsibility and mandates

SSAB's Board of Directors is ultimately responsible for sustainability work, including the strategic management of risks and opportunities related to climate change. This also includes SSAB's transformation to fossil-free steelmaking. For example, the Board of Directors approves the Code of Conduct, the sustainability strategy, and strategy and capital expenditure linked to the transformation to fossil-free steelmaking. The Board monitors the development of SSAB's sustainability work at least on a quarterly basis, in particular the Group's CO₂ emissions and safety work. As sustainability and climate issues are an integral part of SSAB's business strategy, the Board does not have a separate sustainability committee. The Sustainability Report is reviewed in the Audit Committee as part of the Annual Report.

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

SSAB's Group Executive Committee is responsible for developing the strategic direction for sustainability, including decisions on significant areas of sustainability, as well as managing risks and opportunities related to climate change. The Group Executive Committee regularly monitors the development of sustainability work. The Group Executive Committee is also responsible for ensuring that processes are in place to prevent, identify and address negative impacts on human rights that SSAB's operations may cause or contribute to.

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

- The Head of Sustainability is responsible for

developing the sustainability strategy and coordinating sustainability issues at Group level, and also for the Group's health and safety work and business ethics.

- The Chief Technology Officer is responsible for environmental issues, including permits, and sits on the Board of Directors of the joint venture Hybrit Development AB.
- The Chief Financial Officer is responsible for financial issues and capital expenditure related to SSAB's transition to fossil-free steel production, as well as SSAB's risk management process, which includes climate risks.
- The Head of People, Culture and Communication is responsible for competence sourcing and development in connection with the transition, and for SSAB's overall communication.
- The heads of divisions are responsible for driving sustainability and climate work in line with the overall business and sustainability strategy.

SSAB has various cross-functional management teams and councils dealing with sustainability issues. These are tasked with coordinating and supporting the Group's sustainability work, for example regarding health and safety, environmental issues and business ethics.

Important governing documents for sustainability

The governing documents below are published on SSAB's website. In addition to these, there are also directives and instructions for work in areas such as inclusion and diversity.

- Code of Conduct
- Directive and instruction for health and safety work
- Directive and instruction for environmental work
- Directive and instruction for quality work
- Directive and instruction for anti-corruption work
- Directive and instruction for compliance with competition rules

Management system, risk management and complaints

All production sites have a management system for systematic health and safety work in line with ISO 45001. Environmental and climate work takes place primarily within the framework of ISO 14 001 and all production sites are certified in accordance with this standard.

At SSAB, risk management is integrated into the annual strategy process. Sustainability risks, including climate-related risks, are included in the overall risk assessment and reported annually to the Board of Directors.

Complaints can be submitted via line management to the line manager or the line manager's superior, via local internal reporting channels and the Ethics Line whistleblower function. SSAB also holds regular meetings with trade union representatives. Any complaints are followed up and addressed. There are also various stakeholder dialogs with suppliers, customers, authorities and stakeholder organizations.

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

Sustainability and remuneration

SSAB's remuneration policy is described on pages 95-97. The short-term remuneration program includes a sustainability component (safety, defined as LTIF). The long-term remuneration program is governed by the relative total return on the SSAB share over a three-year period (see page 96). A fundamental element of SSAB's long-term strategy consists of the objective of making the transformation to fossil-free steelmaking, which is why the outcome of the long-term remuneration program is also considered to be linked to sustainability through effective work on the transformation.

SSAB's climate policy engagement

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

SSAB's climate policy engagement is adopted by the CEO and is based on the corporate strategy, the Code of Conduct and SSAB's support for the goals in the Paris Agreement.

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

Membership of organizations and advocacy organizations

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

Human rights and fair labor conditions

SSAB has zero tolerance of forced labor and child labor, and strives for a safe and inclusive work environment in which employees are free from harassment and discrimination. Much of the work concerns collaboration with trade union organizations and SSAB is providing channels for employees to get involved and express their views.

Negative impact on human rights can occur in the value chain, and SSAB therefore continuously reviews risks and processes to prevent, identify and address any negative impact on human rights that the business may cause or contribute to. To prevent risks concerning human rights, SSAB complies with local legislation and international standards for human rights. SSAB has already conducted an assessment of human rights, including the development of measures to limit and prevent risks. No significant risks were identified. Human rights are an important aspect when SSAB evaluates suppliers.

Business ethics and anti-corruption

SSAB operates in markets with different cultures, values and traditions. SSAB has zero tolerance of bribery and corruption and has a high level of ambition in the area of business ethics.

Governance and responsibilities

The Board of Directors has adopted SSAB's Code of Conduct, which sets out how all employees are expected to behave in relation to stakeholders and in the market. The Code of Conduct covers areas such as health and safety, the environment, human rights and business ethics. In addition to this, SSAB's Group Executive Committee has adopted instructions on anti-corruption work and business ethics reviews of partners representing SSAB in high-risk areas.

At Group level, the Ethics & Compliance function is responsible for the strategic work and the implementation of new legislation in this area. During the year, a Group-wide Ethics Council was established for the joint addressing of business ethics issues. Responsibility for compliance with the instructions rests with the line organization. There is follow-up twice a year on the target of all employees having completed training in business ethics (including the Code of Conduct).

Work on business ethics and anti-corruption primarily involves SSAB's own employees, but indirectly also customers and business partners. SSAB's suppliers are also covered by a sustainability policy for suppliers.

Training & tools

SSAB's training module in business ethics (including the Code of Conduct, anti-corruption instructions and information on how to report non-compliance) is mandatory for everyone. The module is available in six languages. There is a Business Ethics handbook available for all employees on SSAB's intranet.

SSAB encourages employees to report any violations of laws or the Code of Conduct. The Code states that no person who reports irregularities on reasonable grounds may be subjected to reprisals or harassment. Reports can be submitted to individuals such as the line manager or an HR representative. These cases are followed up regularly within the line organization. Reporting can also take place through SSAB's global whistleblowing system, the Ethics Line, which is available in 14 countries. The Ethics Line offers the opportunity to report anonymously, either online or by phone (available around the clock). The Ethics Line is managed by an independent third party, which forwards any cases to the Ethics Line steering group for case management. This consists of SSAB's Head of Internal Audit, Head of Ethics & Compliance and Head of HR Compliance. In 2022, 17 (7) incidents were reported via the Ethics Line, related to issues including discrimination and harassment, occupational health and safety, reporting and bribery. Following investigation, action was taken in nine cases. Two cases are still under investigation.

SSAB conducts regular training in business ethics, aimed primarily at managers and employees in sales and purchasing, who are at greater risk of being exposed to risks of

corruption. SSAB also provides internal training in competition law.

Anti-corruption clause in agreements

SSAB includes anti-corruption clauses in agreements with business partners, and SSAB's Sustainability Policy for Suppliers clarifies that all forms of corruption and bribery are unacceptable and that suppliers should work to prevent it. The majority (83 out of 97) raw material contracts in the Nordic business during 2018–2022 refer to the sustainability policy. Contracts with companies within the Hardox Wearparts network include anti-corruption clauses as well as reference to SSAB's Code of Conduct and governing documents for anti-corruption (383 contracts in 2017–2022).

Activities during the year

During the year, the Board of Directors updated the Code of Conduct, which was supplemented with a new guide to clarify SSAB's business ethics principles. SSAB also launched a new anti-corruption training module for employees who are at risk of being exposed to risks of corruption in their daily work. In 2022, anti-corruption training was conducted for employees within Ruukki Construction. SSAB also established new internal channels for reporting misconduct, where cases are handled by locally appointed individuals.

Targets and outcomes

At the end of 2022, 96% (96%) of SSAB's active permanent employees (13,963 employees, including both office and production employees) had completed the training module in business ethics, 95% of those in Sweden, 96% in Finland and 99% in the US. All members of the Group

Executive Committee have already completed the training module. 90% (84%) of all new employees had started the onboarding process, which includes taking the business ethics module and signing the Code of Conduct. 90% (89%) of SSAB employees have access to the Ethics Line. At the end of the year, 96% (97%) of the target group had completed the competition law training module, which is aimed primarily at employees in sales and purchasing.

Targets

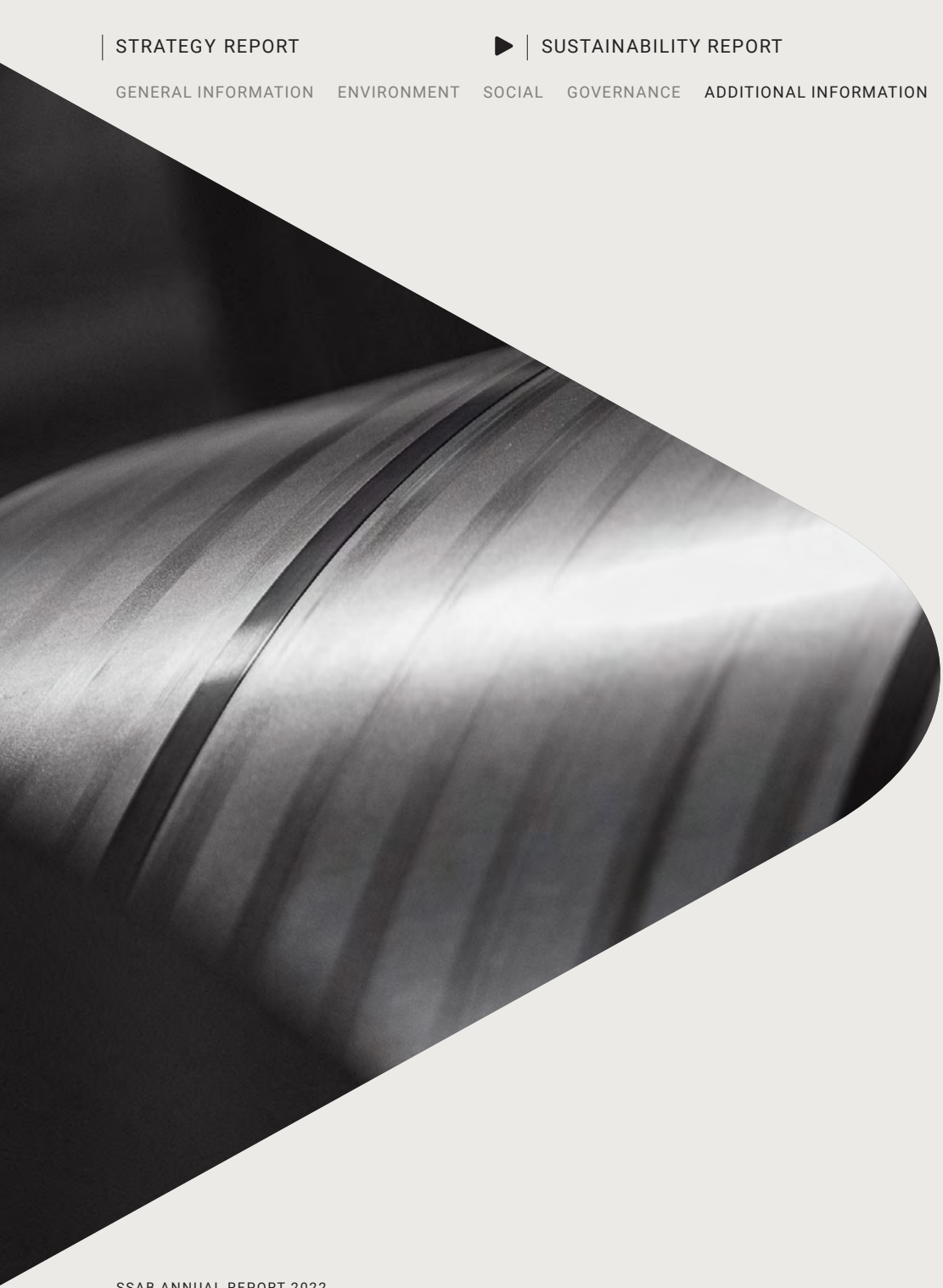
%	Target 2025
Employees who have completed training in business ethics, including a course on the Code of Conduct	100
Percentage of new employees covered by the onboarding program ¹⁾	100
Percentage of employees who have access to the Ethics Line ²⁾	95

Outcomes

%	2022	2021	2020
Employees who have completed training in business ethics, including a course on the Code of Conduct	96	96	91
Percentage of new employees covered by the onboarding program ¹⁾	90	84	75
Percentage of employees who have access to the Ethics Line ²⁾	90	89	92

¹⁾ Including confirmation of the Code of Conduct and training in business ethics.

²⁾ Employees who do not have access to the Ethics Line have other reporting channels.



Additional information

Climate-related financial disclosure index

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

	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 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 2022	Sustainability governance (page 52), Corporate Governance Report (pages 76–77)	Strategy report (page 12, 14, 18, 19, 21–22); Information about climate-related risks and opportunities according to TCFD (page 37–38)	Sustainability governance (page 52), Risk management (page 98)	Climate (pages 33–36)

GRI index

SSAB's Sustainability report 2022 has been prepared in accordance with Global Reporting Initiative (GRI) Standards.

Code		Description	Page	Comments and omissions
GENERAL DISCLOSURES				
GRI 2: General disclosures	2-1	Organisational details	5–6	
	2-2	Entities included in the Sustainability report	30, 168–170	
	2-3	Reporting period, frequency and contact point	30	Contact point: anna.viefhues@ssab.com The Annual report for January 1 – December 31, 2022, has been published at the end of March 2023.
	2-4	Restatements of information	34, 36	Some adjustments of historical values for CO ₂ e and energy consumption have been made in accordance with the validation process within EU-ETS.
	2-5	External assurance	30, 60	
	2-6	Activities, value chain and other business activities	16, 50	
	2-7	Employees	46	
	2-8	Workers who are not employees	46	SSAB does not have a central follow-up of the different external resources, but this is managed at a local level.
	2-9	Governance structure and composition	52, 74–81	
	2-10	Nomination and selection of Board of Directors	75–77	
	2-11	Chair of the Board	77–78	
	2-12	Role of the Board in overseeing the management of impacts	52, 76–77	
	2-13	Delegation of responsibilities of management of impacts	52	
	2-14	Role of the Board in sustainability reporting	52	
	2-15	Conflicts of interests	78	
	2-16	Communication of critical concerns	54	
	2-17	Collective knowledge of the Board	76–78	
	2-18	Evaluation of the performance of the Board	77	
	2-19	Remuneration policies	84, 95	
	2-20	Process to determine remuneration	78, 95	
	2-21	Annual total compensation ratio	46	SSAB does not follow up on the average wage increase for the Group as a whole.
	2-22	Commitment on sustainable development strategy	6–7, 29–54	

Code		Description	Page	Comments and omissions
	2-23, 2-24	Directives and instructions	52, 29–54	
	2-25	Process to remediate negative impact	30, 52, 54	
	2-26	Mechanism for seeking advice and raising concerns	54	
	2-27	Compliance with laws and regulations	53	
	2-28	Membership associations	53	
	2-29	Approach for stakeholder engagement	30	
	2-30	Collective bargaining agreements	46	
GRI 3: Material topics	3-1	Process to determine material topics	30	
	3-2	List of material topics	30	
	3-3	Management of material topics	30	
GRI 205: Anti-corruption	205-2	Communication and training ahead about anti-corruption principles and procedures	54	
ENVIRONMENTAL STANDARDS				
GRI 301: Materials	301-1	Materials used by weight or volume	42	
	301-2	Recycled input materials used	42	
GRI 302: Energy	302-1	Energy consumption within the organization	36	
	302-3	Energy intensity	36	
	302-4	Reduction of energy consumption	36	
GRI 305: Emissions	305-1	Direct GHG emissions (Scope 1)	34–35	
	305-2	Energy indirect GHG emissions (Scope 2)	34–35	
	305-3	Other indirect GHG emissions (Scope 3)	35	
	305-4	GHG emissions intensity	35	
	305-5	Reduction of GHG emissions	33–34	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	35	
GRI 306: Effluents and waste	306-1	Waste generation and significant waste-related impacts	42	
	306-2	Management of significant waste-related impacts	42	
	306-3	Waste generated	42	

Code		Description	Page	Comments and omissions
SOCIAL STANDARDS				
GRI 401: Employment	401-1	New employee hires and employee turnover	46	
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	47	
	403-2	Hazard identification, risk assessment, and incident investigation	47	
	403-3	Occupational health services	47	
	403-4	Worker participation, consultation, and communication on occupational health and safety	47	
	403-5	Worker training on occupational health and safety	47	
	403-6	Promotion of worker health	47	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47	
	403-9	Work-related injuries	48	Lost Time Injury has been calculated per million hours worked. SSAB is currently reviewing the methodology in how serious incidents are classified and has therefore excluded it from reporting and targets, until a new, more satisfactory method is implemented, which is planned to be done in 2023.
GRI 404: Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	46	
	404-3	Percentage of employees receiving regular performance and career development reviews	46	
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	49	
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	50	

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

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

Introduction

We have been engaged by the Board of SSAB AB (publ) to undertake a limited assurance engagement of SSAB AB (publ)'s Sustainability Report for the year 2022. The scope of the Sustainability Report has been defined on pages 57-59. The Statutory Sustainability Report is defined on page 94.

Responsibilities of the Board and Executive Management

The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 30 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

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

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

with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies 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.

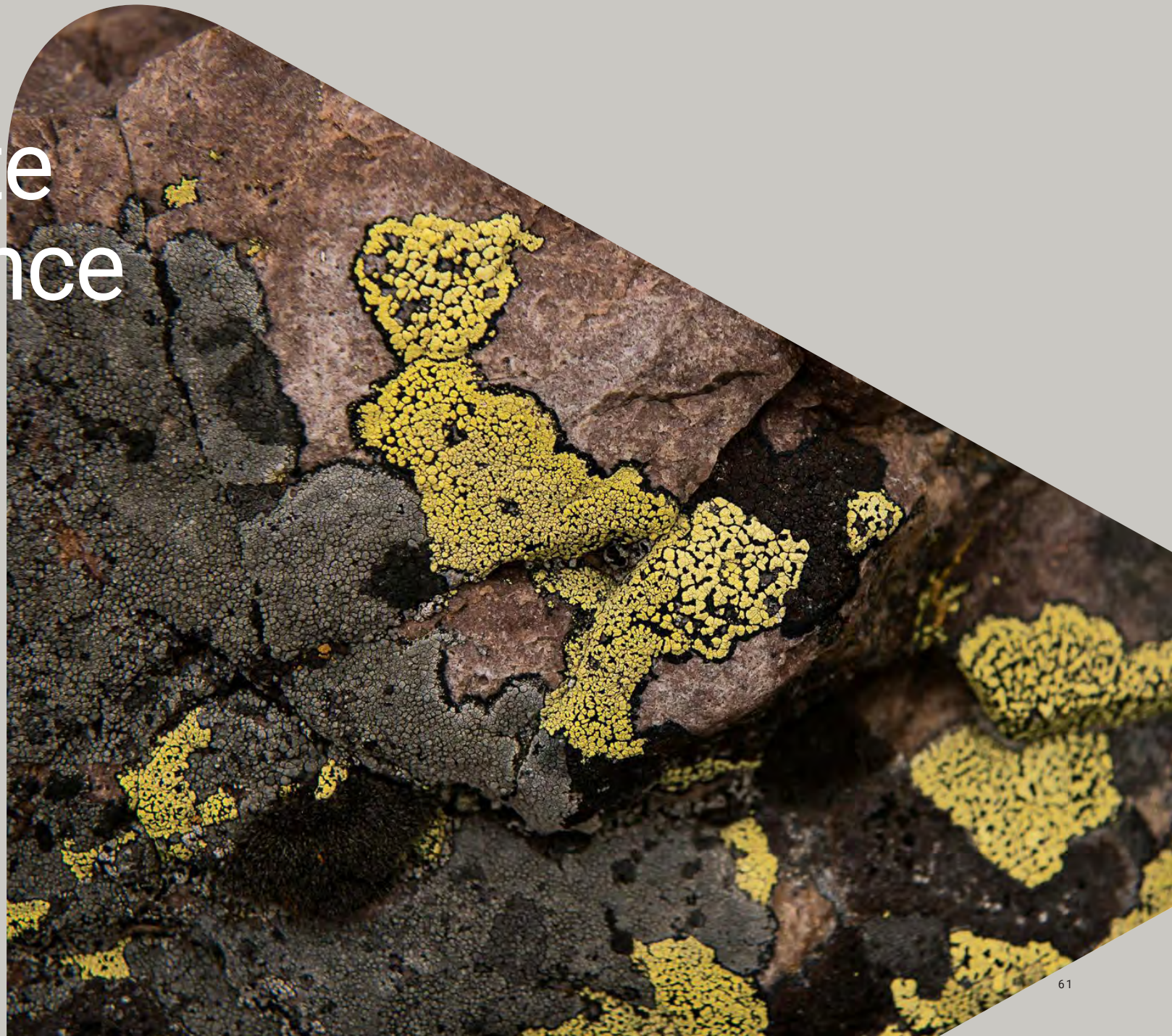
A Statutory Sustainability Report has been prepared.

Stockholm, March 13, 2023
Ernst & Young AB

Rickard Andersson
Authorized Public
Accountant

Outi Alestalo
Expert member of FAR

Corporate governance





Shares and shareholders

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

The 2022 closing prices on the Nasdaq Stockholm Exchange were:

SSAB class A share: SEK 56.94

SSAB class B share: SEK 54.20

Total year-end market capitalization:
SEK 56.6 billion.

Share performance during 2022:

SSAB class A share: 8.3%

SSAB class B share: 18.6%

OMX Stockholm 30 index: -16.4%

The highest price was:

SSAB class A share: SEK 75.56

SSAB class B share: SEK 68.46

The lowest price was:

SSAB class A share: SEK 42.44

SSAB class B share: SEK 40.09

During the year, SSAB's shares were traded on the Nasdaq Stockholm Exchange for a total of SEK 112 billion. Shares were traded on all exchange days and averaged approximately SEK 443 billion per day. The volume of A shares traded during the year corresponded to 194% of the average number of outstanding shares. The volume of B shares traded corresponded to 206% of the average number of outstanding shares. Trading in the share in Helsinki (A and B share) averaged 1.19 million shares per day. The SSAB share is also traded on multilateral trading

facilities (MTF), on market places such as CBOE, Aquis, and Turquoise. Of the total volume of traded shares, 71.6% of the class A shares and 75.3% of the class B shares were traded on Nasdaq Nordic (Stockholm and Helsinki).

Share capital

On December 31, 2022, there are in total 1,029,835,326 shares in SSAB, of which 304,183,270 class A shares, corresponding to 304,183,270 votes, and 725,652,056 class B shares, corresponding to 72,565,205.6 votes, in

total 376,748,475.6 votes. Each class A share carries one vote and each class B share carries one tenth of one vote. SSAB's share capital is SEK 9,063 million. The quotient value per share is SEK 8.80.

Ownership structure

At year-end 2022, SSAB had 219,080 shareholders.

SSAB's three largest owners in terms of voting rights:

- LKAB 16.00%
- Government of Finland 8.04%
- Folksam 5.63%.

The ten largest identified owners together owned approximately 44.4% of the voting capital and 29.1% of the share capital at the end of December 2022. Owners outside Sweden and Finland accounted for 24.3% of voting rights and 22.2% of the total number of shares.

Dividend target is 30–50% of the result for the year. The Board of Directors has resolved to propose to the Annual General Meeting to be held on April 18, 2023 that a dividend of SEK 8.70 (5.25) per share will be paid.

Investor Relations

During 2022, a number of meetings were held with owners, investors and analysts, both in Sweden and outside, mostly in Europe and the United States. Presentations and investor meetings are regularly held in connection with the publication of interim reports and annual results.

Ticker

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



Share breakdown

Shareholding	Number of shares	% of votes	% of share capital
1–500	20,401,602	1.6	2.0
501–1000	22,037,458	1.7	2.1
1001–5000	87,478,835	7.2	8.5
5001–10000	42,773,996	2.9	4.2
10001–20000	35,593,855	2.3	3.5
20001–	702,359,293	67.9	68.2
Anonymous ownership	119,190,287	16.3	11.6
Total	1,029,835,326	100.0	100.0

Change in the number of shares and share capital since 1989

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

Owners on December 31, 2022

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.6	2.1
Vanguard	3.4	3.1
Allianz Global Investors	3.4	1.3
Ninety One	3.0	1.1
Norges Bank	1.5	1.2
Lightman Investment Management Limited	1.3	0.5
BlackRock	1.2	1.6
Avanza Pension	0.9	1.5
Other shareholders	55.6	70.9
Total	100.0	100.0
Of which foreign-registered shareholders ¹⁾	24.3	22.2

¹⁾ Includes shareholders outside Sweden and Finland.

Source: Modular Finance



Share-related key figures

		2022	2021	2020	2019	2018
Share price, at year-end, class A share	SEK	56.94	52.44	29.30	32.85	30.49
Earnings per share	SEK	-10.57	14.24	-0.50	1.04	3.45
Cash flow before dividend and financing per share	SEK	13.75	12.24	2.13	1.27	4.34
Equity per share	SEK	65.18	71.35	52.42	58.57	57.71
Dividend per share	SEK	8.70 ¹⁾	5.25	0.00	0.00	1.50
Average number of shares	millions	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Number of shares at year-end	millions	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Market capitalization at year-end	millions	56,651	49,048	27,910	32,139	27,358
Valuation						
Direct yield, % ²⁾		15.28 ¹⁾	10.01	0.00	0.00	4.92
P/E ratio ²⁾		-	3.68	-	31.59	8.84
Price/equity, % ²⁾		87	73	56	56	53

¹⁾ In accordance with the Board's proposal.

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



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 Tuesday, April 18, 2023 at 1 p.m.. The Board of Directors has decided that shareholders may exercise their voting rights also by postal voting in accordance with the provisions of SSAB's Articles of Association.

Location

SSAB's mill area in Oxelösund. Registration will commence at 11.30 a.m. and light refreshments will be served from 12 noon. Entrance to the meeting venue takes place from the mill gate on Nytorgsgatan in Oxelösund. Please arrive at the entrance in ample time and no later than 12.30 p.m.

Practical arrangements in connection with the Annual General Meeting

SSAB will provide a bus transfer to and from the Annual General Meeting for shareholders who give a notice of participation to the General Meeting. Buses for the Annual General Meeting will depart from Cityterminalen, Klarabergsviadukten, Stockholm at 10.00 a.m. Prior to the Annual General Meeting, there will be an opportunity to participate in a tour of SSAB's operations in Oxelösund. Buses for the tour of the mill plant will depart from Cityterminalen, Klarabergsviadukten, Stockholm at 8.30 a.m. Shareholders attending the tour who are not

travelling by the arranged bus transfer, must arrive to the parking lot outside the SSAB's office on Nytorgsgatan in Oxelösund no later than 10 a.m. Notification to attend the tour of the plant should be made in the notification to attend the Annual General Meeting. After the Annual General Meeting, bus transport will be provided back to Cityterminalen, Klarabergsviadukten, Stockholm. More information regarding the tour of the plant and transportation to the Annual General Meeting is available on www.ssab.com or +46 (0) 45 45 760.

Right to participate and notice of participation

A) Participation at the meeting venue

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

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as per the record date on Thursday, April 6, 2023, and
- give notice of participation no later than Wednesday, April 12, 2023 on the Company's website www.ssab.com or by telephone on +46 8-45 45 760. Upon the notification of participation, the shareholder must state name, personal identification number or company registration number, address, telephone number and the number of any assistants (not more than two).

Admission cards entitling the holder to attend the Annual General Meeting will be distributed prior to the Annual General Meeting to those shareholders who have submitted applications. Any shareholder that has not received an admission card prior to the Annual General Meeting will be able to obtain an admission card from the information desk, upon presentation of identification.

B) Participation by postal vote

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

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as per the record date on Thursday, April 6, 2023, and
- give notice of participation no later than Wednesday, April 12, 2023 by casting their postal vote in accordance with the below so that the postal voting form is received by Euroclear Sweden AB no later than Wednesday, April 12, 2023.

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

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

The completed posting voting form must be received by Euroclear Sweden AB no later than Wednesday, April 12 2023. The form may be sent by e-mail to GeneralMeetingService@euroclear.com or by post to SSAB AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also submit their postal votes electronically through verification with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/euroclearproxy>. An electronically submitted postal vote must be cast no later than April 12, 2023. The shareholder may not provide specific instructions or conditions to the postal vote. If so, the postal vote in its entirety is invalid. Further instructions and conditions are included in the form for postal voting.



Nominee-registered shares

In order to be entitled to attend the Annual General Meeting, shareholders whose shares are registered in the name of a nominee (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must, in addition to giving notice of participation in the Annual General Meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of the record date on Thursday, April 6, 2023. 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 Wednesday, April 12, 2023 will be taken into account in the presentation of the share register.

Proxies

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

Dividend

The Board proposes a dividend of SEK 8.70 (5.25) per share for 2022 and April 20, 2023 as the record date. If the annual general meeting adopts the Board's proposal, the dividend is expected to be paid on April 25, 2023. The proposal will involve a payout totaling around SEK 9 billion to shareholders in the form of a cash dividend. The Board will propose an authorization concerning a program for the buyback of SSAB A and/or B shares. The number of shares that may be bought back will be limited up to 10% of the total number of shares outstanding. The purpose of the shares bought back is to cancel them and reduce SSAB's share capital.

Nomination Committee

- Pierre Heeroma, LKAB, Chairman
- Kimmo Viertola, the Finnish government
- Michael Kjeller, Folksam
- Daisy Streatfeild, Nintey One
- Lennart Evrell, Chair of the Board of Directors

Calendar for financial information

SSAB will publish the following information for the financial year 2023:

- Report for the first quarter, April 26 2023
- Half-year report, July 21 2023
- Report for the third quarter, October 25 2023



Corporate Governance Report

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

Corporate Governance Report 2022

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.

