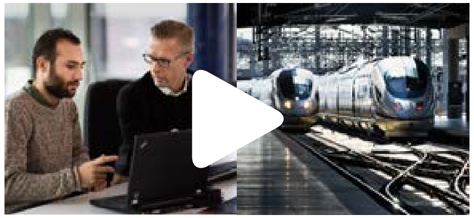
SSAB
ANNUAL REPORT 2015
TOWARD INDUSTRY-LEADING PROFITABILITY

CONTENTS

BUSINESS REVIEW

CORPORATE GOVERNANCE REPORT



GRI REPORT

FINANCIAL REPORTS 2015

BUSINESS REVIEW

SSAB IN BRIEF

OUR BUSINESSES


SSAB SPECIAL STEELS


SSAB EUROPE


SSAB AMERICAS


TIBNOR


RUUKKI CONSTRUCTION

57

Net sales SEK 57 billion

16,000

Number of employees, approximately

50

Employees in more than 50 countries

SSAB is a highly-specialized global steel company driven by close customer relationships. SSAB develops high-strength steels and provides services for better performance and sustainability.

The company is a leading producer on the global market for Advanced High-Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T), strip, plate and tubular products, as well as construction solutions. SSAB's steels and services help to make end products lighter and increase their strength and lifespan.

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 – Global steel and service partner in Quenched & Tempered Steels (Q&T) and Advanced High-Strength Steels (AHSS)
- SSAB Europe – Leading Nordic-based steel producer of high-quality strip, plate and tube products
- SSAB Americas – Market-leading North American producer of quality steel plate and coil
- Tibnor – Leading Nordic distributor of steel and non-ferrous metals
- Ruukki Construction – European provider of energy-efficient building and construction solutions

SSAB is listed on Nasdaq OMX Stockholm (Large cap list) and has a secondary listing on Nasdaq OMX Helsinki.

- Headquarters in Stockholm, Sweden
- President & CEO Martin Lindqvist
- SSAB employs approximately 16,000 people in more than 50 countries
- Net sales: SEK 57 billion (SEK 60 billion pro forma in 2014)

WE ARE UNIQUE

- Global leadership in value-added high-strength steels
- Most innovative services and applications
- Home-market leadership in the Nordics and US
- Long-term customer relationships
- Strong end-user focus
- Globally recognized brands

Watch the Hardox video   Watch the Strenx video

SSAB has a cost-efficient and flexible production system. SSAB's production plants in Sweden, Finland and the US have an annual steel production capacity of 8.8 million tonnes.

The company also has capacity to process and finish various steel products in China, Brazil and many other countries.

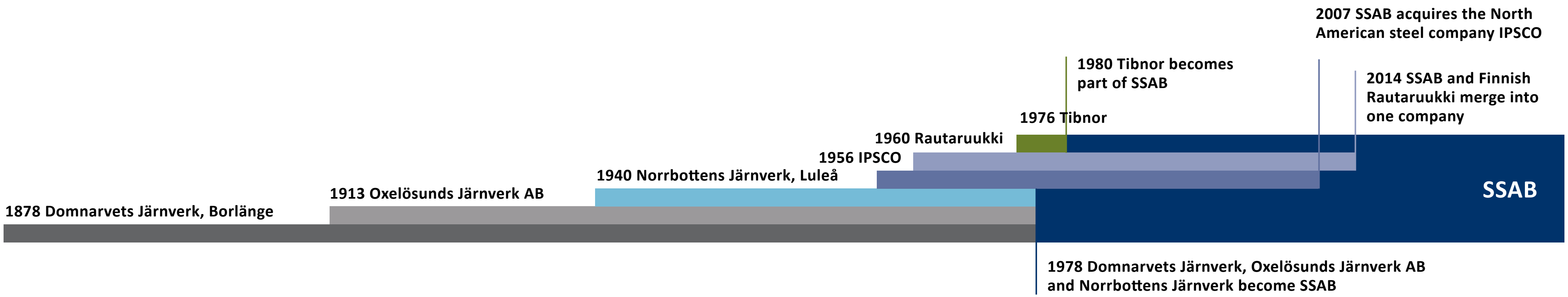
In Sweden and Finland, production is integrated into a blast furnace process. In the US, electric arc furnaces are used for a scrap-based production process.

MAIN PRODUCTION SITES:

SSAB Europe
- Borlänge, Sweden
- Hämeenlinna, Finland
- Luleå, Sweden
- Raahe, Finland

SSAB Special Steels
- Oxelösund, Sweden

SSAB Americas
- Mobile, USA
- Montpelier, USA

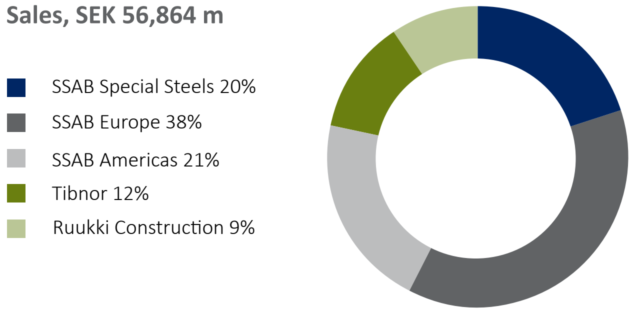


YEAR 2015 IN BRIEF

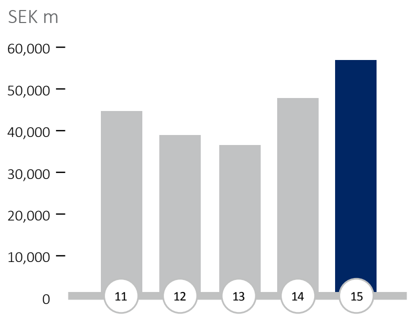
KEY FIGURES	2015	2014
Sales, SEK million	**56,864**	47,752
Operating profit before depreciation/amortization, EBITDA[1], SEK million	**3,655**	3,695
Operating profit/loss[1], SEK million	**-128**	894
Profit/loss after financial items[1], SEK million	**-1,051**	242
Earnings per share, SEK	**-0.93**	-3.33
Operating cash flow, SEK million	**3,874**	1,737
Proposed dividend, SEK	**0**	0
Energy consumption, GWh	**8,384**	8,792
Carbon dioxide emissions[2], thousand tonnes	**9,606**	9,608
Employees[3]	**16,045**	16,887
Lost-time incident frequency (LTIF)[4]	**6.2**	6.9

[1] Excluding items affecting comparability
[2] Direct emissions from production (Scope 1)
[3] Permanent employees at year-end
[4] Number of accidents resulting in an absence of more than one day per million working hours, own employees

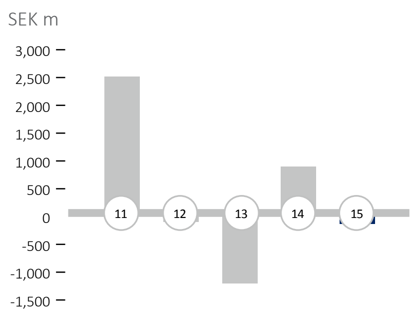
Sales, SEK 56,864 m



Total sales

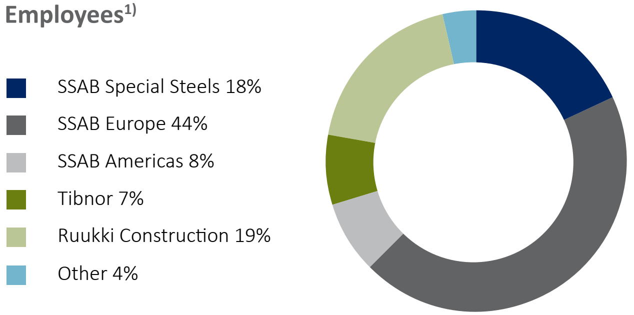


Operating profit/loss[1]



[1] Excluding items affecting comparability

Employees[1]



[1] Permanent employees at year end

VISION AND VALUES

OUR VISION

SSAB's vision points out the direction for the company's long-term development and the objective toward which the company strives:

a stronger, lighter and more sustainable world.

Together with our customers, we will go further than anyone else in realizing the full potential of lighter, stronger and more durable steel products.

OUR VALUES

Our values are the guiding principles of our company. They shape our culture and characteristics. They serve as a compass for our actions and behavior, and describe what we stand for. Values guide us daily in making the right choices and doing the right things.

CUSTOMER'S BUSINESS IN FOCUS

- We constantly listen to and understand our customers' needs
- We aim to always take an active, long-term interest in our customers' business
- We want to earn our customers' trust
- We want to be our customers' innovation partner

TAKING RESPONSIBILITY

- We build strong, long-lasting relationships by being professional, cooperative and honest
- We keep our promises
- We work safely and responsibly
- We respect people and strive for diversity

EXCEEDING EXPECTATIONS

- We are dedicated, ambitious and proud of what we do
- We are straightforward, results-oriented and quickly take action
- We don't do things that don't create value for our stakeholders
- To achieve top performance, we always challenge ourselves and further enhance our expertise

SSAB IN THE VALUE CHAIN

SSAB's business model is built on fostering close, long-term customer relationships. Through intense collaboration, SSAB continuously develops new products, applications, services and processes in order to improve our customers' performance in sustainability and overall efficiency. Within SSAB's value chain, most value is created in the use phase, as our customers are able to produce lighter and stronger end products with extended lifespan. SSAB aims to reduce the environmental impact of our steel products in every phase of the lifecycle, from raw material extraction to recycling at the end of a product's life.

CAPITALS

FINANCIAL
- Debt
- Equity

PEOPLE
- 16,000 employees in more than 50 countries
- Subcontractors and service providers

NATURAL
- Iron ore pellets, scrap metal, coal and coke
- Other raw materials
- Fuels
- Electricity
- Water

INFRASTRUCTURE
- Steel production sites
- Steel service centers
- Hardox Wearparts network
- Stocks and distribution network
- Sales offices

EXPERTISE AND REPUTATION
- Research and development
- Knowledge in high-strength steels
- Knowledge of customers' applications
- Expertise in technical support
- Brands and brand programs
- Patents

SOCIAL/ RELATIONSHIP
- Strong, responsible supplier network
- Global sales network
- Joint innovation projects with customers
- Customer training
- Community engagement
- Industry and government participation

SOURCING
The raw materials used to make iron and steel account for SSAB's most significant purchases. Suppliers must comply both with SSAB's own policies and with international social and environmental guidelines.

PRODUCTION
Operational efficiency, flexibility, environmentally-sound technology and safe work environments are the core of SSAB's production.

TRANSPORT
SSAB's business is dependent on efficient transport throughout all the stages of the value chain. SSAB focuses on minimizing our environmental footprint through timely transport and minimized fuel consumption.

RECYCLING
Steel is a unique material that retains its properties no matter how many times it is recycled. Using recycled steel in steel production increases material efficiency and reduces CO_2 emissions.

USE
Through the use of SSAB's high-strength steels, customers are able to manufacture products which use less material, are stronger, lighter and more durable, and reduce costs, thus making customers and their products more competitive.

SALES
SSAB has an extensive global sales network, which enables close collaboration with customers.

OUTPUTS

Strong, long-term customer relationships

PRODUCTS AND SOLUTIONS
- High-strength steels
- Standard strip and plate products
- Tubular products
- Construction products and solutions

SERVICES
- SSAB Shape steel processing services
- Hardox Wear services
- Technical support
- Innovation support

BY-PRODUCTS
- Residuals for recirculation in own production
- Scrap metal for recycling
- By-products for external use
- Electricity and heat used internally and sold externally

EMISSIONS AND WASTE
- Emissions into air
- Effluent discharge into waterways
- Waste

IMPACTS

ECONOMIC VALUE CREATED AND DISTRIBUTED TO STAKEHOLDERS
- Payments to suppliers of raw materials, goods and services
- Employee wages and benefits
- Dividends, interest payments and financial expenses
- Taxes to the public sector
- Donations and sponsored local activities

SUSTAINABLE OFFERING
- Innovative, sustainable steel applications
- Customers' improved competitiveness
- Reduced impact on the environment through higher penetration rate of high-strength steels globally; end products from less raw materials, with lower weight and fuel consumption, increased load capacity and longer lifespans
- Improved energy efficiency in buildings

SUSTAINABLE OPERATIONS
- A safe and secure work environment for SSAB's employees and contractors
- Conserving natural resources and reducing CO_2 emissions by utilizing residuals and recycled steel as raw materials
- Improved energy efficiency through energy recovery and systematic energy management

RESPONSIBLE PARTNER
- Responsible business practices throughout the supply chain
- Creation of local employment through own operations and local sourcing
- Long-term contracts and relationships with suppliers
- Local sponsorships and internships

CEO'S REVIEW

FOCUS ON EFFICIENCY AND CASH FLOW

The focus for SSAB during 2015 was to manage the impacts of the severe global crisis in the steel industry and to continue to integrate Rautaruukki into SSAB and capture the synergies identified in conjunction with the acquisition. The integration has gone very well. Realization of the synergies is progressing faster than anticipated and the savings will be greater than we originally estimated. We have updated the synergy target to SEK 1.8 billion with annual full run rate from the second half of 2016. The synergies arising from the Rautaruukki acquisition and other ongoing efficiency measures will reduce SSAB's cost base structure by SEK 2.5 billion a year compared with the time the acquisition was completed. In addition, we are carrying out actions and making continuous improvements to reduce our costs and improve our competitiveness.

STRONG CASH FLOW DESPITE A CHALLENGING MARKET ENVIRONMENT

2015 was marked by imbalances on the global steel market. The sharp fall in prices of raw materials such as iron ore and coal impacted negatively on steel prices. This, coupled with a steep increase in steel exports from Asia, contributed to heavy pressure on prices on SSAB's main markets despite stable underlying demand. Profitability in the industry is low and overcapacity both in Europe and Asia is adversely impacting the possibility of achieving a satisfactory return. Although we consider free trade to be important with regard to development of the global steel industry, the current situation of unhealthy competition means measures are called for to preserve the steel industry in Europe and North America.

After a strong first quarter, SSAB's earnings trend turned negative for the rest of the year. Earnings were primarily affected by tough market conditions but also the costs relating to investments in the blast furnace system. EBITDA, excluding items affecting comparability, totaled SEK 3.7 billion and operating profit was SEK -128 million. SSAB Americas and SSAB Europe reported lower earnings year on year, whereas SSAB Special Steels' earnings were at the same level as for 2014. Despite poor earnings performance, we delivered a strong net cash flow of SEK 2.3 billion, which enabled us to reduce the debt/equity ratio. In a weak market climate, SSAB has the advantages of considerable production flexibility, which enables positive cash flow even during periods of low demand.

WORLD-CLASS BLAST FURNACE SYSTEM

During 2015, we completed capital expenditure projects in our blast furnaces in Luleå (Sweden) and Raahe (Finland) to increase efficiency and reduce our environmental footprint. The blast furnace in Luleå underwent relining and is now set to continue production for another 15-20 years. In Raahe, a pulverized coal injection system has replaced an earlier heavy fuel oil injection system in the blast furnaces. This will result in more cost-effective steel production. Now that these investments are in place, we have, from an environmental point of view, world-class blast furnaces and greater flexibility to increase or decrease production.

TAKING THE LEAD – SSAB'S STRATEGIC DIRECTION

We have set ourselves the objective of achieving leading profitability in the steel industry. Although we have yet

We will achieve our objective through a combination of efficiency and growth in chosen segments.

to achieve this goal, we are well placed to do so. SSAB has a unique product offering and has strong positions in our home markets. On top of this, we have a unique service offering. We will achieve our objective through a combination of efficiency and growth in chosen segments.

The combination with Rautaruukki has resulted in lower costs and greater flexibility within Nordic strip operations. In North America, we already have a leading cost position, yet year after year we have further reduced costs whilst retaining a market-leading service. During the year, we launched a number of measures within the high-strength steel business to strengthen and clarify our offering through, among other things, a completely new brand platform, which includes our new brand Strenx. Through Strenx, we intend to build up the market's strongest brand of high-strength structural steel in a similar way to what we have done for wear steel through Hardox. We have also strengthened our service offering, not least in aftermarket services – Hardox Wearparts – and have created a new business unit, SSAB Services, which will focus solely on developing and growing SSAB's global service offering.

SUSTAINABILITY TARGETS

To further strengthen our focus on sustainability issues, in 2015 we launched a new sustainability strategy with three focus areas – sustainable offering, sustainable operations and responsible partner. Our measurable environmental targets relate to CO_2 emissions and reductions in energy and waste to be achieved by 2019. SSAB's production processes are already highly carbon-dioxide efficient, but we continue working to further decrease our environmental impact. We have also updated our social responsibility targets, including those related to diversity, business ethics, compliance with SSAB's Code of Conduct and the follow-up of our supply chain. We aim to be the safest steel company in the world and our objective is zero accidents.

SSAB has been a signatory to the UN's Global Compact for a number of years. This makes clear our responsibility vis à vis the environment, people and communities that are affected by our operations. This report forms part of our communication on how our operations are aligned with Global Compact principles. We will continue to support the UN's Global Compact principles with regard to the environment, human rights, employee conditions and anti-corruption, and work to further integrate these principles into our operations, culture and value chain.

FOCUS ON CASH FLOW IN AN ENVIRONMENT OF UNCERTAINTY

Demand for steel has improved in early 2016 compared to late 2015 and World Steel Association and other industry organizations forecast modest positive growth in Europe and North America during 2016. Despite stable demand, there are many factors of uncertainty surrounding global overcapacity that will take a long time to resolve. In this climate, we will focus on those things we can control – our own cost position, cash flow and our ability to develop unique offerings for our customers. We are nevertheless convinced that we are correctly positioned – the world needs stronger steels. Our position and ability to innovate are decisive for future earnings. Lighter, stronger products of high-strength steel – this is our key contribution to a more sustainable world and the road to leading profitability in the steel industry.

Martin Lindqvist
President and CEO

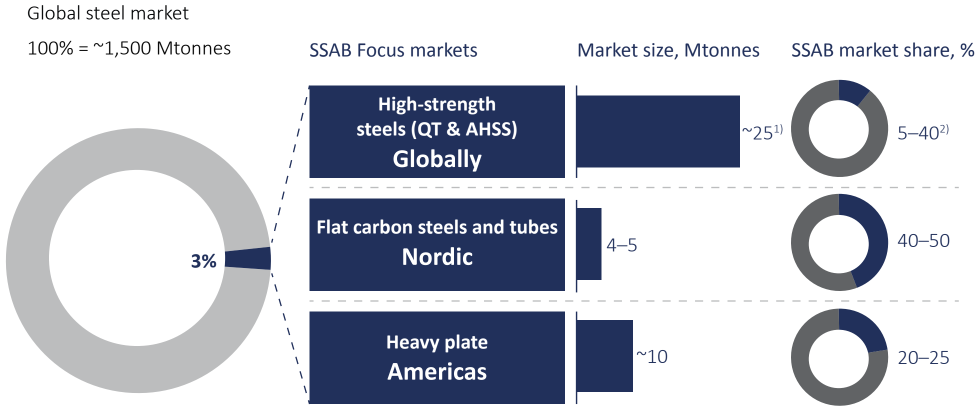
OPERATING CONTEXT

Steel represents a challenging market. Complex factors govern SSAB's opportunities and risks both in our home markets and further afield. The company carefully and continuously monitors global economic and social development to shape our strategic decisions.

MARKET DEVELOPMENT

Long term, the global steel market is expected to grow 2–3% a year driven by continued GDP growth globally, greater demand from a growing middle class in emerging countries, and by the development of new applications. It is expected that emerging markets in Africa, India and Latin America will offer above-average growth rates, whereas moderate steel demand growth rates are anticipated in industrialized home market regions. In the long term, Chinese demand is expected to remain flat as Chinese economic growth shifts from being less export and infrastructure dependent to becoming more driven by domestic consumption.

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



[1)] Q&T steels, strip steels ≥ 700MPa

[2)] Higher share in Q&T in some groups/region

Overcapacity will remain the biggest issue for the industry at large, as price pressures exert an increasing influence over the operations of all steel producers. The situation is expected to improve gradually in the years to come, driven by demand growth, a lower rate of new investments in steel capacity and possibly the structural removal of old capacity, particularly in Europe and China.

The shift from standard steels toward high-strength steels is expected to speed up during the next decade. Most steel consumers need to constantly improve the performance of their products and high-strength steels enable lighter and stronger applications. High-strength steels also enable better energy efficiency to the benefit of end users and are essential to meeting tougher environmental requirements.

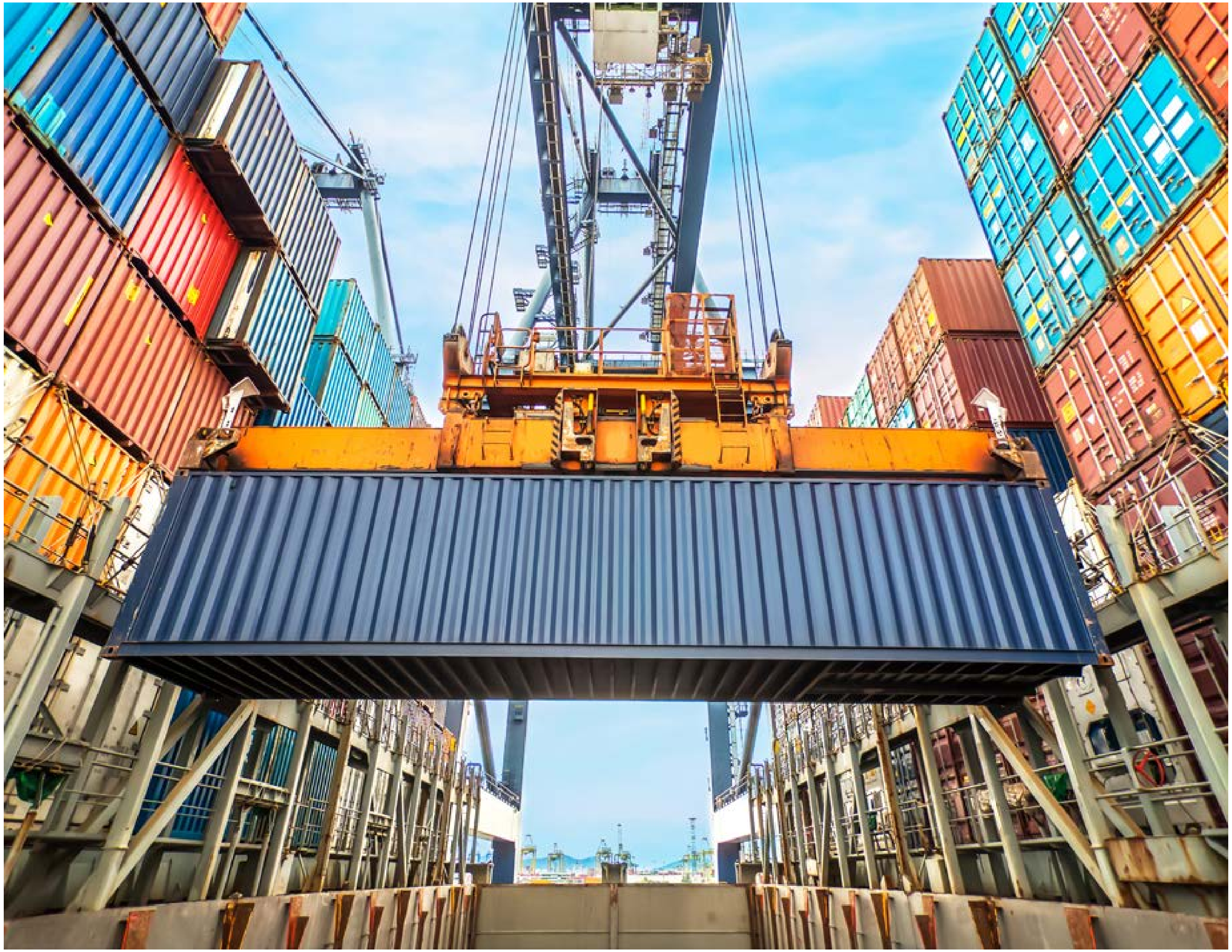
Looking at specific segments, most areas are expected to see stable development in the coming years. The automotive segment has experienced positive growth recently, and the whole light vehicle industry is expected to improve even more in emerging markets. Within construction, developments have been stable, albeit at a low level, and the sector is expected to improve going forward. In mining, despite current challenges, the fundamentals of long-term demand for high-strength steels remain solid. Development in the energy sector has been impacted by low energy prices, but will be supported by growing populations and increased income per capita in the long term.

GLOBAL MEGATRENDS AND SSAB'S RESPONSE

	IMPLICATIONS	OPPORTUNITIES AND THREATS	SSAB'S RESPONSE
THE WORLD NEEDS STEEL	• Historically, steel consumption has grown in line with GDP • Modern society depends on steel. The strong urbanization trend globally will support the demand growth for steel over the next decades • Steel has a number of unique characteristics, including excellent recyclability, and has few, if any, substitutes • In the short- and mid-term, moderate growth is expected since Chinese demand is anticipated to be slow and at best remain flat	• Growth opportunities in emerging markets and in certain segments such as transport and construction equipment (required in developing cities) • Slow growth in mature markets • Better access to scrap as collection rates increase in emerging markets	• Leading global position in high-strength steels, and capturing growth in emerging markets • Strong position in segments such as heavy transport and construction machinery – sectors which are activated by urbanization • Leading position in home markets
OVERCAPACITY EXERTS A HUGE INFLUENCE	• China has overinvested in new capacity, while failing to retire older, obsolete production. This has led to overcapacity • In Europe, steel production has yet to adapt to the post-financial-crisis level of steel consumption • Standard steel has historically been a regional product – but taking global imbalances into account, trade between regions is now substantial • Unfair competition may reduce the competitiveness of the EU steel industry – more burdens (taxes, CO_2 expenses, etc.) when compared to the situation for imported steel	• Price pressure globally: slowing growth in China forces domestic players to export steel at extremely low prices • Risk of an extended period of low profitability in the industry • Opportunities to differentiate, in terms of quality, lead times and services	• Differentiation – products, services, brands • Flexible production set-up in the Nordics – the ability to increase and decrease crude steel capacity with five blast furnaces in the system • Protect low-cost model in home markets, synergies from Rautaruukki acquisition. US operations already have a leading cost position in the region • Advocacy for free and fair trade – through industry organizations, to protect SSAB's home markets from unfair trading practices

	IMPLICATIONS	OPPORTUNITIES AND THREATS	SSAB'S RESPONSE
CUSTOMERS ARE DEMANDING INNOVATION	• Speed of innovation – customers need to constantly improve • Productivity – constant pressure across the value chains • Global customers • Heightened expectations in terms of delivery times, order tracking, control over flows, etc.	• Need to improve product performance attributes – constant improvements in qualities and strengths • Competition with other materials, e.g. aluminum • Demand to deliver with short lead times, and an increase in demand for tailored products • Price pressure as customers grow in size	• Constantly improving product performance – special steels like higher yield strength and tougher wear steels • Exerting efforts to help customers in application development – R&D, technical support, Knowledge Service Center • Developing a unique collaboration model with customers • More sales through SSAB's own stocks and service centers, etc.
SUSTAINABILITY TRENDS WILL TRANSFORM THE INDUSTRY	• Climate change is a fact and urgent measures are required to mitigate it • To decrease emissions, more efficient use of material and energy resources is critical • As an energy-intensive industry, steel has a large environmental impact • New regulatory requirements are coming into force regionally and globally • Customers need to reduce their environmental footprints	• As customers respond to pressures both from the operational expense perspective and the regulatory sphere, they will need new solutions made from recyclable, more durable and stronger materials • Risk of different regulations for different regions – more pressure for steel production to relocate from Europe to other regions with less stringent regulations • Risk that other materials are favored over steel • Risk that industry does not keep up with external demands on environmental footprints	• Increase the penetration rate of high-strength steels globally – to enable reduced emissions in the product use phase • Educate customers on how to use high-strength steels in more applications, to benefit the environment • Constantly improve environmental performance in production – SSAB is already among the most efficient steel producers in terms of CO_2 • Make sure that as one of the leading steel producers in terms of sustainability, SSAB is treated fairly in new regulations

OUR STRATEGY



SSAB's strategy is driving us to become the industry-leading producer of high-strength steels globally, the market leader in our home markets and a provider of leading value-added services.

TAKING THE LEAD

SSAB's "Taking the Lead" strategy, first introduced in 2012, continues to drive the strategic decisions and actions of the company. The strategy has been updated for the coming years with renewed targets and areas of focus to align with the company's future goals and growth potential in each market. SSAB's vision – a stronger, lighter and more sustainable world – paves the way forward.

SEK 2.5 bn

"SSAB will reduce costs by SEK 2.5 billion in total, with full effect from 2017 onward."

SSAB'S STRATEGY CENTERS AROUND TWO DIMENSIONS:

1. Where SSAB is heading – core business aspirations
These three elements represent the core business goals for us to be an industry leader in our focus areas in home markets, high-strength steels and value-added services.

2. What makes SSAB stand out – distinguishing capabilities
These elements outline the capabilities we need to focus on in order to differentiate from the competition.

LEADING HOME-MARKET POSITIONS

The Nordic and North American home markets remain the foundation for SSAB's business. SSAB aims to maintain or strengthen our home market positions in the coming years.

NORDIC REGION

Priority initiatives for SSAB in the Nordic region:

DEVELOPING THE MULTI-CHANNEL SALES STRATEGY

SSAB will further secure our Nordic home-market leadership by developing all channels to market from the steel mills. These include SSAB's own channels, including the metal distribution company Tibnor, the steel construction company Ruukki Construction, and SSAB's downstream tube business, as well as direct customers and external steel distributors with which the company has long-term agreements.

IMPROVING THE PRODUCT MIX TOWARD PREMIUM PRODUCTS

SSAB aims to strengthen our position both in the Nordic region and in nearby markets by gradually improving our product mix, shifting sales focus to more profitable products and those in which SSAB has special capabilities.

AMERICAS

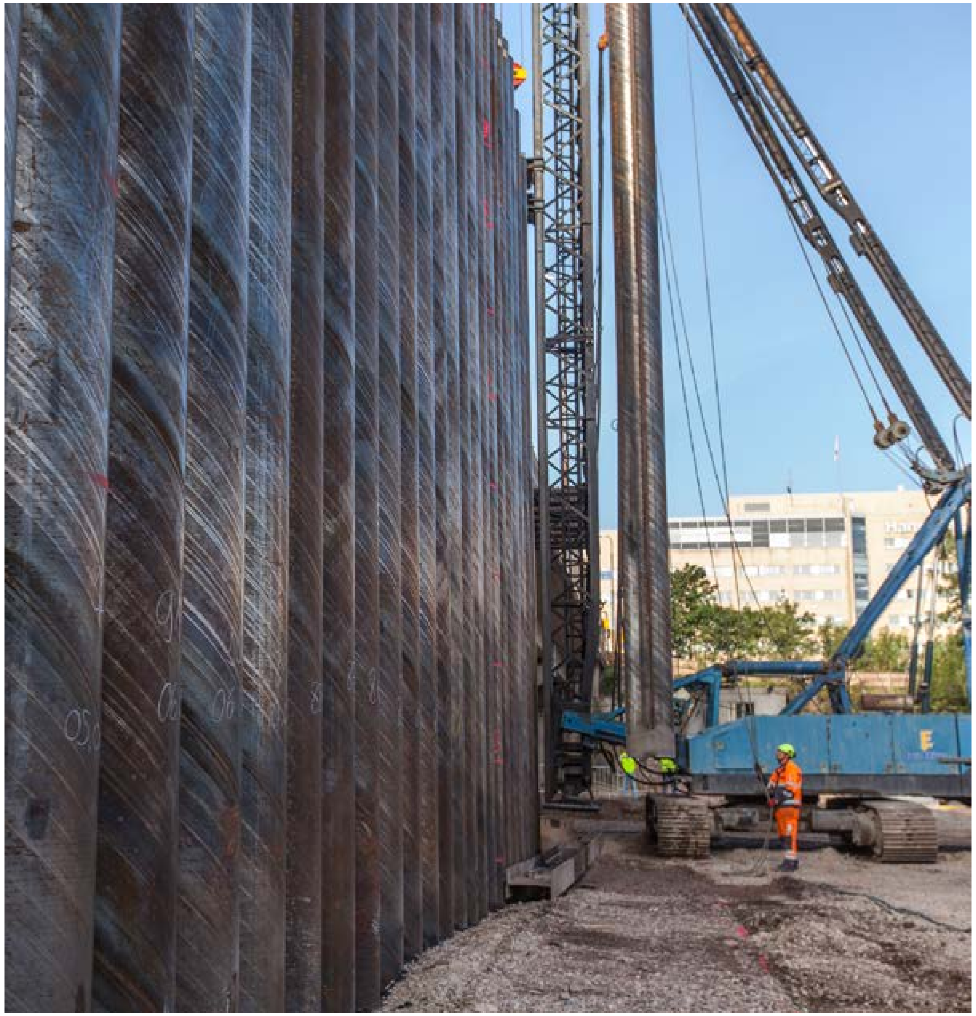
Initiatives for maintaining plate market leadership in the Americas:

INCREASING CAPACITY AT CURRENT MILLS TO GROW WITH THE MARKET

The plate market in North America is expected to recover and grow in the coming years with increased industrial activity. SSAB has options to gradually increase the capacity of our US mills by improving process efficiency and growing sales in an expanding market, while continuing to improve the cost position and offering superior customer service and lead times.

UTILIZING NORDIC IMPORTS AS A COMPLEMENT TO EXISTING PRODUCT OFFERINGS

The Nordic strip and plate mills complement the US mills in product grades and formats. With an improving domestic market, SSAB can increase sales in the North American market, either directly toward end customers or by utilizing cut-to-length facilities.



GLOBAL LEADERSHIP IN HIGH-STRENGTH STEELS

SSAB aims for global leadership in Quenched & Tempered Steels (Q&T) and in targeted Advanced High-Strength Steels (AHSS) segments. With leading brands, a unique product range, expertise and close collaboration with customers in developing new steel applications, SSAB is well positioned to take advantage of opportunities in high-strength steels. The company is well invested in production assets.

Market development priorities for achieving growth:

UPDATED CHANNEL AND BRAND STRATEGY

SSAB will work with multiple brands and channels, with a comprehensive offering in high-strength steels from high-end branded products to more commercial grades. The merger with Rautaruukki has broadened SSAB's product portfolio and enabled the development of a multi-channel strategy in high-strength steels.

SSAB's product brands – Hardox, Strenx, Docol, GreenCoat, Armox and Toolox – are the most valuable asset in new markets as they represent quality and trust for the benefit of customers.

SSAB's product brand programs, "Hardox In My Body" and "My Inner Strenx," provide members with marketing support, wide-scale technical support and innovative design methods.

There are also five new SSAB-based brands: SSAB Domex, SSAB Form, SSAB Weathering, SSAB Boron and SSAB Laser Plus.

CONTINUED R&D AND INNOVATION IN PRODUCTS AND APPLICATIONS

Research & Development continues to be a high priority for SSAB. This entails development in three areas:

- **Product development**, boosting SSAB's own high-strength offering with new products
- **Process development** at the mills, enabling more efficient, cost-effective and sustainable production
- **Application development**, taking customers' own products into account

SSAB will increase our investment especially in application development and establishing more customer collaboration to develop the use of our high-strength steels in their products.

INCREASING PRESENCE AND PENETRATION IN NEW MARKETS

SSAB will focus on emerging markets, where the penetration of high-strength steels is still low and growth potential is high as customers upgrade their steel usage from standard to high-strength steels. These markets include Africa, the Middle East, Latin America and Asia.

GROWING HIGH-STRENGTH STEELS IN THE AUTOMOTIVE SECTOR

SSAB has a leading position in specific safety details related to the automotive sector. This market is expected to grow in the coming years due to continuing trends in safety standards, and in lightweighting, to meet fuel efficiency standards. Likewise, SSAB aims to grow in this area.

LEADING VALUE-ADDED SERVICES

The way to differentiate in customer relationships is to offer value-added services. Value-added services represent an important area for SSAB's long-term development, as they are an additional way the company can distinguish ourselves in the competitive steel markets. Value-added services act as additional components to the strategic ambitions outlined above, supporting and enhancing SSAB's activities in our home markets and high-strength steel initiatives.

SSAB has set up a new business unit under the name SSAB Services to increase focus on service and the after-market business. This new unit will be responsible for SSAB's extended global service offering initially including the Wear Services and Shape businesses, and reported as part of SSAB Special Steels.

There are three main focus areas:

EXPANDING WEAR SERVICES AND THE HARDOX WEARPARTS NETWORK

SSAB Wear Services sells Hardox-branded wear plate to the Hardox Wearparts Network, which comprises around 180 member companies globally. These centers provide replacement parts and services to end customers in mining, recycling, quarrying, cement and agriculture. SSAB has high aspirations for developing the Wear Services business and aims to more than double the number of centers.

EXPANDING SSAB SHAPE SERVICES IN SELECTED MARKETS

SSAB holds similar ambitions for SSAB Shape, which offers steel-processing services for OEMs and their sub-suppliers. As well as representing a step forward for SSAB in our customers' value chain, with potential for joint investments, this initiative also helps to enable the adoption of high-strength steels in selected emerging markets.

GROWING STOCK SALES GLOBALLY

SSAB aims to grow our distribution services business. Unlike many of our competitors, SSAB operates our own global stock network and can serve the end-user market with short lead times. SSAB will grow the share of stock shipments as a way of increasing the value of steel shipments to our customers.

MOST FLEXIBLE OPERATIONS

To outperform peers and achieve industry-leading profitability in the coming years, SSAB will both reduce fixed costs and increase structural flexibility in our production processes.

There are five main focus areas:

- Capacity flexibility in the Nordic production process: SSAB can operate with three, four or five blast furnaces depending on the market scenario at any given time
- Synergy program: SSAB is committed to delivering SEK 1.8 billion in synergies by mid-2016, just two years after the merger of SSAB and Rautaruukki
- Ruukki Construction has a savings program of SEK 200 million in addition to the Group-level synergy program
- Other cost improvements: Examples include a continued focus to have a leading cost position in North America and to improve the Q&T cost position in Oxelösund
- Continuous improvement: Roll out SSAB One to achieve continuous productivity improvements

These measures will enable SSAB to reduce costs by SEK 2.5 billion, compared to the cost level in 2014, with full effect from 2017 onwards.

HIGH-PERFORMING ORGANIZATION

To achieve its ambitious strategy targets, SSAB will further develop a high-performing organization. Employees and leaders at all levels will align their actions and behaviors to the strategic direction.

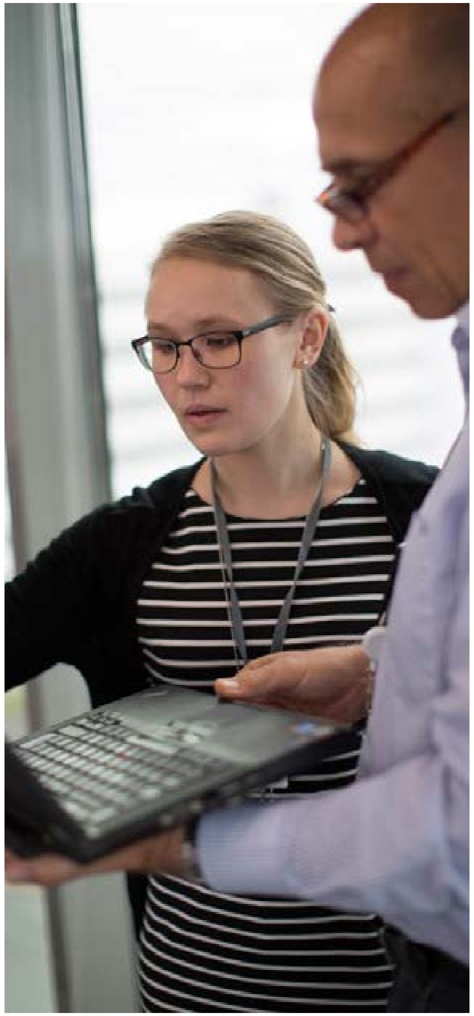
There are three main priorities toward achieving a high-performing organization:

- Be the safest steel company in the world
- Utilize SSAB One as a management philosophy
- Strengthen the performance culture and employee engagement

SUPERIOR CUSTOMER EXPERIENCE

Part of SSAB's strategy is to go further than anyone else to offer customers a superior customer experience. To remain at the forefront, SSAB will continue to invest in research and development, technical customer support and joint innovation initiatives on how to get the best out of SSAB's high-strength steels. At the same time, the organization strives toward the highest standards in terms of product quality, shorter lead times and good delivery reliability.

SSAB's three distinguishing capabilities are described in more detail in other sections of this Annual report Business review, under the headings "Sustainable operations," "High-performing organization" and "Sustainable offering."



FINANCIAL TARGETS

SSAB's strategy aims to secure the company's long-term development to create value for shareholders and other stakeholders. SSAB's main financial objective is to secure industry-leading profitability and to generate solid cash flows, enabling debt reduction and shareholder dividends.

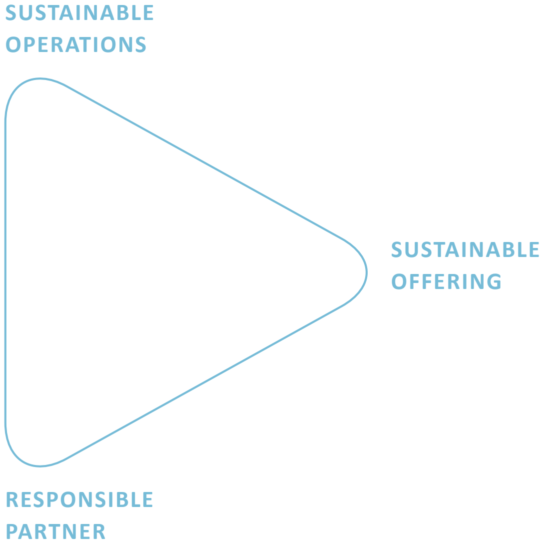
SSAB has three financial targets within three different areas.

AREA	OBJECTIVE
Profitability	SSAB aims for industry-leading profitability measured as EBITDA margin among comparable peers[1].
Capital structure	The Group's operations are cyclical. The objective is a long-term net debt/equity ratio of 30%.
Dividends	Dividends are adapted to the average earnings level over a business cycle and, in the long term, constitute approximately 50% of profit after tax, taking into consideration the net debt/equity ratio. It should also be possible to use dividends to adjust the capital structure.

[1] AK Steel, Dillinger, Nucor, Salzgitter, Steel Dynamics, Tata Steel Europe, ThyssenKrupp, US Steel

SUSTAINABILITY STRATEGY

SSAB's sustainability strategy supports the overall SSAB strategy. SSAB's objective is to become one of the world's most sustainable steel companies. Managing business in a sustainable way will increase the possibilities to deliver strong financial and operational results. SSAB summarizes our work in sustainability into three focus areas:



1 SUSTAINABLE OFFERING

SSAB's sustainable offering is our external value proposition, what we offer our customers and other stakeholders. The core of SSAB's business is to develop and produce Advanced High-Strength Steels (AHSS) and Quenched and Tempered Steels (Q&T) that are stronger than ordinary steels, which in turn helps our customers to produce lighter and stronger products, thus reducing their environmental footprint.

2 SUSTAINABLE OPERATIONS

SSAB focuses on operational efficiency to ensure our operations are as sustainable as possible. SSAB works for continuous improvements to minimize emissions, aiming for material and energy efficiency, while at the same time providing our employees a safe and secure workplace with opportunities for individual, professional growth.

3 RESPONSIBLE PARTNER

Contributing to the communities in which SSAB operates is an integral part of the way we do business. Acting as a responsible partner refers to how we manage risks and take responsibility for business ethics and our supply chain.

SUSTAINABILITY TARGETS

GRI report, environmental targets and results in 2015
GRI report, social responsibility targets and results in 2015

At the end of 2019, SSAB will have achieved the following environmental and energy targets[1]:

A LASTING REDUCTION OF 200,000 TONNES IN CO_2 EMISSIONS

- Equals 2.1% of SSAB's total CO_2 emissions
- The target corresponds roughly to 100,000 cars each driving 15,000 km
- Reduction efforts focused mainly on ore-based iron and steel production since this accounts for 90% of SSAB's total CO_2 emissions

A LASTING REDUCTION OF 300 GWH IN PURCHASED ENERGY (ELECTRICITY AND FUELS)

- Equals approximately 3.5% of SSAB's total amount of purchased energy
- The target level corresponds roughly to the energy used by 15,000 households for electricity, hot water and heat during one year

A LASTING IMPROVEMENT OF 30,000 TONNES IN RESIDUAL UTILIZATION

- Equals approximately 12% of the total amount of material currently sent to landfill
- The target roughly corresponds to a normal soccer field filled with 3 meters of material
- The target will be achieved through improved internal recirculation of materials to SSAB steel production and external sales of by-products

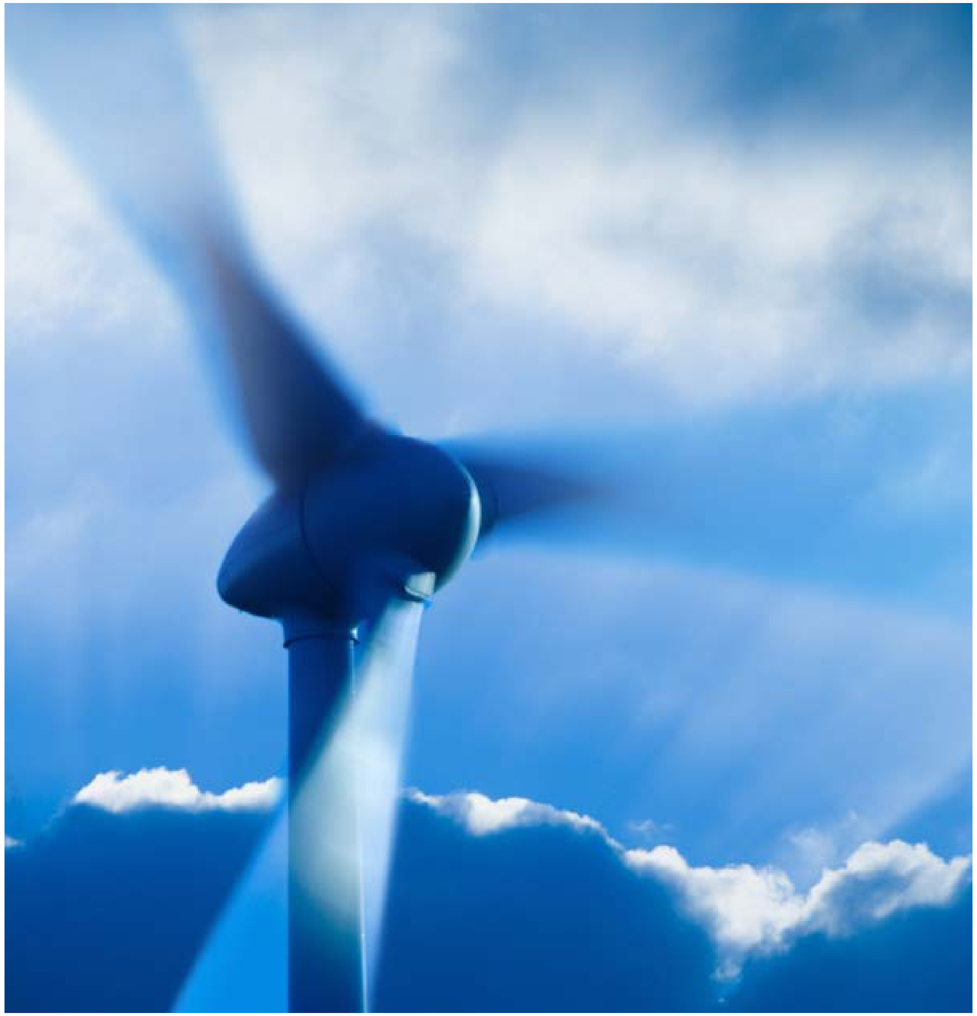
[1] The base year for monitoring the targets referred to above is 2014

Annually, SSAB will have achieved the following social responsibility targets:

- Annual performance dialogs between managers and all employees
- Compliance with SSAB's Code of Conduct and behavior in accordance with the company's core values. As part of this, during 2015, SSAB conducted a risk analysis of part of its operations through self-assessment based on Global Compact principles
- Training all employees in business ethics through e-learning by the end of 2016
- Completion of a self-assessment questionnaire regarding their social and environmental conditions for all suppliers registered in SSAB's purchasing system as medium- or high-risk
- Reaching an employee engagement score that exceeds the global average

By the end of 2019, SSAB will have achieved the following gender diversity target:

Women holding 30% of the top management positions in the company by the end of 2019 (up from 23% in 2015)



OUR BUSINESSES

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

Global steel and service partner in Quenched & Tempered Steels (Q&T) and Advanced High-Strength Steels (AHSS)

Per Olof Stark (1954), EVP
Head of SSAB Special Steels

11,377

Sales in 2015[1]: SEK 11,377 million

20%

Share of SSAB Group's total sales

2,900

Number of employees

0.9

Steel shipments 2015: 0.9 million tonnes

[1] External sales

SSAB Special Steels has global responsibility for the marketing and sales of high-strength steels, including all SSAB's Quenched & Tempered Steels (Q&T) and hot-rolled Advanced High-Strength Steels (AHSS) with yield strengths from 700 MPa and above. These products can further be divided into structural high-strength steels, wear-resistant steels, protection steels and tool steels. All SSAB special steels enable customers to design lighter, stronger and more durable products.

SSAB Special Steels has an extensive service offering including engineering and processing services, knowledge service centers, local stocks and a global network of centers for aftermarket services.

SSAB Special Steels is responsible for steel production in Oxelösund (Sweden) with an annual production capacity of 1.5 million tonnes, as well as for the sales of the above products produced in Mobile, Alabama (USA), Raahe (Finland) and Borlänge (Sweden).

CUSTOMERS AND END USERS

The division's main customer segments include manufacturers of machines and equipment used in construction, mining, materials handling, heavy transport and lifting equipment, but SSAB's special steels can be used wherever the goal is to design lighter, stronger and more durable products.

Customers include both equipment manufacturers and end users. By understanding the needs of the end users, SSAB Special Steels is able to jointly develop products for higher performance.

SSAB's unique competitive edge in special steels lies in one of the widest product and service portfolios on the market, combined with deep knowledge of steel properties and performance. This creates the foundation to work with customers to develop stronger, lighter and more durable products.

Examples of end applications for special steels:

APPLICATIONS FOR STRUCTURAL HIGH-STRENGTH STEELS:

- Mobile crane booms and support legs
- Loader cranes
- Aerial work platforms
- Chassis for trailers and trucks
- Agricultural machinery
- Offshore oil rigs

APPLICATIONS FOR WEAR STEELS:

- Dumpers and tipper bodies
- Buckets
- Containers
- Mining equipment
- Recycling equipment and tools
- Wear parts in all kinds of machinery

APPLICATIONS FOR PROTECTION STEELS:

- Vehicles and carriers for safe transportation of personnel and valuables
- Protective buildings

APPLICATIONS FOR TOOL STEELS:

- Molds and dies
- Tool holders
- Axles

SSAB Special Steels' main customer segments:

- Heavy transport
- Construction machinery
- Material handling (incl. mining)
- Industrial applications and others
- Service centers

PRODUCTS AND SERVICES

Products:

- **Hardox** is a leading global brand of wear steels designed for maximum payload and longer service life – a unique combination of hardness and toughness
- **Strenx** SSAB's high-strength structural steel product brand, offers the most extensive portfolio of high-strength steels on the market. Yield strengths range from 600 MPa to 1300 MPa, which is the strongest steel available on the market
- **Raex** is a wear steel designed to withstand even the most demanding conditions. It is the safe and cost-effective choice with both good weldability and forming properties
- **Toolox** is the hardest prehardened tool steel in the world, supplied as Q&T plate or round bars
- **Armox** and **Ramor** are protection steels designed for the protection of life and property

Services:

SSAB has set up a new business unit under the name SSAB Services to increase focus on service and the after-market business. This new unit will be responsible for SSAB's extended global service offering initially including the Wear Services and Shape businesses, and reported as part of SSAB Special Steels.

- **Hardox Wearparts** is a one-stop shop for wear products and services. It consists of a worldwide network of approximately 180 Hardox Wearparts centers, 16 of which are owned by SSAB, in more than 55 countries. These centers provide spare parts, repair services and advice to the local aftermarket in, for example, the mining, quarrying, infrastructure, construction and recycling sectors
- **SSAB Shape** combines premium steel products with engineering and processing services offered through SSAB's own VAS Centers (Value Added Services) and a worldwide network of processing suppliers
- **Stock sales, technical support and Knowledge Service Center** complement the full service offering to further empower customers to develop their business and become more competitive

GENERAL MARKET CONDITIONS AND DEMAND

SSAB Special Steels has operated in a tough market environment as many end segments such as the mining sector and the market for construction machinery have been stagnant or in decline. Heavy transport has been one of the best developing segments in recent years.

Customer demand for lighter and more sustainable products is driving development toward increased use of high-strength steels. SSAB steels offer the possibility to build lighter products with a longer lifecycle in a way that reduces component wear and lowers fuel consumption, increases lifting performance and enables higher payloads. Market penetration of high-strength steels is increasing in all markets, although the penetration rate in emerging markets is considerably lower than in mature markets.

MARKET AREAS AND MARKET SHARE

- Global market share of 5–40%, depending on product group, with the highest market share in quenched & tempered steels
- Strong market position in main customer segments such as construction industry and heavy transport
- Focus on growth in segments and markets that have the potential to grow faster than the standard steel market
- Europe accounts for about 50% of sales and North America for almost 20%
- Latin America, Africa and Asia are important regions for future growth

STRATEGY

SSAB Special Steels aims to be the global leader in wear, structural, protection and tool steels, as well as in related value-added services.

Strategic priorities:

- Focus on working safely throughout the division
- Maintain position as innovation leader with unique product and service portfolio
- Expand the downstream processing service portfolio with Hardox Wearparts and SSAB Shape
- Work closely with customers to upgrade their product designs to use high-strength steels
- Accelerate growth by creating a market by upgrading and developing segments, and by increasing a presence and penetration in new markets
- Realize at least SEK 250 million in cost synergies from Rautaruukki acquisition (full run rate to be achieved during the second half of 2016)

STRENGTHS

SSAB Special Steels is a cutting-edge developer and manufacturer of wear, structural, protection and tool steels.

- World-class product offering – widest product portfolio in the world
- Close collaboration and joint projects with customers to increase innovation and development
- A global production system enabling the supply of products in a uniquely broad range of thicknesses, qualities and dimensions
- Well-known and highly-respected product brands with loyal customers

Competitive lead-times and service on a global scale:

- Steel service centers and supporting downstream production sites and own stocks in approximately 160 locations in more than 50 countries worldwide
- A unique combination of expertise regarding the development of SSAB's steels, design and manufacturing of applications

COMPETITORS

International steel product manufacturers such as Dillinger Hütte, NLMK Clabecq, Voestalpine, ArcelorMittal, ThyssenKrupp, Tata Steel Europe, JFE and Nucor.

When SSAB Special Steels sells steel produced by another division of the company, the revenues are reported in SSAB Special Steels and settlement of account takes place between the divisions at the cost of goods sold.

2015 IN BRIEF

- Launch of Strenx, a new high-strength structural steel product brand
- Launch of the new Hardox Tube 500 range enabling lighter products with extreme wear resistance and a long service life
- Launch of Hardox and Toolox in round bars
- 30 new members of Hardox Wearparts network, which now comprises almost 180 centers globally
- SSAB received Best Supplier of the Year award from Manitou

SSAB EUROPE

Leading Nordic-based steel producer of high-quality strip, plate and tube products

Olavi Huhtala (1962), EVP
Head of SSAB Europe

21,405
Sales in 2015[1]: SEK 21,405 million

38%
Share of SSAB Group's total sales

7,100
Number of employees

3.6
Steel shipments 2015: 3.6 million tonnes

[1] External sales

SSAB Europe is a leading producer of high-quality steel strip and plate as well as tube products. SSAB Europe's processing centers tailor products to customer needs. Production know-how of high-strength steels combined with the value-added services our customers need makes SSAB Europe stand out from many other steelmakers.

SSAB Europe is responsible for strip, plate and tubular products in Europe and for the automotive segment globally.

SSAB Europe's focus is on the home market in the Nordic region, as well as on selective growth opportunities in continental Europe and international markets.

SSAB Europe's main production sites are located in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden). Production is based on integrated blast furnace processes. SSAB Europe's steel mills have an annual production capacity of 4.9 million tonnes.

Other production sites include the color-coating lines in Finspång (Sweden) and Kankaanpää (Finland). The division also has tube production in Hämeenlinna, Lappohja, Oulainen, Pulkkila and Toijala (Finland) and in Virsbo (Sweden), as well as processing sites in the Netherlands, Norway, Russia, Poland, Sweden and the UK.

CUSTOMERS AND END USERS

SSAB Europe's broad range of products allows the division to support customers in diverse segments and in a wide range of applications.

SSAB Europe sells products both directly to end customers and to steel service centers. Some of the products for the Nordic and Baltic markets are also supplied via Tibnor.

SSAB Europe supplies different steel grades to major OEMs in the heavy and commercial vehicle sector. Like manufacturers of passenger vehicles, these manufacturers are seeking the benefits of lightweighting and more efficient use of fuel. The division also sells its products to major agricultural machinery makers. Heavy plates are used extensively in the Nordic markets and within Europe in the energy sectors, while color-coated materials are used by manufacturers of metal roofing and rainwater systems, particularly in the Nordic and Eastern European markets.

SSAB Europe's main customer segments:

- Construction building & infrastructure
- Automotive
- Industrial applications
- Heavy transport
- Energy
- Construction machinery
- Service centers

PRODUCTS AND SERVICES

SSAB Europe has a broad product offering through internationally well-known product brands. Yield strength classes of hot-rolled products reach 600 MPa. (Steel grades exceeding this strength level in hot-rolled products come under the product offering of SSAB Special Steels.) Cold-rolled and galvanized products range from 200 to 1700 MPa and are also available for many specific needs such as weather resistance and formability.

The full range of products includes the following:

- Hot-rolled plate products
- Hot-rolled strip products
- Cold-rolled strip products
- Metal-coated strip products
- Color-coated strip products
- Tubes and sections
- Infra products

SSAB Europe's setup enables high availability, short delivery times, extensive logistics services with accurate deliveries and a high degree of flexibility to meet customer needs, particularly in the Nordic region. Customers can also obtain steels in different formats. SSAB Europe's service offering also includes technical development and workshop support, training and more.

GENERAL MARKET CONDITIONS AND DEMAND

Steel demand in Europe has been at historically weak levels during the past few years, but modest growth is expected in the years to come. There are large regional differences and growing potential for SSAB Europe's products and services in some Central and Eastern European countries.

The European steel industry continues to suffer from excess capacity and also considerable imports from producers in other parts of the world. The European steel industry is characterized by tough competition, with a margin squeeze when comparing raw material prices with steel prices on the market.

MARKET AREAS AND MARKET SHARE

- In the Nordic region, SSAB Europe is a full-range supplier of high-quality steel products from SSAB's broad product portfolio
- Leading position within selected Advanced High-Strength Steel (AHSS) applications for the automotive industry
- In Russia, building up a market presence in recent years
- In color-coated products, SSAB Europe has leading brands and products
- Extensive offering of tube products developed by the company's own product development team
- Nordic countries account for about 55% of sales, rest of Europe 40% and rest of the world 5%

Historically strong in Western Europe, SSAB Europe is now seeing increasing opportunities to develop sales activities in Eastern Europe.

The key market segments display the wide range of the company's customer offering: lifting, handling and transportation, yellow goods, automotive, offshore, agriculture, construction machinery and energy.

SSAB Europe is the only steel tube manufacturer in the Nordic countries with an extensive selection of tubular products and sections to meet the needs of the construction, automotive and manufacturing industries.

STRATEGY

The Nordic region home market is a core part of SSAB Europe's strategy and the ambition is to develop the market, including the value-added offer, while maintaining the position as the most reliable and preferred supplier.

The merger of SSAB and Rautaruukki created a more competitive and flexible steel production system, and optimized product portfolio.

Throughout Europe, the focus is on supplying value-added material to customers in all markets, pursuing a strategy of selective growth rather than commodity sales.

