



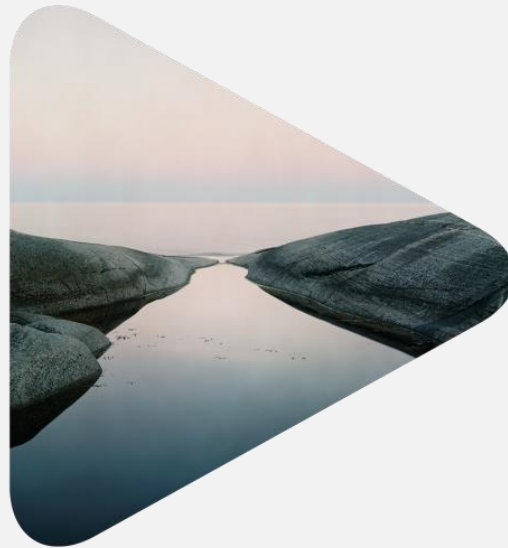
SSAB Sustainability Strategy

October 25, 2017

SSAB

SSAB Sustainability Strategy – three focus areas

Sustainable
operations

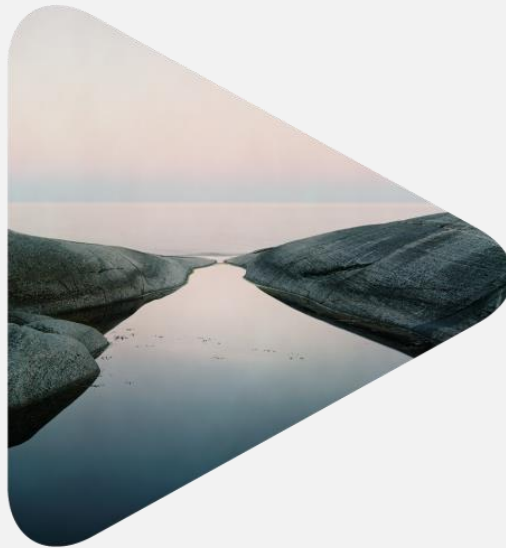


Sustainable
offering

Responsible
partner

SSAB's sustainability objectives are divided into three focus areas

Sustainable
operations



Responsible
partner

Sustainable
offering

**10 Mtonne annual customer
CO₂ savings 2025**

By using SSAB's high-strength steels, customers can achieve CO₂ savings during their end product's use-phase that are as large as SSAB's direct production emissions

SSAB's sustainability objectives are divided into three focus areas

Sustainable operations



Responsible partner

Fossil-free 2045

SSAB will stepwise move toward a fossil-free steelmaking process through the HYBRIT initiative and eliminate other fossil fuel related emissions, making it possible to be fossil free within the entire operation

Sustainable offering

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SSAB's sustainability objectives are divided into three focus areas

Sustainable operations

SSAB manages risks and takes responsibility for business ethics and responsible sourcing, and continuously strive to improve safety, diversity and employer attractiveness



Responsible partner

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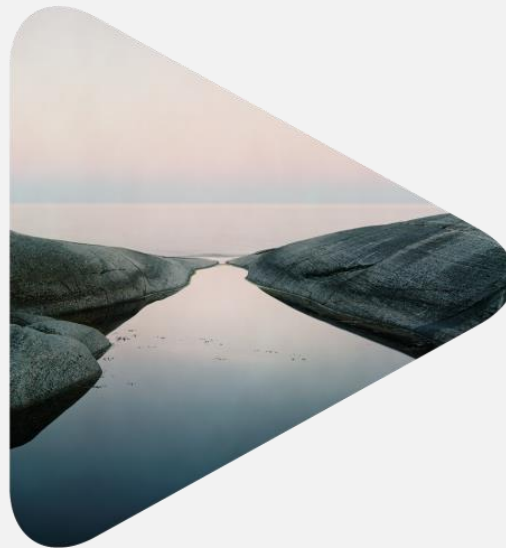
Sustainable offering

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10 Mtonne annual customer CO₂ savings 2025

Sustainable
operations



Responsible
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Sustainable
offering

**10 Mtonne annual customer
CO₂ savings 2025**

By using SSAB's high-strength steels, customers can achieve CO₂ savings during their end product's use-phase that are as large as SSAB's direct production emissions

10 Mtonne annual customer CO₂ savings 2025

- ▶ SSAB steels are used to produce equipment with significant energy consumption during its use phase
- ▶ Helping SSAB customers to make lighter and more efficient products with high-strength steels is the greatest contribution SSAB can make toward reducing CO₂ emissions
- ▶ SSAB emits a total of ~10 million tonnes of CO₂ emissions from steel production. In 2025, CO₂ reductions from lighter and more fuel efficient customer products will be as large as SSAB's total emissions