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

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

Significant external rules

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

Organization as at December 31, 2022

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.

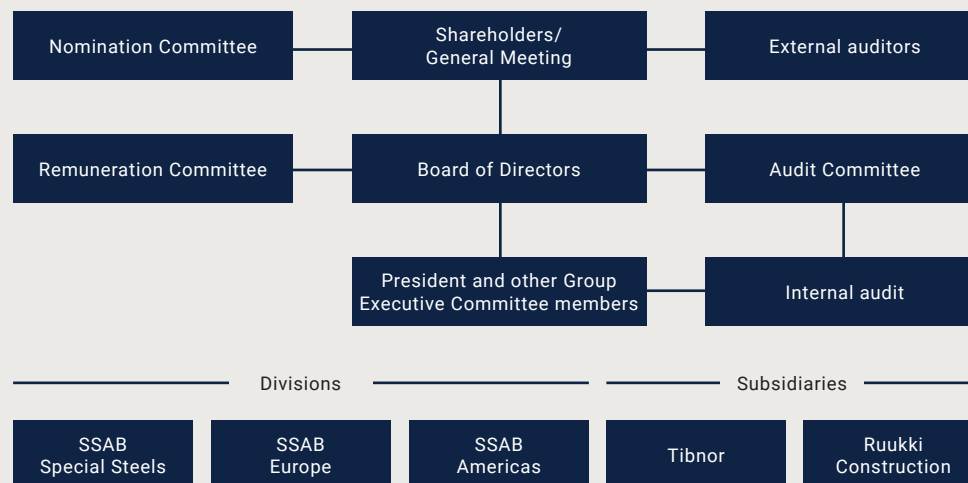
The diagram below shows SSAB's corporate governance framework as at December 31, 2022, and how the central bodies operate.

Derogations from the corporate code

There are no deviations to report from the Corporate Code for 2022.

Shareholders

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





As at December 31, 2021, there were a total of 219,080 shareholders. LKAB was the largest shareholder in terms of voting rights, followed by the Government of Finland, Folksam, Vanguard, Allianz Global Investors, Ninety One, Norges Bank, Lightman Investment Management, BlackRock and Avanza Pension. The ten largest identified owners together owned approximately 44.4% of the voting capital and 29.1% of the share capital at the end of December 2022. Owners outside Sweden and Finland accounted for 24.3% of votes and 22.2% 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

Owners as at December 31, 2022

	% of votes	% of share capital
LKAB	16.0	10.5
Government of Finland	8.0	6.3
Folksam	5.6	2.1
Vanguard	3.4	3.1
Allianz Global Investors	3.4	1.3
Ninety One	3.0	1.1
Norges Bank	1.5	1.2
Lightman Investment Management	1.3	0.5
BlackRock	1.2	1.6
Avanza Pension	0.9	1.5
Other shareholders	55.6	70.9
Total	100.0	100.0
Of which foreign-registered shareholders ¹⁾	24.3	22.2

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

2022 Annual General Meeting

Due to Covid-19, the Board decided that the 2022 Annual General Meeting would be carried out in absence of physical presence of shareholders, agents or third parties. Shareholders were able to exercise their voting right only in advance through so called postal voting before the annual general meeting, in accordance with 22 § of the law (2022:121) on temporary exceptions to facilitate implementation of general meetings.

The Annual General Meeting adopted the annual report and consolidated financial statements for 2021 released by the Board of Directors and the CEO, decided on the allocation of the company's

profit and granted the directors and CEO discharge from liability. The general meeting decided on the remuneration to the Board and the auditors in accordance with the Nomination Committee's proposals. It was further resolved that the Board will comprise eight directors and accordingly Bo Annvik, Petra Einarsson, Marie Grönborg, Maija Strandberg, Lennart Evrell (who was elected Chairman of the Board), Martin Lindqvist (President and CEO), were re-elected as Board members. Bernard Fontana and Mikael Mäkinen were elected as new Board members. Pasi Laine had declined re-election to the Board.

Upon proposal by the Nomination Committee, it was decided that the number of auditors should be one registered auditing company and Ernst & Young AB was re-elected as auditors for one year until the Annual General Meeting 2023.

The Board of Director's proposal pursuant to the allocation of the company's 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 earnings at disposal should be allocated in such manner that SEK 5.25 per share be paid to shareholders and that the remainder be carried forward.

The General Meeting resolved in accordance with the Board's proposal to adopt the remuneration guidelines for senior executives, which had been available at SSAB and on the company website since February 25, 2022.

The General Meeting resolved to accept the Board's remuneration report. The report has

been available at SSAB and on the company website since March 15, 2022.

The General Meeting resolved in accordance with the Board's proposal to approve the long-term incentive program for 2022. The Board's proposal had been available at SSAB and on the company's website since February 25, 2022.

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

Nomination committee

Duties of the Nomination Committee

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

Procedure for the appointment of the Nomination Committee

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

There may be no more than six members in total. The member representing the largest shareholder in terms of votes shall be Chairman of the Nomination Committee. The composition



of the Nomination Committee was announced on www.ssab.com on September 9, 2022.

Shareholders were able to submit proposals to the Nomination Committee by, until December 31, 2022. The Nomination Committee's proposals will be published no later than in conjunction with the notice of the Annual General Meeting.

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

Nomination Committee's diversity policy

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

The Nomination Committee shall consider the diversity policy when preparing its proposals for the election of a Board member. In addition, the Board of Directors continuously

discusses diversity within the organization. The objective of the diversity policy is to cater to the importance of sufficient diversity within the Board in order to encourage independent opinions and a critical approach which will contribute to efficient Board work in the company.

During the financial year 2022, the Nomination Committee's diversity policy has been considered in connection with the Nomination Committee's work ahead of the 2022 Annual General Meeting and the 2023 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 Nomination Committee ahead of the 2023 Annual General Meeting

The Nomination Committee was appointed in September 2022 and has convened 5 times during the fall. Additional meetings are planned during the first quarter of 2023 before the Annual General Meeting. At a meeting in November, the Nomination Committee took part in the Board's evaluation process and the outcome of the evaluation that took place during the fall as a whole.

The Nomination Committee has discussed the composition of the Board, and agreed on the fundamental Board member requirements, including the requirements on independent members. The Nomination Committee particularly took into account in its Board proposal the need for diversity and breadth, the requirements to

strive for gender balance on the Board, and also taken into account qualifications and experience in areas important to the company.

The Nomination Committee engages in continuous work in identifying and evaluating potential new directors. In submitting proposals for fees to the Board of Directors and its committees, the Nomination Committee, among other things, conducted an overview of Board fees in similar companies. Prior to the election of an auditor at the Annual General Meeting 2023, the Audit Committee has conducted an evaluation of the audit performance presented to the Nomination Committee at its December meeting. At the same meeting, the committee's recommendation regarding both election of auditors and fees was presented. The Nomination Committee followed the Audit Committee's recommendation when presenting its proposals to the 2023 Annual General Meeting.

Nomination committee ahead of the 2023 Annual General Meeting

Name, appointed by	Share (%) of voting capital as at December 31, 2022
Pierre Heeroma, LKAB (Chairman of the Nomination Committee)	16.0
Kimmo Viertola, the Government of Finland	8.0
Michael Kjeller, Folksam	5.6
Daisy Streatfeild, Ninety One	3.0
Lennart Evrell (Chairman of the Board of Directors)	–

Board of directors Responsibilities of the Board

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

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

Rules of procedure of the Board

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

The rules of procedure further regulate the frequency of Board meetings and the allocation of work among the Board's committees. The rules of procedure state that there must be a Remuneration Committee and an Audit Committee. Ahead of each Board meeting, the directors receive a written agenda and full documentation to serve as the basis for decisions. Each Board meeting conducts a



review of the Group's accident statistics, the current state of the business, the Group's results, financial position and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors the sustainability work, such as the health and safety work within the group.

Chair of the Board

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

Composition of the Board

Under the Articles of Association, the Board of Directors consists of a minimum of five and a maximum of ten members elected by the general meeting. The Board is quorate when more than half of the total number of directors is present. Taking into consideration the company's operations, phase of development and circumstances in general, the Board must have an appropriate composition which is characterized by diversity and breadth as regards the competence, experience and background of its members. New directors undergo an introduction course to rapidly acquire the knowledge expected in order to best promote the interests of the company and its shareholders.

Work of the Board in 2022

In 2022, the Board of Directors held 9 meetings at which minutes were taken and at which the Board was quorate at all times. SSAB's General Counsel, who is not a director, served as secretary to the Board.

The Board has during the year followed the development of the outside world and how the company has handled the impacts thereof. The first half of 2022 was marked by the strong economic cycle with great demand and high price levels. In Europe, the economic cycle slowed in the later part of the first half of 2022 primarily due to the insecurity caused by the Russian invasion of Ukraine in February. High inflation, high energy prices and bottlenecks in the logistic chains hampered industrial production in Europe, which in turn adversely affected demand for and prices of steel products during the second half of 2022. Heavy plate demand and prices in North America remained stable at a high level. Also, sustained global demand for high-strength steel products continued with relatively stable prices during the year. A chilled hearth in one of the blast furnaces in Raahe during the first half of 2022 had a negative impact on SSAB Europe's production.

The Board has devoted particular attention to the fallouts of the war in Ukraine and how imposed sanctions packages have affected the company's supply chain and sales. The Board

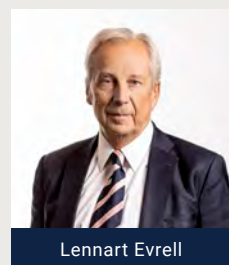
has, in addition, spent a lot of time analyzing prerequisites to the transformation of the Nordic production system to fossil-free steel making, on which the Board made a strategic policy decision in January 2022.

Safety work has top priority in the Group and at every meeting the Board keeps close track of lost time injury frequency and the corrective actions implemented by the company. The Board also follows the company's sustainability performance with regular follow-ups of achievements of targets and continuously follows the company's most important operative, as well as strategic key figures. During the year, the Board visited SSAB's sites in Luleå, Oxelösund and Raahe in order to, inter alia, form an opinion on the conditions necessary for the transformation to fossil-free steelmaking.

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

responsibilities in relation to important areas for the company such as the heavy processing industry, international marketing and sales, major investment projects, finance, IT and digitalization. The evaluation also included questions regarding the Board's efficiency and knowledge regarding the company's impact on different sustainability areas. No direct measures were deemed necessary as a result of the evaluation.

Board of directors – appointed by the Annual General Meeting



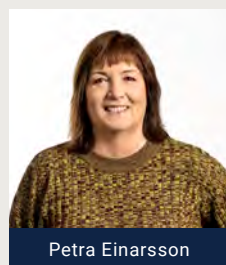
Lennart Evrell

b. 1954
Master of Science in Engineering from the Royal Institute of Technology, Stockholm, and a degree in business from Gothenburg and Uppsala Universities
Nationality: Swedish
Elected to the board 2021
Shareholding¹⁾
50,000 B-shares
Current appointments
Director: Svenska Cellulosa Aktiebolaget SCA, Epiroc AB
Previous appointments
Director: Swedish Association of Industrial Employers, ICA Gruppen Aktiebolag and Confederation of Swedish Enterprise
CEO: Boliden, Sapa and Munters



Bo Annvik

b. 1965
MSc (Eng.) Business Administration
Nationality: Swedish
Elected to the board 2019
Shareholding¹⁾
0
Current appointments
Board Chairman: Abdon Food AB
President and CEO: Indutrade AB
Director: Adbon Group AB
Previous appointments
President and CEO: Haldex AB
Senior positions: Volvo Cars, SKF and Outokumpu



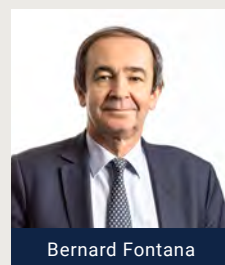
Petra Einarsson

b. 1967
BSc (Business Administration and Economics)
Nationality: Swedish
Elected to the board 2014
Shareholding¹⁾
18,750 B-shares
Current appointments
Director: Alimak Group, Scandinavian Biogas, Svenska Aerogel and Norsk Hydro
Previous appointments
President and CEO: BillerudKorsnäs AB
EVP: Sandvik Group
Senior positions: Sandvik Materials Technology
Member of the Executive Board: Confederation of Swedish Enterprise
Chairman of the Board: Swedish Steel Producers' Association



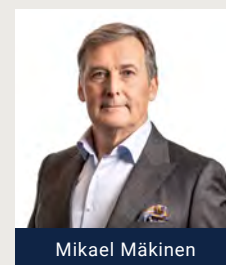
Marie Grönberg

b. 1970
MSc (Eng.) Chemical Engineering
Nationality: Swedish
Elected to the board 2019
Shareholding¹⁾
6,000 B-shares
Current appointments
CEO: TreeToTextile AB
Director: Permascand Top Holding AB
Previous appointments
President and CEO: Purac AB
EVP: Perstorp Group, Business Area Specialties & Solutions
Senior positions: Perstorp Group and Formox AB



Bernard Fontana

b. 1961
Master of Science in Engineering
Nationality: French
Elected to the board 2022
Shareholding¹⁾
0
Current appointments
President and CEO: Framatome
Director: Thales Group
Previous appointments
President and CEO: Holcim Group
Senior positions: Aperam and ArcelorMittal



Mikael Mäkinen

b. 1956
MSc
Nationality: Finnish
Elected to the board 2022
Shareholding¹⁾
0
Current appointments
Board Chairman: Valmet, Aker Arctic Oyj and Corvus Energy Holdings AS
Director: Finnlines
Previous appointments
President and CEO: Cargotec
President: MacGregor and Rolls-Royce Marine
Director: Stora Enso Oyj



Maija Strandberg

b. 1969
MSc, Economics from Turku School of Economics, Finland (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
Previous appointments
Director: Neova Oy, 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



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
Alternate: Confederation of Swedish Enterprise
Previous appointments
Director: Indutrade Aktiebolag
Head of business area: SSAB EMEA
CFO: SSAB AB
Chief controller: NCC

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



Sven-Erik Rosén

b. 1965
Elected to the Board
 2021
Current appointments
 Fork-lift operator,
 SSAB Europe



Tomas Westman

b. 1955
Elected to the Board
 2015
Current appointments
 RM-coordinator,
 SSAB Europe

Alternates



Tomas Jansson

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



Tomas Karlsson

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



Patrick Sjöholm

b. 1965
Elected to the Board
 2011
Current appointments
 Maintenance mechanic,
 SSAB Europe

Auditors

Under its Articles of Association, SSAB must have one or two external auditors, or one or two public accounting firms. The 2022 Annual General Meeting resolved to re-elect Ernst & Young as the company's auditor until the 2023 Annual General Meeting. Rickard Andersson is the principal auditor.

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

In 2014, the European Parliament published a new audit regulation, a non-audit services fee cap, which entered into force on June 17, 2016. This regulation limits the non-audit services an audit firm can provide to public interest entities (PIEs). Examples of non-audit services are tax, advisory, and transaction services. This regulation limits the fee for non-audit services to 70% of the fee for the statutory audit, assuming that the audit firm has performed non-audit

services during all of the three preceding fiscal years. The fee cap regulation is applicable from the fiscal year the audit firm becomes the auditor of the PIE. Accordingly, since Ernst & Young AB became the auditor of SSAB in 2019, the fee cap will limit the non-audit services starting in 2022.

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 of the Committee's work and, where necessary, must submit matters to the Board for decision.

The main task of the Audit Committee is to support the Board in its work to ensure the quality of financial reporting.

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

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

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

		Board attendance 2022			Independent of	
Member of the Board	Elected to the Board	Board meetings	Remuneration Committee	Audit Committee	The company and its management	The company's largest shareholders
Elected by the AGM ¹⁾						
Lennart Evrell, Chairman since October 2021	2021	9	6	8	Yes	Yes
Bo Annvik	2019	9	6		Yes	Yes
Petra Einarsson	2014	9	6	8	Yes	Yes
Bernard Fontana ²⁾	2022	7			Yes	Yes
Marie Grönborg	2019	9		2	Yes	Yes
Majja Strandberg	2021	9		6	Yes	Yes
Mikael Mäkinen ²⁾	2022	7			Yes	Yes
Martin Lindqvist, President and CEO	2011	9			No, CEO at the Company	Yes
Employee representatives						
Mikael Henriksson	2017	9				
Sven-Erik Rosén	2021	9				
Tomas Westman	2015	9				
Alternate members						
Tomas Jansson	2014	9				
Tomas Karlsson	2015	9				
Patrik Sjöholm	2011	9				

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

²⁾ Elected new Board member on the Annual General Meeting on April 6, 2022.

Work in 2022

During 2022, the Audit Committee's focus was on 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 also revised the financial targets, goodwill impairment process and hedging operations.

Since the constituent meeting of April 6, 2022, the Audit Committee's members are Petra Einarsson (Chairman), Lennart Evrell and Maija Strandberg who replaced Marie Grönborg. In 2022, the Audit Committee held eight meetings at which minutes were taken.

Remuneration committee Duties

In addition to the Chair of the Board of Directors, the Remuneration Committee comprises one or more directors, who must be independent both of the company and of the company's top 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 2022

During 2022, the Remuneration Committee held six meetings at which minutes were taken. The Remuneration Committee comprised Lennart Evrell (Chair), Bo Annvik, and Petra Einarsson. The CEO is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

Group Executive Committee



Martin Lindqvist

b. 1962
President and CEO
Nationality: Swedish
Member of the Group Executive Committee
2001
Shareholding¹⁾
11,709 A-shares
21,023 B-shares
Education
BSc (Economics),
Uppsala University
Background
Employed at SSAB
since 1998.
Previous positions:
Head of business area:
SSAB EMEA, Head of
business area: SSAB Strip
Products, CFO: SSAB AB,
CFO: SSAB Strip, Chief
Controller: NCC



Olavi Huhtala

b. 1962
Executive Vice President
and Head of SSAB Europe
Nationality: Finnish
Member of the Group Executive Committee
2014
Shareholding¹⁾
17,578 A-shares
77,873 B-shares
Education
BSc (Engineering)
Background
Employed at Rautaruukki/
SSAB since 1987
Previous positions:
EVP: Ruukki Metals,
President: Ruukki
Fabrication
Executive roles in
Sales and Production:
Rautaruukki Metform



Charles Schmitt

b. 1959
Executive Vice President
and Head of SSAB
Americas
Nationality: American
Member of the Group Executive Committee
2011
Shareholding¹⁾
3,000 B-shares
Education
BSc (Business
Administration/Finance),
University of Texas
at Arlington, two-year
steel fellowship at the
American Iron and Steel
Institute
Background
Employed at IPSCO/SSAB
since 1990
Previous positions:
Several positions: US
Steel Corporation and VP
of the Southern Business
Unit: SSAB Americas



Johnny Sjöström

b. 1974
Executive Vice President
and Head of SSAB
Special Steels
Nationality: Swedish
Member of the Group Executive Committee
2019
Shareholding¹⁾
10,600 A-shares
Education
Master's degree in
Physics, PhD in Materials
Technologies, Karlstad
University, Associate
Professor, Luleå Technical
University and EMBA
Stockholm School of
Economics
Background
Employed at SSAB
between 2012 and 2014
and since 2019
Previous positions:
President Uddeholms AB,
President Scana Leshan
(China), VP Technology
and responsible for
market development
SSAB APAC, VP Product
manager Outokumpu,
Technology and Quality
manager Outokumpu



Jonas Bergstrand

b. 1965
Executive Vice President,
Legal, M&A and
Procurement
Nationality: Swedish
Member of the Group Executive Committee
2006
Shareholding¹⁾
24,125 B-shares
Education
LLM, Uppsala University
Background
Employed at SSAB
since 2006
Previous positions:
Corporate counsel: ABB,
OM Gruppen and Ericsson
Radio Systems



Leena Craelius

b. 1971
Executive Vice President
and CFO
Nationality: Finnish
Member of the Group Executive Committee
2021
Shareholding¹⁾
0
Education
MBA, Helsinki School of
Economics, Helsinki
Background
Employed at SSAB/
Rautaruukki since 2005
Previous positions:
CFO: SSAB Europe
Division, Head of sales
controlling; SSAB Special
Steels division, Head of
operations controlling;
Ruukki Metals Division



Maria Långberg

b. 1970
Executive Vice
President and Head
of People, Culture and
Communication
Nationality: Swedish
Member of the Group Executive Committee
2016
Shareholding¹⁾
22,400 B-shares
Education
BSc (Business
Administration),
Uppsala University MBA,
Stockholm School of
Economics
Background
Employed at SSAB since
2013
Previous positions:
President Merox and
VP Group Sustainability,
SSAB, EVP & Head of
Group Communications,
SSAB, Senior Consultant,
JKL, SVP Group
Communications, Gambro



Martin Pei

b. 1963
Executive Vice President
and CTO
Nationality: Swedish
Member of the Group Executive Committee
2007
Shareholding¹⁾
1,000 A-shares
8,000 B-shares
Education
PhD, KTH Royal Institute
of Technology, Stockholm
Background
Employed at SSAB
since 2001
Previous positions:
EVP, Head of business
area: SSAB APAC, EVP,
Technical Director: SSAB,
Manager R&D: SSAB Plate
Division and General
Manager Slab Production:
SSAB Plate Division

¹⁾ Shareholdings include shares owned by closely-related persons.

Group Executive Committee



Christina Friberg

b. 1969
Executive Vice President and Head of Sustainability, Ethics & Compliance and Health & Safety
Nationality: Swedish
Member of the Group Executive Committee 2018
Shareholding¹⁾
8,700 B-shares
Education
LLM, Uppsala University
Background
Employed at SSAB since 2018
Previous positions:
Head of Sustainable Business at Sandvik, founder and partner at Ethos International and various positions at Sida, UNHCR and OSCE



Eva Petursson

b. 1968
Executive Vice President and Head of Research and Innovation
Nationality: Swedish
Member of the Group Executive Committee 2018
Shareholding¹⁾
165 A-shares
6,500 B-shares
Education
Civil engineer and PhD in Steel Structures, Luleå University of technology
Background
Employed at SSAB since 2005
Previous positions:
Design specialist and research leader at SSAB Knowledge Service Center, Head of Strategic R&D at SSAB. Assistant professor in Steel Structures at Luleå University of Technology



Viktor Strömberg

b. 1973
Executive Vice President and Head of Strategy and Digitalization
Nationality: Swedish
Member of the Group Executive Committee 2018
Shareholding¹⁾
4,000 B-shares
Education
MBA, INSEAD, France and MSc in Industrial Engineering & Management, Linköping University
Background
Employed at SSAB since 2011
Previous positions:
VP and Head of Strategy at SSAB AB. Associate Partner at McKinsey & Company, product manager at SAP and consultant at IBM

Group Executive Committee's work and responsibilities

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

The CEO is responsible for the day-to-day management of the company in accordance with the Board of Directors' instructions and guidelines. As at December 31, 2022, 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.

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.

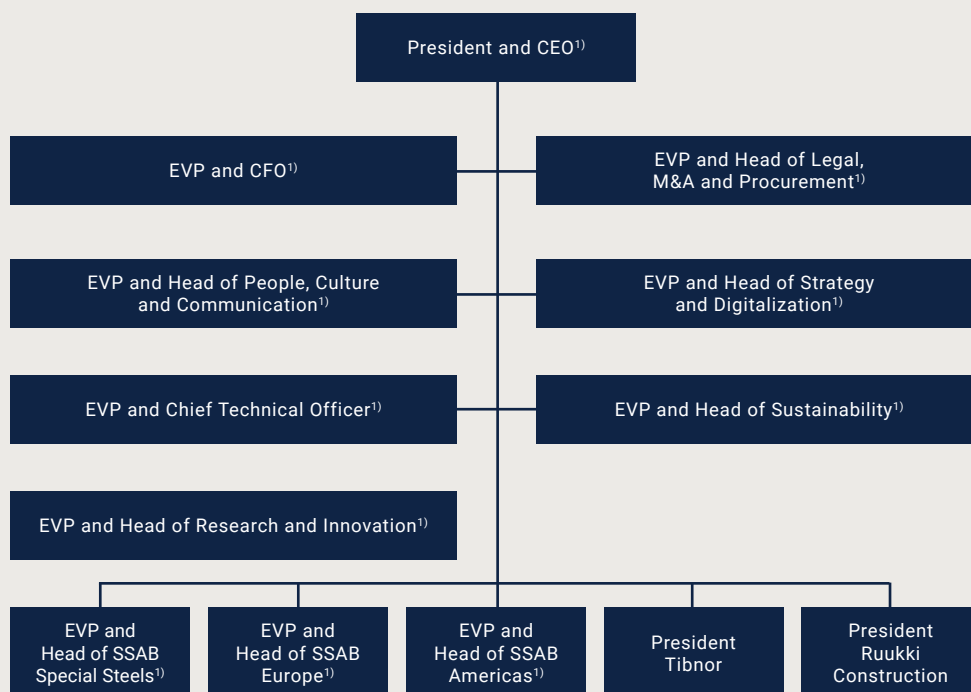
Remuneration report

The Annual General Meeting 2022 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 15, 2022.

¹⁾ Shareholdings include shares owned by closely-related persons.



Group operational management structure



¹⁾ Member of Group Executive Committee.

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 and is linked to the total return on SSAB's share compared to a benchmark group of other companies and the OMXS30 index. The program was introduced to pursue the company's long-term development and to promote the company's ability to recruit and retain key employees. The Annual General Meeting 2022 approved the long-term incentive program for the current financial year.

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

Internal control

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

to the organization and its systems, processes and procedures contributing to the maintenance of control in these areas.

Risk management

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

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

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



Framework for internal control as regards financial reporting

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

Control environment

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

The control environment for financial reporting is ensured through different governing documents, such as directives and instructions. These include a Group accounting directive. Other significant governing documents are the directives regarding financial risks and investments and authorization rules and the

Code of Conduct. The governing documents are updated on a regular basis upon changes in legislation and in standards. Work on communicating the Group's Code of Conduct continued during 2022 and by the turn of 2022/2023, over 96% of the employees had completed the Group's internal training module on business ethics.

Risk assessment

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

Overall risk assessments at the Group level constitute an integrated part of the ongoing reporting to the Group Executive Committee and the Board of Directors, and it constitutes the basis of the assessment of risks for errors in financial reporting. Financial risks, such as exchange risks, refinancing risks, counterparty risks, interest risks and credit risks are mainly managed by the parent company's treasury function, in accordance with the Group's Finance Policy (see Note D.3).

Control activities

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

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

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



Information and communication

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

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

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

Financial information regarding the Group may only be disclosed by the Chairman of the Board, CEO, CFO, Head of Group Communications

and Head of Investor Relations. The divisions may disseminate financial information regarding their operations only after equivalent information has been published by the Group.

Monitoring

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

Internal audit

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

The internal audit is organized at 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.

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

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

During 2022, internal audit conducted regular, independent and objective audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The reviews were conducted in accordance with an adopted audit process and formally completed with a report and a planned follow-up. The result has been regularly submitted to divisional heads and the Audit Committee as regards observations, measures taken and implementation status.

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

Other mandatory disclosures pursuant to Chapter 6, Section 6 of the Annual Reports Act

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

- Of the company's shareholders, LKAB, has direct or indirect shareholdings representing at least one tenth (1/10) of the voting rights carried by all shares in the company. As at December 31, 2022, LKAB's holding accounted for 16% of the total voting rights and 10.5% of the total number of shares.
- There are no restrictions on the number of votes that each shareholder may cast at a general meeting.
- The Articles of Association contain no provisions regarding the removal of directors or the amendment of the Articles of Association.

- The Annual General Meeting has 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 Annual General Meeting of the shareholders in SSAB AB (publ), corporate identity number 556016-3429

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 on pages 67-80 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 13 March, 2023

Rickard Andersson

Authorized Accountant, Ernst & Young AB

Financial information

SSAB's adjusted operating result for 2022 was SEK 29.3 billion, the highest in the company's history. SSAB has a strong financial position, and the Board of Directors proposes a dividend of SEK 8.70 per share for the financial year of 2022.

Board of Directors Report

SSAB AB (publ), registration number 556016-3429, is a global steel company with a leading position in high-strength steels and related services. SSAB's vision is a stronger, lighter and more sustainable world and it aims to be the first steel making company to offer fossil-free steel to the market in 2026 and largely eliminate carbon dioxide emissions from its operations in around 2030.

Key figures

SEK millions	2022	2021
Revenue	128,745	95,891
Adjusted EBITDA ¹⁾	32,675	22,094
Adjusted operating result ¹⁾	29,283	18,837
Operating result	-4,355	18,837
Result before tax	-4,641	18,416
Result for the year	-10,877	14,673
Earnings per share (SEK)	-10.57	14.24
Operating cash flow	22,693	15,296
Net debt/(cash)	-14,287	-2,346
Net debt/equity ratio (%)	-21	-3

¹⁾ Adjusted operating result and adjusted EBITDA exclude items affecting comparability that mainly include impairment of goodwill of SEK 33.3 billion. For information on alternative performance measures see Note A.3.

The market

According to the World Steel Association, global crude steel production for 2022 amounted to 1,879 (1,960) million tonnes, down 4.2% compared to 2021. Chinese steel production decreased by 2%. Steel production decreased in North America by 6% and in the EU-27 by 11%.

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 initial part of the year driven by restocking in connection to Russia's invasion of Ukraine. During the second half of 2022, demand weakened for example in Construction segment. Distributors focused on decreasing inventories and the assessment was that the situation was normal at the end of 2022.

Global demand for high-strength steel was good during 2022. In the latter part of the year, demand was weaker in Europe, but still less affected than standard products. Demand in most other markets remained at a stable level.

