



With the future in mind SSAB's sustainability strategy

Handelsbanken November 2021

SSAB

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Agenda

- ▶ Short introduction to SSAB's sustainability strategy and transformation plans incl targets
- ▶ Opportunities in circular business
- ▶ Sustainability-related trends impacting SSAB's business - risks and opportunities
- ▶ SSAB & the EU taxonomy

SSAB in brief

65 BILLION
SEK
Revenue in 2020



Annual steel
production capacity:
8.8 MILLION
TONNES

Steel making since
1878

14,000
professionals
over in 50 countries

OUR BUSINESSES:

SSAB Special Steels,
SSAB Europe,
SSAB Americas, Tibnor,
Ruukki Construction

SSAB

An aerial night view of a city skyline, likely New York City, with numerous illuminated skyscrapers and a dense network of lights. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text.

Why SSAB is converting to fossil-free steel

- 
- An aerial night view of a city skyline, likely New York City, with numerous illuminated skyscrapers and a dense network of lights. A semi-transparent white rectangular box is overlaid on the upper half of the image, containing three bullet points. The text is in a dark blue, sans-serif font. The background image shows a mix of warm yellow and orange lights from the buildings, with some cooler blue and green lights visible in the lower right.
- ▶ Global warming is the rapid increase in the Earth's surface temperature
 - This is primarily caused by CO₂ released from fossil fuels
 - ▶ The steel industry accounts for 7% of global CO₂ emissions
 - Making it one of the biggest single industrial CO₂ emitters
 - ▶ The growing world population leads to demand for new infrastructure
 - And resource scarcity

STEEL IS PART OF THE SOLUTION

- Critical for society and new infrastructure
- Unique material and available everywhere
- 100% recyclable without loss of quality

