



# Remuneration Report 2023

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This report describes how the guidelines for executive remuneration of SSAB AB, adopted by the Annual General Meeting 2022, were adhered to in 2023. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note B.4 to the consolidated financial statements in the Annual report 2023.

Information on the work of the Remuneration Committee in 2023 is set out in the Corporate Governance Report section Remuneration Committee in the Annual Report 2023.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note B.4 in the Annual Report 2023.

## Key developments 2023

The CEO summarizes the company's overall performance in his statement on pages 6–7 in the Annual Report 2023.

## The company's remuneration guidelines: scope, purpose and deviations

SSAB's business strategy aims to establish the company as an industry leader in terms of both profitability and sustainability among comparable companies.

SSAB's stated objective is to become the safest steel company in the world to work in, and shall in addition 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 the company's website.

A prerequisite for a successful implementation of the company's strategy and the safeguarding of the company's long-term interests require that the company can recruit and retain qualified employees. For this, the company must be able to offer competitive remuneration. The company's remuneration 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. Under the remuneration guidelines, executive 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.

The guidelines are found in the Board of Directors' Report in the Annual Report 2023. During 2023, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogation from the procedure for implementation of the guidelines have been made.

The auditor's report regarding the company's compliance with the guidelines is available on <https://www.ssab.com/company/investors/corporate-governance/remuneration-policy>. No remuneration has been reclaimed.

Table 1 Total Remuneration to CEO in 2023

| SEK thousands          | Fixed salary* | Other benefits** | Short-term variable salary (STI)*** | Long-term variable salary (LTI)*** | Extraordinary items | Pension expenses**** | Total remuneration | Proportion of fixed and variable remuneration |
|------------------------|---------------|------------------|-------------------------------------|------------------------------------|---------------------|----------------------|--------------------|---|
| Martin Lindqvist (CEO) | 14,067        | 354              | 10,125                              | 2,740                              | –                   | 6,280                | 33,566             | 62% / 38%                                     |

\* Including vacation pay of SEK 313 thousand and cost compensation in respect of company residence of SEK 253 thousand.

\*\* Relates primarily to housing and car benefits.

\*\*\* STI is reported for 2023 performance year (to be paid 2024). LTI is reported for performance years 2021–2023 (to be paid 2024).

\*\*\*\* Pension expense is its entirety related to fixed salary and is premium based. For this reason pension has been included as fixed remuneration in the table's statement on proportion of fixed and variable remuneration.

**STI remuneration for the CEO 2023**

The STI program has been measured during full year 2023 and is capped at 75 percent of the fixed salary 2023. The performance criteria for the CEO's STI consist of 100% Group objectives.

There are three Group objectives that are measured against predetermined threshold levels; 1) EBITDA margin compared to peer group<sup>1)</sup>, 2) Operating cash flow in relation to adjusted operating result before depreciation and amortization, and 3) A sustainability objective measuring the accident frequency with lost time which lead to absence of more than one day (LTIF).

The STI objectives have been designed to contribute to the company's business strategy and long-term interests, including its sustainability, by being clearly linked to the business strategy and increased value creation for the company.

A prerequisite for STI payment is that the Group shows a positive adjusted operating result (excluding items affecting comparability). This threshold was reached for 2023 and the STI outcome is distributed as follows. 1) SSAB's EBITDA margin exceeded the peer group's average EBITDA margin by 10.0 percentage points, which provides maximum payout. 2) The Operating cash flow in relation to adjusted operating result objective reached 107%, which provides maximum payout. 3) The accident frequency (LTIF) was measured at 0.87, and provides a maximum payout as well.

For further details on the STI remuneration for the CEO, see table 2(a).

**LTI Remuneration for the CEO 2023**

The LTI program is cash-based and has been measured over a period of three years (2021–2023). The outcome is capped to maximum 25 percent of the base salary as per December 31, 2020. The CEO's LTI is to 50 percent linked to the total return on the SSAB share (TSR) compared with a peer group<sup>2)</sup> and to 50 percent linked to return on capital employed (ROCE).

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.

Regarding the target linked to the total return on the SSAB share, SSAB ended up in second place, with a TSR development of 204 percent during the three-year period, which corresponds to an outcome of 85 percent. The return on capital employed (ROCE) amounted to 24.5 percent during the three-year period, which corresponds to a maximum outcome.

For further details on the LTI remuneration for the CEO, see table 2(b).

1) Arcelor Mittal Europe, BE Group, JFE, Kingspan, Klöckner, Lindab, Nucor, Tata Steel Europe, Salzgitter, US Steel and Voestalpine

2) Arcelor Mittal Europe, Nucor, Salzgitter, ThyssenKrupp, US Steel

**Application of performance criteria**

The performance criteria for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance criteria, the strategic objectives and short-term and long-term business priorities have been taken into account. The non-financial performance criteria further contribute to alignment with sustainability as well as the company values.

**Table 2(a) – CEO objectives and outcome in the reported financial year: STI remuneration**

|                        | Description of the performance criteria  | Weighting of the performance criteria | Measured performance | Fulfillment of performance criteria* | Actual payout |
|------------------------|--|---------------------------------------|----------------------|--------------------------------------|---------------|
| Martin Lindqvist (CEO) | EBITDA margin versus peers 2023  | 70%                                   | 10,0 %-points        | 100%                                 | SEK 7,087,500 |
|                        | Operating cash flow in relation to adjusted operating result before depreciation and amortization 2023 | 20%                                   | 107%                 | 100%                                 | SEK 2,025,000 |
|                        | Lost time injury frequency (LTIF) 2023   | 10%                                   | 0.87                 | 100%                                 | SEK 1,012,500 |

\* Percentage of stretch achievement, per performance criteria.

**Table 2(b) – CEO objectives and outcome in the reported financial year: LTI remuneration**

|                        | Description of the performance criteria | Weighting of the performance criteria | Measured performance | Fulfillment of performance criteria* | Actual payout |
|------------------------|---|---------------------------------------|----------------------|--------------------------------------|---------------|
| Martin Lindqvist (CEO) | TSR compared to peers 2021–2023         | 50%                                   | 2nd place            | 85%                                  | SEK 1,259,063 |
|                        | ROCE 2021–2023                          | 50%                                   | 24.5%                | 100%                                 | SEK 1,481,250 |

\* Percentage of stretch achievement per performance criteria.

### Share-based remuneration

SSAB had no share-based remuneration programs for payout in 2023.

### Information on remuneration and company performance

**Table 3 – Remuneration and company performance in the reported financial year**

| SEK thousands  | 2023       | 2022       | 2021       | 2020     |
|--|------------|------------|------------|----------|
| CEO total remuneration   | 33,566     | 29,818     | 26,116     | 18,358   |
| Adjusted operating result  | 16,467,000 | 29,283,000 | 18,837,000 | -325,000 |
| Average total remuneration on a full time equivalent basis of employees of the parent company* | 1,238      | 1,180      | 1,080      | 1,008    |

\* Excluding members of the Group Executive Committee