Strategic priorities:

- Focus on working safely throughout the division
- Secure the Nordic home market and grow in selected categories and nearby markets
    - Realize more than SEK 1 billion in cost synergies from the Rautaruukki acquisition (full run rate to be achieved during the second half of 2016)
    - Take advantage of the flexible production system in the combined company
- Win market share by strengthening the customer offering and value proposition
- Create good opportunities for focused growth initiatives

STRENGTHS

- Strong market position in the Nordic countries
- Close collaboration with customers to create a superior customer experience
- Broad product portfolio with unique and strong product brands
- Strong, growing customer base in Europe
- Strong technology and materials expertise
- Flexible production capacity
- Steel products tailored to customer-specific needs
- Strong partner and distribution network

COMPETITORS

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

2015 IN BRIEF

- Luleå (Sweden) blast furnace relined, new LD converters installed and new cooling tower installed in the coking plant
- Investment in pulverized coal injection system in Raahe (Finland)
- Optimizing production – galvanized and color-coated steels relocated to Hämeenlinna and Kankaanpää (Finland) and Finspång (Sweden), closure of the metal and color-coating lines in Borlänge (Sweden) and also downsizing production and closing line pipe production in Virsbo (Sweden). Workforce reduction at several sites
- Launch of tailor-made, high-strength steels for the automotive industry
- Launch of GreenCoat – Color-coated solutions for the global building industry
- Johnson Controls honors SSAB with Gold Award for supplier performance

SSAB AMERICAS

Market-leading North American producer of quality steel plate and coil

Charles Schmitt (1959), EVP
Head of SSAB Americas

11,852

Sales in 2015[1]: SEK 11,852 million

21%

Share of SSAB Group's total sales

1,200

Number of employees

1.9

Steel shipments 2015: 1.9 million tonnes

[1] External sales

SSAB Americas is the largest producer and supplier of steel plate in North America, strongly positioned and highly recognized in the region for cost-efficiency and quality.

SSAB Americas' modern steel mills are located in Mobile, Alabama and Montpelier, Iowa and have a combined annual production capacity of 2.4 million tonnes. Both mills utilize a scrap-based, electric arc furnace method to produce steel. The mills are strategically located to cover the industrial heartland in North America, with access to the strategic southern port system to provide a logistical advantage.

SSAB Iowa has a modern, world-class research and development facility adjacent to the steel mill. It contains some of the most cutting-edge testing, simulation and metallographic equipment in the world.

SSAB Alabama has one of the world's most advanced quenching and tempering (Q&T) lines with a capacity to produce 300,000 tonnes of Q&T heavy plate a year.

In addition to the two steel mills, SSAB Americas has three cut-to-length facilities located in Houston, Texas; St. Paul, Minnesota; and Toronto, Ontario (Canada). With the flexibility to handle both SSAB's steel as well as steel from external suppliers, these locations process coils of various widths, gauges and grades to meet customer-specific requirements with an enhanced service model.

CUSTOMERS AND END USERS

SSAB Americas manufactures a wide range of quality steel products including advanced high-strength steels that are used in various industries. SSAB Americas sells products both directly to end customers and to steel service centers.

Main customer segments:

- Energy: Gas, oil, offshore structures, transmission towers, wind turbines and petro-chemical tanks
- Heavy transport: Railway transport, ships and offshore, agriculture, forestry and fishing
- Construction: Lifting, yellow goods, construction machinery
- Infrastructure: Water transmission, storage tanks and bridges
- Service centers: Plate and coil
- Mining: Earthmoving equipment

PRODUCTS:

- Heavy plate
  - Heavy plate coils
  - Heat-treated heavy plate
  - Normalized plate
- Quenched and tempered plate
- Other products
  - Hot-rolled coil
  - Cold-rolled coil
  - Metal-coated products
  - Pre-painted products

GENERAL MARKET CONDITIONS AND DEMAND

The North American market for plate has been challenging as the strong dollar has hurt the US industry, imports from Asia have been high, and low oil prices have decreased investment in the energy sector. The US has experienced a record surge of unfairly traded imports from countries like China, severely impacting market share. The outlook is a modest improvement in line with the overall improvement of the US economy. Recovery within the general construction and civil engineering segments is improving employment in the construction sector and increasing equipment utilization rates. Automotive and heavy transport are expected to continue on a high level in the coming years. There remains strong long-term demand for plate from energyrelated industries and transportation, and strong demand for transporting products to refineries is increasing both railcar and line pipe demand. Wind tower and other alternative energy equipment continue to be excellent applications for plate products.

MARKET AREAS AND MARKET SHARE

- SSAB is the largest producer and supplier of heavy plate in North America, with a market share of around 20-25%
- SSAB maintains a strong market position in energy and heavy transport customer segments
- US accounts for about 85% of sales, Canada 5% and Latin America 5%

STRENGTHS

- Strong North American production base with an industry-leading cost position and best-in-class customer service reputation
- Two modern production facilities, electric arc furnaces (EAF), which use recycled scrap metal as raw material
- Close partnership with customers to develop unique customized products and solutions

SSAB Americas is also strongly committed to the environment as evidenced by numerous recycling projects:

- Scrap tire recycling program
- Electric arc furnace dust recycling
- Facility recycling/sorting areas
- ISO certifications for quality, environment and safety management (9001, 14001 and 18001)

STRATEGY

SSAB Americas' goal is to maintain the leading position on the heavy plate market and to gradually expand capacity to capture some of the expected market growth. Further investment decisions will be made based on the assessments of long-term supply and demand, and the ability to maintain the leading cost position.

- Focus on working safely throughout the division
- Provide industry-leading customer service levels
- Strengthen the low-cost leadership position, with continuous improvement processes

COMPETITORS

SSAB Americas' primary competitors are local steel producers, such as Nucor and Arcelor Mittal, and imported products.

2015 IN BRIEF

- Winner of 2015 American Metal Market Award for Steel Excellence in Environmental Responsibility & Stewardship
- Caterpillar Supplier Quality Excellence Process Certification, Gold level, Partner-level supplier in John Deere's Achieving Excellence Program and Trinity Industries' Premier Supplier Award
- Continued top performance in safety, setting new company record for lowest recordable injury rate ever
- Continued qualification of products from SSAB Alabama's QL6 line, now capable of producing Hardox and Strenx in thicknesses covering more than 90% of demand in the Americas
- Chuck Schmitt, President of SSAB Americas, named Chairman of American Iron & Steel Institute, an organization serving as the voice of the North American steel industry

TIBNOR

Leading Nordic distributor of steel and non-ferrous metals

Mikael Nyquist (1963), President
Head of Tibnor

6,968

Sales in 2015[1]: SEK 6,968 million

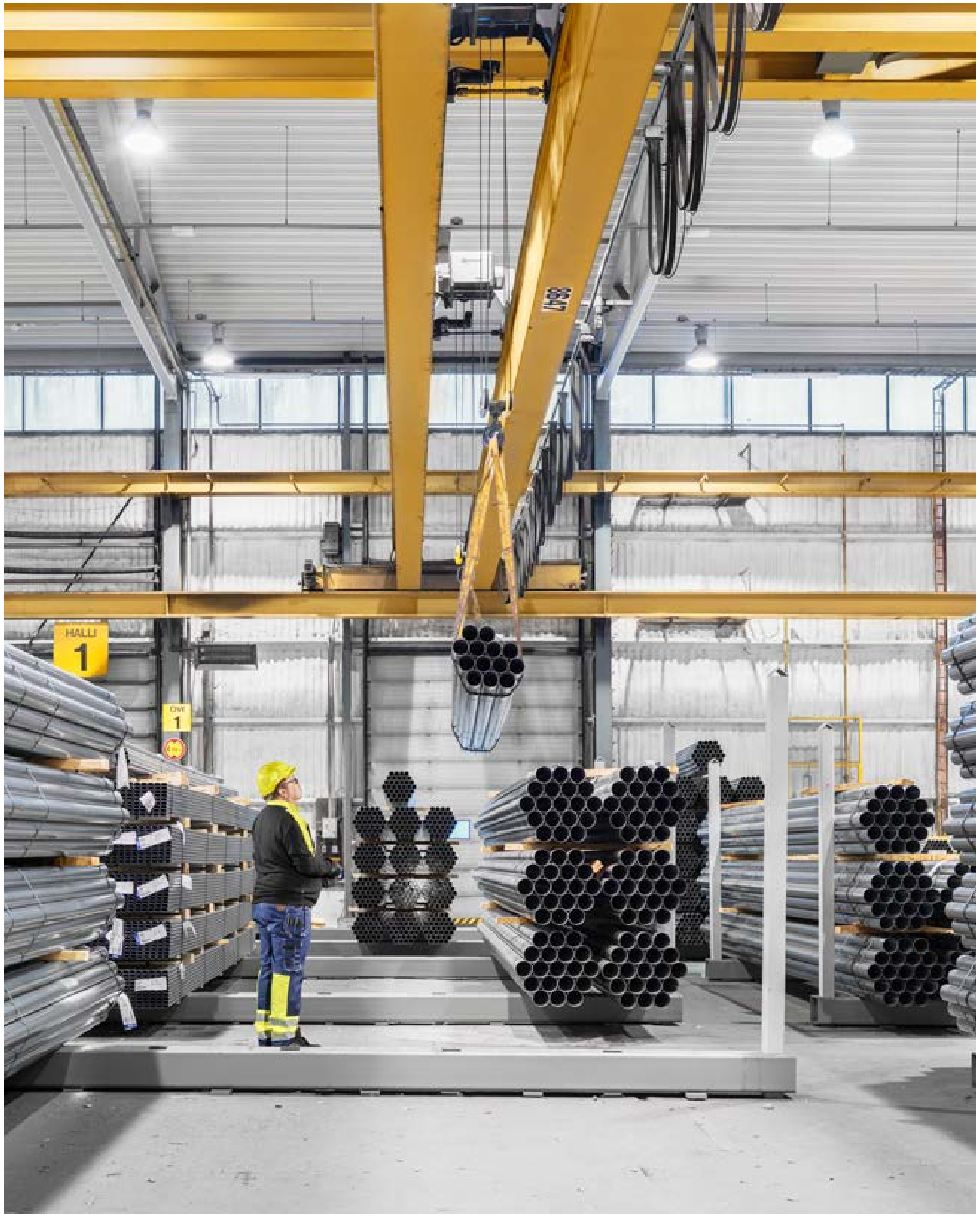
12%

Share of SSAB Group's total sales

1,200

Number of employees

[1] External sales



Tibnor is the leading supplier of steel and non-ferrous metals to industrial companies in the Nordics and Baltics. The company offers a complete range of multi-metal products and related services in line with customer needs.

Tibnor has built up a strong reputation through an extensive range of products in combination with the processing of steel and non-ferrous metals, as well as efficient logistics and administrative solutions, which, among other things, make it easy to choose materials or place orders.

Tibnor's production units process products before delivery to the customer. This means that customers do not need to deal with preparatory manufacturing operations and they can use the material supplied directly in their core processes. The stock and processing business accounts for about 85% of sales, with direct mill supplies accounting for the remaining 15%.

CUSTOMERS AND END USERS

Tibnor's customers are Nordic and Baltic industries using steel and non-ferrous metals in their manufacturing processes. Core business segments are the following industries:

- Engineering
- Automotive, including heavy vehicles
- Construction

The first two segments often depend on export markets, whereas the construction segment is driven more by local investments in building and infrastructure.

Tibnor has approximately 10,000 customers in the Nordics and Baltics.

PRODUCTS & SERVICES

Tibnor offers a complete range of steel and non-ferrous products. The stock is closely monitored to meet the needs of the Nordic and Baltic manufacturing industry at all times. SSAB's product range represents approximately 45% of Tibnor's sales. Other producers' commercial and special steel products distributed by Tibnor include engineering steel and long products, such as beams, merchant bars and hollow sections used for construction purposes, as well as reinforcement bars for the building industry. Stainless steel and non-ferrous metals, mainly aluminum and copper, account for approximately 22% of sales.

Tibnor's processing activities are carried out using efficient and cost-effective production methods, thus saving customers time, risk and the need for resources. Tibnor can process all product groups that it supplies to the market. Customers receive a product ready for use in their own production processes with no need for additional preparations.

Tibnor has a well-established distribution system that works with different logistics flows. These solutions range from 24-hour stock deliveries to individual material flows designed to meet customer needs.

Tibnor has extensive expertise in administrative solutions that make it easy for customers to choose material, create their own offers, place orders, access documents or work with procurement punchout. Customers can choose between using e-services, EDI, web-shops or personal service.

GENERAL MARKET CONDITIONS AND DEMAND

Close to 55% of all steel delivered in the Nordic region is supplied through distributors. Value-added services are of increasing importance for industrial customers as part of their efficiency improvement programs.

MARKET AREAS AND MARKET SHARE

Tibnor has a strong presence in the Nordics region, with Sweden accounting for about half of the sales, followed by Finland and Norway, both at about 20%, and then Denmark and the Baltics.

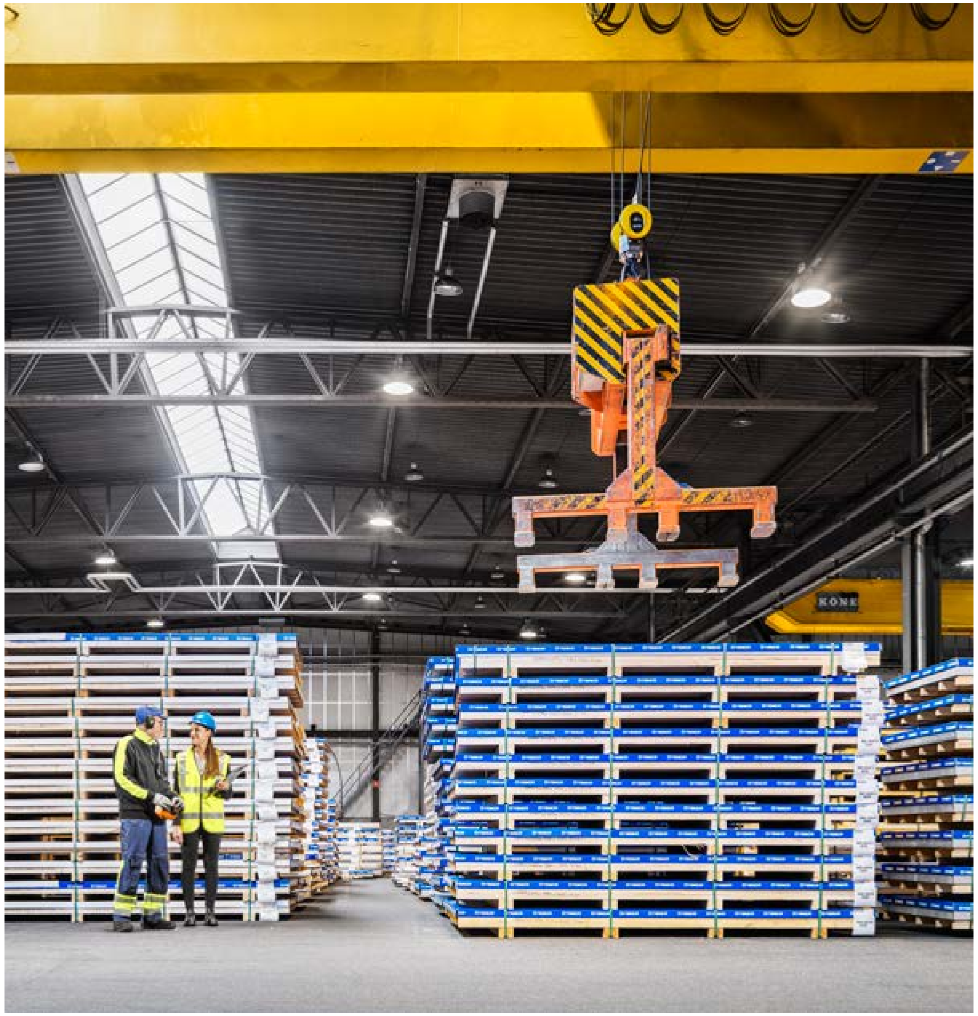
Tibnor has a share of around 20% of the Nordic distribution market.

STRATEGY

- Winning market share through the broadest product and service offering in the Nordics
- Capture synergies from the merger including purchasing, asset optimization and overhead cost reduction
- Continue to develop value-added services through a complete Nordic setup and superior customer and supplier collaboration
- Increase digitalization and expand digital services throughout the Nordics

Tibnor works within four clearly defined areas of expertise:

- Material supply and advice
- Processing
- Logistics
- Administrative solutions



STRENGTHS

Tibnor is a metals supplier with an insight into what works well in different industrial situations and can help its customers to make the right decisions when selecting steel and non-ferrous metals.

- Extensive product range and customer value-added services combined with a strong distribution network
- Full geographic coverage in the Nordics
- Good delivery accuracy and short lead-times with services that help customers to improve their logistics and administrative flows
- Strong combined set-up of processing for SSAB products, both flat carbon steel and tubes
- Strategic relations within SSAB, as well as with external material suppliers to enable unique customer support regarding choice of material

COMPETITORS

Competitors include BE Group, Stena, Norsk Stål, Kontino, as well as a number of national local companies and niche players.

2015 IN BRIEF

- Tibnor's new central category management – a Nordic purchasing team
- Launch of Tibnor's new transportation and distribution set-up to customers
- Re-branding former Rautaruukki steel & metals distribution units in Norway, Finland and the Baltics from Ruukki to Tibnor
- Launch of central warehouse and new Swedish distribution network for reinforcement products
- Centralized stocks for long stainless and aluminum products to Swedish automatic high-rack warehouse, serving several markets
- Closing of EM Eriksson Steel Service center and moving volumes to other processing units
- Opening new capability for laser-cutting and bending of long plates and carbon steel
- Signing a renewed three-year supply agreement with Nordic construction giant Peab

RUUKKI CONSTRUCTION

European provider of energy-efficient building and construction solutions

Jarmo Tonteri
Interim head of Ruukki Construction

5,260
Sales in 2015[1]: SEK 5,260 million

9%
Share of SSAB Group's total sales

3,000
Number of employees

[1] External sales

Ruukki Construction serves the construction industry by manufacturing products and offering services that respond to the growing needs of customers who require energy-efficient solutions and flexibility to modify buildings. Ruukki Construction's services include design and consultancy, manufacturing and installation to achieve the lifetime efficiency of buildings.

Ruukki Construction's product and service portfolio extends from design to delivery of products such as steel frames, sandwich panels for walls, as well as profiled products including load-bearing sheets and roofing products for residential construction.

Ruukki Construction has operations in 16 countries. The main production units are Seinäjoki, Alajärvi, Vimpeli and Ylivieska (Finland); Zyrardow and Oborniki (Poland); Obninsk and Balabanova (Russia); Gargždai (Lithuania); Tunari (Romania); Anderslöv, Järnforsen and Landsbro (Sweden); Pärnu (Estonia) and Kopylov (Ukraine). Ruukki Construction's major steel supplier is SSAB Europe. External steel suppliers, mainly in CEE and Russia, play a minor role. Competitiveness is secured by market-level pricing from all suppliers.

CUSTOMERS AND END USERS

Ruukki Construction has a balanced customer mix across segments and countries throughout the value chain:

- Investors and developers
- Architects and construction engineers
- Installation companies and contractors
- Residential roofing dealers and tin smiths
- Consumers

CORE BUSINESS SEGMENTS

- Commercial and industrial construction
- Residential construction

PRODUCTS AND SERVICES

- Steel roofs, rainwater systems and accessories for residential construction
- Building components such as sandwich panels (e.g. Ruukki energy panels and Ruukki life panels), load-bearing sheets and façade claddings for non-residential buildings both for new buildings and renovation construction
- Solutions for single- and multi-story commercial, office and industrial construction, including steel frame, roof and wall components
- Design, installation and other services

OPERATING ENVIRONMENT AND GENERAL MARKET DRIVERS

Ruukki Construction operates both in the residential and non-residential construction segments. Energy efficiency is a growing trend in both segments.

General market drivers:

- End-customer segments from housing and retail to logistics and industry are facing drastic transformation due to changes in technology, consumer behavior and new, more sustainable values
- Greener, smarter solutions are increasing in popularity. Investment timeframes are shrinking and environmental transparency is becoming a norm
- Demand is growing for buildings that can be modified to take into account changing needs
- Renovation construction is experiencing market growth
- Construction business is becoming more service driven

MARKET AREAS AND MARKET SHARE

- Operations in the Nordics represent approximately 55%, Baltics 10%, Central Eastern Europe 20% and Russia 10% of sales
- Strong market positions in the Nordics strengthened by the integration of Plannja in conjunction with the combination of SSAB and Rautaruukki
- Growth potential in CEE and Russia

STRATEGY

Residential roofing:

TOWARD GROWTH AND ROLE CHANGE

- Build and roll out replicable business model
- Focus on selling complete roof package with good service to our customers in selected countries

Building components:

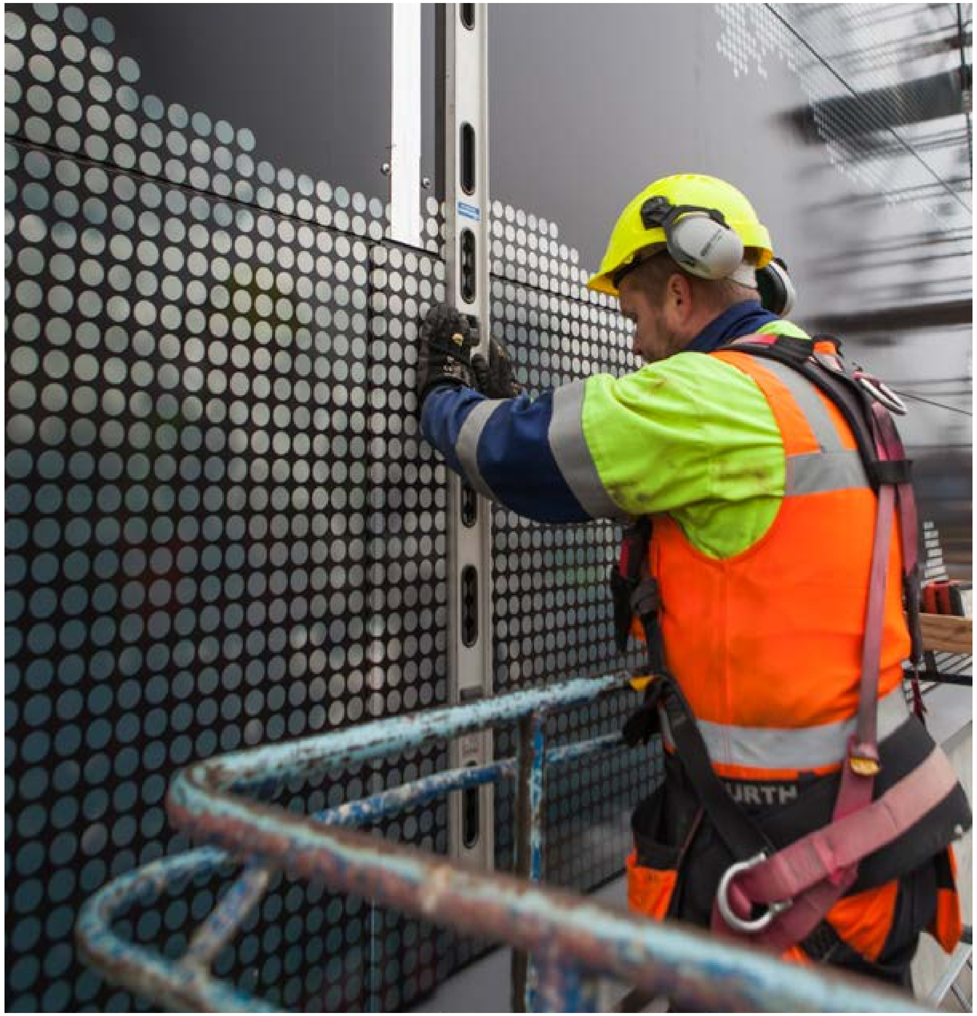
TOWARD ENERGY-EFFICIENT AND FUNCTIONAL BUILDING ENVELOPES

- Differentiate business focusing on energy-efficient & functional products
- Focus on fewer market segments and growth within them

Building systems:

FROM TAILORED TOWARD MODULAR CONCEPT BUILDINGS

- Step change in commercial & operational project management excellence
- Develop replicable modular solutions



STRENGTHS

- Number one brand and solid market positions
- New, innovative technologies and concepts
- Products that respond to market needs and delivered just in time
- Energy-efficient solutions
- High-quality products with extensive warranties and certificates
- Know-how including design, consultancy, manufacturing and installation
- Production capacity to meet requirements for large projects
- Frame and envelope delivery, including installation, from one supplier
- Strong materials know-how

COMPETITORS

Building components and roofing:

- Component suppliers such as Kingspan, Paroc, Trimo, Lindab, Weckman Steel, Metall Profil, Balex Metal and Blachy Pruszynski
- Construction business of global steel companies
- Small, local companies
- Alternative construction materials

Building systems:

- Steel frame suppliers such as Normek, Contiga and Polimex Mostostal
- System suppliers such as Lindab and LLENTAB
- Small, local supply companies
- Alternative construction materials

2015 IN BRIEF

- Launch of new façade product Ruukki on-wall solar system that converts sunlight into electricity for a building
- Jarmo Tonteri appointed interim head of Ruukki Construction
- Inauguration of the first near zero-energy hall in the Nordic countries in Hämeenlinna (Finland)
- Launch of new façade product Ruukki emotion that diversifies façades thanks to a composition of perforated cladding with integrated background lighting
- New sandwich panel production line that enhances customer service starts up in Oborniki (Poland)
- New efficiency program launched aiming to reduce costs by at least SEK 200m annually, full impact in 2017

SUSTAINABLE OFFERING

SSAB's sustainable offering is our external value proposition, what we offer our customers and other stakeholders. The core of SSAB's business is to develop and produce Advanced High-Strength Steels (AHSS) and Quenched and Tempered Steels (Q&T) that are stronger than ordinary steels, which in turn helps our customers to produce lighter and stronger products, thus reducing their environmental footprint.

HOW WE WORK WITH CUSTOMERS

SSAB's business model is built on fostering close, long-term customer relationships. Through intense collaboration, SSAB continuously develops new products, applications, services and processes in order to constantly enhance our market offerings.

Unlike many steel companies who prefer to act via distributors, SSAB also works directly with end users through our own sales force. We help our customers to develop better and more competitive products. We help them to increase productivity and thereby to reduce costs.

To remain at the forefront in the industry, SSAB will continue to invest in research and development, technical customer support and joint innovation initiatives to get the most out of SSAB's high-strength steels. At the same time, the organization strives toward the highest standards in terms of product quality, shorter lead times and delivery reliability.

DEVELOPMENT IN COLLABORATION WITH CUSTOMERS

As early as possible in the development of a new product – be it a tipper, a dumper or a crane – SSAB's qualified applications engineers work to support the customer in developing solutions that best utilize the qualities of each steel grade. This is how SSAB enables customers to produce stronger, lighter and more durable end-products.

With an extensive network of local service centers around the world, SSAB provides prefabrication and steel processing services so customers can focus on their core business. Our service centers can supply slit coil, cut-to-length plate and other formats according to customer specifications. This is how we help customers to improve their production efficiency, cut material waste and improve end-product quality.

SSAB Shape combines premium steel products with engineering and processing services offered through our own VAS Centers (Value Added Services) and a worldwide network of processing suppliers.

- Customized product development and engineering
- Extensive design support and prefabrication services
- Reliable, tailor-made logistics and stock services

SSAB Tech Support:
SSAB Tech Support has a high local presence worldwide and can visit customers at short notice to solve acute problems or to initiate longer-term co-development projects. SSAB Tech Support can answer general customer questions about design, welding, forming and wear, and the team works closely with SSAB's specialist groups at the Knowledge Service Center for questions requiring more specialized expertise. Tech Support is the first contact for customers looking for technical support from SSAB.

RESEARCH & DEVELOPMENT

SSAB's expertise in high-strength steels is based on continuous and focused research and development. SSAB conducts market-driven research and development with a focus on product development, customer applications and process development. Relevant customer segments are identified through a structured process, where the lighter, stronger and more durable steel applications fill critical functions and add value.

SSAB's research work is governed by the mandate that SSAB's products will be the first choice for customers worldwide and will set the standard for performance in the selected market segments.

Research and development centers:

- Borlänge and Oxelösund (Sweden)
- Raahe and Hämeenlinna (Finland)
- Montpelier (Iowa, USA)

Nearly a quarter of the employees at these research facilities hold doctorate degrees in technical fields from top universities. This high-end knowledge base ensures cutting-edge research in the industry. In addition to product improvements, research and development teams also focus on ways to enhance production and processing.

SSAB's research and development is focused primarily on advanced high-strength steels and wear steels, with an emphasis on those segments where demands on the steel are particularly critical. Increased environmental awareness has also been an important driving force in development work, as evidenced by high-strength steels that enable more energy-efficient transportation and lower CO_2 emissions. Lastly, knowledge about production processes, material recycling and efficient use of resources is also of great importance to SSAB's research and development.

SSAB key factors for successful research and development:

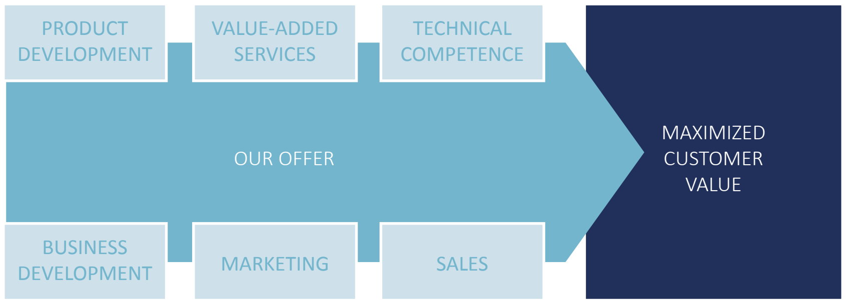
- Market-driven research and development
- Qualified and skilled employees
- Effective portfolio and project management
- Focus on effective problem-solving
- Work environment that encourages collaboration and innovation
- Strong external networks

BALANCED PROJECT PORTFOLIO

To remain a market leader in high-strength steels, SSAB must maintain a long-term perspective for research and development efforts. SSAB aims to allocate 10% of research and development resources to longer-term projects, those lasting about five to ten years.

Development projects begin with specific customer requirements, changes in the outside world, market analysis or develop around basic research on the steels' core properties. SSAB strives for a good balance between these categories.

How we work with customers



AFTERMARKET BUSINESS

The aftermarket has always been an important part of SSAB's business. Much of SSAB's know-how comes from experience gained in the spare parts, repair and maintenance business, where new ideas are born and many new products developed.

Hardox Wearparts:

- An international network for customers manufacturing parts made of Hardox wear plate
- Experience and data gained from the network are being used to further develop the offerings, including developing solutions for customers' aftermarket needs

Hardox Wearparts is a one-stop shop for wear steels – servicing customers in the aftermarket, in industries like mining, quarrying and recycling. To serve customers from mining to recycling or quarrying, SSAB's wear steel portfolio has been broadened to include heavy castings and chrome-carbide overlay. As part of the offering, we can even measure and identify abrasion on existing equipment, analyze utilization conditions and needs, and calculate advantages using new and improved tools such as 3D scanning or the Wear Calc calculation tool.

Along with almost 180 companies included in the Hardox Wearparts network, SSAB continues to grow and develop the business worldwide.

ENVIRONMENTAL BENEFITS WITH SPECIAL STEELS

SSAB offers customers a broad range of high-strength and wear-resistant steels that enable better energy and material efficiency, as well as strength and durability for the applications in which they are used. Lighter vehicle weight also means higher payload capacity and improved fuel economy.

30%

lighter trailer bodies when using SSAB's high-strength steels compared to using traditional steel grades

SSAB Special Steels

OPTIMIZED WEIGHT AND FUEL CONSUMPTION IN THE TRANSPORTATION SEGMENT

The environmental and financial advantages of using high-strength steels are significant in active construction applications such as trailers, trucks, materials handling and lifting equipment, and construction machinery. Used in these applications, SSAB's high-strength steels reduce the weight of vehicle structures by enabling minimum steel thickness through new structural design. Structural redesign can also reduce production costs, e.g. through less welding and improved usability. Lower vehicle weight leads to increased payload capacity and lower fuel consumption and emissions. For example, the weight of trailer bodies made of SSAB's high-strength steels can be reduced by up to 30% compared to using traditional steel grades. In applications such as lifting equipment, where high load-bearing capacity is required, the use of high-strength steel enables stronger designs. At the same time, structural wall thickness is reduced, resulting in material weight savings which can lead to lower fuel consumption and reduced emissions.

Automotive manufacturers are also calling for lightweight, durable materials with beneficial environmental properties that are manufactured with resource efficiency. SSAB's cold-rolled advanced high-strength steels help to make it possible to develop safer and lighter vehicles with lower emissions. Our advanced high-strength steels have been especially engineered for safety applications in cars with stringent requirements for reduced weight and high energy absorption.

PROLONGED SERVICE LIFE OF MACHINERY AND EQUIPMENT

SSAB's wear steels are Quenched and Tempered Steels (Q&T) that are used in a range of machinery and equipment in mining, quarrying, recycling and road building segments. All of these applications require the hardness and toughness that are characteristic of Q&T Steels. Use of Q&T Steels in buckets, crushers, blades, shredders and tippers provides greater resistance against wear, which in turn improves machinery performance and extends service life. Additionally, lighter weight machinery offers cost benefits to end users and reduces the environmental impact over the machinery's lifecycle.

IMPROVED ENERGY-EFFICIENCY AND ECO-FRIENDLINESS WITH COATINGS

SSAB develops new functional surface coatings that lower energy consumption and maintenance costs, improve surface durability and extend the lifespan of buildings. There are several coatings that contribute to more environmentally friendly and sustainable construction. Thermal coatings reflect solar radiation when used on the building's exterior and thermal radiation when used on the building's interior leading to decreased energy consumption for heating and cooling. Some coatings are partly based on plant oil instead of traditional fossil oil – a technology that has been patented by SSAB and is unique in the market. The result is an improved coated steel product, with a prolonged service lifetime and reduced environmental footprint.

CASE:
CO_2 savings when upgrading to high-strength steels

This case illustrates a hypothetical scenario where one million tonnes of high-strength steels replace 1.3 million tonnes of standard steel used in vehicles.

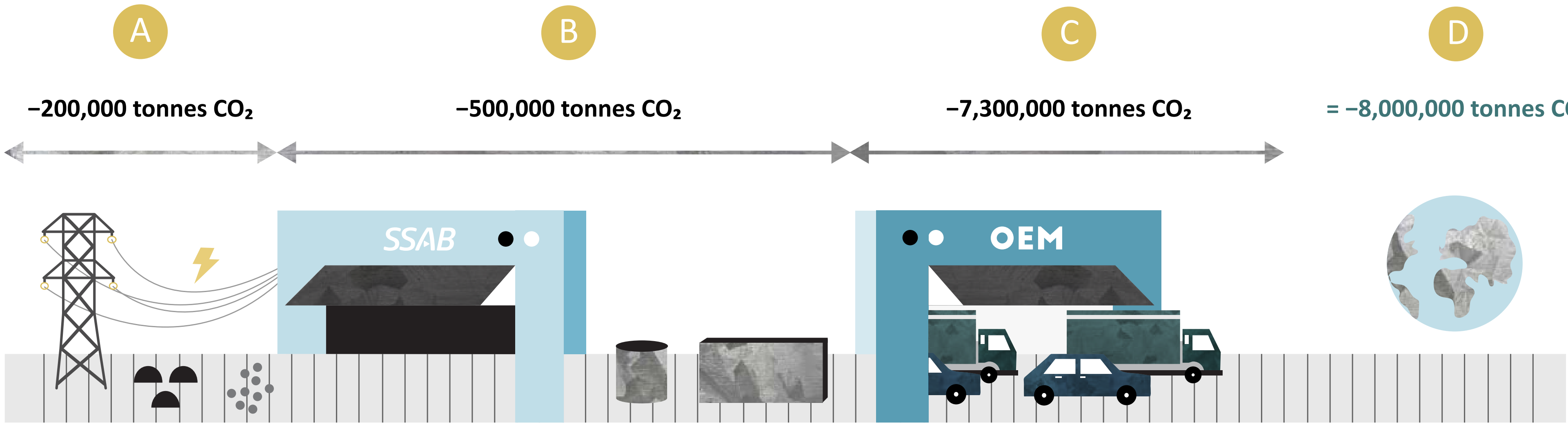
When upgrading to high-strength steel, the application retains its performance even though less steel is being used. This results in weight savings for the steel application, which in turn means that less steel needs to be produced, thus fewer resources are needed. In the use phase, high-strength steels used in vehicles can provide environmental benefits because they lower vehicle weight, cut fuel consumption and thus result in less CO_2 emissions. Around 90% of the reduced environmental impact can be related to the use phase of lighter vehicles through reduced fuel consumption. From a lifecycle perspective, this case shows the large savings that can be achieved using high-strength steels.

A. When 300,000 tonnes less steel needs to be produced, indirect CO_2 emissions from upstream suppliers will decrease by 200,000 tonnes because less energy and raw materials are needed.

B. A reduction of 300,000 tonnes in steel produced results in 500,000 tonnes less direct CO_2 emissions from SSAB's steel production.

C. Upgrading vehicles to high-strength steels results in 7.3 million tonnes less CO_2 emissions in the use phase.

D. The total CO_2 savings out of this hypothetical case are around 8 million tonnes.



Source: Jernkontoret, the environmental research program "the steel eco-cycle", calculated based on the average lifespan of the European vehicle fleet.

CASE:
Wear-resistant knives from Fácil System

Brazilian company Fácil System has developed a shredder for using sugarcane straw in boilers for biomass energy cogeneration. The mill's rotor, which shreds the sugar cane straw, consists of a set of shredding knives bolted spirally to the equipment support at the axles.

The blades were developed with wear-resistant Hardox 600 steel and the machine's outlet grate, which determines the straw particle size, was made of Hardox 450. The innovative use of wear-resistant steels extends the service life of the knives, lowers maintenance costs, increases productivity and delivers energy savings.

"We are based in the sugar plantation region of Araraquara. I have perceived an added value in cane straw, which used to be left in the field," says Laércio Ribeiro, CEO of Fácil System. "The cane straw is now being used as boiler fuel to produce electricity. Use of wear-resistant steels has considerably prolonged the durability of the components: We are now able to use the same device to shred straw for 15 days instead of two."

In Brazil, sugar cane straw is commonly used as a "green" and renewable energy source widely used to produce fuel for cars. Sugar cane straw has also become a raw material with great potential for a new biofuel known as second generation ethanol or E2G.

Fácil System was one of four finalists for the 2015 Swedish Steel Prize.

Watch the video

CASE:

New rail transportation system from Milotek

The Futran System developed by the South African company Milotek Pty Ltd is a new, environmentally aware, suspended transportation system that provides a cost-effective, flexible alternative to traditional rail, truck, conveyor belt and even underground mine haulage systems.

High-strength steels Strenx 700 and Hardox 450 from SSAB are utilized in components, such as the track, the legs of the superstructure, the suspension system, the hanger brackets, as well as the skips used for ore haulage. The Futran System demonstrates many of the advantages of high-strength steels: low total weight, high load capacity, high wear resistance, good bendability, weldability and machinability.

"High transportation costs were the main reason we started looking for new alternatives. Our system is suspended in the air. The train and the wagons are hanging from an elevated rail supported by vertical posts. It has few moving parts and modularized components with a simplified design and minimized maintenance costs. It is easier to install than most modern day transportation systems. From the very beginning, we saw the possibilities that high-strength steel offers. For example, the cost of the suspension system can be cut by 85%. In future, we want to use the Futran System also for human transportation," says Andries Louw, founder and CEO of Milotek.

Two prototypes have been built so far, but many companies have shown interest and there are first projects already underway. One of these is being projected at a coalmine in Mozambique.

Milotek was one of four finalists for the 2015 Swedish Steel Prize.

Watch the video

CASE:
New generation forest harvester from Finnish Ponsse

For decades, forest harvesting machines have remained pretty much the same. They have traditional designs that focus on function and not on operation. Finnish company Ponsse Plc gave its designers free hand to create a new generation of forest harvester. The result was the Ponsse Scorpion, built around the operator with a focus on ergonomics and also providing both performance and comfort.

The Ponsse Scorpion features a symmetrical crane boom where the operator sits in the center point of all movements. If offers the operator total visibility and the ability to work comfortably and efficiently. By using Strenx 700 MC Plus high-strength steel in the crane arms, Strenx 700 in the chassis and Hardox 450 in the cutter head, the Scorpion has a lower overall weight which helps maneuverability in rough terrain.

Lower weight allowed more bearings to be added, which gives the Scorpion its unique stability. Furthermore, fuel consumption has been reduced and boom movements are faster.

“One of our customers wanted to have a rotating operator cabin,” says R&D Director Juha Inberg. ”We came up with 3D layouts and decided that the new machine would have much more than a rotating cabin. The biggest advantage of the new Ponsse Scorpion is that it improves ergonomics significantly, which also increases production,” explains Inberg.

The Ponsse Scorpion has been in production since 2014 and there are over 200 machines in the field in about 30 countries. Ponsse has patented the crane and cabin arrangement, the triple-frame structure, frame stabilizing system and cabin leveling encoder arrangement. All Scorpion harvesters are produced at Ponsse’s production facility in Finland.

Ponsse was the winner of the 2015 Swedish Steel Prize.

Watch the video

CASE:
Terex Cranes' innovative Boom Booster Kit

Terex Cranes Germany wanted to create a new boom system that could be retrofitted onto existing crane models. It would eliminate the need to buy an entirely new, larger crane.

The Boom Booster Kit is a highly innovative design unlike any other boom system on the market, and increases crane load capacity by more than 90%. It was developed without the need for additional reinforcements on the base crane and is easy to assemble. Setup of such a system takes about two days. It is also easy to transport.

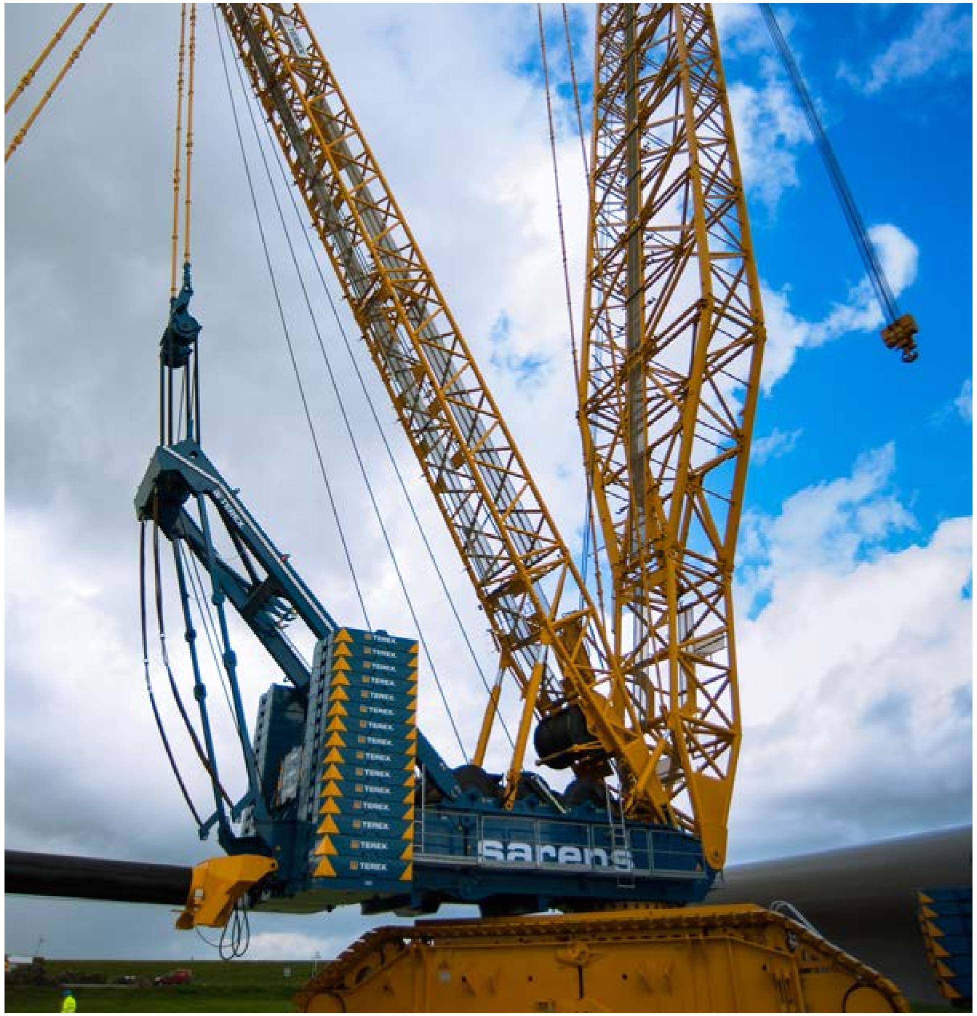
The Boom Booster utilizes a variety of high-strength steels for components like the trusses, tube members and bolted joints, including Strenx 700MC, 770QL and 960QL, Strenx 700 profiles and SSAB Domex 460NL.

"Think of it like chip tuning a car, which instantly increases the performance," explains Harald Riedinger, Director Technology & Innovation, Terex Cranes Group. "The Terex Boom Booster is an add-on boom structure that can almost double the efficiency in the steep and long boom configurations of our CC 8800-1 crane model."

The Boom Booster can be partially or completely disassembled, depending on the specific road transportation regulations, thanks to the pin bolt structure. It fits in standard 40-foot open-top containers. This leads to improved handling and transportation functionality with better utilization of standard means of transport, while requiring fewer trucks, which decreases fuel consumption.

Terex Cranes Germany was one of four finalists for the 2015 Swedish Steel Prize.

Watch the video



ENERGY-EFFICIENT CONSTRUCTION SOLUTIONS

Ruukki Construction continuously develops products and solutions that improve energy efficiency over a building's lifetime, as well as during manufacturing. Despite a challenging economic climate, customers are greatly interested in energy efficiency and green values.

MORE SUSTAINABLE BUILDINGS

Energy-efficient solutions, material-efficient products and active innovation are the key initiatives in Ruukki Construction's sustainability strategy.

Ruukki energy panel has been on the market for a few years and has established a sound position in Ruukki's product portfolio. Use of Ruukki energy panels, which provide good insulation and airtightness properties, can cut annual energy consumption by up to 20% compared with traditional panels or façade solutions.

Ruukki life panel utilizes recycled materials, thus reducing the global warming potential of the manufacturing of these products by as much as 20%. Life panels have proven to be exceptionally popular, especially in the Nordic countries. Today, a significant share of the panels produced in the Nordic countries are of the life type.

Ruukki Construction's solar energy solutions for roofing and façades enable solar energy to be used for the heating of domestic hot water and living spaces, as well as for the production of electricity. The Solar product family was rolled out in 2014. Interest in these new solutions has risen slowly but steadily. To make it easier for the consumer to purchase these systems, Solar product packages are also available.

OFFERING CUSTOMER VALUE IN SUSTAINABLE CONSTRUCTION

Over the past couple of years, Ruukki Construction has developed its sustainable customer value offering to include not only products, but business concepts that make the values more accessible to end users. Ruukki Construction was involved in a project to build a near zero-energy hall on the campus of HAMK University of Applied Sciences in Hämeenlinna, Finland. Construction of this near zero-energy hall was completed in 2015. The pilot business concept developed for the project ensures profitable investments for property owners of highly energy-efficient buildings.

The building project was successful at keeping additional investments at a very low level. An analysis of the building solution shows estimated energy consumption values to be as much as 20% lower than the extremely energy-efficient solution used in the investment calculations. The next steps will be to verify the energy savings during the first year of the pilot project and to apply the business model to other customer projects.

The completed building showcases several of Ruukki Construction's innovative energy solutions: Energy panels, solar energy solutions, energy piles and other modern ways of producing energy to meet the hall's energy requirements.

20%

savings in annual energy consumption when using Ruukki Construction's energy panels instead of traditional panels

Ruukki Construction

CORPORATE IDENTITY AND BRANDS

SSAB counts the company's reputation and brands among our most valuable assets. All company brands share the same parent brand: SSAB.

SSAB stands for sustainability and performance. We work together with our customers to develop new and better solutions in all parts of the value chain. Our ultimate goal is to improve the sustainability and performance of our customers' products and processes.

SSAB works with multiple brands and channels, with a comprehensive offering in high-strength and wear steels from high-end branded products to more commercial grades. The 2014 merger with Rautaruukki has broadened SSAB's product portfolio and enabled the development of a multi-channel strategy.

PRODUCT BRANDS

SSAB has a strong end-user focus and a product brand strategy that allows customers to benefit from strong product brands.

SSAB has two power brands: **Hardox** and **Strenx**, which both have a unique global market position.

- Hardox is a global leading brand of wear steels designed for maximum payload and longer service life
- Strenx is a brand covering structural steel products designed for sustainable and lightweight solutions

Hardox in My Body:
This logo on a product verifies that it's been manufactured using Hardox wear steels and not an inferior imitation.

My Inner Strenx:
My Inner Strenx represents a quality certification for applications that use Strenx steels.

SSAB also has a wear steel brand, **Raex**, that is sold through distributors.

SSAB's targeted product brands include: **Docol**, **Toolox**, **Armox** and **GreenCoat**.

Additionally, five product groups have SSAB in their name:

- SSAB Domex
- SSAB Form
- SSAB Weathering
- SSAB Boron
- SSAB Laser Plus

For more information about the product brands > www.ssab.com

SSAB's two subsidiaries have their own corporate brands:

- **Tibnor** is the leading Nordic distributor of steel and non-ferrous metals
- **Ruukki Construction** has retained the Ruukki brand and logo after the merger in 2014 between SSAB and Finnish company Rautaruukki, which used the marketing name Ruukki

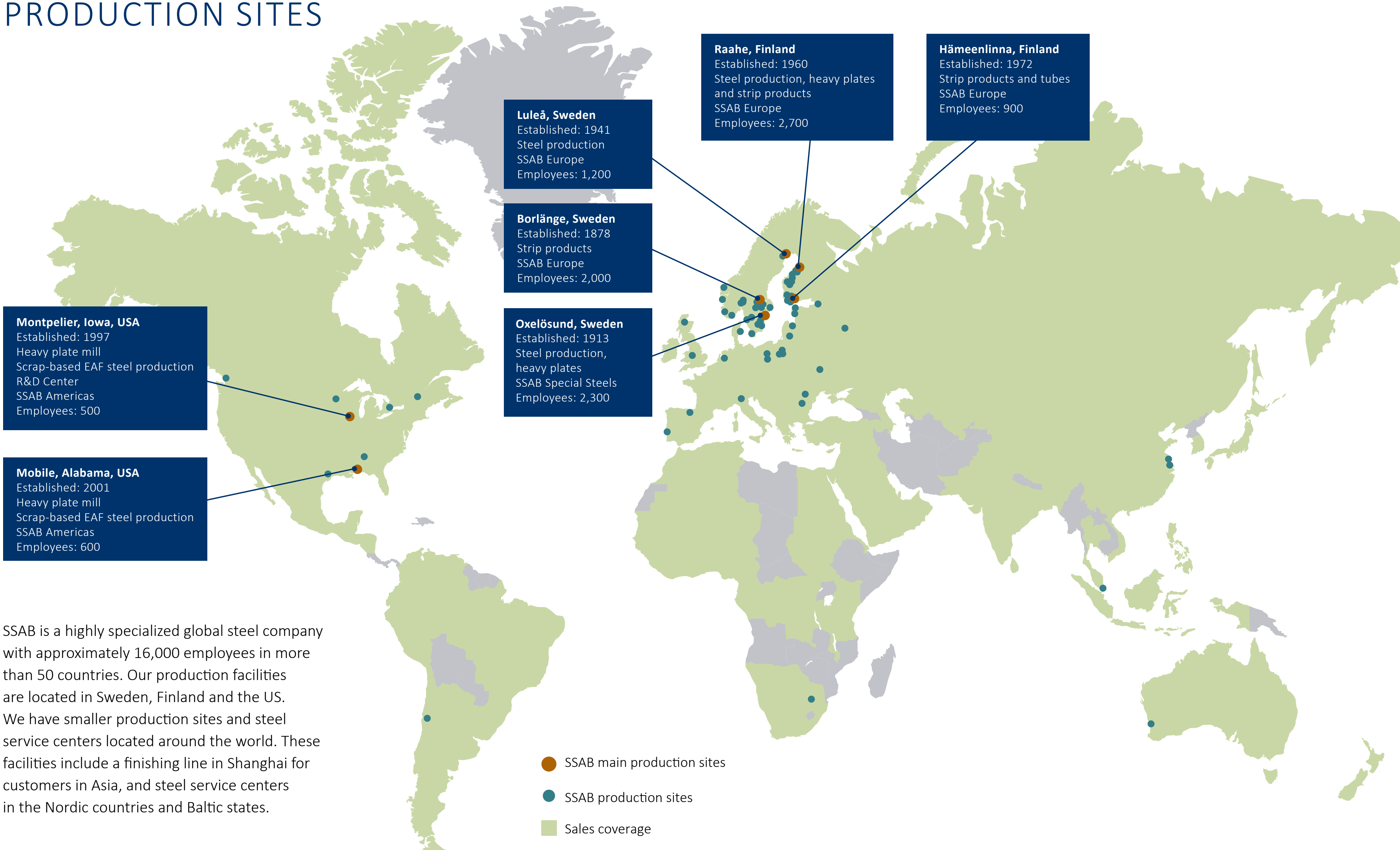
BRAND MANAGEMENT STRUCTURE

ROLE OF THE BRAND	LOGOTYPE	PRIMARY TARGET GROUPS
SSAB Corporate Brand	SSAB	The primary target group for SSAB consists of customers (distributors, fabricators, OEMs) and equity investors as well as current and future employees.
Power brands: Global product brands with unique market position	STRENX™ PERFORMANCE STEEL (Watch the video); HARDOX® WEAR PLATE (Watch the video)	Customers (fabricators, OEMs), end-users
Targeted product brands	DOCOL® HIGH STRENGTH STEEL (Watch the video); TOOLOX® ENGINEERING & TOOL STEEL (Watch the video); ARMOX® PROTECTION PLATE (Watch the video); GREENCOAT® COLORFUL STEEL (Watch the video)	Customers (fabricators, OEMs, distributors), end-users
SSAB branded products	SSAB Domex; SSAB Laser®Plus; SSAB Form; SSAB Weathering; SSAB Boron	Customers (distributors, fabricators, OEMs)

SUSTAINABLE OPERATIONS

SSAB focuses on operational efficiency to ensure our operations are as sustainable as possible. SSAB works for continuous improvements to minimize emissions, aiming for material and energy efficiency, while at the same time providing our employees with a safe and secure workplace with opportunities for individual, professional growth.

PRODUCTION SITES



SSAB is a highly specialized global steel company with approximately 16,000 employees in more than 50 countries. Our production facilities are located in Sweden, Finland and the US. We have smaller production sites and steel service centers located around the world. These facilities include a finishing line in Shanghai for customers in Asia, and steel service centers in the Nordic countries and Baltic states.

SUSTAINABLE AND EFFICIENT PRODUCTION

SSAB has a cost-efficient and flexible production system. SSAB's production plants in Sweden, Finland and the US have an annual steel production capacity of 8.8 million tonnes. To outperform peers and achieve industry-leading profitability in the coming years, SSAB will both reduce fixed costs and increase structural flexibility in our production processes. SSAB is also committed to continuous environmental work aiming to minimize any adverse environmental impacts from our operations.

FLEXIBILITY AND IMPROVED COST EFFICIENCY IN THE NORDIC PRODUCTION SYSTEM

The merger of SSAB and Rautaruukki created a more competitive and flexible steel production system in the Nordics. SSAB has five blast furnaces: one in Luleå, two in Raahe and two in Oxelösund, for a total capacity of around 6.4 million tonnes. SSAB can now operate with three, four or five blast furnaces depending on market demand at any given time.

SSAB's blast furnace in Luleå was fully modernized in 2015. The blast furnaces in Raahe, Finland were modernized in 2011 and in Oxelösund, modernization was implemented in 2010. A pulverized coal injection system has replaced an earlier heavy fuel oil injection system in the blast furnaces in Raahe. This will result in more cost-effective steel production and lower raw material costs, reducing annual expenses by around SEK 200 million in 2016 and beyond. A new hot stove for Oxelösund´s largest blast furnace has also improved production efficiency as of 2015.

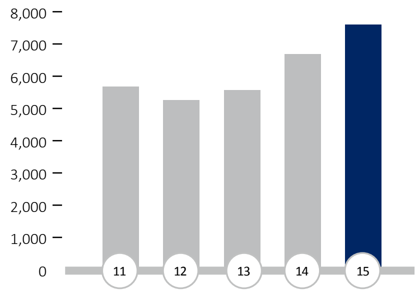
SSAB is committed to delivering SEK 1.8 billion in synergies by mid-2016, most of which are derived from a more flexible operational setup, structural changes, efficiency in production and raw material optimization. SSAB wants to be the "best in basics," i.e. being the best in lead times and delivery performance. Since the merger, extensive work has been done to increase efficiency in production, streamline shipments to customers and reduce the complexity in the production system.

The merger with Rautaruukki has presented an opportunity to leverage the equipment and expertise at various locations with our broad product offering. This will result in improved product quality and optimization of mill capacity. Two examples include the transfer of metal-coated products production from Borlänge to Hämeenlinna and the consolidation of color-coated products production from four lines to three.

Another aspect of production efficiency is more robust harmonization and standardization of operating procedures. In the new setup, the same steel quality can be offered by multiple production systems. This will allow SSAB to transfer production between our sites depending on market demand and customer location.

Processes and internal productivity are also continuously developed through training and implementation of SSAB´s management philosophy, based on "lean principles," called SSAB One.

Crude steel production
Thousand tonnes



CONTINUED FOCUS ON MAINTAINING A LEADING COST POSITION IN THE AMERICAS

SSAB continues its strategy of maintaining a leading cost position in the Americas.

SSAB runs two modern steel mills in the US with an annual production capacity of 2.4 million tonnes. Located in Alabama and Iowa, both mills utilize an electric arc furnace method to produce steel, with nearly 100% of the raw material used in the process being scrap metal.

The mills are strategically located in the southern and central regions of the US, covering the industrial heartland of North America, with access to the strategic southern port system to provide a logistical advantage. SSAB Americas also has three cut-to-length (CTL) facilities in Houston, Texas; St. Paul, Minnesota; and Toronto, Canada. CTL facilities have the flexibility to process internally-produced steel as well as steel from external suppliers. Together, SSAB Americas' five facilities provide a flexible network of facilities that produces, processes and delivers steel efficiently to customers across North America, and adapts to market conditions faster than any competitor.

SSAB Alabama has one of the world's most advanced quenching and tempering (Q&T) lines with a capacity to produce 300,000 tonnes of Q&T heavy plate a year, and SSAB Iowa boasts one of the world's most advanced research and development centers. These facilities allow for the in-house development of technology, continuous improvement, and advanced product offerings as well as service to customers.

The SSAB Americas division also has established solid raw material and energy optimization strategies to maintain costs in its operations.

MINIMIZING ENVIRONMENTAL IMPACTS FROM STEEL PRODUCTION

SSAB's most significant environmental impacts occur at our main production sites in Luleå, Borlänge, Oxelösund, Raahe, Hämeenlinna, Mobile and Montpelier.

The process of producing steel from iron ore is carbon-intensive and raw materials used in the production, such as coke and coal, are the main sources of carbon dioxide (CO_2) emissions, energy usage also contributes to the generation of CO_2 emissions. The steelmaking process has been continuously advanced and improved to become extremely efficient. As a result, SSAB's blast furnaces in Europe are among the most efficient in the world in terms of minimizing emissions from steel production. There are several reasons for this: the use of high-grade raw materials in the form of iron-ore pellets, high-quality coke and efficient, uninterrupted processes in which the blast furnaces operate. A large number of usable residuals, such as heating, gas, slag and dust, are recovered to minimize the consumption of purchased energy and generation of waste.

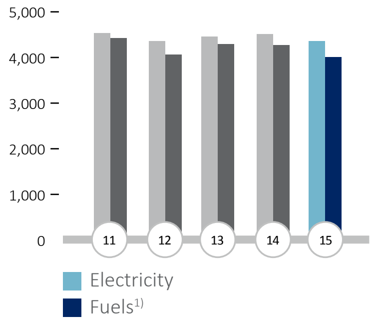
Using recycled steel and scrap metal in steel production saves natural resources and increases material efficiency, which leads to lower CO_2 emissions. In scrap-based production in the US, carbon dioxide emissions are substantially lower than those generated in conjunction with iron ore-based steel production. SSAB uses approximately 20% scrap metal for steel production in the Nordics and nearly 100% in the US.

The continuous development of environmental performance is ensured by monitoring our performance against environmental targets and the environmental management system. SSAB's environmental management is based on the Group's Environmental Policy and the international environmental and energy management system ISO 14001 and ISO 50001 standards. All SSAB's manufacturing sites have third-party certification for the ISO 14001 standard.

Industry-wide cooperation is important for identifying new technical solutions that can further decrease the environmental impacts of the steelmaking processes. SSAB participates in various national and international joint projects with research institutions and industry associations to continue to research and identify new technologies.