Communication



Energy



Food



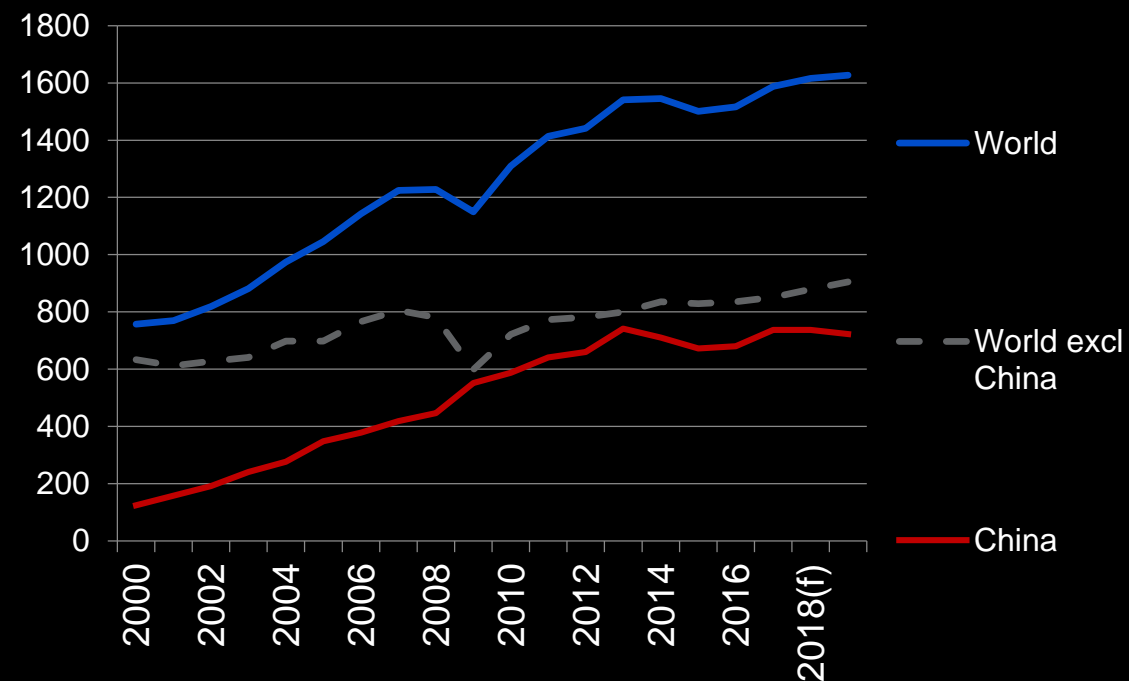
Clean water



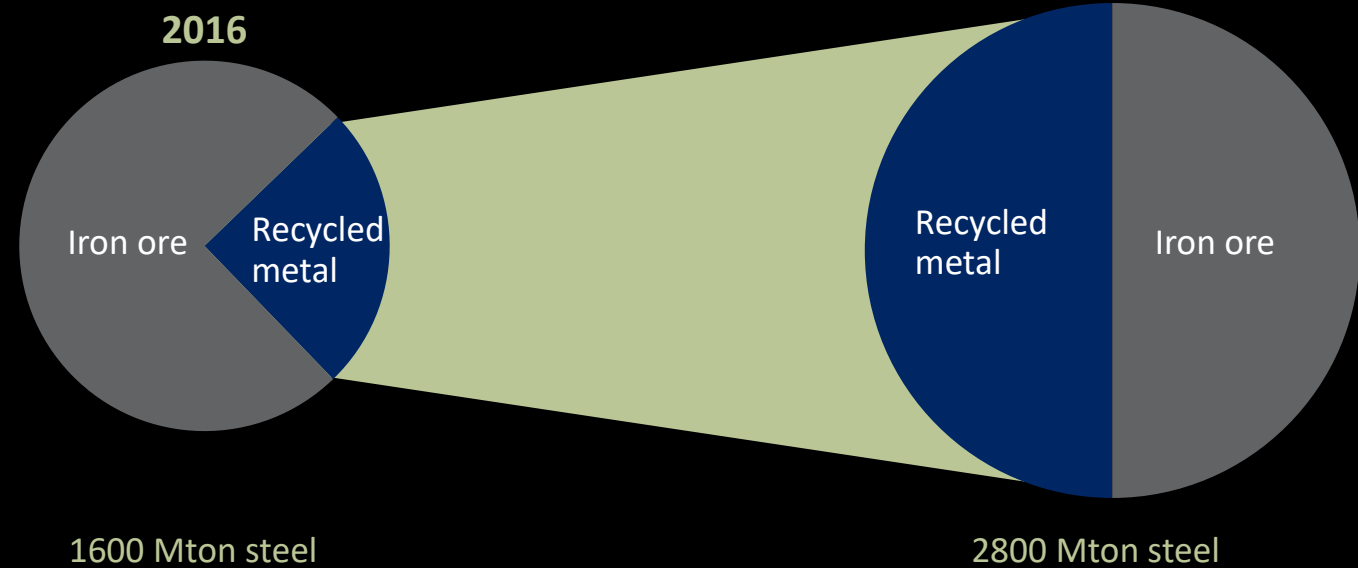
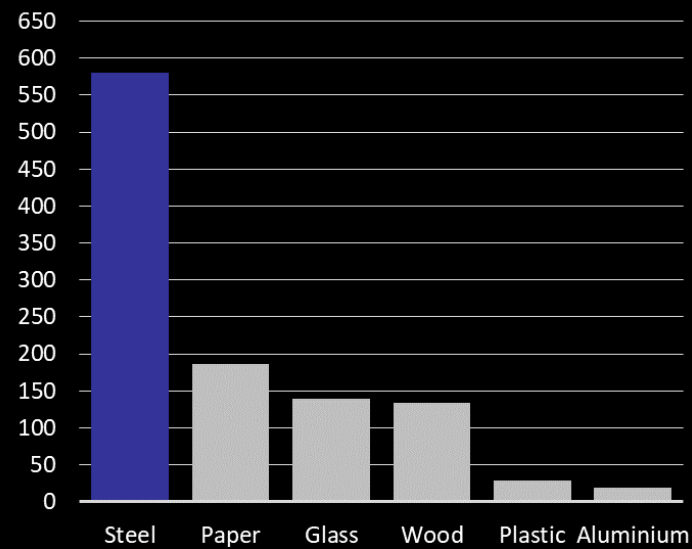
STEEL CONSUMPTION INCREASING

- Standard of living
- Urbanisation and infra structure
- Transportation and production