PRODUCTION
<10%

USE PHASE
>90%

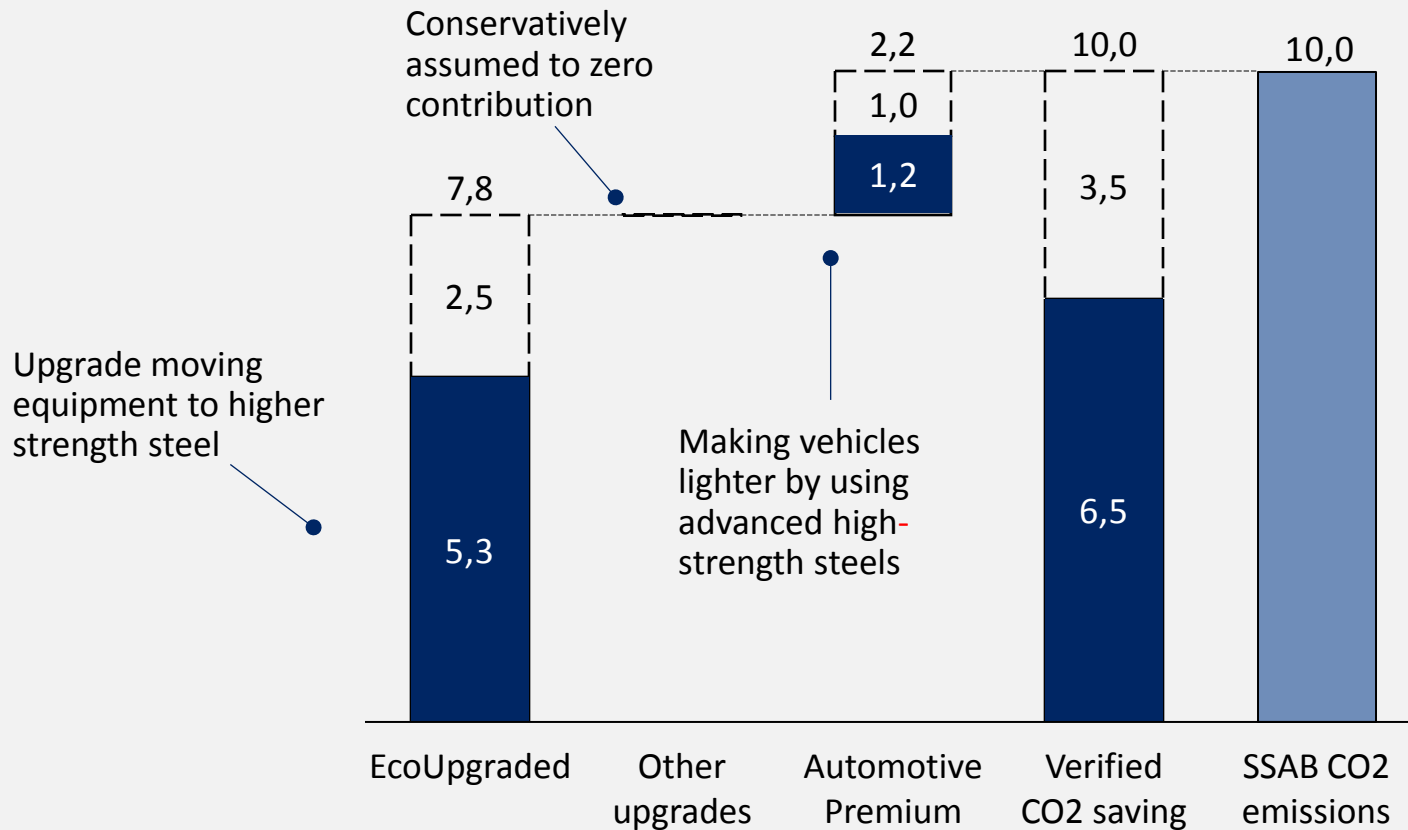
For a typical heavy truck today, the emissions savings potential during the use phase is much higher than emissions savings in steel production

Overview:

10 Mtonne annual customer CO₂ savings 2025

CO₂ emission savings, million tonnes

□ 2017-2025
 ■ End of 2016



Fossil-free 2045

**Sustainable
operations**



Fossil-free 2045

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**Sustainable
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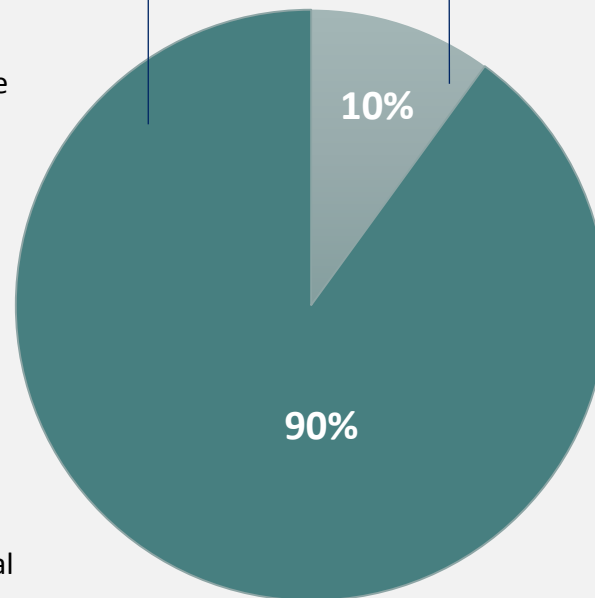
Fossil-free 2045

Current emissions

100% = 10 million tonnes of CO₂

Blast furnace related emissions 90%

- ▶ **HYBRIT initiative**
 - Fossil-free steelmaking
 - Utilizing hydrogen and renewable electricity
 - First full-scale production facility up and running by 2035
- ▶ **Sustainable input materials**
 - Utilizing scrap and the best quality iron ore pellets
- ▶ **Utilization of residuals**
 - Reduce waste through improved internal recirculation and external sales of by-products

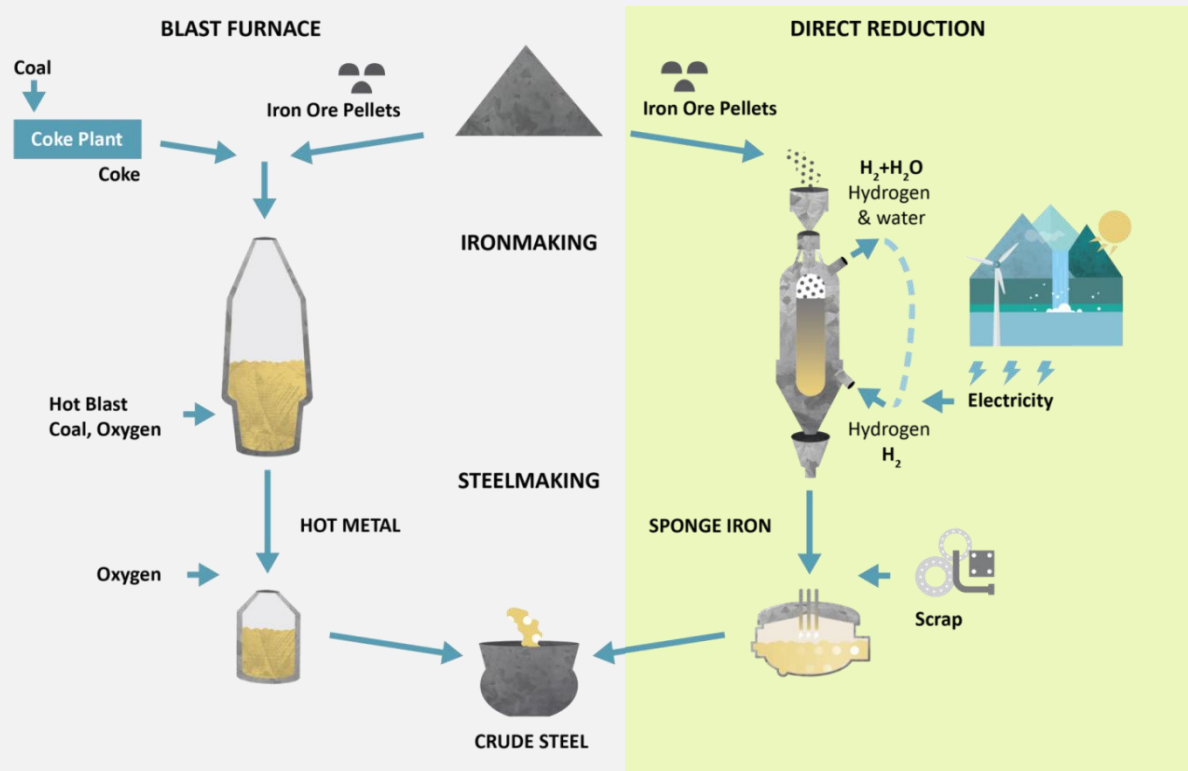


Fuel related and internal transport emissions 10%

- ▶ **Fuel related emissions**
 - By electrification of processes and increased use of biofuels, eliminate fossil fuel emissions
- ▶ **Fossil-free internal transport**
 - Using vehicles running on electricity, biofuels or hybrids to create fossil-free transport

Fossil-free 2045 – Initiative:

HYBRIT – fossil-free steelmaking



The aim of the initiative is to develop a new technology using hydrogen and electricity instead of carbon and other fossil fuels in the steel making process