Energy consumption

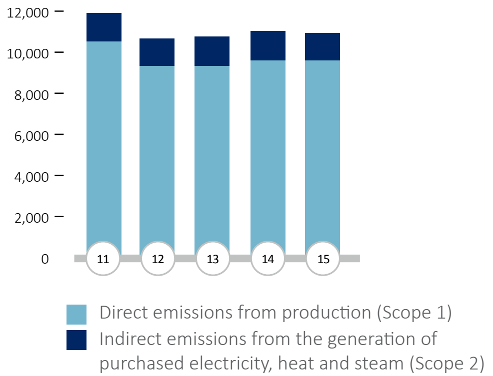
GWh



[1)] Includes natural gas (NG), liquefied petrolium gas (LPG), oil and biogas. Coal and coke excluded

Carbon dioxide emissions

Thousand tonnes



MATERIAL AND ENERGY EFFICIENCY IN PRODUCTION

Emissions from steel production are controlled and can be further reduced by continuously improving material and energy efficiency in the processes. Material efficiency means making more out of less material, resulting in increased efficiency in the use of natural resources. The production of iron and steel gives rise to a range of residuals. Recirculating material back into the steelmaking process reduces the need for virgin raw materials, which reduces CO_2 emissions and waste. Material that cannot be recirculated internally can be processed into by-products and sold externally, creating new revenue streams as well as reducing CO_2 emissions by substituting natural resources in other industries.

SSAB's production processes are energy-intensive. Systematic energy efficiency management and energy recovery at all sites, as well as production of electricity from process gases at certain steel mills, ensure efficient use of energy and lower emissions. Process gases like blast furnace gas, coke oven gas and converter gas are generated in the iron- and steelmaking processes. Steam and hot water are also produced. These energy flows are recovered to generate electricity and heat, thereby saving additional fossil fuel resources.

The energy-rich gases which cannot be used in steel production are used in local power plants to supply SSAB with approximately 43 (40)% of the electricity needs of steel production in Sweden and Finland. Heat is generated in converters, where iron is made into steel.

Since the 1980s, recovered heat has been used to produce district heating in Luleå, Raahe and Oxelösund. The recovered heat meets about 90% of local district heating needs.

GRI report, environmental impacts

2015 IN BRIEF

- After the modernization of Luleå blast furnace, SSAB now has better flexibility in Nordic crude steel production – one of the key reasons for the acquisition of Rautaruukki
- The investment in a pulverized coal injection system at Raahe will generate annual savings of around SEK 200 million beginning in 2016
- SSAB is committed to delivering SEK 1.8 billion in synergies by mid-2016, most of which will be derived from a more flexible operational setup, structural changes, efficiency in production and raw material optimization. In 2015, SEK 625 million of synergies were achieved
- Crude steel production was 7,593 (8,071) thousand tonnes
- Total energy consumption was 8,384 (8,792) GWh. The use of purchased energy was 7,270 (7,759) GWh
- 1,114 (1,033) GWh of electricity was produced from recovered energy
- Direct carbon dioxide (CO_2) emissions were 9,606 (9,608) thousand tonnes
- The modernization of Luleå blast furnace benefits the environment through less dust emissions, less noise and a better workplace environment
- In Luleå, the old coke plant cooling tower was replaced, which means 50% less dust emissions

HIGH-PERFORMING ORGANIZATION

A high-performing organization is one of the key elements in SSAB's strategy and an essential enabler for achieving the company's ambitious strategy targets.

A high-performing organization provides a structure that helps to align actions and behavior with strategic direction. An ability to timely match the competences demanded by the business with available skills and development plans among employees, while delivering on synergy targets, is an important criterion for being a high-performing organization.

There are three main priorities toward achieving a high-performing organization:

- Be the safest steel company in the world
- Utilize SSAB One as the management philosophy
- Strengthen the performance culture and employee engagement

UTILIZE SSAB ONE AS THE MANAGEMENT PHILOSOPHY

SSAB One – shared management philosophy

SSAB One is our common management philosophy. It encompasses SSAB's vision, values and principles, which together give a direction and framework for the company. Use of the word ''management,'' does not mean the philosophy is exclusive to managers, but that it is relevant to each and every one of us. Only when all of our employees have a good understanding of our management philosophy can we successfully involve everyone in SSAB's development efforts. SSAB One provides us with a common framework and language between the different parts of our company.

SSAB One serves as a common denominator for our improvement structure at SSAB. We'll succeed by ensuring we have an understanding of SSAB One and the company's vision as our common purpose, living the values as standards for our convictions and behavior, and using our principles as the rationale to achieve our fundamental goals.

SSAB One has two objectives:

- Improve our flows based on customer demand
- Involve all employees in continuous improvement

Principles:

- Normal state: We can only improve if we have defined and visualized the normal state. This makes it easy for everyone to see how safety, quality and efficiency reflect how we work. Any deviations can easily be recognized and immediately acted upon
- Right from me: Each of us ensures that we get things right the first time round. Errors are prevented from progressing in the production flow. We have a systematic way of dealing with deviations and errors and learning from them
- Learn and improve: Development is part of everyone's daily work. Managers coach their teams
- Customer demand driven: We understand customer needs and focus on improving all the activities that create customer value

STRENGTHEN THE PERFORMANCE CULTURE AND EMPLOYEE ENGAGEMENT

The global process for management planning

A strong managerial pipeline is not only a requirement for a high-performing organization, but also a strategic choice for SSAB. Leaders are instrumental in delivering results and managing change. The company applies a global process for management planning and annual review to ensure we retain a firm grip on and understanding of our leadership capability.

Through the global annual Management Review process, SSAB works to ensure that internal leadership talents are identified and systematically developed. In the process, all SSAB managers are assessed against the company's manager criteria, and succession plans are established. An important function of the Management Review is to ensure that we have suitable internal candidates for managerial positions.

The results of the Management Review are used actively throughout the year for competence development, appointments and as support in organizational development.

Engaging SSAB employees for performance toward goals

Aligning individual performance with SSAB's strategic direction is a central element in being a high-performing organization. Clarity concerning goals and performance expectations, as well as feedback, are key enablers to effectively manage our change journey and to achieve results. In annual performance dialogs, all employees and managers follow up on results, provide mutual feedback, discuss the workplace atmosphere and plan future performance and individual development. SSAB continuously reviews and aligns reward structures to ensure performance management processes are effectively supported. Matching potential candidates with development opportunities at different levels in the organization is important for developing a high-performing organization.

Leveraging the potential of diversity

SSAB is a knowledge company; our success depends heavily on the competence of our employees. SSAB has about 16,000 employees from diverse demographic backgrounds in more than 50 countries. Leveraging this diversity is a prerequisite to providing a superior customer experience. However, appreciating and working toward diversity is not enough. SSAB also strives for inclusion, which means that employees feel a sense of belonging and have equal opportunities to contribute and succeed.

The steel industry is traditionally male-dominated, and with only 19% of our employees being women, SSAB is no exception. We believe that improving gender balance will positively contribute to our performance culture. In order to increase the number of women in top management, SSAB launched a diversity target, aiming to have women in 30% of the top management positions in the company by the end of 2019.

With the long-term goal of increasing the presence of female employees across the company, we will start by placing women in top management positions, creating role models for others. To accelerate the process, we have initiated an in-house mentoring program. It is a mutual learning experience for both mentors and mentees, through challenging each other, exchanging experiences, broadening perspectives and building networks across the organization. SSAB also has a number of initiatives and tools to promote diversity and inclusion in the company:

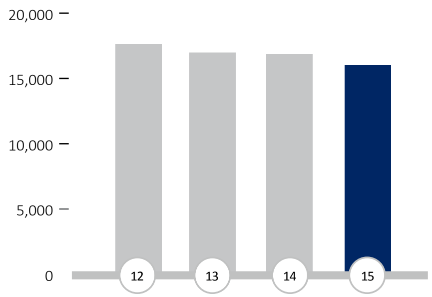
- Global management planning
- Global employee survey
- Consortium programs for management and leadership development
- Networks and internal mentoring programs
- Collaboration with other companies and authorities: In several locations across Sweden, SSAB partners with local municipalities to create internships for people with diverse backgrounds, including those from outside of the country. This partnership not only enhances diversity in the community, but also provides participants an opportunity to learn another language and about the labor market in Sweden
- SSAB has appointed a coordinator for the diversity work at group level. It is a way to ensure that proper focus is being placed on the topic and that the various initiatives in the area are carried out as planned

Employee engagement
SSAB conducts employee engagement surveys to give employees an equal opportunity to voice their views on a number of important topics. The surveys help analyze the drivers of employee engagement and capture improvement opportunities which contribute to leadership, high performance and engagement. The survey results are utilized at all organizational levels, starting with the Group Executive Committee.

Each manager is responsible for planning, executing and following up improvements with his or her team based on the results of the survey.

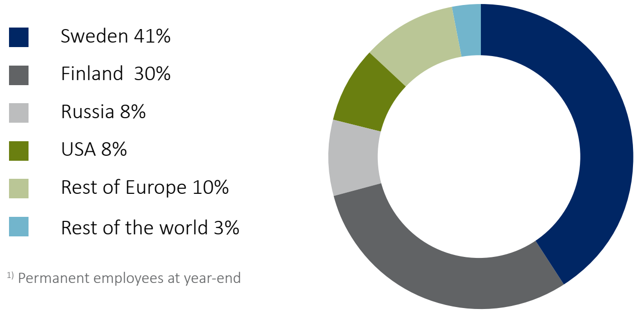
GRI report, social impacts

Employees[1)]



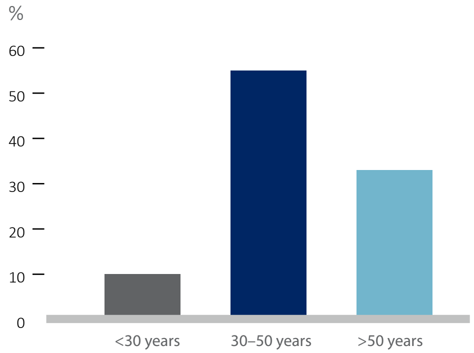
[1)] Permanent employees at year-end

Employees by region[1)]



[1)] Permanent employees at year-end

Employees – Age distribution[1)]



[1)] Permanent employees at year-end

Employees – Gender distribution[1)]

[1)] Permanent employees at year-end

HEALTH AND SAFETY

SSAB strives to be the safest steel company in the world, with an objective to achieve zero accidents, work-related injuries or illnesses. Ensuring a safe and secure environment for our employees, contractors and visitors is our highest priority.

SAFETY IN FOCUS

Every SSAB employee has a personal responsibility to work safely every day; it is a fundamental requirement for working at SSAB. Occupational safety is an important part of how we operate, and it is integrated into our management system. In addition to safety, SSAB focuses on preventive health care and wellness to promote the overall well-being of employees. In order to achieve our objective of zero accidents, injuries and work-related illnesses, SSAB will do the following:

- Ensure safety is an integral part of all activities and decisions throughout the company
- Cooperate to prevent accidents and work-related illness by identifying, evaluating and removing risks
- Systematically identify and eliminate the root causes of accidents and near misses which have occurred, with the aim of preventing them from happening
- Ensure that management and the line organizations are responsible for occupational safety. They are assisted by occupational safety specialists. However, all SSAB employees are responsible for their own safety and for that of others in their own working environment. We must interrupt and instruct colleagues and contractors when they take a risk or fail to comply with established safety rules. All work which is not performed safely must be discontinued
- Ensure that all managers lead by example. They are responsible for the work environment and must serve as good role models
- Ensure that all employees are provided with all necessary instructions, as well as the training and equipment necessary for facilitation of safe work methods
- Comply with or exceed all applicable laws, regulations and SSAB requirements
- Establish clear objectives and carry out regular monitoring to ensure that these objectives are fulfilled

6.2

Lost time injury frequency (LTIF)

764

Safety observation frequency

SAFETY MANAGEMENT IN SSAB

To improve safety performance, SSAB has established a company-wide safety expert group and safety management team. The safety management team consists of senior management of operations from all SSAB's divisions, Tibnor and Ruukki Construction. The safety management team is the decision-making body on safety issues relevant for the whole group. The team is also responsible for promoting a positive safety culture within the company. The chairman of the team for 2015 is Paul Wilson, Vice President of Operations in SSAB Americas.

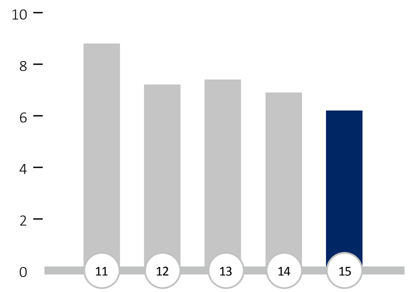
The main objective of the safety expert group is to share information on divisional safety programs, achieved results, best practices, information on serious incidents, and recommendations on preventive actions. The group also prepares group-wide safety initiatives to be decided in the safety management team. SSAB´s safety management system fulfills the requirements of international standard OHSAS 18001.

CONTRACTORS' SAFETY

Every year, hundreds of employees from external companies work at SSAB, particularly in the areas of maintenance and repairs. Contractor companies are screened for strong safety practices, and partner companies work together with SSAB to ensure the safety of anyone working at an SSAB facility. SSAB also provides contractors with safety training sessions and discussion forums, in order to increase their safety awareness.
training sessions and discussion forums, in order to increase their safety awareness.

GRI report, safety

Lost time injury frequency (LTIF)*, own employees



* Number of accidents resulting in an absence of more than one day per million working hours

2015 IN BRIEF

- SSAB's lost time injury frequency resulting in an absence of more than one day was 6.2 (6.9)
- There were a total of 165 (188) accidents
- In Oxelösund a tragic fatal accident occurred in the harbor area on December 1, when a forklift ran over a person working in the area. The harbor is operated by Oxelösunds Hamn AB, which is jointly owned on a 50-50 basis by SSAB and the municipality of Oxelösund. Both the deceased and the forklift driver were employed by Oxelösunds Hamn AB. The police, the Swedish Work Environment Authority and Oxelösunds Hamn are all investigating the accident
- Main group-wide safety initiatives for 2015 included setting common safety policy and management principles
- The focus area for sharing best practices was contractor safety management
- A group-wide safety awareness communication campaign was launched with the theme "Be responsible. Act safely." The campaign focused on being responsible for yourself, for your co-workers and for your family and friends

CASE:

Making progress in safety culture at Hämeenlinna

SSAB Europe's site in Hämeenlinna continued to make good progress in safety during 2015. Hämeenlinna sustained a 12-month period without a single injury resulting in absence.

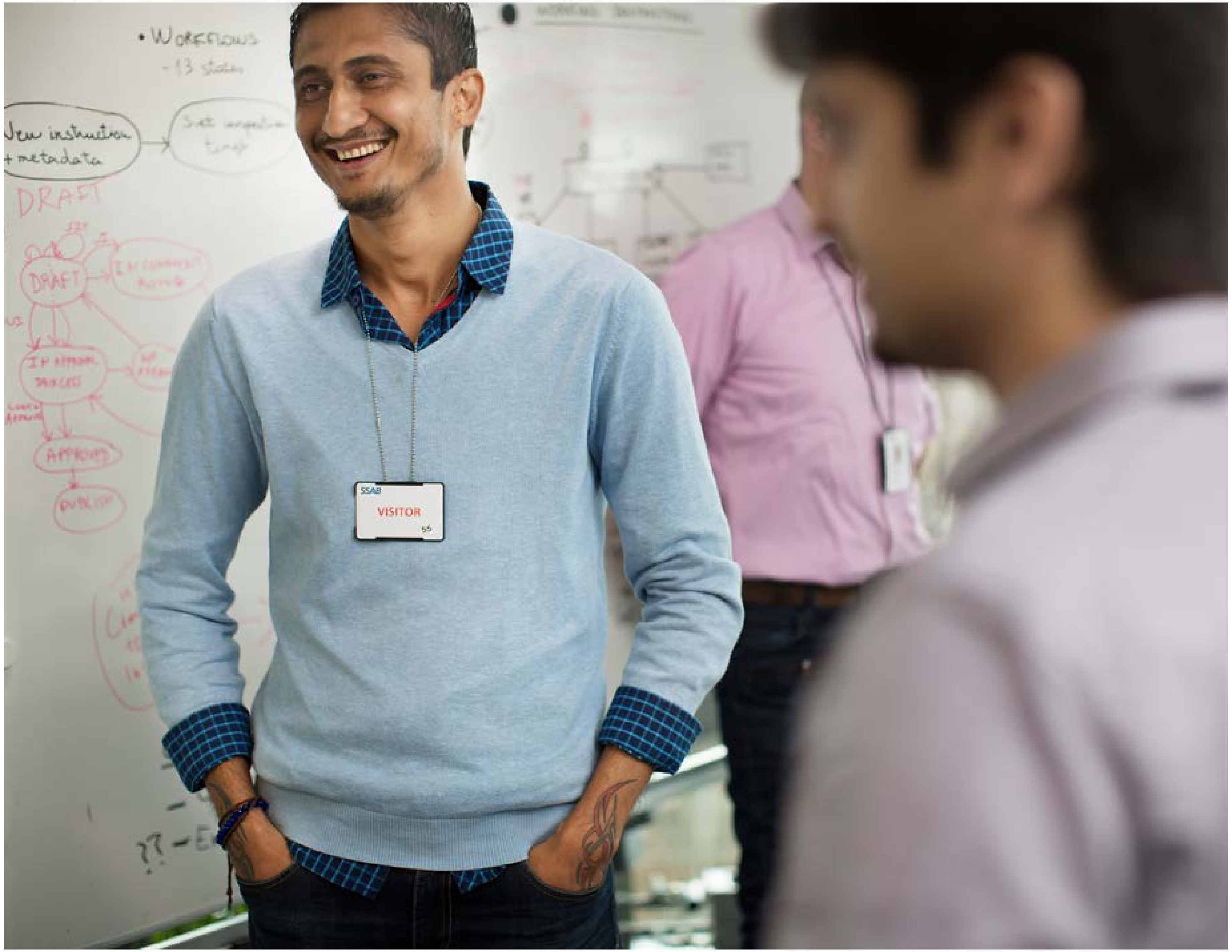
The site's target for 2015 was to achieve less than 6 injuries per million hours worked, compared to an injury frequency rate of 9.5 accidents per million hours worked in 2014. Lost time injury frequency fell in 2015 and was 1.9, clearly exceeding the target.

The reduction in incidents was driven by systematic safety training sessions for both foremen and front-line employees at the site. "Must intervene" training highlighted the importance of intervening in unsafe work and being responsible for coworkers and oneself. There was also a strong focus on the orientation of summer workers, none of whom were involved in any incidents in 2015.

Safety information is displayed on info boards, the intranet and noticeboards. Safety rounds and safety "moments" are additional tools foremen use daily to improve the safety culture. These tools are intended to engage as many people as possible in safety improvement at work.

SSAB Europe's facilities provide safety alerts, made in conjunction with incidents and near-miss situations, to other facilities to enhance best practices.

RESPONSIBLE PARTNER



Contributing to the communities in which SSAB operates is an integral part of the way we do business. Acting as a responsible partner refers to how we manage risks and take responsibility for business ethics and our supply chain.

RESPONSIBLE BUSINESS PRACTICES

POLICIES AND GUIDELINES

SSAB´s values define who we are and what we stand for, and serve as a compass for our actions and behavior. Our values guide us daily in making the right choices and doing the right thing. Our values are complemented by our policies and guidelines.

The Code of Conduct, the Environmental Policy and the Safety Policy are the most important company polices. SSAB also has local policies and guidelines that complement the Code of Conduct and correspond to the challenges the company faces in different geographies. All of our policies and guidelines are regularly reviewed and updated.

CODE OF CONDUCT

SSAB's Code of Conduct (Code) applies to everyone in the company worldwide, regardless of function, grade or standing, and is communicated to employees through e-learning. The Code is SSAB´s ethical compass and outlines guidelines for SSAB's behavior vis-à-vis stakeholders and the market. The Code helps us translate values into action and forms the basis for our environmental and social responsibility commitments. The Code requires compliance with legislation and regulatory requirements. The provisions of the Code take precedence over all other policies in a division or at a subsidiary level and, in certain cases, may be more far-reaching than national laws and regulations. The Code is based on international standards including the UN Declaration of Human Rights and UN Global Compact Principles. The Code covers areas such as environment, health and safety, employee relations, personal integrity and business ethics.

SSAB has also published a guide that summarizes SSAB´s Code and relevant policies to guide employees on how to handle business relationships and how to approach ethically challenging situations which may occur in our daily work.

SAFETY POLICY AND ENVIRONMENTAL POLICY

SSAB is committed to creating value for our stakeholders and to building relationships based upon respect, responsibility and excellence with our employees, customers, shareholders and other business partners – and to doing so in a socially and environmentally responsible manner. SSAB is determined to be the safest steel company in the world, with the objective of achieving zero accidents, work-related injuries and illnesses. The provision of a safe and secure work environment for our employees, contractors and visitors who spend time at our sites is the highest priority. Every

employee who works for SSAB has the personal responsibility to work in a safe manner every day. Working safely is a fundamental condition of employment at SSAB. Occupational safety is part of the integrated management system.

Our Environmental Policy establishes the most important ambitions for SSAB's environmental work and covers those environmental aspects which play a key role in the sustainable development of SSAB's business. The Environmental Policy supports the day-to-day work across the organization and essentially entails the following:

- SSAB will continue to develop products and services in collaboration with customers, so as to actively contribute to environmentally sound and profitable business
- SSAB believes in the efficient use of raw materials and energy, while minimizing waste

RISK AWARENESS AND SYSTEMATIC RISK MANAGEMENT

Management systems and action plans ensure SSAB systematically carries out our work on critical sustainability issues. Several different management systems and tools, both developed in house and third-party certified, are used to effectively control operations in accordance with SSAB's Code of Conduct, Safety Policy and Environmental Policy. Safety management systems for systematic health and safety work have been implemented at all production sites, including OHSAS 18001. Environmental and climate work takes place primarily within the scope of the ISO 14001 environmental management standard and via local energy management systems. Work environment -related risks and environmental risks are also covered by SSAB's internal risk controls and internal audits. Our systems ensure that targets are set, performance is measured and progress is followed up.

GLOBAL COMPACT AND SELF-ASSESSMENT

SSAB is a signatory to the UN's Global Compact and we continually enhance our efforts to protect and respect its ten principles and promote its spirit within the areas of human rights, labor standards, the environment and anticorruption.

According to our sustainability targets, SSAB acts in compliance with our Code of Conduct and behaves in accordance with our values. As part of this, SSAB conducted a risk analysis of part of its operations during 2015 through self-assessment based on Global Compact principles. The self-assessment tested SSAB´s performance on all ten UN Global Compact principles and how well these issues were managed within SSAB. The objective was to identify risk areas within our operations and potential gaps in our existing policies and procedures. The results of the self-assessment will be reviewed and, if necessary, action plans developed in early 2016.

BUSINESS ETHICS

SSAB continues to strive to ensure that the company maintains a global culture of respect, honesty and integrity. By providing a framework for business ethics and compliance, SSAB continues to focus on creating a mature organizational culture that encourages ethical conduct. This framework provides the required support and tools to meet SSAB's expectation that each and every employee acts with honesty, integrity and responsibility while performing their work.

GLOBAL BUSINESS REQUIRES GOOD MANAGEMENT OF BUSINESS ETHICS

Business ethics are an important part of SSAB's sustainability and corporate social responsibility work. The need for training in business ethics increases as our business becomes more global and complex, and as tougher legislation has been enacted in several countries in recent years.

BUSINESS ETHICS FUNCTION

SSAB's business ethics function is organized as part of the Legal function. It focuses on developing and coordinating SSAB´s anti-corruption program across the company and promoting the principles of ethical business behavior. Employees can contact the business ethics team to seek advice regarding ethical behavior.

ANTI-CORRUPTION POLICY

SSAB´s Anti-Corruption Policy defines SSAB´s zero tolerance approach to bribery and corruption and sets out guidance for our daily operations. The policy provides employees with information on how SSAB defines bribery and improper benefits and how employees are expected to act in relation to our suppliers, customers and other business partners.

WHISTLEBLOWER PROGRAM

Everyone working at SSAB must feel a sense of responsibility to react when improprieties are suspected or uncovered. SSAB has a company-wide whistleblower program for employees to seek guidance or report serious improprieties and violations of the company's policies. The whistleblower program allows employees to report anonymously about serious issues and violations of SSAB's various policies. Awareness about the whistleblower program has been promoted through employee communications.

E-LEARNING IN BUSINESS ETHICS

All employees are expected to comply with SSAB´s Code of Conduct, Anti-Corruption Policy and to have knowledge of how to report non-compliance in accordance with the whistleblower policy. Shared ethical guidelines are fundamental in a global company such as SSAB. Training is organized through a global e-learning module to reach out to all employees in order to provide basic training in business ethics and implement anti-corruption efforts.

FACE-TO-FACE TRAINING IN BUSINESS ETHICS

Internal training in business ethics takes place on a regular basis. The training is mainly provided to employees in management, sales and procurement, and is based on SSAB's values, policies and guidelines. During the course of the training, participants are taught what is meant by corruption and bribery, and how SSAB's anti-corruption program is structured. This is followed by a discussion focused on practical, real-life examples and dilemma discussions. Experience has shown that business ethics training builds trust and provides for more personal discussions with employees. In 2015, training was provided to employees from procurement and an advanced training offered to legal counsels across the company.

TRAINING IN SSAB AMERICAS

As a supplement to the company's global compliance training, within SSAB Americas, employees receive compliance training in the form of webinars, in-person seminars, lunch events, toolbox talks, intranet publications, email advisories and desktop manuals on a variety of topics including business ethics, the

US Foreign Corrupt Practices Act and related anti-corruption laws, anti-trust rules, conflict minerals and harassment prevention training.

REVIEW OF BUSINESS PARTNERS

In some situations, SSAB reviews the integrity of our business partners more closely. SSAB has an instruction for business ethics reviews that mainly covers agents, certain distributors and consultants who represent SSAB against any third party. In most cases, there is no need to review the integrity of a business partner more closely, but the instruction means that SSAB may not enter into or renew agreements with business partners that are within the typical risk areas for corruption, before an initial assessment showing that such partners respect our fundamental rules of business ethics. There should be a written agreement between SSAB and the business partner specifying the duties to be performed, an adequate and reasonable compensation and the business partner must be competent and qualified to perform the work for which they are being hired. An anti-corruption clause is also implemented in the agreements.

ANTI-CORRUPTION MANUAL

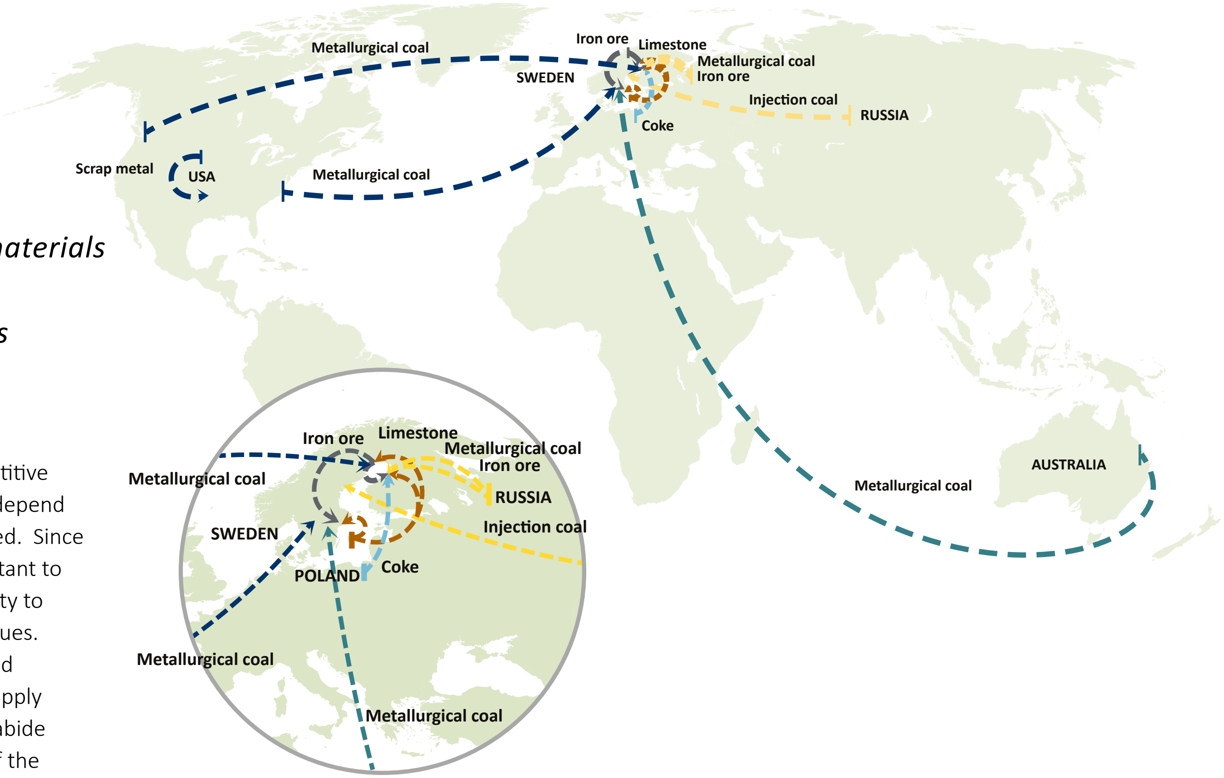
SSAB has an anti-corruption manual to audit fraud and corruption risks and carried out three audits in subsidiaries during 2015 based on this manual. These audits have not revealed any specific irregularities, but have identified potential to further reduce risks from this perspective. Defined risk mitigation measures are implemented according to agreed action plans.

2015 IN BRIEF

- Since the merger with Rautaruukki, SSAB has undergone a major reorganization. To ensure all company policies and guidelines continue to meet external and internal requirements, SSAB updated several of our policies throughout 2015. The Code of Conduct was updated and approved by the Board of Directors, as well as new Safety and Environmental policies
- One of SSAB’s sustainability targets refer to web-based training for all employees in business ethics. SSAB’s e-learning module in business ethics was updated during the year and now is available in six languages
- The objective was to train 75% of all employees during 2015, with all employees having completed training by the end of 2016. At year-end 2015, 75% of SSAB employees had completed the training

RESPONSIBLE SOURCING

SSAB has thousands of suppliers all over the world. The input materials used to make iron and steel account for SSAB's most significant purchases. Suppliers must comply both with SSAB's own policies and with international social and environmental guidelines.



EFFICIENT AND RESPONSIBLE SOURCING OF GOODS AND SERVICES

SSAB has an extensive supply chain including around 20,000 suppliers, active in more than 60 countries. However, measured by supplier spend, more than half of our purchases come from Finland, Sweden and North America. SSAB buys input materials, products and services in most of the countries in which we operate. These materials and services range from input goods like scrap, iron ore, coal and alloys to gas, refractories, zinc, paint, maintenance services and spare parts.

20,000

number of active suppliers

GRI report, supplier assessment

SSAB contracts only the most competitive suppliers and the strategies for this depend on the products or services purchased. Since the supply chain is global, it is important to evaluate supplier risks and their ability to address social and environmental issues. At SSAB, sustainability is an integrated aspect of sourcing operations and supply chain management. Suppliers must abide by SSAB's Code of Conduct as part of the terms and conditions of their contracts.

Stringent quality requirements and long-term business relations provide the sourcing organization with a good insight into conditions at suppliers. We assess suppliers on the basis of quality, delivery reliability, cost and sustainability.

COST SAVINGS THROUGH MORE EFFICIENT SOURCING PRACTICES

The merger with Rautaruukki has opened many new possibilities to reduce SSAB's total costs related to sourcing, and is a significant part of

WHERE SSAB SOURCES ITS INPUT MATERIALS

Iron ore pellets	Mainly Sweden, also Russia
Metallurgical coal	Australia, North America, smaller share from Russia
Injection coal	Russia
Scrap	US, Sweden, Finland
Supportive blast furnace coke	Poland
Limestone	Sweden
Alloys	Around 40 different suppliers

the total synergy savings. This is done by, for example, consolidating the supplier base and volumes, identifying new logistics solutions for incoming and outgoing goods and learning from each other by sharing best practices.

SSAB has some key components under way on this front:

- Moving from a site-centric way of working to a category-based structure to create better value. A category structure helps us to work globally on synergies.
- Using the SSAB One management philosophy to work with suppliers to reduce costs within the value chain. An example of this is the utilization of hidden assets in the form of empty return transport, which is now being redesigned to transport input goods for SSAB's own operations.
- Providing different parts of our operations such as Sales, Production and Finance with updated analyses and information on input materials and logistics markets.

INCORPORATING SUSTAINABILITY CRITERIA IN SOURCING

SSAB is a signatory to the UN's Global Compact initiative and the principles of the compact are applied in our work with suppliers. SSAB's Code of Conduct reflects Global Compact principles and represents the most important control document in regards to working with suppliers. SSAB's supplier contracts include SSAB's Code of Conduct, and suppliers are required to adhere to it. SSAB also reserves the right to conduct reviews of our suppliers or onsite audits to ensure compliance with the principles mentioned in the Code.

SSAB's updated Group Procurement Policy addresses quality, delivery reliability and cost issues, as well as the principles of the Global Compact and how to take them into account when evaluating suppliers.

SSAB also has an Anti-Corruption Policy, which provides employees with information on how SSAB defines bribery and improper benefits, and how employees are expected to act in relation to suppliers, customers and other business partners.

INCREASED FOCUS ON IDENTIFICATION AND EVALUATION OF SUPPLIER RISKS

SSAB systematically identifies the risks related to our suppliers. We do this by placing suppliers in various risk categories depending on the countries in which they operate. Classification is based on Maplecroft´s Human Rights Risk Index and Transparency International´s Corruption Perceptions Index. Classification in this way illustrates the risks in areas such as human rights, labor conditions and corruption, and shows that few suppliers have a high-risk profile. Suppliers who are placed in the medium- or high-risk group are required to complete a self-assessment questionnaire containing questions about, for example, their social conditions and environmental credentials. Unsatisfactory answers are investigated.

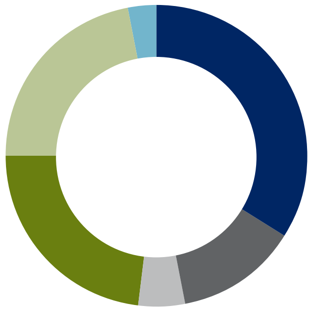
SSAB also conducts regular visits to major suppliers of input materials around the world, including high-risk suppliers. On these visits, purchasers and quality managers visit production sites and conduct quality inspections. Aspects such as a supplier's social conditions and environmental performance are important and will be the subject of even greater focus during future visits. SSAB is further developing our monitoring of suppliers located in high-risk countries.

NO CONFLICT MINERALS IN SSAB'S STEEL

SSAB does not use conflict minerals (including gold, tin, tungsten and tantalum) and, upon request, provides customers with certification affirming this.[1)]

[1)] "Conflict minerals" is a term used for minerals derived from areas characterized by large-scale internal strife, where the mining of minerals risks contributing to, or financing, continued conflict and violation of human rights.

Sourcing by country



- Sweden 34%
- Finland 13%
- Russia 5%
- USA 23%
- Rest of Europe 22%
- Rest of the world 3%

2015 IN BRIEF

- SSAB sourced products, materials and services worth an estimated SEK 44,3 (37,9) billion
- SSAB has 20,000 active suppliers in more than 60 countries
- In total, 200 self-assessments were registered in SSAB's purchasing system

CASE:
SSAB and Aspo ESL Shipping signed a long-term agreement for raw material sea transport to reduce CO_2 emissions

SSAB needs volume flexibility for key input materials to meet fluctuations in the blast furnace consumption of these materials. SSAB's vision of a stronger, lighter and more sustainable world, encourages the pursuit of solutions to limit environmental impacts, where sea transport is of significant importance.

SSAB and Aspo Group's ESL Shipping Ltd signed a long-term frame agreement covering sea freight for SSAB's inbound raw material sea transport within the Baltic Sea and from the North Sea. The agreement secures deliveries of coking coal, iron ore and PCI coal to SSAB's coking plants and blast furnaces in Raahe, Luleå and Oxelösund. The new combined sea freight agreement will result in a reduction of more than 50% in CO_2 emissions per tonne of cargo transported compared to present vessels. Besides these environmental benefits, the cost savings provided by new technology will also allow better profitability. The cost savings related to the agreement are part of SSAB's synergy program announced in conjunction with the merger with Rautaruukki in 2014. The new agreement will result in ESL Shipping building two new, energy-efficient LNG-fueled ships. The two ships have been ordered and will be delivered during 2018.

SSAB IN THE COMMUNITY

In locations where SSAB operates, the company plays a significant role in the local and regional community as an employer, tax payer, buyer of regional goods and services, and charitable benefactor. Contributing to the communities in which we operate is an integral part of the way the company does business.

ACTIVE ENGAGEMENT IN LOCAL COMMUNITIES

SSAB strives to develop and maintain good relations with various stakeholders in our society and actively engages with the communities in which we operate. The way we work with each local community is defined at the site level. In addition our own employees, SSAB engages with politicians, regulators, media and the general public, and people living close to the production sites.

SSAB is also an important partner for local educational institutions and research. We also extensively offer internships and thesis projects to college students.

SSAB also works together with local environmental regulators on site-specific issues. Besides ongoing collaboration with local authorities, SSAB also works together with cities and associations to monitor environmental conditions such as air quality and waterways.

Every year, SSAB hosts important visitors from the community, such as schoolchildren, students, customers, subcontractors, various inspectors and regulators.

SUPPORTING LOCAL ACTIVITIES IN SWEDEN AND FINLAND

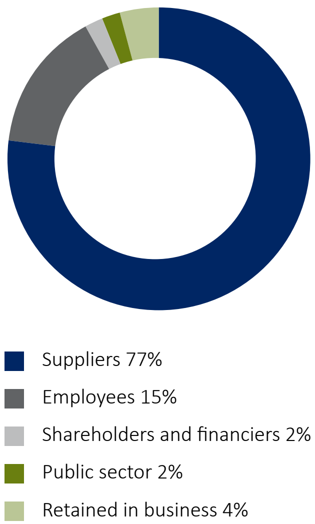
In the communities in which SSAB operates in Sweden and Finland, we contribute to creating a wide range of recreational activities in which SSAB's employees, their families and also the local community can participate. Examples include sponsorships of local sports organizations and exchange of knowledge with schools. SSAB also supports associations in which employees are involved, primarily within sports and culture.

STRONG COMMUNITY INVOLVEMENT IN SSAB AMERICAS

SSAB Americas has a long tradition of community involvement. This takes place not only in the form of financial contributions, but also through participation in various initiatives or support projects. One of the largest organizations supported by SSAB is United Way, a charitable organization which supports the needy through donations, education and volunteer work. Employees' contributions are matched by the company. Another example is SSAB's Foundation for Education, a charity program through which we donate funding of at least $100,000 each year to local schools in Alabama, money that is raised through the recycling of scrap tires for use as a raw material in steel production in Mobile. Employees and local partners in Mobile also come together every year for the Fill the Bus program, to collect donations of school supplies for local children in need. In Montpelier, Iowa, SSAB's employees sponsor and support The Make-a-Wish Foundation, an organization which aims to realize the dreams of sick children. Support from the company in Montpelier also goes to The Community Foundation of Greater Muscatine, which supports smaller organizations and charitable projects in the region.

Distribution of economic value added to different stakeholder groups

SSAB creates economic value that is distributed to various stakeholders in society, such as our shareholders, financiers, suppliers, personnel, public sector through taxes and communities through local community projects, sponsorship and donations. The economic value retained is reinvested in the company in strategic and maintenance investments, R&D and other investments to develop our ability to create value.



DONATIONS TO SOS CHILDREN'S VILLAGES ORGANIZATION

Since 2012, SSAB has been working with the SOS Children's Villages organization to support different charity projects. In 2015, all SSAB employees in Sweden, Finland, Norway and Denmark were given the opportunity to support the refugee work of the SOS Children's Villages by making a donation. Employees' contributions were matched by the company.

CASE 1:
Raahen Voima and SSAB made disbursements to develop the archipelago
Raahen Voima and SSAB set up a fund in 2014 to promote the development, recreational use and protection of the archipelago in the Raahe, Finland area. The fund supports voluntary work done for the benefit of the archipelago and its natural environment. Disbursements are made to societies, organizations and foundations on application.

Some of the first disbursements were made for the design of an outdoor map, to sailing and maritime societies for tidying up work, to the local maritime rescue association and Sail Training Association Finland for their activities, for the restoration of a nature trail and fishing base, as well as for work to develop the capability for sea search and rescue and diving missions.

CASE 2:
SSAB grants endowment to University of South Alabama School of Engineering
To support continuing education in the field of engineering, SSAB donated $110,000 to the University of South Alabama (USA) to establish the SSAB Scholarship Endowment Fund. The fund will go toward scholarships benefiting full-time junior and senior level students in the University's College of Engineering. Through the university's Mitchell-Moulton Scholarship Initiative, USA will match the amount of $110,000 as the funds are received from SSAB over the next four years. SSAB previously supported the university with generous donations toward the inception of USA's new engineering facilities in Shelby Hall. Several USA graduates are now employed by SSAB.

CASE 3:
School children in Borlänge visit SSAB
In Borlänge, Sweden, SSAB gives local school children the opportunity to visit the mill. The study visits take place in collaboration with Museum of the Future in Borlänge. The idea is to increase knowledge about the steel industry – what it does and what it's like to work there – and partly to increase awareness of what SSAB does in Borlänge. The aim is also to encourage more students to study technology in high school. Last year, a total of 26 classes of eighth graders visited Borlänge in November.

Alexander Gabriel, SOS CVI

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT 2015

SSAB's organization is characterized by a decentralized way of working in which responsibilities and powers are largely delegated to the respective divisions. SSAB's share is listed on Nasdaq OMX Stockholm and has a secondary listing on Nasdaq OMX 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 Reports Act and the Corporate Code, and is not part of the Report of the Board of Directors.

ORGANIZATION AS AT DECEMBER 31, 2015

SSAB is structured across five divisions: SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction. The two latter divisions are run as independent subsidiaries through their respective boards of directors.

The diagram below shows SSAB's corporate governance framework as at December 31, 2015 and how the central bodies operate.

DEROGATIONS FROM THE CORPORATE CODE

During 2015, the Remuneration Committee comprised Bengt Kjell (chairman, who during the year replaced Sverker Martin-Löf), John Tulloch and Kim Gran. Under the main rule in Rule 9.2 of the Corporate Code, the members of the Remuneration Committee who are elected by the general

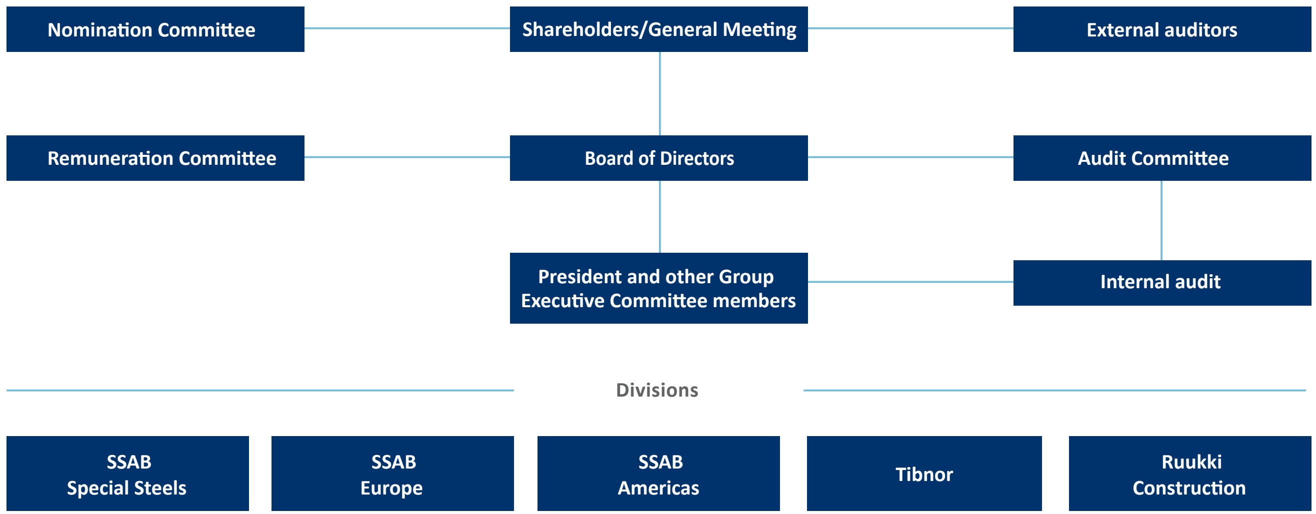
IMPORTANT EXTERNAL AND INTERNAL RULES AND POLICIES WHICH AFFECT CORPORATE GOVERNANCE:

Significant internal rules and policies

- Articles of Association
- The Board's rules of procedure, incl. instructions to the CEO and instructions to Board committees
- Accounting manual (Financial Guidelines) and Finance Policy
- Code of Conduct

Significant external rules

- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Reports Act
- Rules of Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, www.nasdaqomx.com
- Swedish Corporate Governance Code, www.corporategovernanceboard.se



meeting must be independent of the Company and of the Company's management. Since John Tulloch is considered to be dependent in relation to the Company, his inclusion in the Remuneration Committee constitutes derogation from the rules of the Corporate Code. The Company currently has extensive international operations involving a considerable number of its employees outside Sweden, not least in North America. John Tulloch has long experience derived from senior managerial positions in the North American steel industry. His knowledge of remuneration principles and structures in, primarily, the North American steel industry constitutes a highly valuable contribution to the Committee's general ability to address international remuneration issues in a purposeful and rational manner. The Company has therefore concluded that the benefit of John Tulloch's inclusion in the Remuneration Committee outweighs any disadvantages arising from him not being independent of the Company. For these reasons, the Company considers the derogation from Rule 9.2 of the Corporate Code to be justified.

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, 2015, there were a total of 103,800 shareholders. Industrivärden was the largest shareholder in terms of voting rights, followed by Solidium Oy, Invesco Funds and Swedbank Robur Funds. Of the shareholders, 66% held 1,000 shares or fewer, whereas the ten largest shareholders owned an aggregate of around 41% of all the shares in issue. Owners outside Finland and Sweden held 15% of the voting rights and 11% of the share capital in the Company. See Shares and shareholders for more information about the ownership structure.

OWNERS AS AT DECEMBER 31, 2015

	% of votes	% of share capital
Industrivärden	17.7	10.7
Solidium	10.1	17.1
Invesco Funds[1]	5.0	3.0
Swedbank Robur Funds	4.9	4.0
LKAB	3.8	2.2
Catella Funds	2.5	1.5
Handelsbanken Pensionstiftelsen and Handelsbanken Liv	1.5	1.3
SEB Investment Management	0.9	0.6
Folksam	0.7	0.7
AMF	0.5	0.3
Other shareholders	52.4	58.6
TOTAL	100.0	100.0
Whereof foreign-registered shareholders[2]	14.8	11.4

[1] Information from flagging notice 26 Nov 2015
[2] Includes shareholders outside Sweden and Finland
Source: Euroclear

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
- Remuneration of the Board of Directors and the auditors
- Guidelines for the remuneration of the CEO and other senior executives

2015 Annual General Meeting

The 2015 Annual General Meeting adopted the annual report and consolidated financial statements for 2014 as presented 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.

In addition, the chairman of the Nomination Committee described the Committee's work during the year and the rationale behind the proposals presented. The general meeting decided on the remuneration of the Board and of the auditors in accordance with the Nomination Committee's proposals. It was resolved that the Board will comprise eight directors and accordingly re-elected Petra Einarsson, Kim Gran, Matti Lievonen, Martin Lindqvist (President and CEO), Annika Lundius, John Tulloch and Lars Westerberg. Bengt Kjell was elected to the Board both as a new director and as its chairman. Sverker Martin-Löf and Jan Johansson stood down from the Board. The general meeting decided that the number of auditors would comprise a registered firm of accountants. Accordingly, PricewaterhouseCoopers was re-elected for a term of office up to and including the 2016 Annual General Meeting. The general meeting resolved not to pay a dividend for the financial year 2014.

A quorate Board and the principal auditor were present at the annual general meeting. 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

The 2012 Annual General Meeting adopted a procedure regarding the appointment of the Nomination Committee. The procedure applies until amended through a resolution adopted at a future annual general meeting. According to the procedure, the chairman of the Board is tasked with requesting that no fewer than three and no more than five of the largest shareholders in terms of votes each appoint a member to constitute the Nomination Committee, together with the chairman of the Board. There may be no more than six members in total. The chairman of the Nomination Committee is the representative of the largest shareholder. The composition of the Nomination Committee was announced on www.ssab.com on October 8, 2015.

NOMINATION COMMITTEE AHEAD OF THE 2016 ANNUAL GENERAL MEETING

Appointed by, name	Share (%) of voting capital as at December 31, 2015
Industrivärden, Helena Stjernholm, Chairman	**17.7**
Solidium Oy, Kari Järvinen	**10.1**
Swedbank Robur Funds, Åsa Nisell	**4.9**
Catella Funds, Ulf Strömsten	**2.5**
Bengt Kjell, Chairman of the Board	**–**

Shareholders were able to submit proposals to the Nomination Committee by, for example, email, until December 31, 2015. 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.

Work of the Nomination Committee ahead of the 2016 Annual General Meeting
The Nomination Committee has convened four times since it was appointed in fall 2015.

The chairman of the Board of Directors has described to the Nomination Committee the process applied in the Company in conjunction with the annual evaluation of the Board and of the CEO, as well as the results the evaluation. Further, at the meeting at which the chairman of the Board was not present, the Nomination Committee was informed of the results of the evaluation of the chairman. The annual evaluation of the Board was conducted in conjunction with a Board meeting held during the fall. Prior to the evaluation, directors individually completed a relatively extensive questionnaire. Thereafter, the replies were compiled and formed the basis for the actual evaluation discussion at which the responses were reviewed in detail. The Nomination Committee has discussed the composition of the Board and agreed on the main requirements to be imposed on the directors, including the requirement for independent directors. In its assessment of the Board's evaluation, the Nomination Committee particularly took into account the need for Board diversity and breadth, and the requirements to strive for gender balance on the Board. 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. The Nomination Committee was assisted by the Audit Committee in submitting its proposals regarding the election of auditors and the fees for audit work.

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, matters concerning the Group's strategic focus and organization, and decides on important capital expenditure (exceeding SEK 50 million).

Each year, the Board must prepare proposals for guidelines regarding the determination of salary and other remuneration 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 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 health and safety work, including the Group's accident statistics.

Chairman of the Board
The chairman 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 chairman of the Board of Directors is responsible for regular contact with the CEO and for ensuring that the Board of Directors 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 one 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 2015

In 2015, the Board of Directors held eight 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 continuing difficulties in the global steel industry during 2015 also resulted in the Board devoting considerable time to the measures the Company has taken to improve its competitiveness and secure its financial position. The Board's work during 2015 was further largely characterized by matters relating to integration and synergies following SSAB's acquisition of Rautaruukki in 2014. The Board has also particularly addressed matters concerning safety in the workplace, as well as issues concerning the environment, control functions, corporate governance and strategy. The Board also monitors price trends as regards the Company's most important raw materials: iron ore, scrap metal and coal.

BOARD OF DIRECTORS
- APPOINTED BY THE ANNUAL GENERAL MEETING






Bengt Kjell (1954)	Petra Einarsson (1967)	Kim Gran (1954)	Matti Lievonen (1958)	Martin Lindqvist (1962)	Annika Lundius (1951)
Chairman since 2015 MBA, Stockholm School of Economics Nationality: Swedish	BSc (Business Administration and Economics) Nationality: Swedish	BSc (Economics), Honorary Finnish title of Vuorineuvos Nationality: Finnish	BSc (Engineering), eMBA Honorary Finnish title of Vuorineuvos Nationality: Finnish	President and CEO BSc (Economics) Nationality: Swedish	LLM Nationality: Swedish
Elected to the Board					
2015	2014	2014	2014	2011	2011
Shareholding[1]					
50,000 B shares	10,000 B shares	6,265 A shares 15,995 B shares	4,315 A shares 11,018 B shares	11,709 A shares 5,400 B shares	7,000 B shares
Previous appointments					
Acting President: Industrivärden, CEO: AB Handel och Industri, Vice President: Industrivärden, Senior partner: Navet AB, Board Chairman: Kungsleden AB and Board Member: Höganäs AB, Skanska AB and Munters AB.	Financial Manager: Sandvik Materials Technology, President: Sandvik Strip product area and President: Sandvik Tube product area.	President and CEO: Nokian Tyres plc, Managing Director: Pechiney Cebal, Corby UK, Cebal-Printal, Devizes UK, Board Chairman: Rautaruukki Corporation and Board Member Nokian Tyres plc, Konecranes plc, Ilmarinen Mutual Pension Insurance Company and M-real plc.	Director: Confederation of Finnish Industries, Rautaruukki Corporation, Finnish Oil and Gas Federation and EUROPIA, Several senior positions: UPM-Kymmene and Deputy Chairman of the Board: Confederation of European Paper Industries.	Director: Indutrade, Head of business area: SSAB EMEA, CFO: SSAB AB and Chief controller: NCC.	Deputy Director-General of the Confederation of Swedish Enterprise, Legal Director and Financial Counselor: Swedish Ministry of Finance and CEO: Insurance Sweden and Swedish Insurance Employers' Association.
Current appointments					
Board Chairman: Hemfosa Fastigheter AB and Skånska Byggvaror AB (until January 4, 2016), Vice Chairman of the Board: Indutrade AB and Director: Industrivärden, ICA Gruppen AB and Pandox AB.	President: Sandvik Materials Technology business area (since 2013), Board member: Swedish Association of Industrial Employers and Member of the Council: Swedish Steel Producers' Association.	Vice Chairman of the Board: YIT Group.	President and CEO: Neste Corporation (since 2008), Board Chairman: Nynäs AB, Chairman of the Supervisory Board: Ilmarinen Mutual Pension Insurance Company, Vice Chairman of the Board: Chemical Industry Federation of Finland, Member of the Advisory Board: National Emergency Supply Agency (Finland) and Member of the Supervisory Board: the Finnish Fair Corporation.	President and CEO: SSAB (employed at SSAB since 1998), Chairman: Swedish Association of Industrial Employers and Director: Confederation of Swedish Enterprise.	Director: Industrivärden and AMF Pension.

[1] Shareholdings include shares owned by closely-related persons at December 31, 2015.

Sverker Martin-Löf (replaced by Bengt Kjell as chairman) and Jan Johansson were members of the Board until April 8, 2015.

BOARD OF DIRECTORS - APPOINTED BY THE ANNUAL GENERAL MEETING

John Tulloch (1947)	Lars Westerberg (1948)
BA (AgrSc), MSc Nationality: American	MSc and MBA Nationality: Swedish
Elected to the Board	
2009	2006
Shareholding[1]	
10,000 A shares 5,000 B shares	10,000 B shares
Previous appointments	
Executive Vice President, Steel & Chief Commercial Officer: IPSCO and Executive Vice President: SSAB & President of IPSCO Division.	Board Chairman: Husqvarna, President and CEO: Gränges and President, CEO and Chairman: Autoliv.
Current appointments	
Director: Russel Metals Inc.	Director: Volvo, Sandvik, Stena and Meda.

Jonas Bergstrand, EVP, Legal & Strategy, serves as secretary to the Board of Directors. Honorary Chairman: Björn Wahlström since 1991 (passed away in February 2016).

BOARD OF DIRECTORS - APPOINTED BY THE EMPLOYEES

Peter Holmér (1958)

Elected to the Board
2012

Current appointment
Mechanic, SSAB Special Steels

Tomas Jansson (1966)

Elected to the Board
2014

Current appointment
Sales Coordinator, SSAB Europe

Tomas Karlsson (1962)

Elected to the Board
2015

Current appointment
Maintenance mechanic, SSAB Europe

ALTERNATES

Sture Bergvall (1956)

Elected to the Board
2005

Current appointment
Electrician, SSAB Europe

Patrick Sjöholm (1965)

Elected to the Board
2011

Current appointment
Automation engineer, SSAB Special Steels

Tomas Westman (1955)

Elected to the Board
2015

Current appointment
RM coordinator, SSAB Europe

[1] Shareholdings include shares owned by closely-related persons at December 31, 2015.
Sverker Martin-Löf (replaced by Bengt Kjell as chairman) and Jan Johansson were members of the Board until April 8, 2015.

MEMBER OF THE BOARD	Elected to the Board	Attendance statistics 2015: Board meetings	Remuneration Committee	Audit Committee	Independent of: the company and its management	the company's largest shareholders
Elected by the AGM						
Bengt Kjell, Chairman since 2015[1]	2015	6	3	4	Yes	No, Board member of Industrivärden
Petra Einarsson	2014	8			Yes	Yes
Kim Gran	2014	6	4		Yes	Yes
Matti Lievonen	2014	7			Yes	Yes
Martin Lindqvist, President and CEO	2011	8			No, CEO at the company	Yes
Annika Lundius	2011	8		5	Yes	No, Board member of Industrivärden
John Tulloch	2009	8	4		No, former President of IPSCO Division	Yes
Lars Westerberg	2006	7		5	Yes	Yes
Employee representatives						
Peter Holmér	2012	8			–	–
Tomas Jansson	2014	8			–	–
Tomas Karlsson[2]	2015	6			–	–
Alternate members						
Sture Bergvall	2005	8			–	–
Patrick Sjöholm	2011	8			–	–
Tomas Westman[3]	2015	6			–	–

For information about fees, see Note 2 in Financial reports.
Honorary Chairman: Björn Wahlström since 1991
(passed away in February 2016).
[1] Newly elected on April 8, 2015 and replaced Sverker Martin-Löf.
[2] Took up the position on April 8, 2015 and replaced Bert Johansson.
[3] Took up the position on April 8, 2015 and replaced Uno Granbom.

AUDITORS

Under its Articles of Association, SSAB has one or two external auditors, or one or two registered public accounting firms. The 2015 Annual General Meeting re-elected registered accounting firm PricewaterhouseCoopers for a further year.

Authorized public accountant Magnus Svensson Henryson has been principal auditor since 2012, and also signs off on the auditors of the listed company Industrivärden. In all, PricewaterhouseCoopers are the elected auditors in 27 out of 63 companies in the Large Cap segment and in 94 out of a total of 254 companies listed on Nasdaq OMX, Stockholm.

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, goes through 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. See Note 2 in Financial reports for information regarding the auditor's fees.

REMUNERATION COMMITTEE

Duties

In addition to the chairman of the Board of Directors, the Remuneration Committee comprises one or more directors, who must normally 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 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 2015

During 2015, the Remuneration Committee held four meetings at which minutes were taken. The Remuneration Committee comprised Bengt Kjell, chairman, (who replaced Sverker Martin-Löf following the annual general meeting on April 8, 2015), John Tulloch and Kim Gran. The CEO is co-opted to the Committee, but does not participate in discussions concerning his own salary and employment terms and conditions.

AUDIT COMMITTEE

Duties

Under the Board of Directors' rules of procedure, the Audit Committee comprises at least three directors elected by the general meeting. Members of the Audit Committee may not be employees of the Company. Most of the members must be independent both of the Company and of the Company's management. At least one of the members who is independent both of the Company and of the Company's management must also be independent of the Company's major shareholders and possess accounting or auditing expertise. The Committee elects a chairman, who may not be the chairman of the Board, from among its members. 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 about 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 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 based on production processes and flows. 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 above. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of regular audit work. The Audit Committee also analyzes and elucidates significant accounting issues affecting the Group and assists the Nomination Committee in submitting proposals as regards the auditors and their fees.

Work in 2015

During 2015, the Audit Committee further developed the presentation of external financial reporting to take into account the inclusion of Rautaruukki. In addition, the Committee discussed and approved the final acquisition analysis of Rautaruukki. The Audit Committee, together with the external auditors, reviewed and analyzed the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members were Lars Westerberg (chairman), Bengt Kjell (who replaced Sverker Martin-Löf following the annual general meeting held on April 8, 2015) and Annika Lundius. In 2015, the Audit Committee held five meetings at which minutes were taken.