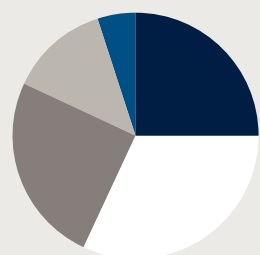
In North America, the price for heavy plate was at a high level during 2022, albeit with a negative trend during the second half. In Europe, market prices for strip and heavy plate rose sharply in connection to Russia's invasion of Ukraine, followed by a negative trend that was reversed with a light pick-up in December. Market prices for similar products in China showed the same trend as in Europe.

Revenue and operating result

Revenue for 2022 was SEK 128,745 (95,891) million, up by SEK 32,854 million or 34% compared with 2021. The increase was primarily related to higher prices and positive currency effects.

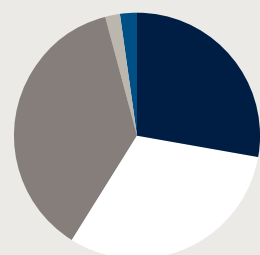
The operating result for 2022 was SEK –4,355 (18,837) million, a decrease of SEK 23,192 million compared to 2021. The decrease is mainly resulting from a goodwill impairment of SEK 33.3 billion at the end of the year. The adjusted operating result amounted to SEK 29,283 (18,873) million, an increase with SEK 10,445 million compared to 2021. Most of the business segments improved their adjusted operating results compared to the previous year.

Share of external revenue 2022



- SSAB Special Steels, 25% (24%)
- SSAB Europe, 32% (36%)
- SSAB Americas, 25% (21%)
- Tibnor, 13% (13%)
- Ruukki Construction, 5% (6%)

Share of adjusted EBITDA 2022



- SSAB Special Steels, 28% (24%)
- SSAB Europe, 31% (41%)
- SSAB Americas, 37% (24%)
- Tibnor, 2% (7%)
- Ruukki Construction, 2% (3%)

Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result ¹⁾		
	2022	2021	Change	2022	2021	Change
SSAB Special Steels	33,666	23,510	10,156	8,292	4,624	3,668
SSAB Europe	50,068	42,311	7,758	8,539	8,095	444
SSAB Americas	32,163	20,680	11,483	12,266	5,412	6,854
Tibnor	16,625	12,377	4,248	451	1,533	-1,082
Ruukki Construction	6,880	5,999	881	536	599	-64
Other	-	-	-	-688	-1,191	503
Depreciation/amortization of surplus values	-	-	-	-114	-235	122
Group adjustments	-10,658	-8,986	-1,672	-	-	-
Total	128,745	95,891	32,853	29,283	18,837	10,445

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

Analysis of total change in revenue and adjusted operating result¹⁾

Revenue		Adjusted operating result	
	Change vs. 2021, %		Change vs. 2021, SEK millions
Volume	-8	Price and product mix	34,180
Price	25	Volume	-2,960
Product mix	1	Variable costs	-16,510
Currency effects	10	Fixed costs	-2,880
Other sales	6	Currency effects	-120
		Capacity utilization	-1,385
		Other	121
Total	34		10,445

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

External revenue on the largest markets

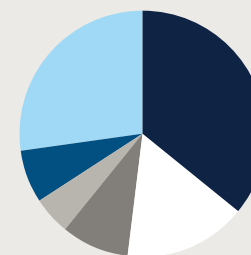
SEK millions	2022	Share, %	2021	Share, %
Sweden	17,949	14	15,261	16
Finland	12,242	10	9,642	10
Other Europe	44,518	35	35,916	37
USA	38,381	30	23,540	25
Rest of the world	15,655	12	11,534	12
Total	128,745	100	95,891	100

Result before tax

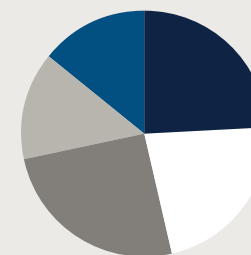
The net financial items for 2022 amounted to SEK –286 (–421) million. The war and the sanctions imposed on Russia impacted the outlook of the Fennovoima project in Finland (Voimaosakeyhtiö SF), which shares were written down by SEK 288 million to zero value. The write-down is reported as other financial expenses and reports as an item affecting comparability. Result before tax amounted to SEK –4,641 (18,416) million.

Result for the year and earnings per share

The result for the year, attributable to shareholders in the parent company, for 2022 was SEK –10,886 (14,662) million, equating to SEK –10.57 (14.24) per share, which includes goodwill impairment of SEK 33.3 billion. Adjusted result per share amounted to SEK 22.38 (14.24). Income taxes amounted to SEK –6,235 (–3,743) million.

The Group's cost structure

- Input materials, 36% (51%)
- Manufacturing costs, 16% (17%)
- Personnel costs, 9% (15%)
- Energy, 5% (6%)
- Purchased products, 7% (7%)
- Depreciation, amortization and impairments, 27% (4%)

Input materials

- Iron ore, pellets 24% (35%)
- Coal, 22% (13%)
- Scrap, 25% (26%)
- Alloys, 14% (11%)
- Other, 14% (16%)

Major maintenance outages

The table below shows the major maintenance outages completed in 2022 and 2021. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins. The increase compared to 2021 was partly related to the Raabe blast furnace maintenance brought forward due to the low demand in the second half of 2022.

Major maintenance outages in 2022 and 2021

SEK millions	2022 Q1	2021 Q1	2022 Q2	2021 Q2	2022 Q3	2021 Q3	2022 Q4	2021 Q4	2022 Full-year	2021 Full-year
SSAB Special Steels	–	–	–	–	90	440	400	150	490	590
SSAB Europe	–	–	–	–	205	270	450	160	655	430
SSAB Americas	–	–	–	–	335	–	60	250	395	250
Total	–	–	–	–	630	710	910	560	1,540	1,270

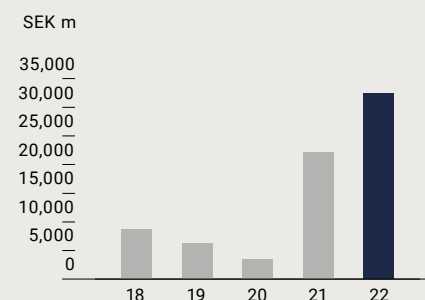
Raw materials

SSAB sources iron ore primarily from LKAB in Sweden 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 prices. SSAB's mills in the USA use recycled steel material and source scrap metal on the spot market. The lead time and payments terms for iron ore have a combined effect, which impacts the result after a lag of around one quarter, while coking coal has a lag of around one and a half quarter. Scrap purchase prices have a lag of around one month.

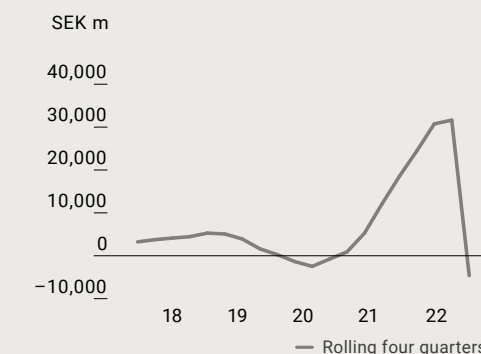
Change in SSAB's average purchase prices in 2022

% change	Change vs. 2021	
	USD	SEK
Iron ore	–14%	1%
Coking coal	117%	158%
Scrap metal	–6%	11%

EBITDA



Result before tax



Transformation to fossil-free steel

During 2022, SSAB consolidated its position as leader in the green transition in the steel industry by taking significant steps in fossil-free steelmaking development. SSAB continued to deliver fossil-free steel to strategic customer segments such as Automotive, Heavy Transport and Construction Machinery. SSAB's transformation to fossil-free steelmaking in around 2030 continues and feasibility studies for the planned mini-mills in Luleå and Raabe are ongoing and during the fourth quarter, the public consultation process for the plant in Luleå was launched. The transformation of SSAB's Nordic steel production will mean greater flexibility, shorter lead times and a virtual end to carbon dioxide emissions from our own operations. The plan involves replacing the blast furnaces and coke plants with new integrated mini-mills with electric arc furnaces, rolling mills and further processing.

Production and shipments

Both crude steel and rolling production were 11% lower during 2022 compared to 2021. SSAB's steel shipments amounted to 6,341 (6,921) thousand tonnes, a decrease of 8% compared to 2021.

Production and shipments

Thousand tonnes	2022	2021
Crude steel production	7,293	8,179
Rolling production	6,727	7,568
Shipments	6,341	6,921

Cash flow, financing and liquidity

Operating cash flow for 2022 increased to SEK 22,693 (15,296) million, primarily due to higher result. This was counteracted by higher working capital, primarily by larger inventories. Net cash flow, after dividend of SEK 5,406 (-) million, amounted to SEK 8,748 (12,436) million. Net cash on December 31, 2022 amounted to SEK 14,287 (2,346) million.

The term to maturity of the total loan portfolio at December 31, 2022, averaged 5.7 (6.2) years, with an average fixed interest period of 0.9 (1.2) years.

Cash and cash equivalents were SEK 24,900 (13,796) million and non-utilized credit facilities were SEK 10,258 (8,605) million, which combined corresponds to 27% (23%) of the full-year revenue.

Capital expenditures

During 2022, capital expenditure payments amounted to SEK 4,765 (3,175) million, of which SEK 2,568 (1,122) million were strategic investments, including acquisitions and divestments of businesses. The strategic investments are primarily related to Oxelösund for the conversion to fossil-free steelmaking and to Mobile for increased capacity of high strength steel products (Q&T).

Operating cash flow and net debt

SEK millions	2022	2021
Operating result before depreciation/amortization	32,340	22,094
Change in working capital	-8,279	-5,485
Maintenance expenditures	-2,196	-2,053
Other	828	741
Operating cash flow	22,693	15,296
Financial items	-17	-373
Taxes	-5,947	-1,357
Cash flow from current operations	16,729	13,566
Strategic expenditures in plant and machinery	-1,952	-835
Acquisition of shares and operations	-616	-130
Cash flow before dividend	14,161	12,602
Dividend paid to shareholders	-5,406	-
Dividend, non-controlling interest	-7	-9
Acquisition shares from non-controlling interest	-	-157
Net cash flow	8,748	12,436
Net cash (+)/debt (-) at beginning of period	2,346	-10,278
Net cash flow	8,748	12,436
Other ¹⁾	3,194	188
Net cash (+)/debt (-) at the end of period	14,287	2,346

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

Return on capital employed and equity

Return on capital employed for 2022 was –1% (27%) and return on equity was –12% (23%). The figures for 2022 include the goodwill impairment of SEK 33.3 billion.

Equity

With result of SEK –10,886 (14,662) million and other comprehensive income (mostly consisting of translation differences) of SEK 9,898 (4,906) million, equity to the shareholders of the parent company amounted to SEK 67,124 (73,477) million, corresponding to SEK 65.18 (71.35) per share.

Assets with indefinite useful life

The Group's assets with indefinite useful life are allocated to the Group's cash-generating units as shown in the table below.

Assets with an indefinite useful life per cash-generating unit

SEK millions	Dec 31 2022	Dec 31 2021
SSAB Special Steels	–	16,464
SSAB Americas	–	11,119
SSAB Europe	–	2,130
Tibnor	31	523
Ruukki Construction	318	140
Total goodwill	349	30,375
Ruukki Construction (Rautaruukki trade name)	440	405
Total assets with an indefinite useful life	798	30,780

Goodwill is tested for impairment annually at the end of the fourth quarter or if there is an indication of a decline in value. The goodwill items are primarily related to the acquisitions of IPSCO and Rautaruukki, which were completed in 2007 and 2014, respectively. The impairment test for 2022 resulted in a goodwill impairment of all the goodwill, primarily related to these acquisitions, in total SEK 33.3 billion. The impairment has been reported as an item affecting comparability and had no impact on the cash flow. The background of the impairment was increased interest rates and a change of method in the impairment test. For more information, see Note C.1.

Dividend and allocation of profit

A dividend of SEK 8.70 (5.25) per share is proposed for the financial year of 2022. Consideration relating to proposed allocation of profit in Note D.7 and Proposed allocation of profit on p. 179 are 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.

The segment information excludes the depreciation/amortization on surplus values on intangible and tangible assets relating to the acquisitions of IPSCO and Rautaruukki as well as items affecting comparability. For more information about business segments, see p. 23 and Note B.1.

SSAB Special Steels

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

Full year in brief

- Shipments decreased to 1,419 (1,462) thousand tonnes
- Adjusted EBITDA margin increased to 28% (24%)
- Adjusted operating result increased to SEK 8,292 (4,624) million

Key figures

SEK millions	2022	2021
Revenue	33,666	23,510
Adjusted EBITDA	9,320	5,567
Adjusted operating result	8,292	4,624
Operating result	-10,202	4,558
Operating cash flow	5,044	3,916
Number of employees at end of period	4,072	3,922

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values of SEK 78 (65) million on tangible and intangible assets related to the acquisition of IPSCO. A goodwill impairment of SEK 18,139 million was made in 2022, and was reported as item affecting comparability.

Production and shipments

Thousand tonnes	2022	2021
Crude steel production	2,309	2,312
Rolling production	1,667	1,667
Shipments	1,419	1,462

Development in 2022

During 2022, the demand was strong in several customer segments, however demand in Europe weakened in the latter part of the year, while the American market remained stable.

Both crude steel production and rolling production were at the same levels in 2022 compared to 2021. During 2022, shipments were down 3% compared to 2021.

Revenue was up by 43% compared to 2021 and amounted to SEK 33,666 (23,510) million. Higher prices had a positive impact of 33 percentage points and currency effects of 10 percentage points. Other revenue contributed with 3 percentage points, whereas lower shipments had a negative effect of 3 percentage points. The adjusted operating result for 2022 amounted to SEK 8,292 (4,624) million, an increase of SEK 3,668 million compared to 2021. The increase was mainly related to higher prices.

The operating cash flow for 2022 amounted to SEK 5,044 (3,916) million. The improvement was mainly related to the higher result, which was offset by higher working capital. Capital expenditure payments during 2022 amounted to SEK 2,239 (1,153) million, of which SEK 1,450 (533) million were strategic investments.

SSAB Europe

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

Full year in brief

- Shipments decreased to 3,174 (3,588) thousand tonnes
- Adjusted EBITDA margin decreased to 20% (23%)
- Adjusted operating result increased to SEK 8,539 (8,095) million

Key figures

SEK millions	2022	2021
Revenue	50,068	42,311
Adjusted EBITDA	10,171	9,640
Adjusted operating result	8,539	8,095
Operating result	6,309	7,957
Operating cash flow	6,239	5,893
Number of employees at end of period	6,682	6,705

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values of SEK 5 (138) million on tangible and intangible assets related to the acquisition of Rautaruukki. A goodwill impairment of SEK 2,209 million was made in 2022, and was reported as item affecting comparability.

Production and shipments

Thousand tonnes	2022	2021
Crude steel production	3,911	4,635
Rolling production	4,040	4,741
Shipments	3,174	3,588

Development in 2022

In the beginning of 2022, demand was strong, driven by restocking in connection to Russia's invasion of Ukraine. This was followed by a negative trend in demand, especially in the Construction segment, which was impacted by higher interest rates and rising inflation.

During 2022, crude steel production decreased with 11% and rolling production with 15% compared to 2021. During 2022, shipments were 12% lower compared to 2021 due to the maintenance outage in Raahé.

Revenue was up by 18% compared to 2021 and amounted to SEK 50,068 (42,311) million. Higher prices had a positive impact of 24 percentage points, currency effects of 4 percentage points and other revenue of 2 percentage points while lower volumes had a negative effect of 12 percentage points. The adjusted operating result for 2022 increased to SEK 8,539 (8,095) million, up by SEK 444 million compared to 2021. Higher prices had a positive impact, but that was partly counteracted by higher raw material costs as well as lower shipments.

Operating cash flow for 2022 amounted to SEK 6,239 (5,893) million. The higher result had a positive impact, which was offset by higher working capital. Capital expenditure payments during 2022 were SEK 1,411 (1,299) million, of which SEK 251 (164) million were strategic investments.

SSAB Americas

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

Full year in brief

- Shipments amounted to 1,748 (1,871) thousand tonnes
- Adjusted EBITDA margin increased to 39% (27%)
- Adjusted operating result increased to SEK 12,266 (5,412) million

Key figures

SEK millions	2022	2021
Revenue	32,163	20,680
Adjusted EBITDA	12,474	5,587
Adjusted operating result	12,266	5,412
Operating result	-139	5,406
Operating cash flow	12,075	4,922
Number of employees at end of period	657	644

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values of SEK 5 (6) million on tangible and intangible assets related to the acquisition of IPSCO. A goodwill impairment of SEK 12,401 million was made in 2022, and was reported as item affecting comparability.

Production and shipments

Thousand tonnes	2022	2021
Crude steel production	1,073	1,233
Rolling production	1,019	1,160
Shipments	1,748	1,871

Development in 2022

During 2022, demand in the North American heavy plate market was on a good level. Prices had a positive trend during the first half of the year, but trended negatively during the second half but remained at a high level.

In 2022, crude steel production decreased by 13% and rolling production by 12% compared to 2021. Shipments were down by 7% compared to 2021 due to maintenance outage during 2022.

Revenue increased by 56% compared to 2021 and amounted to SEK 32,163 (20,680) million. Higher prices had a positive effect of 37 percentage points, currency effects of a positive effect of 23 percentage points, other revenue a positive effect of 2 percentage points as well as better product mix of 1 percentage point. Lower volumes had a negative impact of 7 percentage points. The adjusted operating result amounted to SEK 12,266 (5,412) million, an increase of SEK 6,854 million compared to 2021. The higher result were mainly attributable to higher prices and improved product mix, which was partly counteracted by higher variable costs.

The operating cash flow during 2022 amounted to SEK 12,075 (4,922) million. The cash flow was positively impacted by improved result. Capital expenditure payments during 2022 amounted to SEK 213 (149) million, of which SEK 29 (10) million was strategic investments.

Tibnor

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

Full year in brief

- Adjusted EBITDA margin decreased to 4% (14%)
- Adjusted operating result amounted to SEK 451 (1,533) million

Key figures

SEK millions	2022	2021
Revenue	16,625	12,377
Adjusted EBITDA	616	1,680
Adjusted operating result	451	1,533
Operating result	-108	1,512
Operating cash flow	-386	500
Shipments, thousand tonnes	875	869
Number of employees at end of period	1,070	1,007

Adjusted operating result excludes items affecting comparability and depreciation/amortization on surplus values of SEK 17 (21) million on tangible and intangible assets related to the acquisition of Rautaruukki. A goodwill impairment of SEK 542 million was made in 2022, and it was reported as item affecting comparability.

Development in 2022

The first half of 2022 was characterized by high activity and restocking in connection to Russia's invasion of Ukraine. Demand weakened in the second half of 2022.

Revenue increased by 34% compared to 2021 and amounted to SEK 16,625 (12,377) million. The increase was attributable to higher prices and higher shipments. The adjusted operating result for 2022 amounted to SEK 451 (1,533) million, a decrease with SEK 1,082 million compared to 2021. The lower result was primarily attributable to inventory losses due to the fall in steel prices during a large part of 2022.

In 2022, Tibnor acquired 100% of the shares in the Swedish entities, Swestål AB and Swe Distribution & Logistics AB, with an annual revenue of approximately SEK 160 million as well as Askims Rostfria Stål och Imero Höglund, with consolidated revenue of approximately SEK 130 million. In addition, 100% of the shares in TM Rauta Oy, Finland, with an annual revenue of approximately SEK 200 million was acquired.

The operating cash flow for 2022 amounted to SEK -386 (500) million. Cash flow was impacted by the lower result. Capital expenditure payments during 2022 amounted to SEK 306 (99) million, of which SEK 41 (22) million were strategic investments and SEK 209 (24) million business acquisitions.

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.

Full year in brief

- Adjusted EBITDA margin was 11% (13%)
- Adjusted operating result amounted to SEK 536 (599) million

Key figures

SEK millions	2022	2021
Revenue	6,880	5,999
Adjusted EBITDA	734	762
Adjusted operating result	536	599
Operating result	475	597
Operating cash flow	593	466
Number of employees at end of period	1,498	1,403

Operating profit excludes depreciation/amortization on surplus values of SEK 11 (3) million on tangible and intangible assets related to the acquisition of Rautaruukki.

Development in 2022

Demand slowed down during 2022, following the increase in inflation and interest rate, which impacted the activity in the construction market.

Revenue increased by 15% in 2022 compared to 2021 and amounted to SEK 6,880 (5,999) million. Adjusted operating result for 2022 amounted to SEK 539 (599) million, down by SEK 63 million compared to 2021. The decrease compared to 2021 was mainly due to lower margins as the construction sector slowed down during the second half of 2022.

During 2022, Ruukki Construction Oy acquired 90% of the shares in Dala-Profil AB, a Swedish sheet metal solutions provider. Ruukki Construction Oy also acquired 100% of the shares in the Finnish entities Poimukate Oy, including 40% of the shares in Eliittikatot Oy, and 60% of the shares in Vimpelin Listapalvelu Oy. For more information, see Note E.2.

The operating cash flow for 2022 amounted to SEK 593 (466) million. Cash flow was impacted positively by released working capital. Capital expenditure payments during 2022 amounted to SEK 570 (294) million, of which SEK 180 (106) million were strategic investments and SEK 328 (127) million were business acquisitions.

Research and development

Research and development activities are focusing on areas that improve the profitability of SSAB. Close collaboration with strategic customers and customer segments provide conditions for a market-driven product development that creates increased value also for end-customers. This is particularly evident for SSAB's high-strength steels, where also technical customer support is an important part of research and development. Continuous work is also carried out in the process development for increased cost efficiency, sustainable processes and energy conservation. During the year, research and development investments amounted to SEK 360 (352) million.

Environment

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

The most important environmental aspects for SSAB are:

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

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

Permitted production at the Swedish plants¹⁾

Thousand tonnes	Location	Permitted production	Production 2022	Production 2021
Coke	Luleå	800	653	533
	Oxelösund	530	356	355
Hot metal	Luleå ²⁾	–	1,896	2,017
	Oxelösund	2,000	924	975
Steel slabs	Luleå	2,500	1,796	1,887
	Oxelösund	1,900	983	1,034
Hot-rolled steel	Borlänge	3,200	1,951	2,180
	Oxelösund ³⁾	1,000	559	578
Pickled steel	Borlänge	2,500	1,197	1,346
Cold-rolled steel	Borlänge	1,400	651	699
Annealed steel	Borlänge	900	556	621
Organic-coated products	Köping	30	21	21
	Finspång ⁴⁾	40	28	36
Steel tubes	Virso	125	17	15

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, see p. 28–59. The sustainability report is prepared by SSAB AB (publ) and covers the Group. For sustainability information on business model, environmental issues, social conditions and personnel as well as respect for human rights and countering corruption, see page references below. For SSAB's report according to EU's taxonomy regulation, see p. 39–41.

Business model	Environmental issues	Social conditions and personnel	Respect for human rights	Combating corruption
Page 4–27	Page 32–44	Page 45–50	Page 53	Page 54

Personnel

On December 31, 2022, the number of employees (excluding temporary employees) amounted to 14,568 (14,235). The total compensation to employees, including social security expenses and pension costs, amounted to SEK 12,091 (10,831) million. More information about compensation to employees, see Note B.4.

Number of employees per business segment at year-end

	2022	2021
SSAB Special Steels	4,072	3,922
SSAB Europe	6,682	6,705
SSAB Americas	657	644
Tibnor	1,070	1,007
Ruukki Construction	1,498	1,403
Other	589	554
Total	14,568	14,235

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. 18–22.

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

Risk governance and management process

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

SSAB's Enterprise Risk Management process is integrated into 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 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 to achieve SSAB's strategic objectives and targets and ensure business continuity, even in the event of turbulence in the global steel market. The risk assessment addresses two types of risks:

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

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

Operational risks

Internal risks

Top internal risks are briefly commented on 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. Production downtime may occur because of unanticipated mechanical failures or other events. Disruptions to the production process could have a material adverse effect on SSAB's operations and customer service levels	Mitigating actions include preventive equipment and system risk assessments, and keeping spare parts to reduce the downtime. Mitigations also include maintaining stocks of critical raw materials, products in progress and finished products as well as analyzing vendors and incoming flows. SSAB also has business continuity plans, property damage insurance and business disruption insurance in place. Continuity plans include measures to protect personnel in critical functions, for example during a pandemic.
Information system (IT) security breaches and/or breakdowns	SSAB is dependent on an efficient IT infrastructure to avoid harm related to cyber-crime such as data breaches, data theft, unauthorized access or successful hacking.	SSAB has a cyber-security program in place, including risk assessments to legacy systems, training, and awareness activities.
Failure to attract, retain and develop the 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 motivated, qualified employees across the organization.	SSAB is running several programs to improve its attractiveness as an employer, e.g. through collaborations with universities, nurturing talents with long-term career planning, and active succession planning.
Serious safety hazards and personnel accidents	As a manufacturing company, SSAB is subject to the risk of industrial accidents that could lead to production stoppages, the loss of key assets and employees, subcontractors and suppliers, or injuries to persons living near affected sites.	SSAB's Health and Safety program is governed by Directives and Instructions, implemented across the company. Fundamental safety measures are continuously taken, for example, risk assessments and continuous preventive training of employees and contractors.

Operational risks cont.

Risk factor	Risk description	Mitigation
Loss of major customers and market share	SSAB's customers may experience problems, due to, for example, an economic downturn, that leads to significantly lower business for SSAB, or the customer may switch to a competitor.	SSAB's sales organizations continue to work on customer mix and segments, and maintain close collaboration with customers to understand demand development.
Employees committing fraud and/or engaging in corruption activities	Failure to address corruption, bribery and other issues related to business ethics could not only have negative impacts on SSAB's reputation and brand, but also lead to a financial impact such as fines.	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.
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 delivery performance to customers.	SSAB has taken several measures such as improving production stability and forecasting, accurate order processing, and increasing mill-to-mill flexibility.

External risks

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

Risk factor	Risk description	Mitigation
Economic downturn/worsened steel demand in SSAB markets	The steel industry is sensitive to business cycle fluctuations, where changing demand combined with relatively fixed capacity leads to rapid movements in prices and margins.	SSAB's strategy is to focus on the 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 relative to its competitors. In addition, a strong financial position is making SSAB more resilient to any downturns.



Operational risks cont.

Risk factor	Risk description	Mitigation
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.	SSAB aims to develop raw material supplies, including various scrap grades, and to secure dual source supply where possible. Limited volume of iron ore purchases is price-hedged. Most of the price risk in electricity is hedged through electricity derivatives and physical delivery.
Risk of delays in transforming to fossil-free steelmaking	SSAB has started work on transforming to fossil-free steelmaking, replacing the blast furnaces with electric arc furnaces. In addition, Hybrit Development AB 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 transformation 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 SSAB work closely with key suppliers and other important stakeholders. SSAB also maintains active dialogue with local society to get a good understanding of the conditions.
Uncertainties regarding development of the price of CO ₂ 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 has one of the most CO ₂ -efficient blast furnace operations in Europe, which reduces the need for additional emission 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 also working on the transformation to fossil-free production, earlier than originally planned.
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.	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 revising 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.	SSAB's 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 drive product development. Furthermore, SSAB continues with the home market strategies and automotive focus, but also works on downstream joint ventures and acquisitions.
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. The demonstration plant in Gällivare will be completed in 2025. 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 severity and frequency of extreme weather	Extreme weather, such as hurricanes and flooding, can have a negative impact on SSAB's operations, and on the demand for SSAB's products.	SSAB takes physical climate risks into consideration in 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 D.3 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 funding.	The borrowing strategy is focused on securing the Group's needs for loan financing with regard to long-term loans and SSAB's day-to-day payment obligations to its lenders and suppliers. Borrowing takes place primarily through the Parent Company, taking into consideration the Group's financial targets. For mitigating liquidity and refinancing risk, SSAB has sufficient cash balance and committed credit lines in place. The refinancing risk is minimized by diversifying funding sources with the objective that long-term loans will have an even maturity and an average term to maturity in excess of three years. The liquidity buffer (i.e. non-utilized, binding credit facilities, as well as cash and cash equivalents) shall, depending on the net debt/equity ratio, exceed 5%–10% of the Group's sales.
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.

Financial risks and sensitivity analysis, cont.

Risk factor	Risk description	Mitigation
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 is approximately 1 year but is permitted to vary between 0.5 and 2.5 years.
Currency flow 2022	SEK m Legend: ■ Outflow ■ Inflow	Currency risks: SSAB's currency exposure, related to translation exposure, largely relates to the translation risk regarding net assets of foreign subsidiaries. This exposure is partly hedged through borrowing in foreign currency. The objective is to minimize the foreign exchange impact on the net debt/equity ratio. As a consequence of the strong cash flow and resulting positive net cash position there are no net gearing hedges currently, in the case of a change in net debt position the hedges will be reinstalled according to financial instructions. In order to manage the transaction risk, contracted commercial currency flows are hedged. Major investments and projects decided upon in foreign currency are hedged. The Group's most important currency flows are shown in the adjacent diagram.

Sensitivity analysis

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

	Change, %	Effect on result before tax, SEK millions	Effect on earnings per share, SEK ⁽²⁾	Effect on equity, SEK million ⁽²⁾
Steel price – steel operations	+/- 10	+/- 10,630	+/- 8.06	+/- 8,302
Volume – steel operation ⁽¹⁾	+/- 10	+/- 3,800	+/- 2.88	+/- 2,968
Iron ore prices	+/- 10	+/- 1,170	+/- 0.89	+/- 914
Coal prices	+/- 10	+/- 830	+/- 0.63	+/- 648
Scrap metal prices	+/- 10	+/- 1,220	+/- 0.93	+/- 953
Interest rate	+/- 1%-point	+/- 160	+/- 0.12	+/- 125
Swedish Krona ⁽³⁾	+/- 5	+/- 1,740	+/- 1.32	+/- 1,359

⁽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 exchanges.