Source: worldsteel Short Range Outlook March 2018



THE MOST RECYCLED MATERIAL – STILL NOT ENOUGH



Sustainability strategy

With the Future in Mind



THE GLOBAL GOALS
For Sustainable Development



SSAB to become fossil free

2 clear objectives

1

SSAB to introduce fossil-free steel in the market in 2026

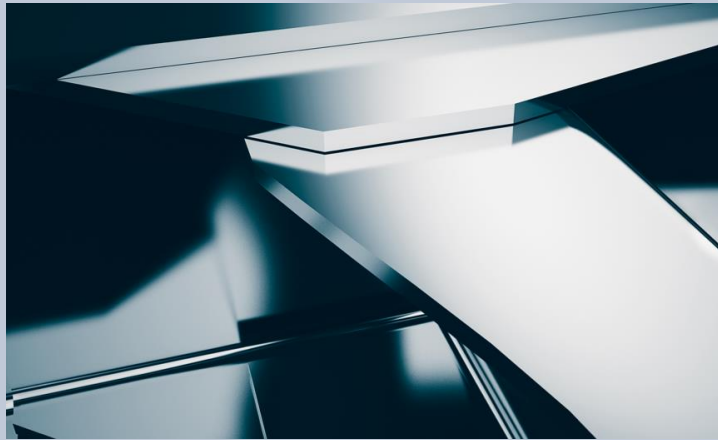
- Launch of a premium product without fossil CO₂ footprint
- This means no fossil CO₂ emissions when producing this product, and a requirement to use fossil-free sponge iron

2

SSAB to have leading sustainability performance; fossil free by 2045

- To be fossil free within the entire operation by 2045, by stepwise reducing CO₂ footprint
- This means net zero CO₂ emissions from our own operations and purchased energy

First in fossil-free steel



► Use better steel

- Reduce your footprint with low CO₂ steel



► Use steel better

- SSAB steel makes products lighter and stronger
- Reduce CO₂ emissions in the use phase



► Go fossil free

- Be part of a fossil-free value chain
- Be the first to offer fossil-free products

Leading sustainability performance



► Safety first

- The world's safest steel company
- We care for each other



► Efficiency & Responsibility

- Resource efficient operations
- Responsible sourcing



► Respect & integrity

- Zero tolerance for bribery and corruption
- We are diverse and inclusive



A competitive edge

SSAB is already today at the forefront

SSAB's blast furnace-based production is among the most CO₂ efficient in the world. This gives a competitive advantage to SSAB and our customers.

Compared to Chinese steel mills, SSAB steel saves on average

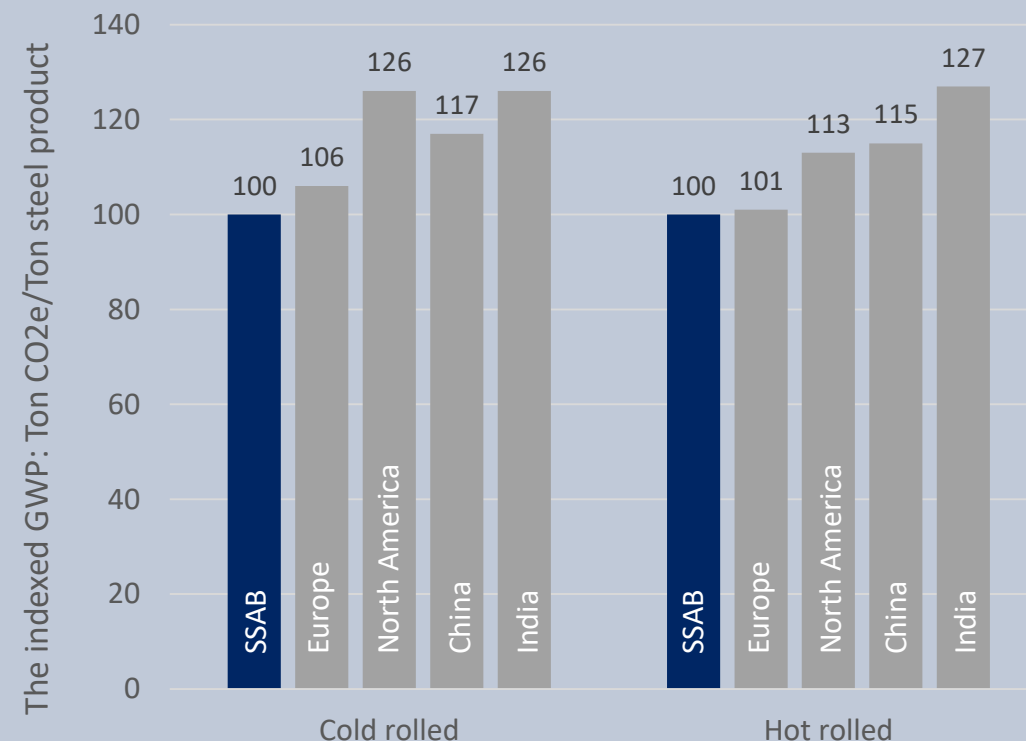
1 600 000 tonnes

of CO₂ every year

This means that a German customer would generate

21%

higher CO₂ emissions, including transportation, when using steel from an average Chinese steel mill



