

Transforming the future of steel

SAP for Process Industries and Natural Resources
Conference, Vienna, June 20, 2024

Niko Korte VP, Head of Fossil Free Business Platforms

SSAB

We are building an even stronger steel company

Leading the green steel transition

Global leadership special and premium steels

Market leader Nordics

Market leader US plate

Where the world is heading

Capitalize on SSAB's advantages and bring to market a new generation of sustainable steel products with a market premium.

What we do better than anyone

Leverage and develop SSAB's high-strength products, our unique sales model, brands and global distribution model.

Where we come from

Serve our customers from a solid market position which provide a base for our steel mills in the Nordics and US.

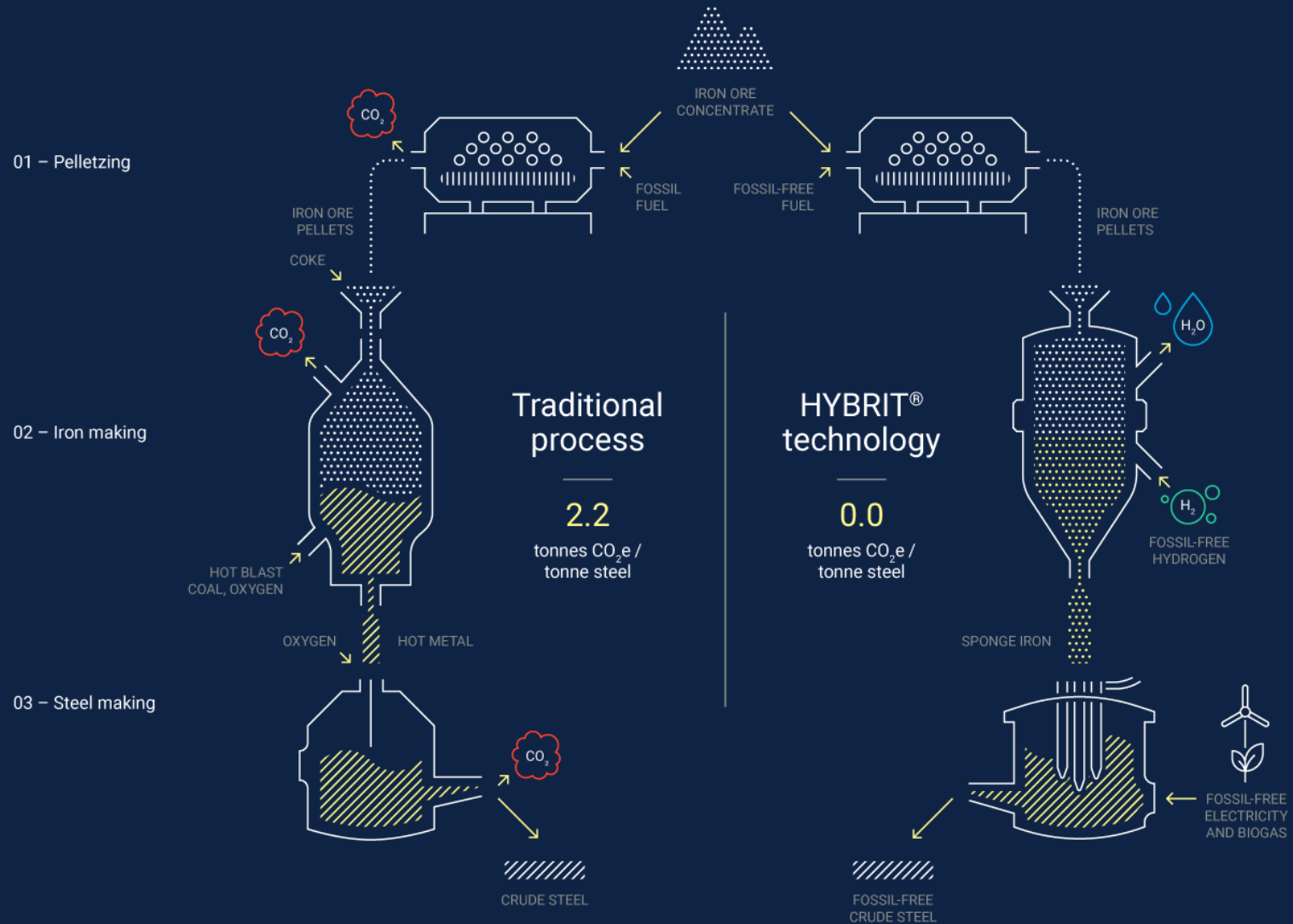
SSAB

Agenda

1. Taking the lead in the green steel transition
2. SSABs transformation plan until 2030
3. Digital transformation plan – Aurora program

Fossil-free steelmaking process with hydrogen

SSAB is the first steel company in the world to use hydrogen-reduced fossil-free sponge iron



Fossil carbon emissions in operations including purchased energy (scope 1-2)

First in fossil-free steel



2017
HYBRIT – Joint venture between LKAB, Vattenfall and SSAB formed



2020
World-unique pilot plant started operation in Luleå



2021
World's first fossil-free steel rolled and delivered to Volvo Group



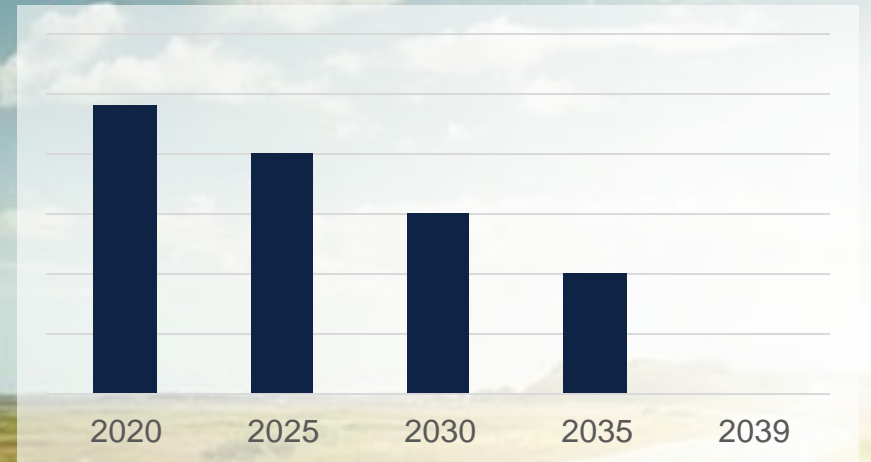
2022