GROUP EXECUTIVE COMMITTEE





	Martin Lindqvist (1962)[2]	Olavi Huhtala (1962)	Charles Schmitt (1959)	Per Olof Stark (1954)	Jonas Bergstrand (1965)
	President and CEO Nationality: Swedish	Executive Vice President and Head of SSAB Europe Nationality: Finnish	Executive Vice President and Head of SSAB Americas Nationality: American	Executive Vice President and Head of SSAB Special Steels Nationality: Swedish	Executive Vice President, Legal & Strategy Nationality: Swedish
Member of the Group Executive Committee	2001	2014	2011	2014	2006
Shareholding[1]	11,709 A shares 5,400 B shares	17,578 A shares 44,873 B shares	-	2,000 A shares	10,000 B shares
Education	BSc (Economics), Uppsala University.	BSc (Engineering).	BSc (Business Administration/ Finance). The University of Texas at Arlington, two-year steel fellowship at the American Iron and Steel Institute.	MSc, KTH Royal Institute of Technology, Stockholm.	LLM, Uppsala University.
Background	Employed at SSAB since 1998. Previously: Head of business area: SSAB EMEA, Head of business area: SSAB Strip Products, CFO: SSAB AB, CFO: SSAB Strip and Chief Controller: NCC.	Employed at Rautaruukki/ SSAB since 1987. Previously: EVP: Ruukki Metals, President: Ruukki Fabrication and Executive roles in Sales and Production: Rautaruukki Metform.	Employed at IPSCO/SSAB since 1990. Previously: Several positions: US Steel Corporation and VP of the Southern Business Unit: SSAB Americas.	Employed at SSAB since 1983. Previously: Head of business unit: SSAB Wear Services, President: wholly owned subsidiary Plannja, Head of marketing: SSAB's former Plate Division, Head of business area: Europe and the US and Head of global Marketing, Head of Sales and Product development: SSAB Plate.	Employed at SSAB since 2006. Previously: Corporate counsel: ABB, OM Gruppen and Ericsson Radio Systems.

[1] Shareholdings include shares owned by closely-related persons at December 31, 2015.

[2] Neither the CEO nor any related natural or legal persons have any shareholdings or part ownership in enterprises in which the company has significant business.

Marko Somerma, former Head of Ruukki Construction and Mikael Nyquist, Head of Tibnor, were members of the GEC until February 9, 2015.

GROUP EXECUTIVE COMMITTEE





Håkan Folin (1976)	Monika Gutén[3] (1975)	Taina Kyllönen (1967)	Gregoire Parenty[3] (1962)	Martin Pei (1963)
Executive Vice President and CFO Nationality: Swedish	Executive Vice President and Head of Group Human Resources, Procurement and Shared Services Nationality: Swedish	Executive Vice President and Head of Group Communications Nationality: Finnish	Executive Vice President and Head of Market Development Nationality: French	Executive Vice President and CTO Nationality: Swedish
Member of the Group Executive Committee				
2013	2011	2014	2012	2007
Shareholding[1]				
4,000 B shares	1,000 A shares 1,500 B shares	6,188 A shares 15,798 B shares	-	300 A shares 700 B shares
Education				
MSc, KTH Royal Institute of Technology, Stockholm.	MSc (Business Administration), Stockholm University.	MSc (Economics), Aalto University, Helsinki.	Maîtrise de Sciences Economiques, Sorbonne University, MBA, Dallas University.	PhD, KTH Royal Institute of Technology, Stockholm.
Background				
Employed at SSAB since 2006. Previously: CFO: SSAB APAC, CFO: Tibnor and Head of Business Development: SSAB.	Employed at SSAB since 2007. Previously: Head of Human Resources: SSAB EMEA and Head of Business Development: SSAB.	Employed at Rautaruukki/SSAB since 2004. Previously: SVP, Marketing and Communications; SVP, Marketing; VP, Communications and Branding: Rautaruukki Corporation and VP, Investor Relations: Metso Corporation and Rauma Corporation.	Employed at SSAB since 2004. Previously: Head of Market: SSAB EMEA and Several positions: ArcelorMittal.	Employed at SSAB since 2001. Previously: Head of business area SSAB APAC, EVP, Technical Director: SSAB, Manager R&D Department: SSAB and General Manager, Slab Production: SSAB Plate.

[1] Shareholdings include shares owned by closely-related persons at December 31, 2015.

[3] Monika Gutén and Gregoire Parenty have left their positions on the Group Executive Committee as of February 1, 2016. Monika Gutén has taken up the position as Head of Tibnor Sweden and Gregoire Parenty as Head of SSAB Services. Maria Långberg has been appointed Executive Vice President and Head of HR and Sustainability and became a member of the Group Executive Committee as of February 1, 2016.

GROUP EXECUTIVE COMMITTEE

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 50 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, 2015, 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 Market Development, the Head of Legal & Strategy, the Head of Group Human Resources, the Head of Technical Development and the Head of Group Communications.

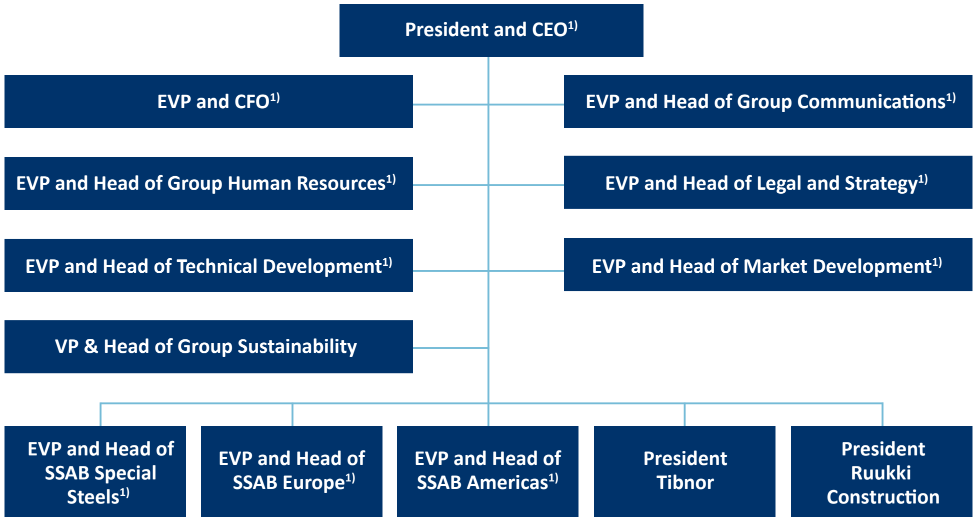
The Group Executive Committee holds monthly meetings to monitor the results and financial position of the Group and the divisions. Other matters addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each division is responsible for the relevant 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 GUIDELINES

The 2015 Annual General Meeting resolved that the remuneration of the CEO and other members of the Company's senior management comprises fixed salary, possible variable remuneration, other benefits such as a company car and pension. The total remuneration package must be on market terms and competitive in the employment market in which the executive works. Fixed salary and variable remuneration must be commensurate with the executive's responsibilities and powers. Variable remuneration must be based on results as compared with defined and measurable targets, and must be capped in relation to fixed salary. Variable remuneration is not included in the basis for the computation of pension, except where so provided in the rules of a general pension plan (for example, the Swedish ITP plan). As regards senior executives outside Sweden, all or parts of the variable remuneration may be included in the basis for pension computation due to legislation or local market practice. Programs for variable remuneration should be formulated so that the Board of Directors, where exceptional circumstances prevail, limit or omit payment of variable remuneration where this is considered reasonable and consistent with the company's responsibility to its shareholders, employees and other stakeholders. To the extent a director performs work for the company alongside his or her Board work, a consultation fee at market rates may be paid. The Board is entitled to derogate from the guidelines where there are special reasons to do so in an individual case.

Group operational management structure as at December 31, 2015



[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, is cash based, and linked to the total return on SSAB's share compared to a benchmark group of the Company's competitors. The program was introduced to promote the Company's ability to recruit and retain key employees. Reference is made to Note 2 for more information about current remuneration. The Company has no share-related incentive programs.

INTERNAL CONTROL AND RISK MANAGEMENT

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. In addition, internal control ensures, with reasonable certainty, that external financial reporting is reliable and prepared in accordance with generally accepted auditing principles, and that it complies with applicable laws and regulations and the requirements imposed on listed companies.

The Group is tasked with seeking to ensure that risks do not materialize and, through various measures, with mitigating the fallout of any loss that occurs. The Group's Risk Management organization manages the work of preventing the occurrence of loss at all, and of mitigating the effects of such loss should it nevertheless occur. Each division and subsidiary is responsible for working proactively to prevent loss. Each division has appointed a coordinating risk manager.

SSAB Risk Management manages risks relating to injury, and damage to property and the environment (insurable risks) to which the Group is exposed and which are associated with the Company's operations. The possibility to take out insurance is to be regarded as one of several tools to mitigate the effects of any injury or damage which occurs.

The Group Risk Manager is functionally responsible for the Group's risk works and collaborates with the respective risk manager from each division to optimize the work from a joint Group perspective. This work is conducted in, for example, a Risk Forum, which meets regularly to discuss topical risk management issues and insurances.

SUSTAINABILITY RISKS

SSAB is responsible for not only how it runs its own operations and the working conditions of its employees, but also for the overall social impact of its operations. This means assuming responsibility for how all the links in the Company's value chain are managed, from supplier to future use of the company's products. It is also about companies minimizing their environmental footprint by improving the efficiency of their production processes and working practices, as well as developing products that contribute to reduced emissions and lower environmental impacts.

Since fall 2014, SSAB has had a VP & Head of Group Sustainability, who reports directly to the CEO and who is tasked with coordinating and driving sustainability issues at the Group level. At the Group level, the Head of Group Sustainability heads a Sustainability Management Team, whose members create a network of expertise within, for example, HR, the environment, health and safety, and business ethics. A Sustainability Board, comprising members of the Group Executive Committee and the Chief Strategy Officer, was established in fall 2014 to consider various sustainability issues and to prepare a basis for decision-making for the Group Executive Committee. A decision was taken in September 2015 to replace the Sustainability Board by quarterly meetings with the entire Group Executive Committee and the Chief Strategy Officer. This change in the way of working will ensure the entire Group Executive Committee is involved and engaged in sustainability work. Besides the Head of Group Sustainability, also some members of the Sustainability Management Team attend the quarterly meetings depending on the sustainability issues in focus.

INTERNAL AUDIT

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate to the Chief Financial Officer. Internal audit activities are aimed at 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 decided by the Audit Committee.

Most of the work is performed by means of audits in accordance with the audit plan. Other work largely consists of specific audits and the monitoring of self-assessments in the Group as regards internal control.

Audits are performed in accordance with a submitted and adopted audit process which is constantly developed in order to optimize the way of working and delivery of reports which generate added value. These reports describe observations, recommendations and improvement areas, with the aim of strengthening and enhancing efficiency in risk management and internal control. In addition, the function also performs audits on instruction from management or as required for other reasons. For a further description of internal audit work in 2015, see the next section "The Board's description of internal control and risk management regarding financial reporting".

During the year, internal audit performed a number of audits of subsidiaries according to the Company's manual to audit the risks of fraud and corruption. Whilst these audits have shown no concrete irregularities, opportunities have been identified to reduce risks from this perspective. These improvement opportunities will be solved in accordance with action plans drawn up.

To further strengthen internal control and risk management, a whistleblower function is in place to enable the reporting of serious improprieties and violations of the Group's Code of Conduct. This function is aimed, among other things, at guaranteeing safety in the workplace, upholding sound business ethics and curbing economic irregularities within SSAB to the benefit of the Company's employees, customers, suppliers and owners.

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. This description has been prepared in accordance with the Annual Reports Act.

Framework for internal control as regards financial reporting

SSAB's financial reporting model is based on the internationally established framework, Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

SSAB's internal control process regarding financial reporting is based on five components: control environment, risk assessment, control activities, information and communication, and monitoring. SSAB's internal control process is structured to reasonably ensure the quality and accuracy of financial reporting, and to ensure that reporting is prepared in compliance with applicable laws and regulations, accounting standards, as well with requirements imposed on listed companies in Sweden.

To achieve this, there must be a sound control environment, reliable risk assessments, established control activities, as well as the satisfactory functioning of 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 heads of divisions.

The quality of financial reporting is ensured through a number of different measures and routines. Work takes place regularly on further developing manuals and policies for the entire Group. Among other things, there is a Group accounting manual (Financial Guidelines), which is regularly updated and communicated across the Group. Apart from the Financial Guidelines, the Group's most important overall control documents are the Finance Policy, Investment Policy, Information Policy, authorization rules and the Code of Conduct. During the year, the Code of Conduct was updated and adopted by the Board of Directors.

All divisions have adopted guidelines on business ethics. Work on communicating the Group's Code of Conduct continued during 2015 and by the turn of 2015/2016, 75% of employees had completed the Group's internal training module on business ethics.

Risk assessment

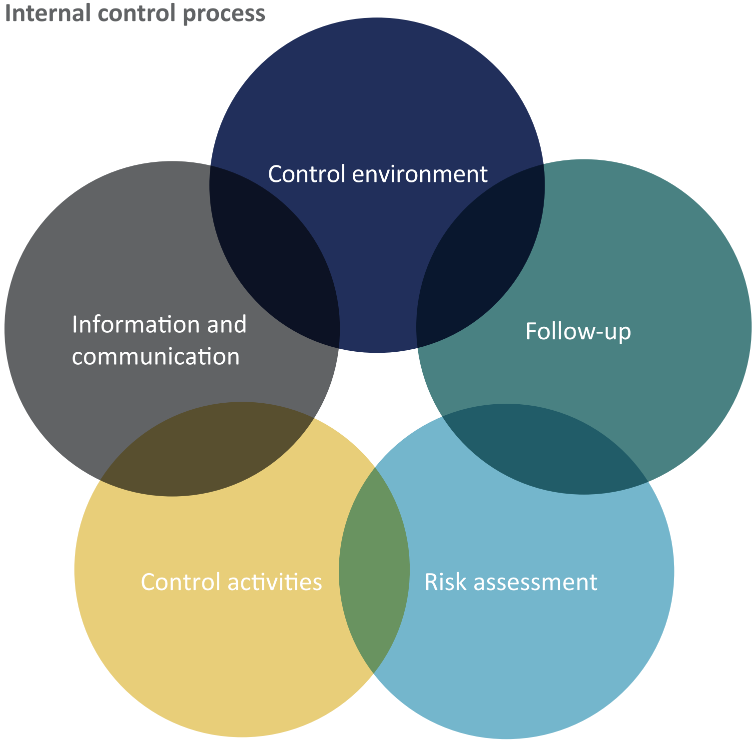
SSAB's organization is exposed to both internal and external risks. To reasonably ensure sound internal control, the risks which may affect financial reporting are identified and weighed up, and measures are taken accordingly. This constitutes an integrated part of the regular reporting to the Group Executive Committee and to the Board of Directors, and also constitutes the basis for assessing the risk of error in financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. Risk assessment therefore takes place largely within these processes. Only general risk assessments take place at the Group level. The persons responsible identify, monitor and follow up risks. This creates the conditions for well-founded, correct business decisions at all levels. Financial risks, such as currency, re-financing and counterparty, interest rate and credit risks are dealt with primarily by the parent company's treasury function in accordance with the Group's Finance Policy (See Note 29 in Financial reports). For an overview of the Group's commercial risk exposure, see also the section "Internal control and risk management" above and the Report of the Board of Directors.

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 rectify significant risks associated with financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place at a 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.

Recent years have seen an in-depth analysis carried out of the processes and control structures in Group companies. This has resulted in 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 working has been implemented in a system covering the entire Group which is used when verifying the reliability of financial reporting. During 2015, work started

Internal control process



on merging this way of working and system in the acquired company Rautaruukki. A similar system has been in use in the American operations for some time.

The Group has a joint consolidation system where all legal entities report. This provides sound internal control of financial reporting.

Control activities are carried out at all levels across the Group. For example, there are established 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.

Work on closing the accounts and on the annual report involves processes in which additional risks of error in financial reporting arise. This work is less repetitive by nature and contains several elements of an assessment nature. Important control activities include ensuring the existence of a well-functioning reporting structure where the divisions report in accordance with standardized reporting templates, and where important income statement and balance sheet items are specified and commented on.

Information and communication

EXTERNALLY

SSAB's communications must be correct, open, prompt and available simultaneously to all stakeholders. All communications must take place in compliance with the rules of Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, and in compliance with other regulations. Financial information must provide the capital and stock markets, as well as existing and potential shareholders, with a comprehensive and clear view of the Company, its operations, strategy and financial performance.

The Board of Directors approves the Group's annual and half-yearly reports, and instructs the CEO, in accordance with the Board's rules of procedure, to issue quarterly reports and year-end results. All financial reports and press releases are published on www.ssab.com simultaneously with disclosure via Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, and notification to Finansinspektionen, Sweden's financial supervisory authority.

Financial information about the Group may be provided only by the CEO, CFO, Head of Group Communications and Head of Investor Relations. The divisions disseminate financial information about their operations only after the Group has published corresponding information.

The Company applies silent periods during which it does not communicate information about the Company's performance. Silent periods are three weeks prior to publication of the results for the year-end, half-yearly and quarterly reports.

In the event of a leakage of price-sensitive information or upon the occurrence of special events that may affect the valuation of the Company, Nasdaq OMX Stockholm and Nasdaq OMX Helsinki must be notified, after which a press release containing corresponding information will be sent out. Informational activities are governed by the Company's information policy

INTERNALLY

The local intranets, where information is constantly published, constitute important communications channels within the Company. Regular joint accounting meetings are held with divisional chief financial officers. This is how the divisions are updated about the news and changes within, among other things, accounting, routines and internal control with respect to financial reporting. In addition, the parent company regularly communicates changes in joint Group accounting principles and policies, as well as other matters relevant to financial reporting.

Monitoring

The Board of Directors' monitoring of internal control with respect to financial reporting takes place primarily through the Audit Committee by, among other things, monitoring the work of and reports issued by the internal and external auditors.

During 2015, internal audit conducted regular and independent audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The audit plan for 2015 was based on a risk analysis approved by the Group Executive Committee and subsequently adopted by the Audit Committee. The reviews were conducted in accordance with an adopted audit process and formally concluded with a report and planned follow-up. The result has been regularly submitted to divisional heads and the Audit Committee as regards observations, measures taken and implementation status.

Each year, the external auditors monitor selected parts of internal control within the scope of the statutory audit.

The external auditors report the results of their review to the Audit Committee and the Group Executive Committee. Major observations are also reported directly to the Board of Directors.

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, Industrivärden and Solidium Oy have 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, 2015, Industrivärden's holding account for 17.7% of the total voting rights and 10.7% of the total number of shares. As at December 31, 2015, Solidium's holding accounted for 10.1% of the total voting rights and 17.1% of the total number of shares.
- There are no restrictions on the number of votes that each shareholder may cast at a general meeting.
- Under the Articles of Association, the directors are appointed at the Company's annual general meeting. The Articles of Association contain no provisions regarding the removal of directors or the amendment of the Articles of Association.
- The 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 the annual general meeting is to be held
  - notice of the meeting and how to register
  - the resolutions to be proposed to the annual general meeting
- Information from SSAB's previous annual general meetings (since 2005), including notices, minutes, addresses by the CEO and releases
- Articles of Association
- Corporate governance reports from previous years
- Information about the Nomination Committee

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the annual meeting of the shareholders of SSAB AB (publ), corporate identity number 556016-3429

It is the Board of Directors who is responsible for the Corporate governance report for the year 2015 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate governance report and based on that reading and our knowledge of the company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate governance report 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.

In our opinion, the Corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, February 18, 2016
PricewaterhouseCoopers AB
Magnus Svensson Henryson
Authorized Public Accountant

GRI REPORT

SUSTAINABILITY REPORTING 2015

SSAB's GRI Report 2015 has been prepared in accordance with the "Core" option of the GRI (Global Reporting Initiative) G4 guidelines. It comprises information on SSAB's sustainability related targets, activities and performance during 2015. SSAB's 2015 Annual Report consists of the Business review, Financial reports, GRI report and Corporate governance report. The GRI report is intended to be read together with the other sections of SSAB's 2015 Annual Report, where more information with regard to SSAB's business, strategy, financial performance and corporate governance is published. The other sections include some of the GRI G4 Disclosures according to GRI G4 Guidelines.

The GRI report defines the scope and principles of SSAB's sustainability reporting, describes the selected material aspects, aspect boundaries and indicators. It includes the Management Approach of the selected material aspects and information on the GRI Disclosures, which are not reported elsewhere in the SSAB's 2015 Annual Report. The GRI content index at the end of this report specifies where the information for each aspect and indicator can be found and explains any omissions to the reported data. The 2015 Annual Report also constitutes Communication on Progress (CoP) reporting to UN's Global Compact, where activities and results related to Global Compact´s principles are reported.

The information disclosed in this report focuses on material information and data, whereas more comprehensive sustainability information is available on SSAB's sustainability website.

SSAB's 2015 Annual Report is published in English, Swedish and Finnish in a pdf format that is available on SSAB's website. SSAB reports about its sustainability performance annually.

SSAB's Investors website

MATERIALITY ANALYSIS PROCESS AND RESULTS

SSAB has conducted a materiality analysis to define its most relevant and material sustainability aspects. The materiality analysis defined 12 aspects that form the base for SSAB's sustainability strategy and work. These aspects were divided into three sustainability focus areas: sustainable offering, sustainable operations and responsible partner. Following the combination between SSAB and Rautaruukki in 2014, a renewed sustainability strategy and targets for SSAB were defined and published in May 2015. The results of the materiality analysis formed a platform to define the sustainability strategy and targets as well as served as a tool to define the scope and boundaries of SSAB's GRI reporting.

G4-18: Process for defining report content and aspect boundaries

Material aspects were identified and prioritized in a process that involved external and internal stakeholders. The process is described briefly below.

INVENTORY AND MAPPING OF RELEVANT SUSTAINABILITY TOPICS AND IMPACTS

As a first step, SSAB conducted a background analysis to identify trends and global drivers. This analysis combined with internal workshops, served to identify all relevant aspects throughout SSAB's value chain, both upstream and downstream. Against the background of the value chain, relevant sub-activities and related sustainability impacts from an environmental, economic and social perspective were identified.

STAKEHOLDER DIALOGUE AND PRIORITIZATION OF MATERIAL ASPECTS

As a second step, the aspects identified in the background analysis were evaluated and ranked according to importance from the perspectives of both SSAB and external stakeholders. This was done through interviews with external stakeholders (customers, suppliers, investors, NGOs, industry associations) and a web-survey with key external and internal stakeholders to further prioritize the aspects. The results of the dialog with internal and external stakeholders were then evaluated in workshops with internal experts, and confirmed in SSAB's Group Executive Committee.

As a result of the materiality assessment, SSAB identified the following aspects as being material.

SUSTAINABLE OFFERING

Potential of SSAB´s products and solutions, including high-strength steels

There are significant environmental benefits to be gained when upgrading to high-strength steels. Since high-strength steels are stronger than ordinary steels, less steel is needed to produce a specific steel application. This reduces the emissions from steel production. "Moving applications," such as vehicles, excavators and cranes, made of high-strength steels have less weight, which in turn cuts fuel consumption or increases their payload. Stronger steel also means extended product lifetime, thereby also reducing emissions.

Customer satisfaction

Customer satisfaction is a measure of how products and services supplied by a company meet or exceed customer expectations. In a competitive marketplace, customer satisfaction is seen as a key differentiator and key element of business strategy. Today, various aspects of sustainability – product lifecycle approach, material- and energy-efficient processes, and a responsible value chain – are increasingly important parameters impacting overall customer satisfaction.

SUSTAINABLE OPERATIONS

Health & safety

Steel production includes exposed and dangerous environments. This is why it is extremely important to have a strong focus on health & safety to minimize the risks of accidents. This responsibility encompasses company employees and contractors.

Emissions from steel production

Coke and coal are used in blast furnaces to reduce iron ore in the production of crude iron. Today, it is impossible to produce new steel without generating CO_2 emissions. The process, which has been used for centuries, has been continually developed and improved to become highly efficient, and the residual energy is recovered in the form of district heating and electricity production. Scrap-based steel production emits significantly less CO_2. Since there is not enough scrap available for recycling to meet the demand for new steel, ore-based steel production using blast furnaces is still needed. Today, steel scrap meets 30% of the global demand for new steel.

Energy efficiency

Efficient use of energy is aimed at reducing the amount of energy required to provide products and services. Steel companies can reduce costs by finding alternative energy sources with less emissions, by using less purchased energy and by feeding surplus energy into the grid. From a lifecycle perspective, this also creates positive effects and saves natural resources, thereby reducing CO_2 emissions.

Material efficiency

Material efficiency means making more out of less material, resulting in increased efficiency in the use of natural resources. The production of iron and steel give rise to a range of residuals. Recirculating ferrous material back into the steelmaking process reduces the need for virgin raw materials. This in turn, reduces CO_2 emissions and saves costs. Material that cannot be recirculated internally can be processed and sold externally to create new revenue streams while reducing CO_2 emissions by substituting natural resources in other industries. For example, blast furnace slag enables the cement industry to significantly reduce their CO_2 emissions. Increasing internal recirculation of residuals and external sales of by-products will lead to reduced waste and less material will be sent to landfill.

Recycling

A critical element in reducing carbon emissions originating in the steel lifecycle is to optimize steel recycling. Steel is almost unique in its capacity to be infinitely recycled without loss of properties or performance. Steel is today the most recycled material in the world.

Competence and leadership development

It is critical for a company to attract, develop and retain people with the right competencies and mindset. To do this, it is important to work actively with performance dialogs between managers and employees, management reviews and succession planning, leadership training programs, employee development programs, diversity training and inclusion.

Diversity

One of the most important challenges today is to engage, attract and retain employees with the right skill set. The creation of a more diverse workforce with different competences, experiences and backgrounds, and a workplace where everyone has equal opportunities, will lead to a stronger company culture and help to achieve better results.

RESPONSIBLE PARTNER

Anti-corruption/Business ethics

In today's globalized world, anti-corruption and business ethics have become increasingly important for companies. Failure to address corruption, bribery and other issues related to business ethics will have negative impacts on the company's reputation and brand.

Labor/human rights in the supply chain

Today, companies are increasingly expected to take responsibility, not only for labor and human rights in their own operations, but also within their supply chain. This includes evaluating supplier risks and suppliers´ ability to address labor and human rights, including no use of child or forced labor, a healthy and safe work environment, etc. Conducting risk assessments and supply chain monitoring through self-assessment questionnaires, audits and other follow-up systems are important tools.

Financial and operational performance

SSAB believes that by managing its business in a sustainable way will increase SSAB's possibilities to deliver long-term strong financial and operational results. That is why financial and operational performance is not included in one of the three focus areas, but rather should be seen as the outcome of performing well in all three areas.

G4-19–21: Identified material aspects and aspect boundaries

The material aspects included in SSAB's 2015 GRI reporting are based on the process described earlier and are in line with the three sustainability focus areas and the aspects under each area. The GRI principles – stakeholder inclusiveness, sustainability context, materiality and completeness – were taken into consideration throughout the process. The aspects and indicators related to each focus area are presented in the adjacent table, which also defines the aspect boundaries.

G4-19–21 Identified material aspects and aspect boundaries

MATERIAL SUSTAINABILITY ASPECTS DEFINED IN THE MATERIALITY ANALYSIS	MATERIAL ASPECTS IN GRI G4 REPORTING	ASPECT BOUNDARY WITHIN THE ORGANIZATION	ASPECT BOUNDARY OUTSIDE THE ORGANIZATION	REPORTED INDICATORS
Sustainable offering				
Potential of SSAB´s products and solutions, incl. high strength steels	G4 – EN Products and services	SSAB Group	Customers	G4-EN27
Customer satisfaction	No relevant aspect in GRI, reported in Business Review			
Sustainable operations				
Health & Safety	G4-LA Occupational health and safety	SSAB Group	Contractors	G4-LA5, G4-LA6
Emissions from steel production	G4-EN Emissions	SSAB's production sites		G4-EN15, EN16, EN17, EN18, EN19, EN21
Energy efficiency	G4-EN Energy	SSAB's production sites		G4-EN3, EN5, EN6
Material efficiency	G4-EN Materials, G4-EN Effluents and waste	SSAB's production sites		G4-EN1, EN2, EN23
Recycling	G4-EN Materials, G4- EN Effluents and waste	SSAB's production sites		G4-EN1, EN2, EN23
Competence and leadership development	G4-LA Employment G4-LA Training and education	SSAB Group		G4-LA1, LA10
Diversity	G4-LA Diversity and equal opportunity	SSAB Group		LA12
Responsible partner				
Anti-corruption/Business ethics	G4-SO Anti-corruption	SSAB Group	Suppliers	G4-SO4
Labor/human rights in the supply chain	G4-LA Supplier assessment for labor practices G4-HR Supplier assessment for human rights		Suppliers	
Other aspects reported				
Category: Environmental	G4-EN Water	SSAB's production sites		G4-EN8

Reporting scope and data collection
The scope of SSAB's GRI reporting is the SSAB Group and it excludes associated companies and joint ventures as well as subcontractors and suppliers of goods and services, unless otherwise stated.

The financial information describing economic responsibility in this report is based on SSAB's consolidated financial statements and is subject to audit.

Information about the personnel has been collected from the company's corporate-wide personnel information systems. Unless otherwise stated, the data referred to in this report covers the whole of SSAB.

SSAB combined with Rautaruukki in 2014 and in order to be able to report on the combined company's environmental performance, SSAB developed environmental data collection at the Group level in 2015. A new data system has now been used to collect and analyze data from all sites that contribute significantly to SSAB's environmental impacts. The scope of the environmental data reported in 2014 included Swedish and Finnish steel production and only energy consumption and direct CO_2 emissions for North American steel production. In this year's reporting, North Americas' other environmental data are also included. In addition, reporting for 2015 includes more sites and more environmental indicators compared to 2014. The following sites are included in the environmental reporting scope in 2015:

- **SSAB Special Steels:** Oxelösund in Sweden
- **SSAB Europe:** Luleå, Borlänge, Finspång and Virsbo in Sweden, Raahe, Hämeenlinna, Kankaanpää, Lappohja, Oulainen, Pulkkila, Toijala in Finland
- **SSAB Americas:** Mobile in Alabama and Montpelier in Iowa, US
- **Ruukki Construction:** Peräseinäjoki and Ylivieska in Finland, Järnforsen in Sweden, Gargzdai in Lithuania and Oborniki in Poland, Obninsk and Balabanovo in Russia
- **Tibnor:** Köping in Sweden

These sites cover the following operations: all steel mills, all rolling mills, all coating lines, all tube mills and cut-to-length (CTL) lines, which are located at sites with aforementioned operations. The environmental data for 2011–2014 have been restated to include the same units as the 2015 data.

This GRI report has not been verified by an external party. The data have been checked by comparing them with the data for previous years at both the site and corporate level. Any divergences have been analyzed. Figures in brackets refer to the comparison period 2014.

SUSTAINABILITY MANAGEMENT APPROACH (G4-DMA)

SSAB has had a Group-level sustainability function since September 1, 2014 with the mission to strengthen the coordination of sustainability efforts across the company. The aim is both to maximize the business value of sustainability initiatives and minimize the negative impacts of SSAB's business and operations and to better mitigate risks related to sustainability.

SSAB'S SUSTAINABILITY ORGANIZATION

SSAB's Executive Vice President and Head of HR and Sustainability is responsible for coordinating and driving sustainability work at the Group level. She is a member of the Group Executive Committee and reports directly to the President & CEO of SSAB. SSAB's Sustainability Management Team creates a network of expertise within critical sustainability areas, with the responsibility to coordinate and drive SSAB's sustainability initiatives. Sustainability issues are frequently on SSAB´s Group Executive Committee's agenda to ensure the close involvement of top management in important sustainability issues.

In practice, sustainability is integrated into the day-to-day work at production sites, global divisions and support functions. Each member of the Sustainability Management Team works closely with relevant people across the organization to ensure the involvement of key experts and divisional representation in the sustainability work.

To support work related to environmental issues, SSAB has an Environmental Council, which includes representatives from each division and the main production sites as well as SSAB's subsidiaries, Ruukki Construction, Tibnor and Merox. The Council is chaired by SSAB's Head of Environmental Affairs, who is also a member of the Sustainability Management Team. In issues related to responsible sourcing, the Director of Business Ethics works together with the procurement department.

SSAB ties sustainability issues, such as safety KPIs, to remuneration. For example, internal safety targets are part of bonus plans for selected employee groups and top management. Individual performance targets might also include targets for emissions reductions or other sustainability-related topics for selected employee groups.

POLICIES AND GUIDELINES

SSAB's vision and values are the foundation for SSAB's company culture and form the basis for policies and governing guidelines. The Code of Conduct, the Environmental Policy and the Health & Safety Policy are the most important Group policies governing sustainability issues. More information on policies and guidelines are in the Responsible Partner section in Business Review.

Business review, Responsible business practices

MANAGEMENT SYSTEMS AND TOOLS

Management systems and action plans ensure the Group systematically carries out its work on critical sustainability issues. Several different management systems and tools are used to effectively control operations in accordance with SSAB's Code of Conduct, Environmental Policy and Health & Safety Policy.

Systems developed in-house, as well as third party certified systems, are in place. Safety management systems for systematic health and safety work have been implemented at all production sites. OHSAS 18001 is one of the systems used. Environmental and climate work takes place primarily within the scope of the ISO 14001 environmental management standard and through local energy management systems.

SSAB's internal risk control and internal audits also cover work environment and environmental risks. To encourage reporting on any irregularities and suspected unlawful activities, SSAB has implemented a whistleblower function and business ethics training for all employees. Working with a responsible supply chain, environmental aspects and social issues are integrated into purchasing systems.

EVALUATION OF THE MANAGEMENT APPROACH

The management approach of each aspect is assessed as part of SSAB's sustainability management process and policies, guidelines and processes are improved accordingly to ensure achievement of the targets and to continuously improve SSAB's sustainability performance.

STAKEHOLDER ENGAGEMENT (G4-24-27)

SSAB has many different stakeholders , who are important in work to define sustainability priorities. Key stakeholders are those that are impacted by SSAB's operations and activities and, who similarly impact SSAB.

The following groups are considered as the most important stakeholder groups:

- Existing and potential customers
- Existing and potential employees
- Shareholders, investors and financiers
- Suppliers
- Local communities near SSAB's production sites
- Public agencies and organizations

Other stakeholders SSAB interacts actively with include the media, regulators, various research bodies and partner organizations, research institutes, universities and vocational schools.

CONTINUOUS DIALOG WITH STAKEHOLDERS

SSAB aims for regular, honest and transparent interaction with its stakeholders. SSAB actively maintains and develops its stakeholder relations and draws on information obtained from stakeholders when developing its operations, products and services. Transparent and continuous dialog increases the trust in SSAB's ability to manage risks and utilize opportunities, which at the same time enhances the development of the company. Another aim of this dialog is to communicate the actions and measures taken within sustainability. At the same time, good communication is equally important from a stakeholder perspective so that SSAB can contribute to sustainability-related assessments from suppliers and customers, investors and sustainability rating agencies.

SSAB has close collaboration with its customers in application development and technical support. SSAB actively participates in trade fairs, seminars and invites customers to site visits and to the annual Swedish Steel Prize, a competition established by SSAB in 1999 to inspire and disseminate knowledge about high-strength steel and how it can be used to develop stronger, lighter and more sustainable products.

It is important for SSAB to have engaged, competent and motivated employees to create a high-performing organization. Annual performance dialogs between employees and managers are a key element in following up results, providing mutual feedback and setting targets for performance and individual development. SSAB also conducts regularly personnel surveys to measure the satisfaction and engagement of employees. The survey gives everyone the opportunity to be part of the discussion and give feedback.

SSAB engages its investors and analysts in dialog to ensure that the financial markets have correct and sufficient information to determine the value of the SSAB share. The dialog includes annual general meetings, financial reports, result conferences and webcasts, information on the company's website, press releases, investor and analyst meetings, seminars and site visits. In meetings with investors and analysts sustainability issues are also discussed, such as SSAB's sustainability strategy and management, safety, climate change and energy.

SSAB's work in sustainability extends to the whole value chain and via regular meetings with suppliers and contractors and via supplier audits SSAB maintains a dialog with important suppliers on issues related to, among other things, contracts, social and environmental responsibility, quality and delivery accuracy.

SSAB actively engages with the local communities in which it operates and is often the largest employer and significant regional force. The way SSAB works with local communities has been defined at a site level. Locally, in addition to own personnel, SSAB engages with politicians, regulators, the media and the general public, people living close to the production sites. SSAB aims to promote sustainable development of the local communities, participates in local initiatives, and sponsors selected local activities. In many places, SSAB works closely with, and organizes events, with local universities and schools to ensure future employees.

SSAB is involved in many research projects to drive technical developments and collaborates with industry associations on many topics such as emissions trading rights, as well as dealing with negotiations on permit matters related to environmental reporting.

G4-16 Memberships of Associations and National or International Advocacy Organizations

The following table lists SSAB's key memberships by country or area.

AREA OR COUNTRY	ORGANIZATIONS
Globally	worldsteel
Europe	Eurofer, Euroslag, European Coil Coating Association (ECCA), Eurometal, European Convention for Constructional Steelwork (ECCS)
North America	American Iron and Steel institute (AISI)
Sweden	Jernkontoret (The Swedish Steel Producers Association), Svenskt Näringsliv (Confederation of Swedish Enterprise), SKGS (Skogen, Kemin, Gruvorna, Stålet), Steel and Metal Wholesalers Association, the Swedish Institute of Steel Construction, Swedish Mineral Processing Research Association, Swedish Cement and Concrete Research Institute
Finland	Finnish Metal Producers, Confederation of Finnish Industries (EK), Suomen ElFi (Finnish Large Electricity Consumers), Finnish Constructional Steelwork Association, Confederations of Finnish Construction Industries, the Federation of Finnish Technology Industries, Finnish Coal Info
US	National Association of Manufacturers (NAM)

SUSTAINABILITY DATA

ECONOMIC IMPACTS

SSAB is aiming for industry-leading profitability. Achieving this depends on the company's ability to satisfy the needs of its customers better than its competitors, but also on fulfilling the expectations of other stakeholders. These include building long-term partnerships with suppliers, offering employees a safe workplace, competitive remuneration and good opportunities for personal development, as well as contributing to the well-being of the local communities in which the company operates. Long-term growth, financial stability and profitability are a foundation on which to develop and successfully deliver in the other aspects of sustainability – social and environmental responsibility.

MATERIAL ASPECT: ECONOMIC PERFORMANCE

G4-EC1 Direct economic value generated and distributed

The economic added value SSAB creates is distributed to various stakeholders in society such as shareholders, financiers, suppliers, employees the public sector (through taxes) and communities through local community projects, sponsorship and donations. The economic value retained is reinvested in the company in strategic and maintenance investments, R&D and other investments to develop the company's ability to create value. The adjacent table illustrates how the direct economic added value created by SSAB was distributed to various stakeholders in 2015 (2014).

Business review, Financial targets

SEKm	STAKEHOLDER GROUP	2015	2014	DESCRIPTION
Direct economic value generated				
Revenues	Customers	57,608	48,701	Net sales, other operating income, financial income, share of results in associated companies
Economic value distributed				
Payments to suppliers of raw materials, goods and services	Suppliers	44,292	37,857	Payments to suppliers of raw materials, goods and services
Employee wages and benefits	Employees	8,404	6,266	Employee wages and benefits (excl. employee social security taxes)
Payments to providers of capital	Shareholders and financiers	978	1,684	Dividends, interest payments and financial expenses
Payments to government	Public sector/ Society	1,396	1,467	Corporate income taxes/gross taxes (incl. employee social security taxes)
Economic value retained		2,538	1,427	Calculated as 'Direct economic value generated' less 'Economic value distributed'

SSAB is currently unable to report on community investments (donations) at a Group level.

ENVIRONMENTAL IMPACTS

Steel production is resource intensive and generates carbon dioxide (CO_2) emissions. The most significant environmental impacts arise at SSAB's production sites in Luleå, Borlänge, Oxelösund, Raahe, Hämeenlinna, Mobile and Montpelier. However, the impact on the local environment in the vicinity of SSAB's production facilities has decreased significantly over time. SSAB is committed to continuous improvement aimed at minimizing the adverse environmental impacts from the company's operations.

ENVIRONMENTAL TARGETS

SSAB's sustainability strategy includes measurable environmental targets related to CO_2 emissions, energy and waste reduction to be achieved by the end of 2019.

TARGET BY THE END OF 2019	RESULTS IN 2015
A lasting reduction of 200,000 tonnes in CO_2 emissions	During 2015, SSAB achieved approximately 40,000 tonnes or 20% of this target. The most important CO_2 saving measures were: • The switch from heavy fuel oil to LNG in Borlänge which reached its full CO_2 reduction potential during 2015 • Reduced flaring of converter gas in Luleå due to improved control and planning. CO_2 emissions have been reduced as a result of lower oil consumption at the power plant in Luleå, where more converter gas from SSAB is now used as fuel In 2015, SSAB's direct CO_2 emissions were 9,606 (9,608) thousand tonnes. Direct emissions from Nordic steel production were 8,981 (8,910) thousand tonnes, which was 0.8 % more than in 2014. This was mainly because there were more production situations such as blast furnace idling and start-ups in Luleå and Oxelösund that had an adverse impact on emissions during the year. The increase in total CO_2 emissions is temporary and will not affect the outcome of the lasting improvement actions taken to achieve the CO_2 reduction target.

TARGET BY THE END OF 2019	RESULTS IN 2015
A lasting reduction of 300 GWh in purchased energy (electricity and fuels)	During 2015, SSAB achieved approximately 60 GWh (220 TJ) or 20% of this target. The most important energy-saving measures were: • Applying the principle of continuous improvement in developing energy efficiency at production sites • Optimization of media systems for compressed air and hydraulics, as well as optimization of furnace control systems are examples of improvement activities at several SSAB sites • Natural gas, supplied as LNG, replaced oil in Borlänge to fuel one of the reheating furnaces in the hot strip mill The switch from oil to natural gas was completed in December 2014 and the main savings occurred in 2015 • The consolidation of color-coated products production from four lines to three increases the energy efficiency of the Nordic production system as a whole
A lasting improvement of 30,000 tonnes in residual utilization	During 2015, SSAB achieved approximately 6,000 tonnes or 20% of this target. The most important measures to increase the utilization of residuals were: • Basic oxygen steelmaking sludge made into briquettes for use as a raw material instead of being landfilled in Luleå. A new method for drying the sludge was developed during 2014. This method involves taking the sludge from landfill and spreading it onto a large field to dry in the sun. Trials to produce briquettes from the dried material proved very successful in 2014, and during 2015 utilization increased even further • Utilization of ladle slag in the blast furnaces was initiated in both Luleå and Raahe and increased usage is planned for the coming years

The base year for monitoring the targets referred to above is 2014.

ENVIRONMENTAL POLICY AND MANAGEMENT

SSAB ensures continuous development by monitoring environmental performance against environmental targets and the environmental management system. SSAB's environmental management is based on the Group's Environmental Policy and the international environmental and energy management system standards, ISO 14001 and for some units ISO 50001.

SSAB's Environmental Policy was updated during 2015 and includes the following items:

- SSAB promotes sustainability and is committed to continuous improvement
- SSAB strives to integrate sustainability into its operations including the evaluation of environmental risks
- SSAB's high-strength steels and products come with added value, which contributes to environmentally responsible and sustainable materials for customers' products and solutions. By using high-strength steels, SSAB customers can reduce their steel consumption, and with stronger, lighter and more sustainable products, further reduce energy consumption and environmental footprints throughout their lifecycle
- SSAB employees work in a systematic, goal-oriented and proactive manner to reduce environmental impacts including pollution prevention and waste minimization
- SSAB is committed to interacting with stakeholders and evaluating stakeholder concerns, both internally and externally
- SSAB operations are subject to ongoing environmental audits. The company regularly establishes and reviews environmental objectives and targets. Environmental reports are provided routinely to the senior management team
- SSAB has implemented and maintains environmental management systems covering policies, practices and procedures at each operating location, is committed to meeting or exceeding its compliance obligations, and is certified to the ISO 14001 standard, where applicable

In 2015, all of SSAB's manufacturing sites had third party certification for the ISO 14001 standard. Divisions, subsidiaries and sites are responsible for putting environmental protection into practice. Each production site has an environmental team or manager responsible for monitoring compliance with legislation and handling permit matters. Each SSAB employee is responsible for complying with the Environmental Policy and for integrating environmental aspects into their everyday work.

Energy efficiency management is systematically promoted at production sites, either as part of an ISO 14001 system or through a certified ISO 50001 energy management system. Internal and external audits at sites ensure that everyday practices comply with set targets. Regular management reviews also drive the environmental work.

MANAGEMENT OF ENVIRONMENTAL RISKS

Environmental risks are included in the corporate risk management process. Risk management supports the company's strategy and ensures business continuity. Emissions from normal operating conditions are controlled and subject to environmental permit limits. Regular risk analyses cover possible emissions in the event of disruption or accident. The results of this analysis serve as the basis for preventive measures and corrective actions at various levels, both in corporate governance and ways of working locally on site.

ENVIRONMENTAL PERMITS AND LEGISLATION

SSAB's operations are subject to environmental permits containing numerous environmental conditions governing various parameters regarding production levels, air emissions, discharge water effluent, and waste management. All production sites comply with relevant local, state, and federal environmental requirements and the Group holds mandatory environmental damage as well as liability insurance covering damage to third parties. SSAB records all environmental damage and other environmental non-compliances and reports them to the appropriate authorities.

ENVIRONMENTAL LEGISLATION

SSAB operates globally and is subject to many international agreements and to regulation particularly in the EU and US. SSAB actively monitors climate, environmental and energy legislation, and proactively prepares for future changes. The most significant operations in terms of environmental impact are located in Sweden, Finland and the US. The most relevant issues from SSAB's perspective relating to environmental regulation are shown here.

Climate policy and legislation

PARIS COP 21 AND CLIMATE CHANGE NEGOTIATIONS

SSAB welcomes the global agreement concluded in December in Paris. The United Nations Climate Change Conference (COP21) is important in defining the future of climate change policies. The Paris conference is a starting point for nearly all UN nations making their contributions to keep global warming below 2°C and aiming for 1.5°C. These contributions are estimated to deliver a 2.7°C increase in the global temperature, which means that further measures are needed. Since the national contributions made are not comparable to each other, the agreement lacks a level playing field that would protect the best performers in the steel industry.

For example, China has pledged to decouple emissions growth from GDP growth, whereas Europe has agreed to decrease its emissions by at least 40% compared to 1990 levels. The more balanced the national contributions are, the better competitiveness is taken into account and the risk of so-called carbon leakage is reduced. Efficient global curbing of emissions needs market mechanisms and carbon pricing. The European steel industry, which is exposed to fierce global competition, urges the next conferences of parties to create a level playing field market mechanism, as well as international measurement, reporting and verification obligations for all parties.

EU CLIMATE TARGET 2030

In October 2014, the European Council summit set new more ambitious targets for greenhouse gas emissions, renewable energy and energy efficiency for 2030. To achieve the EU target of at least 40% CO_2 reduction, the sectors covered by the EU Emissions Trading System have to reduce their emissions by 43% compared to the 2005 baseline. Regardless of the result in Paris, the European Union is committed to significant emission reductions, which will come at a high cost even for the best industry performers. The European Commission gave its proposal for the new Emissions Trading Directive in summer 2015 and now the legislative process is ongoing in the European parliament and in Member States.

The European Council summit agreed that the most efficient industrial operators exposed to international competition should not be subject to a direct or indirect cost disadvantage resulting from the EU's climate policy. For SSAB - and for all other steel producers in Europe - it is extremely important that the new directive of the EU Emissions Trading Scheme for the period of 2021-2030 creates a level playing field for efficient performers compared to our competitors outside the EU.

CURRENT TRADING PERIOD OF THE EU EMISSION TRADING SYSTEM (EU ETS)

The new EU climate target for 2030 does not affect the allocation of free allowances for CO_2 emissions for the current trading period. Nevertheless, SSAB believes that the company was awarded an insufficient number of CO_2 allowances both in Sweden and Finland for the current trading period of 2013–2020. Thus, SSAB has appealed the current decision on free allocations to the Swedish Land and Environmental Court and the Finnish Supreme Administrative Court respectively. Both courts have requested a preliminary ruling from the EU Court of Justice (ECJ). SSAB Finland will have its hearing presumably in the first half of 2016.

US CLIMATE ACTION PLAN

In August 2015, the US Environmental Protection Agency (EPA) finalized new standards that aim to reduce carbon emissions from existing power plants. These standards are known as the Clean Power Plan and have been developed under the Clean Air Act. The EPA estimates that in 2030, the Clean Power Plan will result in a 32% reduction in CO_2 emissions from the electric power sector in the US compared to 2005 levels. The Clean Power Plan sets different reduction targets for each individual state and each state must submit an individual state plan or multi-state plan, or request an extension, by September 2016. Industry groups and 24 states have already filed lawsuits challenging the Clean Power Plan. Republican lawmakers have introduced several legislative proposals in the US Congress to overturn or delay the regulation.

Environmental protection legislation

EU CIRCULAR ECONOMY

The steel industry welcomes the EU Circular Economy Package, which was published in December 2015. The package sets out the objectives, tools and methodologies that should be used to ensure that steel products can be efficiently produced, used, reused, recovered and recycled in a constant loop. Steel is a 100% recyclable permanent material. The Package includes new measures encouraging the use of durable, resource-efficient and recyclable products in Member States. This should also expand the market of high-strength steels and wear-resistant steels provided by SSAB.

EU INDUSTRIAL EMISSIONS DIRECTIVE

SSAB's operations are subject to environmental permits with environmental conditions governing various parameters regarding production levels, air emissions, water effluent and waste management. Several SSAB production sites have operations that require environmental permits. SSAB's Nordic production facilities are subject to the European Industrial Emissions Directive (IED) and preparations to comply with these requirements are in progress primarily in Luleå and Oxelösund, Sweden and in Raahe, Finland.
In connection with the IED, the Best Available Techniques (BAT) Reference Documents are to be followed. The Iron and Steel Production (IS) BREF document was updated in 2012. Large Combustion Plants (LCP) will be finalized 2016/2017. Other steel industry specific documents, like Surface Treatment Using Organic Solvents (STS) and the Ferrous Metals Processing Industry (FMP) are under early stage of revision.

SULPHUR DIRECTIVE

Sulphur Emission Control Areas (SECA) for maritime traffic in the Baltic Sea, North Sea, English Channel and the Atlantic seaboard of the US mean that the sulphur content in fuels for vessels may not exceed 0.1%. The amended Sulphur Directive entered into force on January 1, 2015.

The Sulphur Directive is an important act toward achieving a sustainable environment. This includes, however, an increased cost for SSAB due to our location in the SECA area. That is why SSAB seeks ways to minimize the cost impact of the Sulphur Directive by route and transport mode optimization, transport efficiency management, minimizing empty runs, improving loading rates, subcontractor management and changes in contract structures, e.g., fuel and bunker efficiency clauses.

REACH

REACH, the European Union's chemicals regulation, aims to improve the protection of human health and the environment against the risks of chemicals and to enhance the competitiveness of the EU chemical industry. SSAB manufacturers, imports and uses substances and articles to which REACH applies. We submit information about the registration of substances and of any hazardous substances in the supply chain. SSAB employs a safety data sheet management system to improve management of up-to-date information about the use of chemicals. In addition, SSAB communicates with stakeholders about any requirements regarding REACH and SSAB's products when obligations change. SSAB works together with the supply chain to replace substances regulated by REACH with safer ones as soon as possible. Queries about REACH matters can be submitted to reach@ssab.com.

OZONE NATIONAL AMBIENT AIR QUALITY STANDARDS (NAAQS) – US

In October 2015, the Environmental Protection Agency (EPA) issued its final rule to revise the National Ambient Air Quality standards (NAAQS) for ozone. The rule sets the primary air quality standard for ozone at 70 parts per billion (ppb) averaged over 8 hours and expands the monitoring season. Domestic manufacturers are concerned that some locations in the US may violate the ozone standards due to background concentrations and advocate that the current standard of 75 ppb be maintained. Legislative efforts are underway in both chambers of Congress to prohibit the EPA from implementing the new regulations until 85% of the counties currently in non-attainment achieve compliance with the existing standard.

WATERS OF THE US (WOTUS)

In May 2015, the US Environmental Protection Agency (EPA) and US Army Corps of Engineers (Corps) released their final rule defining "waters of the US" (WOTUS) subject to federal regulation under the Clean Water Act (CWA). The rule is an attempt by the agencies to provide clarity to the definition of such waters following Supreme Court decisions on the matter in 2001 and 2006. Instead of facilitating efficient and effective regulatory protections for the country's navigable waters, the final rule will broaden EPA and Corps jurisdiction. This could result in an increased need for permits and the potential for litigation that will negatively impact the operations of key aspects of economy. Further permitting delays can result in lost opportunities for economic growth and job creation. The rule is subject to a number of lawsuits across the country from states and stakeholder groups.

Energy and electricity market legislation

EU ENERGY UNION

The EU Commission issued its first package for implementing an EU-wide energy union in July 2015. The package includes, among other things, communication and consultation for electricity market design. The aim is to create an efficient electricity market by, for example, improving price signal steering. SSAB believes that the energy only market model is the best way to secure a well-functioning electricity market. Prices will reflect the scarcity of available transmission or production capacity in energy-only markets. The possibility to actively participate in the market through the right price signals should be provided.

EU'S ENERGY EFFICIENCY DIRECTIVE

The European Council summit has set a target to increase energy efficiency by at least 27% by 2030, based on the 2005 baseline. In order for the EU to achieve this target, the industry needs to meet with the requirements that are implemented in the legislation at a national level. SSAB regularly carries out energy audits at sites and works systematically to continuously identify energy savings, which is in line with the European Energy Efficiency Directive (EED). A review of the EED is anticipated in the second half of 2016.

MATERIAL ENVIRONMENTAL ASPECTS AND SCOPE OF DATA

SSAB's most material environmental aspects were defined in materiality analysis process conducted in the end of 2014 and they are: materials, energy, emissions and waste. In addition to these, water is also included as a reported aspect, because of its growing importance as an environmental aspect also in steel industry. The scope of environmental data and data collection process are described on page 5 of this report.

MATERIAL ASPECT: MATERIALS

G4-EN1 Materials used by weight

Steel production requires large amounts of raw materials. The key raw materials needed in steelmaking include iron ore, coal, limestone, different alloys and scrap steel. Iron ore and coal are the main raw materials required for SSAB's steel production operations in Sweden and Finland. Scrap metal is the most important raw material for SSAB's steel production operations in the US. In 2015, SSAB used a total of 14.7 (15.3) million tonnes of raw materials.

EN1 - Materials used by weight (thousand tonnes)	2015	2014	2013	2012	2011
Iron ore pellets	7,016	6,991	6,717	6,663	6,799
Reducing agents[1]	2,438	2,415	2,315	2,271	2,416
Scrap (external + internal)	3,565	4,171	3,936	3,639	4,024
Recycled materials	838	916	877	705	460
Slag formers[2]	643	679	601	596	728
Alloys	103	108	100	99	102
Metal and organic coatings	48	47	56	48	46
Non-renewable materials, total	14,651	15,328	14,602	14,020	14,575

[1]Coke, coal and other reducing agents, such as oil
[2]Limestone, burnt lime, dolomite, carbide, etc.

G4-EN2 Percentage of materials used that are recycled input materials

SSAB promotes the use of materials originating from its production in its own processes.

The production of iron and steel gives rise to a range of residuals. Recirculating material back into the steelmaking process reduces the need for virgin raw materials. This in turn, reduces CO_2 emissions and waste. Material that cannot be recirculated internally can be processed into by-products and sold externally, reducing CO_2 emissions by substituting natural resources in other industries.

In 2015, 3.6 (3.3) million tonnes of residuals from the iron ore-based steel production were utilized, internally or externally. This is about 92 (84)% of all residuals produced in the iron ore-based production. In 2015, 1.4 (1.2) million tonnes of by-products were sold externally.

This is how the residuals are utilized:

- Iron containing residuals are returned to the blast furnace or the steelworks to substitute iron ore
- Steel slag is utilized in the blast furnace to substitute lime
- Blast furnace slag is utilized in the cement industry to substitute lime
- Slags are sold for road construction to reduce the use of natural aggregates
- Certain slags are utilized as a soil conditioner in agriculture
- Benzene, sulfur and coal tar are utilized in the chemical industry as raw materials

ACTIONS TAKEN IN 2015 TO INCREASE THE UTILIZATION OF RESIDUALS

SSAB has set a target to increase the utilization of residuals by improving the internal recirculation of material and external sales of by-products. The target is to achieve a lasting improvement in residual utilization by 30,000 tonnes, reducing the amount of material being sent to landfill by the end of 2019, compared to the 2014 baseline. During 2015, SSAB achieved approximately 6,000 tonnes or 20 % of this target.

The most important measures to increase the utilization of residuals were:

- Basic oxygen steelmaking sludge made into briquettes for use as a raw material instead of being landfilled in Luleå. A new method for drying the sludge was developed during 2014. This method involves taking the sludge from landfill and spreading it onto a large field to dry in the sun. Trials to produce briquettes from the dried material proved very successful in 2014, and during 2015 utilization increased even further
- Utilization of ladle slag in the blast furnaces was initiated in both Luleå and Raahe and increased usage is planned for the coming years

SCRAP USED IN STEEL PRODUCTION

Recycled steel has a big impact on reducing the environmental footprint of the product's lifecycle. It replaces the iron ore as input material in iron and steel-making. In 2015, SSAB used 2.6 (3.0) million tonnes of external scrap and 1.0 (1.2) million tonnes of internal recycled scrap, which equates to an average of 43% of recycled steel used in all of SSAB's steel production. SSAB uses approximately 20% of scrap metal in conjunction with steel production in the Nordics, and nearly 100% in the US.

Residuals and waste from steel production (thousand tonnes)	2015	2014	2013	2012	2011
Residuals from ore-based steel production					
Residuals, total	3,875	3,913	3,726	3,616	3,443
Utilized internally or externally	3,568	3,277	3,158	3,086	3,035
Residuals from scrap-based steel production					
Residuals, total	708	760	724	728	607
Utilized internally or externally	646	667	663	649	539

MATERIAL ASPECT: WASTE

SSAB is continuously focusing on reducing the amount of material being sent to landfills. The key to waste reduction is to refine residuals from steelmaking processes into raw materials that can be reused as well as developing new by-products that can be sold outside of SSAB.

There are waste products from the production processes for which there is currently no environmentally or economically justifiable application and which need to be removed from the processing cycle on environmental grounds. At SSAB, this type of waste is e.g. flue gas sludge that cannot be utilized due to its physical and chemical characteristics.

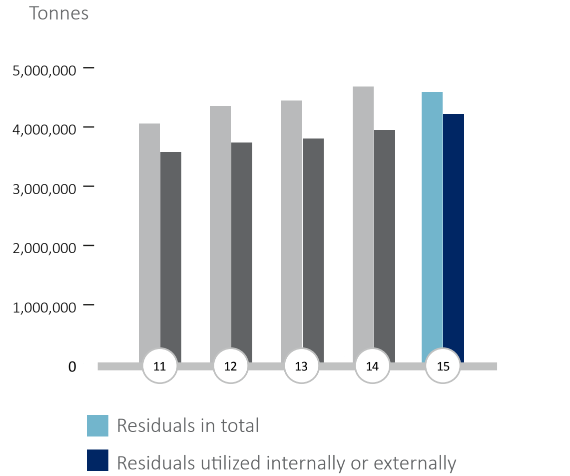
The management and monitoring of the company's landfill sites are strictly regulated by laws and governmental authorities. Deposited waste must be handled in such a way that these resources, too, might be utilized in the future.

SSAB Americas does not own or operate waste transportation equipment or landfills and deals only with government-approved landfills. Materials are tested and classified as waste before being sent to a landfill. The testing is conducted by a specialized third party contractor.

EN23 – Total weight of waste
Waste that originates from SSAB's operations and requires either being sent to landfill or to external recipients is processed in compliance with valid regulations. The recipients employed have been approved and have the necessary permits. SSAB's major production sites collaborate with partners who guide the choice of recipient to ensure maximum efficiency, both from the environmental and financial perspective, in removal. This means recipients may vary from time to time. The greatest focus is on hazardous waste, such as oily waste, including used oil, grease, sludge and emulsions, which are often disposed of through combustion and where energy recycling is sought.

EN23 – Total weight of waste by type (thousand tonnes)	2015	2014	2013	2012	2011
Industrial waste to landfill	319	397	415	423	314
Hazardous waste	48	52	50	52	56
Non-hazardous waste	266	220	200	235	113

Residuals from steel production and the amount utilized[1)]



[1)] Landfill disposal and changes in stock account for the difference between the total amount of residuals and the amount utilized internally and externally

MATERIAL ASPECT: ENERGY

SSAB's production processes are energy intensive. Systematic energy efficiency management and energy recovery at all sites, as well as production of electricity from process gases at steel mills, ensure efficient use of energy and lower emissions. SSAB has signed up for different official energy savings programs such as Motiva's energy efficiency agreement in Finland.