If successful on an industrial scale, it will revolutionize the steel industry

HYBRIT would eliminate ~90% of SSAB's total CO₂ emissions

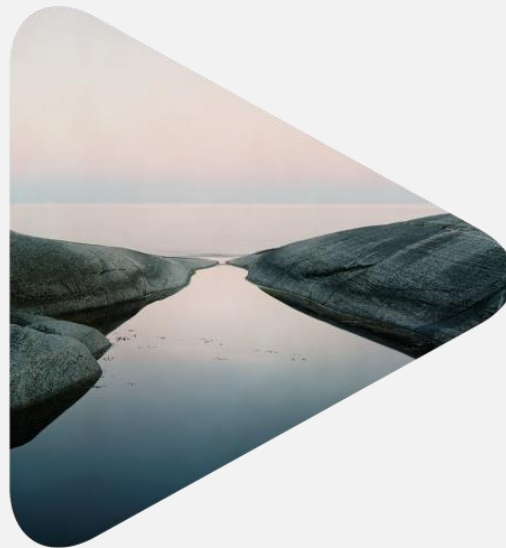
2016-2017
Pre-feasibility Study

2018-2024
Feasibility Study Pilot plant trials

2025-2035
Demonstration Plant Trials

Responsible partner – Summary

Sustainable
operations



Sustainable
offering

**Responsible
partner**

SSAB manages risks and takes responsibility for business ethics and responsible sourcing, and continuously strive to improve safety, diversity and employer attractiveness

Responsible partner – Summary

Initiatives

Health & Safety

Safest steel company
in the world

Competence & Leadership development

Secure long-term
talent and
competence sourcing

Diversity & Inclusion

30% women in top
management positions
by 2019, vision on
gender equality

Responsible sourcing

Ensuring collaboration
with suppliers who
share our values

Contribution to societies

Engagement locally on
all production sites

Key partnerships

Collaboration across
industries and nations

Business ethics

Training in business
ethics to maintain a
global culture of
integrity

Code of Conduct

Translating values into
action, all new
employees signs the
code

Responsible partner – Summary

Current

For SSAB, having a large impact on society means taking on a large responsibility. SSAB takes responsibility for the full value chain by setting high standards, having safe operations and interacting with customers in an ethical way. Only by being a sustainable and responsible company, can SSAB attract the employees of tomorrow

Responsible partner – Summary

Initiatives

1. **Safest steel company** – SSAB aims to be the safest steel company in the world
2. **Competence & Leadership development** – SSAB supports individuals to perform at their very best
3. **Diversity & Inclusion** – Working with diversity is crucial to secure the best competence
4. **Responsible sourcing** – Ensuring collaboration with suppliers who share our values
5. **SSAB contribution to societies** – SSAB has a major role impacting local communities
6. **Key partnerships** – SSAB collaborates across industries and nations to secure key partnerships
7. **Business Ethics training** – Maintaining a global culture of integrity requires training in business ethics
8. **Code of Conduct** – All employees to learn about and comply with the Code of Conduct

Responsible partner – Summary

KPIs

	Act. 2015	Target 2016	Act. 2016	Target 2017	Target 2019
Share of women in top management positions	23%	25%	27%	28%	30%
Employee engagement (Voice survey)	70	No survey conducted		Above global average (72)	Among top 25% performers (79)

Extra attention to seven of the Agenda 2030 and the UN SDGs



<p>5 GENDER EQUALITY</p>	<p>SSAB strives to have a diverse workplace with equal opportunities for all. Our aim is for women to hold 30% of the top management positions in the company by the end of 2019</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Focus on material efficiency, i.e. external sales of by-products. Our target is a lasting improvement in residual utilization of 45,000 tonnes by the end of 2019.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Focus on energy efficiency measures, i.e. recovery of process gases. Our target is a lasting reduction of 300 GWh (electricity and fuel) in purchased energy by the end of 2019.</p>	<p>13 CLIMATE ACTION</p>	<p>Focus on reducing global CO₂ emissions and SSAB's environmental footprint. Our target is a lasting reduction of 200,000 tonnes in CO₂ emissions by the end of 2019</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Focus on R&D in environmentally solid technologies and production processes. Promote collaboration with research institutes and other industrial companies to support sustainable industrial development</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>SSAB is a signatory to the UN's Global Compact and we continually enhance our efforts to protect and respect its 10 principles and promote its spirit within the areas of human rights, labor standards, the environment and anti-corruption.</p>
		<p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Collaboration across industries, nations and governments is a key driver for sustainable development. We aim to expand our partnerships to facilitate collaboration on technology, innovation and knowledge-sharing</p>

SSAB



*A stronger,
lighter and more
sustainable world*