Source: thinkstep, BF GWP benchmarking, 2019, and SSAB EPD data

SSAB's CO₂ target is science based

- ▶ SSAB's climate goal is approved by the Science Based Targets initiative
 - This means that the objective is scientifically based and in line with the Paris Agreement
- ▶ SSAB commits to 35% reduction in emissions
 - Absolute Scope 1&2 emissions by 2032 from a 2018 base-year
- ▶ Part of the overall SSAB roadmap
 - Fossil-free steel deliveries in 2026
 - A fossil-free company 2045



Efficiency & Responsibility

Circularity strategy – commercializing by-products



► Internal recirculation

- Materials are recycled back into the steelmaking process, which reduces the need for virgin raw materials
- Landfill waste minimization



► Utilizing by-products

- Steel production gives rise to a range of by-products, which can be sold to or used by other industries



► Energy recovery

- Used for district heating on all major sites



Our materials are used in:

Iron and steel making

Road construction

Cement industry

Car batteries

Freezer doors closing systems

Cars (permanent magnets)

Water purification chemicals

Insulations

Car tires

Farmland

Building bricks

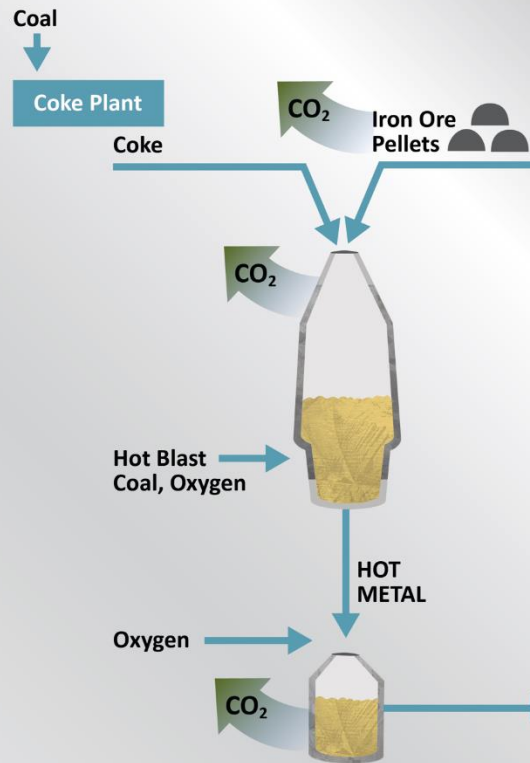
Paper making

The HYBRIT technology



HYBRIT – Fossil-free steelmaking

BLAST FURNACE

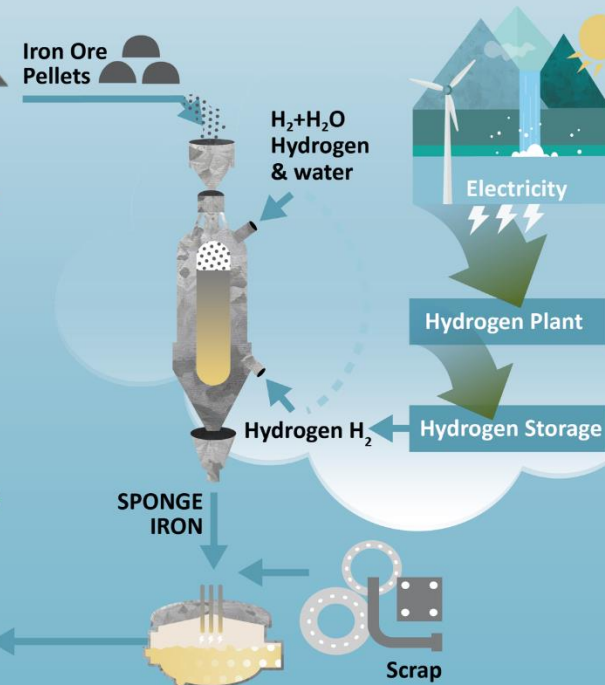


IRONMAKING