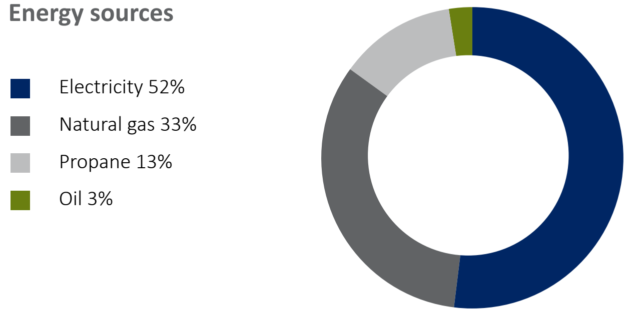
ENERGY SOURCES USED BY SSAB

The main fuels used at SSAB's production sites are process gases, natural gas, propane and, for the time being, also heavy fuel oil. Process gases from SSAB's coke oven plants and blast furnaces are used primarily to replace external fuels in ovens and secondarily to produce electricity in power plants. Natural gas, propane and oil are used to heat up furnaces.

To compensate fossil fuel use, SSAB's aim is for a significant share of the electricity it buys from external supplies to come from renewable energy sources. Consequently, SSAB has purchased "guarantees of origin" (GoO) regarding renewable electricity for the share of electricity it buys externally in the Nordic countries. A GoO means that at least 50% of the electricity SSAB buys on the Nordic electricity market is derived from renewable electricity and that a minimum of 30% is hydroelectricity and a minimum of 20% is wind power.

SSAB is dependent on a steady supply of electricity at competitive prices throughout the year. This is why SSAB considers that nuclear power is needed on the Nordic electricity market. It is in this context and with this in mind that SSAB has a 3% shareholding in the Finnish Fennovoima project, which plans to build a nuclear power plant in northern Finland.

Energy sources



ENERGY RECOVERY AT STEEL MILLS

Process gases like blast furnace gas, coke oven gas and converter gas are generated in the iron- and steelmaking processes. Steam and hot water are also produced. These energy flows can be fully recovered to generate electricity and heat, thereby saving fuel resources. Also, the heat of flue gases is recovered and used to produce steam and heat. Recovered heat has been used to produce district heating in Luleå, Raahe and Oxelösund since the 1980s. This meets about 90% of local district heating needs.

The energy-rich gases which cannot be used in the steel production are used in local power plants, among other things, to supply SSAB with approximately 43% (40%) of the electricity needs of steel production in Sweden and Finland.

G4-EN3 Energy consumption within the organization

In 2015, SSAB's total energy consumption related to electricity, purchased fuels and purchased heat was 8,384 (8,792) GWh. Electricity accounts for 4,357 (4,503) GWh and fuels for 4,003 (4,265) GWh. During 2015, some 1,114 (1,033) GWh of electricity was produced from recovered energy. In 2015, SSAB delivered 1,006 (1,081) GWh of district heating.

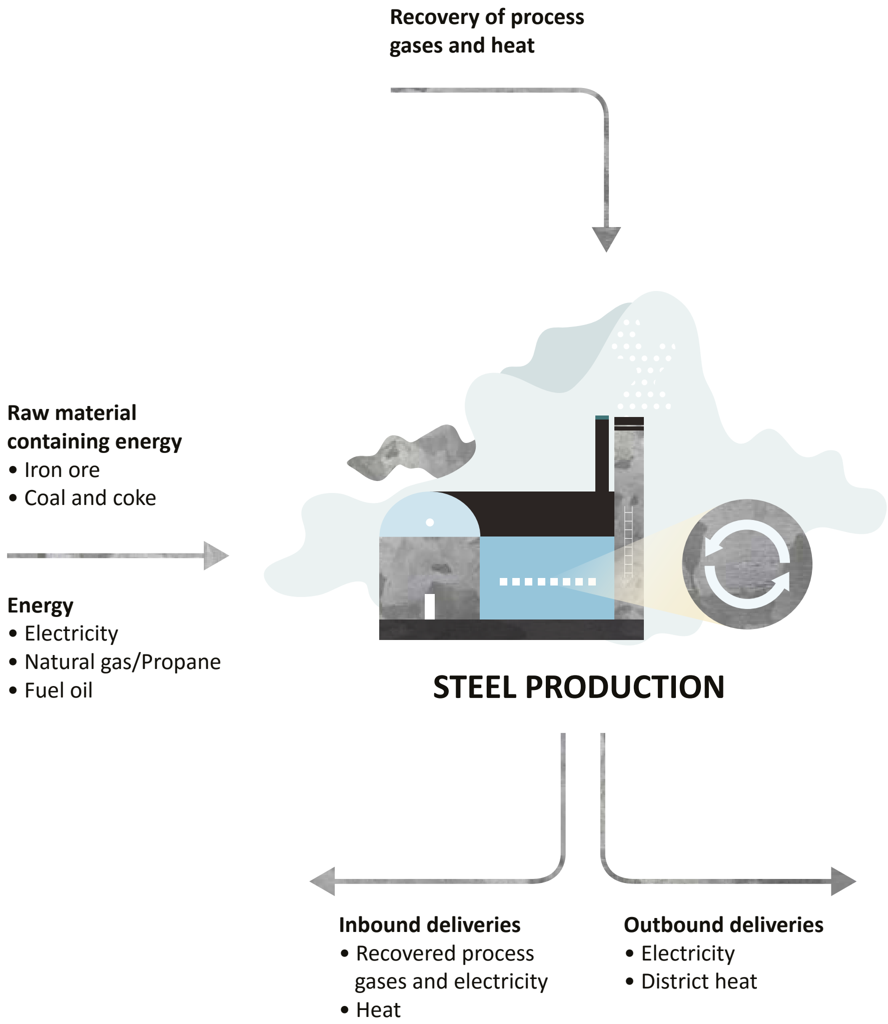
Energy consumption within the organization, (GWh/TJ)	2015	2014	2013	2012	2011
	GWh/TJ	GWh/TJ	GWh/TJ	GWh/TJ	GWh/TJ
Fuels					
Natural gas	2,754/9,915	2,596/9,345	2,574/9,266	2,349/8,455	2,520/9,071
Propane	1,043/3,756	1,034/3,722	934/3,361	971/3,496	1,068/3,845
Fuel oil	206/741	635/2,288	785/2,824	741/2,667	835/3,004
Total non-renewable fuels	4,003/14,412	4,265/15,355	4,292/15,451	4,061/14,618	4,422/15,921
Electricity, heat and steam					
Electricity, purchased [1]	3,243/11,677	3,469/12,490	3,475/12,510	3,324/11,965	3,418/12,305
Heat, purchased	23/83	24/87	27/98	28/100	27/98
Electricity generated from process gases	1,114/4,010	1,033/3,720	974/3,506	1,030/3,709	1,109/3,991
Gross energy consumption	8,384/30,181	8,792/31,652	8,768/31,565	8,442/30,393	8,976/32,314
Electricity and heat sold					
Heat, sold	1,006/3,620	1,081/3,893	1,086/3,910	1,149/4,138	1,079/3,883
Net total energy consumption [2]	7,378/26,560	7,711/27,759	7,682/27,655	7,293/26,255	7,898/28,431

[1] Including external companies within the industrial area
[2] The figure excludes the fuels used in transportation and vehicles, nor does it include employee travel and transportation.

EN5 – Energy intensity
SSAB's energy intensity in 2015 was 1,101 (1,086) kWh/tonne crude steel when including the total energy consumption (electricity and purchased fuels) from the iron and steel production sites and rolling mills.

EN6 – Reduction of energy consumption
SSAB has set energy savings target to reduce the use of purchased energy by 300 GWh by the end of 2019. This energy saving is equal to approximately 3.5% of SSAB's total amount of purchased energy in 2014. During 2015, SSAB achieved approximately 60 GWh (220 TJ) or 20% of this target.

The most important energy saving measures were:
- Applying the principle of continuous improvement in developing energy efficiency at production sites
- Optimization of media systems for compressed air and hydraulics, as well as optimization of furnace control systems are examples of improvement activities at several SSAB sites
- Natural gas, supplied as LNG, replaced oil in Borlänge to fuel one of the reheating furnaces in the hot strip mill. The switch from oil to natural gas was completed in December 2014 and the main savings occurred in 2015
- The consolidation of color-coated products production from four lines to three increases the energy efficiency of the Nordic production system as a whole



ASPECT: WATER

Plentiful access to water is crucial for steel production, particularly in quenching, where water is used for the direct cooling of hot-rolled steel. Most of the water used in SSAB's production processes is recirculated in cooling systems. Steel production or upgrading sites are not situated in groundwater areas. SSAB's operations are located in areas where there is currently no scarcity of water, and no water sources that are significantly affected by water withdrawal by SSAB's operations. All operations are subject to environmental permits and guidelines regarding discharged water.

EN8 – Total water withdrawal

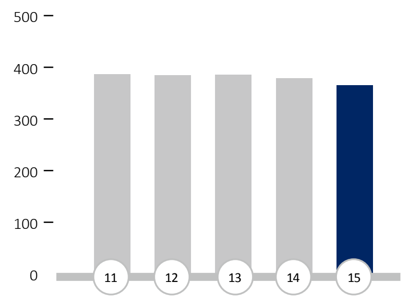
SSAB uses surface water at all of its production sites, including both sea water and fresh water. Water is used mostly in processing, cooling and in scrubbing flue gases at the steel works and rolling mills. Water is also needed for electricity production and in slag granulation.

In 2015, SSAB consumed 365 (379) million cubic meters of water. Out of all of the water used during the year, approximately 99% was used for cooling purposes. A large share of the water used in production passes water treatment to be re-used and millions of cubic meters of water used in the steel production process are recycled annually.

EN8 – Total water withdrawal by source, (million m^3)	2015	2014	2013	2012	2011
Surface water (inlands)	160	179	180	173	184
Surface water (sea)	204	199	205	210	201
Municipal water	1	1	1	2	2
Total water withdrawal	365	379	386	385	387

Water consumption

Million m^3



Effluent discharge into waterways

All SSAB's sites take actions to prevent the risk of contaminating local water resources and to reduce the effluent discharge into the waterways. Discharges of effluent into the waterways consist of suspended solids, which contain calcium, magnesium and silicon compounds, and originate from the steel plants and blast furnaces. Oily emissions originate from the rolling processes. There are also some discharges of nitrogen and iron into the waterways. The following table shows suspended solids and oil discharge into the waterways.

Effluent discharge into waterways, (tonnes)	2015	2014	2013	2012	2011
Suspended solids	228	617	423	289	737
Mineral oil	9	12	18	14	17

MATERIAL ASPECT: EMISSIONS

The process of producing steel from iron ore is carbon-intensive and the raw materials used in production are the main source of carbon dioxide (CO_2) emissions, along with CO_2 emissions generated from energy usage. In addition to CO_2, there are also other emissions into the air being formed during the steel making process and in other processing operations (rolling, coating, etc.).

As a result of the continuous development of processes, SSAB´s blast furnaces in Sweden and Finland are among the most efficient in the world in terms of minimizing CO_2 emissions from steel production. SSAB's use of coke and coal as reducing agents is close to the theoretical minimum for a blast furnace. There is no technology available today that can replace coal as raw material for blast furnace steel production, which means technology breakthroughs would be needed in order to achieve significant emission reductions.

CO_2 emissions from blast furnace-based steel production can be controlled and reduced to some extent by improving efficiency in the production processes. The production of iron and steel gives rise to a range of residuals and recirculating material back into the steelmaking process, as well as maximizing the use of recycled scrap as raw material, reduces CO_2 emissions and waste. Material that cannot be recirculated internally can be processed into by-products and sold externally, which also reduces CO_2 emissions by substituting natural resources in other industries.

Emissions related to energy consumption in production can be reduced by improving energy efficiency and increasing the use of renewable energy sources. Systematic energy efficiency management and energy recovery, as well as production of electricity from process gases at steel mills, improves energy efficiency and decreases emissions. However, as CO_2 emissions from energy usage are only a small share of SSAB´s total CO_2 emissions, the total effect of energy efficiency improvements has a relatively small impact on SSAB´s total CO_2 emissions.

SSAB Americas' production sites make steel using two electric arc furnaces. CO_2 emissions are substantially lower than the emissions generated in conjunction with iron ore-based steel production since less coal is used in the production process. Additionally, much of the coal used in production is derived from recycled coal residual. In scrap-based production, improving energy and material efficiency is the key to reducing emissions.

Industry-wide cooperation is important to identify new technical solutions that can further decrease the impacts of steelmaking processes. In the Nordics, SSAB is collaborating with KTH Royal Institute of Technology in Stockholm, Luleå University of Technology, Dalarna University, Swerea, Oulu University, Aalto University, Åbo Akademi University and VTT Technical Research Centre of Finland. In SSAB Americas, the American Iron and Steel Institute and the Association for Iron and Steel Technology are important partners.

EN15 – Direct greenhouse gas (GHG) emissions (Scope 1)
In 2015, SSAB's direct carbon dioxide (CO_2) emissions were 9,606 (9,608) thousand tonnes.

Around 90% of SSAB's total CO_2 emissions are generated in iron ore-based steel production at the company's sites in Luleå, Oxelösund and Raahe, and 98% of these CO_2 emissions are related to metallurgical processes, i.e. to the use of coke and coal as reducing agents. In 2015, direct emissions from Nordic steel production were 8,981 (8,910) thousand tonnes, which was 0.8 % more than in 2014. This was mainly because there were more production situations such as blast furnace idling and start-ups in Luleå and Oxelösund that had an adverse impact on emissions during the year. The greenhouse gases produced in Nordic steel production are within the scope of the European Emissions Trading System.

In 2015, direct CO_2 emissions from the scrap based steel production in the US were 606 (681) thousand tonnes.

The direct CO_2 emissions are calculated in accordance with the procedures in the WBCSD GHG Protocol, together with additional guidelines from the EU and/or national authorities.

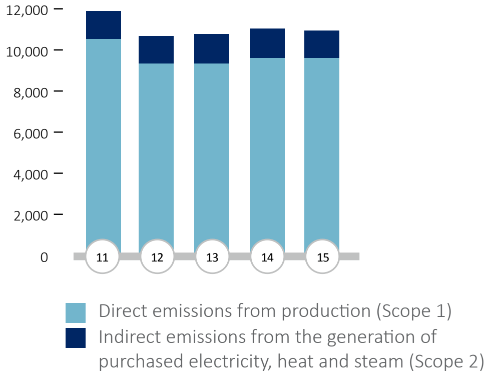
EN16 – Energy indirect greenhouse gas emissions (Scope 2)
Indirect GHG emissions occur from the generation of purchased electricity, heat and steam. For electricity, indirect CO2 emissions are calculated using grid average emission factors. Specific emission factors are used for the generation of the purchased heat and steam. Due to the guarantees of origin for renewable energy sources related to SSAB's electricity consumption, SSAB´s actual Scope 2 emissions factor is lower than the grid average factor used in the Nordics. However, the guarantees of origin have not been taken into account and the reported emissions are based on the grid average factor without any further reductions.

EN15, EN16 – Greenhouse gas emissions (thousand tonnes) [1]	2015	2014	2013	2012	2011
Direct greenhouse gas (GHG) emissions (Scope 1) [2]					
Iron ore-based steel production in Nordics	8,981	8,910	8,643	8,648	9,828
Scrap-based steel production in US	606	681	680	666	676
Other reported sites	18	17	17	20	21
Total	**9,606**	**9,608**	**9,340**	**9,334**	**10,525**
Indirect emissions from the generation of purchased electricity, heating and steam (Scope 2)					
Iron ore-based steel production in Nordics	182	193	194	191	198
Scrap-based steel production in US	1,119	1,208	1,204	1,128	1,148
Other reported sites	17	18	18	18	19
Total	**1,318**	**1,419**	**1,417**	**1,337**	**1,364**

[1] Only CO_2 is included in the calculation.
[2] Generation of electricity from process gases is included in the direct emissions (Scope 1)

Carbon dioxide emissions

Thousand tonnes



EN18-Greenhouse gas emissions intensity, (tonnes of CO_2 emissions/ tonne crude steel)	2015	2014	2013	2012	2011
Iron ore-based steel production in the Nordics	1.7	1.6	1.7	1.7	1.8
Scrap-based steel production in the US	0.8	0.7	0.8	0.8	0.8
Average	**1.4**	**1.4**	**1.4**	**1.4**	**1.5**

EN18 – Greenhouse gas emission intensity

SSAB's greenhouse gas (GHG) emission intensity in 2015 was 1.4 (1.4) tonnes of CO_2 emissions/tonne crude steel. The GHG intensity is reported as product emission intensity (metric tonnes of CO_2 emissions per tonne of crude steel produced). It is calculated as the sum of Scope 1 + Scope 2 emissions for all SSAB iron and steel production sites and rolling mills, divided by the total crude steel production in tonnes.

EN19 – Reduction of greenhouse gas emissions

SSAB has set a target to reduce direct CO_2 emissions from its operations. The target is to achieve a lasting reduction of 200,000 tonnes in CO_2 emissions by the end of 2019, compared to the 2014 baseline. This CO_2 emissions reduction is equal to approximately 2.1% of SSAB's total CO_2 emissions in 2014.

CO_2 emissions can be reduced by recirculating scrap and residuals back into the steelmaking process, optimizing the use of reducing agents (coke and coal) in iron production and by improving the energy efficiency of fuels. During 2015, SSAB achieved approximately 40,000 tonnes or 20% of this target.

The most important CO2 saving measures were:

- The switch from heavy fuel oil to LNG in Borlänge, which reached its full CO_2 reduction potential during 2015
- Reduced flaring of converter gas in Luleå due to improved controlling and planning. CO_2 emissions have been reduced as a result of lower oil consumption at the power plant in Luleå, where more converter gas from SSAB is now used as fuel

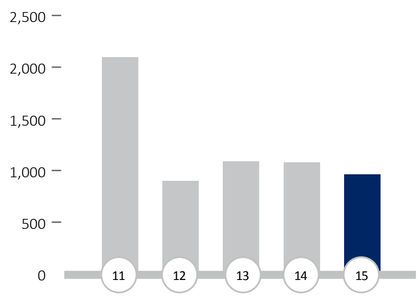
EN21 – Other significant air emissions

In addition to CO_2 emissions, there are also other emissions into the air being formed during the steelmaking process. Other significant air emissions deriving from SSAB's operations are particulate matter (PM), sulfur oxides (SOx) and nitrogen oxides (NOx). SSAB monitors the emissions arising from its operations both at production sites and in their vicinity to ensure compliance with emissions limits and to improve local air quality.

EN21 – Other significant air emissions (tonnes)	2015	2014	2013	2012	2011
Particulate matter (PM)	962	1,076	1,088	897	2,098
Sulfur dioxide emissions (SOx)	2,733	2,671	3,568	3,010	7,015
Nitrogen oxides emissions (NOx)	3,804	4,432	4,374	3,994	4,550
Emissions of volatile organic compounds (VOC)	260	301	321	378	573

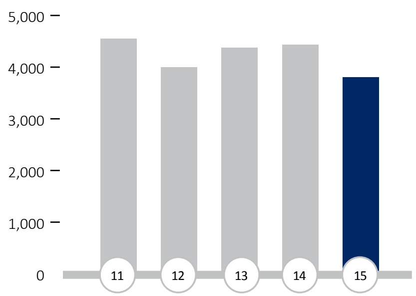
Particulate emissions

Tonnes



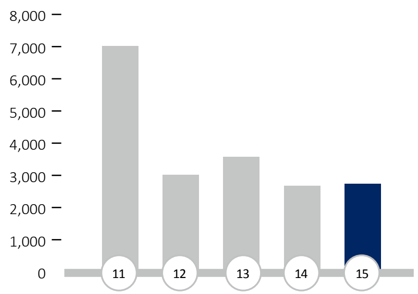
Nitrogen oxides emissions

Tonnes



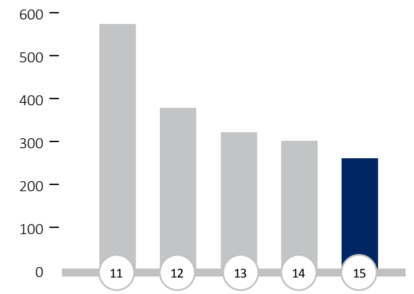
Sulfur dioxide emissions

Tonnes



Volatile organic compounds (VOC) emissions

Tonnes



The combustion processes and the fine material used in iron and steel production give rise to particulate emissions into the air. In 2015, particulate emissions, excluding fugitive particulate emissions, totaled 962 (1,076) tonnes. Particulate emissions contain metals, which originate mainly from the iron ore pellets, coking coal and from residuals and processing the steel products. SSAB is continuously working to reduce the particulate emissions.

SSAB's blast furnace in Luleå was fully modernized in 2015. In addition to replacing the hearth carbon refractories and furnace cooling staves, a new bag house filter was fitted. This benefits the environment through less dust emissions, less noise and a better workplace environment. Also the old coke plant quenching tower was replaced, which means 50% less dust emissions into the surroundings, equating to a reduction of about 20 tonnes in annual emissions.

In Raahe, a pulverized coal injection system has replaced an earlier heavy fuel oil injection system in the blast furnaces. This will result in more cost-effective steel production and lower raw material costs. Work under way on replacing the converters at the steel mill in Raahe will be completed in 2016. Also construction of a new particle emissions' bag filter unit in the dry quenching process at the coke plant began in 2015. Dust emissions containing lime spread into the environment from the steel mill in Raahe mainly during the spring and summer of 2015. The dust originated from slag pouring. The most effective way to reduce these dust emissions is to cool the slag before pouring it.

In 2015, around 2,733 (2,671) tonnes of sulfur dioxide emissions originated from the sulfur containing raw materials and fuels. At the Raahe site, the closure of the sinter plant and the switch to using iron ore pellets has resulted in a significant reduction in sulfur dioxide and particulate emissions compared to 2011. Nitrogen oxides emissions are mainly formed in the combustion processes in the coke plants and rolling mills. In 2015, nitrogen oxides emissions amounted to 3,804 (4,432) tonnes. Emissions of volatile organic compounds (VOC) mainly occur on the coating lines when using solvents in the paints. In 2015, these emissions totaled 260 (301) tonnes.

SOCIAL IMPACTS

A high-performing organization is one of the key elements in SSAB's strategy and an essential enabler for achieving SSAB's ambitious strategic targets. SSAB is determined to be the safest steel company in the world and the company's objective is to achieve zero accidents and work-related injuries. In addition to human resources practices related to SSAB's employees, social responsibility in SSAB also incorporates engagement with people in neighboring communities and social responsibility in the supply chain. SSAB is a signatory to the UN's Global Compact initiative and its principles are applied also when working with suppliers and subcontractors.

Social responsibility targets

SSAB's sustainability strategy includes the following social responsibility targets:

ANNUALLY SSAB WILL HAVE ACHIEVED THE FOLLOWING SOCIAL RESPONSIBILITY TARGETS	RESULTS IN 2015
Annual performance dialogs between managers and all employees	Annual rate of conducted annual performance dialogs was 89%
Compliance with SSAB's Code of Conduct and behavior in accordance with the company's core values	SSAB conducted a risk analysis of part of its operations through self-assessment based on Global Compact principles
Training all employees in business ethics through e-learning by the end of 2016	At the end of 2015, 75% of SSAB's employees had completed the training in business ethics
Completion of a self-assessment questionnaire regarding social and environmental conditions for all suppliers registered in SSAB's purchasing system as medium- or high-risk	At the end of 2015, 3,456 of SSAB´s 20,000 [1] active suppliers were registered in SSAB's purchasing system, of which 902 were risk classified and had CSR [2] status. Fifty-one suppliers have been identified as medium-risk suppliers and 81 as high-risk suppliers, and have also completed the self-assessment questionnaire regarding their social and environmental conditions
Reaching an employee engagement score that exceeds the global average	Overall the Employee Engagement Index (as measured in Voice, SSAB's global employee survey) was in line with the external global norms. SSAB: 70 External norm: 72
By the end of 2019, SSAB will have achieved the following gender diversity target: Women holding 30% of the top management positions in the company by the end of 2019	At the end of 2015, women held 23% of SSAB's top management positions

[1] Those parts of the organization that do not have access to the purchasing system evaluate their suppliers and follow up on suppliers' performance through other internal systems.
[2] CSR status = Supplier has a CRS status, if it has a CSR risk classification.

MATERIAL SOCIAL ASPECTS AND SCOPE OF DATA

SSAB's material social aspects were defined in the materiality analysis process conducted at the end of 2014 and they are as follows: occupational health and safety, employment, training and education, diversity and equal opportunity, anti-corruption, supplier assessment for labor practices and supplier assessment for human rights.

SSAB'S EMPLOYEES

At the end of 2015, SSAB had a total of 16,045 (16,887) permanent employees. Temporary personnel accounted for about 3.3% (4.3%) of all employees. The number of full-time employees accounted for 97.2% (96.6%) and part-time employees for 2.8% (3.4%) of all permanent employees. SSAB has employees in more than 50 countries, with 72% of employees located in Sweden and Finland and 8% in the US.

G4-10 Number of employees

Number of employees by employment contract and gender

	2015		2014	
	Permanent	Temporary	Permanent	Temporary
Women	3,004	128	3,180	207
Men	13,041	415	13,707	543
Total	**16,045**	**543**	**16,887**	**750**

Permanent employees by employment contract type and gender

	2015		2014	
	Full-time	Part-time	Full-time	Part-time
Women	2,906	98	3,067	113
Men	12,697	344	13,253	454
Total	**15,603**	**442**	**16,320**	**567**

Number of employees by region and gender [1)]

		2015	2014
Sweden	Women	1,368	1,412
	Men	5,433	5,594
	Total	6,801	7,006
	% of total workforce	41%	40%
Finland	Women	764	871
	Men	4,335	4,614
	Total	5,099	5,485
	% of total workforce	31%	31%
USA	Women	157	157
	Men	1,153	1,211
	Total	1,310	1,368
	% of total workforce	8%	8%
Other Europe	Women	745	837
	Men	2,218	2,456
	Total	2,963	3,293
	% of total workforce	18%	19%
Rest of the world	Women	98	110
	Men	317	375
	Total	415	485
	% of total workforce	3%	3%

[1)] Permanent and temporary

G4-11 Employees covered by collective bargaining agreements

The majority of SSAB's employees in Sweden and Finland are represented by labor unions (approximately 71% of the total number of employees). Other countries have different arrangements according to country-specific practices, traditions and labor legislation. SSAB respects its employees' right to organize in accordance with the legislation and provisions in each country in which it operates. SSAB provides channels for employees to engage in the company's activities and express their opinions. Local management in each country is responsible for creating opportunities for employee engagement. The company also encourages direct interaction between supervisors and their teams.

New employee hires

	2015	
	Number of employees	% of total workforce
Total	695	4.2%
<30 years	346	2.1%
30-50 years	57	0.3%
>50 years	292	1.8%
Women	147	0.9%
Men	548	3.3%
Sweden	300	1.8%
Finland	147	0.9%
Russia	66	0.4%
USA	39	0.2%
Other Europe	113	0.7%
Rest of the world	30	0.2%

ASPECT: EMPLOYMENT

LA-1 Total number and rates of new employee hires and employee turnover by age group, gender and region

During 2015, 695 new employees joined SSAB and 1,537 employees left the company for different reasons. Divestments of the remedy assets completed during the first quarter under the Rautaruukki combination reduced the number of employees by a total of 206. Employee turnover in 2015 was 9.4%.

Employee turnover

	2015	
	Number of employees who have left the company	% of total workforce [1]
Total	1 537	9.4%
<30 years	206	1.3%
30-50 years	589	3.6%
>50 years	743	4.5%
Women	324	2.0%
Men	1 213	7.4%
Sweden	425	2.6%
Finland	489	3.0%
Russia	257	1.6%
USA	231	1.4%
Other Europe	50	0.3%
Rest of the world	85	0.5%

[1] Permanent employees who have left the company/average number of permanent employees during the period

MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY

SSAB strives to be the safest steel company in the world, with an objective to achieve zero accidents, work-related injuries and illnesses. Ensuring a safe and secure environment for SSAB's employees, contractors and visitors is the company's highest priority.

The management approach of occupational health and safety is described in the Business Review (BR), p. 63–64.

G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees

SSAB applies occupational health and safety programs as required by local legislation in each of the countries it operates. Safety programs are normally developed by occupational health and safety committees consisting of representatives of the local management and employees. In Sweden and Finland, SSAB has health and safety committees at all workplaces, where more than 50 employees are working on a regular basis. In the US, SSAB has a variety of safety committees, which provides employees an opportunity to participate in worker health and safety issues.

G4-LA6 Total number of injuries, Lost Time Injury Frequency and fatalities

SSAB's lost time accident frequency resulting in an absence of more than one day was 6.2 (6.9). In 2015, there were a total of 165 (188) accidents. Many sites achieved good results and especially Oxelösund and Hämeenlinna as well as Ruukki Construction showed good progress.

In Oxelösund, a tragic fatal accident occurred in the harbor area on December 1, 2015 when a forklift ran over a person working in the area. The harbor is operated by Oxelösunds Hamn AB, which is jointly owned on a 50-50 basis by SSAB and the municipality of Oxelösund. Both the deceased worker and the forklift driver were employed by Oxelösunds Hamn AB. The police, the Swedish Work Environment Authority and Oxelösunds Hamn are all investigating the accident.

A new Safety Policy was introduced in 2015 and training of all employees to adapt the policy was started. Group-wide safety initiatives for 2015 included setting common safety management principles and harmonizing safety reporting. The focus area for sharing best practices was contractor safety management. Group-wide safety awareness communication activities were launched with the theme "Be responsible. Act safely." The communication focused on being responsible for yourself, for your co-workers and for your family and friends.

To achieve the goal of being the safest steel company in the world, all divisions, Tibnor and Ruukki Construction are running safety development programs. Divisional safety programs focus on leadership, training and the involvement of all employees in risk observation and executing corrective and preventive actions. Safety work is also being enhanced by aiming to improve incident data collection and tracking, as well as by utilizing a more systematic approach to analyzing the root causes of incidents. There will also be safety campaigns focusing on a particular risk area e.g., crane operations and lockout/tagout procedures. Special emphasis is given to contractor safety.

LA6 - Total number of injuries, Lost Time Injury Frequency and fatalities	2015	2014
Total number of injuries	165	188 [2]
Lost Time Injury Frequency (LTIF) [1]	6.2	6.9 [2]
Sweden	7.6	
Finland	8.8	
Russia	0.5	
USA	2.6	
Other Europe	2.3	
Rest of the world	3.5	
Number of fatalities [3]	1	0

[1] Number of accidents resulting in an absence of more than one day per million working hours, the breakdown of LTIF by region is not available for 2014.
[2] The LTIF reported in 2014 in the previous report was 6.6. The difference is due to some LTIs reported after the reporting period was closed. For the same reason total number of injuries was 188 instead of 182 that was reported in the previous report.
[3] Includes also contractors

SSAB employees recorded numerous proactive safety observations, which help the company to reduce and eliminate the risks in the working environment. The safety observation frequency was 764 (693) per million working hours. A total of 20,139 (18,844) such observations were reported. The reporting and fast implementation of corrective actions is the most important tool toward SSAB's goal of becoming an accident-free working environment.

Business review, Health and safety

MATERIAL ASPECT: TRAINING AND EDUCATION

LA10 – Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers

SSAB's success largely depends on the dedication and skills of its employees, both as individuals and as part of a global team. To ensure both individual and company success, SSAB is committed to the constant development of its workforce.

New employees learn and advance through on-the-job training, engaging in challenging work tasks and projects together with diverse teams, gaining experience and expanding their knowledge. All employees participate in performance dialogs with their managers to ensure continuous development and communication. These ongoing discussions help strengthen each employee's core competences in e.g. technology, business and leadership, and contribute to the company's overall success.

Business specific training is available through the SSAB Academy for employees who work with customers, such as in sales, services, technical support, customer care, marketing and product development. The training is related to SSAB's strategy and business model, SSAB's way of selling and delivering value to the customers, and building a network within the company to help participants develop customers' applications and business.

In addition, SSAB continually looks for opportunities to develop the skills and experience of talented employees. An annual management review process aims to recognize managerial candidates and internal successors to leadership roles. Managerial candidates are offered development opportunities through on-the-job learning such as challenging projects and tasks and meetings with senior management. In 2014, a development center for global managerial candidates was established. SSAB also runs an internal mentoring program and participates in consortium programs with other global companies to develop strategic skills of talented managers. Other group-wide initiatives include the business ethics e-learning program, the business development program to expand participants' business skills and networks within the company, and a technical development trainee program which aims to help employees quickly learn technical knowledge about the business.

Regarding continuous learning and improvement, SSAB has started training sessions to familiarize all employees with the SSAB One management philosophy and encourage them to apply the company values and continuous improvement principles in their daily work. It is implemented through a train-the-trainer concept: SSAB's managers involve their teams to SSAB One learning modules, each of which consists of a workshop, on-the-job learning and evaluation of the progress. The aim is to continuously improve the work flow based on customer needs, and it involves all employees to participate in the improvement efforts. Over the coming years, SSAB's ambition is to successfully introduce all the eight modules across all work teams within the organization.

As described above, SSAB invests in a few strategic development initiatives. However, much of the responsibility for training and education is at divisional and local level, as each business unit has the best knowledge of their specific needs and circumstances. An example of divisional programs is new managers' training, and of local ones introductory and orientation training for a new employees, including topics such as health and safety, use of information technology, and company policies and practices.

G4-LA11 Percentage of employees receiving a regular performance appraisal and career development review

Aligning individual performance with SSAB's strategic direction is a central element in being a high-performing organization. Clarity concerning goals and performance expectations, as well as regular feedback, are key elements and enablers to effectively manage SSAB's change journey and to achieve results. The annual performance dialog between employee and manager is a key element in following up on results, providing mutual feedback, discussion around the workplace atmosphere and planning future performance and individual development. SSAB's target is for annual performance dialogs between managers and employees to be held with all employees. SSAB continuously reviews and aligns reward structures to ensure performance management processes are effectively supported. In 2015, the annual rate of conducted performance dialogs was 89%.

MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

The management approach of diversity and equal opportunity is described in the Business Review (BR) in the "High-performing organization" section, p. 61.

G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender and age group

Percentage of individuals within the organization's governance bodies in the diversity categories gender and age group	2015	
	Board of Directors [1]	Group Executive Committee
Total number	11	10
Women	18%	20%
Men	82%	80%
<30 years	0%	0%
30-50 years	18%	60%
>50 years	82%	40%

[1] Alternate members (3) not included

Percentage of total number of employees per employee category and diversity categories gender and age	2015			2014		
	Front-line workers	Office employ-ees	Total	Front-line workers	Office employ-ees	Total
Women	9%	33%	19%	10%	32%	19%
Men	91%	67%	81%	90%	68%	81%
<30 years	12%	6%	10%	13%	8%	11%
30-50 years	53%	62%	56%	54%	62%	57%
>50 years	35%	32%	34%	33%	31%	32%

Business review, High-performing organization

MATERIAL ASPECTS: SUPPLIER ASSESSMENT FOR LABOR PRACTICES AND SUPPLIER HUMAN RIGHTS ASSESSMENT

SSAB systematically identifies the risks relating to the Group's suppliers. SSAB does this by placing suppliers in various risk categories depending on the countries in which they operate. Classification is based on Maplecroft´s Human Rights Risk Index and Transparency International´s Corruption Perceptions Index. Classification in this way illustrates the risks relating to, for example, human rights, labor conditions and corruption and shows that few suppliers have a high-risk profile. Suppliers who are placed in the medium- or high-risk group are required to complete a self-assessment questionnaire containing questions about their business such as their social conditions and environmental credentials. Unsatisfactory answers are investigated.

SSAB also conducts regular visits to major suppliers of raw materials around the world, including high-risk suppliers. On these visits, purchasers and quality managers visit production sites and conduct quality inspections. Aspects such as a supplier's social conditions and environmental performance are important and will be the subject of even greater focus in conjunction with future visits to suppliers. SSAB will develop further its monitoring of suppliers located in high-risk countries.

SSAB has a target related to supplier evaluation: "All suppliers registered in SSAB's purchasing system and identified as medium- or high-risk suppliers must complete a self-assessment questionnaire regarding their social and environmental conditions."

In practice, this means that only medium- and high risk suppliers who complete SSAB's self-assessment questionnaire regarding the supplier's social and environmental conditions can be accepted as suppliers. SSAB seeks to classify country risks in the same way as Maplecroft's Human Rights Risk Index and Transparency International's Corruption index, so that the company adheres to an international standard in the risk assessment of suppliers.

Work is underway to evaluate SSAB's purchasing system. Use of a joint purchasing system will improve conditions for continued work on monitoring suppliers. SSAB´s sustainability target for the responsible supply chain refers to the purchasing system used by part of SSAB prior to the merger with Rautaruukki. During the year, the Finnish procurement organization also started to register their suppliers in the purchasing system and about 70 raw material suppliers were registered during 2015.

At the end of 2015, 3,456 of SSAB´s 20,000 active suppliers were registered in SSAB's purchasing system, of which 902 were risk classified and had CSR status[1]. Fifty-one suppliers have been identified as medium-risk suppliers and 81 as high-risk suppliers, and have also completed the self-assessment questionnaire regarding their social and environmental conditions. Those parts of the organization that do not have access to the purchasing system evaluate their suppliers and follow up on suppliers' performance through other internal systems.

Suppliers registered in SSAB's purchasing system	CSR status[1]	CSR risk status	Completed self-assessments
3,456	902	High: 81 Medium: 51 Low: 770	High: 81 Medium: 51

[1] CSR status = Supplier has a CRS status, if it has a CSR risk classification.

Business Review, Responsible sourcing

GRI CONTENT INDEX

SSAB's GRI report is prepared in accordance with the GRI G4 Core option. The report also constitutes Communication on Progress (CoP) reporting to UN's Global Compact.

BR = Business review
GRI = GRI report

CGR = Corporate governance report
FR = Financial reports 2015

GENERAL STANDARD DISCLOSURES			
Code	**Description**	**Page in the report**	**Comments and omissions**
	STRATEGY AND ANALYSIS		
G4-1	CEO's statement	BR 10–11	
	ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	See comments	SSAB AB
G4-4	Primary brands, products and services	BR 25–54	
G4-5	Location of the organization's headquarters	See comments	Stockholm
G4-6	Number of countries where the organization operates	BR 4, 56	
G4-7	Nature of ownership and legal form	See comments	SSAB AB is a public company. SSAB is listed on the Nasdaq OMX Stockholm and Nasdaq OMX Helsinki exchanges.
G4-8	Markets served	BR 25–54, FR 4, 74	
G4-9	Scale of the organization	BR 4, 56; FR 24	
G4-10	Number of employees	GRI 26	SSAB does not hold information about external staff/contractors in its global reporting system.
G4-11	Employees covered by collective bargaining agreements	GRI 27	
G4-12	Description of the organization's supply chain	BR 71, BR 9	
G4-13	Significant changes during the reporting period	See comments	The European Commission approved the combination of SSAB AB (SSAB) and Rautaruukki Corporation (Rautaruukki) on July 14, 2014, subject to commitment by SSAB to divest the following assets: Naantali steel service center in Finland, Halmstad steel service center in Sweden, Tibnor Oy in Finland, 50% ownership in Norsk Stål AS and Norsk Stål Tynnplater AS in Norway and Plannja Oy in Finland. During the first quarter of 2015, SSAB completed the required divestments. Since April 1, 2015, none of these businesses has been consolidated in the SSAB Group.
G4-14	Precautionary approach	FR 15–21	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	BR 67–70	

Code	Description	Page in the report	Comments and omissions
G4-16	Memberships of associations	GRI 8	
	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities Included in the organization's Consolidated Financial Statements	FR 55–58	The entities included in SSAB's Consolidated Financial Statements are listed in Note 8 to the Consolidated Financial Statements.
G4-18	Process for defining the report content	GRI 2, 5	
G4-19	Material aspects	GRI 3–4	
G4-20	Entities or groups of entities within the organization for which the aspects are material	GRI 4	
G4-21	Entities or groups of entities outside of the organization for which the aspects are material	GRI 4	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	GRI 5	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	GRI 5	
	STAKEHOLDER ENGAGEMENT		
G4-24	Stakeholder groups engaged by the organization	GRI 7	
G4-25	Basis for identification and selection of stakeholders	GRI 7	
G4-26	Organization's approach to stakeholder engagement	GRI 7	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	GRI 7	
	REPORT PROFILE		
G4-28	Reporting period	See comments	January 1, 2015–December 31, 2015
G4-29	Date of most recent previous report	See comments	March 18, 2014
G4-30	Reporting cycle	See comments	Annual
G4-31	Contact point for questions regarding the report or its contents	See comments	Liisa-Maija Seppänen, Investor Relations Manager: liisa-maija.seppanen@ssab.com
G4-32	GRI content index	GRI 32–36	SSAB's GRI Report 2015 is prepared in accordance with the "Core" option of the GRI G4 guidelines.
G4-33	Policy and current practice with regard to seeking external assurance	GRI 5	This GRI Report has not been verified by an external party.
Governance			
G4-34	Governance structure, including committees	CGR	
Ethics and integrity			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	BR 7, BR 67–70	

SPECIFIC STANDARD DISCLOSURES			
Code	**Description**	**Page in the report**	**Comments and omissions**
ECONOMIC IMPACTS			
Economic performance			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 16–21, BR 22, CGR	
G4-EC1	Direct economic value generated and distributed	BR 74, GRI 9	SSAB is currently unable to report on community investments (donations) at a Group level.
ENVIRONMENTAL IMPACTS			
Materials			
G4-DMA	Generic Disclosures on Management Approach (DMA)	GRI 6, GRI 11, GRI 15	
G4-EN1	Materials used by weight or volume	GRI 14	
G4-EN2	Percentage of materials used that are recycled input materials	GRI 14–15	
Energy			
G4-DMA	Generic Disclosures on Management Approach (DMA)	GRI 6, GRI 11, GRI 17	
G4-EN3	Energy consumption within the organization	GRI 18	
G4-EN5	Energy intensity	GRI 19	
G4-EN6	Reduction of energy consumption	GRI 19	Partly reported
Water			
G4-DMA	Generic Disclosures on Management Approach (DMA)	GRI 6, GRI 11, GRI 20	
G4-EN8	Total water withdrawal	GRI 20	
Emissions			
G4-DMA	Generic Disclosures on Management Approach (DMA)	GRI 6, GRI 11, GRI 21	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	GRI 22	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	GRI 22	
G4-EN18	Greenhouse gas (GHG) emissions intensity	GRI 23	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	GRI 23	Partly reported
G4-EN21	NO_x, SO_x, and other significant air emissions	GRI 23–24	
Effluents and waste			
G4-DMA	Generic Disclosures on Management Approach (DMA)	GRI 6, GRI 11, GRI 15	
G4-EN23	Total weight of waste by type and disposal method	GRI 16	At Group level information on disposal methods is not available.

Code	Description	Page in the report	Comments and omissions
Products and services			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 16–21	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	BR 46–52	No quantitative information available. Environmental benefits of using SSAB's high-strength steels and wear steels can be estimated on an application/project basis.
SOCIAL IMPACTS			
LABOR PRACTICES AND DECENT WORK			
Employment			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 60–62	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	GRI 27	
Occupational health and safety			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 23–24, BR 63–64	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and saftey programs	GRI 28	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	GRI 28	Partly reported. Incident data is collected for contractors at main production sites, however information about contractors' working hours is not collected. Incident frequency reporting regarding contractors will be developed in the coming years. Data on occupational diseases rate and absence rate is not available for the whole group at the moment. The global reporting is being developed and harmonized.
Training and education			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 23–24, GRI 25	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	GRI 29	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	GRI 30	Partly reported
Diversity and equal opportunity			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 23–24	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	GRI 30	
Supplier assessment for labor practices			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 71–72, GRI 31	

Code	Description	Page in the report	Comments and omissions
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	See comments	SSAB is currently unable to report about this indicator according to GRI guidelines. However, SSAB reports about the policies applied in the work with suppliers as well as the processes in place to identify and evaluate risks related to suppliers and their responsibility performance.
		HUMAN RIGHTS	
Supplier human rights assessment			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 71–72, GRI 31	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	See comments	SSAB is currently unable to report about this indicator according to GRI guidelines. However, SSAB reports about the policies applied in the work with suppliers as well as the processes in place to identify and evaluate risks related to suppliers and their responsibility performance.
		SOCIETY	
Anti-corruption			
G4-DMA	Generic Disclosures on Management Approach (DMA)	BR 67–70, GRI 6, GRI 25	
G4-SO4	Communication and training on anti-corruption policies and procedures	BR 69–70	

FINANCIAL REPORTS 2015

The Financial Reports 2015 is published in Swedish, English and Finnish.
In the event of any differences between the English or Finnish translation and the Swedish original, the Swedish Financial Reports 2015 shall prevail.

BOARD OF DIRECTORS' REPORT

SSAB AB (publ) Registration number 556016-3429

- Sales were SEK 56,864 (47,752) million
- Operating profit before depreciation/amortization, excluding items affecting comparability, was SEK 3,655 (3,695) million
- Operating profit/loss, excluding items affecting comparability, was SEK -128 (894) million
- Operating profit/loss after financial items, excluding items affecting comparability, was SEK -1,051 (242) million
- Earnings per share were SEK -0.93 (-3.33)
- Items affecting comparability had an impact of SEK -104 (-1 778) million on the result after tax
- Operating cash flow was SEK 3,874 (1,737) million and net cash flow was SEK 2,283 (94) million
- Net debt/equity ratio was 52% (56%)
- Synergy target increased to SEK 1.8 billion with full annual run rate from second half of 2016, which together with other efficiency actions will result in savings in total of SEK 2.5 billion with full impact from 2017 onwards
- A dividend is proposed of SEK 0 (0) per share

Key figures

SEK millions	2015 Full year	2014 Full year
Sales	56,864	47,752
Operating profit before depreciation/amortization, EBITDA[1)]	3,655	3,695
Operating profit/loss[1)]	-128	894
Profit/loss after financial items[1)]	-1,051	242
Profit/loss after tax[1)]	-400	384
Earnings per share (SEK)	-0.93	-3.33
Operating cash flow	3,874	1,737
Net debt/equity ratio (%)	52	56

[1)] Excluding items affecting comparability. See page 3 for figures.

Rautaruukki has been consolidated in the SSAB Group since July 29, 2014.

(In the report, the figures in parentheses refer to the corresponding period last year.)

The market

According to the World Steel Association (WSA), global crude steel production in 2015 was 1,599 (1,647) million tonnes, down by just under 3% compared with 2014. Chinese crude steel production was more than 2% lower in 2015 than in 2014. In the EU-28, steel production increased early on in the year, but decreased sharply during the fourth quarter and total production was 1.8% lower than in 2014. Production in North America was down by as much as 9% in 2015 compared with 2014. Capacity utilization in the global steel industry was 65% at the close of the year, 5 percentage points lower than at the close of 2014.

For the year as a whole, demand in the North American market was relatively weak, mostly driven by long-term destocking at distributors. Import volumes of heavy plate to North America fell during the second half of the year compared with the first, but continue to be at a high level. In Europe, there was a certain growth in demand during the first half of the year, but the second half was characterized by a seasonally weak third quarter and inventory reductions during the fourth quarter. Demand in Asia, and particularly in China, was weak throughout the year. China consequently increased its export volumes by 20%, compared to 2014, to a record high 112 million tonnes.

In North America, market prices for heavy plate fell sharply throughout the year, a trend that continued during the fourth quarter. Prices stopped falling in late December after several producers announced a price increase, which was followed by a further announced price hike in January 2016. In Europe, market prices for both strip and heavy plate fell somewhat during the second and third quarters. During the first half of the fourth quarter prices declined further as a result of declining prices of raw materials and higher import levels. In China, market prices for strip and heavy plate fell during the year to a historical low level, but increased somewhat in December.

Raw materials

SSAB sources most of its iron ore from LKAB in Sweden, but also some from Severstal in Russia. The agreement with LKAB is valid from April 1, 2015 until March 31, 2016, and prices are fixed quarterly. The agreement with Severstal runs from October 1, 2015 until September 30, 2018, and prices are fixed monthly. Pellet prices for the full-year 2015 were down 33% in USD and 18% in SEK compared with the full-year 2014. For fourth quarter shipments, the price was down 9% in USD and 8% in SEK compared with the third quarter of 2015. SSAB's price for pellets during the fourth quarter of 2015 was 25% lower in USD and 9% lower in SEK than during the fourth quarter of 2014.

SSAB sources coking coal from Australia, the USA, Canada and Russia. Price agreements for Australian, Canadian and Russian coal are entered into monthly, whereas the price agreement for most USA coal is entered into quarterly. The average price for the full-year 2015 was down 20% in USD and 2% in SEK compared with the full-year 2014. The average price during the fourth quarter of 2015 was down 3% both in USD and SEK compared with the third quarter. SSAB's price for coal during the fourth quarter of 2015 was 27% lower in USD and 13% lower in SEK than during the fourth quarter of 2014.

The American operations regularly purchase scrap as a raw material for their production. Spot prices for scrap metal fell during the fourth quarter of 2015 and at the end of the quarter were 6% lower than at the end of the third quarter, and 46% lower compared with the end of the fourth quarter of 2014.

Synergies and other cost savings measures

Integration of Rautaruukki progressed well during 2015. Synergies of around SEK 625 million were achieved during the full year of 2015. Net after non-recurring costs, this had a positive impact of around SEK 490 million on the operating result. The total costs during 2015 of achieving the synergies were SEK 135 million. The remaining costs to achieve the synergies will be limited.

The table below shows the synergies achieved during the quarter and the annual run rate achieved to date.

Realization of synergies

SEK millions	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2015 Full year
Sustainable annual run rate at the end of the period	450	525	750	1,100	1,100
Synergies, gross before non-recurring costs	100	125	175	225	625
Synergies, net after non-recurring costs	85	120	175	110	490

Given the good progress made with realization of synergies, the target has now been raised to SEK 1.8 billion, with full annual run rate from second half of 2016 and with full effect from 2017. The cost savings announced earlier, investment in a pulverized coal injection system in Raahe (SEK 200 million) and Ruukki Construction's savings program (SEK 200 million), are completed or progressing well.

During 2015, total number of employees decreased by 1,049, of which 207 were on temporary contracts, and from the time of the acquisition of Rautaruukki the total number of employees has decreased by approximately 1,300. Previously announced personnel reductions will result in a decrease in number of employees with 650 during 2016, and in addition SSAB has early 2016 announced redundancy notice of a maximum of 465 employees in total.

During 2016, we will through synergies and other improvement measures reduce costs by SEK 1.25 billion compared with 2015. During the full-year 2017, we will have reduced the cost level by SEK 2.5 billion on an annual basis since completing the acquisition of Rautaruukki.

Items affecting comparability

Specification of items affecting comparability

SEK millions	2015 Full year	2014 Full year
Operating expenses		
Acquisition costs and reorganization	-	-135
Write-down, goodwill	-	-291
Write-down of assets, eastern Europe	-15	-131
Write-down/gains & losses, assets held for sale	-16	-123
Write-down, Fortaco	-	-98
One-off depreciation on surplus values in inventory and order book	-	-186
Restructuring related to synergies	-135	-
Costs related to Ruukki Construction savings program	-47	-
Gain, sale of real estate	122	-
Other	-23	-37
Effect on operating profit/loss	**-114**	**-1,001**
Financial costs		
Write-down, shareholder loan to Fortaco	-	-601
Transaction tax (Finnish standard rate tax on acquisitions of shares)	-5	-168
Other financial expenses (primarily bridge financing)	-	-61
Effect on profit after financial items	**-119**	**-1,831**
Taxes		
Tax on surplus values, inventory and order book	-	37
Other tax effects	15	16
Effect on profit/loss after tax	**-104**	**-1,778**

During 2015, items affecting comparability had an impact of SEK -104 (-1,778) million on earnings after tax. The main positive impact on earnings was the sale by Tibnor of real estate for SEK 122 million, whereas the full year was negatively impacted by restructuring costs of SEK 135 million related to the ongoing synergy program and costs of SEK 47 million related to Ruukki Construction's savings program.

Assets and liabilities held for sale

According to the terms of the approval from the EU Commission in 2014, within 6 months from the date of the combination with Rautaruukki, SSAB was required to divest one steel service center in Sweden and one in Finland, the wholly-owned Finnish subsidiaries Tibnor Oy and Plannja Oy, as well as SSAB's 50 % stakes in Norsk Stål AS and Norsk Stål Tynnplater AS. During the fourth quarter 2014, agreements were signed for the sale of all of the above operations and all operations above were sold during the first half year of 2015 and are no longer included in the SSAB Group. For further information about the divestments, see note 27, Divestment shares and operations.

Shipments, production and sales

SHIPMENTS AND PRODUCTION

SSAB's shipments during the full-year 2015 were 6,436 (5,452) thousand tonnes, up 18% compared with the full-year 2014.

Crude steel production was up 21% and steel production was up 26% compared with the full-year 2014.

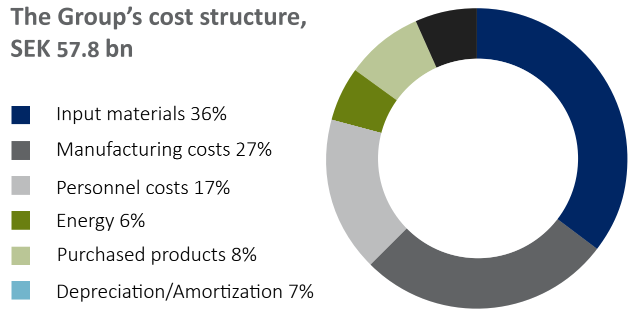
SALES

Sales for the full year were SEK 56,864 (47,752) million, up 19% compared with the full-year 2014. For the entire Group, sales outside Sweden accounted for 83 (83)%, as shown in the table below.

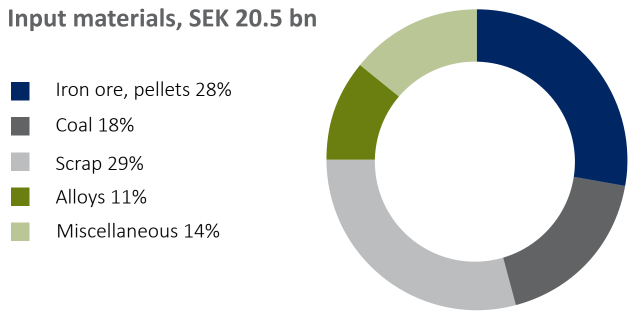
Net sales per market

SEK millions	2015	Share, %	2014	Share, %
USA	11,843	21	14,412	30
Sweden	9,519	17	8,184	17
Finland	6,571	12	3,345	7
Germany	3,210	6	2,648	6
Noway	2,696	5	1,621	3
Other	23,025	39	17,542	37
Total	**56,864**	**100**	**47,752**	**100**

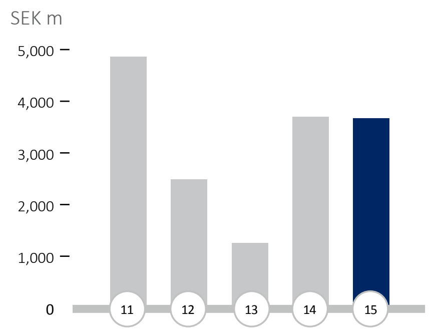
The Group's cost structure, SEK 57.8 bn



Input materials, SEK 20.5 bn



EBITDA



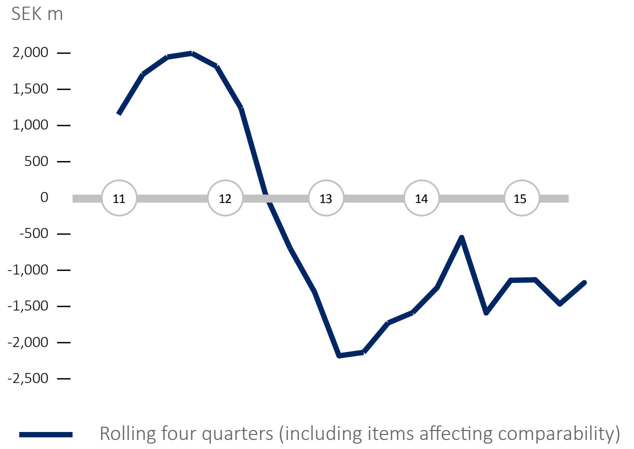
Earnings

Excluding items of profitability, operating profit/loss for the full year was SEK -128 (894) million, down SEK 1,022 million compared with the full-year 2014. Earnings were down primarily because of lower prices, adverse currency effects and lower capacity utilization (under absorption), which, however, were partly offset by lower costs.

Excluding items affecting comparability, financial items for the full year were SEK -923 (-652) million and the profit/loss after financial items was SEK -1,051 (242) million.

See page 3 for information about items affecting comparability.

Profit/loss after financial items



Profit/loss after tax and earnings per share

Profit/loss after tax (attributable to shareholders) for the full year was SEK -508 (-1,399) million, equating to SEK -0.93 (-3.33) per share. Tax for the full year was SEK 666 (195) million.

Goodwill impairment testing

Goodwill is tested for impairment each year on November 30. Consolidated goodwill amounts are allocated over the group's cash generating units.

Tests for impairment showed no indication of a need for an impairment charge. The room for deterioration in the estimates regarding the cash-generating unit SSAB North America decreased compared with the previous year. For more information about Goodwill, see Note 6.

Cash flow, financing and liquidity

Operating cash flow for the full year was SEK 3,874 (1,737) million. Cash flow for the full year was positively impacted by lower working capital, primarily by a decrease in accounts receivable and lower inventories.

Net cash flow was SEK 2,283 (94) million. Net cash flow was affected, among other things, by payments for strategic capital expenditures, including acquisitions of businesses and operations, of SEK 691 (379) million (total capital expenditure was SEK 2,582 (1,720) million). Net debt decreased by SEK 1,518 million during the full year and at December 31 amounted to SEK 23,156 million. The net debt/equity ratio was 52% compared with 56% at year-end 2014.

The term to maturity of the total loan portfolio at December 31 averaged 4.6 (3.9) years, with an average fixed interest period of 1.1 (1.2) years.

Cash and cash equivalents were SEK 2,711 (3,014) million and non-utilized credit facilities were SEK 8,308 (8,714) million, which combined corresponds to 19% of 12 months' rolling sales.

Operational cash flow and net debt

SEK millions	2015 Full year	2014 Full year
Operating profit before depreciation/amortization	3,593	3,305
Change in working capital	1,987	-560
Maintenance expenditures	-1,891	-1,341
Other	185	333
Operating cash flow	**3,874**	**1,737**
Financial items	-796	-1,013
Taxes	-276	-251
Cash flow from current operations	**2,802**	**473**
Strategic capital expenditures in plants and machinery	-655	-331
Acquisitions of shares and operations	-36	-48
Divestments of shares and operations	172	0
Cash flow before dividend	**2,283**	**94**
Dividend to the Parent Company's shareholders	-	-
Net cash flow	**2,283**	**94**
Net debt at beginning of period	**-24,674**	**-14,833**
Net cash flow	2,283	94
Acquired net debt, including cash	-	-6,393
Revaluation of liabilities against equity[1)]	-719	-2,233
Other[2)]	-46	-1,309
Net debt at end of period	**-23,156**	**-24,674**

[1)] Revaluation of hedging of currency risks in foreign operations.
[2)] Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial instruments in foreign currency. 2014 also included effect on write-down of receivables and liability to minority for redemption of the shares in Rautaruukki.

Return on capital employed/equity

Return on capital employed before tax and return on equity after tax for the full year were 0% and -1% respectively, whereas figures for the full-year 2014 were 0% and -4% respectively.

EQUITY

With earnings of SEK -508 million and other comprehensive income (mostly consisting of translation differences) of SEK 1,067 million, shareholders' equity in the company was SEK 44,393 (43,817) million, equating to SEK 80.82 (79.78) per share.

DIVIDEND

A dividend is proposed of SEK 0 (0) per share. For considerations, see Note 32.

Information about the divisions

The Group is organized into five reportable business segments designated as divisions, with a clear profit responsibility. The business segments consist of the five divisions; SSAB Special Steels, SSAB Europe, SSAB Americas, 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 SSAB.

SSAB SPECIAL STEELS

SSAB Special Steels has global responsibility for the marketing and sales of all SSAB's quenched and tempered steels (Q&T) and hot-rolled, advanced high-strength steels (AHSS) with yield strengths from 700 MPa and above. SSAB Special Steels is responsible for steel and plate production in Oxelösund (Sweden), and for sales of the above products produced in Mobile (USA), Raahe (Finland) and Borlänge (Sweden). When SSAB Special Steels sells steel made by another division, the revenue is reported by SSAB Special Steels and the accounts are settled between the divisions at the cost of goods sold.

SSAB EUROPE

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment (cold-rolled strip). SSAB Europe is responsible for steel and plate production in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

SSAB AMERICAS

SSAB Americas has profit responsibility for heavy plate in North America, and for steel and plate production in Montpelier and Mobile, USA.

TIBNOR

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

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. Ruukki Construction also includes Plannja, which was earlier part of the SSAB EMEA business area.