Pilot shipments to strategic customers – 500 tonnes delivered

SSAB

"Daimler is on it's way to CO2 lean production – Swedish producer delivers green steel

The automaker is driving the decarbonization of its supply chain: Starting in 2026, Daimler will be sourcing CO₂-free steel from SSAB in Sweden."

German financial paper "Handelsblatt",
Climate Friendly Industry, September 2021



ⓘ Did you know?

"Ambition 2039" has the aim to make new Mercedes vehicles net carbon-neutral in 2039

Fossil-free steel partnerships



Volvo Cars

“The collaboration with SSAB on fossil-free steel could give significant emission reductions in our supply chain.”

HÅKAN SAMUELSSON, CEO AT VOLVO CARS



Polestar

“The Polestar 0 project is Polestar's ambitious goal to create the first truly climate-neutral car by 2030.”

THOMAS INGENLATH, CEO AT POLESTAR



Peab

“Peab has ambitious climate and environmental targets, and this is an important step for us to reach climate neutrality by 2045.”

JESPER GÖRANSSON, PRESIDENT AND CEO AT PEAB



Cargotec

“Cargotec's science-based target is to reduce value chain emissions by 50% by 2030.”

MIKA VEHVILÄINEN, CEO AT CARGOTEC

SSAB

SSAB's sustainable steel offering

Our two unique emission-free steels make a comprehensive steel offering, paving the way for a greener future.



SSAB Zero™

Our latest steel SSAB Zero™ is made of recycled steel and produced with fossil-free electricity and biogas. It's the first commercial steel of its kind, with virtually zero fossil carbon emissions.