STEELMAKING

CRUDE STEEL

DIRECT REDUCTION



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

2016-2017

Pre-feasibility Study

2018-2024

Feasibility Study & Pilot plant trials

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2026 –

Demonstration Plant

Leading force in the green transition

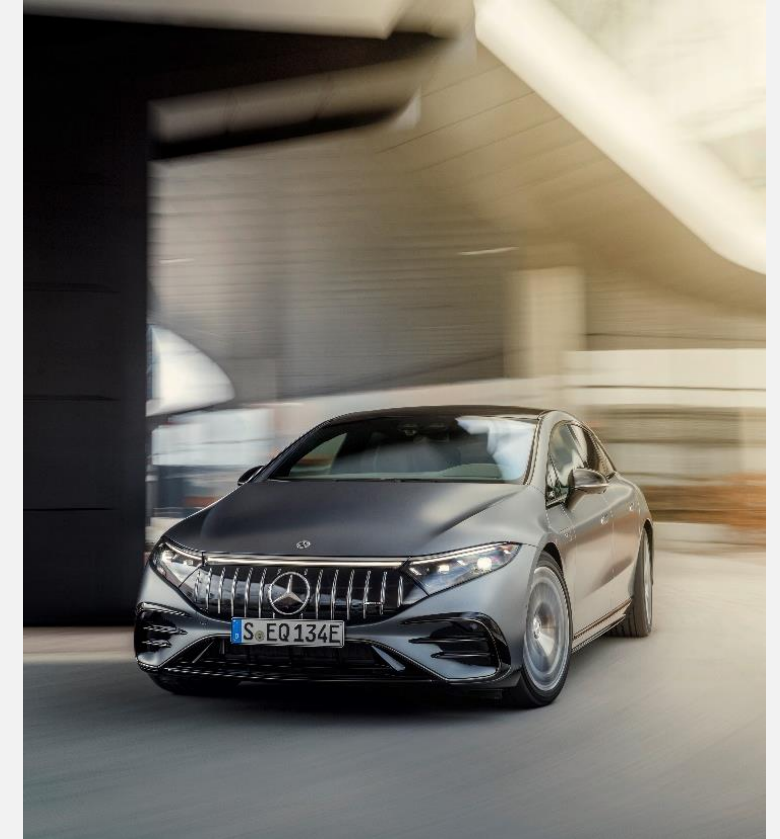
Proven fossil-free value chain



World's first fossil-free plates rolled in Oxelösund



Fossil-free steel to Volvo Group – load carrier for mining and quarrying

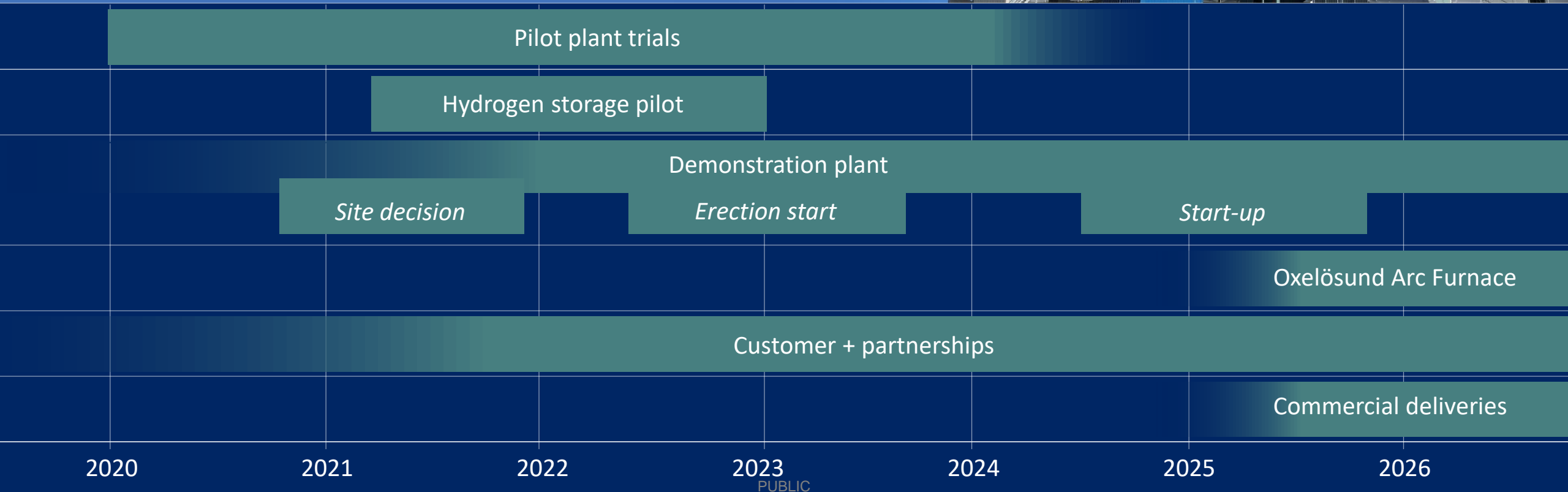


A number of new strategic agreements

HYBRIT Luleå

pilot plant

First products reaching
the market in 2026



All “green” steel is not fossil free

1. Iron ore-based steelmaking with carbon capture and reuse or storage	0% - 50% CO ₂ reduction*
2. Iron ore-based steelmaking with reduced use of carbon	10% - 40% CO ₂ reduction*
3. Scrap-based steel production with reduced use of carbon	10% - 50% CO ₂ reduction*
4. Steelmaking with fossil-free raw material and fossil-free energy	90% - 100% CO ₂ reduction*

*) Estimated CO₂ reduction cradle-to-gate vs. conventional technology.

Sustainability trends 2021

SSAB

Sustainability trends

Investors



- ▶ Strong focus from investors on climate change
 - Increased focus on companies leading transition to reduce CO₂

Sustainability & regulations



- ▶ Increased regulation