Information for the reference periods 2014 is based on pro forma figures as if SSAB had owned Rautaruukki during the whole of 2014. The information in the tables below excludes items affecting comparability and the depreciation and amortization on surplus values of tangible and intangible assets relating to the acquisitions of IPSCO and Rautaruukki.

Net sales per division

SEK millions	2015 Full year	2014 Full year
SSAB Special Steels	14,382	13,226
SSAB Europe	25,517	25,857
SSAB Americas	11,936	13,207
Tibnor	7,163	8,151
Ruukki Construction	5,374	6,217
Other	-7,508	-6,546
Total	**56,864**	**60,112**

Operating profit before depreciation/amortization (EBITDA) per division, excluding items affecting comparability

SEK millions	2015 Full year	2014 Full year
SSAB Special Steels	1,213	1,265
SSAB Europe	1,286	1,524
SSAB Americas	1,043	1,620
Tibnor	65	173
Ruukki Construction	208	185
Other	-160	-348
Total	**3,655**	**4,419**

For more information about the segments, see Note 28.

SSAB Special Steels

Key numbers

SEK millions	2015 Full year	2014 Full year
Sales	14,382	13,226
Operating profit before depreciation/amortization, EBITDA	1,213	1,265
Operating profit/loss[1)]	662	726
Number of employees at end of period	2,904	2,976

1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

Demand from the Heavy Transport segment was stable during 2015, whereas demand from Steel Service Centers was lower compared to 2014.

External shipments for the full-year 2015 were 936 (1,065) thousand tonnes, down 12% compared with the full-year 2014. This was primarily due to lower sales to Steel Service Centers in North America.

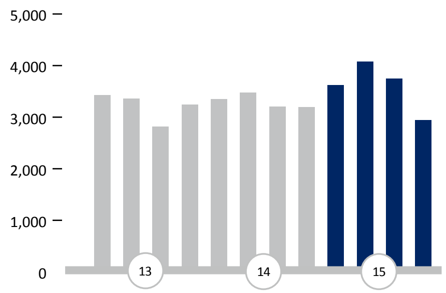
Crude steel production for the full-year 2015 was up 39% compared with the full-year 2014, primarily because the smaller blast furnace in Oxelösund was in operation during the first three quarters of 2015 to ensure the slab supply during the relining of the blast furnace in Luleå.

Steel production for the full-year 2015 was down 2% compared to the full-year 2014.

Sales for the full-year 2015 were SEK 14,382 (13,226) million, up 9% from the full-year 2014. Higher sales were primarily due to a better product mix, higher internal sales of steel slabs and positive currency effects, but counteracted by lower volumes.

Sales per quarter

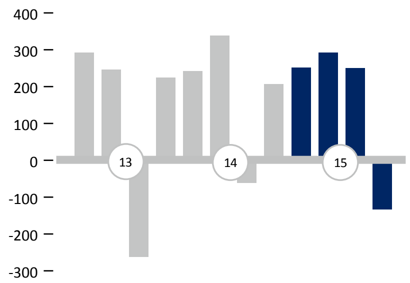
SEK m



Excluding items affecting profitability, operating profit for the full-year 2015 was SEK 662 (726) million, down SEK 64 million compared with the full-year 2014. This decrease is primarily due to lower volumes and negative currency effects, which were counteracted by lower variable costs and better capacity utilization when the other blast furnace in Oxelösund was brought into operation for part of the year.

Operating profit/loss per quarter

SEK m



Capital expenditure payments during the full year were SEK 290 (277) million, of which SEK 87 (64) million were strategic investments, including acquisition of businesses and operations.

SSAB Europe

Key numbers

SEK millions	2015 Full year	2014 Full year
Sales	25,517	25,857
Operating profit before depreciation/amortization, EBITDA	1,286	1,524
Operating profit/loss[1)]	-175	1
Number of employees at end of period	7,147	7,291

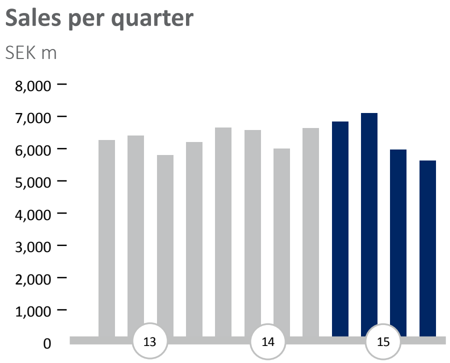
[1)] Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

Demand from the Automotive segment was positive during 2015 compared to 2014, whereas demand from Steel Service Centers showed significantly weaker demand compared to 2014.

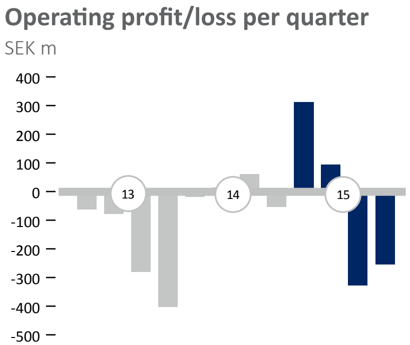
At 3,612 (3,615) thousand tonnes, external shipments for the full-year 2015 were largely at the same level as for the full-year 2014.

Crude steel production for the full-year-2015 was down 11% (due to the relining of the blast furnace in Luleå) compared with the full-year 2014 while steel production was up 1% compared to the full-year 2014.

Sales for the full-year 2015 were SEK 25,517 (25,857) million, down 1% compared with the full-year 2014. Sales were down primarily due to lower prices, which were counteracted by positive currency effects and a better product mix.



Excluding items affecting profitability, operating profit/loss for the full-year 2015 was SEK -175 (1) million, down SEK 176 million. Earnings were down primarily because of the direct and indirect impacts of relining the blast furnace in Luleå and lower prices, which were counteracted by lower raw material and fixed costs.



Capital expenditure payments during the full-year 2015 were SEK 1,828 (1,026) million, of which SEK 468 (172) million were strategic investments, including acquisitions of businesses and operations.

SSAB Americas

Key numbers

SEK millions	2015 Full year	2014 Full year
Sales	11,936	13,207
Operating profit before depreciation/amortization, EBITDA	1,043	1,620
Operating profit/loss[1)]	428	1,107
Number of employees at end of period	1,240	1,277

[1)] Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of IPSCO.

Demand from the Heavy Transport segment was slightly better during 2015 compared with 2014, whereas demand from Steel Service Centers was clearly lower compared to the full-year 2014.

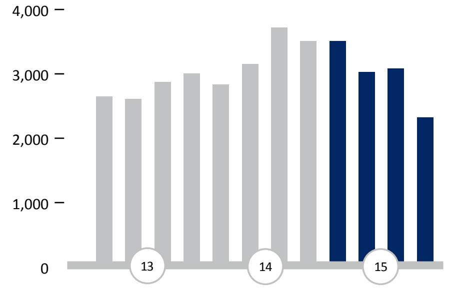
External shipments for the full-year 2015 were 1,888 (2,065) thousand tonnes, down 9% compared with the full-year 2014.

Both crude steel production as well as steel production was down 13% compared with the full-year 2014.

Sales for the full-year 2015 were SEK 11,936 (13,207) million, down 10% compared with the full-year 2014. Lower sales were primarily due to lower prices and volumes, which were counteracted by positive currency effects.

Sales per quarter

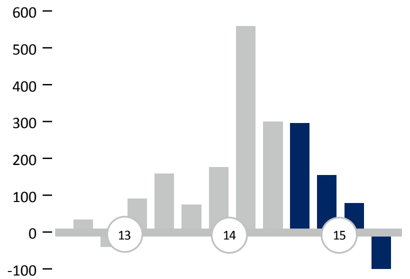
SEK m



Excluding items affecting profitability, operating profit for the full-year 2015 was SEK 428 (1,107) million, down SEK 679 million. Earnings were down primarily due to lower prices and volumes, which were counteracted by lower costs.

Operating profit/loss per quarter

SEK m



Capital expenditure payments during the full-year 2015 were SEK 356 (304) million, of which SEK 106 (102) million were strategic investments.

Tibnor

Key numbers

SEK millions	2015 Full year	2014 Full year
Sales	7,163	8,151
Operating profit before depreciation/amortization, EBITDA	65	173
Operating profit/loss[1)]	-10	83
Number of employees at end of period	1,208	1,281

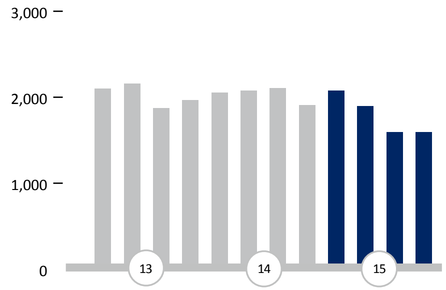
[1)] Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

Total shipments (adjusted for the divested Finnish operations during 2015 which was conditional for the EU's approval for the acquisition of Rautaruukki) during the full-year 2015 were up 3% compared with the full-year 2014. Shipments rose primarily in the Long Products and Rebar Products segments, other segments were unchanged or decreased compared with the full-year 2014.

Sales for the full-year 2015 were SEK 7,163 (8,151) million, down 12% compared with the full-year 2014. Sales were down primarily due to the divestment of the Finnish operations during 2015.

Sales per quarter

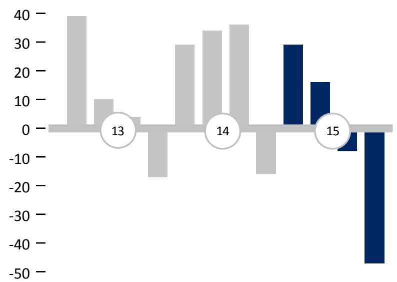
SEK m



Excluding items affecting profitability, operating profit/loss for the full-year 2015 was SEK -10 (83) million, down SEK 93 million. Earnings were down primarily due to lower volumes and lower gross margins.

Operating profit/loss per quarter

SEK m



Capital expenditure payments during the full-year 2015 were SEK 46 (37) million, of which SEK 17 (11) million were strategic investments.

Ruukki Construction

Key numbers

SEK millions	2015 Full year	2014 Full year
Sales	5,374	6,217
Operating profit before depreciation/amortization, EBITDA	208	185
Operating profit/loss[1)]	18	-14
Number of employees at end of period	2,979	3,303

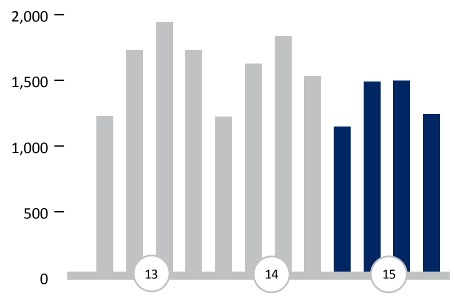
[1)] Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

Demand for 2015 decreased within all segments, but mainly within the Building Systems segment and in Russia.

Sales for the full-year 2015 were SEK 5,374 (6,217) million, down 14% compared with the full-year 2014. Sales were down primarily due to lower sales mainly in Russia and Romania, and in the Building Systems segment.

Sales per quarter

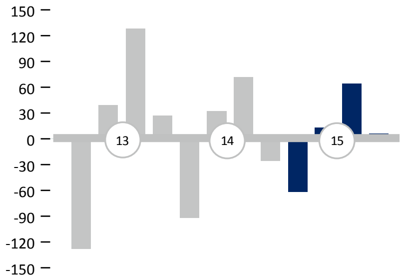
SEK m



Excluding items affecting profitability, operating profit/loss for the full-year 2015 was SEK 18 (-14) million, up SEK 32 million. Earnings were up primarily due to improved margins and the positive impacts of lower fixed costs.

Operating profit/loss per quarter

SEK m



Capital expenditure payments during the full-year 2015 were SEK 115 (55) million, of which SEK 78 (13) million were strategic investments, including acquisitions of businesses and operations.

Capital expenditures and Research and development

CAPITAL EXPENDITURES

Capital expenditure payments during the full year were SEK 2,582 (1,720) million, of which SEK 691 (379) million were strategic investments, including acquisitions of businesses and operations.

RESEARCH AND DEVELOPMENT

Research and development activities are focusing on areas that aim at increasing the profitability of SSAB. Close collaboration with strategic customers and customer segments providing conditions for a market-driven product development that creates increased value also for the 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 with the development of the processes for increased cost efficiency, sustainable processes and energy conservation.

Since the acquisition of Rautaruukki, work has focused on harmonizing the production processes and the product portfolios of the two companies.

During the year, research and development investments amounted to SEK 277 (289) million.

Environment

Steel production is energy intensive and generates carbon dioxide emissions. In Sweden and Finland, SSAB's blast furnaces are among the largest sources of carbon dioxide emissions in each country. At the same time, SSAB's blast furnaces are among the most efficient in the world in terms of minimizing emissions from steel production. 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.

SSAB strives to reduce its environmental impact by focusing on its significant environmental aspects. 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 production levels, emissions into the air and water, noise levels, and rules regarding landfill sites. All production sites comply with relevant local, state, and federal environmental requirements and the Group holds mandatory environmental damage as well as liability insurance covering damage to third parties.

Permitted production at the Swedish plants[1)]

Thousand tonnes	Locality	Permitted production	Production 2015
Coke	Luleå	1,100	699
	Oxelösund	530	430
Hot metal	Luleå	– [2)]	1,532
	Oxelösund	2,000	1,335
Steel slabs	Luleå	3,000	1,446
	Oxelösund	1,900	1,265
Hot-rolled steel	Borlänge	3,200	2,010
	Oxelösund	1,000	637
Pickled steel	Borlänge	2,500	1,322
Cold-rolled steel	Borlänge	1,400	769
Annealed steel	Borlänge	650	480
Metal-coated steel	Borlänge	400	275
Organic-coated products	Borlänge	140	59
	Köping	30	15
	Finspång [3)]	40	26

[1)] In North Americas, the permitted production levels are determined through maximum permitted hourly production volumes and not applicable for Finnish sites.
[2)] Not regulated.
[3)] Unit million m^2.

Personnel

In 2015, a number of restructuring programs and redundancies have taken place; these are part of the efficiency and synergy program that was announced in 2014.

At year-end 2015, the number of employees amounted to 16,045 (16,887). The reduction in the number of employees has affected all segment and mainly in Finland and Russia. The total compensation to employees including social security expenses and pension cost, amounted to SEK 9,673 (7,337) million

During the year, the total number of employees that left the Group was 1,049, of which 207 were on temporary contracts.

Number of employees at year-end

	2015	2014
SSAB Special Steels	2,904	2,976
SSAB Europe	7,147	7,291
SSAB Americas	1,240	1,277
Tibnor	1,208	1,281
Ruukki Construction	2,979	3,303
Other	567	759
Total	**16,045**	**16,887**

Compensation to senior executives

THE BOARD'S PROPOSAL FOR GUIDELINES FOR 2016

For 2016, the Board proposes that compensation to the President and other members in the Company's senior management shall comprise:

- fixed salary;
- possible variable compensation;
- other benefits, such as company car; and
- pension.

"Other members of the Company's senior management" mean members of the Group Executive Committee, currently eight persons other than the President. The total compensation package shall be on market terms and conditions and competitive in the employment market in which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and shall be capped in relation to the fixed salary. The variable compensation shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensation may be included in the basis for pension computation due to legislation or practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, 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.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be contribution-based with individual retirement ages; 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. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice in the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

SHORT-TERM VARIABLE SALARY COMPONENTS IN 2015 (INCLUDING SENIOR EXECUTIVES)

In conjunction with the acquisition of Rautaruukki, the Board decided on a temporary incentive program for a number of key employees within four defined categories who are working on the integration of Rautaruukki, among them certain members of the Group Executive Committee, including the President. This temporary incentive program replaces existing variable salary components during the corresponding period of time in respect of the key employees participating in the program. The program will extend over 18 months (July 1, 2014 – December 31, 2015) and is contingent on the results that the Company achieves, with the target being related to the Group's EBITDA margin compared with a number of comparable steel companies during the measurement period. The outcome is capped in relation to each participant's fixed annual salary, and shall not exceed 5, 9 or 18 monthly salaries, depending on the participant's category affiliation. However, participants are guaranteed a result of at least 50% of the maximum amount.

For the other members of the Group Executive Committee, the short-term variable salary component for 2015 is linked to:

- the Group's EBITDA margin relative to a number of comparable steel companies;
- an injury frequency target established by the Board; and
- one or more individual targets.

LONG-TERM VARIABLE SALARY COMPONENTS IN 2015 (INCLUDING SENIOR EXECUTIVES)

In 2011, a long-term incentive program was introduced covering then a maximum of 100 (now 150) key persons throughout the Group, including the Company's President and other senior executives.

The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 18 and 30% of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under the earlier North American program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the newly introduced program is SEK 24 million in the event of target realization, and SEK 48 million in the event of maximum target realization, of which approximately two-thirds constitutes the cost for participants in North America. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees.

For more detailed information regarding applicable compensation and benefits, see Note 2.

Risk and sensitivity analysis

All business operations involve risk. Correctly managing risks can create opportunities and add value, while incorrectly managed risks can potentially result in damage and losses.

Risks and opportunities

SSAB's earnings and financial position are affected by many factors, several of which are beyond the company's control. These include general political and economic conditions affecting the steel markets. Many of these factors can impact SSAB positively or negatively. Positive development, or proper management, of a risk can lead to opportunities and value creation.

Overall risk management

SSAB has prioritized identifying and analyzing risks, as well as deciding how they are to be addressed. Responsibility for the long-term, overall management of strategic risks is dictated by the company's delegation policy, namely from the Board to the CEO and from the CEO to the leaders of each division. Consequently, most of the Group's operational risks are managed by each respective division, but coordinated across divisions when necessary. The Group Legal function is responsible for global risk management, assessing insurable risks. The Group risk manager is functionally responsible for the Group's risk management work and works with each divisional risk manager to optimize the work from a group-wide perspective. The Group's treasury function is responsible for managing financial risks.

For many years, SSAB has had an internal audit unit which, among other tasks, identifies risk areas and, based on a risk analysis, conducts internal controls followed by recommendations for improvements within these areas. The internal audit unit reports directly to the Audit Committee. For full information about the Group's internal audit function, see the Corporate governance report.

Operational risks

Risk factor	Risk description	Response and initiatives
BUSINESS CYCLE	The steel industry is strongly affected by fluctuations in the business cycle, such as in products and raw materials. The sensitivity to business cycle fluctuations is also influenced by the high percentage of fixed costs due to the large capital expenditures that characterize the steel industry.	SSAB focuses on high-strength steels as one way to minimize the cyclical nature of its earning capacity. A continuous focus on developing niche products will enable SSAB to maintain and strengthen its position in relation to its competitors. Another way SSAB reduces sensitivity to the business cycle is by focusing on the company's home markets, namely North America and the Nordic region. In these markets, SSAB strives to be the customers' supplier of choice by offering short delivery times, superior quality and close, long-term relationships. SSAB also offers value-added services based on its industry-leading know-how in the field of high-strength steels, offering customers the ability to create innovative solutions. SSAB works closely with customers or at one of its many research facilities to develop these innovative solutions. SSAB also works to cut costs and increase flexibility in its operations in order to lessen the effects of downturns in the business cycle. With the acquisition of Rautaruukki, SSAB is exploring even more possibilities to cut costs across the company.
POLITICAL DECISIONS	SSAB operates in many countries and is therefore affected by both country-specific and international regulations related to general tax and financial reporting rules, as well as more specific rules concerning trade barriers, the environment and energy policy.	SSAB participates in national and international industry organizations in which the monitoring of relevant events plays an important role. In the USA, the Group has a separate function for this purpose, based in Washington, DC. One focus area for SSAB is environmental and energy legislation, with the EU's emissions trading system being of critical importance for SSAB's operations. In this area, SSAB acts via industry organizations and directly in explaining the importance of emissions allowances regulations and their impact on SSAB. Since steel production takes place in both Europe and USA, exposure to various trade barriers has been reduced.

Operational risks, cont.

Risk factor	Risk description	Response and initiatives
CUSTOMERS AND SUPPLIERS	Dependence on individual major customers and/or suppliers may entail major inherent risks, with significant consequences were deliveries to or from such customers or suppliers to cease.	SSAB has a diversified customer base and thus has little dependence on individual customers. Credit risks are managed by each division, based on the Group's credit policy. There is also great diversity in the company's suppliers. However, this is not the case with SSAB's most important raw materials, namely coal and iron ore, where the number of potential suppliers is limited. Coal is purchased from a small number of major suppliers around the world, and iron ore is currently purchased from LKAB in Sweden and from Severstal in Russia. However, since the price of iron ore is set on the world market, it is in principle the same regardless of supplier. SSAB has signed long-term supply agreements with both LKAB and Severstal in order to ensure physical supplies, while proximity to iron ore reduces the risk of long-term delivery problems.
ENVIRONMENT	Steel production is energy and resource intensive and has a significant impact on the environment. In both Sweden and Finland, SSAB's blast furnaces are among the largest sources of carbon dioxide emissions.	In pace with technical developments and more stringent environmental requirements, SSAB is continuously striving to minimize its environmental impact. SSAB's steel mills are among the most efficient in the world in terms of carbon dioxide emissions and in terms of reductions in emissions. SSAB is participating in a number of research projects aimed at minimizing carbon dioxide emissions and achieving safe carbon capture and storage. Information about SSAB's environmental issues is provided in the GRI report on www.ssab.com.

Operational risks, cont.

Risk factor	Risk description	Response and initiatives
PRODUCTION	Steel production takes place in a chain of different processes, in which disruptions in one part of the chain can rapidly have serious consequences on other parts. Operational disruptions, such as those due to transportation problems and damage caused by fire, explosions and other types of accidents, may be costly.	Each division and subsidiary is responsible for pro-active work to prevent loss. Risks relating to personal injury and damage to property and the environment (insurable risks), work on preventing injury and damage from occurring at all, and work on minimizing the effects of injury or damage if it nevertheless occurs, are managed within the Group's risk management organization. SSAB's Group risk manager is functionally responsible for this work on risks on a group-wide perspective and works with the risk manager in each division. Risk management work is conducted in accordance with a risk management policy which emphasizes the following: • Proactive work to prevent injury and damage (initiate, coordinate and manage) • Risk and cost optimization (insurance management). Continuity plans, property insurance and business disruption insurance are in place to minimize costs caused by this type of problem. The risk of disruptions in one part of the process having an impact on other parts of the process is minimized by maintaining stocks of crucial raw materials, products in progress and finished products, and by alternative process flows.
EMPLOYEE-RELATED ISSUES	SSAB needs to attract and retain skilled, motivated employees in order to be able to conduct operations with good profitability for the long term. SSAB's niche strategy requires continuous development of strong processes and products, making skills development in these areas particularly important. The company's reputation can be rapidly eroded if safety, responsibility for the environment, and ethics are called into question.	Issues related to safety, environmental responsibility and ethics are prioritized in day-to-day work, as well as in the long term through training and by influencing attitudes. Stringent safety rules are in place in each division, and must be complied with by SSAB's employees and hired personnel, as well as by external contractors. Skills development, especially management training, is a high priority. SSAB also conducts a regular engagement for all employees in the entire company. The survey is an important tool for managers at all levels to develop as leaders and improve work on their teams. Salaries are competitive to employees' respective markets.

Financial risks

International operations such as those at SSAB involve a number of financial risks in the form of financing, liquidity, interest rate, currency and credit risks. The management of these risks is governed by the Group's Finance Policy, which has been adopted by the Board of Directors. Most financial transactions take place through the parent company's treasury function in Stockholm and through SSAB Finance in Belgium. For further information about the Group's financial risk management, see Note 29 in the annual financial report.

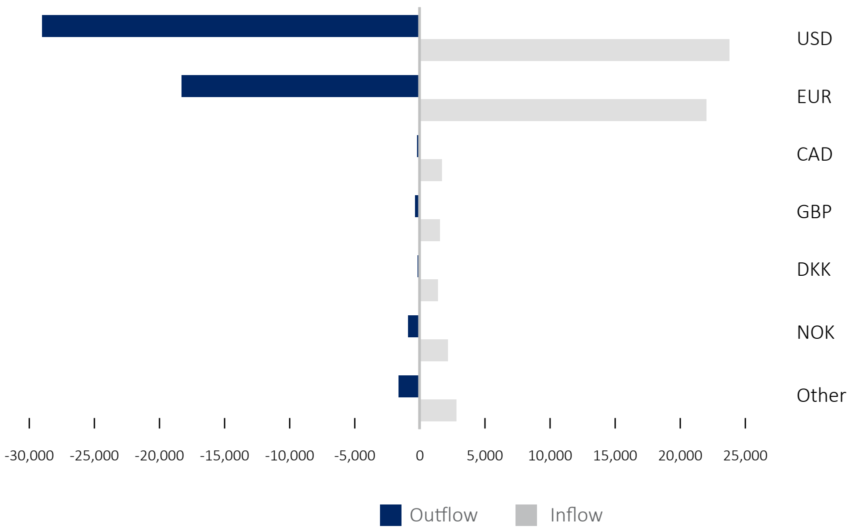
Risk factor	Risk description	Response and initiatives
REFINANCING RISK/ LIQUIDITY RISK	”Refinancing risk/liquidity risk” means the risk of SSAB being unable to pay its obligations due to insufficient liquidity or difficulties in raising new loans.	The borrowing strategy is focused on securing the Group's 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. In order to minimize the refinancing risk, the objective is 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, should exceed 10% of the Group's sales.

Financial risks, cont.

Risk factor	Risk description	Response and initiatives
MARKET	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 should be approximately 1 year, but is permitted to vary between 0.5 and 2.5 years. The fixed-rate term on borrowing may be adjusted through the use of interest rate swaps. **Currency risks:** SSAB's currency exposure largely relates to the translation risk regarding net assets of foreign subsidiaries. This exposure is hedged through borrowing in foreign currency, so-called equity hedge. Exceptions are made in the case of small amounts, e.g. for equity in foreign sales companies. The objective with the equity hedge is to minimize the translation impact on the net debt/equity ratio. The Swedish krona (SEK) is the base currency. In order to manage the transaction risk, most of the commercial currency flows which qualify for hedge accounting (at present purchases of coal and iron ore in USD and sales in EUR) are hedged. Major investments decided upon 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. The net currency inflow in 2015 was SEK 4.7 (2.3) billion. The Group's most important currency flows are shown in the adjacent diagram.

Currency flow 2015

SEK m



Financial risks, cont.

Risk factor	Risk description	Response and initiatives
CREDIT	"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 are A- from Standard & Poor's or A3 from Moody's. Credit risks associated with accounts receivable and other claims are managed in each subsidiary, taking into account the Group's credit policy.

Sensitivity analysis

The approximate full-year effect on profit/loss after financial items and earnings per share of changes in significant factors is shown in the sensitivity analysis below.

	Change, %	Effect on earnings, SEK millions	Effect on earnings per share, SEK[2]
Steel price - steel operations	10	4,300	6.11
Volume - steel operations[1]	10	800	1.14
Iron ore prices	10	480	0.68
Coal prices	10	360	0.51
Scrap metal prices	10	540	0.77
Interest rate	1% point	140	0.20
Krona index[3]	5	430	0.61

[1] Excluding the effect of lower capacity utilization (under absorption)
[2] Calculated based on a 22% tax rate
[3] Calculated on SSAB's exposure without currency hedging. Any weakening of the Swedish krona entails a positive effect.

The share

SSAB's shares are listed on the Nasdaq OMX Stockholm's Large Cap List in Sweden. In conjunction with SSAB's completion of the combination with Rautaruukki, SSAB applied for a secondary listing on Nasdaq OMX Helsinki, Finland, where SSAB's shares have been listed since August 1, 2014.

SHARE CAPITAL

At the end of 2015, there are a total of 549,245,510 SSAB shares, of which 304,183,270 are series A shares and 245,062,240 are series B shares, equating to 328,689,494 votes in total. Each class A share carries one vote and each class B share carries one-tenth of one vote. The quotient value/ an accounting par value per share is SEK 8.80.

OWNERSHIP STRUCTURE

At the end of 2015, SSAB had 103,800 shareholders.
SSAB's three largest owners in terms of voting rights at year-end 2015 were:

- Industrivärden 17.7%
- Solidium 10.1%
- LKAB 5.0%

At the end of December 2015, the ten largest identified owners, owned in total approximately 47.6% of the votes and 41.4% of the share capital. Owners outside of Sweden and Finland controlled 14.8% of the votes and 11.4% of the share capital.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is not part of the Report of the Board of Directors. The Corporate Governance Report and the related auditor's report are available on the Group's website at www.ssab.com.

Outlook

In North America, underlying demand for heavy plate at end-customers is expected to be relatively stable during the first quarter of 2016. Destocking at distributors is thought to have ended during the fourth quarter of 2015 and consequently demand is expected to improve during the first quarter of 2016. In Europe, demand is expected to be stable during the first quarter of 2016 and the inventory reduction taking place during the previous quarter is thought to have ended. Nevertheless, there is a continued risk that high import volumes, primarily from Asia, can have a negative impact both on North America and Europe.

The underlying demand for high-strength steels in the first quarter 2016 is expected to be relatively unchanged and delivery volumes to be higher than during the fourth quarter 2015, which was negatively affected both by the seasonal downturn and by the maintenance outage in Oxelösund. Overall, SSAB's shipment volumes during the first quarter of 2016 are expected to be higher than during the fourth quarter of 2015.

Maintenance outages are planned for 2016. The table below shows the estimated direct maintenance cost, excluding the cost of lower capacity utilization (under absorption) and any lost margins.

Major maintenance outages planned for 2016

SEK millions	2016 Q1	2016 Q2	2016 Q3	2016 Q4
SSAB Special Steels				130
SSAB Europe			200	
SSAB Americas	70			200
Total	**70**	**-**	**200**	**330**

Total capital expenditure during 2016 is expected to be significantly lower than in 2015. Capital expenditure in 2015 was SEK 2.6 billion, whereas during 2016 it is expected to be in the range of SEK 1.5–2.0 billion, depending on market conditions. There is also potential to free up cash flow during 2016 through more efficient use of working capital.

Significant events since the end of the reporting period

CHANGES IN THE COMPOSITION OF THE GROUP EXECUTIVE COMMITTEE

Changes have been made in the composition of the Group Executive Committee since the end of the reporting period. Maria Långberg was appointed Executive Vice President and Head of HR and Sustainability and a member of the Group Executive Committee as of February 1, 2016. From February 1, 2016, Monika Gutén, formerly Executive Vice President and Head of HR, is responsible for the Swedish operations of Tibnor and Gregoire Parenty, formerly Executive Vice President and Head of Market Development, is responsible for the new business unit SSAB Service. Both Monika Gutén and Gregoire Parenty left their positions on the Group Executive Committee as of February 1, 2016.

Consolidated income statement

SEK millions	Note	2015	2014
Sales	1	56,864	47,752
Cost of goods sold	2	-52,552	-44,428
Gross profit		**4,312**	**3,324**
Selling expenses	2	-2,317	-1,662
Administrative expenses	2	-2,319	-2,066
Other operating income	1, 27	649	746
Other operating expenses	2	-613	-450
Shares in earnings of affiliated companies and joint ventures after tax	3	45	1
Operating profit/loss		**-243**	**-107**
Financial income	4	50	202
Financial expenses	4	-978	-1,684
Profit/loss after financial items		**-1,171**	**-1,589**
Taxes	5	666	195
Profit/loss for the year		**-505**	**-1,394**
Of which attributable to:			
• Parent Company's shareholders		-508	-1,399
• Non-controlling interests		3	5
Earnings per share[1]	12	**-0.93**	**-3.33**
Dividend per share – 2015 proposal	32	**0.00**	**0.00**

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

Consolidated statement of comprehensive income

SEK millions	Note	2015	2014
Profit/loss for the year		**-505**	**-1,394**
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Translation differences for the years		1,470	5,639
Cash flow hedges		7	-79
Hedging of currency risks in foreign operations[2]		-719	-2,233
Share in other comprehensive income of affiliated companies and joint ventures		1	-1
Tax attributable to items that may be subsequently reclassified to the income statement	5	155	507
Total items that may be subsequently reclassified to the income statement		**914**	**3,833**
Items that will not be reclassified to the income statement:			
Remeasurements of the net defined benefit liability		192	-159
Tax attributable to items that will not be reclassified to the income statement	5	-39	37
Total items that will not be reclassified to the income statement		**153**	**-122**
Total other comprehensive income for the year, net after tax		**1,067**	**3,711**
Total comprehensive income for the year		**562**	**2,317**
Of which attributable to:			
• Parent Company's shareholders		560	2,310
• Non-controlling interest		2	7

[2] Hedging is structured such that the net debt/equity ratio is unchanged in the event of changed exchange rates.

Consolidated balance sheet

SEK millions	Note	2015	2014
ASSETS			
Fixed assets			
Goodwill	6	27,871	26,421
Other intangible assets	6	3,290	3,964
Tangible fixed assets	7	26,276	26,570
Participations in affiliated companies and joint ventures	3, 8	546	531
Financial assets	8, 13	506	1,272
Deferred tax receivables	14	1,492	1,441
Total fixed assets		**59,981**	**60,199**
Current assets			
Inventories	9	12,691	14,203
Accounts receivable	29	6,048	7,705
Prepaid expenses and accrued income	10	1,042	1,023
Current tax receivables		400	560
Other current interest-bearing receivables	11	1,787	1,977
Recognized but not invoiced sale		61	85
Other current receivables	29	437	572
Cash and cash equivalents	11	2,711	3,014
Total current assets in continuing operations		**25,177**	**29,139**
Assets held for sale	25	-	389
Total current assets		**25,177**	**29,528**
TOTAL ASSETS		**85,158**	**89,727**

SEK millions	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Share capital	12	4,833	4,833
Other contributed funds		22,343	22,343
Reserves	12	1,357	442
Retained earnings		15,860	16,199
Total equity for the shareholders in the Company		**44,393**	**43,817**
Non-controlling interests		**48**	**62**
TOTAL EQUITY		**44,441**	**43,879**
Long-term liabilities			
Pension provisions	13	411	602
Deferred tax liabilities	14	2,334	2,984
Other long-term provisions	15	163	178
Long-term interest-bearing liabilities	16	20,746	21,171
Other long-term non-interest-bearing liabilities	17	555	586
Total long-term liabilities		**24,209**	**25,521**
Current liabilities			
Short-term provisions	15	87	70
Short-term interest-bearing liabilities	16	6,365	8,496
Accounts payable	29	6,334	7,000
Current tax liabilities		93	447
Other current liabilities	29	892	1,089
Invoiced but not accrued sale		181	319
Accrued expenses and deferred income	18, 29	2,556	2,737
Total current liabilities in continuing operations		**16,508**	**20,158**
Liabilities held for sale in continuing operations	25	-	169
Total current liabilities		**16,508**	**20,327**
TOTAL EQUITY AND LIABILITIES		**85,158**	**89,727**
Pledged assets	22	1,736	2,905
Contingent liabilities	23	2,548	3,790

Consolidated statement of changes in equity

		2015							2014						
		Equity attributable to the Parent Company's shareholders							Equity attributable to the Parent Company's shareholders						
SEK millions	Note	Share capital	Other contributed funds	Reserves	Retained earnings	Total	Non-controlling interest	Total equity	Share capital	Other contributed funds	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
Equity, January 1		**4,833**	**22,343**	**442**	**16,199**	**43,817**	**62**	**43,879**	**2,851**	**9,944**	**-3,389**	**17,720**	**27,126**	**23**	**27,149**
Translation differences				1,471		1,471	-1	1,470			5,637		5,637	2	5,639
Cash flow hedges				7		7		7			-79		-79		-79
Tax attributable to cash flow hedges	5			-3		-3		-3			16		16		16
Hedging of currency risks in foreign operations				-719		-719		-719			-2,233		-2,233		-2,233
Tax on hedging of currency risks in foreign operations	5			158		158		158			491		491		491
Remeasurements of the net defined benefit liability	13			0	192	192		192				-159	-159		-159
Tax on remeasurements of the net definied benefit liability	5				-39	-39		-39				37	37		37
Share in other comprehensive income in affiliated companies and joint ventures				1		1		1			-1		-1		-1
Profit for the year					-508	-508	3	-505				-1,399	-1,399	5	-1,394
Total comprehensive income				**915**	**-355**	**560**	**2**	**562**			**3,831**	**-1,521**	**2,310**	**7**	**2,317**
Acquisition non-controlling interest					16	16	-16	0						32	32
New issue									1,982	12,399			14,381		14,381
Equity, December 31		**4,833**	**22,343**	**1,357**	**15,860**	**44,393**	**48**	**44,441**	**4,833**	**22,343**	**442**	**16,199**	**43,817**	**62**	**43,879**

Consolidated cash flow statement

SEK millions	Note	2015	2014
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-243	-107
Reversal of non-cash items:			
• Non distributed shares in affiliated companies' earnings		9	5
• Depreciation, amortization and write-down of fixed assets	6, 7	3,836	3,412
• Profit/loss upon sale of fixed assets		-81	154
• Profit/loss upon sale of shares and operations		2	65
• Change in provisions		-26	-61
• Other reversals		27	93
Interest received		65	410
Interest paid		-856	-1,423
Tax paid		-276	-251
		2,457	**2,297**
Working capital			
Inventories (+ decrease)		1,529	-58
Accounts receivable (+ decrease)		1,680	361
Accounts payable (+ increase)		-687	-836
Other current receivables (+ decrease)		64	28
Other current liabilities (+ increase)		-599	-55
		1,987	**-560**
CASH FLOW FROM OPERATING ACTIVITIES		**4,444**	**1,737**

SEK millions	Note	2015	2014
INVESTING ACTIVITIES			
Investments in plants and machinery	6, 7	-2,546	-1,672
Sale of plants and machinery		253	35
Acquisition of shares and operations	26	-36	331
Divested shares and operations	27	172	-
Other investing activities (+ decrease)		-4	38
CASH FLOW FROM INVESTING ACTIVITIES		**-2,161**	**-1,268**
FINANCING ACTIVITIES			
New loans		3,324	9,625
Repayment/amortization of loans		-6,775	-8,128
Financial investments		957	-1,155
Other financing (+ increase)		-66	-147
CASH FLOW FROM FINANCING ACTIVITIES		**-2,560**	**195**
CASH AND CASH EQUIVALENTS			
Balance, January 1		3,014	2,124
Cash flow from operating activities		4,444	1,737
Cash flow from investing activities		-2,161	-1,268
Cash flow from financing activities		-2,560	195
Translation differences, cash and cash equivalents		-26	226
Cash and cash equivalents, December 31	11	**2,711**	**3,014**
Contracted, non-utilized overdraft facilities		8,308	8,714
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)		**11,019**	**11,728**

Parent Company's income statement

SEK millions	Note	2015	2014
Gross profit		**0**	**0**
Administrative expenses	2	-280	-386
Other operating income	1	84	155
Other operating expenses	2	-1	-1
Operating loss		**-197**	**-232**
Result from shares in subsidiaries and affiliated companies	4	1,980	313
Other interest income and similar items	4	11	202
Other interest expenses and similar items	4	-633	-964
Loss after financial items		**1,161**	**-681**
Appropriations	24	1,111	1,605
Profit before tax		**2,272**	**924**
Tax	5	-69	-218
Profit for the year		**2,203**	**706**

Parent Company's other comprehensive income

SEK millions	Note	2015	2014
Profit for the year		**2,203**	**706**
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Hedging of currency risks in foreign operations		-717	-2,233
Cash flow hedges		-6	28
Tax attributable to other comprehensive income	5	159	485
Total items that may be subsequently reclassified to the income statement		**-564**	**-1,720**
Total other comprehensive income for the year, net after tax		**-564**	**-1,720**
Total comprehensive income for the year		**1,639**	**-1,014**

Parent Company's balance sheet

SEK millions	Note	2015	2014
ASSETS			
Fixed assets			
Tangible fixed assets	7	2	2
Financial assets	8	56,867	55,677
Long-term receivables from subsidiaries		0	645
Deferred tax receivables	14	376	274
Total fixed assets		**57,245**	**56,598**
Current assets			
Accounts receivable	29	0	0
Current receivables from subsidiaries		14,158	14,745
Current tax receivables		1	0
Other current interest-bearing receivables	11	1,463	1,910
Other current receivables	29	6	9
Prepaid expenses and accrued income	10	294	103
Cash and cash equivalents	11	591	1,104
Total current assets		**16,513**	**17,871**
TOTAL ASSETS		**73,758**	**74,469**

SEK millions	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
• Share capital		4,833	4,833
• Statutory reserve		902	902
Unrestricted equity			
• Retained earnings		37,989	37,845
• Profit for the year		2,203	706
TOTAL EQUITY		**45,927**	**44,286**
Untaxed reserves	24	**0**	**0**
Provisions			
Pension provisions	13	3	3
Other long-term provisions	15	19	4
Total provisions		**22**	**7**
Long-term liabilities			
Liabilities to subsidiaries		0	0
Other long-term interest-bearing liabilities	16	17,087	17,214
Total long-term liabilities		**17,087**	**17,214**
Current liabilities			
Short-term interest-bearing liabilities	16	5,631	7,424
Accounts payable	29	14	8
Liabilities to subsidiaries		4,487	4,885
Other current liabilities	29	6	10
Accrued expenses and deferred income	18,29	559	623
Short-term provisions	15	25	12
Total current liabilities		**10,722**	**12,962**
TOTAL EQUITY AND LIABILITIES		**73,758**	**74,469**
Pledged assets	22	1,425	2,846
Contingent liabilities	23	2,827	2,757

Parent Company's changes in equity

		2015							2014						
		Restricted equity		Unrestricted equity					Restricted equity		Unrestricted equity				
SEK millions	**Note**	**Share capital**	**Statutory reserve**	**Share premium**	**Reserve for fair value**	**Retained earnings**	**Profit for the year**	**Total**	**Share capital**	**Statutory reserve**	**Share premium**	**Reserve for fair value**	**Retained earnings**	**Profit for the year**	**Total**
Equity, January 1	12	**4,833**	**902**	**21,791**	**670**	**15,384**	**706**	**44,286**	**2,851**	**902**	**9,391**	**2,390**	**15,271**	**113**	**30,918**
Adjustment opening balance						2		2							
Hedging of currency risks in foreign operations					-717			-717				-2,233			-2,233
Tax on hedging of currency risks in foreign operations					158			158				491			491
Cash flow hedges					-6			-6				28			28
Tax on cash flow hedges					1			1				-6			-6
Profit for the year							2,203	2,203						706	706
Total comprehensive income					**-564**		**2,203**	**1,639**				**-1,720**		**706**	**-1,014**
Retained earnings from previous year						706	-706	0					113	-113	0
New issue									1,982		12,400				14,382
Equity, December 31		**4,833**	**902**	**21,791**	**106**	**16,092**	**2,203**	**45,927**	**4,833**	**902**	**21,791**	**670**	**15,384**	**706**	**44,286**

Parent Company's cash flow statement

SEK millions	Note	2015	2014
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-197	-232
Reversal of non-cash items:			
• Depreciation of tangible fixed assets	7	1	1
• Change in provisions		14	-56
• Other reversals		0	0
Interest received		155	206
Interest paid		-709	-902
Tax paid		4	0
		-732	**-983**
Working capital			
Accounts receivable (+ decrease)		0	0
Accounts payable (+ increase)		6	1
Other current receivables (+ decrease)		-120	-6
Other current liabilities (+ increase)		33	15
Commercial intra-group transactions		91	25
		10	**35**
CASH FLOW FROM OPERATING ACTIVITIES		**-722**	**-948**

SEK millions	Note	2015	2014
INVESTING ACTIVITIES			
Investments in fixed assets	7	-	-2
Dividends from subsidiaries		2,087	13
Received/paid group contributions		1,563	214
Paid shareholder contributions		-2,197	-
Acquisition/divesture of shares and operations	26, 27	74	-17
Other investing activities (+ decrease)		-	5
CASH FLOW FROM INVESTING ACTIVITIES		**1,527**	**213**
FINANCING ACTIVITIES			
New loans		3,153	9,625
Repayments/amortization of loans		-5,484	-3,256
Financial investments		1,234	-2,937
Financial intra-group transactions		264	-1,067
Other financing (+ increase)		-485	-576
CASH FLOW FROM FINANCING ACTIVITIES		**-1,318**	**1,789**
CASH AND CASH EQUIVALENTS			
Balance, January 1		1,104	50
Cash flow from operating activities		-722	-948
Cash flow from investing activities		1,527	213
Cash flow from financing activities		-1,318	1,789
Cash and cash equivalents, December 31	11	**591**	**1,104**
Contracted, non-utilized overdraft facilities		8,308	8,714
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. Non-utilized overdraft facilities)		**8,899**	**9,818**

5-year summary, Group

	2015	2014[1)]	2013[2)]	2012	2011
Sales, SEK millions	56,864	47,752	36,455	38,923	44,640
Operating profit/loss, SEK millions	-243	-107	-1,131	-96	2,512
Profit /loss after financial items, SEK millions	-1,171	-1,589	-1,728	-693	1,998
Profit/loss after tax for the Parent Company´s shareholders, SEK millions	-508	-1,399	-1,066	15	1,560
Investments in plant and operations, SEK millions	-2,582	-1,720	828	1,461	3,210
Cash flow from current operations, SEK millions	2,802	473	1,103	3,925	2,200
Net debt, SEK millions	23,156	24,674	14,833	15,498	18,475
Capital employed at year-end, SEK millions	75,346	62,476	45,983	48,414	51,558
Total assets, SEK millions	85,158	89,727	55,936	58,619	63,439
Return on capital employed before tax (%)	0	0	-2	0	5
Return on equity after tax (%)	-1	-4	-4	0	5
Equity ratio (%)	52	49	48	49	49
Net debt/equity ratio (%)	52	56	55	54	60
Dividend per share (SEK), 2015 – proposal	0.00	0.00	0.00	1.00	2.00
Earnings per share (SEK)	-0.93	-3.33	-3.29	0.05	4.82
Average number of employees	17,515	13,639	8,194	8,695	8,830
Sales per average employee, SEK millions	3.2	3.5	4.3	4.5	5.1
Production of crude steel, thousand tonnes	7,593	6,682	5,567	5,253	5,671

[1)] Rautaruukki was acquired on July 29, 2014 and the above figures include Rautaruukki's figures from that date onwards.
[2)] Sales and Sales per average employee for 2013 have been restated due to the change in method 2014 concerning the inclusion of freight income in Sales. Sales for 2011–2012 have not been restated.

ACCOUNTING AND VALUATION PRINCIPLES

The most important accounting principles applied in the preparation of these consolidated financial statements are set forth below. Unless otherwise stated, these principles have been applied consistently with respect to all presented years.

General information

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

Principles for preparation of the report

The consolidated financial statements have been prepared in accordance with the Swedish Annual Reports Act 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 Groups, has been applied.

Accounting standards and applications introduced during the year have had no impact on the Group's earnings and financial position.

The consolidated financial statements have been prepared in accordance with the acquisition value method, other than with respect to certain financial assets and liabilities (including derivative instruments) which have been valued at fair value via the income statement.

The preparation of reports in accordance with IFRS requires the use of a number of important estimations for accounting purposes. In addition, management must make certain assessments in conjunction with the application of the Group's accounting principles. Those areas that include a high degree of assessment, which are complex, or in which assumptions and estimations are of material significance for the consolidated financial statements are stated in Note 30.

The parent company applies the same accounting principles as the Group, except where stated below in a particular section. The differences that exist between the principles applied by the parent company and the Group are due to limitations on the possibilities to apply IFRS to the parent company as a consequence of 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. Relevant standards, changes and interpretations that entered into force in 2013 have not had any impact on the Group.

Standards, changes and interpretations that entered into force in 2015 and are relevant to the Group

- IFRIC 21, "Levies". This interpretation applies commencing with financial years that begin from January 1, 2014 as the IASB but January 1, 2015 according to the EU. The Group has applied this from January1, 2015. This is an interpretation of IAS 37, "Provisions, contingent liabilities and contingent assets". IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy; various fees that can be charged a company by laws and regulations, if that liability is within the scope of IAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. This interpretation has affected the Groups financial statements by the total liability has been recognized at the time when the liability as occurred. The levies affected by this interpretation is primarily property taxes for the Group.

ANNUAL IMPROVEMENTS TO IFRSS 2011-2013

- IFRS 3 (Amendment), "Business combinations". This amendment applies commencing from July 1, 2014 as the IASB but from January 1, 2015 according to the EU. The Group has applied this from January 1, 2015. The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. This amendment has had no immediate impact on the Group's financial statements; however it might have an impact on future formations of joint ventures.

Standards, changes and interpretations relevant to the Group that have been adopted by the EU but have not yet entered into force but have been applied by the Group prematurely

ANNUAL IMPROVEMENTS TO IFRSS 2010-2012

- IFRS 8 (Amendment), "Operating segments". This amendment applies commencing from July 1, 2014 as the IASB but from February 1, 2015 according to the EU. The Group has applied this from January 1, 2014. The amendment requires disclosure of the judgements made by management in aggregating operating segments and clarifies that a reconciliation of segment assets must only be disclosed if segment assets are reported. The adoption of this amendment has required additional disclosures in the segment note.

Standards, changes and interpretations relevant to the Group that have been adopted by the EU but have not yet entered into force and have not been applied by the Group prematurely

- IAS 19 (Amendment), "Defined Benefit plans: Employee Contributions". This amendment applies commencing from July 1, 2014 as the IASB but from February 1, 2015 according to the EU. The Group has applied this from February 1, 2015. The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognize the benefit of those contributions over employees' working lives. The Group has a limited number of plans that require contributions that vary with service so the impact on the Group's financial statements will not be material.

ANNUAL IMPROVEMENTS TO IFRSS 2010-2012

- IFRS 3 (Amendment), "Business Combinations". This amendment applies commencing from July 1, 2014 as the IASB but from February 1, 2015 according to the EU. The Group has applied this from February 1, 2015. This amendment clarifies that an obligation to pay contingent consideration is classified as financial liability or equity under the principles in IAS 32 "Financial instruments: Presentation". This amendment also clarifies that all non-equity contingent consideration (financial and non-financial) is measured at fair value at each reporting date and the value changes is presented in the income statement. This amendment might have an impact on the Group's financial statements; on future business combinations.
- IFRS 13 (Amendment), "Fair value measurement". This amendment applies commencing from July 1, 2014 as the IASB but from February 1, 2015 according to the EU. The Group has applied this from February 1, 2015. Amendment of "Basis of conclusions", confirms that short-term receivables and payables can continue to be measured at invoice amounts if the impact of discounting is immaterial. This amendment has had no immediate impact on the Group's financial statements.

Consolidated financial statements

The consolidated financial statements cover SSAB AB (publ) and the companies in which the Group has existing rights that give it the current ability to direct the activities and is exposed, or has rights, to variable returns from its involvement with the investee.

SUBSIDIARIES

The Group's annual accounts are prepared in accordance with the acquisition method, entailing that the equity of subsidiaries at the time of acquisition defined as the difference between the fair value of identifiable assets, liabilities and potential obligations – is eliminated in its entirety against the acquisition price. Those surpluses that comprise the difference between the acquisition value and the fair value of the Group's share of identifiable acquired assets, liabilities and potential obligations are reported as goodwill. If the acquisition price is below the fair value of the net assets of the acquired subsidiary, the difference is reported directly in the income statement. With respect to each acquisition, the Group determines whether all non-controlling interests in the acquired company shall be reported at fair value or at the proportion of the net assets of the acquired company represented by the holding.

- Goodwill is initially valued as the amount by which the total purchase price and fair value of non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. Acquired companies are included in the consolidated financial statements commencing the date on which a controlling influence is obtained, while divested companies are reported up to the date on which the controlling influence ceases.
- Intra-group transactions, dealings and unrealized profits are eliminated in the consolidated financial statements. Unrealized losses are also eliminated unless the transaction constitutes evidence of impairment of the transferred asset. Where appropriate, the accounting principles for subsidiaries have been changed in order to ensure a consistent application of the Group's principles.
- In the consolidated cash flow statement, the purchase price with respect to acquired or divested operations is reported under the headings "Acquisition of shares and operations" and "Divested shares and operations". Thus, the assets and liabilities of the acquired/divested companies at the time of the acquisition/sale are not included in the cash flow statement.

JOINT OPERATIONS AND AFFILIATED COMPANIES

Companies in which the Group, together with one or more co-owners, is bound by a cooperation agreement which provides that the co-owners shall jointly exercise a controlling influence are reported as joint operations. SSAB's joint operations are classified as joint ventures, which means that SSAB and the other party has joint control and have rights to the net assets.

Affiliated companies and joint operations ventures in the form of joint ventures are reported in accordance with the equity method and valued initially at acquisition value. The equity method entails that the Group's book value of the shares in affiliated companies and joint ventures corresponds to the Group's share in the equity of the affiliated companies and joint ventures and, where appropriate, the residual value of surplus values or under-values from a Group perspective, including goodwill. The Group's share in the earnings of affiliated companies and joint ventures which arises after the acquisition is reported in the income statement. In the consolidated income statement, "Shares in earnings of affiliated companies and joint ventures after tax" comprise the Group's share in the post-tax earnings of the affiliated company or joint venture. Shares in the earnings of affiliated companies and joint ventures are reported in the operating profit when operations in affiliated companies and joint ventures are related to SSAB's operations and considered to be of a business nature. Any intra-group profits are eliminated in relation to the share of equity held.

In the parent company, affiliated companies and joint ventures are reported in accordance with the acquisition value method.

Transactions in foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which the company in question primarily operates (functional currency). Swedish kronor are used in the consolidated financial statements; this is the functional currency and reporting currency of the parent company.

Transactions in foreign currency are reported at the exchange rate prevailing on the transaction date. In certain cases, the actual rate is approximated to the average rate during a month. At the end of the month, receivables and liabilities in foreign currency are translated in accordance with the closing day rate at that time. Exchange rate differences relating to the business are reported in the operating profit, while differences attributable to financial assets and liabilities are reported as a net sum among financial items.

The income statements of foreign subsidiaries are translated into Swedish kronor at the average exchange rates for the year, while their balance sheets are translated into Swedish kronor at the closing day rates. Any translation differences that arise are transferred directly to the consolidated statement of comprehensive income and reported in the item "Translation reserve".

Loans or other financial instruments taken up in order to hedge net assets in foreign subsidiaries are reported in the consolidated financial statements at the closing day rate. Any exchange rate differences less deferred taxes are transferred directly to other comprehensive income and thereby set off against the translation differences which arise in conjunction with the translation of these subsidiaries' balance sheets into Swedish kronor.

Upon sales of foreign subsidiaries, the total translation differences that relate to the foreign subsidiary are reported as a part of capital gains/ losses in the consolidated income statement.

Goodwill and adjustments of assets and liabilities to fair value in connection with the acquisition of foreign subsidiaries are treated as assets and liabilities in the foreign operations and thus translated in accordance with the same principles as the foreign subsidiaries.

Revenue recognition

Revenues are reported at the fair value of what has been or will be received and correspond to amounts received for sold goods less value added tax, discounts and returns, including exchange rate differences from forward contracts which are entered into in order to hedge sales in foreign currency. For information regarding hedge accounting, see Note 29.

The Group reports revenue when the amount can be measured in a reliable manner, it is likely that future economic benefits will inure to the Company, and specific criteria have been fulfilled in respect of each of the Group's operations as described below.

SALES OF STEEL

Revenues from sales of steel are reported after the crucial risks and benefits associated with title are transferred to the buyer and no right of disposition or possibility of actual control over the goods remains. In most cases, this means that sales are reported upon delivery of the goods to the customer in accordance with agreed delivery terms and conditions.

REVENUE RECOGNITION OF PROJECTS WITHIN RUUKKI CONSTRUCTION

The Group applies gradual income recognition when reporting fixed price agreements for projects which extend over more than one year. When the result of the project can be calculated in a reliable manner and it is likely that the project will be profitable, revenues are reported over the term of the agreement based on the degree of completion. At the end of the period, project expenditures are reported based on the degree of completion in respect of the activities included in the work. When it is likely that the total expenditures on the project will exceed the total revenues, the anticipated loss is reported immediately as an expense. When the result of the project work cannot be calculated in a reliable manner, revenues are reported only in an amount corresponding to the accrued project expenditures which are likely to be compensated.

SALES OF SERVICES

Revenues from sales of services are reported in the period in which the services are performed. All intra-group sales are eliminated in the consolidated financial statements.

INTEREST INCOME AND DIVIDENDS

Interest income is reported in accordance with the effective rate method. Dividends are reported when the right to receive the dividend has been established.

Regarding dividends from subsidiaries, see the section entitled Dividends, the parent company.

Pricing between Group companies

Arm's length pricing is applied to deliveries of goods and services between companies in the Group.

Government assistance

Government assistance 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 assistance and grants are allocated over the same period as the expenses which the grants are intended to reimburse. Grants provided as compensation for expenses are recognized in the income statement as an expense reduction. Grants related to assets are recognized in the balance sheet through a reduction in the reported value of the assets.

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. The projects that take place are short-term in nature and do not involve significant amounts, and thus development expenditures are also booked as costs.

Tangible non-current assets

Tangible non-current assets are reported at acquisition value less deduction for accumulated depreciation and any accumulated impairment. Depreciation is based on the acquisition value of the assets and estimated useful life. If major investments include components, an assessment must always be made as to whether the useful life of the component differs from that of the entire facility. The acquisition value includes expenditures directly attributable to the acquisition of the asset. Any borrowing costs in conjunction with the construction and design of non-current assets, a significant portion of which is required for completion for use or sale, are added as a part of the acquisition cost of the asset. Restoration expenses in connection with disposals of non-current assets are included in the acquisition value only where the criteria for making a provision for such restoration expenses may be deemed fulfilled. Additional expenditures for acquiring replacement components are added to the reported value of the non-current asset or recognized as a separate asset only where it is likely that the Group will enjoy the future economic benefits associated with the asset and the acquisition value of the asset can be measured in a reliable manner. The reported value for the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are recognized as expenses in the income statement during the period in which they occur.

Land is assumed to have a perpetual period of use and thus is not depreciated. Other tangible non-current assets are classified into groups for calculation of depreciation based on their estimated useful life, in accordance with the following table.

Examples of items	Estimated use, years
Vehicles, office equipment and computers	3–5
Light machinery	5–12
Heavy machinery:	
• Re-ligning of blast furnaces	12–15
• Steel furnaces, rolling mills and cranes	15–20
• Blast furnaces and coke ovens	15–20
Land improvement	20
Buildings	25–50

The useful life of the assets is reviewed annually and adjusted where required. The assets are normally depreciated to zero without any remaining residual value. The straight line depreciation method is used for all types of tangible non- current assets with a limited useful life. Where the book value of an asset exceeds the expected recovery value, the asset is written down to such value.

Capital gains and capital losses upon the sale of tangible non-current assets are determined by comparing the revenue from the sale with the reported value; this is reported in the income statement as "Other operating revenues" or "Other operating expenses".

Intangible assets

Similarly, intangible assets are classified in two groups, with assets with a determinable useful life being amortized over a determined useful life, while assets with an undeterminable useful life are not amortized at all.

GOODWILL

The compensation transferred in conjunction with a business acquisition is valued at fair value. Goodwill comprises the amount by which the acquisition value (the compensation) exceeds the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the time of the acquisition. Goodwill upon the acquisition of a subsidiary is reported as an intangible asset. Goodwill is tested annually to identify any impairment and reported at acquisition value less accumulated impairment.

Testing for impairment is also carried out in those cases where there are indications that the asset may have diminished in value. Impairment of goodwill is reported as an expense and not reversed. Profits or losses upon the sale of a unit include the remaining reported value of the goodwill which relates to the sold unit. When testing for any impairment, goodwill is allocated over cash-generating units. The allocation is made on the cash-generating units or groups of cash-generating units which are expected to benefit from the business acquisition which gave rise to the goodwill item. Goodwill is monitored on a divisional level.

CUSTOMER RELATIONS

Acquired customer relations are reported at acquisition value. Customer relations have a determinable useful life and are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs for customer relations over their assessed useful life (six to twelve years).

TRADEMARKS AND LICENSES

Acquired trademarks and licenses are reported at acquisition value. Trademarks and licenses that have a determinable useful life are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs for trademarks over their assessed useful life and licenses are amortized over the term of the agreement (five to ten years). Trademarks and licenses that don't have a determinable useful life are tested annually to identify any impairment and are reported at acquisition value less accumulated impairment. Testing for impairment is also carried out in those cases where there are indications that the assets may have diminished in value. Impairment of trademark and licenses is reported as an expense and not reversed.

SOFTWARE

Acquired software licenses are capitalized on the basis of the costs incurred upon acquisition and placement into operation of the relevant software. These capitalized costs are amortized on a straight-line basis over the assessed useful life (three to five years).

Expenses for development and acquisition of new software are capitalized and reported as an intangible asset provided they have a significant value for the Company in the future and they can be deemed to have a useful life in excess of three years. These capitalized expenses are depreciated on a straight-line basis over the assessed useful life (three to five years). Expenses for training and software maintenance are, however, booked directly as costs.