0.0 kg CO₂e emissions per kg steel

The fossil carbon emissions in operations including purchased energy (scope 1-2 and transportation between SSAB sites)

SSAB Fossil-free™ steel

A steel covering the entire value chain based on HYBRIT® technology with direct reduction of iron ore using fossil-free hydrogen. Replaces iron ore blast furnace route using coal. Our aim is to be the first steel company in the world, already in 2026, to offer fossil-free steel on the market.

0.0 kg CO₂e emissions per kg steel

The fossil carbon emissions in operations including purchased energy and iron ore (scope 1-2 and upstream scope 3 of iron ore)

ⓘ Did you know?

- The emissions are not completely zero, but so small that we guarantee that they are less than 0.05 kg CO₂e emissions per kg steel, and thus rounded to 0.0 which is our target
- No carbon emission offsetting or mass balancing allocation schemes
- Third-party verified

2. SSAB Transformation plan until 2030

Why we are transforming SSAB

1 Increasing customer demand for sustainable steel

- High end-customer demand for fossil-free products, especially within mobility and construction
- Leading industrial companies have set scope 3 CO₂ targets to contribute to Paris Agreement
- Market premium for first movers

2 CO₂ elimination to combat climate change

- SSAB emits >10 million tonnes of CO₂ emissions per year
- Elimination needed for Sweden and Finland to live up to national climate commitments
- Phase out of free ETS allocation starts 2026. A complete phase out would imply >SEK 10bn in CO₂ costs per year if SSAB does not transform

3 More effective usage of capital

- SSAB will have to reinvest in existing system in all scenarios
- Investing in new technology gives benefits in higher efficiency and new premium steel capabilities
- Much stronger business case and usage of capital



📌 Did you know?

SSAB accounts for 10% of the CO₂ emissions in Sweden and 7% in Finland

Our transformation journey

SSAB Zero™	EAF in Oxelösund	First mini-mill	Second mini-mill
<ul style="list-style-type: none">- Produce SSAB Zero™ in Iowa, USA with finishing in USA, Sweden and Finland- Fossil-free pilot shipments continue	<ul style="list-style-type: none">- Replace current blast furnaces and coke plant in Oxelösund- Melt recycled steel and fossil-free sponge iron also in Europe- Decrease of CO₂ emissions corresponding to approximately 3% of Sweden's carbon emissions	<ul style="list-style-type: none">- First mini-mill operational in Luleå- Close current coal based system- Decrease of CO₂ emissions corresponding to approximately 7% of Sweden's carbon emissions	<ul style="list-style-type: none">- Second mini-mill operational in Raahе- Close current coal based system- Decrease of CO₂ emissions corresponding to approximately 7% of Finland's carbon emissions
100-200 ktonnes CO₂ saved per year	~1.5 million tonnes CO₂ saved per year	~4 million tonnes CO₂ saved per year	~4 million tonnes CO₂ saved per year
Now	~2026	~2028	~2030



4.5 Billion

Euro Investment

2.5 Million

Tons Hot Rolled Coils

3 Million

Tons CO2 Removed

1.3 Million

Tons Cold Mill Products

187 000

Square Meter Area

1.4 km

Building Length

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3. Digital transformation plan – Aurora program

Business Objectives of the Aurora program



Create a **template to support the digital renewal** of SSAB

Roll-out **modern processes and tools to eventually reach a more harmonized landscape** with integration and scale benefits.



Enable **go-live of mini-mills**

Ensure that the **new business processes and IT-systems are ready and tested** when launching the first mini-mill



Achieve a **step change in process efficiency**

Deploy new greenfield automated and integrated **processes based on best-practice standard processes** and tools.

Program guiding principles

Business program. Business driven transformation program. Not an IT renewal project

Process standardization. Strong steering towards standard best practice processes with greenfield approach

Template approach. Use template approach to ensure reusability of the solutions

Partner collaboration. Building skills together with selected world class partners and establish one team and one target for all involved



SSAAB

Thank you!