Share capital

On December 31, 2022, there are in total 1,029,835,326 shares in SSAB, of which 304,183,270 are class A shares, corresponding to 304,183,270 votes, and 725,652,056 are class B shares, corresponding to 72,565,205.6 votes, 376,748,475.6 votes in total. Each class A share carries one vote and each class B share carries one tenth of one vote. SSAB's share capital is SEK 9,063 million. The quotient value per share is SEK 8.80.

Ownership structure

At year-end 2022, SSAB had 219,080 shareholders. SSAB's three largest owners in terms of voting rights at year-end 2022 were:

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

The ten largest identifiable owners together held approximately 44.4% of votes and 29.1% of share capital at the end of December 2022. Ownership outside Sweden and Finland was 24.3% (18.9% at the end of 2021) of the votes. More information on pp. 62–63.

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 on pp. 67–81 in the Annual Report 2022.

Outlook for the first quarter of 2023

There is continued uncertainty against a background of rising inflation and higher interest rates, among other things, as well as the risks of continued negative fallout from the war in Ukraine. The European market is assessed to have stabilized following the downturn during the second half of 2022. Demand on the heavy plate market in North America is expected to be relatively stable, even if prices have softened from high levels. Global demand for high-strength steel, which has been strong on many markets, has slowed somewhat, mainly in Europe.

Major planned maintenance outages 2023

The Group's total maintenance costs for 2023 are expected to be SEK 1,550 (1,540) million. The table below shows the expected costs of major planned maintenance outages for 2023 and the costs of outages completed during 2022 and 2021. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

Major planned maintenance outages in 2023

SEK millions	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 Full-year	2022 Full-year	2021 Full-year
SSAB Special Steels	–	–	275	400	675	490	590
SSAB Europe	–	–	350	200	550	655	430
SSAB Americas	–	–	175	150	325	395	250
Total	–	–	800	750	1,550	1,540	1,270



5-year summary

Key figures

	2022	2021	2020	2019	2018
Revenue, SEK millions	128,745	95,891	65,396	76,485	74,941
Operating result, SEK millions	-4,355	18,837	-325	1,961	4,940
Operating margin (%) *	-3	20	0	3	7
Adjusted operating result, SEK millions *	29,283	18,837	-325	2,159	5,181
EBITDA, SEK millions *	32,340	22,094	3,364	6,177	8,712
Result before tax, SEK millions	-4,641	18,416	-802	1,572	4,403
Result for the year attributable to the Parent Company's shareholders, SEK millions	-10,886	14,662	-510	1,075	3,549
Capital expenditure, SEK millions *	5,460	3,512	2,437	4,079	2,559
Operating cash flow, SEK millions *	22,693	15,296	3,460	5,194	5,969
Net cash flow, SEK millions *	8,748	12,436	2,180	-289	3,435
Net debt/(cash), SEK millions * ¹⁾	-14,287	-2,346	10,278	11,696	10,527
Total assets, SEK millions	109,711	112,019	88,601	93,978	92,487
Return on capital employed (%) *	-1	27	2	3	7
Return on equity (%) *	-12	23	-1	2	6
Equity ratio (%) *	61	66	61	64	64
Net debt/equity ratio (%) * ¹⁾	-21	-3	19	19	18
Dividend per share (SEK), 2022 – proposal	8.70	5.25	0.00	0.00	1.50
Earnings per share (SEK)	-10.57	14.24	-0.50	1.04	3.45
Average number of employees	15,799	15,255	15,121	15,829	16,133
Production of crude steel, thousand tonnes	7,293	8,179	7,535	7,623	8,028
Rolling production, thousand tonnes	6,727	7,568	6,937	6,994	7,391
Steel shipments, thousand tonnes	6,341	6,921	6,560	6,560	6,899

¹⁾ Opening balance on January 1, 2019 has been adjusted for IFRS 16.

* Alternative performance measure, see Note A.3 to the consolidated financial statements for more information.

Consolidated statements

Consolidated statement of profit or loss

SEK millions	Note	2022	2021
Revenue	B.2	128,745	95,891
Costs of goods sold	B.3	-127,096	-72,425
Gross profit		1,649	23,466
Selling expenses	B.3	-2,654	-2,125
Administrative expenses	B.3	-2,910	-2,494
Other operating income	B.2	1,563	962
Other operating expenses	B.3	-2,028	-949
Shares of earnings in affiliated companies and joint ventures after tax	B.5	26	-22
Operating result		-4,355	18,837
Financial income	D.6	3,284	2,095
Financial expenses	D.6	-3,570	-2,516
Result before tax		-4,641	18,416
Income taxes	E.1	-6,235	-3,743
Result for the year		-10,877	14,673
Of which attributable to:			
Parent Company's shareholders		-10,886	14,662
Non-controlling interests		10	11
Earnings per share, SEK¹⁾	D.7	-10.57	14.24
Dividends per share, 2022 – proposal, SEK	D.7	8.70	5.25

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

Consolidated statement of comprehensive income

SEK millions	Note	2022	2021
Result for the year		-10,877	14,673
Other comprehensive income			
Items that may be subsequently reclassified to the profit or loss:			
Translation differences	D.7	8,681	4,745
Translation differences due to hyperinflation, net of tax		25	-
Cash flow hedges	D.7	1,033	348
Currency risk hedging in foreign operations	D.7	371	-218
Income tax on items that may be subsequently reclassified to the profit or loss	E.1	-284	-25
Total items that may be subsequently reclassified to the profit or loss		9,826	4,850
Items that will not be reclassified to the profit or loss:			
Net defined benefit liability re-measurement	D.8	105	71
Income tax on items that will not be reclassified to the profit or loss	E.1	-29	-12
Total items that will not be reclassified to the profit or loss		77	59
Total other comprehensive income for the year, net after tax		9,903	4,909
Total comprehensive income for the year		-974	19,581
Of which attributable to:			
Parent Company's shareholders		-988	19,568
Non-controlling interest		14	13

Consolidated statement of financial position

SEK millions	Note	Dec 31 2022	Dec 31 2021
ASSETS			
Non-current assets			
Intangible assets	C.1	1,416	31,455
Tangible fixed assets	C.1	26,087	23,044
Right-of-use assets	C.2	2,326	2,457
Investments in affiliated companies and joint ventures	B.5	1,004	952
Deferred tax receivables	E.1	621	309
Non-current derivative assets	D.3	735	94
Other non-current assets	D.5	248	514
Total non-current assets		32,436	58,824
Current assets			
Inventories	C.3	37,907	25,599
Accounts receivable	C.4	12,048	10,870
Current tax receivables		205	452
Current derivative assets	D.3	839	643
Current interest-bearing receivables	D.2	40	987
Other current receivables	C.4	1,335	849
Cash and cash equivalents	D.2	24,900	13,796
Total current assets		77,275	53,195
TOTAL ASSETS		109,711	112,019

SEK millions	Note	Dec 31 2022	Dec 31 2021
EQUITY AND LIABILITIES			
Equity			
Share capital		9,063	9,063
Other contributed funds		23,022	23,022
Reserves		15,891	6,095
Retained earnings including profit for the year		19,149	35,298
Total equity for the shareholders in the Parent Company	D.7	67,124	73,477
Non-controlling interests			
		66	31
TOTAL EQUITY		67,191	73,508
Non-current liabilities			
Deferred tax liabilities	E.1	3,115	1,476
Liabilities from pension obligations	D.8	318	452
Non-current provisions	C.5	232	179
Non-current derivative liabilities	D.3	–	1
Non-current interest-bearing liabilities	D.2	6,291	8,492
Non-current lease liabilities	C.2	1,813	1,920
Other non-current liabilities	C.4	204	218
Total non-current liabilities		11,973	12,736
Current liabilities			
Current provisions	C.5	227	56
Accounts payable	C.4	19,566	16,219
Current tax liabilities		805	1,662
Current derivative liabilities	D.3	342	38
Current interest-bearing liabilities	D.2	1,882	1,430
Current lease liabilities	C.2	691	670
Other current liabilities	C.4	7,032	5,699
Total current liabilities		30,547	25,774
TOTAL EQUITY AND LIABILITIES		109,711	112,019

Consolidated statement of changes in equity

SEK millions	Note	2022							2021						
		Equity attributable to the Parent Company's shareholders							Equity attributable to the Parent Company's shareholders						
		Share capital	Other contributed funds	Reserves	Retained earnings incl. profit for the year	Total	Non-controlling interest	Total equity	Share capital	Other contributed funds	Reserves	Retained earnings incl. profit for the year	Total	Non-controlling interest	Total equity
Equity, January 1		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
Translation differences	D.7	–	–	8,677	–	8,677	3	8,681	–	–	4,742	–	4,742	2	4,745
Cash flow hedges	D.7	–	–	1,033	–	1,033	–	1,033	–	–	348	–	348	–	348
Tax on cash flow hedges	E.1	–	–	–208	–	–208	–	–208	–	–	–70	–	–70	–	–70
Currency risk hedging in foreign operations		–	–	371	–	371	–	371	–	–	–218	–	–218	–	–218
Tax on the currency risk hedging in foreign operations	E.1	–	–	–77	–	–77	–	–77	–	–	45	–	45	–	45
Net defined benefit liability re-measurements	D.8	–	–	–	105	105	–	105	–	–	–	71	71	–	71
Tax on the net defined benefit liability re-measurements	E.1	–	–	–	–29	–29	–	–29	–	–	–	–12	–12	–	–12
Translation differences due to hyperinflation		–	–	–	25	25	–	25	–	–	–	–	–	–	–
Total other comprehensive income		–	–	9,796	101	9,899	3	9,903	–	–	4,848	59	4,907	2	4,909
Result for the year ¹⁾		–	–	–	–10,886	–10,886	10	–10,877	–	–	–	14,662	14,662	11	14,673
Total comprehensive income		–	–	9,796	–10,785	–988	14	–974	–	–	4,848	14,721	19,568	13	19,581
Non-controlling interests in acquisitions		–	–	–	–	–	29	29	–	–	–	–	–	–	–
Investments, non-controlling interest		–	–	–	42	42	–	42	–	–	–	–78	–78	–82	–160
Dividend, Parent Company's shareholders		–	–	–	–5,406	–5,406	–	–5,406	–	–	–	–	–	–	–
Dividend, non-controlling interest		–	–	–	–	–	–7	–7	–	–	–	–	–	–9	–9
Equity, December 31		9,063	23,022	15,891	19,149	67,124	66	67,191	9,063	23,022	6,095	35,298	73,477	31	73,508

¹⁾ Result for the year includes goodwill impairment of SEK 33.3 billion.

Consolidated statement of cash flows

SEK millions	Note	2022	2021
BUSINESS OPERATIONS			
Result from operating activities			
Operating result		-4,355	18,837
Reversal of non-cash items:			
Shares of earnings in affiliated companies and joint ventures		-26	22
Depreciation, amortization and impairment of fixed assets	C.1	36,695	3,257
Gain/loss on sale of fixed assets		-43	-1
Gain/loss on sale of businesses		14	-
Change in provisions		133	5
Other reversals		-19	-32
Interest received		457	139
Interest paid		-474	-512
Tax paid		-5,947	-1,357
		26,435	20,358
Working capital			
Inventories		-10,387	-7,566
Accounts receivable		-312	-3,667
Accounts payable		2,271	4,762
Other current receivables		-1,273	-326
Other current liabilities		1,422	1,311
		-8,279	-5,485
CASH FLOW FROM OPERATING ACTIVITIES		18,156	14,873

SEK millions	Note	2022	2021
INVESTING ACTIVITIES			
Investments in plant and machinery	C.1	-4,948	-3,382
Divestment of plant and machinery	C.1	1,537	1,235
Investments/acquisitions of businesses	E.2	-433	-32
Investments/contributions in affiliated companies and joint venture		-79	-98
Other investing activities		32	5
CASH FLOW FROM INVESTING ACTIVITIES		-3,891	-2,272
FINANCING ACTIVITIES			
Dividend to shareholders of the parent company	D.7	-5,406	-
Dividend to non-controlling interest		-7	-9
Investments in non-controlling interest		-	-157
Borrowing of new debt	D.2	-	4,337
Repayment of debt	D.2	-2,324	-10,011
Financial investments		1,229	-133
Other financing activities		5,785	944
CASH FLOW FROM FINANCING ACTIVITIES		-723	-5,029
CASH AND CASH EQUIVALENTS			
Balance, January 1		13,796	7,051
Cash flow from operating activities		18,156	14,873
Cash flow from investing activities		-3,891	-2,272
Cash flow from financing activities		-723	-5,029
Translation differences, cash and cash equivalents		-2,439	-827
CASH AND CASH EQUIVALENTS, December 31	D.2	24,900	13,796
Contracted, non-utilized overdraft facilities		10,258	8,605
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)		35,158	22,401

Notes to the consolidated financial statements

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

Notes to the consolidated financial statements, cont.

SSAB has renewed the presentation of its financial report in 2022. Notes relating to one another are presented in groups A–E. Accounting principles, key assessments and assumptions and risks are included in each relevant note, and the table on the right outlines to notes in which these elements can be found.

AP

1. Accounting Principles

This icon highlights the accounting principles that relate to the topic of the note.

A&A

2. Assessments and Assumptions

This icon highlights the key assessments made and assumptions used by the management when preparing the financial information.

R

3. Risk

This icon highlights the risks that relate to the topic discussed in a particular note.

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

A.1 General information

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

SSAB is a global steel company that is a world leader in high-strength steel and related services. SSAB's vision is to contribute to a stronger, lighter and more sustainable world and it aims to become the first steel company in the world to offer fossil-free steel on the market by 2026, and to largely eliminate carbon dioxide emissions from its operations around 2030.

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

Corporate information

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

A.2 Principles of preparation of the report

AP

SSAB's consolidated financial statements for the financial year 2022 covering the period from January 1 to December 31, 2022 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 interpretations 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 unless otherwise stated in the accounting principles. The consolidated financial statements are presented in millions of Swedish kronas unless stated otherwise. All figures have been rounded and consequently the sum of individual figures may deviate from the presented aggregate figure. Key figures have been calculated using exact figures.

Accounting principles for the consolidated financial statements

The consolidated financial statements are prepared in accordance with the Group's accounting principles, and include the accounts of the Parent Company, SSAB AB (publ) and all Group companies. The Group companies are consolidated from the time when the Group gains control over the company, and until the time the control ceases. The Group has control over an entity when it is exposed to or is entitled to variable returns from its involvement in the entity and can use its influence to affect the returns.

AP

Subsidiaries are consolidated using the acquisition method, where the subsidiaries' equity at the time of acquisition, defined as the difference between the fair values of identifiable assets, liabilities and contingent liabilities, is eliminated in its entirety against the acquisition price. When the acquisition price and the value of any non-controlling interest in the acquired company exceed the fair value of the net identifiable assets acquired, a goodwill is recognized. If the acquisition price is lower than the fair value of the net assets acquired, the difference is recognized directly in the profit or loss. For each acquisition, the Group determines whether non-controlling interests in the acquired company are reported at fair value or at the proportion of the net assets of the acquired company represented by the holding. Acquisition costs are expensed when they occur.

Intra-group transactions and internal profits between Group companies are eliminated in the consolidated financial statements. Internal losses are also eliminated unless the transaction constitutes evidence of impairment of the transferred asset.

Non-controlling interest is reported as a separate item in the equity. Acquisitions from non-controlling interests are reported as transactions within equity between the Parent Company's shareholders and non-controlling interest. Therefore, no goodwill arises in those transactions. Profit or loss from divestments to non-controlling interests, where the Group maintain the control are also reported in equity.

Foreign currency transactions

Items for each Group company included in the financial statements are valued in the currency of the economic environment in which the company in question primarily operates (functional currency). Consolidated financial statements are presented in Swedish kronas, which is the functional and reporting currency of the Parent Company. Transactions in foreign currency are translated at the exchange rates prevailing on the transaction date. In certain cases, the actual rate is approximated to the average rate during a month. Receivables and liabilities in foreign currency are translated at the closing day rates of the period. Exchange rate differences relating to the business activities are reported in the operating result, while differences attributable to financing activities are reported in financial income and expenses.

The foreign subsidiaries' statements of profit or loss and cash flows are translated into Swedish kronas at the average exchange rates for the year, while their statements of financial position are translated at the closing day rates. Translation differences are recognized to the consolidated statement of comprehensive income and reported in translation reserve in equity. When a foreign subsidiary is divested, the total translation differences relating to the subsidiary are reclassified to the profit or loss, and reported as a part of the capital gain or loss from the divestment.

Goodwill and adjustments of assets and liabilities to fair value arising from acquisitions of foreign subsidiaries are treated as assets and liabilities in the foreign operations and thus translated with the closing day rates of the period.

Changes in IFRS standards

Following standards, changes and interpretations that are relevant to the Group became effective in 2022:

AMENDMENTS TO IAS 16, PROPERTY, PLANT AND EQUIPMENT (PP&E); PROCEEDS BEFORE INTENDED TO USE, effective as of January 1, 2022. The Amendment prohibits 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 are 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 has applied this Amendment as of January 1, 2022. The Amendment will impact Group's future financial reports.

Following standards, changes and interpretations adopted by the EU that are relevant to the Group, but have not become effective, yet, and have not been prematurely applied by the Group:

AMENDMENTS TO IAS 1, DISCLOSURE OF ACCOUNTING POLICIES, effective as of January 1, 2023. The amended requires entities to disclose information on their material accounting policies instead of significant ones. The Amendments define what is material accounting policy information and explain how to identify it. The Amendments further clarify that immaterial

AP

accounting policy information does not need to be disclosed. The Group will apply these Amendments as of January 1, 2023. The Amendments may impact the presentation of Group's future financial reports.

AMENDMENTS TO IAS 8, CHANGES IN ESTIMATES, effective as of January 1, 2023. The Amendment clarifies how companies should distinguish changes in accounting policies from changes in estimates and assumptions. Changes in estimates and assumptions are applied prospectively to future transactions and other events, whereas changes in accounting policies are applied retrospectively to past transactions and other events as well as the current period. The Group will apply these Amendments as of January 1, 2023. The Amendments are not expected to have significant impact on the Group the financial reports.

AMENDMENTS TO IAS 12, DEFERRED TAXES, effective as of January 1, 2023. The Amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. An example of such transaction is leases reported by the lessee that will require the recognition of additional deferred tax assets and liabilities. The Group will apply these Amendments as of January 1, 2023. The Amendments are not expected to have significant impact on the Group the financial reports.

A&A

Key assessments and assumptions

The preparation of financial statements in accordance with IFRS requires the use of a number of estimations for accounting purposes. In addition, management must make certain assessments when applying the Group's accounting principles. The applied assumptions are evaluated and revised to reflect changes in the Group's operating environment and circumstances. Although the assessments and assumptions are based on management's best knowledge, the actual outcome may deviate from the assessments made and estimates used.

Key assessments and assumptions are included in particular in those notes in which complex assessment is required or which the assumptions and estimations are of material significance, and the table in the beginning of the notes to the consolidated financial statements outlines these notes.

R

Risks related to climate change

The Task Force on Climate-Related Financial Disclosures (TCFD) recommends companies to report on their climate-related risks and opportunities and to improve transparency on how to address them. SSAB has analyzed these risks and opportunities through two alternative scenarios: a low future emissions scenario and a high future emissions scenario. SSAB's business strategy to transform into fossil-free steelmaking is well positioned in both scenarios. The expected physical climate change effects for SSAB include rising temperatures and precipitation levels in most of SSAB's production sites, but additional related costs are not expected to be significant.

Consequently, the main risks relate to the Group's transformation to fossil-free steelmaking. The transformation itself is a significant opportunity for the Group, but risks include delays in the transformation timetable and risks in upscaling HYBRIT technology. There is also uncertainty on emission allowance price development. More information on the scenario analysis and climate-related risks and opportunities can be found in the sustainability report pp. 37–38.

The transformation to fossil-free steelmaking will impact SSAB's financial reporting. The remaining useful lives of the assets in Sweden and Finland that will be replaced in the transformation are reviewed regularly. However, conditions to change the accounting estimates for useful lives have not been met, as for example investment decisions have not been made, yet. Similarly, capital expenditure and other cash flows related to the transformation have not yet been considered in value-in-use calculations for impairment testing nor decommissioning costs in provisions. The lack of investment decision, among other things, explains the inconsistency between the Group's strategic plans and financial information. For more information, see Notes C.1 for useful lives of tangible fixed assets and impairment testing and C.5 for provisions.

A.3 Alternative performance measures

In its Annual Report, SSAB presents certain key figures and ratios that are not defined in accordance with IFRS and therefore applies the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (APMs). These performance measures provide complementary information about the company's performance, financial position and cash flows and are used continuously by the Group's executive management. As these measures are not defined by IFRS, they may not be directly comparable to the financial measures used by other companies, including those in the same industry. These alternative measures should not be assessed in isolation from, or as substitutes for, financial information in accordance with IFRS.

SEK millions

Measure	Definition or source in Financial Report	2022	2021
Adjusted operating result			
<i>Complementary measure to operating result that excludes items affecting comparability between periods</i>			
Operating result	Consolidated statement of profit or loss	-4,355	18,837
Items affecting comparability	Defined later in this note	-33,638	-
Adjusted operating result	Operating result – Items affecting comparability	29,283	18,837
Operating margin (%)			
<i>Complementary profitability measure to present operating result in relation to revenue</i>			
Operating result	Consolidated statement of profit or loss	-4,355	18,837
Revenue	Consolidated statement of profit or loss	128,745	95,891
Operating margin (%)	Operating result / Revenue	-3	20
EBITDA			
<i>Complementary, more cash-based measure to operating result</i>			
Operating result	Consolidated statement of profit or loss	-4,355	18,837
Depreciation/amortization	Note B.3 Operating expenses	3,386	3,257
Impairments	Note B.3 Operating expenses	33,309	-
EBITDA	Operating result before depreciation, amortization and impairments	32,340	22,094

SEK millions

Measure	Definition or source in Financial Report	2022	2021
Adjusted EBITDA			
<i>Complementary, more cash-based measure to operating result that excludes items affecting comparability between periods</i>			
EBITDA	Defined earlier in this note	32,340	22,094
Items affecting comparability	Defined later in this note	-335	-
Adjusted EBITDA	EBITDA – Items affecting comparability	32,675	22,094
Items affecting comparability			
<i>Material income and expense items that affect comparability between period due to their unusual nature, size or incidence that are reported separately to facilitate performance analysis and comparability between periods</i>			
Operating expenses			
Goodwill impairment	Note C.1 Intangible and tangible fixed assets	-33,291	-
Write-down of assets in Russia	Note B.1 Business segments	-252	-
Write-down of assets in Ukraine	Note B.1 Business segments	-95	-
Total effect on operating result	Sum of the above items	-33,638	-
Of which in EBITDA		-335	-
Financial expenses			
Write-down of investment in Fennovoima (Voimaosakeyhtiö SF)	D.5 Other non-current assets	-288	-
Total effect on result before tax	Sum of the above items	-33,926	-
Income taxes		-13	-
Total effect on result for the year	Sum of the above items	-33,939	-

SEK millions

Measure	Definition or source in Financial Report	2022	2021
Return on capital employed (%)			
<i>Measure for the value the Group generates on the capital invested in its business</i>			
Total operating result and financial income	Defined below	-1,071	20,932
Average capital employed for last 12 months	Defined below	100,669	77,975
Return on capital employed (%)	Total operating result and financial income / Average capital employed	-1	27
Total operating result and financial income			
Operating result	Consolidated statement of profit or loss	-4,355	18,837
Financial income	Consolidated statement of profit or loss	3,284	2,095
Total operating result and financial income	Sum of the above items	-1,071	20,932
Average capital employed for last 12 months			
Total assets	Consolidated statement of financial position	109,711	112,019
Liabilities in capital employed:			
Deferred tax liabilities	Consolidated statement of financial position	3,115	1,476
Other non-current liabilities	Consolidated statement of financial position	204	218
Accounts payable	Consolidated statement of financial position	19,566	16,219
Current tax liabilities	Consolidated statement of financial position	805	1,662
Other current liabilities	Consolidated statement of financial position	7,032	5,699
Provisions	Note C.5 Provisions	460	236
Capital employed, Dec 31	Total assets – Liabilities in capital employed	78,528	86,511
Average capital employed for last 12 months	Capital employed, average of 12 months	100,669	77,975
Return on equity (%)			
<i>Measure for the value the Group generates on the owners' capital invested in the Group</i>			
Result for the year	Consolidated statement of profit or loss	-10,877	14,673
Average equity for last 12 months	Total equity from statement of financial position, average of 12 months	88,709	62,586
Return on equity (%)	Total operating result and financial income / Average capital employed	-12	23

SEK millions

Measure	Definition or source in Financial Report	2022	2021
Operating cash flow			
<i>Cash flow measure for operations including maintenance-related capital expenditure, but excluding interests and taxes</i>			
Cash flow from operating activities	Consolidated statement of cash flows	18,156	14,873
Interest received (added back)	Consolidated statement of cash flows	-457	-139
Interest paid (added back)	Consolidated statement of cash flows	474	512
Tax paid (added back)	Consolidated statement of cash flows	5,947	1,357
Cash flow from investing activities	Consolidated statement of cash flows	-3,891	-2,272
Strategic capital expenditure (added back)	Note B.1 Business segments	1,952	835
Investments/acquisitions of businesses (added back)	Consolidated statement of cash flows	433	32
Investments/contributions in affiliated companies and joint ventures (added back)	Consolidated statement of cash flows	79	98
Operating cash flow	Sum of the above items	22,693	15,296
Net cash flow			
<i>Cash flow measure that excludes cash flow relating to the net debt/cash</i>			
Cash flow from operating activities	Consolidated statement of cash flows	18,156	14,873
Cash flow from investing activities	Consolidated statement of cash flows	-3,891	-2,272
Cash and cash equivalents in acquired entities (added back)	Consolidated statement of cash flows	-140	-
Dividends to the shareholders of the parent company	Consolidated statement of cash flows	-5,406	-
Dividends to non-controlling interest	Consolidated statement of cash flows	-7	-9
Investments in non-controlling interest	Consolidated statement of cash flows	-	-157
Net cash flow	Sum of the above items	8,748	12,436

SEK millions

Measure	Definition or source in Financial Report	2022	2021
Capital expenditure			
<i>Measure for the total investments in fixed assets</i>			
Investments in plant and machinery	Consolidated statement of cash flows	4,948	3,382
Investments/acquisitions of businesses	Consolidated statement of cash flows	433	32
Investments/contributions in affiliated companies and joint ventures	Consolidated statement of cash flows	79	98
Capital expenditure	Sum of the above items	5,460	3,512
Net debt (+)/cash (-)			
<i>Measure for the Group's debt/cash financing</i>			
Total liabilities in net debt/cash	Note D.2 Net debt	11,060	12,991
Total assets in net debt/cash	Note D.2 Net debt	25,347	15,337
Net debt (+)/cash (-)	Total liabilities in net debt or cash – Total assets in net debt or cash	-14,287	-2,346
Net debt to equity ratio (%)			
<i>Measure for the Group's indebtedness and indicator of financial risk, negative as a result of net cash position</i>			
Net debt (+)/cash (-)	Defined earlier in this note	14,287	-2,346
Total equity	Statement of financial position	67,191	73,508
Net debt to equity ratio (%)	Net debt (+) or cash (-) / Total equity	-21	-3
Equity ratio (%)			
<i>Measure for the Group's total assets financed with equity and indicator of financial risk</i>			
Total equity for the shareholders of the Parent Company	Statement of financial position	67,124	73,477
Total assets	Statement of financial position	109,711	112,019
Equity ratio (%)	Total equity for the shareholders of the Parent Company / Total assets	61	66

B. Operating result

SSAB's adjusted operating result for 2022 was the highest in the company's history. SSAB consolidated its position as leader in the green transition in the steel industry by making significant progress in the development of fossil-free steelmaking.

► B.

Operating result

B.1

Business segments

B.2

Revenue and other operating income

B.3

Operating expenses

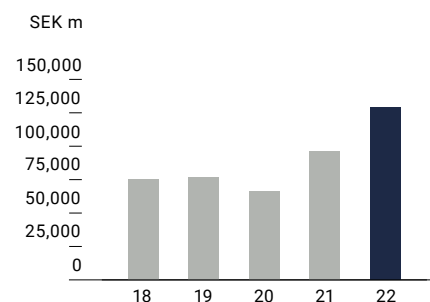
B.4

Compensation to employees

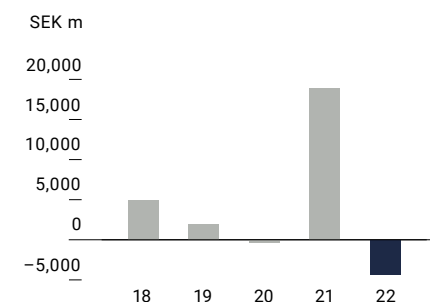
B.5

Affiliated companies, joint ventures and related party transactions

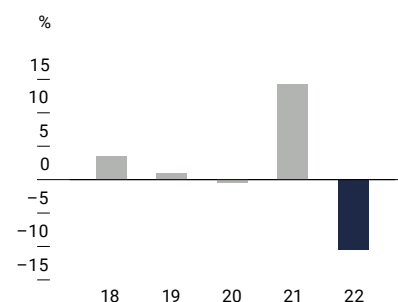
Revenue



Operating result



Earnings per share



Adjusted operating result, MSEK

29,283

B.1 Business segments

Business segments

2022 SEK millions	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Other	Group adjustments	Depr./amort. of surplus values	Total
External revenue	32,302	41,219	31,908	16,448	6,867	–	–	–	128,745
Internal revenue	1,364	8,849	255	176	13	–	–10,658	–	–
Total revenue	33,666	50,068	32,163	16,625	6,880	–	–10,658	–	128,745
Adjusted operating result, divisions reported before depreciation and amortization of surplus values on IPSCO/Rautaruukki	8,292	8,539	12,266	451	536	–688	–	–114	29,283
Items affecting comparability:									
Goodwill impairment	–18,139	–2,209	–12,401	–542	–	–	–	–	–33,291
Write-down of assets in Russia	–235	–17	–	–	–	–	–	–	–252
Write-down of assets in Ukraine	–45	–	–	–	–50	–	–	–	–95
Operating result, divisions reported before depreciation and amortization of surplus values on IPSCO/Rautaruukki	–10,127	6,313	–135	–91	487	–688	–	–114	–4,355
Net financial income and expenses	–	–	–	–	–	–	–	–	–286
Result before tax	–	–	–	–	–	–	–	–	–4,641
Depreciation, amortization and impairments, divisions include impact from surplus values	19,242	3,845	12,613	725	221	50	–	–	36,695
Maintenance capital expenditure	708	1,161	184	56	62	27	–	–	2,196
Strategic capital expenditure	1,450	251	29	41	180	–	–	–	1,952

B.1 Business segments, cont.