 - Company level: Taxonomy, Human rights due diligence etc.
 - Climate acceleration, locally and regionally (CBAM, ETS, CO₂ taxes etc.)

Customers



- ▶ Increased focus from customers
 - Automotive industry in the lead, transportations key to lower CO₂ footprint
 - Scope 3 (supply chain) emissions will become more expensive
 - New business models and capacity investments

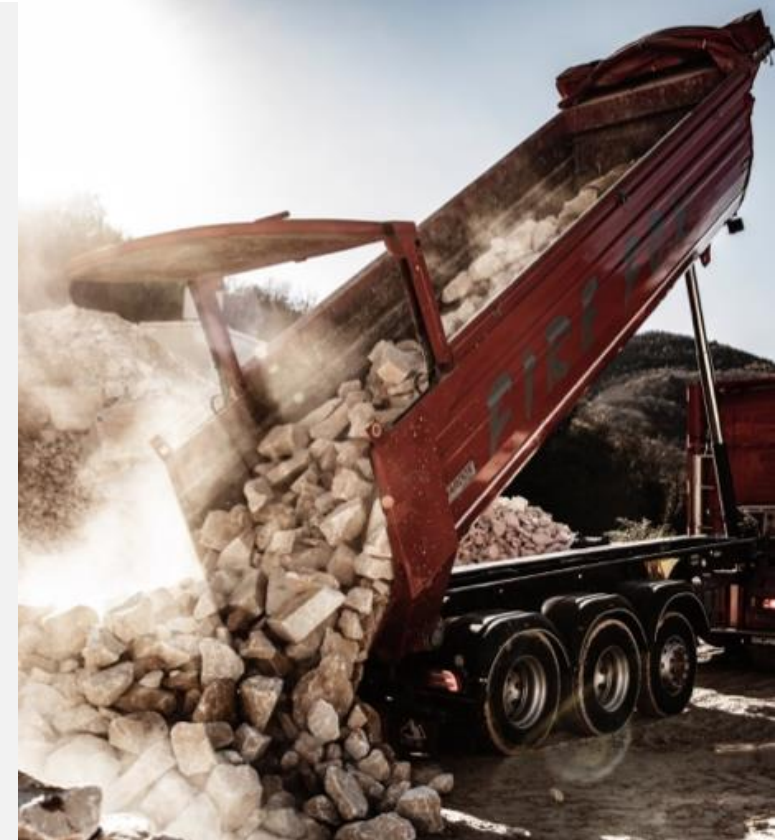
SSAB and the EU Taxonomy



Scrap-based steel production:
97% recycled materials



Iron-ore based steel production:
Very strict criteria



Enabling activities:
Use steel better

What makes SSAB unique?

1. SSAB is **first**
2. Only SSAB aims for **eliminating the fossil fuels and raw material**
3. SSAB includes mining and the **upstream value chain**
4. SSAB is not only talking about methods for reducing CO₂.
SSAB **invests in new production facilities** to make fossil-free products
5. Starting 2026 SSAB will introduce **products and brands in a fossil-free version**
6. SSAB has a **customer and end-user focus** and will support the customers in creating fossil-free end-products
7. SSAB continues to bring **world leading technology** to the market



Want to know more?

www.ssab.com/fossil-free
www.ssab.com/sustainability

SSAB



*A stronger,
lighter and more
sustainable world*

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