OTHER INTANGIBLE ASSETS

Other intangible assets are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs over their assessed useful life (five to fifteen years).

Impairment of non-financial assets

Intangible assets with an undeterminable useful life (including goodwill) are not amortized but, rather, tested annually for any impairment or otherwise where signs indicate a decline in value. Other non-financial assets with an undeterminable useful life are tested when signs indicate a decline in value. Amortized assets are tested for impairment when signs indicate a decline in value. Where the estimated recovery value is less than the reported value, the asset is written down to the recovery value. Testing of the value of an asset with an undeterminable useful life may also result in the asset being reclassified as an asset with a determinable useful life. The asset's period of use is then calculated and amortization commences. The recovery 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). With respect to assets other than financial assets and goodwill which have previously been impaired, an annual test is conducted as to whether a reversal should be made.

Leased assets

Expenses for non-current assets that are leased instead of owned are reported primarily as lease expenses on a straight line basis over the leasing period (operational leasing). Where leasing agreements contain terms and conditions pursuant to which the Group enjoys the economic advantages and incurs the economic risks that are associated with ownership of the property (financial leasing), they are reported in the consolidated balance sheet under 'Non-current Assets' and depreciated over the useful life (the economic life or the outstanding leasing period, whichever is the shorter). At the beginning of the leasing period, financial leasing is reported in the balance sheet at the leased object's fair value or the present value of the minimum leasing charges, whichever is lower. Each lease payment is divided into interest payment and repayment of the debt; interest is allocated over the leasing period. Corresponding payment obligations, less deductions for financial expenses, are included in the balance sheet items, "Current interest-bearing liabilities" and "Non-current interest-bearing liabilities".

In the parent company, all leasing agreements are reported as operational.

Financial assets

Financial assets include cash and cash equivalents, accounts receivable, shares and participations, loan claims and derivative instruments. They are reported initially at an acquisition value corresponding to the fair value of the asset plus a supplement for transaction costs, with the exception of assets that are valued at fair value. Reporting thereafter takes place depending on the classification of the asset. Financial assets are removed from the balance sheet when the debt/instrument is finally paid or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

Spot purchases and sales of financial assets are reported on the Settlement day, i.e. the day on which the asset is delivered. Accounts receivable are reported in the balance sheet when an invoice has been issued. The fair value of listed financial assets corresponds to the asset's listed transaction price on the balance sheet date. The fair value of unlisted financial assets is determined through use of valuation techniques, for example, recently conducted transactions, prices of similar instruments and discounted cash flows.

Financial assets are classified in four valuation categories: "Financial assets at fair value through profit and loss", "held to maturity investments", "loans and receivables" and "available for sale financial assets".

- Financial assets at fair value through profit and loss: Assets that are acquired primarily in order to enjoy profits upon short-term price fluctuations, holdings for trading, are classified as "Financial assets at fair value through profit and loss" and reported as short-term investments if their term to maturity on the acquisition date is less than three months and as "Other interest-bearing current receivables" if the term to maturity is between three and twelve months. Derivative instruments are classified as holdings for trading except where used for hedge accounting. Assets in this category are valued regularly at fair value and changes in value are reported in the income statement. Derivative instruments taken up in respect of business-related items are reported in the operating profit, while derivative instruments of a financial nature are reported in financial items. Assets in this category are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.
- Held to maturity investments: Assets with a fixed maturity date and which are intended to be held until maturity are classified as "held to maturity investments" and reported as financial non-current assets, except those parts that mature within twelve months; these are reported as "Other interest-bearing current receivables". Assets in this category are valued at amortized cost. The amortized cost is determined based on the effective interest rate, which is calculated on the acquisition date.
- Loans and receivables: Loans and receivables are financial assets that are not derivative instruments, which have fixed or determinable payments and which are not listed on an active market. The claims arise when cash, goods or services are provided directly to the debtor without an intention of trading in the receivables. Just as with the preceding category, assets in this category are valued at the amortized cost. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.
- Financial assets available for sale: Financial assets without a fixed term to maturity but which can be sold should liquidity needs arise or upon changes in interest rates are classified as "available for sale". Assets in this category are valued regularly at fair value with changes in value in other comprehensive income. Upon removal of the investments from the balance sheet, any accumulated profit or loss previously reported in comprehensive income is reversed to the income statement. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets. The Group held no instruments in this category during 2014 and 2015.

OTHER SHARES AND PARTICIPATIONS

Consist primarily of investments in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value.

NON-CURRENT RECEIVABLES

Non-current receivables are receivables held without any intention of Trading in the claim. Parts where the outstanding holding period is less than one year are reported among "Other current interest-bearing receivables". The receivables are classified in the category, "Loan claims and accounts receivable".

ACCOUNTS RECEIVABLE

Accounts receivable are classified in the category, "Loan claims and accounts receivable". Accounts receivable are reported initially at fair value and accounts receivable in excess of twelve months are reported at the accrued acquisition value applying the effective interest rate method, less any provisions for reduction in value.

The Company has had no accounts receivable with a due date in excess of twelve months. Any impairment of accounts receivable takes place in selling expenses in the income statement.

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). Investments with an original term to maturity of between three and twelve months are reported under "Other current interest-bearing receivables" and classified as assets valued at the fair value via the income statement. Overdraft facilities are reported in the balance sheet as borrowing among "Current interest-bearing liabilities".

IMPAIRMENT OF FINANCIAL ASSETS

The Group regularly assesses whether there is any objective evidence for impairment of a financial asset or a group of financial assets. With respect to investments in equity instruments which are valued at acquisition value, a significant or prolonged decline in the fair value of a share to a level below its acquisition value is considered to be evidence of impairment. If such evidence exists, the difference between the reported value and the current fair value is reported in the income statement. Impairment of equity instruments is not reversed. Tests for impairment of accounts receivable are based on an individual assessment of bad debts. The size of the provision comprises the difference between the reported value of the asset and the present value of estimated future cash flows, discounted applying an effective interest rate. The remaining amount is reported in the income statement.

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value, with the acquisition value being calculated in accordance with the FIFO method (first in, first out). When calculating the acquisition value, a weighted average value is normally used to approximate FIFO.

The net realizable value is normally calculated as 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 value where the end product in which they are included is expected to be sold at a price which exceeds the manufacturing cost.

Work in progress and finished inventories are valued at the manufacturing cost or the net realizable value, whichever is lower. Necessary provision is made for obsolescence.

The acquisition value of inventories includes all costs for purchasing, Production and other expenses incurred in bringing the goods to their current location and condition.

Employee benefits

PENSIONS

Within the Group there are both contribution-based and benefit-based Pension plans. 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. Blue collar employees in Sweden are covered by such a contribution-based plan.

In the benefit-based plans, compensation is payable to employees and former employees based on salary at the time of retirement and 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 balance sheet, the net of the estimated present value of the obligations and fair value of the managed assets is reported either as a long-term provision or as a long-term financial claim. In those cases where a surplus in a plan cannot be utilized in full, only that part of the surplus which can be recovered through reduced future fees or refunds is reported. Set-off of a surplus in one plan against a deficit in another plan takes place only where a right of set-off 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 as the employees perform the services that increase their entitlement to future compensation. The obligation is calculated by independent actuaries and constitutes the present value of the anticipated future disbursements. The discount rate that is applied corresponds to the rate of interest on high-quality corporate bonds with a term to maturity which corresponds to the average term for the obligations. The most important actuarial assumptions are stated in Note 13.

Actuarial profits or losses may arise upon determination of the present value of the obligations and the fair value of the managed 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 profits and losses are recognized in their entirety in the Group's results when they arise.

White collar personnel in Sweden are covered by a collective benefit-based plan, the ITP (supplementary pensions for salaried employees) plan. The ITP plan has been financed through the purchase of pension insurance with the mutual insurance company, Alecta. However, at present no information is available which makes it possible to report this plan as a benefit-based plan. Accordingly, the plan is reported as a contributions-based plan, and thus premiums paid to Alecta during the year are reported as pension expenses.

The parent company and other legal entities within the Group report benefit-based pension plans in accordance with the local rules in each country.

PROFIT SHARES AND VARIABLE SALARY

SSAB employees are covered by 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 salaries which contain a variable element related to the profit level and individually set targets. The costs for these systems are booked as accrued expenses regularly during the year as soon as it is likely that the targets will be met. In 2011, a long-term incentive program was introduced for the Company's senior executives, including the President, which is capped at 25% of fixed salary. The program 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 booked 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.
The Group reports severance compensation when the Group is demonstrably obliged either to terminate an employee 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 which fall due more than twelve months from the balance sheet date are discounted to present value.

Provisions

Provisions are reported when the Group has an obligation as a result of an event that has occurred and it is likely that payments will be demanded for fulfillment of the obligation. A further requirement is that it is possible to make a reliable estimation of the amount to be paid out. Provisions for restructuring measures are made when a detailed, formal plan for the measures is in place and well-founded expectations have been created among the parties that will be affected by the measure, and this takes place prior to the balance sheet date.

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 those rights which will have to be delivered due to emissions having taken place. The value of any surplus emission rights is reported only when it is realized as an external sale. 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 environmental undertaking is calculated based on interpretations of applicable environmental legislation and regulations and reported when it is likely that payment liability will be incurred and a reasonable estimation can be made of such amount. Provisions have not been made for land clean-up to prepare the industrial areas for other use in the future, since it is not possible to make a reasonable estimation of when such cleanup will take place.

Financial liabilities

Financial liabilities include loan debts, accounts payable and derivative instruments. Reporting thereafter takes place depending on how the liabilities are classified. Financial liabilities are removed from the balance sheet when the debt/instrument is paid in full or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

ACCOUNTS PAYABLE

Accounts payable are valued initially at fair value and thereafter at accrued acquisition value.

LOAN DEBTS

Loan debts are valued initially at net fair value after transaction costs, and thereafter at accrued acquisition value. The accrued acquisition value is determined based on the effective interest rate which was calculated when the loan was taken up. Accordingly, surplus values and under-values as well as direct issuance costs are allocated over the loan period. Loans which constitute the hedged object in fair value hedging are valued and booked at fair value. Non-current loan debts have an anticipated term to maturity in excess of one year, while current loan debts have a term to maturity of less than one year.

Derivate instruments and hedging

Currency derivatives in the form of forward contracts and swaps are used to hedge exchange rates on purchase orders for coal, iron ore, zinc and heavy fuel oil, to hedge the exchange rate in conjunction with major sales in foreign currency, in conjunction with major investments in non-current assets made in foreign currency, to hedge net investments in foreign subsidiaries, and to hedge Swedish kronor payment flows on foreign loans. Derivative instruments in the form of interest swaps are used to hedge exposure to interest rate risks.

- All derivative instruments are reported in the balance sheet at fair value. The method for reporting accrued profit/loss differs, however, depending on the purpose of the derivative instrument. When a derivative contract is entered into, it is characterized as hedging of the fair value of a reported asset/liability or of a signed delivery order (“fair value hedging”), hedging of a planned transaction (“cash flow hedging”), hedging of a net investment in a foreign company, or as a derivative instrument which does not meet the requirements for hedging transactions.
- When the transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item, as well as the Group’s risk management objectives and risk management strategy as regards the hedging. The Group also documents its assessment, both when hedging is entered into and on a regular basis, of whether the derivative instruments used in hedge transactions are effective in counteracting changes in fair value or cash flows that relate to the hedged items.
- Information regarding fair value of various derivative instruments used for hedging purposes is set forth in Note 29. Changes in the hedging reserve in equity are set forth in Note 12. The entire fair value of a derivative instrument which constitutes a hedge instrument is classified as a non-current asset or non-current liability when the outstanding term of the hedged item exceeds twelve months, and as a current asset or current liability when the outstanding term of the hedged item is less than twelve months.
- Fair value hedging: Changes in the fair value of derivative instruments which are categorized as, and meet the requirements for, “fair value hedging” are reported in the income statement together with changes in the fair value of the asset/liability or the delivery order to which the hedging relates. Transaction costs related to “fair value hedging” are recognized immediately in the income statement.
- Cash flow hedging: The effective part of changes in fair value of derivative instruments which are identified as, and meet the requirements for, cash flow hedging, is reported in other comprehensive income. The profit or loss attributable to the ineffective part is reported immediately in financial items in the income statement. However, the ineffective part of the profit or loss relating to cash flow hedging of sales in foreign currency is reported among other operating expenses or revenue. Accumulated amounts in equity are reversed to the income statement in those periods in which the hedged item affects earnings (e.g. when the forecast sale which is hedged takes place). The profit or loss attributable to the effective part of a forward contract which hedges sales in foreign currency is reported in the income statement item, Sales. When a hedge instrument lapses or is sold, or when the hedging no longer fulfills the criteria for hedge accounting and there are accumulated profits or losses in equity regarding the hedging, such profits or losses remain in equity and are reported as income at the same time as the forecast transaction is finally reported in the income statement. When a forecast transaction is no longer expected to occur, the accumulated profit or loss which is reported in equity is transferred immediately to the income statement. Where the transfer relates to cash flow hedging of sales in foreign currency, it is reported among other operating expenses or revenue. Where the transfer relates to cash flow hedging of financial items, it is reported in the income statement among financial items.
- Net investment hedging: Hedging of net investments in foreign companies is reported in the same manner as cash flow hedging. The effective part of changes in value of derivative instruments and liabilities, which are used as hedge instruments, is reported in other comprehensive income. The ineffective part of changes in value is reported immediately in financial items in the income statement. Accumulated profits and losses in equity are reported in the income statement when the foreign operations are divested, in whole or in part.
- Certain derivative transactions do not meet the formal criteria for hedge accounting; they are reported in the income statement among financial revenues and expenses.

Derivative instruments which are reported in hedge accounting and executed in respect of business-related items are reported in operating profit, while derivative instruments of a financial nature are reported in financial items. 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.

Taxes

The Group's reported tax expenses consist of tax on the taxable earnings of Group companies for the period as well as any adjustments with respect to tax for previous periods and changes in deferred tax.

DEFERRED TAX

Deferred tax is calculated in order to correspond to the tax effect which arises when final tax is triggered. It corresponds to the net effect of tax on all differences between the tax value of assets and liabilities and their value for accounting purposes (temporary differences), applying the future tax rates already decided upon or announced which will apply when the tax is expected to be realized.

- Temporary differences arise primarily through accelerated depreciation of non-current assets, profits from intra-group inventory transactions, untaxed reserves in the form of tax allocation reserves, non-utilized losses carried forward, as well as fair value adjustments in conjunction with business combinations. A deferred tax receivable due to losses carried forward is, however, recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses.
- In the parent company's balance sheet, the accumulated values of Accelerated depreciation and other untaxed reserves are reported in the item "Untaxed reserves" without deduction of the deferred tax. In the parent company's income statement, changes in the untaxed reserves are reported on a separate line.

Dividends

Dividends proposed by the Board of Directors do not reduce equity until the annual general meeting has adopted a resolution regarding payment of the dividend.

DIVIDENDS, THE PARENT COMPANY

An anticipated dividend is reported in those cases where the parent company is exclusively entitled to decide on the amount of the dividend and the parent company, prior to the date on which its financial statements are published, has decided on the amount of the dividend and ascertained that the dividend will not exceed the dividend capacity of the subsidiary.

Group contributions in the parent company

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 income statement.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents in the cash flow statement consist of cash and bank balances as well as short-term investments with a term to maturity of less than three months from the acquisition date, which are exposed to only an insignificant risk of change in value.

Segment reporting

OPERATING SEGMENTS

As of September 1, 2014, the Group is organized in five reportable operating segments with clear profit responsibility. The operating segments are the five divisions; SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries by their respective Boards. In addition, there are other operating segments which are not reportable since they do not reach the threshold values in IFRS 8 and they are not monitored separately by the Group Executive Committee. The segment reporting takes place in such a manner that it corresponds to the internal reporting which is submitted to the Group Executive Committee. The Group Executive Committee is the highest Executive decision-making body which is responsible for the allocation of resources and assessment of the results of operating segments, and takes strategic decisions. A more detailed description of the reportable segments and their operations is provided on pages 6–12 and in Note 28.

Non-current assets held for sale

Significant non-current assets (or divestments groups) are classified as Non-current assets held for sale when their reported value will primarily be recovered through a sales transaction and a sale is deemed to be very likely. They are reported at reported value or fair value less selling expenses, whichever is lower, if their book value is primarily recovered through a sales transaction and not through permanent use.

1 Sales and other operating income

Sales per product area	Group	
SEK millions	**2015**	**2014**
Hot-rolled strip	9,764	8,788
Cold-rolled and organic-coated strip	8,516	5,863
Plate	19,947	19,024
Tubes and profiled strip	2,552	947
Trading operations	5,711	4,965
Ruukki Construction operations	5,260	3,212
Slabs	192	477
By-products/scrap	1,873	1,376
Freight	1,668	1,561
Other	1,381	1,539
Total sales	**56,864**	**47,752**

Sales broken down by divisions and geographic area is shown in Note 28.

Other operating income	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Sales of purchased energy and media	199	121	-	-
Sales of services	30	22	-	-
Net exchange rate differences	-	102	1	-
Profit on emission rights	89	38	-	38
Profit upon sale of shares and operations	-	0	-	-
Profit upon sale of fixed assets	161	37	-	-
Investment grant (government grant)	0	26	-	-
Other	170	400	83	117
Total other operating income	**649**	**746**	**84**	**155**

2 Operating expenses

Type of cost	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Raw materials in the steel operations, including change in raw material inventory	19,014	17,949	-	-
Supplies and inputs	1,506	1,280	-	-
Purchased products in the trading operations	1,784	2,755	-	-
Purchased products in the steel operations	3,019	4,735	-	-
Energy	3,280	2,671	-	-
Change in inventory, work in progress and finished products	3,185	862	-	-
Compensation to employees	9,673	7,337	80	108
Material, services and maintenance	7,595	5,169	151	241
Depreciation/amortization	3,836	3,412	0	0
Other	4,909	2,436	50	38
Total operating expenses	**57,801**	**48,606**	**281**	**387**

Audit fees and related services	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
PricewaterhouseCoopers				
Audit fees	16	14	2	4
Audit related services	1	4	-	4
Tax consulting	1	2	0	0
Other services	3	18	0	10
Total audit fees and related services to PricewaterhouseCoopers	**21**	**38**	**2**	**18**
Other audit firms				
Audits and related services	3	6	-	-
Other services	13	13	4	3
Total audit fees and services to audit firms	**37**	**57**	**6**	**21**

Operating expenses have been reduced by the following government and other grants:

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Investment grant	38	26	-	-
Other	19	14	-	-
Total grants	**57**	**40**	**-**	**-**

Compensation to employees	Board, President and Executive Vice President		Other employees	
SEK millions	**2015**	**2014**	**2015**	**2014**
Parent Company[1)]	23	17	54	74
Subsidiaries in Sweden	7	9	2,865	2,689
Subsidiaries outside Sweden	23	29	4,124	2,528
Total wages and salaries[2)]	**53**	**55**	**7,043**	**5,291**
Social security expenses	21	20	2,174	1,677
(of which pension expenses)	(11)	(10)	(915)	(616)
Other expenses for employee benefits	4	3	378	291
Total compensation to employees	**78**	**78**	**9,595**	**7,259**

[1)] Relates only to personnel employed and working within the parent company. Personnel in some of the larger subsidiaries are formally employed by the parent company but are reported in terms of number and expense in the relevant subsidiary. In the parent company expenses for the president of SSAB EMEA AB are also reported.
[2)] Total wages and salaries include variable salary components to Presidents in the amount of SEK 10 (6) million, of which SEK 5 (3) million in the parent company.

2 Operating expenses cont.

Board fees

BOARD OF DIRECTORS

At the annual general meeting (AGM) in April 2015, Bengt Kjell was elected as new Chairman of the Board. Sverker Martin-Löf and Jan Johansson had announced that they were leaving the Board of Directors in conjunction with the AGM. At the AGM, it was decided that the Chairman's fee should amount to SEK 1,650,000 and directors' fees (excluding the President) to SEK 550,000 each. Members of Board committees should receive a fee of SEK 100,000 for each committee on which the member served, with the exception of the Chairman of the Audit Committee, who instead should receive SEK 125,000. Thus, in total SEK 5,575 (5,750) thousand was paid in fees to the Board of Directors.

Salaries and compensation for the President and other senior executives

RESOLUTION OF THE ANNUAL GENERAL MEETING

According to a resolution adopted by the AGM in April 2015, the President and other persons in the Company's senior management shall receive compensation comprising fixed salary, possible variable compensations, other benefits such as company car, and pension. “Other members of the Company's senior management” mean members of the Group Executive Committee other than the President. The total compensation package shall be on market terms and conditions and competitive on the employment market on which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and capped in relation to the fixed salary. The variable compensations shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensations may be included in the basis for pension computation due to legislation or competitive practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, 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.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work.

Board members

			Fee 2015, SEK[1)]		Fee 2014, SEK[1)]	
Elected by general meeting	**Elected**	**Position**	**Board fee**	**Committee fee**	**Board fee**	**Committee fee**
Bengt Kjell	2015	Chairman	1,650,000	200,000	-	-
Petra Einarsson	2014	Member	550,000	-	275,000	-
Kim Gran	2014	Member	550,000	100,000	275,000	50,000
Matti Lievonen	2014	Member	550,000	-	275,000	-
Martin Lindqvist	2011	Member, President	-	-	-	-
Annika Lundius	2011	Member	550,000	100,000	512,500	100,000
John Tulloch	2009	Member	550,000	100,000	512,500	100,000
Lars Westerberg	2006	Member	550,000	125,000	512,500	112,500
Sverker Martin-Löf, resigned 2015	2003	Chairman	-	-	1,537,500	200,000
Jan Johansson, resigned 2015	2011	Member	-	-	512,500	-
Anders G Carlberg, resigned 2014	1986	Member	-	-	237,500	62,500
Matti Sundberg, resigned 2014	2004	Member	-	-	237,500	-
Pär Östberg, resigned 2014	2013	Member	-	-	235,700	-

[1)] The fee relates to the full term.

2 Operating expenses cont.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or contribution-based or a combination thereof, with individual retirement ages; however in no case earlier than the age of 69. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice on the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

REMUNERATION COMMITTEE

Within the Board of Directors there is a Remuneration Committee which issues proposals to the Board regarding the President's salary and other employment terms and conditions, and determines the salary and other employment terms and conditions for the Group Executive Committee in accordance with guidelines decided upon by the AGM. The Committee consists of Bengt Kjell (Chairman), Kim Gran and John Tulloch. The President is a co-opted member of the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

COMPENSATION IN 2015

Compensation to the President and other members of the Group Executive committee consisted of a fixed salary component, a short-term variable salary component, and a long-term variable salary component. There is no share-related compensation.

For the members of the Group Executive committee who are not stationed in the USA, there is a short-term variable salary component which is related to the Group's EBITDA margin relative to other comparable steel companies and to a target related to injury frequency established by the Board, combined with one or more individual targets. This variable salary component is capped at 75% of fixed salary for the President and 50% for others.

In conjunction with the acquisition of Rautaruukki, the Board decided on a temporary incentive program for a number of key employees within four defined categories who are working on the integration of Rautaruukki, among them certain members of the Group Executive Committee, including the President. This temporary incentive program replaces existing variable salary components during the corresponding period of time in respect of the key employees participating in the program. The program will extend over 18 months (July 1, 2014 -December 31, 2015) and is contingent on the results that the Company achieves, with the target being related to the Group's EBITDA margin compared with a number of comparable steel companies during the measurement period. The outcome is capped in relation to each participant's fixed annual salary and shall not exceed 5, 9 or 18 monthly salaries, depending on the participant's category affiliation. However, participants are guaranteed a result of at least 50% of the maximum amount.

In 2011, a long-term incentive program was introduced covering then a maximum of 100 (now 150) key persons throughout the Group, including the Company's President and other senior executives. The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 18 and 30% of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under their earlier program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the program is SEK 24 million in the event of target realization, and SEK 48 million in the event of maximum target realization, of which approximately 2/3 constitutes the cost for participants in North America. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees.

The member of the Group Executive committee who is stationed in the United States receives compensation which is considered to be competitive from a North American perspective. He receives a fixed salary and, in addition, an annual variable salary component which is linked to the same targets as for the rest of the Group Executive Committee. His annual variable salary is capped relative to fixed salary. The target result is 60% of fixed salary but may amount to a maximum of 180% in the event of extremely high profitability. As a supplement, for year 2015, the maximum level was raised from 180% to 300%. In addition, during his employment he is entitled to participate in the Group's long-term incentive program. The outcome is capped relative to fixed salary. Fully developed, the plan has a target outcome of 90% of fixed annual salary, but in the event of extremely good results may amount to a maximum of 150%. Payments under the long-term incentive program take place in cash, and solely on condition that he remains in his employment.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The total paid compensation package, excluding pension, amounted to SEK 10.0 (8.0) million. The total paid amount of SEK 10.0 million includes a payment of SEK 0.4 (-) million regarding variable salary for 2014 (2013).

2 Operating expenses cont.

The retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 42 (42) % of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment.

There is a 12-month notice period in the event of dismissal by the Company. In addition, in such situation severance compensation is payable equal to 12 months' salary. In the event of the President's resignation, the termination period is 6 months and, in such a situation, there is no entitlement to severance compensation. Variable salary components are earned during the termination period only on condition that the President remains in active service.

OTHER GROUP EXECUTIVE COMMITTEE MEMBERS

Apart from the President, the Group Executive Committee comprised 9 (11) persons. During 2014, Rautaruukki was acquired and the Group reorganized, with the Group Executive Committee being expanded to include an additional three members as of September 1, 2014. On February 10, 2015, Mikael Nyqvist and Marko Somerma left the Group Executive Committee. The Group Executive Committee is presented in the Corporate Governance Report.

The minimum retirement age for other members of the Group Executive Committee stationed outside the USA is 62. Pensions are based on contributions, apart from in the case of Olavi Huhtala; he continues to be covered by the benefit-based pension scheme with a retirement age of 60 (via Ruukki A-Pension Foundation), of which he has long been covered through his employment at Rautaruukki. The other members of the Group Executive Committee are entitled to 12 months' notice in the event of dismissal by the Company. In addition, in such a situation severance compensation is payable equivalent to 6–12 months' salary. Members of the Group Executive committee must give 6 months' notice of resignation, whereupon there is no entitlement to severance compensation.

For the member of the Group Executive committee stationed in the United States, other rules apply with respect to pension in accordance with US legislation and practice.

Total compensation and benefits are shown in the adjacent table.

Compensation and benefits for the President and other members of the Group Executive Commitee	President		Other Group Executive Committee	
SEK millions	**2015**	**2014**	**2015**	**2014**
Fixed salary[1)]	9.3	7.7	27.8	29.0
Other benefits[2)]	0.3	0.3	2.3	2.3
Short-term variable salary[3)]	0.4	-	4.0	1.0
Long-term variable salary[3)]	-	-	0.5	0.4
Total compensation	**10.0**	**8.0**	**34.6**	**32.7**
Pension expenses	3.9	3.2	8.0	6.8
Total	**13.9**	**11.2**	**42.6**	**39.5**

1) For 2015, includes payment of SEK 0.1 (0.1) million to the President in respect of accrued, non-utilized vacation, and vacation compensation, as well as cost compensation in respect of company residence in the amount of SEK 0.2 (0.2) million.

2) Relates primarily to car and gasoline benefits, but here also includes compensation for increased living costs for the member of the Group Executive committee that was stationed in Asia.

3) The amounts relate to payments made in the relevant financial year, which were earned in previous years. Since the compensation is not known at the end of the accounting year due to the fact that comparisons are made with competitors who have not yet reported their figures, and also the fact that the Board can decide to reduce the compensation if special reasons exist, compensation in this table is reported only in the year in which payment has taken place. Booked variable salary components for the entire Group Executive Committee amounted to SEK 16.2 (10.3) million.

3 Affiliated companies, joint ventures and related party transactions

Share of earnings and sales	Share of earnings after tax		Share of sales	
SEK millions	**2015**	**2014**	**2015**	**2014**
Lulekraft AB	1	1	115	150
Norsk Stål A/S[1)]	1	-7	-	740
Norsk Stål Tynnplater A/S[1)]	0	5	-	258
Oxelösunds Hamn AB	10	12	146	146
Blastech Mobile LLC (joint venture)	21	12	79	49
Bet-Ker Oy	10	4	44	18
Fortaco Oy[1)]	-	-27	-	128
Helens Rör AB	4	1	362	63
Manga LNG Oy	-2	-	0	-
Raahen Voima Oy	0	-	134	82
Total	**45**	**1**	**880**	**1,634**

Share of assets and liabilites	Share of assets		Share of liabilities	
SEK millions	**2015**	**2014**	**2015**	**2014**
Lulekraft AB	113	118	99	103
Norsk Stål A/S[1)]	-	284	-	284
Norsk Stål Tynnplater A/S[1)]	-	98	-	98
Oxelösunds Hamn AB	165	165	46	53
Blastech Mobile LLC (joint venture)	79	44	18	0
Bet-Ker Oy	44	39	13	10
Fortaco Oy[1)]	-	236	-	236
Helens Rör AB	181	142	111	35
Manga LNG Oy	158	345	94	0
Raahen Voima Oy	515	31	329	153
Total	**1,255**	**1,502**	**710**	**972**

1) During 2015, Norsk Stål A/S, Norsk Stål Tynnplater A/S and Fortaco Oy were divested. The share of earning after tax relates only to the period up to the divestment.

Receivables from affiliated companies and joint venture	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Included in balance sheet items:				
Accounts receivable	43	58	-	-
Prepaid expenses and accrued revenue	41	18	-	-
Total	**84**	**76**	**-**	**-**

Liabilities to affiliated companies and joint venture	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Included in balance sheet items:				
Accounts payable	37	25	-	-
Total	**37**	**25**	**-**	**-**

Share of owning and equity share can be found in Note 8.

Related party transactions

The following transactions with affiliated companies and the joint venture occurred during the year (The numbers for Norskt Stål A/S, Norskt Stål Tynnplater A/S and Fortaco Oy refers to the time before the divesture.): SSAB Americas purchased plate shot blasting and painting services from Blastech Mobile for SEK 140 (83) million. Lulekraft purchased gas from SSAB Europe for SEK 173 (229) million and resold electricity for SEK 94 (153) million. Norsk Stål and Norsk Stål Tynnplater purchased steel from the steel operations for SEK 60 (302) million and sold for SEK 0 (0) million. Raahen Voima purchased gas and fuel from SSAB Europe for SEK 119 (60) million and sold back energy for SEK 84 (65) million. Oxelösunds Hamn sold port services to SSAB Europe for SEK 256 (216) million and purchased other services for SEK 42 (27) million. Fortaco bought steel from the steel operations for SEK 50 (38) million and Helens Rör for SEK 178 (71) million. SSAB Europe purchased refractory materials from Bet-Ker for SEK 73 (32) million. The Board Member John Tulloch has a consultancy agreement with one of the USA subsidiaries of SSAB from which he received SEK 0.6 (0.4) million in fees. The transactions took place at arm's length prices.

4 Financial items

Group

SEK millions	2015	2014
Financial income		
Interest income	47	62
Net exchange rate differences	-	137
Dividends	1	1
Other	2	2
Total financial income	**50**	**202**
Financial expenses		
Interest expenses	-705	-769
Net exchange rate differences	-55	-
Write-down loan receivable from associated company	-	-602
Other	-218	-313
Total financial expenses	**-978**	**-1,684**
Net financial income and expenses	**-928**	**-1,482**

Net result attributable to derivatives is included in the Net exchange rate differences with the amount of SEK -331 (97) million.

Parent Company

SEK millions	2015	2014
Dividends from subsidiaries[1)]	2,087	30,545
Dividends from affiliated companies	1	1
Write-down of subsidiary shares[1)]	-220	-30,417
Interest income from subsidiaries	133	187
Interest expenses to subsidiaries	-21	-3
Total result from subsidiaries and affiliated companies	**1,980**	**313**
Other interest income	11	32
Net exchange rate differences	.	170
Total other interest income and similar items	**11**	**202**
Other interest expenses	-604	-671
Net exchange rate differences	-3	-
Other	-26	-293
Total other interest expenses and similar items	**-633**	**-964**
Total financial net	**1,358**	**-449**

[1)] During 2015, the parent company made a write down of SEK 220 million in its subsidiary SSAB APAC Holding's shares. During 2014, SSAB Finance Belgium distributed its two subsidiaries (SSAB Finance Brussels and SSAB Finance UK) to the parent company. After that, the shares in SSAB Finance Belgium were written down to zero.

5 Taxes

Taxes	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Swedish corporate income tax	-3	6	0	0
Foreign corporate income tax	-124	-402	4	-
Total current tax expenses	**-127**	**-396**	**4**	**0**
Deferred taxes	793	591	-73	-218
Total tax in the income statement	**666**	**195**	**-69**	**-218**
Total tax in other comprehensive income[1)]	**115**	**545**	**159**	**485**

Reconciliation of tax rates	Group		Parent Company	
%	**2015**	**2014**	**2015**	**2014**
Applicable tax rate in Sweden[2)]	-22	-22	22	22
Tax effect of:				
• non-deductible expenses	2	25	2	22
• non-taxable divestments	-	-	-	-
• non-taxable revenue[3)]	-1	-3	-21	-19
• changes in tax rates	0	0	-	-
• other tax rates in foreign subsidiaries	-44	-15	-	-
• taxes relating to earlier periods	0	-1	0	-1
• unbooked deficit credit	8	3	-	-
• other	0	1	-	-
Effective tax rate	**-57**	**-12**	**3**	**24**

1) For details see Consolidated statement of changes in equity on page 25 and on page 29 for the parent company.
2) The Group has negative earnings and therefore the starting point when reconciling the effective tax rate is -22% while the parent company has positive earnings and the starting point is 22%.
3) The parent company's non-deductible expenses are for the most part related to write-down of shares and acquisition costs of Rautaruukki whereas non-taxable revenue consists primarily of dividends from subsidiaries.

The tax for the year amounted to SEK 666 (195) million and the effective tax rate was -57 (-12)%. The tax rate was negatively affected by unbooked loss carry-forwards by +8 percentage points and positively affected by lower tax rates on positive results and higher tax rates on negative results in foreign subsidiaries by -44 percentage points.

6 Intangible assets

Group

	2015							2014						
SEK millions	**Customer relations**	**Trademarks**	**Emission rights[1)]**	**Other intangible assets**	**Trademarks with undeter-minable useful life**	**Goodwill**	**Total intangible assets**	**Customer relations**	**Trademarks**	**Emission rights[1)]**	**Other intangible assets**	**Trademarks with undeter-minable useful life**	**Goodwill**	**Total intangible assets**
Acquisition value, January 1	7,702	6	1,058	1,197	424	26,732	37,119	6,242	6	-	652	-	17,770	24,670
Acquisitions	-	-	-	57	-	-	57	-	-	-	28	-	-	28
Increase through acquisition of shares/operations	-	-	-	-	-	-	-	189	-	1,031	452	413	5,193	7,278
Sales and disposals	-	-	-	0	-	-	-	-	-	-	-3	-	-	-3
Reclassifications	14	-	-	-4	-	-10	0	-	-	-	-7	-	3	-4
Translation differences	564	0	-35	30	-14	1,450	1,995	1,271	-	27	75	11	3,766	5,150
Acquisition value, December 31	**8,280**	**6**	**1,023**	**1,280**	**410**	**28,172**	**39,171**	**7,702**	**6**	**1,058**	**1,197**	**424**	**26,732**	**37,119**
Accumulated amortization, January 1	5,559	5	89	763	-	-	6,416	4,243	5	-	503	-	-	4,751
Sales and disposals	-	-	-	-1	-	-	-1	-	-	-	-3	-	-	-3
Amortization for the year	500	0	209	137	-	-	846	396	-	86	209	-	-	691
Reclassifications	-	-	-	-3	-	-	-3	-	-	-	-3	-	-	-3
Translation differences	416	0	-7	34	-	-	443	920	-	3	57	-	-	980
Accumulated amortization, December 31	**6,475**	**5**	**291**	**930**	**-**	**-**	**7,701**	**5,559**	**5**	**-**	**763**	**-**	**-**	**6,416**
Accumulated write-down, January 1	6	-	-	1	-	311	318	-	-	-	-	-	8	8
Write-down for the year	-	-	-	1	-	0	1	6	-	-	1	-	292	299
Translation differences	-	-	-	-	-	-10	-10	-	-	-	-	-	11	11
Accumulated write-down, December 31	**6**	**-**	**-**	**2**	**-**	**301**	**309**	**6**	**-**	**-**	**1**	**-**	**311**	**318**
Residual value, December 31	**1,799**	**1**	**732**	**348**	**410**	**27,871**	**31,161**	**2,137**	**1**	**969**	**433**	**424**	**26,421**	**30,385**

1) Surplus values from the acquisition of Rautaruukki relating to future allocation of emission rights.

Amortization for the year is included in the income statement in the amount of SEK 798 (620) million in cost of goods sold; SEK 7 (1) million in selling expenses and SEK 42 (20) million in other administrative expenses.

6 Intangible assets cont.

Goodwill

SEK million	2015	2014
SSAB North America (in Division SSAB Americas)	22,910	21,284
SSAB Special Steels	2,529	2,625
SSAB Europe	1,905	1,969
Tibnor	467	483
Ruukki Construction[1)]	470	484
Total goodwill	**28,281**	**26,845**

1) Included in the value for Ruukki Construction is also the trademark Rautaruukki with an undeterminable useful life of SEK 410 (424) million.

A test of impairment of goodwill takes place annually on November 30. The Group's most significant goodwill balance is allocated to the Group's cash-generating units.

SSAB North America is included in the SSAB Americas division. For more information about SSAB Americas and the other divisions, see Note 28. Recoverable amounts for cash-generating units are based on value in use calculations. The calculations are based on the company's budget and forecasts regularly produced by the management team. Cash flows beyond a five-year period have been extrapolated applying an assessed rate of growth in accordance with the information below. The rate of growth does not exceed the long-term rate of growth for the market in which these cash-generating units operate.

Significant assumptions used in calculations of use value are shown in the table below:

2015	North America	Special Steels	Europe	Tibnor	Con-struction
Assessed long-term rate of growth, %	2	2	2	2	2
Weighted average discount rate, before tax, %	9.9	7.2	7.2	7.3	7.2

2014 [1)]	
Assessed long-term rate of growth, %	2
Weighted average discount rate, before tax, %	10.3

1) The Finnish steel group Rautaruukki was acquired on July 29, 2014 and no separate test of impairment of goodwill was performed during 2014.

The assumptions above have been used to analyze the cash-generating unit.

The management has established the budgeted and forecast gross margin based on historical results and expectations regarding market trends and each specific cash-generating unit. The rate of growth used for the gross margin corresponds to the forecasts available in industry and analyst reports. The discount rate used is stated before tax and reflects specific risks applicable locally for each specific cash-generating unit.

Calculations conducted using the above assumptions have demonstrated that no impairment of goodwill exists at December 31. For a sensitivity analysis and assumptions, see Note 30.

Emission rights

The estimated consumption of emission rights in 2015 was 8.9 (6.7) million tonnes. No emission rights were sold in 2015 or 2014. The allocated rights were sufficient for consumption in 2015. The emission rights are reported as an intangible asset, with granted emission rights being booked at an acquisition value of zero kronor. SSAB is participating in various programs whereby it is possible to purchase emission rights and, through such programs, at year-end SSAB owned emission rights valued at SEK 22 (24) million, which are reported as an intangible asset.

7 Tangible fixed assets

Group

	2015						2014					
SEK millions	**Land and land improve-ments**	**Buildings**	**Machinery**	**Equipment, tools, fixtures and fittings**	**Construction in progress and advances to suppliers**	**Total tangible fixed assets**	**Land and land improve-ments**	**Buildings**	**Machinery**	**Equipment, tools, fixtures and fittings**	**Construction in progress and advances to suppliers**	**Total tangible fixed assets**
Acquistion value, January 1	1,021	7,359	39,678	645	1,783	50,486	624	4,283	31,801	580	1,112	38,400
Acquistions	1	189	507	30	1,761	2,488	1	85	204	32	1,347	1,670
Increase through acquisitions of shares and operations	-	-	-	-	-	-	164	2,826	6,305	5	394	9,694
Sales and disposals	-9	-259	-971	-40	-4	-1,283	-2	-5	-447	-21	-5	-480
Decrease through disposal of shares and operations	-1	-34	-57	-33	27	-98	-	-	-	-	-	-
Reclassifications	18	108	1,976	29	-2,066	65	207	-11	492	27	-1,143	-428
Translation difference	4	-4	482	-2	17	497	27	180	1,323	22	78	1,630
Acquisition value, December 31	**1,034**	**7,359**	**41,615**	**629**	**1,518**	**52,155**	**1,021**	**7,359**	**39,678**	**645**	**1,783**	**50,486**
Accumulated depreciation, January 1	175	2,246	20,908	339	-	23,668	147	2,164	19,325	282	-	21,918
Sales and disposals	-3	-247	-897	-44	-	-1,191	-	-4	-225	-20	-	-249
Depreciation for the year	34	382	2,442	92	-	2,950	23	130	1,949	90	-	2,192
Decrease through disposal of shares and operations	0	-23	-47	-26	-	-96	-	-	-	-	-	-
Reclassifications	2	-1	21	-2	-	20	-	-11	-333	1	-	-343
Translation difference	3	22	257	-12	-	270	5	-33	192	-14	-	150
Accumulated depreciation, December 31	**211**	**2,379**	**22,684**	**347**	**-**	**25,621**	**175**	**2,246**	**20,908**	**339**	**-**	**23,668**
Accumulated write-down, January 1	16	129	103	0	-	248	1	-	14	0	-	15
Sales and disposals	-	-	-	-	-	-	-1	-	-	-	-	-1
Write-down for the year	-	1	38	0	-	39	16	128	107	0	-	251
Reclassifications	-2	-	-	-	-	-2	-	-	-	-	-	-
Translation difference	-2	-11	-14	0	-	-27	0	1	-18	0	-	-17
Accumulated write-down, December 31	**12**	**119**	**127**	**0**	**-**	**258**	**16**	**129**	**103**	**0**	**-**	248
Residual value, December 31	**811**	**4,861**	**18,804**	**282**	**1,518**	**26,276**	**830**	**4,984**	**18,667**	**306**	**1,783**	**26,570**

7 Tangible fixed assets cont.

Depreciation for the year is included in the income statement in the amount of SEK 2,848 (2,122) million in costs of goods sold, SEK 47 (33) million in selling expenses, SEK 47 (31) million in administrative expenses, and SEK 5 (6) million in other expenses.

During the period, SEK 1 (1) million interest expenses were capitalized and the rate of interest applied was 2.5 (3.1) %.

Tangible fixed assets include financial leasing agreements in the amount of SEK 312 (369) million in acquisition value and SEK 249 (319) million in residual value.

As per the balance sheet date, there were contracted investments in fixed assets valued at SEK 297 (133) million which were not reported in the financial statements.

Parent Company

SEK millions	Equipment, tools, fixtures and fittings	Total tangible fixed assets
Acquisition value, January 1, 2014	10	10
Acquisitions	2	2
Sales and disposals	-	-
Acquisition value, December 31, 2014	**12**	**12**
Acquisition value, January 1, 2015	12	12
Acquisitions	1	1
Sales and disposals	-	-
Acquisition value, December 31, 2015	**13**	**13**
Accumulated depreciation, January 1, 2014	9	9
Sales and disposals	-	-
Depreciation for the year	1	1
Accumulated depreciation, December 31, 2014	**10**	**10**
Accumulated depreciation, January 1, 2015	10	10
Sales and disposals	-	-
Depreciation for the year	1	1
Accumulated depreciation, December 31, 2015	**11**	**11**
Residual value, December 31, 2014	**2**	**2**
Residual value, December 31, 2015	**2**	**2**

8 Financial assets, shares and participations in affiliated companies and joint venture

Group

SEK millions	Other shares and participations	Other long-term receivables	Total financial assets	Participations in affiliated companies and JV
Book value at January 1, 2014	12	1,587	1,599	284
Increase through acquisition of shares/operations	135	682	817	443
Investments	14	1,048	1,062	30
Sales and amortization	-1	-1,704	-1,705	-
Impairments	-	-601	-601	-98
Shares in profit after tax	-	-	-	1
Reclassification	-2	9	7	-129
Dividend	-	-	-	-15
Translation differences	4	89	93	15
Book value at December 31, 2014	**162**	**1,110**	**1,272**	**531**
Book value at January 1, 2015	162	1,110	1,272	531
Investments	39	181	220	36
Sales and amortization	-9	-959	-968	3
Impairments	-15	-	-15	-
Shares in profit after tax	-	-	-	45
Reclassification	-2	1	-1	-
Dividend	-	-	-	-61
Translation differences	-6	4	-2	-8
Book value at December 31, 2015	**169**	**337**	**506**	**546**

Other shares and participations consist primarily of unlisted holdings in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value. Other long-term receivables are receivables that are classified in the category "Loans and receivables". They are valued at amortized cost.

Parent Company

SEK millions	Shares in subsidiaries	Shares in affiliated companies	Other shares and participations	Other long-term receivables	Total financial assets
Book value, January 1, 2014	39,299	11	8	5	39,323
Investments	45,749	-	-	1,027	46,776
Impairments	-30,417	-	-	-	-30,417
Sales and amortization	-	-	-	-5	-5
Book value, December 31, 2014	**54,631**	**11**	**8**	**1,027**	**55,677**
Book value, January 1, 2015	54,631	11	8	1,027	55,677
Investments	2,197	-	-	149	2,346
Impairments	-220	-	-	-	-220
Sales and amortization	-	-	-	-936	-936
Book value, December 31, 2015	**56,608**	**11**	**8**	**240**	**56,867**

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Parent Company's shares and participations in subsidiaries

	Reg. no	Office	Number	%[1]	Book value, SEK millions
Swedish operating subsidiares:					
Plannja AB	556121–1417	Luleå	80,000	100	16
SSAB EMEA AB	556313–7933	Oxelösund	1,000	100	3,961
Tibnor AB	556004–4447	Stockholm	1,000,000	100	425
SSAB Technology AB	556207–4905	Stockholm	1,000	100	0
SSAB Americas Holding AB	556858–6654	Stockholm	50,000	100	9
SSAB APAC Holding AB	556858–6647	Stockholm	50,000	100	100
Foreign operating subsidiaries:					
SSAB Central Inc.		Canada	1,000	100	272
SSAB US Holding Inc.		USA	100	100	4,149
Western Steel Limited		Canada	682	100	196
Rautaruukki Oyj		Finland	138,929,363	100	14,967
SSAB Finance UK		Great Britain	2,214,610,542	100	24,851
SSAB Finance Brussels		Belgium	626,515,513	100	7,568
Other[2]					94
Dormant companies					**0**
Total					**56,608**

Other shares and participations

Tenant-owner rights	8
Total, Parent Company's other shares and participations	**8**
Subsidiaries' other shares and participations[2]	161
Total, Group's other shares and participations	**169**

Parent Company's shares in affiliated companies

	Reg. no	Office	Number	%[1]	Book value, SEK millions
Lulekraft AB	556195–0576	Luleå	100,000	50	10
Industrikraft i Sverige AB	556761–5371	Stockholm	20,000	20	1
Total, Parent Company's shares in affiliated companies					**11**

Subsidiaries' shares and participations in affiliated companies and joint venture

	Reg. no	Office	Number	%[1]	Participation, SEK millions
Oxelösunds Hamn AB	556207–4913	Oxelösund	5,000	50	119
Blastech Mobile LLC		Alabama, USA	0	50	61
Bet-Ker Oy	1003246-0	Finland	120	44	31
Manga LNG Oy	2592122-8	Finland	3,151,042	25	64
Raahen Voima Oy	2604933-9	Finland	1,875	75	186
Helens Rör AB	556086-9785	Halmstad	4,500	25	70
					531
Equity shares in affiliated companies and joint venture's equity in excess of the book value in the Parent Company					**4**
Total, Group participations in affiliated companies and joint venture					**546**

[1] The percentages indicate the equity share which, in all cases, also corresponds to the share of the voting capital. However, the voting share in Raahen Voima is, through a shareholder agreement, limited to 50%.

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

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Indirectly owned subsidiaries (not directly owned by SSAB AB)

Name	Office	Ownership %
Alamentti Oy	Finland	100
BevakningsAB Företagsskydd	Sweden	100
Blupoint Pty Ltd	Australia	100
EM Eriksson SSC AB	Sweden	100
EO Stål AB	Sweden	100
Förvaltnings AB Tegelhögen	Sweden	100
G & G Mining Fabrication	Australia	100
Geha Beheer BV	The Netherlands	51
Hardox Wearparts Center Gauteng	South Africa	80
IPSCO Finance (US) Corporation, LLC	USA	100
IPSCO Texas Inc.	USA	100
JL Steel Services Ltd	Great Britain	100
Linköpings Stål AB	Sweden	100
LLC Ruukki Investment Ukraine	Ukraine	100
LLC Ruukki Ukraine	Ukraine	99.9
Metform Oy	Finland	100
Nordic Steel AB	Sweden	100
OOO Metalplast Russia	Russia	100
OOO Ruukki Express	Russia	100
OOO Ruukki Rus	Russia	100
Plannja Siba AB	Sweden	100
Plannja A/S	Norway	100
Plannja A/S	Denmark	100
Plannja Förvaltnings AB	Sweden	100
Plannja Ltd	Great Britain	100
Plannja SP z.o.o	Poland	100
Plannja Steinwalls AB	Sweden	100
Plåtdepån i Borlänge AB	Sweden	100
Presteel Oy	Finland	80.1
Rannila Uü	Estonia	100

Name	Office	Ownership %
Rautaruukki Uü	Estonia	100
Ruukki Australia Pty Ltd	Australia	100
Ruukki Austria GmbH	Austria	100
Ruukki Building Components AS	Norway	100
Ruukki Bulgaria EOOD	Bulgaria	100
Ruukki Canada Inc	Canada	100
Ruukki Chile SpA	Chile	100
Ruukki Construction Norge AS	Norway	100
Ruukki Construction Oy	Finland	100
Ruukki Croatia d.o.o	Croatia	100
Ruukki CZ s.r.o.	Czech Republic	100
Ruukki d.o.o.	Slovenia	100
Ruukki DOO Belgrade	Serbia	100
Ruukki Engineering Oy	Finland	100
Ruukki Express AB	Sweden	100
Ruukki Finance B.V.	The Netherlands	100
Ruukki Holding AB	Sweden	100
Ruukki Holding B.V.	The Netherlands	100
Ruukki Hungary Kft	Hungary	100
Ruukki Istanbul Metal Sanayi ve Ticaret Limited Sirketi	Turkey	100
Ruukki Metal (Shanghai) Co Ltd	China	100
Ruukki Metals Trading & Marketing India Private Limited	India	99
Ruukki Polska Sp.zo.o.	Poland	100
Ruukki Products AS	Estonia	100
Ruukki Profiler AS	Norway	100
Ruukki Romania S.R.L.	Romania	100
Ruukki Slovakia s.r.o.	Slovakia	100
Ruukki Sverige AB	Sweden	100
Ruukki Trading (Shanghai) Co., Ltd	China	100
Ruukki UK Ltd	Great Britain	100

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Indirectly owned subsidiaries (not directly owned by SSAB AB)

Name	Office	Ownership %
Ruukki USA Inc.	USA	100
SC Plannja SRL, Romania	Romania	100
SIA Ruukki Latvija	Latvia	100
SSAB AFC Inc.	USA	100
SSAB Alabama Inc.	USA	100
SSAB Argentina SRL	Argentina	100
SSAB Bulgaria Ltd	Bulgaria	100
SSAB Columbia S.A.S.	Columbia	100
SSAB Construction Inc.	USA	100
SSAB Danmark A/S	Denmark	100
SSAB Egypt LLC	Egypt	100
SSAB Enterprises LLC	USA	100
SSAB Europe Oy	Finland	100
SSAB Hardox	China	100
SSAB Hardox Stahl GmbH	Austria	100
SSAB Holding Danmark A/S	Denmark	100
SSAB Holding UK Ltd.	Great Britain	100
SSAB Inc	USA	100
SSAB Iowa Inc.	USA	100
SSAB Israel Ltd	Israel	100
SSAB Kenya Ltd	Kenya	100
SSAB KSA LLC	Kingdom of Saudi Arabia	100
SSAB Merox AB	Sweden	100
SSAB Minnesota Inc.	USA	100
SSAB Oxelösund , Taiwan	Taiwan	100
SSAB OXELÖSUND AB SUCURSAL DEL PERU	Peru	100
SSAB Poland Sp.z.o.o, Poland	Poland	100
SSAB Sales Inc. (US)	USA	100
SSAB South Africa Pty Ltd	South Africa	100
SSAB SSC AB	Sweden	100

Name	Office	Ownership %
SSAB Svensk Stål A/S	Denmark	100
SSAB Sw Steel Strip Prod Int trade (Kunshan) CoLtd	China	100
SSAB Swedish Steel	Indonesia	100
SSAB Swedish Steel	Australia	100
SSAB Swedish Steel	Hong Kong	100
SSAB Swedish Steel	Japan	100
SSAB Swedish Steel (China) Co,Ltd	China	100
SSAB Swedish Steel (Thailand) Co., LTD	Thailand	49
SSAB Swedish Steel Aceros de Chile Limitada	Chile	100
SSAB Swedish Steel BV	The Netherlands	100
SSAB Swedish Steel CIS	Russia	100
SSAB Swedish Steel Comércio de Aço Ltda.	Brazil	100
SSAB Swedish Steel Eesti OU	Estonia	100
SSAB Swedish Steel FCW, United Arab Emirates	United Arab Emirates	100
SSAB Swedish Steel India PVT Ltd	India	100
SSAB Swedish Steel International Trade (Kunshan)Co	China	100
SSAB Swedish Steel Lda	Angola	100
SSAB Swedish Steel Lda	Portugal	100
SSAB Swedish Steel LLC,	Ukraine	100
SSAB Swedish Steel LLP	Kazakhstan	100
SSAB Swedish Steel Ltd	Canada	100
SSAB Swedish Steel Ltd	Great Britain	100
SSAB Swedish Steel Ltd, Shanghai	China	100
SSAB Swedish Steel Ltd.	Korea	100
SSAB Swedish Steel Mepe	Greece	100
SSAB Swedish Steel Pte Ltd	Singapore	100
SSAB Swedish Steel S.L.	Spain	100
SSAB Swedish Steel s.r.o.	Czech Republic	100
SSAB Swedish Steel SARL	Morocco	100
SSAB Swedish Steel Sdn Bhd	Malaysia	100

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Indirectly owned subsidiaries (not directly owned by SSAB AB)

Name	Office	Ownership %
SSAB Swedish Steel SpA	Italy	100
SSAB Swedish Steel SRL	Romania	100
SSAB Swedish Steel Trading Ltd	Turkey	100
SSAB Swedish Steel Trading Ltd, Ungern	Hungary	100
SSAB Swedish Steel, Serbia	Serbia	100
SSAB Tubes AB	Sweden	100
SSAB Wear Solutions LLC	USA	100
Svensk Ståldistribusjon AS	Norway	100
Swedish Steel AB Mexico Sa De CV	Mexico	100
Tappers Stål & Metaller AB	Sweden	100
Tibnor AS	Norway	100
Tibnor AS	Denmark	100
Tibnor Lanna AB	Sweden	100
Tibnor Oy	Finland	100
Tibnor SIA Latvia	Latvia	100
UAB Ruukki Lietuva	Lithuania	100

9 Inventories

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Raw materials, consumables and semi-finished goods	3,573	4,336	-	-
Slabs	1,048	1,250	-	-
Work in progress	798	1,094	-	-
Stocks of finished goods	7,272	7,523	-	-
Total inventories	**12,691**	**14,203**	**-**	**-**

SEK 457 (330) million of the inventory value is valued at net realizable value. The share of inventories which is booked as an expense amounts to SEK 52,552 (44,428) million during the period, where of SEK 303 (122) million was reported as an expense relating to impairment of inventories.

10 Prepaid expenses and accrued income

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Delivered, non-invoiced goods and services	72	64	-	-
Bonuses, discounts, licenses and similar	36	29	-	-
Prepaid rents	28	42	3	3
Prepaid insurance premiums	178	115	-	1
Advances raw material	128	83	-	-
Accrued interest income	2	2	1	1
Derivatives reported in hedge accounting	140	148	137	0
Derivatives not reported in hedge accounting	145	222	114	50
Energy taxes	59	54	-	-
Other prepaid expenses	254	264	39	48
Total prepaid expenses and accrued income	**1,042**	**1,023**	**294**	**103**

11 Other current interest-bearing receivables/Cash and cash equivalents

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Other current interest-bearing receivables				
Restricted funds	1,675	1,910	1,423	1,910
Other current interest-bearing receivables	112	67	40	-
Total current interest-bearing receivables	**1,787**	**1,977**	**1,463**	**1,910**
Cash and cash equivalents				
Cash and bank balances	2,709	3,012	591	1,104
Short-term investments (term to maturity of less than three months)	2	2	-	-
Total cash and cash equivalents	**2,711**	**3,014**	**591**	**1,104**

All short-term investments and current interest-bearing receivables are valued at amortized cost. Short-term investments with terms to maturity of less than three months consist of overnight deposits at banks.

12 Equity

The share capital amounts to SEK 4,833 (4,833) million, divided into 549.2 (549.2) million shares, with a par value of SEK 8.80 (8.80) per share. 304.2 (304.2) million of the shares are Class A shares while 245.1 (245.1) million are Class B shares. Each Class A share entitles the holder to one vote, while each Class B share entitles the holder to one-tenth of one vote. No shares are held in treasury by the Company or its subsidiaries. The average number of shares was 549.2 (419.6) million. Other contributed funds amount to SEK 22,343 (22,343) million and consist of funds paid in by the shareholders in connection with new issues, in excess of the par value of the shares.

Number of shares/share capital	Group	
	2015	2014
Numbers of shares in million	549.2	549.2
Share capital in SEK million	4,833	4,833

Exchange rate differences which arise upon the translation into Swedish kronor of the net investment in foreign subsidiaries are transferred to the translation reserve. The accumulated translation differences amounted to SEK 5,118 (3,646) million. The exchange rate differences in conjunction with the translation of loans or other financial instruments taken up in order to hedge the exchange rate of net assets in foreign subsidiaries are transferred to the reserve for hedge of foreign operations. The accumulated translation differences amounted to SEK -3,642 (-3,081) million. Exchange rate differences in conjunction with cash flow hedge of significant sales in foreign currency as well as hedge of interest rates from variable to fixed rate are transferred to the reserve for cash flow hedge. The accumulated translation differences amounted to SEK -119 (-123) million.

The proposed dividend for 2015 amounts to SEK 0.00 (0.00) per share.

Group

SEK millions	Reserve for hedge of foreign operations	Reserve for cashflow hedges	Translation reserve	Total reserves
Reserves, January 1, 2014	-1,339	-60	-1,990	-3,389
Translation differences during the period			5,636	5,636
Fair value changes during the period	-2,233	-150		-2,383
Tax related to fair value changes during the period	491	32		523
Transferred to the income statement		71		71
Tax related to transferred to the income statement		-16		-16
Reserves, December 31, 2014	**-3,081**	**-123**	**3,646**	**442**
Reserves, January 1, 2015	-3,081	-123	3,646	442
Translation differences during the period			1,472	1,472
Fair value changes during the period	-719	-72		-791
Tax related to fair value changes during the period	158	13		171
Transferred to the income statement		79		79
Tax related to transferred to the income statement		-16		-16
Reserves, December 31, 2015	**-3,642**	**-119**	**5,118**	**1,357**

13 Pensions

Within the Group there are both contribution-based and benefit-based pensions. In respect of contribution-based pensions and the pension plan for white collar staff in Sweden which is taken out with Alecta, the premiums relating to the period that has elapsed are reported as expenses for the year.

The most significant defined benefit plans in the Group are the Finnish pension fund (A-säätiö), the Finnish Pension promise plan and the Norwegian pension fund (CCB Pensionskasse).

Actuarial gains/losses are disclosed under the Other comprehensive income. Actuarial gains on the net pension obligations increased during 2015 mainly due to increase in discount rates, lower pension increase rates and higher return on managed assets.

The total pension expenses are broken down as follows:

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Fees for contribution-based plans	716	455	15	14
Fees for pension insurance policies with Alecta[1)]	92	79	5	5
Pension expenses, benefit-based plans	37	11	0	0
Special employer's contributions	73	69	6	4
Other	8	11	0	0
Total pension expenses	**926**	**625**	**26**	**23**

1) Alecta's surplus can be allocated to the policyholders and/or the insurers. At the end of December 2015, Alecta's preliminary surplus in the form of the collective funding level amounted to 148 % compered with 143 % as per the end of 2014. The collective funding level consist of the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which do not concur with IAS 19.