Business segments

2021 SEK millions	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Other	Group adjustments	Depr./amort. of surplus values	Total
External revenue	22,666	34,454	20,566	12,219	5,986	–	–	–	95,891
Internal revenue	843	7,856	114	158	13	–	–8,986	–	–
Total revenue	23,510	42,311	20,680	12,377	5,999	–	–8,986	–	95,891
Operating result, divisions reported before depreciation and amortization of surplus values on IPSCO/Rautaruukki									
	4,624	8,095	5,412	1,533	599	–1,191	–	–235	18,837
Net financial income and expenses	–	–	–	–	–	–	–	–	–421
Result before tax	–	–	–	–	–	–	–	–	18,416
Depreciation and amortization, divisions include impact from surplus values									
	1,007	1,683	182	168	164	54	–	–	3,257
Maintenance capital expenditure	620	1,135	139	53	61	44	–	–	2,053
Strategic capital expenditure	533	164	10	22	106	–	–	–	835

No items affecting comparability were reported in 2021.

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 and act at arm's length in relation to the rest of SSAB. More information about each business segment is included in the Report by the Board of Directors. In addition, there are other businesses that are not reportable segments since they do not meet the thresholds set forth in IFRS 8 and they are not monitored separately by the Group Executive Committee. They are included in "Other".

For more information on external revenues per business segment, see Note B.2 and information on non-current assets per geographical area, see Note C.1.

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Segment reporting

The Group Executive Committee, who is the highest executive decision maker responsible for business segments' performance assessment and resource allocation, has established the business segments based on the information used in strategic decision-making. The segment reporting corresponds to the internal management reporting to the Group Executive Committee.

The main measure in assessing the business segments' performance is the adjusted operating result, which excludes the items affecting comparability. Adjusted operating result is an alternative performance measure, and more information can be found in Note A.3. For divisions, also the depreciation and amortization of surplus values are excluded from the measure when assessing their performance.

B.2 Revenue and other operating income

External revenue

SEK millions	2022						2021					
	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	720	9,644	–	5,822	1,764	17,949	596	8,644	–	4,600	1,421	15,261
Finland	418	6,962	–	2,990	1,872	12,242	320	5,645	–	2,114	1,563	9,642
Other Europe	12,249	21,304	138	7,612	3,216	44,518	9,358	17,952	121	5,491	2,995	35,916
USA	7,595	1,626	29,157	–	4	38,381	4,525	1,083	17,931	0	1	23,540
Rest of the world	11,321	1,684	2,613	25	12	15,655	7,867	1,130	2,514	14	7	11,532
Total	32,302	41,219	31,908	16,448	6,867	128,745	22,666	34,454	20,566	12,219	5,986	95,891
Product area												
Steel products	31,599	37,683	31,908	–	–	101,189	22,080	31,889	20,566	–	–	74,535
Trading operations	–	–	–	16,448	–	16,448	–	–	–	12,219	–	12,219
Ruukki Construction's operations	–	–	–	–	6,867	6,867	–	–	–	–	5,986	5,986
Slabs, by-products and scrap	383	3,381	–	–	–	3,765	256	2,480	–	–	–	2,736
Other	320	156	–	–	–	475	331	85	0	–	–	415
Total	32,302	41,219	31,908	16,448	6,867	128,745	22,666	34,454	20,566	12,219	5,986	95,891

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Revenue from contracts with customers

Revenue is recognized when the control of the goods has been transferred to the customer at the transaction price, taking into account any estimated variable amounts (expected proceeds). The recognized revenue corresponds to amounts received for sold goods less value added tax, taking into account discounts and returns.

The Group recognizes revenue when the distinct performance obligation is satisfied and when the customer has obtained the control over the sold good either at a point in time or over time. Contract revenue from agreements which extend over more than twelve months does not amount to a substantial value and, therefore, it is not disclosed.

Sales of steel

Revenues from sales of steel are recognized after the control has been transferred to the customer, which occurs when the goods are transferred to the customer and the Group does not retain any disposition right or opportunity to actual control over the goods, and there are no outstanding unsatisfied performance obligations that might affect the approval of the goods by the customer. In most cases, revenues are recognized upon delivery of the goods to the customer according to the agreed delivery terms and conditions.

B.2 Revenue and other operating income, cont.

Other operating income

SEK millions	2022	2021
Sales of purchased energy and media	217	146
Sales of services	28	25
Exchange rate gains	879	513
Gain on sale of subsidiaries or businesses	–	27
Gain on sale of fixed assets	31	33
Investment grants / Government grants	53	29
Insurance compensation	101	22
Other	254	167
Total	1,563	962

Net exchange rate differences in other operating income and expenses amounted to SEK –162 (–33) million in 2022.

AP

Other operating income

Other operating income includes revenues from sales energy and services. In certain cases, sales of energy can also be recognized as a credit to energy expenses. Gains from disposal of non-current assets or businesses, insurance compensation as well as governments grant are reported as other operating income to the extent they are not credited against expenses or assets.

Net exchange differences from operating activities and related non-hedge accounted derivative instruments are reported in other operating income when they amount to a net gain. When amounting to a net loss, these net exchange differences are reported as other operating expenses. Net exchange differences arising from financing activities are reported financial income and expenses.

B.3 Operation expenses

Type of cost

SEK millions	2022	2021
Raw materials in the steel operations, including change in raw material inventory	45,958	37,278
Supplies and inputs	2,588	2,125
Purchased products in the trading operations	7,739	4,403
Purchased products in the steel operations	1,096	1,297
Energy	6,535	4,395
Change in inventory, work in progress and finished products	-1,885	-4,234
Compensation to employees	12,091	10,831
Material, services and maintenance	10,161	8,372
Depreciation and amortization	3,386	3,257
Impairments	33,309	0
Freight	8,656	7,067
Other	5,055	3,202
Total operating expenses	134,688	77,993

Audit fees and related services

SEK millions	2022	2021
Ernst & Young		
Audit fees	23	20
Audit related services	1	2
Tax consulting	0	0
Other services	5	8
Total Ernst & Young	29	30
Other		
Audit fees	7	4
Audit related services	2	3
Tax consulting	19	16
Other services	2	3
Total other	30	26

During the year EY Sweden invoiced SEK 12 (10) million for audit services. EY Sweden's fees for other services than audit amounts to 13% (80%) compared to EY Sweden's fees for audit. The EY network's fees for other services than audit amount to 24% (36%) compared to the network's invoiced fees for audit services.

Government support and other grants reported as reduction in operating expenses

SEK millions	2022	2021
Support related to personnel costs	21	73
Investment grant	1	0
Other	0	0
Total	21	73

The Group has received SEK 19 (71) million in government grants related to Covid-19, whereof SEK 0 (1) million have been reported as other operating income and SEK 19 (70) million have been reported as a reduction of personnel costs (mainly short-time work allowance in the Swedish operations).

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Recognition of expenses

Expenses are recorded over the same period as the related revenue. Items for which no future benefits are expected are recognized as expense immediately.

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.

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.

B.4 Compensation to employees

Compensation to employees

SEK millions	2022	2021
Wages and salaries and other compensation	9,680	8,574
Social security expenses	1,318	1,242
Pension expenses	1,094	1,015
Total	12,091	10,831

Compensation and benefits for the Group Executive Committee ¹⁾

	President		Other Group Executive Committee	
SEK millions	2022	2021	2022	2021
Fixed salary ²⁾	13.6	12.9	39.7	35.5
Other benefits ³⁾	0.4	0.4	2.3	2.1
Short-term variable salary, paid ⁴⁾	4.9	0.0	12.3	0.0
Long-term variable salary, paid ⁴⁾	2.1	1.0	8.3	6.0
Total before social security and pension expenses	21.0	14.3	62.6	43.7
Social security	6.6	4.5	9.9	9.0
Pension expenses	6.1	5.8	14.4	11.4
Total	33.8	24.6	86.9	64.0

¹⁾ Includes 11 (10) members of the Group Executive Committee for the full year.

²⁾ Includes payment of SEK 0.3 (0.2) million to the President in respect of vacation compensation, as well as SEK 0.3 (0.3) million cost-compensation related to company residence.

³⁾ Relates primarily to housing, car and gasoline benefits. For 1 (1) member of the Group Executive Committee, benefits relating to with international assignment are included.

⁴⁾ The payments relate to compensation earned in the previous year. The compensation for 2022 is not known at the end of the accounting year as comparisons are made to the competitors who have not yet reported their figures. Also, as the Board of Directors can decide to reduce the compensation for special reasons, the compensation is reported in the year when the payment has taken place. Accrued variable salary components for 2022 for the entire Group Executive Committee amounted to SEK 41.0 (26.2) million.

Compensation for the Group Executive Committee members

Guidelines for remuneration of the Senior Executives are included in the Board of Directors' report. The remuneration for the President is further discussed in the Remuneration report. Compensation to the President and other members of the Group Executive Committee consists of a fixed salary component, a short-term variable salary component, and a long-term variable salary component.

Short-term variable compensation

The short-term variable salary component for 2021 (paid in 2022) is related to: A) three Group objectives, 1) EBITDA margin compared to peer group (Arcelor Mittal, Nucor, Salzgitter, ThyssenKrupp, US Steel and Tata Steel Europe), 2) net operating working capital in relation to sales and 3) a sustainability objective measuring injury frequency, combined with B) divisional financial and operational objectives as well as C) one or more individual objectives.

For the president, the individual objectives account for 15% of the total short-term variable pay whereas the other 85% relate to SSAB Group objectives. For Executive Vice Presidents of Group functions, the Group objectives account for 100% and for divisional Executive Vice Presidents 40% and 60% for divisional objectives.

This short-term variable salary component is capped at 75% of fixed salary for the President and at 50% for others except for the divisional head of SSAB Americas, who receives variable compensation competitive in the local market: Meeting the targets result in variable pay of 60% of fixed salary whereas extremely good performance may amount to a maximum of 180% of fixed salary. In 2022, the outcomes of the short-term variable compensation in relation to fixed salary were on cash-basis as follows: 39.8% (0) for the President and on average 33.9% (0) for the other Group Executive Committee members.

Long-term variable compensation

A long-term incentive program covers a maximum of 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 reference group comprising the company's competitors (Arcelor Mittal, Nucor, Salzgitter, ThyssenKrupp and US Steel) and return on capital employed. For participants in the program 2019–2021 outside North America, the result is capped at between 15% and 25% of fixed salary. For participants in North America the cap is between 30% and 108%, and the program is also linked to SSAB Americas' results and return on capital employed.

B.4 Compensation to employees, cont.

The estimated annual cost for the 2022 program is SEK 120 million including 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.

Termination of employment and retirement

For the President and other Group Executive Committee members, the notice period is 12 months in the event of dismissal by the company. In addition, in such situation, severance compensation equals to 12 months' salary for the President and 6 months' salary for the other members. In the event of resignation by the President or another Group Executive Committee member, the termination period is 6 months and there is no entitlement to severance compensation. The President earns variable compensation during the termination period only by remaining in active service.

The President's retirement age is 65. The pension is based on contributions and is covered by insurance, and in 2022 the cost amounted to 45% (49%) of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment. The minimum retirement age for the other members of the Group Executive Committee is 62 and the pensions are based on contributions, except for Olavi Huhtala who, since his employment in Rautaruukki, continues to be covered by the benefit-based pension scheme via Rautaruukin Eläkesäätiö with a possible retirement age of 60, as well as Charles Schmitt, whose pension scheme is in line with the US legislation and practice.

Board of Directors' fees

SEK thousands ¹⁾	Elected	Position	2022		2021	
			Board fee	Committee fee	Board fee	Committee fee
Lennart Evrell	2021	Chair/Director	1,906	333	1,133	135
Bengt Kjell	2015	Chair	–	–	1,079	190
Bo Annvik	2019	Director	639	119	620	115
Petra Einarsson	2014	Director	639	376	620	365
Bernard Fontana	2022	Director	484	–	–	–
Marie Grönborg	2019	Director	639	35	620	140
Mikael Mäkinen	2022	Director	484	–	–	–
Maija Strandberg	2021	Director	639	109	620	–
Pasi Laine	2017	Director	155	–	620	–
Annareetta Lumme-Timonen	2020	Director	–	–	620	82

The CEO and Employee Representatives are included in the Board of Directors but do not receive any related compensation.

¹⁾ The fee relates to the full year. Consideration to changes in the Board during the year has been made.

Board of Directors' fees

The Annual General Meeting (AGM) has decided on the following fees for the Board of Directors members: SEK 1,925 thousand to the Chair, SEK 645 thousand to the directors (excluding the President), SEK 145 thousand to the members of the Audit Committee, SEK 120 thousand to the members of the Remuneration Committee, SEK 260 thousand to the Chair of the Audit Committee and SEK 190 thousand to the Chair of the Remuneration Committee. In total SEK 6,555 (6,532) thousand was paid in fees to the Board of Directors.

B.4 Compensation to employees, cont.

Average number of employees and gender breakdown	Number of employees		Women, %	
	2022	2021	2022	2021
Parent Company, Sweden	101	90	54	52
Subsidiaries, Sweden	6,631	6,318	22	22
Finland	5,045	4,960	17	16
USA	1,396	1,339	14	13
Poland	718	693	31	30
Estonia	186	178	25	24
Norway	165	157	26	23
Denmark	137	132	25	22
Canada	111	106	21	19
Netherlands	108	108	23	22
Australia	106	93	9	9
France	97	98	27	27
China	94	90	32	33
Germany	88	87	24	24
Ukraine	76	81	19	19
Italy	72	69	25	26
South Africa	69	71	11	15
Great Britain	69	67	23	24
Spain	55	54	20	18
Czech Republic	55	53	35	34
Lithuania	54	49	24	22
Latvia	40	36	16	16
Brazil	38	34	33	29
Türkiye	36	31	21	23
Russia	34	56	61	63
Chile	26	28	16	21
Mexico	24	22	42	44
Other < 20 employees	173	159	30	33
Total	15,799	15,255	21	20

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 14% (18%) of the members of all Board of Directors in the Group, while the figure for the Board of Directors of the Parent Company was 38% (43%). The percentage of women in the management groups (including Presidents) in the Group was 21% (21%). The Group Executive Committee comprises seven men and four women.

AP

Profit sharing and variable salary

SSAB employees are part of 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 a variable element in their salaries related to Group and division level targets as well as individual targets. The costs for these systems are booked as accrued expenses regularly during the year when it is likely that the targets will be met. A long-term incentive program in place for the Company's senior executives, capped at 35% (25%) of fixed salary, 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 is accrued 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. Severance compensation is recognized when the Group is demonstrably obliged to either terminate an employment 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 falling due in more than twelve months from the balance sheet date are discounted to present value.

B.5 Affiliated companies, joint ventures and related party transactions

Book values in affiliated companies and joint ventures

SEK millions	Office	% ¹⁾	2022	2021
Hybrit Development AB* (joint venture)	Stockholm, Sweden	33	537	478
Lulekraft AB*	Luleå, Sweden	50	10	10
Oxelösunds Hamn AB	Oxelösund, Sweden	50	6	6
Blastech Mobile LLC (joint venture)	USA	50	28	24
Bet-Ker Oy	Finland	44	2	2
Manga LNG Oy	Finland	25	79	73
Raahen Voima Oy	Finland	75	279	258
Eliitti Holding Oy	Finland	40	0	–
Affiliated companies and joint ventures' equities in excess of the share book values			62	101
Total participations in affiliated companies and joint ventures			1,004	952

* Shares owned directly by the Parent Company

¹⁾ The percentages indicate the equity share which also corresponds to the share of the voting capital except for Raahen voima, where a shareholder agreement limits the voting share to 50%.

A complete specification of other shares and participations is available from SSAB's Group headquarters in Stockholm.

Share of earnings and sales	Share of result after tax		Share of sales	
	2022	2021	2022	2021
SEK millions				
Lulekraft AB	1	2	150	178
Oxelösunds Hamn AB	9	11	225	201
Blastech Mobile LLC (joint venture)	68	64	234	191
Bet-Ker Oy	15	9	74	68
Manga LNG Oy	4	25	242	190
Raahen Voima Oy	–	–	854	444
Hybrit Development AB (joint venture)	–71	–133	65	31
Total	26	–22	1,844	1,301

Share of assets and liabilities	Share of assets		Share of liabilities	
	2022	2021	2022	2021
SEK millions				
Lulekraft AB	104	119	89	103
Oxelösunds Hamn AB	275	271	90	89
Blastech Mobile LLC (joint venture)	125	116	22	28
Bet-Ker Oy	72	58	19	15
Manga LNG Oy	294	280	177	175
Raahen Voima Oy	610	683	331	425
Hybrit Development AB (joint venture)	275	294	26	32
Eliitti Holding Oy	9	–	0	–
Total	1,765	1,820	762	868

B.5 Affiliated companies, joint ventures and related party transactions, cont.

Participations in affiliated companies and JVs

SEK millions	2022	2021
Book value, January 1	952	899
Investments	59	118
Shares of result after tax	26	-22
Dividend	-81	-59
Translation differences	48	16
Book value, December 31	1,004	952

Related party transactions and balances

SEK millions	2022	2021
Revenue		
Affiliated companies	1,309	774
Joint ventures	22	13
Cost of goods sold		
Affiliated companies	-1,735	-1,096
Joint ventures	-275	-231
Accounts receivable	31	213
Accounts payable	61	280
Other current liabilities	117	110

Revenues from related parties relate to sales of gas and fuel to energy producing companies as well as sales of services. Purchases relate to energy, materials and services, and are reported as cost of sales.

Compensation to the Group Executive Committee and the Board of Directors members is presented in Note B.4.

AP

Affiliated companies and joint arrangements

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. 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.

Equity method

Affiliated companies and joint ventures are reported using the equity method, which means that the value of the affiliated companies and joint ventures corresponds to the Group's share of the equity in those companies and, where appropriate, the residual surplus values or under-values from Group perspective, including goodwill.

Affiliated companies and joint ventures are initially recognized at cost in the consolidated statement of financial position. The Group's share of the earnings after tax and other comprehensive income after tax in affiliated companies and joint ventures are reported in the consolidated statements of profit or loss and comprehensive income, respectively.

Shares of the earnings in affiliated companies and joint ventures are reported in the operating result when the operations of these companies are related to SSAB's operations and considered to be of a business nature. Dividend from affiliated companies and joint ventures are reported as a decrease of the carrying amount of the investment. Any intra-group profits are eliminated in relation to the share of equity held.

C. Operating assets and liabilities

Working capital increased during 2022, mainly due to higher inventories. Increased strategic investments related mainly to Oxelösund for transformation to fossil-free steel production and Mobile for increased capacity of Q&T products.

► C.

Operating assets and liabilities

C.1
Intangible and tangible fixed assets

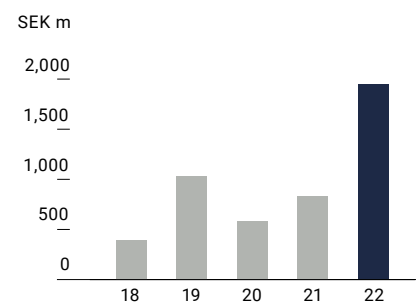
C.2
Leases

C.3
Inventories

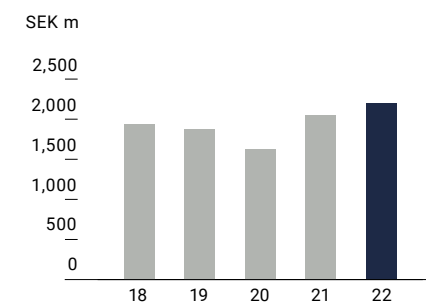
C.4
Accounts receivable and payable and other receivables and liabilities

C.5
Provisions

Strategic capital expenditure



Maintenance capital expenditure



Return on capital employed

-1 %

C.1 Intangible and tangible fixed assets

Intangible assets

SEK millions	2022							2021						
	Customer relations	Trademarks	Emission rights	Other intangible assets	Trademarks with indefinite useful life	Goodwill	Total intangible assets	Customer relations	Trademarks	Emission rights	Other intangible assets	Trademarks with indefinite useful life	Goodwill	Total intangible assets
Acquisition value, January 1	8,967	47	1,282	1,865	405	30,701	43,267	8,121	25	1,255	1,654	397	28,192	39,644
Acquisitions	–	–	802	154	–	–	954	–	–	494	136	–	–	631
Increase through acquisition of businesses	51	10	–	1	–	198	260	–	21	–	–	–	–	21
Divestments and disposals	0	–	–927	–42	–	–	–969	0	–	–494	–19	–	–	–513
Reclassifications	–	–	–	–63	–	–	–63	–	–	–	–5	–	–	–5
Translation differences	1,345	2	102	202	34	4,270	5,955	845	0	27	98	9	2,510	3,489
Acquisition value, December 31	10,362	58	1,259	2 115	440	35,169	49,404	8,967	47	1,282	1,865	405	30,701	43,267
Accumulated amortization, January 1	8,869	10	1,144	1,457	–	–	11,481	8,003	8	1,120	1,293	–	–	10,424
Divestments and disposals	0	–	–	–37	–	–	–37	0	–	–	–14	–	–	–14
Amortization for the year	29	3	–	103	–	–	135	23	2	–	90	–	–	116
Reclassifications	–	–	–	–24	–	–	–24	–	–	–	–1	–	–	–1
Translation differences	1,338	0	97	172	–	–	1,610	843	0	24	89	–	–	956
Accumulated amortization, December 31	10,236	14	1,241	1,671	–	–	13,165	8,869	10	1,144	1,457	–	–	11,481
Accumulated impairment, January 1	6	–	–	0	–	326	331	6	–	–	0	–	319	325
Impairment during the year	–	–	–	–	–	33,291	33,291	–	–	–	–	–	–	–
Translation differences	–	–	–	0	–	1,200	1,200	–	–	–	0	–	6	6
Accumulated impairment, December 31	6	–	–	0	–	34,817	34,823	6	–	–	0	–	326	331
Book value, December 31	120	44	18	444	440	349	1,416	92	37	138	408	405	30,375	31,455

Amortization and impairment for the year included in the statement of profit or loss amounted to SEK 33,354 (55) million in cost of goods sold, SEK 14 (11) million in selling expenses and SEK 57 (49) million in administrative expenses.

C.1 Intangible and tangible fixed assets, cont.

Impairment test of goodwill and other assets with an indefinite useful life

Impairment test of goodwill and other assets with an indefinite useful life is carried out on business segment level, which are the Group's cash-generating units and the lowest level these assets are monitored.

Recoverable amounts for cash-generating units are based on value-in-use calculations that are based on the company's budgets and forecasts regularly produced by the management. Cash flows beyond a five-year period are extrapolated applying a long-term growth rate that does not exceed the long-term rate of growth for the market in which the cash-generating units operate.

The annual impairment test for 2022 resulted in a goodwill impairment of SEK 33.3 billion relating mainly to the acquisitions of IPSCO (2007) and Rautaruukki (2014). The impairment has been reported as an operating expense as well as an item affecting comparability, see Notes A.3 and B.3. The impairment resulted primarily from a higher discount rate, where the risk-free interest rate increased and the risk premiums for equity and borrowed capital were adjusted. On December 31, 2022, Group's market value was lower than its equity, which indicated a need for impairment.

A&A

Assessments in impairment test for goodwill and other intangible assets with indefinite useful lives

When calculating the recoverable amounts of cash-generating units to assess any impairment, a number of assumptions about future conditions and estimates of parameters is made.

Key assumptions include discount rate (WACC), long-term growth rate and development in volumes, sales prices, costs and capital expenditure. The discount rate is defined separately for each business segment to reflect specific risks applicable to the segment and it is based on the average long-term interest rates during November–December and is stated before tax. The long-term growth rate corresponds to the forecasts available in industry and analyst reports. The estimated gross margins are based on historical results and expected market trends for each business segment. A marginal increase in the discount rate for Tibnor and 0.5 percentage point increase in discount rate for Ruukki Construction would imply an additional impairment of SEK 147 million. A marginal decrease of the margin for Tibnor and a decrease of 0.5 percentage points of the margin for Ruukki Construction would entail an additional impairment of SEK 357

million. Climate risks have been taken into account, to the extent that they could be estimated. Future capital expenditure and cash flows regarding SSAB's transformation to fossil-free steel production have not been included in the calculations.

The valuation was carried out at a time when the global economy remained impacted by the war in Ukraine, rising interest rates and a downturn in the general economy. Under these circumstances, it is extraordinarily difficult to make assessments regarding future earnings and thereby the fair value of assets with indefinite useful lives.

Assets with an indefinite useful life

SEK millions	Book value		Impairment ¹⁾	
	2022	2021	2022	2021
Goodwill				
SSAB Special Steels	–	16,464	–18,139	–
SSAB Americas	–	11,119	–12,401	–
SSAB Europe	–	2,130	–2,209	–
Tibnor	31	523	–542	–
Ruukki Construction	318	140	–	–
Total goodwill	349	30,375	–33,291	–
Ruukki Construction (Trademark Rautaruukki)	440	405	–	–
Total assets with an indefinite useful life	798	30,780	–33,291	–

¹⁾ Increase in goodwill in 2022 was mainly due to currency translation effects.

Significant assumptions used in value-in-use calculations

2022	SSAB Special Steels	SSAB Americas	SSAB Europe	Tibnor	Ruukki Construction
Long-term rate of growth, %	2	–30	0	2	2
Weighted average pre-tax discount rate (WACC), %	12.4	17.8	11.6	11.9	11.6
2021					
Long-term rate of growth, %	2	2	2	2	2
Weighted average pre-tax discount rate (WACC), %	8.8	11.6	8.6	8.6	8.5

C.1 Intangible and tangible fixed assets, cont.

Tangible fixed assets

SEK millions	2022						2021					
	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	Construction in progress and advances to suppliers	Total tangible fixed assets
Acquisition value, January 1	1,190	8,647	48,038	3,429	4,079	65,382	1,148	8,189	45,400	3,283	3,093	61,113
Acquisitions	18	136	260	127	3,455	3,997	5	101	189	88	2,366	2,749
Increase through acquisitions of businesses	0	3	32	5	0	41	2	11	2	–	–	15
Divestments and disposals	–11	–128	–659	–82	–	–880	–1	–18	–313	–65	0	–398
Reclassifications	20	125	1,206	296	–1,651	–4	8	71	1,334	48	–1,462	–1
Translation difference	48	625	2,658	264	194	3,790	27	294	1,428	76	82	1,906
Acquisition value, December 31	1,266	9,408	51,535	4,040	6,077	72,325	1,190	8,647	48,038	3,429	4,079	65,382
Accumulated depreciation, January 1	363	4,619	35,039	2,278	–	42,300	329	4,148	32,489	2,089	–	39,056
Divestments and disposals	0	–100	–647	–83	–	–832	–1	–15	–294	–55	–	–364
Depreciation for the year	30	362	1,930	211	–	2,533	29	368	1,900	193	–	2,490
Reclassifications	–	0	–7	7	–	0	0	–1	–3	0	–	–3
Translation difference	10	273	1,723	174	–	2,180	6	119	948	50	–	1,123
Accumulated depreciation, December 31	403	5,154	38,038	2,586	–	46,182	363	4,619	35,039	2,278	–	42,300
Accumulated impairment, January 1	4	8	26	0	–	38	3	7	24	0	–	35
Divestments and disposals	–	–	0	0	–	0	–	–	0	0	–	0
Impairment during the year	2	5	11	1	–	19	–	–	–	0	–	0
Reversal of previous years' impairment	–	–1	–	–	–	–1	–	–1	–	–	–	–1
Reclassifications	–	0	1	–	–	1	–	–	–	–	–	0
Translation difference	0	–1	1	0	–	0	0	1	2	0	–	4
Accumulated impairment, December 31	5	11	38	2	–	56	4	8	26	0	–	38
Book value, December 31	858	4,243	13,459	1,452	6,077	26,087	823	4,020	12,973	1,151	4,079	23,044

Depreciation and impairment for the year included in the statement of profit or loss amounted to SEK 2,491 (2,430) million, in costs of goods sold, SEK 23 (21) million in selling expenses and SEK 38 (39) million in administrative expenses. Investment commitments on December 31, 2022 amounted to SEK 1,083 (698) million.

C.1 Intangible and tangible fixed assets, cont.

Fixed assets and capital expenditures per country/region	Intangible/tangible fixed assets and right-of-use assets				Capital expenditures in plant and machinery			
SEK millions	2022	%	2021	%	2022	%	2021	%
Sweden	10,794	36	9,550	17	2,881	58	2,214	65
Finland	9,689	32	14,533	26	954	19	581	17
Rest of Europe	1,540	5	1,518	3	156	3	152	4
USA	7,382	25	30,936	54	923	19	415	12
Rest of the world	425	1	420	1	33	1	19	1
Total	29,830	100	56,956	100	4,948	100	3,382	100

Emission rights

The estimated consumption of emission rights in 2022 was 8.54 (9.28) million tonnes. The free allocation did not fully cover the consumption and a cost accrual of SEK 212 (143) million was recognized in accrued expenses (see note C.4). In 2022, SSAB bought emission rights for 1.6 million tonnes and sold rights with the corresponding amount. Furthermore, the same amount of rights was purchased back with forward contracts. The sold rights generated a gain of SEK 670 (709) million which is reported as deferred income (see Note C.4). The value of the future deliveries of emission rights is presented in contingent liabilities in Note E.4. At year-end 2022, SSAB owned emission rights amounting to SEK 18 (138) million. The granted emission rights are stated at an acquisition value of SEK 0.

AP

Intangible and tangible fixed assets

Intangible and tangible fixed assets are reported at acquisition value less any accumulated depreciation/amortization and impairment. Depreciation/amortization is based on the acquisition value of the assets and estimated useful life. Intangible assets are classified in two groups: assets with definite useful lives or assets with an indefinite useful life, which are not amortized at all.

The acquisition value includes expenditure directly attributable to the acquisition of the asset or bringing it ready for its intended use. Borrowing costs relating to the construction and design of the assets are included in the acquisition cost of the asset. Restoration expenses occurring at the disposal of a fixed asset are included in the acquisition value only if the recognition criteria of a provision for such restoration expenses is met. Additional expenditure for replacement components are added to the reported value of the asset or recognized as a separate asset only when the Group will likely incur future economic benefits from the use of the asset. The replaced part's value is removed from the statement of financial position. All other forms of repairs and maintenance are recognized as expenses during the period in which they occur.

In SSAB's capital expenditure reporting, strategic capital expenditures are defined as investments that increase the cash flows through acquisitions of businesses and investments in plant expansion or technology that enhances competitiveness, while maintenance capital expenditure is defined as investments involving maintenance, rationalization or replacements and investments relating to the environment, and they are made in order to maintain competitiveness.

A&A

Assessments regarding useful lives of intangible assets and tangible fixed assets

Useful lives are a key assumption impacting materially the values of intangible and tangible fixed assets, and these estimates are revised when changes to the previous estimates are identified.

Particularly, in relation to the Group's strategic plans to convert into fossil-free steel production, useful lives of Group's assets in Sweden and Finland are under regular review, and management has defined milestones or circumstances (e.g. an investment decision) for it to revise the remaining useful life estimates of the assets that will be replaced by the upcoming investments. Factors impacting the remaining useful life evaluation include, for example, the order in which the mills will be transformed and the length of various approval processes.

As, for example, investment decision had not been made in 2022, no changes in useful life estimates were done in this respect.

C.1 Intangible and tangible fixed assets, cont.

AP The depreciation/amortization of tangible fixed assets and intangible assets with definite useful lives are based on the following useful life estimates:

Tangible fixed assets	estimated use, years
Vehicles, office equipment and computers	3–5
Light machinery	5–12
Heavy machinery	12–20
Land improvement	20
Buildings	25–50

Intangible assets	estimated use, years
Customer relations, trademarks and licenses	5–12
Software	3–5
Other intangible assets	5–15

AP The assets are normally depreciated/amortized to zero without any remaining residual value. The straight-line depreciation/amortization method is used for all types of tangible fixed and intangible assets with a limited useful life. Land is assumed to have a perpetual useful life and is thus not depreciated. If the book value of an asset exceeds the expected recoverable value, the asset is written down to such value.

Capital gains and losses on the sale of tangible fixed assets are recognized as the difference between the net proceeds received from the sales and the reported value of the asset in the statement of profit or loss as other operating income or other operating expenses.

Intangible assets with an indefinite useful life

Goodwill is recognized in business acquisition as the difference by which the acquisition price exceeds the fair value of the Group's share of the net identifiable net assets acquired. In addition to goodwill, the Group also has trademarks with indefinite useful lives. Intangible assets with indefinite useful lives are recognized at acquisition value less any accumulated impairment. Gain or loss on the sales of a business includes the remaining value of intangible assets with indefinite useful lives that relate to the sold business.

Impairment of intangible and tangible fixed assets

Intangible assets with an indefinite useful life (including goodwill) are tested for any impairment annually or more frequently if there are indications of potential impairment. Depreciated/amortized assets are tested for impairment when signs indicate a potential impairment. When the estimated recoverable value of an asset is less than the reported value, the asset is written down to the recoverable value. The remaining useful life is estimated for depreciation/amortization of the remaining reported value. The recoverable 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). For testing of goodwill, the cash-generating units are the business segments, which is the level goodwill is monitored, and the allocation is done based on segments expected to benefit from the business acquisition giving rise to the goodwill.

Impairment losses of are reported as an expense. Prior impairment losses can subsequently be reversed if circumstances and conditions resulting in an impairment loss are no longer valid, except for impairments in goodwill and other intangible assets with indefinite useful lives that are not reversed.

Emission rights

Emission rights are reported as intangible assets at cost less any accumulated impairment. The cost for the rights received for free is zero. Emission rights with an indefinite useful life are tested for impairment on a quarterly basis. Provision is made if a shortfall in emission rights is identified between owned rights and the rights to be delivered due to actual emissions. Gains or losses from sale of emission rights are deferred and recognized as other operating income or expense during the same periods as the related emission expenses.

C.2 Leases

Right-of-use assets

SEK millions	2022						2021					
	Buildings	Land and land improvements	Machinery	Equipment, tools, fixtures and fittings	Vehicles	Total	Buildings	Land and land improvements	Machinery	Equipment, tools, fixtures and fittings	Vehicles	Total
Book value, January 1	1,245	19	703	20	469	2,457	1,327	14	450	33	519	2,344
Book value, December 31	1,245	21	644	18	397	2,326	1,245	19	703	20	469	2,457
Additions during the year	182	1	2	5	110	299	137	14	94	2	68	315
Depreciation for the year	310	3	171	13	211	708	283	3	155	16	195	652

Lease liabilities on December 31

SEK millions	2022	2021
Current lease liabilities	691	670
Non-current lease liabilities	1,813	1,920
Total	2,504	2,589

Maturity analysis of lease liabilities, undiscounted amounts

SEK millions	2022	2021
Within one year	709	682
Year two	548	547
Year three	484	437
Year four	400	387
Year five	302	320
Year six and later	593	699
Total	3,037	3,073

Amounts recognized in the consolidated statement of profit or loss

SEK millions	2022	2021
Expense for low value leases	30	32
Expense for variable lease fees	89	149
Depreciation for the year	708	652
Interest rate expense	127	127
Total	954	960

Total cash outflow for lease agreements during the year amounted to SEK 806 (742) million.

AP

Leases (Lessee)

The right-of-use asset and lease liability are recognized at the start of the lease term. The lease liability is initially recognized at the present value of future lease payments discounted at the rate implicit in the lease agreement, or if this cannot be determined, at the Group's incremental borrowing rate. Subsequently, the lease liability is increased by the interest cost and decreased due to payments. In addition, any re-measurements of the lease liability are taken into account.

The initial 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. Subsequently, the right-of-use asset is measured at initial 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.

The Group applies an exception to the above principles to low value leases, where no right-of-use asset or lease liability is recognized. These are recognized as 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. No right-of-use asset or lease liability is also recognized for lease contract with truly variable lease fees.

C.3 Inventories

Inventories

SEK millions	2022	2021
Raw materials, consumables and semi-finished goods	20,480	11,989
Slabs	2,567	2,195
Work in progress	869	655
Stocks of finished goods	13,991	10,759
Total	37,907	25,599

SEK 1,357 (1,222) million of the inventory value is valued at net realizable value. The share of inventories which is booked as expense amounted to SEK 93,805 (72,425) million during the period, of which SEK 588 (478) million was reported as an expense relation to impairment of inventories.

A&A

Inventory value is materially affected by assumptions and estimates regarding product costing, the assumptions used in the net realizable value calculations and estimates of obsolescence. Assumptions, such as first-in-first-out (FIFO), are applied in the valuation of inventory. Determining the quantities of certain input materials is complex and requires assumptions and estimates such as volume/weight.

AP

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value. The acquisition cost of inventories includes all costs for purchasing, production and other expenses to bring the goods to their current location and condition. The Group applies the FIFO method (first in, first out) or weighted average value method to estimate the acquisition cost.

The FIFO method assumes that goods purchased or produced first are sold first and the items remaining in the warehouse at the end of a period were bought or produced most recently. A weighted average value is normally used to approximate FIFO.

In the method based on weighted average prices, the cost of each item is determined from a weighted average cost of similar items at the beginning of the period and the items purchased or produced during the period. The averages can be calculated periodically or at each additional delivery.

The net realizable value is normally the sales price less production and selling expenses. With respect to products in the trading operations, the replacement cost with an added estimated gross margin is used as the best gauge of the net realizable value. In respect of raw materials, the replacement cost is used as the best gauge of the net realizable value. However, raw materials are not written down below the acquisition cost if the end product they are included in is expected to be sold at a price exceeding the manufacturing cost. Necessary provision is made for obsolescence.

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

Accounts receivable and other receivables

SEK millions	2022	2021
Current items		
Accounts receivable	12,048	10,870
VAT receivables	581	261
Accrued bonuses, discounts, licenses and similar	106	85
Goods and services delivered, not invoiced	55	69
Prepaid insurance premiums	69	52
Accrued interest income	52	1
Other receivables	76	142
Other prepaid expenses and accrued income	396	239
Total other current receivables	1,335	849
Total	13,383	11,719

Accounts receivable, other current receivables and derivatives per currency

SEK millions	2022	2021
SEK	1,593	1,698
USD	3,545	2,452
EUR	4,953	4,507
Other currencies	3,453	3,258
Total	13,545	11,915
Accounts receivable	12,048	10,870
VAT receivables	581	261
Other receivables	76	142
Derivative instruments	839	642
Total	13,545	11,915

Age analysis of current receivables¹⁾

SEK millions	2022	2021
Not due	10,808	9,776
1–30 days	1,738	1,376
31–120 days	222	116
121–365 days	96	43
> 365 days	83	127
Total	12,947	11,439

Change in expected credit losses¹⁾

SEK millions	2022	2021
Opening balance, January 1	–166	–174
Confirmed credit losses	32	20
Change in expected credit losses	–94	–6
Translation differences	–16	–6
Closing balance, December 31	–244	–166

¹⁾ Includes accounts receivable, VAT receivables and other receivables.

R

Credit risk

Credit risks associated with accounts receivable and other receivables are managed in each subsidiary. Prior to impairment, these receivables had a gross value of SEK 12,947 (11,439) million. The expected credit losses amounted to SEK 244 (166) million at year-end, representing 1.9% (1.5%) of outstanding accounts receivable. There are no concentrations of credit risk since the risk is allocated over a large number of customers spread throughout the world. In addition, individual credit rating tests are conducted and limits imposed for each customer.

C.4 Accounts receivable and payable and other receivables and liabilities, cont.

Accounts payable and other liabilities

SEK millions	2022	2021
Non-current items		
Other non-current employee benefits	184	180
Investment grant (Alabama tax credit)	11	29
Other items	9	8
Total other non-current liabilities	204	218
Current items		
Accounts payable	19,566	16,219
Accrued personnel expenses	2,746	2,427
Personnel withholding tax and social security liabilities	500	444
Deferred income from emission rights	1,457	733
Accrued expenses for emission rights	212	143
VAT payables	627	453
Goods and services received, not invoiced	626	425
Advance payments received from customers	182	253
Accrued discounts, bonuses and and complaints	272	214
Accruals related to sold receivables	87	91
Accrued interest expenses	43	39
Other payables	102	125
Other accrued expenses and deferred income	179	347
Total other current liabilities	7,032	5,699
Total	26,598	21,918

Liabilities related to contracts with customers

Liabilities related to contracts with customers include advance payments received from customers as well as accrued discounts, bonuses and complaints presented in the above table. The advance payments are expected to be recognized as revenue over the following 3 months.

Accounts payable, other current payables and derivatives per currency

SEK millions	2022	2021
SEK	3,538	3,408
USD	12,564	9,398
EUR	4,896	4,284
Other currencies	321	443
Total	21,320	17,532
Accounts payable	19,566	16,219
Personnel withholding tax and social security liabilities	500	444
VAT payables	627	453
Advance payments received from customers	182	253
Other payables	102	125
Derivative instruments	342	39
Total	21,320	17,532

AP

Accounts receivable and payable and other receivables and liabilities

Accounts receivable and payable and other receivables and liabilities include financial assets or liabilities measured at amortized cost. For more information on accounting principles for financial assets and liabilities, see Note D.4.

Trade and other receivables are valued less accumulated impairments. The Group applies the simplified approach for calculating expected credit losses, where the provision corresponds to the expected loss over the entire life of the trade receivable. Past credit losses as well as assessment of current and future economic conditions are considered in the analysis. Impairments of accounts receivable are reported in selling expenses in the statement of profit or loss.

Factored accounts receivable

Factored accounts receivable have been derecognized from the statement of financial position when the related risks and rewards have materially been transferred to the counterparty of the factoring transaction. When the Group has obtained a credit insurance for the factored receivables, an amount corresponding to deductible of the insurance remains recognized in the Group statement of financial position.

C.5 Provisions

SEK millions	2022						2021					
	Restructuring provision	Warranties provision	Environmental provision	Personnel-related provisions	Other provisions	Total	Restructuring provision	Warranties provision	Environmental provision	Personnel-related provisions	Other provisions	Total
Opening balance, January 1	4	44	48	129	10	236	25	40	42	105	11	222
Additional provisions	0	11	3	86	190	290	2	5	5	56	3	71
Utilized during the year	-2	-24	-	-50	-3	-79	-23	-1	-	-36	0	-60
Reclassification	-	-	-	-	-	-	-	-	-	3	-3	0
Translation difference	0	1	4	5	1	11	1	0	1	2	0	4
Closing balance, December 31	2	33	56	170	198	460	4	44	48	129	10	236

Provision in the statement of financial position

SEK millions	2022	2021
Non-current provisions	232	179
Current provisions	227	56
Total	460	236

A&A Future restoration of the environment

Future clean-up and restoration will need to be carried out in the industrial sites of steel operations. However, such activities will become relevant only when SSAB ceases to conduct operations in the area, and the needed expenditure is typically estimated when closures of operations are decided upon. In transformation to fossil-free steel production, in particular the blast furnaces and the coke ovens will be decommissioned likely resulting in dismantling costs. Provisions for these costs have not been made, as for example, investment decisions have not yet been made. Restoration of these areas is not yet assessed relevant as the operations will continue on these sites.

AP Provisions

Provisions are reported when the Group has an obligation as a result of a past event that will likely require payments to fulfill, and a reliable estimation of the amount can be made. Provisions for restructuring measures are made when a detailed, formal plan for the measures is in place and well-founded expectations created among the affected parties.

Emission rights

SSAB participates in the EU's emission rights trading system. Provision is made if a shortfall in emission rights is identified between owned rights and the rights to be delivered due to actual emissions. Emission rights are reported as intangible assets and are booked at acquisition value.

Environmental restoration expenses

Expenses for environmental measures associated with previous operations and which do not contribute to current or future revenue are booked as a cost when incurred. The provision is calculated based on interpretations of applicable environmental legislation and regulations. Provisions are usually not recognized for land clean-up and restoration of industrial areas where operations are still conducted, since it is not possible to make a reasonable estimation on timing and cost of such clean-up. However, when a reasonable estimate can be made, a restoration provision and a tangible fixed asset item equal to the provision are recognized.

D. Capital structure and financial risk management

SSAB's financial position strengthened in 2022 following a record result on adjusted basis, and the Board proposes a dividend of SEK 8.70 per share for the financial year 2022.

► D.

Capital structure and financial risk management

D.1

Capital structure

D.2

Net debt/cash

D.3

Financial risk management

D.4

Valuation of financial assets and liabilities

D.5

Other non-current assets

D.6

Financial income and expenses

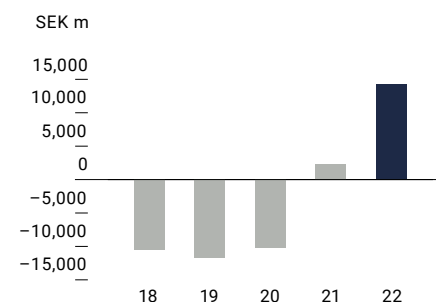
D.7

Equity

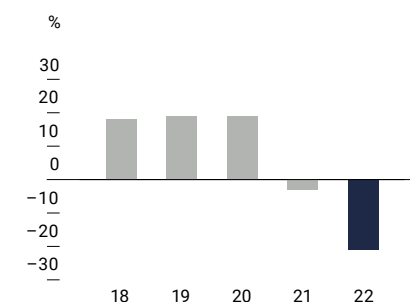
D.8

Pensions

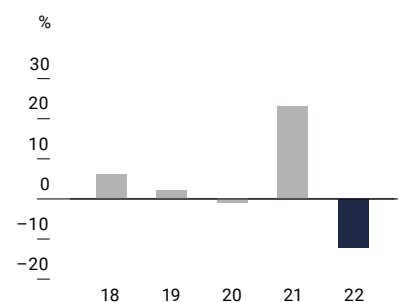
Net cash(+)/debt(-)



Net debt/equity ratio



Return on equity



Net debt/equity ratio

-21%

D.1 Capital structure

Capital structure

SEK millions	2022	2021
Total equity	67,191	73,508
Total interest-bearing liabilities	8,173	9,921
Total capitalization	75,363	83,430
Net debt/(cash)	-14,287	-2,346

Capital management

The capital structure is regularly reviewed by the Group's management as well as by the Board of Directors. The Group's operations are dependent on the business cycle, and the target is to maintain the net debt/equity ratio below 35% in normal economic circumstances. Since 2021, SSAB has reported net cash, and consequently a negative net debt/equity ratio, and good development in 2022 has further increased the net cash. The main objective of capital management is to ensure the ability to continue to operate and to generate good return for the shareholders.

Equity can be managed by dividends, share buybacks, or new issues of equity. SSAB's dividend target is to distribute 30–50% of the result for the year as dividends. Debt can be managed by raising new debt through capital market or banks, managing the utilization of financing facilities as well as repaying debt. The targets of debt management include optimized maturity structure and finance cost for the debt.

D.2 Net debt/cash

Net debt/(cash)

SEK millions	2022	2021
Assets in net debt/(cash)		
Cash and cash equivalents	24,900	13,796
Current interest-bearing receivables	40	987
Receivables from pension obligations	97	79
Other non-current receivables	59	80
Derivative assets in net debt/cash	250	394
Total	25,347	15,337
Liabilities in net debt/(cash)		
Non-current interest-bearing liabilities	6,291	8,492
Current interest-bearing liabilities	1,882	1,430
Lease liabilities	2,504	2,589
Liabilities from pension obligations	318	452
Derivative liabilities in net debt/cash	65	28
Total	11,060	12,991
Total net debt/(cash)	-14,287	-2,346

Net debt is an alternative performance measure. For more information, see Note A.3.

D.2 Net debt, cont.

Non-current interest-bearing liabilities

SEK millions	2022	2021
Capital market debt	7,937	9,399
Bank loans	98	235
Total	8,035	9,635
Less current portion	-1,745	-1,144
Total	6,291	8,492

Current interest-bearing liabilities

SEK millions	2022	2021
Current portion of non-current interest-bearing liabilities	1,745	1,144
Commercial paper	–	150
Overdraft facility	15	16
Other current interest-bearing liabilities	122	120
Total	1,882	1,430

Outstanding non-current interest-bearing liabilities

SEK millions	Interest rate (nominal), %	2022	2021
Capital market debt (fixed interest)			
2019–2026 SEK	2.75	599	599
2009–2023 EUR	2.87	1,667	1,532
Total capital market debt (fixed interest)		2,266	2,131
Capital market debt (variable interest)			
2017–2026 SEK	Stibor + 1.85–3.40	3,399	4,394
2010–2040 USD	0.11–3.73	2,272	2,874
Total capital market debt (variable interest)		5,671	7,268
Bank loans (fixed interest)			
2009–2023 EUR	2.9–3.57	98	235
Total bank loans, fixed interest		98	235
Total		8,035	9,635

Change in liabilities from financial activities

SEK millions	2022				2021			
	Interest-bearing liabilities	Lease liabilities	Other	Total	Interest-bearing liabilities	Lease liabilities	Other	Total
Opening balance, January 1	9,921	2,589	28	12,538	14,991	2,453	633	18,077
Cash flows	-2,324	-682	33	-2,973	-5,564	-610	-187	-6,361
Change in leases (non-cash)	–	609	–	609	–	740	–	740
Revaluations (non-cash)	575	-12	4	567	494	6	-418	82
Closing balance, December 31	8,173	2,504	65	10,741	9,921	2,589	28	12,538

D.2 Net debt, cont.

R

Liquidity and refinancing risks

SSAB raises most of its funding centrally and in coordination by the Treasury function. To mitigate liquidity and refinancing risks, the Group aims to maintain sufficient amount of cash and cash equivalents and committed credit facilities as well as a balanced maturity profile for its long-term borrowings. Funding plans are reviewed regularly based on divisions' cash flow forecasts.

On December 31, 2022, long-term borrowing amounted to SEK 6,291 (8,492) million primarily through the capital markets and the existing note programs and to some extent through banks. European Medium Term Note program (EMTN) is used for long-term borrowing up to ten years, while Swedish and Finnish commercial paper programs are used for short term (< 1 year) borrowing. The program limit of the EMTN program is EUR 2,000 million, while the Swedish commercial paper program has a limit of SEK 5,000 million and the Finnish commercial

paper program of EUR 500 million. At year-end, long-term borrowing within the EMTN program amounted to SEK 5,668 (6,538) million, while the Swedish and Finnish commercial paper programs were not utilized (Swedish program SEK 150 million).

At year-end, the Group's liquidity buffer, consisting of cash, short-term investments and non-utilized binding credit facilities, amounted to SEK 35,158 (22,401) million, equal to 27% (23%) of the revenue.

To the extent surplus liquidity arises, the Group seeks to repay its loans. If that is not possible, the funds are deposited with approved banks. On December 31, 2022, the total loan portfolio amounted to SEK 8,173 (9,921) million, with an average term to maturity of 5.7 (6.2) years.

Contractual cash flows, December 31, 2022

SEK millions	Book value	Contractual cash flow	2023	2024	2025	2026	2027	Later
Loans								
Capital market debt	7,937	8,779	1,524	1,965	16	2,047	85	3,141
Bank loans	235	211	190	1	1	1	1	18
Total, loans	8,173	8,991	1,714	1,966	17	2,048	86	3,159
Accounts payable								
Accounts payable	19,566	19,566	19,566	–	–	–	–	–
Derivatives								
Derivatives, outflow	342	342	342	1	–	–	–	–
Derivatives, inflow	1,574	1,574	839	323	150	197	65	–
Total, loans, accounts payable and derivatives	26,505	27,326	20,783	1,644	–133	1,851	20	3,159

Interest flows are calculated based on interest rates and exchange rates at year-end. For contractual cash flows relating to lease agreements, see Note C.2.

D.2 Net debt, cont.

Current interest-bearing receivables

SEK millions	2022	2021
Restricted funds	30	963
Other current interest-bearing receivables	10	23
Total	40	987

Cash and cash equivalents

SEK millions	2022	2021
Cash and bank balances	9,381	7,165
Short-term investments with maturity of less than three months	15,519	6,631
Total	24,900	13,796

AP

Debt

Debts is initially valued at fair value net of transaction costs. Subsequently, debt is measured at amortized cost based on the effective interest rate calculated when raising the loan.

Accordingly, premiums and discounts as well as direct issuance costs are allocated over the maturity of the borrowing.

Fees for credit facilities are reported as transaction costs for the borrowing to the extent it is probable that the credit facility will be utilized, and recognized over the term the credit facility is utilized. To the extent the utilization is not probable, the fee is treated as a prepaid expense for the liquidity and amortized over the period of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is fulfilled, canceled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash, immediately accessible bank balances as well as other short-term deposits with an original term to maturity of less than three months (short-term investments). Overdraft facilities are reported in the statement of financial position as borrowing among current interest-bearing liabilities.

D.3 Financial risk management

R

Financial risk management is governed by the Group's Directive of Financial Risk Management, which defines the responsibilities, processes and other principles of financial risk management. The objectives for financial risk management are to reduce volatility in the Group's earning and ensure sufficient liquidity for the Group's operations. Most financial transactions take place through the Parent Company's Treasury function in Stockholm, Sweden and through SSAB Finance Ireland in Ireland.

Financial risks include market and credit risks as well as liquidity and refinancing risks. Credit risks related to accounts receivable are discussed in Note C.4 while liquidity and refinancing risks are discussed in Note D.2. For a detailed description of the Group's financial risks, see pp. 103–104 in the Board of Directors' report.

Market risks

Market risks result from changes in market prices, which can affect the Group's earnings or financial position, and include interest rate risk, currency risk and commodity price risk.

Interest rate risk and hedges

On December 31, 2022, Group's debt amounted to SEK 8,173 (9,921) million, of which SEK 3,966 (4,838) million has a fixed interest or is swapped to a fixed interest. Including the interest rate swaps, the average fixed interest term was 0.9 (1.2) years. For the net debt at the year-end, including interest hedging, a change in market interest rates of 100 basis points (1 percentage point), would change the result for the year by SEK 125 (–48) million.

At year-end, the value of interest rate swaps converting floating to fixed interest (entered into to secure cash flow in conjunction with interest payments) was SEK 129 (13) million. Cash flow hedge accounting is applied for these swaps and no inefficiency was identified during the year. The outstanding interest rate derivatives had an average maturity of 32 (18) months at year-end.

The Group's interest-bearing assets amounted to SEK 25,347 (15,337) million and consisted almost exclusively of cash and cash equivalents at variable interest rates.

Currency risk and hedges

Currency hedges are used to reduce risks associated with exchange rate changes. Reported accounts payable and receivables in major currencies are hedged in order to minimize the effect of exchange rates to the Group's earnings. Major investments and projects in foreign currency 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.

In 2022, the Group had a net cash inflow of foreign currency of SEK 13 (9) billion. The most important currency flows are shown in a diagram on p. 104 in the Board of Directors report.

A five percentage point devaluation of the Swedish krona against the Group's two most important currencies, the US dollar and euro, including hedges, would have a negative impact on the result of the year of SEK 293 (115) million with respect to the US dollar and a positive impact of SEK 558 (173) million with respect to euro. Additionally, equity would be positively affected by the translation effect of foreign subsidiaries, net of equity hedges, by SEK 3,393 (2,939) million.

In 2022, net exchange rate differences amounted to SEK –162 (–33) million in operating result and SEK 235 (–13) million in financial income and expenses. The breakdown accounts receivable and payable per currency is presented in Note C.4.

D.3 Financial risk management, cont.

Borrowing per currency

SEK millions	2022	2021
SEK	3,995	5,162
USD	2,272	2,874
EUR	1,885	1,864
Other currencies	18	21
Total	8,173	9,921

R

The translation exposure in net investments is hedged primarily through debt in the same currency. Consequently, borrowing in euro and the US dollar has not been separately hedged. In the absence of such debt, currency derivatives may be used instead. On December 31, 2022, these net investments amounted to EUR 1,755 (1,339) million and USD 4,854 (5,221) million, respectively. During 2022, SSAB applied net investment hedging only in relation to its investments in US dollar covering a part of the investment intended to be distributed as dividend to the parent company. This dividend was executed during Q4 2022, and the hedges consequently closed. The accumulated change in fair value reserve, before tax, relating to net investment hedging amounted to SEK –4,934 (–5,305) million at year-end. No inefficiency was identified during 2022.

Fair value hedge accounting is applied in connection with certain purchases in euros. At year-end, such purchase orders amounted to SEK –1.6 (–0.8) billion. At year-end, derivative instruments related to fair value hedging had a net fair value of SEK 68 (2) million, while purchase orders subject to hedge accounting and accounts payable related to hedged purchase orders were SEK –68 (–2) million. Thus, there was no inefficiency at year-end.

At year-end, the net fair value of non-hedge accounted derivative instruments amounted to SEK –235 (341) million, of which SEK –269 (66) million was reported in operating result in other operating income and SEK 33 (275) million was reported in financial income and expenses. The outstanding FX derivatives had an average maturity of 3 (2) months at year-end.

Commodity price risk and hedging

Information about commodity price risk can be found in the Board of Directors' report, p. 101. Cash flow hedge accounting is applied for hedging price risk of electricity and iron ore.

Electricity price risk relating to forecasted electricity consumption at the mills is partly hedged through derivative instruments and partly by physical delivery contracts. At year-end, the amount of forecasted purchases hedged with electricity derivatives was 3,011 (2,132) GWh and the net fair value of the related derivative instruments was SEK 1,242 (258) million. There was no inefficiency at year-end. The outstanding electricity derivatives had an average maturity of 30 (30) months on December 31, 2022.

Iron ore is hedged in limited volumes. Derivative products are average swaps. At year-end, the forecasted purchases hedged with iron ore derivatives amounted to 91,015 (62,900) tonnes and the net fair value of related derivative instruments was SEK 2 (4) million. There was no inefficiency at year-end. The outstanding iron ore derivatives had an average maturity of 4 (6) months at year-end.

Counterparty credit risk

The limits for individual counterparties are evaluated continuously. For derivative transactions, SSAB has the ISDA framework in place. On December 31, 2022 the total counterparty risk was SEK 26,289 (15,085) million, of which derivative instruments accounted for SEK 1,388 (1,289) million and investments in cash and cash equivalents amounted to SEK 24,901 (13,796) million.

D.3 Financial risk management, cont.

Hedge accounted derivatives

SEK millions	2022							2021						
	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Fair value reserve (before tax)	Fair value adjustment on the hedged item		Change in fair value of the hedging instrument (before tax)	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Fair value reserve (before tax)	Fair value adjustment on the hedged item		Change in fair value of the hedging instrument (before tax)
		Assets	Liabilities		Assets	Liabilities			Assets	Liabilities		Assets	Liabilities	
Cash flow hedges														
Commodity price risk														
Forward contracts – electricity	3,011 GWh	1,242	–	1,242	–	–	984	2,132 GWh	259	1	258	–	–	324
Forward contracts – iron ore	91,015 tonnes	2	–	2	–	–	–2	62,900 tonnes	4	–	4	–	–	4
Interest rate risk														
Interest flows, external debt	1,700	129	–	129	–	–	116	2 700	14	1	13	–	–	22
Fair value hedges														
Foreign exchange risk														
EUR purchases	1,562	68	–	–	–	68	66	759	2	–	–	–	2	10
Hedges of net investments in foreign operations														
Foreign exchange risk														
Equity	–	–	–	–4,934	–	–	371	–	–	–	–5,305	–	–	–218

D.3 Financial risk management, cont.

AP

Derivative instruments

All derivative instruments are reported in the statement of financial position at fair value. The entire fair value is classified as a non-current asset or a non-current liability when the outstanding term of the hedged item exceeds twelve months and as a current asset or a current liability when the outstanding term of the hedged item is less than twelve months.

The gains or losses arising from fair value changes are presented in operating result when the derivative instruments relate to operating activities and in financial income and expenses when the derivative instruments relate to financing activities.

Currency forward contracts and swaps are used to hedge the exchange movement in accounts payable and receivable in major currencies and major investments in non-current assets in foreign currency, and to hedge net investments in foreign subsidiaries and Swedish krona payment flows on foreign loans. Interest swaps are used to hedge exposure to interest rate risks. The fair value of currency forward contracts and currency swaps is calculated based on forward contract prices on the balance sheet date, while interest rate swaps are valued calculated on the basis of future discounted cash flows.

Hedge accounting

Hedge accounted derivative contracts are classified as hedging the fair value of a reported asset or liability or a signed delivery order (fair value hedging), hedging a planned transaction (cash flow hedging), or hedging a net investment in a foreign company.

For each hedging arrangement, the Group documents the relationship between the hedge instrument and the hedged item, as well as the Group's risk management objectives and strategy regarding the hedging. The Group also documents its assessment, both when hedging is entered into and on a regular basis, whether the derivative instruments used are effective in counteracting changes in fair value or cash flows of the hedged items.

In fair value hedging, the fair value changes of derivative instruments are reported in the statement of profit or loss together with the changes in the fair value of the asset or liability or the delivery order to which the hedging relates.

In cash flow hedging, the effective part of the fair value changes of derivative instruments are reported in other comprehensive income and presented in equity within the reserve for

cash flow hedges. Gains or losses attributable to the ineffective part are reported in financial income and expenses in the profit or loss. Accumulated amounts in equity are reversed to the statement of profit or loss in periods when the hedged item affects the profit or loss. When a hedge instrument lapses or is sold, or the hedging no longer fulfills the hedge accounting criteria, the accumulated gains or losses in equity are reported in profit or loss when the forecasted transaction is finally reported in profit or loss. If a forecasted transaction is no longer expected to occur, the accumulated gains or losses in equity are immediately transferred to profit or loss.

Hedging of net investments in foreign companies is reported in the same manner as cash flow hedging. The effective part of the fair value changes of derivative instruments and liabilities used as hedge instruments, is reported in other comprehensive income and presented in equity within the reserve for hedges in foreign operations. The ineffective part of the fair value changes is reported in financial income and expenses in the profit or loss. Accumulated gains or 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 during the term of the hedging relationship include significant changes in credit risk of one of the parties and, in case of cash flow hedge, change in timing of the payment of the hedged item or high probability of forecasted volumes exceeding the actual outcomes.

D.4 Valuation of financial assets and liabilities

Financial assets and liabilities

SEK millions	2022					2021				
	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value
Financial assets										
Other non-current financial assets	151	–	–	151	151	434	–	–	434	434
Derivative assets	–	174	1,399	1,573	1,573	–	381	354	735	735
Accounts receivable	12,048	–	–	12,048	12,048	10,870	–	–	10,870	10,870
Other current interest-bearing receivables	40	–	–	40	40	987	–	–	987	987
Cash and cash equivalents	24,900	–	–	24,900	24,900	13,796	–	–	13,796	13,796
Total financial assets	37,140	174	1,399	38,713	38,713	26,087	381	354	26,822	26,822
Financial liabilities										
Non-current interest-bearing liabilities	6,291	–	–	6,291	6,248	8,492	–	–	8,492	8,591
Current interest-bearing liabilities	1,882	–	–	1,882	1,869	1,430	–	–	1,430	1,324
Derivative liabilities	–	342	–	342	342	–	40	–	40	40
Accounts payable	19,566	–	–	19,566	19,566	16,219	–	–	16,219	16,219
Total financial liabilities	27,739	342	–	28,081	28,026	26,141	40	–	26,181	26,174

Derivative assets and liabilities

SEK millions	2022					2021				
	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value	Amortized cost	Fair value/ Profit or loss	Fair value/Other comprehensive income	Book value	Fair value
Derivative assets										
Cash flow hedges	–	–	1,372	1,372	1,372	–	–	276	276	276
Fair value hedges	–	68	–	68	68	–	2	–	2	2
Hedges of net investment	–	–	–	–	–	–	–	78	78	78
Derivatives, not hedge-accounted	–	106	27	133	133	–	379	–	379	379
Total derivative assets	–	174	1,399	1,573	1,573	–	381	354	735	735
Derivative liabilities										
Cash flow hedges	–	–	–	–	–	–	–	–	–	–
Fair value hedges	–	–	–	–	–	–	2	–	2	2
Hedge of net investment	–	–	–	–	–	–	–	–	–	–
Derivatives, not hedge-accounted	–	342	–	342	342	–	38	–	38	38
Total derivative liabilities	–	342	–	342	342	–	40	–	40	40

D.4 Valuation of financial assets and liabilities, cont.

Fair values of financial instruments

Financial assets and liabilities are classified on a three-level hierarchy based on the input data used in the valuations. On level 1, listed prices on an active market, e.g. stock exchange, are used. On level 2, other observable market data than listed prices, e.g. interest rates and return curves, regarding assets and liabilities, is used. On level 3, the fair value is determined using techniques based on other assumptions than directly observable prices and data.

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.

The fair value of currency derivatives is calculated based on current forward prices at the reporting date. Fair value on 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.

Accounts receivable are reported in the amount expected to be received following the assessment of expected credit losses. Other current interest-bearing receivables consist of restricted cash with a term to maturity of less than 12 months, whereas cash and cash equivalents consist of bank balances and bank deposits with short maturities. For both of these items the fair values are estimated to be substantially consistent with the book value.

Non-current and current interest-bearing liabilities consist primarily of debt that is valued at amortized cost. Fair values have been calculated based on the interest rate for outstanding terms to maturity as applicable at the end of the year. Accounts payable are reported in the amount which is expected to be paid and are valued at acquisition value.

Netting of derivative assets and liabilities

If full netting in accordance with ISDA agreements had been applied, the derivative instruments would have amounted to SEK 1,231 (695) million of financial assets and SEK 0 (0) million of financial liabilities.

AP

Financial assets and liabilities

Financial assets and liabilities are classified either as assets or liabilities at fair value through profit or loss, at fair value through other comprehensive income, or at amortized cost. The classification is based on the business model the Group has for these assets and liabilities and the characteristics of their contractual cash flows. Financial assets and liabilities are reported as current assets or liabilities if they are expected to mature in 12 months or less. Otherwise they are reported as non-current assets or liabilities.

If a financial assets is not measured at fair value through profit or loss, transaction costs are included in the initial value of the asset. Financial assets are removed from the statement of financial position when the receivable/instrument is paid, ceases to exist or is transferred with all risks and benefits assigned to an external party. Accounting principles related to transaction costs and de-recognition of borrowings are presented in the Note D.2.

Financial assets and liabilities at amortized cost

Financial assets and liabilities in this category have contractual cash flows of principal and interest. Financial assets in this category include investments and accounts receivable, other receivables and cash and cash equivalents. Assets in this category are valued at amortized cost using the effective interest rate method, less write-downs for expected credit losses and impairments. Expected credit losses are assessed for accounts receivable and other current receivables, and accounting principles are presented in the Note C.4.

Financial liabilities in this category include borrowings, accounts payable and other payables. See Note D.2 for accounting principles on borrowings and C.4 for accounting principles for accounts payable and other payables.

Financial assets and liabilities at fair value through other comprehensive income

Financial assets and liabilities in this category include derivative instruments to which hedge accounting is applied. Items in this category are valued regularly at fair value with changes reported in other comprehensive income. The accumulated results from the derivatives in equity are reversed to the statement of profit or loss in periods in when the hedged item affects the result. If equity instruments (shares) not held for trading purposes are initially irrevocably classified in this category, the subsequent changes in fair value, both unrealized and realized, are reported in other comprehensive income.

D.4 Valuation of financial assets and liabilities, cont.

AP Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities included in this category are items 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 as well as financial assets managed and evaluated based on fair values are included in this category. Derivative instruments, to which hedge accounting is not applied, are included in this category as well. Items in this category are regularly valued at fair value, and changes in value are reported in the statement of profit or loss, either in operating result for derivative instruments relating to business activities or in financial income and expenses for derivative instruments relating to financial activities.

For more information on accounting principles related to derivative instruments and hedge accounting, see Note D.3.

D.5 Other non-current assets

SEK millions	2022	2021
Equity investments	91	354
Receivables from pension obligations	97	79
Other non-current receivables	59	80
Total	248	514

Equity investments

SEK millions	2022	2021
Book value, January 1	354	302
Investments	13	46
Impairments	-288	-
Reclassification	-3	0
Translation differences	17	7
Book value, December 31	91	354

The impairment in equity investments in 2022 relates to SSAB's ownership in Voimaosakeyhtiö SF through which it participated in the Fennovoima nuclear plant project in Finland.

AP Equity investments

Equity investments are valued at fair value. For some unlisted equity instruments fair value cannot be reliably measured and cost can be used as an approximation of fair value. For such instruments material reduction in fair value can be recognized in form of an impairment.

D.6 Financial income and expenses

SEK millions	2022	2021
Financial income		
Interest income on financial assets at amortized cost	271	43
Interest income on derivative instruments	115	57
Exchange rate differences	2,885	1,988
Dividends	–	4
Other	13	3
Total	3,284	2,095
Financial expenses		
Interest expenses on financial liabilities at amortized cost	–471	–438
Interest expenses on derivative instruments	–59	–26
Exchange rate differences	–2,694	–2,002
Other	–346	–50
Total	–3,570	–2,516
Total net financial expenses	–286	–421

AP

Exchange rate differences include exchange gains or losses arising from valuation of cash and cash equivalents, debt and loan receivables in foreign currencies at period end rates as well as from fair value changes of derivative instruments related to financing activities.

Interest expenses on lease liabilities are included in interest expenses on financial liabilities at amortized cost. Interest expenses on leases are presented in Note C.2.

Other financial income and expense items include interest income and expenses related to benefit-based pension obligations, commitment and financial fees related to committed credit facilities as well as interest capitalized to the values of intangible and tangible fixed assets.

D.7 Equity

SEK millions	2022				2021			
	Reserve for hedges of foreign operations	Reserve for cash flow hedges	Translation reserve	Total reserves	Reserve for hedges of foreign operations	Reserve for cash flow hedges	Translation reserve	Total reserves
Reserves, January 1	-4,211	217	10,091	6,095	-4,038	-62	5,349	1,247
Translation differences during the period	-	-	8,676	8,676	-	-	4,742	4,742
Fair value changes during the period	371	1,356	-	1,727	-218	217	-	-1
Tax related to fair value changes during the period	-77	-250	-	-327	45	-44	-	1
Transfers to the profit or loss	-	-323	-	-323	-	131	-	131
Tax related to transfers to the profit or loss	-	43	-	43	-	-26	-	-26
Reserves, December 31	-3,917	1,041	18,767	15,891	-4,211	217	10,091	6,095

Earning per share

	2022	2021
Result for the year attributable to the Parent Company's shareholders, SEK millions	-10,886	14,622
Weighted average number of shares, millions	1,029.8	1,029.8
Earning per share, SEK	-10.57	14.24

Numbers of shares and share capital

	2022	2021
Numbers of shares, millions	1,029.8	1,029.8
Share capital, SEK millions	9,063	9,063

The share capital consists of 1,029.8 (1,029.8) million shares with a quotient value of SEK 8.80 (8.80) per share. 304.2 (304.2) million of the shares are Class A shares and 725.7 (725.7) million shares are Class B shares. Each Class A share entitles to one vote, while each Class B share entitles the holder to one tenth of a vote. 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. Other contributed funds amounting to SEK 23,021 (23,021) million consist of funds paid in by the shareholders in connection with share issues in excess of the par value of the shares.

Exchange rate differences arising upon the translation of the net investment in foreign subsidiaries into Swedish kronas are included in the translation reserve. The exchange rate differences from the translation of loans or other financial instruments that are in place to hedge the exchange movement in net assets in foreign subsidiaries are reported in the reserve for hedges of foreign operations. Exchange rate differences relating to cash flow hedging of significant sales in foreign currency, market price differences relating to cash flow hedging of commodities as well as hedging of interest rates from variable to fixed rate are reported in the reserve for cash flow hedges.

D.7 Equity, cont.

Considerations relating to proposed allocation of profit

The Board of Directors propose a dividend of SEK 8.70 (5.25) per share for 2022, corresponding to SEK 8,959 (5,406) million, and the remaining profit to be carried forward to next year. In the Annual General Meeting of 2023, the shareholders can either approve or reject this proposal.

On December 31, 2022, the retained earnings of the Group were SEK 19,149 (35,298) million and the Parent Company's unrestricted equity was SEK 65,602 (54,216) million. The equity included unrealized gains from financial instruments reported at market value of SEK 184 (223) million. On December 31, 2022, the Group's net cash amounted to SEK 14,287 (2,346) million, resulting in the net debt/equity ratio of -21% (-3%). Since the Group's operations are affected by the business cycle, the net debt/equity ratio target is not to normally exceed 35%. The Group reported a result for the year amounted to SEK -10 877 (14,673) million, and adjusted result for year of SEK 23,062 (14,673) million. The Group's policy is to distribute 30–50% of the result for the year as dividends.

In 2022, the SSAB Board of Directors made a directional strategic decision to fundamentally transform the Nordic strip production. This is a major step in SSAB's green transition to become the first steel company in the world to offer fossil-free steel on the market in 2026, and to high extent remove carbon dioxide emissions from its own operations around 2030. This will involve major investments in the Nordic operations over the next 10 years. In its dividend proposal, the Board of Directors has taken into consideration the future investment needs as well as the solid financial position and net cash of the Group.

AP

Dividends

Dividends proposed by the Board of Directors do not reduce equity until the Annual General Meeting has approved the resolution regarding the payment of dividend.

Earnings per share

Earnings per share before dilution is calculated by dividing the Group's result for the year attributable to the Parent Company's ordinary shareholders by the weighted average number of shares. When calculating earnings per share after dilution, the result and the average number of shares are adjusted to take into account the effects of the potentially dilutive ordinary shares. No dilution took place in 2022.

D.8 Pensions

The Group's employees, former employees and their survivors may be covered by defined contribution and defined benefit plans relating to post-employment benefits. The defined benefit plans cover retirement pension and survivors' pensions.

The liabilities on pension obligation reported in the statement of financial position relate to the defined benefit plans. The Group's major benefit-based pension plans are Rautaruukki's Finnish pension scheme (A-säätiö), Finnish defined benefit plans and the Norwegian pension scheme (CCB Pensionskasse) but there are also smaller pension plans in Sweden and in the US. The plans are covered by a re-insured provision in the balance sheet and by pension benefit plans and funds.

For the defined contributions plans, regular payments are made to government and independent institutions, who take over the obligations towards the employees.

Sweden

Blue collar employees are included in the SAF / LO plan, which is a defined contribution pension plan. White-collar employees are included in the ITP plan. Both plans are based on collective agreements and comprise of several employers from various industries.

The ITP plan has two parts, the ITP1, a defined contribution pension plan valid for employees born 1979 or later, and the ITP2, a defined contribution pension plan valid for employees born before 1979. The major part of the ITP2 plan is managed by SSAB within the FPG / PRI system. Funding takes place through a provision covered by a credit insurance in Försäkringsbolaget PRI Pension guarantee. Part of the ITP2 plan is covered through an insurance within Alecta. Additionally, SSAB AB has other defined benefit obligations relating to individual pension agreements with earlier employees and senior executives.

Some white-collar employees in Sweden are covered by a defined benefit-based ITP2 plan for age and family pension (alternative family pension) through an insurance by Alecta. According to a statement from Swedish Financial Reporting Board, UFR 10 the ITP plans financed through insurance by Alecta are classified as a defined benefit plans that comprises of several employers.

For the financial year 2022 (as well as 2021) the Company did not have access to all information to be able to disclose its proportional share of the pension obligation, the plan assets and the administration costs, and consequently, has not been able to account the plans as a defined benefit plans. The benefit-based ITP2 plan covered through an insurance by Alecta is therefore accounted as a defined contribution plan. The expected fees in 2023 for the ITP2 insurances that are with Alecta amount to SEK 35 million.

The collective consolidation level of the market value of the assets in Alecta, as a percentage of the insurance obligations, is calculated using the insurance technical methods and assumptions by Alecta, which do not correspond with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 155%. If the collective consolidation level is outside of these thresholds, actions are taken to revert back to the normal interval. At a low consolidation level, an action can be to increase the agreed fees for new take-outs and/or existing benefits. At a high consolidation level, an action can be to reduce premiums. At the end of the year, Alecta's surplus, on a collective consolidation level, was 172% (172%).

D.8 Pensions, cont.

Pension expenses

SEK millions	2022	2021
Fees for contribution-based plans	881	782
Fees for pension insurance policies with Alecta	136	131
Pension expenses, benefit-based plans	-8	16
Special employer's contributions	85	83
Other	1	4
Total pension expenses in operating result	1,094	1,015
Net interest expense on benefit-based plans	5	4
Total pension expenses in statement of profit or loss	1,099	1,019
Net actuarial (gains)/losses before tax on benefit-based plans	-105	-71
Total pension expenses in comprehensive income	994	948

Net pension obligations in the statement of financial position

SEK millions	2022	2021
Liabilities from pensions obligations	318	452
Receivables from pension obligations	97	79
Net pension obligations	221	373

Payments to defined benefit plans in 2023 are expected to be SEK 45 million.

Net pensions obligations by country

SEK millions	2022						2021					
	Finland	Norway	USA and Canada	Sweden	Other	Total	Finland	Norway	USA and Canada	Sweden	Other	Total
Funded pension obligations	780	264	84	3	-	1,131	876	245	104	3	0	1,229
Fair value of plan assets	814	330	80	2	-	1,226	832	324	84	2	0	1,241
Pension obligations less plan assets	-33	-67	3	1	-	-96	44	-79	21	2	0	-12
Unfunded pension obligations	110	14	73	36	83	316	120	15	131	34	85	385
Net pension obligations by country	76	-53	77	38	83	221	165	-64	152	35	85	373

D.8 Pensions, cont.

Changes in net benefit-based pension obligations

SEK millions	2022			2021		
	Pension obligations	Plan assets	Net pension obligations	Pension obligations	Plan assets	Net pension obligations
Total, January 1	1,614	1,241	373	1,630	1,200	430
Benefits earned during the year	39	–	39	40	–	40
Interest expenses/income	22	17	5	12	8	4
Actuarial gains/losses	–174	–59	–115	–25	43	–68
Fees from employer	–	30	–30	–	29	–29
Paid benefits	–152	–85	–68	–118	–93	–25
Curtailments and settlements	–17	–2	–15	3	1	2
Reclassifications	–	–	–	7	7	–
Translation differences	115	84	31	65	47	18
Total, December 31	1,447	1,226	221	1,614	1,241	373

Distribution of plan assets

%	2022	2021
Equity instruments	24	22
Bonds	35	40
Real estate	13	10
Cash	4	4
Investments funds	21	15
Other	2	8
Total	100	100

R

Exposure to the most significant risks in defined benefit plans

Asset volatility

In long-term, equity instruments are generally expected to outperform bonds that in turn reduce volatility and are less risky than equities in short-term. The investment portfolio may also be subject to other risks, such as credit risk on bonds and exposure to the real estate market.

Discount rate

Defined benefit pension obligations are calculated using a discount rate based on the interest rate on first-class corporate bonds. A decrease in the bond interest rate increases pension obligations, although this is partly offset by an increase in the value of plan assets.

Inflation risk

Pension benefits are subject to increases based on inflation and, thus, an increase in inflation increases pension obligations.

D.8 Pensions, cont.

Significant actuarial assumptions

%	2022				2021			
	Finland	Norway	USA and Canada	Sweden	Finland	Norway	USA and Canada	Sweden
Discount rate	3.2	3.8	5.2	3.5	0.9	2.2	3.0	0.6
Inflation	2.6	2.0	–	2.0	2.0	2.0	2.0	2.0
Future salary growth	3.5	3.7	3.4	–	2.0	3.0	3.4	2.0
Pension increase rate	2.8	–	–	2.0	2.2	–	–	2.0
Expected remaining service period, years	2	1	6	–	3	8	7	–
			PRI2012–MP2021 /100% CPM2014				PRI2012–MP2020 /100% CPM2014	
	Gompertz' model, with Finnish TyEL parameters 2015	FNH2013	Private Sector Table with Projection Scale CPM-B	DUS21	Gompertz' model, with Finnish TyEL parameters 2015	FNH2013	Private Sector Table with Projection Scale CPM-B	DUS14
Life expectancy								
Duration, years	10	15	17	4	12	15	18	5

Sensitivity to the significant actuarial assumptions

SEK millions	2022					2021				
	Finland	Norway	USA and Canada	Sweden	Total	Finland	Norway	USA and Canada	Sweden	Total
Discount rate, +0,5 %	–34.3	–13.0	–15.7	–0.1	–63.0	–46.1	–15.7	–23.5	–0.1	–85.3
Discount rate, –0,5 %	37.6	14.5	17.7	0.1	69.9	51.2	17.5	26.8	0.1	95.6
Life expectancy, +1 year	21.8	6.3	2.4	0.3	30.7	28.4	7.4	4.4	0.3	40.5

D.8 Pensions, cont.

A&A

Assumptions relating to benefit-based pension plans

The value of defined benefit plans is subject to actuarial assumptions such as life expectancy, inflation and discount rates used to determine the size and cost of the commitment.

The assumptions are proposed by external independent actuaries and approved by the management.

A sensitivity analysis has been done on above actuarial assumptions since changes in them can impact the defined benefit obligation. Analysis has been done by considering a change in each assumption separately, and any relations between the assumptions have not been taken into account.

AP

Pensions

The Group has both contribution-based and benefit-based pension plans in place. Generally, the plans are financed through payments to insurance companies or manager-administered funds.

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.

In the benefit-based plans, compensation is payable to employees and former employees based on salary at the time of retirement or 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 liability from pension obligations or as a receivable in other non-current assets. When a surplus in a plan cannot be utilized in full, only the part of the surplus, which can be recovered through reduced future fees or refunds is reported. Offset of a surplus in one plan against a deficit in another takes place only when a right to offset 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 to the periods when the employees perform the services that increase their entitlement to future compensation. The obligations are calculated by independent actuaries and constitute the present values of the anticipated future disbursements. The applied discount rate corresponds to the interest rate on high-quality corporate bonds with a maturity that corresponds to the average duration of the obligations.

Actuarial gains or losses may arise upon determination of the present value of the obligations and the fair value of the plan 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 gains or losses are recognized in the other comprehensive income when they arise. Net interest on defined benefit obligations and plans assets is reported as interest income or interest expense in the profit or loss.

The ITP2 plan for supplementary pensions for salaried employees is a collective benefit-based plan financed through a purchased pension insurance with the mutual insurance company, Alecta. As no information is available to report this plan as a benefit-based plan, it is reported as contribution-based, and thus premiums paid to Alecta during the year are reported as pension expenses.

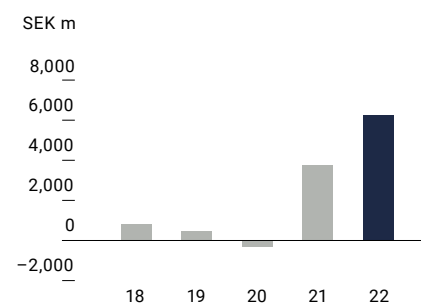
E. Other notes

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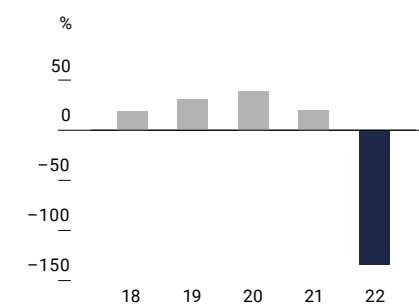
Other notes

- E.1** Income taxes
- E.2** Acquisitions and divestments
- E.3** SSAB subsidiaries
- E.4** Pledged assets and contingent liabilities

Income tax expenses



Effective tax rate



Income tax expenses, MSEK

6,235

E.1 Income taxes

Income tax expenses

SEK millions	2022	2021
Swedish corporate income tax expenses	1,232	191
Foreign corporate income tax expenses	4,066	2,572
Total current tax expenses	5,298	2,764
Deferred tax expenses	937	980
Total income tax expenses in the statement of profit or loss	6,235	3,743
Total income tax expenses in other comprehensive income¹⁾	313	37

¹⁾ For details see Consolidated statement of changes in equity on p. 109.

Reconciliation of tax rates

%	2022	2021
Applicable tax rate in Sweden	20.6	20.6
Tax effect of:		
Non-tax deductible expenses ¹⁾	-151.2	0.8
Non-taxable income ¹⁾	11.5	-1.2
Changes in tax rates	-0.4	-1.8
Differences between Swedish and foreign tax rates	-14.9	2.3
Taxes relating to prior years	-1.2	0.4
Unbooked deficit credit	-0.1	-0.4
Other	1.3	-0.4
Effective tax rate	-134.3	20.3

¹⁾ Non-tax deductible expenses mainly consist of goodwill impairment, while non-taxable income mainly consists of dividends from subsidiaries.

E.1 Income taxes, cont.

Deferred tax receivables and liabilities

SEK millions	2022	2021
Deferred tax receivables		
due within 12 months	440	217
due after more than 12 months	181	91
Total	621	309
Deferred tax liabilities		
due within 12 months	-37	-
due after more than 12 months	-3,078	-1,476
Total	-3,115	-1,476
Net deferred tax liabilities	-2,494	-1,167

The Group has not recognized deferred tax receivables on losses carried forward amounting to SEK 1,760 (1,539) million. SEK 133 (132) million of these will expire within 12 months.

No deferred tax liabilities were recognized on retained earnings in subsidiaries and affiliated companies as transferring those profits to the Parent Company is normally exempt from taxation. To the extent it is not exempt from taxation, the Parent Company can determine when these profit are transferred and such transfers will not take place in the foreseeable future.

Changes in deferred tax receivables (+) and liabilities (-)

SEK millions	2022							2021						
	Accelerated depreciation of fixed assets	Unutilized tax losses	Liabilities on pension obligations	Long-term deferred income	Surplus values	Other	Total	Accelerated depreciation of fixed assets	Unutilized tax losses	Liabilities on pension obligations	Long-term deferred income	Surplus values	Other	Total
Opening balance, January 1	-2,195	42	137	21	-192	1,021	-1,167	-1,556	329	151	33	-230	1,128	-143
Changes in profit or loss	-327	-32	128	1	38	-745	-937	-555	-286	-7	-8	53	-177	-980
Changes in other comprehensive income	-	-	-29	-	-	-284	-313	-	-	-12	-	-	-25	-37
Changes against investment grant	-	-	-	-22	-	-	-22	-	-	-	-8	-	-	-8
Increase due to acquisition of businesses	-	-	-	-	-15	-5	-20	-	-	-	-	-	-1	-1
Decrease due to disposal of businesses	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Translation difference	-144	6	12	4	-12	98	-37	-84	-1	5	3	-16	96	3
Net closing balance, December 31	-2,666	16	248	4	-181	84	-2,494	-2,195	42	137	21	-192	1,021	-1,167

E.1 Income taxes, cont.

A&A

Deferred tax

The Group conducts operations in several countries, which increases complexity in determining deferred tax receivables and liabilities, and material assessments and assumptions are required to determine the value of the deferred tax receivables and liabilities on the balance sheet date. The company must assess the probability of utilizing the deferred tax receivables to offset future taxable profits. Future changes in taxation legislation and trends in the business environment will impact the Company's future taxable profits and thus the possibility to utilize deferred tax receivables on loss carry-forwards and other temporary differences. A change in the probability assessment of future taxable profits could have either a positive or negative effect on the Group's result for the year. Key assessments and assumptions are also made regarding recognition of provisions and contingent liabilities relating to tax risks.

However, deferred tax liability is not recognized if it arises as a result of the initial recognition of goodwill. A deferred tax receivables on losses carried forward are recognized only to the extent it is probable that the deductions can be used against future taxable income in different tax jurisdictions.

Deferred tax receivables and liabilities are reported net when there is a legal right to offset current tax receivables and liabilities, and when they relate to taxes to the same tax authority and relate to either the same company or group of companies with the intention regulate the balances through net payments.

Current and deferred tax are reported in the statement of profit or loss, except when the tax relates to items recognized in the other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income or equity, respectively.

AP

Income taxes

Tax expense consists of tax on the taxable income for the current year with current tax rates, any tax adjustments for prior years 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 decided upon the balance sheet date in the countries where the Group companies operate and generate taxable income.

The Group continuously evaluates the claims made in income tax returns regarding situations where applicable tax rules are subject to interpretation and assess whether it is probable that a tax authority will accept an uncertain tax treatment. The Group values the reported taxes either based on the most probable amount or the expected value depending on which method best predicts the outcome of the uncertainty.

Deferred tax

The deferred tax corresponds to the net tax effect on all differences between the tax values of assets and liabilities and their values for accounting purposes in the Group's statement of financial position (temporary differences), using the applicable future decided or communicated tax rates that will apply when the tax is expected to be realized.

These temporary differences arise primarily through accelerated depreciation of fixed assets, profits from intra-group inventory transactions, untaxed tax allocation reserves, unutilized losses carried forward, as well as fair value adjustments relating to business combinations.

E.2 Acquisitions and divestments

Acquisitions

During 2022, Tibnor AB acquired 100% of the shares in the Swedish entities Swestål AB, Swe Distribution & Logistik AB, with a combined annual revenue of approximately SEK 160 million as well as 100% of the shares in Askims Rostfria Stål and Imero Höglund, with total revenue of approximately SEK 130 million. Tibnor also acquired 100% of the shares in the Finnish entity TM Rauta Oy, with a yearly revenue of approximately SEK 200 million.

During 2022, Ruukki Construction acquired 90% of the shares in Dala-Profil AB, a Swedish sheet metal solutions provider with a revenue of SEK 232 million in 2021. During the year, 100% of the shares in the Finnish entity Poimukate Oy, including 40% of the shares in Eliittikatot Oy, and 60% of the shares in Vimpelin Listapalvelu Oy was acquired. Poimukate Oy is a roof and wall profile manufacturer with an annual revenue of approximately EUR 7 million.

The purchase price for the acquisitions above amounted to SEK 539 million, fair value of net assets amounted to SEK 384 million. The cash and cash equivalents for the group was affected by SEK -433 million.

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 2021, SSAB acquired the assets of Astralloy Steel Products, Inc. with a purchase price of SEK 9 million. The fair value of the assets was higher than the purchase price, and a negative goodwill of SEK 27 million was reported in other operating income in the statement of profit and loss. The cash effect of the two acquisitions was SEK -33 million.

Divestments

No divestments took place in 2022 or 2021.

E.3 SSAB subsidiaries

SSAB subsidiaries, directly owned by SSAB AB are marked with *

Name	*	Office	Ownership %
Askims Rostfria Stål AB		Sweden	100
BevakningsAB Företagsskydd		Sweden	100
Borlänge Handelsstål AB		Sweden	100
Dala-Profil AB		Sweden	100
EO Stål AB		Sweden	90
Förvaltnings AB Tegelhögen		Sweden	100
Göteborgs Stål AB		Sweden	100
Handelsstålgruppen i Sverige AB		Sweden	100
Imero Höglund AB		Sweden	100
Linköpings Stål AB		Sweden	100
Mjölby Handelsstål AB		Sweden	100
Norrbottnen Stål AB		Sweden	100
Norrköpings Handelsstål AB		Sweden	100
Plannja AB	*	Sweden	100
Plannja Förvaltnings AB		Sweden	100
Plannja Siba AB		Sweden	100
Plannja Steinwalls AB		Sweden	100
Plåtdepån i Borlänge AB		Sweden	100
Ruukki Sverige AB		Sweden	100
Smålands Stål AB		Sweden	100
Sundsvalls Stål AB		Sweden	100
SSAB Americas Holding AB	*	Sweden	100
SSAB APAC Holding AB	*	Sweden	100
SSAB EMEA AB	*	Sweden	100
SSAB Europe SSC AB		Sweden	100
SSAB Nordic Steel AB		Sweden	100
SSAB Technology AB	*	Sweden	100
Swe Distribution & Logistik AB		Sweden	100
Swestål AB		Sweden	100
Tappers Stål & Metaller AB		Sweden	100
Tibnor AB	*	Sweden	100
Tibnor Lanna AB		Sweden	100
SSAB Swedish Steel Lda		Angola	100

Name	*	Office	Ownership %
SSAB Argentina SRL		Argentina	100
G & G Mining Fabrication		Australia	100
SSAB Swedish Steel Pty Ltd.		Australia	100
SSAB Hardox Stahl GmbH		Austria	100
Abraservice Belgium SA		Belgium	100
SSAB Swedish Steel Comércio Aço Ltda.		Brazil	100
Ruukki Bulgaria EOOD		Bulgaria	100
SSAB Bulgaria Ltd		Bulgaria	100
SSAB Central Inc.	*	Canada	100
SSAB Swedish Steel Ltd		Canada	100
SSAB Swedish Steel Aceros de Chile Limitada		Chile	100
SSAB Hardox P.R. (SSAB Swedish Steel (Tianjin) Co., Ltd.)		China	100
SSAB Swedish Steel (China) Co., Ltd.		China	100
SSAB Swedish Steel Int. Trade (Kunshan) Co		China	100
SSAB Swedish Steel Ltd. Shanghai		China	100
SSAB Swedish Steel Strip Products INt Trade (Kunshan)		China	100
SSAB Columbia S.A.S.		Colombia	100
SSAB Adriatic d.o.o.		Croatia	100
Abraservice CZ Sro		Czech Republic	100
Ruukki CZ s.r.o.		Czech Republic	100
SSAB Swedish Steel s.r.o.		Czech Republic	100
Plannja A/S		Denmark	100
SSAB Danmark A/S		Denmark	100
SSAB Holding Danmark A/S		Denmark	100
Tibnor AS		Denmark	100
SSAB Egypt LLC		Egypt	100
Rannila Uü		Estonia	100
Rautaruukki Uü		Estonia	100
Ruukki Products AS		Estonia	100
SSAB Swedish Steel Eesti OU		Estonia	100
Tibnor Estonia AS		Estonia	100
Metform Oy		Finland	100
Piristeel Oy		Finland	100

Name	*	Office	Ownership %
Poimukate Oy		Finland	100
Presteel Oy		Finland	80
Rautaruukki Oyj	*	Finland	100
Ruukki Construction Oy		Finland	100
SSAB Europe Oy		Finland	100
Tibnor Oy		Finland	100
TM Rauta Oy		Finland	100
Vimpelelin Listapalvelu Oy		Finland	60
Abraservice France SAS		France	100
Abraservice Holding SAS		France	100
Foncière Saint-Marcel		France	100
MS Cité SARL		France	100
Abraservice Deutschland GmbH		Germany	100
Abraservice UK		Great Britain	100
Hardox Wearparts Center Stirling Ltd.		Great Britain	100
Ruukki UK Ltd		Great Britain	100
SSAB Swedish Steel Ltd. UK		Great Britain	100
SSAB Swedish Steel Mepe		Greece	100
SSAB Swedish Steel, Hong Kong		Hong Kong	100
SSAB Swedish Steel Trading Kft		Hungary	100
SSAB Swedish Steel Trading Ltd, Ungern		Hungary	100
Ruukki Metals Trading & Marketing India Private Limited		India	100
SSAB Swedish Steel India PVT Ltd		India	100
SSAB Swedish Steel Indonesia		Indonesia	100
SSAB Finance Ireland	*	Ireland	100
SSAB Israel Ltd		Israel	100
Abraservice Italia SpA		Italy	100
SSAB Swedish Steel SpA		Italy	100
SSAB Swedish Steel, Japan		Japan	100
SSAB Swedish Steel LLP		Kazakhstan	100
SSAB Swedish Steel Ltd		Korea	100
Tibnor Latvia SIA		Latvia	100
Tibnor SIA		Latvia	100

Name	*	Office	Ownership %
UAB Tibnor		Lithuania	100
SSAB Swedish Steel Sdn Bhd		Malaysia	100
Swedish Steel AB Mexico Sa De CV		Mexico	100
SSAB Swedish Steel SARL		Morocco	100
Abraservice Nederland BV		Netherlands	100
Geha Beheer BV		Netherlands	100
Ruukki Finance B.V.		Netherlands	100
Ruukki Holding B.V.		Netherlands	100
SSAB Swedish Steel BV		Netherlands	100
Plannja A/S		Norway	100
Ruukki Building Components AS		Norway	100
Ruukki Construction Norge AS		Norway	100
Tibnor AS		Norway	100
SSAB Swedish Steel Pakistan (Private) Limited		Pakistan	100
SSAB Oxelösund AB Sucursal Del		Peru	100
Abraservice Polska Sp. z o.o		Poland	100
Plannja SP z.o.o		Poland	100
Ruukki Polska Sp.zo.o.		Poland	100
SSAB Poland Sp.z.o.o, Poland		Poland	100
TM-Rauta Sp.z.o.o.		Poland	100
Abraservice Portugal LDA		Portugal	100
SSAB Swedish Steel Lda		Portugal	100
Ruukki Romania S.R.L.		Romania	100
SC Plannja SRL, Romania		Romania	100
SSAB Swedish Steel SRL		Romania	100
SSAB Swedish Steel India CIS		Russia	100
SSAB Saudi Factory LLC		Saudi Arabia	100
SSAB Swedish Steel d.o.o.		Serbia	100
SSAB Swedish Steel Pte Ltd.		Singapore	100
Ruukki Slovakia s.r.o.		Slovakia	100
SSAB South Africa Pty Ltd		South Africa	100
Abraservice Ibérica INT, SAU		Spain	100
SSAB Swedish Steel Taiwan Ltd.		Taiwan	100

Name	*	Office	Ownership %
SSAB Swedish Steel (Thailand) Co. Ltd.		Thailand	49
Abraservice Özel Celik Ltd Si		Türkiye	100
LLC Ruukki Investment Ukraine		Ukraine	100
LLC Ruukki Ukraine		Ukraine	100
SSAB Swedish Steel LLC		Ukraine	100
SSAB Swedish Steel FZE		United Arab Emirates	100
SSAB Alabama Inc.		USA	100
SSAB Construction Inc.		USA	100
SSAB Enterprises LLC		USA	100
SSAB Inc		USA	100
SSAB Iowa Inc.		USA	100
SSAB Minnesota Inc.		USA	100
SSAB Sales Inc.		USA	100
SSAB Texas Inc.		USA	100
SSAB US Holding Inc.	*	USA	100
SSAB Wear Solutions LLC		USA	100
SSAB Swedish Steel LLC		Uzbekistan	100

E.4 Pledges assets and contingent liabilities

Pledged assets

SEK millions	2022	2021
Real property mortgages	30	61
Restricted funds	30	963
Other pledged assets	7	–
Total	68	1,024

Other commitments and contingent liabilities

SEK millions	2022	2021
Contingent liabilities regarding subsidiaries' obligations	371	715
Other contingent liabilities	646	663
Other commitments	4,211	2,262
Total	5,228	3,640

The Group's contingent liabilities for subsidiaries' obligations are primarily related to bank guarantees and performance guarantees. The Group's other contingent liabilities consist mainly of guarantees on liabilities of associated companies for which the Group has individual responsibility as well as unrecognized pension obligations. Other commitments relate mainly to forward contracts for emission rights.

Conditions not reported as contingent liability

The Group is involved in a very limited number of legal disputes concerning insurance and warranty matters, as well as complaints. The anticipated outcome of these cases has been taken into consideration in the accounting.

SSAB's fully owned subsidiary SSAB EMEA AB has a 50% holding in Oxelösunds Hamn AB. A legal process was underway since 2017 when Swedish Customs had imposed specific purchase taxes and VAT on imports. During 2022 Oxelösunds Hamn paid SEK 245 million to Swedish Customs and SSAB EMEA AB compensated the payment to Oxelösunds Hamn. No provision was reported in 2021 regarding the case.

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Commitments and contingent liabilities

Unrecognized commitments are disclosed when SSAB has an obligation or a pledge to assume financial liability in the future.

A contingent liability is a possible condition arising from past event, and its existence will be confirmed by uncertain future events that are not wholly in the Group's control. Obligations that are not considered probable or where the amounts cannot be reliably measured are also considered contingent liabilities. Contingent liabilities are not recognized in the statement of financial position.

Parent Company statements

Parent Company's statement of profit or loss

SEK million	Note	2022	2021
Gross profit		–	–
Selling and administrative expenses	3	–485	–464
Other operating income/expenses	2	274	248
Operating result		–210	–216
Result from shares in subsidiaries and affiliated companies		16,261	243
Financial income and expenses	5	711	–468
Result after financial items		16,762	–441
Appropriations	6	–	833
Result before tax		16,762	392
Income taxes	7	–60	–140
Result for the year		16,702	252

Parent Company's statement of comprehensive income

SEK millions	Note	2022	2021
Result for the year		16,702	252
Other comprehensive income			
Items that may be subsequently reclassified to the profit or loss:			
Cash flow hedges		116	22
Income tax attributable to other comprehensive income	7	–24	–5
Total items that may be subsequently reclassified to the profit or loss		92	18
Total other comprehensive income for the year, net after tax		92	18
Total comprehensive income for the year		16,794	269

Parent Company's statement of financial position

SEK millions	Note	Dec 31 2022	Dec 31 2021
ASSETS			
Non-current assets			
Intangible fixed assets	8	40	7
Tangible fixed assets	8	1	1
Shares in subsidiaries and other companies	9	66,533	66,474
Non-current receivables from subsidiaries	10	4,668	5,764
Other non-current receivables	10	670	81
Deferred tax receivables	7	17	31
Total non-current assets		71,929	72,358
Current assets			
Current receivables from subsidiaries	10	8,852	7,352
Current tax receivables		11	7
Other current receivables	10	919	1,370
Cash and cash equivalents	11	23,026	12,031
Total current assets		32,808	20,759
TOTAL ASSETS		104,738	93,117

SEK millions	Note	Dec 31 2022	Dec 31 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
• Share capital		9,063	9,063
• Statutory reserve		902	902
Unrestricted equity			
• Retained earnings		48,901	53,963
• Profit for the year		16,702	252
TOTAL EQUITY		75,567	64,180
Provisions			
Liabilities on pension obligations		1	2
Non-current provisions	12	48	56
Deferred tax liabilities	7	27	52
Total provisions		77	110
Non-current liabilities			
Non-current liabilities to subsidiaries	13	540	66
Other non-current liabilities	13	3,995	6,429
Total long-term liabilities		4,535	6,495
Current liabilities			
Current provisions	12	13	14
Current liabilities to subsidiaries	13	21,948	20,844
Current tax liabilities		129	37
Other current liabilities	13	2,469	1,437
Total current liabilities		24,559	22,332
TOTAL EQUITY AND LIABILITIES		104,738	93,117

Parent Company's statement of changes in equity

SEK millions	2022							2021						
	Restricted equity			Unrestricted equity				Restricted equity			Unrestricted equity			
	Share capital	Statutory reserve	Share premium	Reserve for fair value	Retained earnings	Result for the year	Total	Share capital	Statutory reserve	Share premium	Reserve for fair value	Retained earnings	Result for the year	Total
Equity, January 1	9,063	902	22,469	11	31,485	252	64,180	9,063	902	22,469	-7	32,001	-516	63,911
Cash flow hedges	-	-	-	116	-	-	116	-	-	-	22	-	-	22
Tax on cash flow hedges	-	-	-	-24	-	-	-24	-	-	-	-5	-	-	-5
Profit for the year	-	-	-	-	-	16,702	16,702	-	-	-	-	-	252	252
Total comprehensive income	-	-	-	92	-	16,702	16,794	-	-	-	18	-	252	269
Retained earnings from previous year	-	-	-	-	252	-252	-	-	-	-	-	-516	516	-
Dividend to shareholders	-	-	-	-	-5,406	-	-5,406	-	-	-	-	-	-	-
Equity, December 31	9,063	902	22,469	103	26,330	16,702	75,567	9,063	902	22,469	11	31,485	252	64,180

Parent Company's statement of cash flows

SEK millions	Note	2022	2021
BUSINESS OPERATIONS			
Result from operating activities			
Operating result		-210	-216
Reversal of non-cash items:			
Depreciation of tangible fixed assets	8	1	2
Change in provisions	12	-9	21
Other reversals		0	0
Interest received		910	315
Interest paid		-796	-366
Tax paid		-9	-9
		-112	-253
Working capital			
Accounts receivables		4	-3
Accounts payable		27	6
Other current receivables		-788	-247
Other current liabilities		517	-189
Commercial intra-group transactions		225	386
		-16	-47
CASH FLOW FROM OPERATING ACTIVITIES		-128	-300

SEK millions	Note	2022	2021
INVESTING ACTIVITIES			
Investments in intangible/tangible fixed assets	8	-2,326	-1,737
Divestment of intangible/tangible fixed assets	8	2,270	1,731
Dividends from subsidiaries	5	16,489	24
Received/paid group contributions		-	-312
Investments/acquisitions affiliated companies and joint venture	9	-79	-98
Other investing activities		-1	0
CASH FLOW FROM INVESTING ACTIVITIES		16,353	-392
FINANCING ACTIVITIES			
Dividend to shareholders		-5,406	-
Borrowing of new debt	13	-	4,337
Repayment of debt	13	-2,177	-9,775
Financial investments		906	-83
Financial intra-group transactions		488	12,771
Other financing activities		3,576	669
CASH FLOW FROM FINANCING ACTIVITIES		-2,614	7,920
CASH AND CASH EQUIVALENTS			
Balance, January 1		12,031	5,662
Cash flow from operating activities		-128	-300
Cash flow from investing activities		16,353	-392
Cash flow from financing activities		-2,614	7,920
Currency effects, cash and cash equivalents		-2,615	-858
CASH AND CASH EQUIVALENTS, December 31	11	23,026	12,031
Contracted, non-utilized overdraft facilities		10,258	8,605
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)		33,284	20,636

Parent Company notes

1. Accounting Principles

The Parent Company applies the same accounting principles as the Group, except for the items stated below. These differences between the principles applied by the Parent Company and the Group result from limitations to apply IFRS to the Parent Company due to the provisions of the Swedish Annual Reports Act and the Swedish Pension Obligations (Security) Act, and also, in certain cases, for tax reasons. In addition, the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, has been applied.

Affiliated companies and joint arrangements: In the Parent Company, affiliated companies and joint ventures are reported in accordance with the acquisition value method.

Leases – lessee: In the Parent Company, all lease agreements are recognized as a straight-line cost over the lease term.

Pensions: The Parent Company reports benefit-based pension plans in accordance with the local rules.

Dividends: An anticipated dividend is reported when the Parent Company is exclusively entitled to decide on the amount of the dividend and has decided prior to the balance sheet date on the amount of the dividend and ascertained that the dividend will not exceed the dividend capacity of the subsidiary.

Group contributions: Group contributions received and provided, and the tax consequences thereof, are reported as a transfer to untaxed reserves, and the tax effect as a tax expense/income in the statement of profit or loss.

2. Other operating income

SEK millions	2022	2021
Government grants	5	5
Net exchange differences	2	2
Other items	270	241
Total	277	248

3. Operating expenses

SEK millions	2022	2021
Compensation to employees	229	247
Services	149	128
Depreciation/amortization	1	2
Other items	107	88
Total	487	464

Audit fees and related services

SEK millions	2022	2021
Ernst & Young		
Audit fees	5	4
Audit related services	2	1
Other services	0	1
Total Ernst & Young	7	5

4. Compensation to employees

SEK millions	2022	2021
Wages and salaries and other compensation	140	154
Social security expenses	45	54
Pension expenses	44	40
Total	229	247

5. Financial income and expenses

SEK millions	2022	2021
Dividends from subsidiaries	16,489	24
Dividends from affiliated companies	1	1
Write-down of subsidiary shares	–	–14
Interest income from subsidiaries	382	331
Interest expense to subsidiaries	–611	–100
Total result from subsidiaries and affiliated companies	16,261	243
Interest income on receivables at amortized cost	226	10
Interest income on derivative instruments	69	11
Interest expenses on liabilities at amortized cost	–181	–229
Net exchange differences	635	–222
Other items	–38	–38
Total result from other financial items	711	–468
Total net financial income and expenses	16,972	–225

6. Appropriations

SEK millions	2022	2021
Group contributions received	–	833
Total	–	833

7. Income taxes

SEK millions	2022	2021
Current tax expenses	96	45
Deferred tax expenses (+) / income (–)	–36	95
Total tax expenses in the statement of income	60	140
Total tax expenses in other comprehensive income	24	5

Effective tax rate reconciliation

%	2022	2021
Applicable tax rate in Sweden	20.6	20.6
Tax effect of:		
Non-tax deductible expenses	0.0	3.6
Non-taxable income	–20.3	–1.3
Taxes related to prior periods	0.0	13.0
Effective tax rate	0.4	35.8

Change in net deferred tax receivables (+)/liabilities (–)

SEK millions	Pensions obligations	Other items ¹⁾	Total
2022			
Opening balance, January 1	32	–52	–20
Recognized in statement of income	134	–98	36
Recognized in other comprehensive income	–	–24	–24
Net closing balance, December 31	166	–174	–9
2021			
Opening balance, January 1	27	53	80
Recognized in statement of income	5	–100	–95
Recognized in other comprehensive income	–	–5	–5
Net closing balance, December 31	32	–52	–20

¹⁾ Other items mainly relate to valuation of derivatives.

8. Intangible and tangible fixed assets

SEK millions	2022				2021			
	Emission rights	Software	Total intangible assets	Total tangible fixed assets	Emission rights	Software	Total intangible assets	Total tangible fixed assets
Acquisition values, January 1	–	11	11	12	–	5	5	13
Acquisitions	2,270	56	2,326	–	1,731	6	1,737	–
Divestments and disposals	–2,270	–	–2,270	–	–1,731	–	–1,731	0
Reclassifications	–	–22	–22	–	–	–	–	–
Acquisition values, December 31	–	45	45	12	–	11	11	12
Accumulated depreciation/amortization, January 1	–	4	4	11	–	3	3	10
Depreciation/amortization for the year	–	1	1	1	–	1	1	1
Accumulated depreciation/amortization, December 31	–	5	5	12	–	4	4	11
Book value, December 31	–	40	40	1	–	7	7	1

Tangible fixed assets consist of equipment, fixtures and fittings.

9. Shares in subsidiaries and other companies

SEK millions	2022				2021			
	Shares in subsidiaries	Shares in affiliated companies	Other shares	Total	Shares in subsidiaries	Shares in affiliated companies	Other shares	Total
Book value, January 1	65,978	488	8	66,474	65,992	370	8	66,370
Investments	–	59	–	59	–	118	–	118
Impairments	–	–	–	–	–14	–	–	–14
Book value, December 31	65,978	547	8	66,533	65,978	488	8	66,474

Subsidiaries and affiliated companies directly owned by the Parent Company are presented in the notes E.3 and B.5 to the consolidated financial statements.

10. Receivables

SEK millions	2022	2021
Non-current receivables from subsidiaries		
Loan receivables	4,668	5,763
Derivative assets	–	1
Total non-current receivables from subsidiaries	4,668	5,764
Other non-current receivables		
Derivative assets	669	80
Other items	1	1
Total other non-current receivables	670	81
Current receivables from subsidiaries		
Loan receivables	8,419	6,100
Group contribution receivables	–	983
Accrued interest income	28	205
Accounts receivable	182	63
Derivative assets	223	0
Total current receivables from subsidiaries	8,852	7,352
Other current receivables		
Restricted funds	–	905
Accounts receivable and other receivables	228	16
Accrued income and prepaid expenses	107	24
Derivative assets	584	424
Total other current receivables	919	1,370

11. Cash and cash equivalents

SEK millions	2022	2021
Cash and bank balances	7,747	5,542
Short-term investments with maturity of less than 3 months	15,279	6,489
Total	23,026	12,031

12. Provisions

SEK millions	2022	2021
Personnel-related provisions		
Opening balance, January 1	70	50
Additional provisions	5	26
Utilized during the year	–14	–5
Closing balance, December 31	61	70
Non-current provisions	48	56
Current provisions	13	14
Total	61	70

13. Liabilities

SEK millions	2022	2021
Non-current liabilities to subsidiaries		
Loan payables	1	1
Derivative liabilities	540	66
Total non-current liabilities to subsidiaries	540	66
Other non-current liabilities		
Capital market debt	3,995	6,428
Derivative liabilities	–	1
Total other non-current liabilities	3,995	6,429
Current liabilities to subsidiaries		
Loan payables	21,369	20,491
Group contribution payables	–	150
Accrued interest expense	42	0
Accounts payable	65	6
Derivative liabilities	471	196
Total current liabilities to subsidiaries	21,948	20,844
Other current liabilities		
Current portion of non-current capital market debt	1,667	1,000
Commercial paper	–	150
Accounts payable and other payables	406	144
Accrued expenses and prepaid income	116	124
Derivative liabilities	281	19
Total other current liabilities	2,469	1,437

Outstanding capital market debt SEK millions	Nominal interest rate, %	2022	2021
Capital market debt (fixed interest)			
2019–2026 SEK	2,75	599	599
2009–2023 EUR	2,87	1,667	1,532
Total capital market debt (fixed interest)		2,266	2,131
Capital market debt (variable interest)			
2017–2026 SEK	Stibor + 1,85–3,40	3,396	4,394
2010–2040 USD	0,09–0,15	–	903
Total capital market debt (variable interest)		3,396	5,297
Total capital market debt		5,661	7,428
Repayment of capital market debt			
SEK millions		2022	2021
Within 1 year		1,667	1,000
Within 1–2 years		1,998	1,532
Within 2–3 years		1,997	1,997
Within 3–4 years		–	–
Within 4–5 years		–	1,996
More than 5 years		–	903
Total		5,661	7,428
Borrowing per currency		2022	2021
SEK millions			
SEK		3,995	5,162
USD		–	903
EUR		1,667	1,622
Other currencies		–	21
Total		5,661	7,688
Of which:			
Capital market debt		5,661	7,428
Other items		–	260

14. Financial risk management

Financial risk management is governed by the Group's Directive of Financial Risk Management, which defines the responsibilities, processes and other principles of financial risk management. The objectives for financial risk management are to reduce volatility in the Group's earning and ensure sufficient liquidity for the Group's operations. Most financial transactions take place through the Parent Company's Treasury function in Stockholm, Sweden and through SSAB Finance Ireland in Ireland. More information on financial risk management can be found in the Board of Directors Report and in the notes to the consolidated financial statements: in relation to market risks and counterparty risks in Note D.3 and in relation to liquidity and refinancing risk in Note D.2.

The Parent Company may incur credit losses related to its receivables from other Group companies. These receivables are mainly loan receivables that relate to the Parent Company's role to provide financing to its subsidiaries, and they are analyzed for expected credit losses. Receivables were not impaired due to expected credit losses in 2022 nor in 2021.

15. Leases

SEK millions	2022	2021
Minimum lease payment, operational lease	25	23
Maturity of lease liabilities, undiscounted		
SEK millions	2022	2021
Within 1 year	18	19
Within 1–2 years	18	18
Within 2–3 years	15	18
Within 3–4 years	–	15
Total	52	71

16. Pledged assets and contingent liabilities

SEK millions	2022	2021
Pledged assets		
Restricted funds	–	905
Other commitments and contingent liabilities		
Contingent liabilities regarding subsidiaries' obligations	2,629	2,696
Other commitments and contingent liabilities	3,962	2,041
Total	6,591	4,737

Contingent liabilities regarding subsidiaries' obligations relate mainly to guarantees for subsidiaries' loans. Other commitments and contingent liabilities consist mainly of forward contracts for emission rights and unrecognized pension obligations.

Proposed allocation of profit

The amount at the disposal of the Annual General Meeting of SSAB AB (publ), reg. no. 556016-3429 is as follows:

Retained earnings	48,901
Result for the year	16,702
SEK millions	65,602

Of this, a share premium reserve comprises SEK 22,469 million and a fair value reserve comprises SEK 102 million.

The Board of Directors and the President propose that the profit be allocated as follows:

Dividend to the shareholders, SEK 8.70 per share	8,959
Carried forward to next year	56,643
SEK millions	65,602

According to the consolidated statement of financial position, the Group's retained earnings amounted to SEK 19,149 (35,298) 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 8, 2023.

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. 94.

Stockholm, March 8, 2023

Lennart Evrell
Chair

Bo Annvik
Director

Petra Einarsson
Director

Bernard Fontana
Director

Marie Grönberg
Director

Mikael Henriksson
Director

Mikael Mäkinen
Director

Sven-Erik Rosén
Director

Maija Strandberg
Director

Tomas Westman
Director

Martin Lindqvist
President and CEO

Our auditor's report was submitted on March 13, 2023
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 2022. The annual accounts and consolidated accounts of the company are included on pages 82–179 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 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 as described in the section Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of goodwill and trademarks

Description

During the financial year, impairment of goodwill amounts to 33 291 MSEK and has been recorded in the consolidated financial statements. As per 31 December 2022, there are goodwill and trademarks with indefinite useful lives in the company amounting to 349 MSEK and 440 MSEK, respectively.

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 C.1.

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 management. As described in note C.1, value in use calculations contains a high degree of judgment regarding key assumptions such as sales trends, EBITDA and discount rates.

Note C.1 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.

How our audit addressed this key audit matter

Our audit procedures have amongst other procedures included;

- 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 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.

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 1–81. The remuneration report for financial year 2022 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 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according

to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

- As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's loss we examined whether the proposal is in accordance with the Companies Act.



The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for SSAB AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of SSAB AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include validation of that the ESEF report have been established in a valid XHTML-format, and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity, cash flow and notes.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of SSAB AB (publ) by the general meeting of the shareholders on the 6 April 2022 and has been the company's auditor since the 8 April 2019.

Stockholm 13 March, 2023
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

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