Following provisions for pension obligations have been made in the balance sheet:

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Funded pension obligations	1,341	1,631	-	-
Fair value of managed assets	-1,271	-1,387	-	-
Pension obligations less managed assets	**70**	**244**	**-**	**-**
Unfunded pension obligations	306	341	3	3
Pension obligations, net	**376**	**585**	**3**	**3**

Changes in benefit-based obligations during the year:

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Pension obligations, January 1	1,967	158	3	3
Increase through acquisition of shares/operations	0	1,643	-	-
Benefits earned during the year	50	36	1	1
Actuarial gains/losses	-228	166	-	-
Interest expenses	37	22	0	0
Paid benefits	-133	-82	-1	-1
Curtailments and settlements	26	-43	-	-
Translation differences	-72	67	-	-
Pension obligations, December 31	**1,647**	**1,967**	**3**	**3**

Changes in the value of the managed assets during the year:

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Managed assets, January 1	1,382	38	-	-
Increase through acquisition of shares/operations	0	1,334	-	-
Actuarial gains/losses	-40	6	-	-
Return during the year	26	25	-	-
Fees from employer	41	18	-	-
Paid benefits	-103	-42	-	-
Curtailments and settlements	29	-37	-	-
Translation differences	-64	40	-	-
Managed assets, December 31	**1,271**	**1,382**	**-**	**-**
Pension obligations, net	**376**	**585**	**3**	**3**

13 Pensions cont.

Net pension provisions in balance sheet

	Group		Parent company	
SEK milllion	**2015**	**2014**	**2015**	**2014**
Pensions provisions	411	602	3	3
Long-term receivables	35	17	-	-
Pension obligations, net	**376**	**585**	**3**	**3**

Pensions provisions by country, December 31, 2015

SEK million	Finland	Norway	USA	Sweden	Other	Total
Funded pension obligations	1,027	254	54	6	0	1,341
Fair value of managed assets	943	285	41	2	0	1,271
Pension obligations less managed assets	**84**	**-31**	**13**	**4**	**0**	**70**
Unfunded pension obligations	143	15	71	42	35	306
Pension obligations, net	**227**	**-16**	**84**	**46**	**35**	**376**

Pensions provisions by country, December 31, 2014

SEK million	Finland	Norway	USA	Sweden	Other	Total
Funded pension obligations	1,314	254	58	3	2	1,631
Fair value of managed assets	1,081	263	40	3	0	1,387
Pension obligations less managed assets	**233**	**-9**	**18**	**0**	**2**	**244**
Unfunded pension obligations	168	17	69	53	34	341
Pension obligations, net	**401**	**8**	**87**	**53**	**36**	**585**

Specification of plan assets

Distribution, %	2015
Equity instruments	6.5
Bonds	52.0
Real estate	7.6
Cash	3.1
Investments funds	24.7
Other	6.1
Total	100.0

Exposure to the most significant risks in the benefit plans:

Asset volatility

The plan holds a significant part of its assets as bonds which over time should provide a lower volatility and carry less risk than equity instruments. During the year, the share of equity instruments was reduced.

Discount rate

The plan obligations are calculated using a discount rate set with a reference to first class corporate bonds. A decrease in bond yields increases plan obligations even though this will be partially offset by increase in plan assets.

Inflation risk

The plans' benefit obligations are linked to inflation and increase in inflation increases liabilities.

Actuarial assumptions used

2015	Finland	Norway	USA	Sweden
Discount rate, %	1.8	2.9	4.3	0.6
Future salary growth, %	1.0	3.1	3.3	3.0
Pension increase rate, %	1.7	3.1	2.8	0.6
2014				
Discount rate, %	1.7	2.6	5.0	1.7
Future salary growth, %	2.0	3.1	4.0	3.0
Pension increase rate, %	2.1	3.1	3.0	1.7

A 0.5% decrease in the discount rate would increase net pension obligation by SEK 65 million while an increase would decrease it by SEK 55 million.

A 0.5% increase in Pension increase growth would increase net pension obligation by SEK 55 million while a decrease would decrease it by SEK 50 million.

14 Deferred tax liabilities and tax receivables

Deferred tax on retained earnings in subsidiaries and affiliated companies is not taken into consideration. To the extent profits are transferred to the parent company, such a transfer is normally exempt from taxation. To the extent such a transfer is not exempt from taxation, the parent company determines the date of such transfer and such transfer will not take place within the foreseeable future.

Changes in deferred tax (receivables +/liabilities -)

	Group													
	2015							2014						
SEK millions	**Accelerated depreciation of fixed assets**	**Unused tax losses**	**Pension provisions**	**Long-term deferred income**	**Deferred tax on surplus values**	**Other**	**Total**	**Accelerated depreciation of fixed assets**	**Unused tax losses**	**Pension provisions**	**Long-term deferred income**	**Deferred tax on surplus values**	**Other**	**Total**
Opening balance, January 1	-2,449	808	163	300	-1,564	1,199	-1,543	-2,100	67	50	375	-1,242	534	-2,316
Changes against earnings	489	-189	1	24	276	192	793	362	-466	-6	0	299	402	591
Changes against other comprehensive income		158	-41			-3	114	3	491	30			21	545
Changes against equity							-						0	0
Changes against investment grant				-80			-80				-134			-134
Increase due to acquisition of shares/operations					-5		-5	-509	694	91		-394		-6
Decrease due to disposal of shares/operations	-5				0	0	-5							
Translation difference	-86	-15	2	23	-89	49	-116	-205	22	-2	59	-227	130	-223
Closing balance, December 31	**-2,051**	**762**	**125**	**267**	**-1,382**	**1,437**	**-842**	**-2,449**	**808**	**163**	**300**	**-1,564**	**1,199**	**-1,543**

14 Deferred tax liabilities and tax receivables cont.

Deferred tax receivables and liabilities are distributed as follows:

Deferred tax receivables	**Group**	
SEK millions	**2015**	**2014**
• due within 12 months	168	276
• due after more than 12 months	1,324	1,165
	1,492	**1,441**
Deferred tax liabilities		
• due within 12 months	0	0
• due after more than 12 months	-2,334	-2,984
	-2,334	**-2,984**
Deferred tax, net	**-842**	**-1,543**

Changes in deferred tax (receivables +/liabilities –)	**Parent company**			
SEK millions	**Unused tax losses**	**Pension provisions**	**Other**	**Total**
Opening balance, January 1, 2014	0	1	6	7
Changes against earnings	-316	0	98	-218
Changes against other comprehensive income	491	-	-6	485
Closing balance, December 31, 2014	**175**	**1**	**98**	**274**
Opening balance, January 1, 2015	175	1	98	274
Adjustment opening balance	0	16	0	16
Changes against earnings	-42	3	-34	-73
Changes against other comprehensive income	158	-	1	159
Closing balance, December 31, 2015	**291**	**20**	**65**	**376**

A deferred tax receivable due to losses carried forward is recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses. The Group did not recognize deferred tax receivables on losses carried forward in the amount of SEK 1,826 (1,735) million. SEK 73 (137) million of these will expire within 12 months.

15 Other provisions

Group

SEK millions	Restructuring provision	Warranties, divestment of operations	Environmental provision	Other provisions[1)]	Total
Opening balance, January 1, 2014	3	72	0	86	161
Increase through acquisitions of shares/operations	15	8	12	25	60
Additional provisions	7	1	53	42	103
Utilized during the year	-9	-72	-	-4	-85
Reclassification	-2	-	-	3	1
Translation difference	-	-	-	8	8
Closing balance, December 31, 2014	**14**	**9**	**65**	**160**	**248**
Opening balance, January 1, 2015	14	9	65	160	248
Additional provisions	23	2	5	20	50
Utilized during the year	-11	-4	-6	-21	-42
Reclassification	-1	14	-	-16	-3
Translation difference	-2	-1	-2	1	-4
Closing balance, December 31, 2015	**23**	**20**	**62**	**144**	**249**

of which reported as:

	2015	**2014**
• Other long-term provisions	163	178
• Short-term provisions	87	70

Parent Company

SEK millions	Warranties, divestment of operations	Other provisions[1)]	Total
Opening balance, January 1, 2014	72	0	72
Additional provisions	-	16	16
Utilized during the year	-72	0	-72
Closing balance, December 31, 2014	**0**	**16**	**16**
Opening balance, January 1, 2015	0	16	16
Additional provisions	-	14	14
Utilized during the year	-	-	-
Reclassification	-	14	14
Closing balance, December 31, 2015	**0**	**44**	**44**

of which reported as:

	2015	**2014**
• Other long-term provisions	19	4
• Short-term provisions	25	12

[1)] "Other provisions" consist primarily of personnel-related provisions.

16 Interest-bearing liabilities

Long-term interest-bearing liabilities	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Capital market debt[1)]	15,109	14,189	13,662	12,415
Financial leasing agreements	303	360	-	-
Bank loans[2)]	5,620	9,024	5,455	8,797
Export financing[3)]	63	177	-	-
Alabama tax revenue bond[4)]	1,823	1,694	-	-
Other	536	274	-30	-34
Total	**23,454**	**25,718**	**19,087**	**21,178**
Less amortization 2016 and 2015	-2,709	-4,547	-2,000	-3,964
Total	**20,745**	**21,171**	**17,087**	**17,214**

[1)–4)] For description of footnot 1–4 see adjacent table.

Issued/matures	Interest rate (nominal), %	Group		Parent Company	
		Outstanding, SEK millions			
SEK millions		**2015**	**2014**	**2015**	**2014**
[1)] Specification of capital market debt					
Fixed interest					
2009–2023	2.90 - 5.35	1,180	1,443	-	-
2014–2019	3.875 - 4.625	3,708	3,817	3,708	3,817
2007–2019	3.875 - 5.875	2,287	2,162	2,287	2,162
Total capital market debt (fixed interest)		**7,175**	**7,422**	**5,995**	**5,979**
Variable interest					
2009–2019	Stibor + 1.70 - 3.40	4,725	4,425	4,725	4,425
2010–2034	Libor + 1.35 - 1.75	2,391	1,441	2,391	1,441
2013-2020	Euribor +2.53 - 2.60	818	901	550	569
Total capital market debt (variable interest)		**6,767**	**4,475**	**6,435**	**4,475**
[2)] Specification of bank loans					
Variable interest					
2013–2018	Euribor + 1.10 - 1.75	165	227	-	-
2008–2017	Libor +1.10 - 2.00	5,455	7,172	5,455	7,172
2010–2015	Stibor +1.50 - 1.75	-	1,625	-	1,625
Total bank loans		**5,620**	**9,024**	**5,455**	**8,797**
[3)] Specification of export financing					
Variable interest					
2010–2016	Euribor + 1.50	63	177	-	-
Total export financing		**63**	**177**	**-**	**-**
[4)] Specification of Alabama tax revenue bond					
Variable interest					
2011–2031	Libor + 1.35%	484	449	-	-
2011–2041	Libor + 1.35%	1,339	1,245	-	-
Total Alabama tax revenue bond		**1,823**	**1,694**	**-**	**-**

16 Interest-bearing liabilities cont.

Short-term interest-bearing liabilities	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Current part of long-term liabilities	2,709	4,547	2,000	3,964
Commercial paper	3,584	3,026	3,584	2,875
Overdraft facilities	54	21	46	-
Other short-term interest-bearing liabilities	16	902	-	585
Total short-term interest-bearing liabilities	**6,363**	**8,496**	**5,630**	**7,424**

Loan debts are valued at the amortized cost. Most of the loans in foreign currency is used as hedging for the net investment in SSAB Americas and Rautaruukki and thus has not been hedged.

Repayment of long-term interest-bearing liabilities

SEK millions	2016	2017	2018	2019	2020	Later
As per December 31, 2015						
Group	**2,709**	**8,245**	**3,156**	**4,953**	**212**	**4,179**
Parent Company	**2,000**	**7,902**	**2,818**	**4,694**	**-**	**1,673**

Repayment of long-term interest-bearing liabilities

SEK millions	2015	2016	2017	2018	2019	Later
As per December 31, 2014						
Group	**4,547**	**3,591**	**7,829**	**1,578**	**5,066**	**3,107**
Parent Company	**3,964**	**2,935**	**7,474**	**1,230**	**4,798**	**777**

On the balance sheet date, the Group's exposure on the Long-term interest-bearing liabilities to changes in interest rates and the contractually agreed dates for interest renegotiation with respect to borrowing was as follows:

Amount falling due for interest rate renegotiation

SEK millions	2016	2017	2018	2019	2020	Later
As per December 31, 2015						
Group	**13,941**	**2,298**	**1,836**	**4,000**	**12**	**1,367**
Parent Company	**11,297**	**2,286**	**1,805**	**3,698**	**-**	**-**

Amount falling due for interest rate renegotiation

SEK millions	2015	2016	2017	2018	2019	Later
As per December 31, 2014						
Group	**19,640**	**2,193**	**2,175**	**29**	**390**	**1,291**
Parent Company	**17,016**	**2,000**	**2,162**	**-**	**-**	**-**

Reported amounts, per currency, for the Group's borrowing are set forth in Note 29.

17 Other long-term non-interest-bearing liabilities

Other long-term non-interest-bearing liabilities	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Investment grant (Alabama tax credit)	268	300	-	-
Other long-term employee benefits	153	177	-	-
Long-term hedge accounted derivatives	130	98	-	-
Other items	4	11	-	-
Total other long-term non-interest-bearing liabilities	**555**	**586**	**-**	**-**

18 Accrued expenses and deferred income

Accrued expenses and deferred income	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Accrued personnel expenses	1,099	1,040	23	25
Non-invoiced goods and services received	496	547	-	-
Accrued interest expenses	161	173	151	158
Accrued discounts, bonuses and complaints	57	46	-	-
Derivatives reported in hedge accounting	447	543	295	313
Derivatives not reported in hedge accounting	177	277	79	117
Revaluation, hedged orders	1	26	-	-
Energy taxes	14	12	-	-
Other items	104	73	11	10
Total accrued expenses and deferred income	**2,556**	**2,737**	**559**	**623**

19 Net debt

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Cash and cash equivalents	2,709	3,012	591	1,104
Short-term investments	2	2	-	-
Receivables from subsidiaries	-	-	12,984	13,771
Other receivables	2,236	3,269	1,833	2,987
Interest-bearing assets	**4,947**	**6,283**	**15,408**	**17,862**
Short-term interest-bearing liabilities	6,365	8,496	5,631	7,424
Long-term interest-bearing liabilities	20,746	21,171	17,086	17,214
Pension provisions	411	602	3	3
Liabilities to subsidiaries	-	-	4,377	4,901
Other liabilities	581	688	336	430
Interest-bearing liabilities	**28,103**	**30,957**	**27,433**	**29,972**
Net debt	**23,156**	**24,674**	**12,025**	**12,110**

For defintion see Note 31.

20 Average number of employees and gender breakdown

	Number of employees		Women, %	
	2015	**2014**	**2015**	**2014**
Parent Company				
Sweden	59	71	44	42
Total, Parent Company	**59**	**71**	**44**	**42**
Subsidiaries				
Sweden	7,222	6,931	20	20
Finland	5,504	2,821	15	16
USA	1,328	1,366	12	11
Russia	1,277	699	27	25
Poland	708	423	24	24
Norway	219	128	19	19
China	118	156	27	27
Canada	101	129	18	15
Ukraine	100	63	23	24
South Africa	88	88	21	16
Denmark	55	51	38	35
Germany	50	42	36	37
Italy	48	52	33	31
Great Britain	47	42	27	27
Netherlands	36	33	26	30
Brazil	29	29	30	30
France	25	25	36	38
Other < 20 employees	501	490	24	25
Total, subsidiaries	**17,456**	**13,568**	**19**	**19**
Total, Group	**17,515**	**13,639**	**19**	**19**

Average number of employees is calculated as an average of the total number of employees at the end of each quarter during the year. The percentage of women relates to the numbers employed on December 31. Women accounted for 23 (19)% of the members of all boards of directors in the Group, while the figure for the Board of Directors of the parent company was 18 (13)%. The percentage of women in the management groups (including Presidents) in the Group was 12 (19)%. The Group Executive Committee comprises 8 men and 2 women.

21 Leasing

Operational leasing	**Group**		**Parent Company**	
SEK millions	**2015**	**2014**	**2015**	**2014**
Leasing charges during the year	**425**	**222**	**11**	**10**

The agreed minimum leasing charges relating to operational leasing agreements that cannot be terminated amount to SEK 308 million for 2016, a total of SEK 537 million for 2017–2020, and to SEK 265 million for the years after 2020. Operational leasing includes an oxygen plant unit and a deep-water harbour, office equipment, leases for property, premises and railway wagons for transportation in the steel operations.

Financial leasing	**Group**		**Parent Company**	
SEK millions	**2015**	**2014**	**2015**	**2014**
Leasing charges during the year	**70**	**37**	**-**	**-**

Agreed minimum leasing charges for 2016 amount to SEK 70 million and to a total of SEK 206 million for 2017–2020. The present value of financial leasing liabilities is SEK 304 (361) million. Financial leasing includes three oxygen plant units and a lime burning kiln, other production and office facilities, a switchgear, rolling stock for transportation in the steel operations, as well as a number of fork lift trucks.

22 Pledged assets

	Group		**Parent Company**	
SEK millions	**2015**	**2014**	**2015**	**2014**
Real property mortgages	58	59	-	-
Restricted funds	1,678	2,846	1,425	2,846
Total pledged assets	**1,736**	**2,905**	**1,425**	**2,846**

23 Contingent liabilities

	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Contingent liabilities regarding subsidiaries' obligations[1)]	866	2,670	2,744	2,699
Other contingent liabilities	1,682	1,120	83	58
Total contingent liabilities	**2,548**	**3,790**	**2,827**	**2,757**

[1)] Of the contingent liabilities of the parent company, SEK 1,991 (1,971) million relates to guarantees for subsidiaries' loans.

Conditions not reported as contingent liabilities

During the fall of 2008, a number of class actions were brought in USA against a number of steel producers, including SSAB, alleging that they had violated US anti-trust legislation by colluding to restrict steel production in the United States during 2005–2008 with the aim of influencing steel prices. The opposing party consists of direct and indirect purchasers of relevant steel products who are claiming an unspecified amount in damages from the sued steel producers. SSAB denies the allegations.

The Group is otherwise 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.

24 Untaxed reserves and appropriations

Untaxed reserves	Parent Company	
SEK millions	**2015**	**2014**
Tax allocation reserve	-	-
Total untaxed reserves in the balance sheet	**-**	**-**

Appropriations	Parent Company	
SEK millions	**2015**	**2014**
Group contribution, received	1,111	1,562
Group contribution, given	-	-
Change in tax allocation reserve	-	43
Total appropriations in the income statement	**1,111**	**1,605**

25 Assets and liabilities held for sale

According to the terms of the approval from the EU Commission in 2014, within 6 months from the date of the combination with Rautaruukki, SSAB was required to divest one steel service center in Sweden and one in Finland, the wholly-owned Finnish subsidiaries Tibnor Oy and Plannja Oy, as well as SSAB's 50 % stakes in Norsk Stål AS and Norsk Stål Tynnplater AS. During the fourth quarter of 2014, agreements was signed for the sale of all of the above operations and all operations were sold during the first half of 2015 and are no longer included in the SSAB Group. For further information about the divestures, please see note 27, Divested shares and operations.

Group		
SEK millions	**2015**	**2014**
Assets held for sale		
Tangible fixed assets	-	87
Financial assets	-	101
Inventory	-	119
Other current assets	-	82
Total assets held for sale	**-**	**389**
Liabilities held for sale		
Accounts payable	-	65
Other current liabilities	-	104
Total liabilities held for sale	**-**	**169**
Total assets and liabilities held for sale	**-**	**220**

In accordance with IFRS 5, assets and liabilities held for sale was written down to net realizable value at year-end 2014.

26 Acquisition shares and operations

During 2015, the Group has invested additional SEK 36 million in Manga LNG Oy, Finland. The ownership in Manga LNG Oy is still 25%. In addition to the acquired shares in Manga LNG Oy, the Group has acquired the minority shares in G&G Mining Fabrication Pty Ltd, Australia for SEK 0 million. As of December 31, 2015, G&G Mining Fabrication Pty Ltd is included with 100% in SSAB. In total, the acquisitions have affected the Group's cash and cash equivalents with SEK -36 million.

Expenses associated with acquisitions have been reported as costs.

Acquisitions shares and operations 2014

During 2014, a number of acquisitions were made, where the largest was the acquisition of 100% of the shares in Rautaruukki Oyj. In addition to the acquisition of Rautaruukki, 51% of the shares in G&G Mining Fabrication Pty Ltd, Australia was acquired for SEK 17 million, 80% of the shares in WearClad (Pty) Ltd, South Africa, for SEK 3 million as well as 25% of the shares in Manga LNG Oy for SEK 30 million.

Acquisition analysis, net assets and goodwill

Purchase price	**SEK millions**
63,417,438 class A shares, SEK 69.15 kr per share	4,385
161 893 297 class B shares, SEK 61.85 kr per share	10,013
Provision regarding outstanding shares	569
Total purchase price	**14,967**
Fair value of acquired net assets	9,789
Goodwill	5,178

Assets and liabilities on date of acquisition	**Acquired book value, July 29, 2014**	**Fair value**
SEK millions		
Goodwill	586	-
Other intangible assets	311	2,085
Tangible fixed assets	9,490	9,691
Other financial assets	1,263	1,263
Deferred tax receivables	415	316
Inventory	4,994	5,054
Accounts receivable	2,607	2,607
Other current assets	280	280
Cash and cash equivalents	396	396
Deferred tax liabilities	53	323
Other long-term liabilities and provisions	3,665	3,853
Other current liabilities	4,992	5,076
	8,998	9,806
Non-controlling interest	17	17
Total acquired net assets	**8,981**	**9,789**
Change in cash and cash equivalents due to acquisition of shares and operations		
Acquired cash and cash equivalents, Rautaruukki		396
Share issue costs, acquisition Rautaruukki		-17
Purchase price, acquistion of other shares and operations		-48
Total		**331**

Parent Company

The Parent Company has not made any acquisitions during 2015.

In 2014, the Parent Company acquired 100% of the shares in Rautaruukki Oyj. The purchase prices amounted to SEK 14,967 million, whereas SEK 569 million was paid in 2015. In connection with the acquisition, a new issue of SEK 14,398 million was made, which was reduced by issue costs of SEK 17 million. In the acquisition, only the issuance costs of SEK 17 million were affecting the cash flow. See the Parent Company's cash flow on page 30.

27 Divested shares and operations

According to the terms of the approval from the EU commission in 2014, within 6 months from the date of the combination with Rautaruukki, SSAB was required to divest one steel service center in Sweden and one in Finland, the wholly-owned Finnish subsidiaries Tibnor Oy and Plannja Oy, as well as SSAB's 50 % stakes in Norskt Stål AS and Norskt Tynnplater AS. During the forth quarter 2014, agreements were signed for the sale of all of the above operations and all operations above were sold during the first half year of 2015 and are no longer included in the SSAB Group.

No divestments were made during 2014.

Value of assets and liabilities divested during 2015

SEK millions	
Tangible fixed assets (Note 7)	28
Participations in affiliated companies and joint ventures	154
Other long-term investments	7
Inventories	126
Accounts receivable	91
Other current receivables	19
Accounts payable	-99
Other current liabilities	-57
Divested net assets	**269**
Translation difference at time of divestment	28
Divested net assets excl translation difference[1)]	**241**
Capital loss	-69
Capital loss 2014 on assets and liabilities held for sale	-67
Capital loss affecting 2015	**-2**
Net received payment and effect on the Group's cash and cash equivalents	**172**

1) Net assets reported as "Assets and Liabilities held for sale" in 2014 amounted to SEK 328 million and SEK 160 million respectively.

28 Segments

The Group Executive Committee has established the business segments based on the information used for making strategic decisions. SSAB's overriding strategy is that SSAB will be a global leader within high-strength steels, the leading supplier on its domestic markets, and the leader within added value services. The key features of SSAB's strategic plan of action are based on creating a flexible business, a superior customer experience, and a high-performing organization. Since September 1, 2014, the Group is organized into five reportable business segments designated as divisions, with a clear profit responsibility. The five divisions are SSAB Special Steels, SSAB Europe, SSAB Americas, 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 SSAB. For more information about each segment, see pages 6–12. In addition, there are other business segments that are not reportable since they do not reach the threshold values set forth in IFRS 8 and they are not monitored separately by the Group Executive Committee; they are included in "Other".

Segment reporting takes place in a manner which corresponds to the internal reporting provided to the Group Executive Committee. The Group Executive Committee is the highest executive decision-maker responsible for the allocation of resources, assessment of the business segments' results, and making strategic decisions.

Pro forma for 2014 have been prepared as if Rautaruukki has been included in SSAB during 2014. No depreciation/amortization on surplus values have been made since the entire surplus value in the pro forma has been considered as goodwill, however adjustments for items affecting comparability have been made. For actuals 2014 ("2014, IFRS"), Rautaruukki has been included from the acquisition date, July 29, 2014. Segment information provided is as follows:

28 Segments cont.

Sales and results per segment	Total sales			of which internal sales			Operating profit/loss		
SEK millions	2015 IFRS	2014 IFRS	2014 pro forma	2015 IFRS	2014 IFRS	2014 pro forma	2015 IFRS	2014 IFRS	2014 pro forma
Division:									
SSAB Special Steels	14,382	11,871	13,226	3,005	1,439	1,673	662	518	726
SSAB Europe	25,517	17,661	25,857	4,112	2,363	4,271	-175	145	1
SSAB Americas	11,936	13,207	13,207	84	87	87	428	1,107	1,107
Tibnor	7,163	5,872	8,151	195	184	450	-10	60	83
Ruukki Construction	5,374	3,252	6,217	114	39	67	18	225	-14
Other	-2,254	1	2	-2,256	0	0	-190	-317	-377
Depreciation/amortization on surplus values1)	-	-	-	-	-	-	-862	-844	-521
Items affecting comparability	-	-	-	-	-	-	-114	-1,001	-916
Group adjustments	-5,254	-4,112	-6,548	-5,254	-4,112	-6,548	0	-	-
Total	**56,864**	**47,752**	**60,112**	**-**	**-**	**-**	**-243**	**-107**	**89**

Balance and cash flow information per segment	Depreciation and amortization			Maintenance expenditures			Strategic expenditures		
SEK millions	2015 IFRS	2014 IFRS	2014 pro forma	2015 IFRS	2014 IFRS	2014 pro forma	2015 IFRS	2014 IFRS	2014 pro forma
Division:									
SSAB Special Steels	551	535	539	203	213	214	22	64	64
SSAB Europe	1,514	1,083	1,577	1,360	854	1,154	433	142	198
SSAB Americas	615	513	513	249	201	201	106	102	102
Tibnor	76	82	112	28	26	29	17	11	19
Ruukki Construction	190	343	484	35	43	58	77	12	34
Other	28	12	29	16	4	12	-	-	-
Depreciation/amortization on surplus values1)	862	844	521	-	-	-	-	-	-
Total	**3,836**	**3,412**	**3,775**	**1,891**	**1,341**	**1,668**	**655**	**331**	**417**

1) Depreciation and amortization on surplus values for 2014, IFRS is related to SSAB Special Steels with SEK 2 million, in SSAB Europe with SEK 184 million, in SSAB Americas with SEK 521 million, in Tibnor with SEK 29 million, in Ruukki Construction with SEK 189 million and in Other with SEK -81 million. In the pro forma 2014 and 2013, only depreciation and amortization of intangible and tangible fixed assets related to the acquisition of IPSCO is included, SEK 521 (681) million. Depreciation and amortization on surplus values related to the acquisition of Rautaruukki has not been included since all surplus values has been considered as goodwill.

28 Segments cont.

Geographical areas

The Group's export sales from Sweden and Finland are focused primarily on Europe. However, as a consequence of growth in the Group's niche products, sales in more distant markets are increasing. Manufacture of the Group's steel products take place almost exclusively in Sweden, Finland and the United States.

Sales per geographical area

SEK million	2015	%	2014	%
Sweden	9,519	17	8,184	17
Finland	6,571	12	3,345	7
Germany	3,210	6	2,648	6
Poland	2,325	4	1,338	3
Denmark	1,784	3	1,238	3
Great Britain	1,568	3	1,254	2
Rest of EU-28	7,599	13	5,883	12
Norway	2,696	5	1,621	3
Russia	976	2	767	2
Rest of Europe	1,190	2	980	2
USA	11,843	21	14,412	30
Canada	1,604	3	2,175	5
Rest of the world	5,979	9	3,907	8
Total	**56,864**	**100**	**47,752**	**100**

The table below shows the reported value of tangible and intangible fixed assets and capital expenditures broken down by geographical areas according to the location of the assets. Rautaruukki has been included since the acquisition date, July 29, 2014.

Fixed assets and capital expenditures per country/region	Intangible/tangible fixed assets				Capital expenditures in plants and machinery			
SEK million	2015	%	2014	%	2015	%	2014	%
Sweden	8,894	16	8,856	16	1,188	47	874	53
Finland	14,789	26	15,622	27	936	37	432	26
Rest of EU-28	615	1	654	1	49	2	37	2
Russia	204	0	225	0	6	0	6	0
Rest of Europe	25	0	56	0	3	0	2	0
USA	32,385	56	31,000	55	353	14	305	18
Canada	123	0	102	0	4	0	4	0
Rest of the world	402	1	440	1	7	0	12	1
Total	**57,437**	**100**	**56,955**	**100**	**2,546**	**100**	**1,672**	**100**

29 Financial risk management

Financial risk management is governed by the Group's finance policy. Most financial transactions take place through the parent company's finance function in Stockholm and through SSAB Finance in Belgium. For a detailed description of the Group's financial risks, see page 19.

Refinancing risks (liquidity risks)

At year-end, long-term borrowing amounted to SEK 20,745 (21,171) million. Borrowing takes place primarily through the bank market and through existing note and commercial paper programs. For borrowing for terms of up to ten years, a European Medium Term Note program (EMTN) or a Swedish MTN program is used, while Swedish and Finnish commercial paper programs are used for borrowing for shorter terms. The program limit of the EMTN program is EUR 2,000 million; the MTN program has a limit of SEK 7,000 million, while the Swedish commercial paper program has a limit of SEK 5,000 million and the Finnish commercial paper program has a limit of EUR 500 million. The EMTN and MTN programa are rated by Standard & Poor's at BB-.

At year-end, long-term borrowing within the EMTN program amounted to SEK 4,970 (4,954) million, borrowing within the MTN program amounted to SEK 5,750 (5,450) million, borrowing within the Swedish commercial paper program amounted to SEK 1,706 (872) million and borrowing within the Finnish commercial paper program amounted to SEK 1,878 (2,155) million.

At year-end, the Group's liquidity preparedness, consisting of cash and cash equivalents, short-term investments and non-utilized binding credit facilities, amounted to SEK 11,016 (11,728) million, equal to 19 (20)% of sales.

To the extent surplus liquidity arises, it is used first and foremost to repay loans. If that is not possible, the funds are invested in government securities or deposited with approved banks.

The total loan debt at year-end was SEK 27,108 (29,667) million, with an average term to maturity of 4.6 (3.9) years.

The maturity structure during the coming years is presented in Note 16.

The contractual payments on the outstanding loan debt, including interest payments and derivative instruments, are shown in the following table:

December 31, 2015

SEK millions	Book value	Contractual cash flow	2016	2017	2018	2019	2020	Later
Capital market loans	15,109	17,044	2,752	4,370	2,054	4,137	1,254	2,477
Bank loans	5,620	6,163	208	1,885	1,421	66	2,584	-
Export financing	63	64	64	-	-	-	-	-
Alabama tax revenue bond	1,823	2,657	36	36	36	36	36	2,478
Commercial papers	3,584	3,594	3,594	-	-	-	-	-
Other loans	909	917	425	75	68	66	38	245
Total loans	**27,108**	**30,439**	**7,079**	**6,366**	**3,579**	**4,305**	**3,912**	**5,200**
Derivatives, outflow	753	753	345	282	46	70	10	-
Derivatives, inflow	-285	-285	-284	-	-	-1	-	-
Total including derivatives	**27,576**	**30,907**	**7,140**	**6,648**	**3,625**	**4,374**	**3,922**	**5,200**

In addition to the above loan debts and derivative instruments, there are accounts payable and other current liabilities which are due and payable within one year. Interest flows are calculated based on interest rates and exchange rates at year-end.

29 Financial risk management cont.

Market risks

Market risks are the risk of changes in market prices, such as interest rates and exchange rates, which can affect the Group's earnings or financial position.

INTEREST RATE RISKS

At year-end, the total loan debt amounted to SEK 27,108 (29,667) million, of which SEK 8,985 (8,066) million is carried or swapped to fixed interest. Including the interest rate swaps, the average fixed interest term was 1.1 (1.2) years. Given the same loan debt, short-term investments, cash and cash equivalents, and the same fixed term rates as at the end of the year, a change in market interest rates of 100 points (1 percentage point), including interest hedging, would change earnings after tax as well as equity by approximately SEK 111 (130) million. Loans which are subject to rate negotiation in the coming years are shown in Note 16.

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 -6 (0) million, which is reported in "Other comprehensive income". No inefficiency was identified during the year.

The Group's interest-bearing assets amounted to SEK 4,947 (6,283) million and consisted almost exclusively of cash and cash equivalents and funds in escrow at variable rates of interest.

CURRENCY RISKS

Most of the commercial currency flows which qualify for hedge accounting (at present, purchases in USD of iron ore, coal and zinc as well as sales in EUR) are hedged.

Major currency flows relating to Ruukki Construction project business are hedged. Major investments decided upon 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.

The Group had a total net inflow of foreign currency. The net foreign currency inflow in 2015 was SEK 4.7 (2.3) billion. The Group's most important currency flows are shown in the diagram on page 20.

Based on revenues and expenses in foreign currency in 2015, a five percentage point devaluation of the Swedish krona against all currencies, including hedging, would have an annual positive effect on earnings after tax of SEK 280 (200) million. In addition to this equity would be positively affected by the translation effect of foreign subsidiaries, net of equity hedges, with about SEK 1,850 (1,800) million.

A five percentage point devaluation of the Swedish krona against the Group's two most important currencies, USD and EUR, would have a negative impact on earnings after tax of approximately SEK 410 (350) million with respect to USD and a positive impact of just over SEK 370 (250) million with respect to EUR. The negative effect vis-à-vis USD consists of an increased cost for the Group's purchases of raw materials (coal, iron ore and scrap metal) in the amount of approximately SEK 540 (630) million, a positive effect on the business' net flows of USD in other respects of approximately SEK 140 (290) million, and a negative impact as regards increased interest payments of approximately SEK 10 (10) million. The positive impact with respect to EUR consists of a positive effect on the business' net flows. The negative impact as regards to increased interest payments in EUR is approximately SEK 10 (7) million.

In 2015, net exchange rate differences were reported in the amount of SEK -308 (102) million in operating profit and SEK -55 (136) million in financial items.

As per December 31, the breakdown per currency of account receivables, other current receivables and derivative instruments was as follows:

Breakdown per currency	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
SEK	1,340	1,609	6	9
USD	1,389	2,056	183	-
EUR	2,389	3,162	67	50
Other currencies	1,653	1,820	-	-
Total	**6,771**	**8,647**	**256**	**59**
Of which:				
Accounts receivable	6,049	7,705	0	0
Other current receivables	437	572	6	9
Derivative instruments[1)]	285	370	250	50
Total	**6,771**	**8,647**	**256**	**59**

[1)] Derivative instruments are included in the balance sheet item "Prepaid expenses and accrued income" in the amount of SEK 285 (370) million and, for the parent company, SEK 250 (50) million.

29 Financial risk management cont.

As per December 31, the breakdown per currency of accounts payable, other current liabilities and derivative instruments was as follows:

Breakdown per currency	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
SEK	1,367	1,202	20	18
USD	2,596	3,470	288	385
EUR	2,692	3,073	86	45
Other currencies	1,197	1,163	-	-
Total	**7,852**	**8,908**	**394**	**448**
Of which:				
Accounts payable	6,334	7,000	14	8
Other current liabilities	895	1,088	6	10
Derivative instruments[1)]	623	820	374	430
Total	**7,852**	**8,908**	**394**	**448**

[1)] Derivative instruments are included in the balance sheet item "Accrued expenses and deferred income" in the amount of SEK 623 (820) million and, for the parent company, SEK 374 (430) million.

Borrowing broken down per currency	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
SEK	7,469	9,940	7,451	9,916
USD	11,803	11,952	9,594	10,252
EUR	7,816	7,459	5,672	4,471
Other currencies	20	316	-	-
Total	**27,108**	**29,667**	**22,717**	**24,639**

Borrowing in EUR and USD has not been hedged separately since the borrowing in itself is a hedge of the net investment in Rautaruukki and SSAB Americas.

The objective is to obtain an even balance in which the currency effect on the net investment in Rautaruukki and SSAB Americas has as little impact as possible on the Group's net debt/equity ratio.

At year-end, this net investment amounted to EUR 1,620 (1,620) million and USD 4,314 (4,314) million. In total, loans and currency derivatives subject to hedge accounting amounted to EUR 724 (605) million and USD 1,579 (1,575) million. At year-end, the accumulated fair value change in the hedge reserve on the loans and derivative instruments identified as hedge instruments amounted to SEK -4,855 (-4,137) million. During the year, an inefficiency of SEK 0 (0) million was identified; this has been reported in its entirety in the result.

Credit risk

The limits for individual counterparties are evaluated continuously and, during the year, were capped at SEK 2,000 (2,000) million. At year-end, the total counterparty risk was SEK 3,194 (4,407) million, of which derivative instruments accounted for SEK 60 (71) million and investments in cash and cash equivalents amounted to SEK 3,134 (4,336) million.

In addition to the above, there are credit risks associated with accounts receivable and other receivables, which are managed in each subsidiary. Prior to write down in respect of bad debts, these receivables had a gross value of SEK 6,772 (8,530) million. The risk is allocated over a large number of customers. In addition, individual credit rating tests are conducted and limits imposed for each customer.

29 Financial risk management cont.

Age analysis regarding Accounts Receivable and Other receivables	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Not due	5,147	6,565	6	9
1–30 days	895	1,049	-	-
31–120 days	331	483	-	-
121–365 days	148	187	-	-
> 365 days	251	246	-	-
Total	**6,772**	**8,530**	**6**	**9**

Bad debts, change	Group		Parent Company	
SEK millions	**2015**	**2014**	**2015**	**2014**
Opening balance	-253	-133	-	-
Increase through acquisition of business	10	-106	-	-
Anticipated bad debt losses	-90	-52	-	-
Realized bad debt losses	53	44	-	-
Reversed non-utilized amount	1	4	-	-
Translation differences	-7	-10	-	-
Closing balance	**-286**	**-253**	**-**	**-**

No other financial assets have been written down.

Valuation of financial instruments

CURRENCY AND COMMODITY DERIVATIVES AND INTEREST RATE SWAPS

According to the finance policy, currency hedging takes place mainly to minimize the translation risk associated with the impact of changes in exchange rates on the net debt/equity ratio. The translation exposure is hedged primarily through loans in the same currency, in the absence of which currency derivatives may be used instead. At year-end, the net investment in SSAB Americas was hedged with loans amounting to USD 1,145 (1,315) million and derivative instruments amounting to USD 434 (260) million. Net investment in Rautaruukki at year-end was hedged with loans amounting to EUR 410 (350) million and derivative instruments amounting to EUR 314 (255) million.

Currency hedging takes place also with respect to purchases of iron ore, coal and zinc, as well as regards major investments in foreign currency. Currency derivatives are valued at fair value in the balance sheet. As regards the currency hedging which meets the requirements for hedge accounting pursuant to IAS 39 and comprises fair value hedging, changes in value of the currency derivatives do not impact on earnings; rather, they are set off in the income statement against corresponding changes in the value of the hedged order. In connection with the delivery of such purchases, the hedged part of the acquired asset is reported at the hedged rate. At year-end, purchase orders for which currency forwards had been contracted had a total value of SEK 0.9 (2.1) billion. At year-end, derivative instruments for "fair value hedging" had a reported net fair value of SEK -1 (31) million, while purchase orders subject to hedge accounting and accounts payable related to hedged purchase orders were reported at SEK 1 (-31) million, entailing that there was no inefficiency at the end of the accounting year.

Part of the currency hedges relating to USD denominated raw material purchases qualify the requirements of cash flow hedge accounting pursuant to IAS 39. The effective part of movements in the fair value of the derivatives that are designated as and qualify for cash flow hedging is recognized in other comprehensive income under equity. The result of USD-denominated derivatives is transferred from equity to adjust the cost of goods sold in the period when the hedged item affects the result. The ineffective part of movements in the fair value of the derivatives is booked direct to other operating expenses. There were no ineffective hedges and no ineffectiveness at the end of the year. At year-end, the total value of forecast purchases in respect of which currency forwards had been contracted was SEK 1.6 (0.9) billion At year end, derivatives for "cash flow hedging" had reported net fair value of SEK 25 (13) million of which SEK 7 (5) million was reported in "Other comprehensive income".

Currency hedging also takes place on forecast sales in EUR. For currency hedging which meets the requirements for hedge accounting, changes in value of a currency derivative do not impact on earnings; rather, they are reported in "Other comprehensive income". In connection with sales, accumulated amounts are reversed from the hedge reserve in equity to the income statement in the periods in which the hedged item affects earnings. At year-end, the total value of forecast sales in respect of which currency forwards had been contracted was SEK 1.7 (3.1) billion. At year-end, derivative instruments which relate to forecast sales and which meet the requirements for hedge accounting amounted to net SEK 24 (-79) million, of which SEK 24 (-79) million was reported in "Other comprehensive income". There was no inefficiency at the end of the accounting year.

Cash flow hedging is applied when hedging price risk in zinc and electricity. The zinc, electricity and fuel oil derivatives employed by the group have been defined as cash flow hedges. The relationship between the hedging instrument and the hedged item is documented when the hedging contract is made. Hedge effectiveness is measured both at the start of the hedging relationship and quarterly throughout the validity of the relationship. The effective part of movements in the fair value of the derivatives that are designated as and qualify for cash flow hedging is recognized in Other comprehensive income. The ineffective part of movements in the fair value of the derivatives is booked directly to other operating expenses. The realized income of the effective part of hedges is recognized as an adjustment to the cost of sales in the period during which the hedged items affects the result.

29 Financial risk management cont.

Zinc is used for producing galvanized steel products. At year-end, the amount of forecast purchases in respect of which zinc derivatives had been contracted was 19,400 (10,500) tonnes. At year-end, derivative instruments which relate to forecast zinc purchases and which meet the requirements for hedge accounting amounted to net SEK -53 (1) million, of which SEK -47 (0) million was reported in "Other comprehensive income". There was no inefficiency at the end of the accounting year.

Special heavy fuel oil has been used as a raw material in steel production. Fuel oil derivatives have been used to hedge cash flows in the acquisition of special heavy fuel oil. During 2015 investment in pulverized coal injection system has been completed in Raahe, which has replaced the earlier heavy fuel injection system. Thus at year-end, there were no open fuel oil derivatives compared to previous year 34,000 tonnes. At year-end 2014, derivative instruments which relate to forecast fuel oil purchases and which meet the requirements for hedge accounting amounted to net SEK -51 million, of which SEK -42 million was reported in "Other comprehensive income". There was no inefficiency at the end of the accounting year.

Electricity price risk relating to forecasted electricity consumption in Raahe and Hämeelinna works is hedged primarily through standard derivative products listed on the market. At year-end, the amount of forecast purchases in respect of which electricity derivatives had been contracted was 1,900 (1,873) GWh. At year-end, derivative instruments which relate to forecast electricity purchases and which meet the requirements for hedge accounting amounted to net SEK -226 (-157) million, of which SEK -226 (-157) million was reported in "Other comprehensive income". There was no inefficiency at the end of the accounting year.

Cash flow hedging also takes place in respect of certain bond loans carrying floating interest rates where a variable to fixed interest rate swap is used. For interest rate derivatives which meet the requirements for hedge accounting pursuant to IAS 39, changes in the value of the interest rate derivative do not impact on earnings; rather, they are reported in "Other comprehensive income". At year-end, such interest rate derivatives had a booked fair value of SEK -6 (0) million, of which SEK -6 (0) million was reported in "Other comprehensive income". There was no inefficiency at the end of the accounting year.

Derivative instruments which are not reported in hedge accounting are valued at fair value in the income statement. At year-end, these non-realized derivative instruments amounted to net SEK -32 (-63) million, of which SEK 50 (71) million was reported in "Other operating income" and SEK -82 (-134) million was reported in "Financial items".

The Group's total outstanding FX derivatives had an average maturity of 2 (2) months, commodity derivatives 19 (18) months and interest rate derivatives 36 (34) months at year-end.

Valuation of financial assets and liabilities

The table below shows the reported value compared with the assessed fair value per type of financial asset and liability:

Group	Reported value		Fair value	
SEK millions	**2015**	**2014**	**2015**	**2014**
Financial assets				
2. Financial fixed assets	469	1,272	469	1,272
1. Currency derivatives not subject to hedge accounting[1]	145	214	145	214
4. Currency derivatives for "fair value hedging" of flows[1]	1	53	1	53
4. Currency derivatives for hedging of sales[1]	31	12	31	12
4. Currency derivatives for hedging of purchases[1]	31	83	31	83
4. Currency derivatives for hedging of commodities[1]	3	8	3	8
4. Currency derivatives for hedging of net investments[1]	74	-	74	-
2. Accounts receivable	6,048	7,705	6,048	7,705
2. Other current interest-bearing receivables	1,787	1,977	1,787	1,977
2. Cash and cash equivalents	2,711	3,014	2,711	3,014
Financial liabilities				
3. Long-term interest-bearing liabilities	20,745	21,171	20,395	21,612
3. Current interest-bearing liabilities	6,363	8,496	6,402	8,547
1. Currency derivatives not subject to hedge accounting[1]	178	277	178	277
4. Currency derivatives for "fair value hedging" of flows[1]	0	23	0	23
4. Currency derivatives for hedging of sales[1]	7	91	7	91
4. Currency derivatives for hedging of purchases[1]	5	-	5	-
4. Currency derivatives for hedging of commodities[1]	152	117	152	117
4. Currency derivatives for hedging of commodities (long term)[2]	130	98	130	98
4. Currency derivatives for hedging of net investments[1]	274	312	274	312
4. Interest rate derivatives for hedging of interest flows[1]	7	0	7	0
3. Accounts payable	6,334	7,000	6,334	7,000

Balance sheet item classification: 1. Holdings valued at fair value in the income statement; 2. Loan receivables and accounts receivable valued at acquisition value; 3. Financial liabilities valued at amortized cost; 4. Derivatives for hedging valued at fair value.

[1] Derivative instruments are included in the balance sheet items "Accrued income and prepaid expenses" or "Accrued expenses and deferred income".
[2] Derivative instruments are included in the balance sheet item "Other long-term non-interest-bearing liabilities".

29 Financial risk management cont.

Assessment of fair value of financial instruments

The classification takes place hierarchically on three levels based on the input data used in valuing instruments. On level 1, listed prices on an active market are used, e.g. stock exchange prices. On level 2, observable market data regarding assets and liabilities, other than listed prices, is used, e.g. interest rates and return curves. On level 3, the fair value is determined based on an assessment technique which is based on assumptions that are not based on prices or data that are directly observable. The fair value assessment of the financial instruments in SSAB is based on data in accordance with level 2 except electricity derivatives, which fair values are based on listed market values and thus classified on level 1.

Financial assets consist largely of other non-current receivables and are valued at the amount which is expected to be received following an assessment of bad debts.

Derivative instruments are valued at fair value, calculated with established valuation models based on observable market data. At year-end, the derivatives were valued at SEK 285 (370) million as financial assets and SEK -753 (-918) million as financial liabilities. If full netting had been applied the derivatives had been booked at SEK 60 (71) million as financial assets and SEK -528 (-619) million as financial liabilities.

Accounts receivable are reported in the amount which is expected to be received following an individual assessment of bad debts. There is no concentration of credit risks since the Group has a large number of customers spread throughout the world.

Other current interest-bearing receivables consist of restricted cash with a term to maturity of less than 12 months. Fair value is estimated at the acquisition value.

Cash and cash equivalents consist of bank balances and bank deposits with short terms to maturity, and the fair value is estimated at acquisition value.

Non-current interest-bearing liabilities consist primarily of loans that are not subject to hedge accounting and are valued at amortized cost. Loans subject to hedge accounting are valued and reported at fair value. Fair value has been calculated based on the interest rate for outstanding terms to maturity as applicable at the end of the year.

Current interest-bearing liabilities are valued at amortized cost. Fair value has been calculated based on the rate of interest 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.

Management of capital

The Company's capital management is aimed at ensuring that the operations can continue to be conducted and generate good return for the shareholders. Since the Group's operations are dependent on the business cycle, the target is to maintain a long-term net debt/equity ratio of around 30%.

In order to maintain or adapt the capital structure, dividends may be adjusted, share buybacks or redemption may take place, or new issues or divestments of assets may take place in order to reduce liabilities.

The net debt/equity ratio decreased somewhat during the year. At year-end, the net debt/equity ratio was 52 (56)%.

30 Critical estimations and assessments

Important assessments upon application of the accounting principles

In the steel operations' industrial areas, there is a need for future land cleanup. In accordance with applicable rules, such cleanup will become relevant only when SSAB ceases to conduct operations in the area. At present, it is not possible to assess if and when operations will cease and, accordingly, no provision has been made for such land cleanup.

Important sources of uncertainty in estimations

TEST OF IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

On November 30, the annual impairment test was carried out of the goodwill and other intangible assets with indefinite useful lives. The test showed no impairment. The valuation was carried out at a time when the global economy remains characterized by uncertainty. Under these circumstances, it is of course extraordinary difficult to make an assessment as regards future earning capacity and thereby an assessment of the fair value of assets with indefinite useful lives. The North American operations showed a significant decline in earnings during the year and this meant that the room for deterioration in the estimates concerning the cash-generating unit declined compared with last year. The assessment is, however, that there is still room for deterioration in the estimates without this leading to any impairment. The room before any impairment would occur amounted to approximately SEK 2.5 billion. For other cash-generating units it is estimated that there is an adequate room for deterioration in the estimates without this leading to any impairment. For further information on the impairment test, see Note 6.

SSAB North America: A need to start writing down goodwill should arise if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 0.6 (3.4) percentage points higher than the assessment made in the calculation or if the long-term forecasted gross margins were to be 1.4 (5.1) percentage points lower than the assessment made in the forecast. The impairment test was conducted based on the average risk-free long-term rate in the USA for the period of September to November. At year-end this interest rate has risen by less than 0.05 percentage points. Otherwise, the cash-flow valuation was based on the assumption of a return to a more normal market for heavy plate in the USA where, among other things, the relationship between steel prices and scrap prices would stabilize at a level where it has been over a longer period of time and import volumes would decline from their current historically high levels.

SSAB Special Steels: A need to start writing down goodwill should arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 8.9 percentage points higher than the assessment made in the calculation or if the long-term forecasted gross margins were to be 7.0 percentage points lower than the assessment made in the forecast.

SSAB Europe: A need to start writing down goodwill should arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 6.9 percentage points higher than the assessment made in the calculation or if the long-term forecasted gross margins were to be 6.2 percentage points lower than the assessment made in the forecast.

Tibnor: A need to start writing down goodwill should arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 8.9 percentage points higher than the assessment made in the calculation or if the long-term forecasted gross margins were to be 7.0 percentage points lower than the assessment made in the forecast.

Ruukki Construction: A need to start writing down goodwill or other assets with indefinite useful lives should arise only if the estimated discount rate before tax, which was applied to the discounted cash flows, was more than 5.2 percentage points higher than the assessment made in the calculation or if the long-term forecasted gross margins were to be 1.7 percentage points lower than the assessment made in the forecast.

ALABAMA TAX CREDIT

SSAB's subsidiary in Alabama, USA has carried out a number of investments which are covered by an investment grant program. The program provides an entitlement to tax deductions on the calculated state tax for each year in respect of the profit which can be allocated to each specific investment. The program extends over 20 years and, in order to obtain the grant in any specific year, state tax must be payable and certain criteria must be fulfilled as regards number of employees and paid minimum wages. A calculation of the future state tax has been made based on results in previous years, budget, and assumptions regarding future profitability. The assessment led to a recording of a deferred tax asset of SEK 268 (300) million.

The received grant will increase or decrease if the taxable result in Alabama is higher or lower than estimated. In the event the company fails to satisfy the criteria as regards workforce size and minimum wages, no grant will be received at all.

PENSION BENEFITS

A large part of the Group's pension obligations with respect to white collar staff are benefit-based and insured on a collective basis with Alecta. Since it is not possible at present to obtain information from Alecta regarding the Group's share of the obligations and managed assets, the pension plan taken out with Alecta is reported as a contribution-based plan. The funding level reported by Alecta at the end of the year does not indicate the

30 Critical estimations and assessments cont.

existence of a deficit; however, it is not possible to obtain any detailed information from Alecta regarding the amount of the pension liabilities.

The Group's benefit-based plans at the end of the year amounted to SEK 1,647 (1,967) million. The obligation is sensitive to, among other things, interest rate changes and pension increase growth assumptions. Sensitivity in the most critical parameters is described in Note 13.

INVENTORY

Inventories are affected by assumptions and estimates regarding product costing, application of the Lower of Cost or Market method and estimates of obsolescence. SSAB's inventories at year end amounted to SEK 12,691 (14,203) million, where of SEK 457 (330) million were valued at net realizable value.

ACCOUNTS RECEIVABLE

Provision for bad debts is based on assessments of the customers' payment ability and, by their nature, are difficult to estimate. The item has been the subject of special assessment and, compared with the preceding year, the provision for bad debts was increased by SEK 33 million to SEK 286 (253) million, thereby representing 4.7 (3.3) % of outstanding accounts receivable.

31 Definitions

Capital employed
Total assets less non-interest-bearing current and long-term liabilities.

Cash and cash equivalents
Cash and bank balances, as well as short-term investments with a term to maturity of less than three months on the date of acquisition.

Cash flow from current operations
Operational cash flow less financial items and paid tax.

Earnings per share
Profit for the year attributable to the parent company's shareholders divided by the average number of shares.

EBITDA margin
Result before depreciation and amortization as a percentage of total sales.

Equity
Total equity according to the consolidated balance sheet.

Equity per share
Equity, excluding minority interests, divided by number of shares at year-end.

Equity ratio
Equity as a percentage of total assets.

Maintenance capital expenditures
Investments involving maintenance, rationalization, replacements or which relate to the environment and are made in order to maintain competitiveness.

Net debt
Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio
Net debt as a percentage of equity.

Operating cash flow
Funds generated from operations including change in working capital as well as cash flow for regular maintenance investments, but before financial items and paid tax.

Operating margin
Operating result as a percentage of total sales.

P/E ratio
Share price at year-end divided by earnings per share.

Return on equity after tax
Profit for the year after tax as a percentage of average equity per month during the year.

Return on capital employed before tax
Operating profit increased by financial revenue as a percentage of average capital employed per month during the year.

Sales
Sales less deduction for value added tax, discounts and returns.

Strategic capital expenditures
Investments that increase the cash flow through acquisitions of shares and operations, investments in plant expansion or new competitiveness-enhancing technology.

Yield
Dividend as a percentage of the share price at year-end.

32 Considerations relating to proposed allocation of profit

At the 2016 Annual General Meeting, the shareholders will, among other things, vote on the dividend proposed by the Board of Directors.

At the end of the year, the retained earnings of the Group were SEK 15,860 (16,199) million and the parent company’s unrestricted equity was SEK 40,192 (38,551) million. The equity included unrealized profits resulting from financial instruments being reported at market value in the amount of SEK 0 (0) million.

The net debt was SEK 23,156 (24,674) million resulting in the net debt/equity ratio decreasing with 4 % to 52 (56) %. The Group’s long-term target over a business cycle is 30 %. The Group had a negtive result after tax of SEK -505 million.

Against this background, and given the continued challenging steel market, the Board proposes to the Annual General Meeting that no dividend be paid.

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	37,989
Profit for the year	2,203
SEK millions	**40,192**

Of this, a share premium reserve comprises SEK 21,791 million and a fair value reserve comprises SEK 106 million.

The Board of Directors and the President recommend that the profit be allocated as follows:

Dividend to the shareholders SEK 0.00 per share	0
Carried forward to next year	40,192
SEK millions	**40,192**

According to the consolidated balance sheet, the Group's retained earnings amounted to SEK 15,860 (16,199) 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.

Stockholm, February 11, 2016

Bengt Kjell
Chairman

Petra Einarsson
Director

Kim Gran
Director

Peter Holmér
Director

Tomas Jansson
Director

Tomas Karlsson
Director

Matti Lievonen
Director

Annika Lundius
Director

John Tulloch
Director

Lars Westerberg
Director

Martin Lindqvist
President and CEO

Our auditor's report was submitted on February 18, 2016

PricewaterhouseCoopers AB
Magnus Svensson Henryson
Authorized public accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders of SSAB AB (publ), corporate identity number 556016-3429

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SSAB AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document with the heading Financial Reports 2015 on pages 1–85.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

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 December 31, 2015 and of its financial performance and its cash flows 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 December 31, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, 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 annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of SSAB AB (publ) for the year 2015.

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, and the Board of Directors and the President are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OPINIONS

We recommend to the annual 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 President be discharged from liability for the financial year.

Stockholm February 18, 2016

PricewaterhouseCoopers AB
Magnus Svensson Henryson
Authorized Public Accountant

SHARES AND SHAREHOLDERS

SSAB is listed on the Nasdaq OMX Stockholm and Nasdaq OMX Helsinki exchange.

Share performance and trading

THE 2015 CLOSING PRICES ON THE NASDAQ OMX STOCKHOLM EXCHANGE WERE
SSAB class A share: SEK 22.61
SSAB class B share: SEK 19.00
Total year-end market capitalization: SEK 11.5 billion

SHARE PERFORMANCE DURING 2015
SSAB class A share: -50.3%
SSAB class B share: -53.1%
Nasdaq OMX Stockholm was up by 6.4%

The highest price was
SSAB class A share: SEK 52.75, on May 15
SSAB class B share: SEK 45.59, on April 28

The lowest price was
SSAB class A share: SEK 20.03, on December 22
SSAB class B share: SEK 17.39, on December 21

During the year, SSAB's shares were traded on the Nasdaq OMX Stockholm Exchange for a total of SEK 51.8 billion. Shares were traded on all exchange days and averaged approximately SEK 206.4 million per day. The volume of A shares traded during the year corresponded to 343% of the average number of outstanding shares. The volume of B shares traded corresponded to 139% of the average number of outstanding shares. Trading in the share in Helsinki (A and B share) averaged 1.08 million shares per day during 2015.

The SSAB-share is also traded on multilateral trading facilities (MTF), on market places such as Chi-X and BATS. Of the total volume of traded shares, 79% of the class A shares and 90% of the class B shares were traded on Nasdaq OMX Nordic (Stockholm and Helsinki).

Share capital

At the end of the year there were 549,245,510 shares, divided into 304,183,270 class A shares and 245,062,240 class B shares, equating to 328,689,494 votes in total. Each class A share carries one vote and each class B share carries one-tenth of one vote. The quotient value per share is SEK 8.80.

Ownership structure

At year-end 2015, SSAB had 103,800 shareholders.

SSAB's three largest owners in terms of voting rights at year-end 2015 were:
- Industrivärden 17.7%
- Solidium 10.1%
- Invesco Funds 5.0%.

The ten largest identified owners together owned approximately 47.6% of the voting capital and 41.4% of the share capital at the end of December 2015. Owners outside Sweden and Finland accounted for 14.8% of voting rights and 11.4% of the total number of shares.

Dividend policy and dividends

Dividends are adapted to the average earnings level over a business cycle and, in the long term, constitute approximately 50% of profit after tax, taking into consideration the net debt/equity ratio. It should also be possible to use dividends to adjust the capital structure.

The Board of Directors has resolved to propose to the Annual General Meeting to be held on April 7, 2016 that no dividend be paid. For the 2014 financial year, no dividend was paid.

Investor relations

During 2015, a large 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 codes

Nasdaq OMX Stockholm: SSABA and SSABB
Nasdaq OMX Helsinki: SSABAH and SSABBH (class A and class B shares respectively)

Share breakdown

Shareholding	Number of shareholders	% of all shareholders
1,500	48,782	47.3
501–1,000	19,087	18.5
1,001–5,000	28,397	27.5
5,001–10,000	3,743	3.6
10,001–15,000	1,059	1.0
15,001–20,000	603	0.6
20,001–	1,409	1.4
Total	**103,080**	**100**

Source: Euroclear

Owners as of December 31, 2015

	% of votes	% of share capital
Industrivärden	17.7	10.7
Solidium	10.1	17.1
Invesco Funds[1)]	5.0	3.0
Swedbank Robur Funds	4.9	4.0
LKAB	3.8	2.2
Catella Funds	2.5	1.5
Handelsbanken Pensionstiftelsen and Handelsbanken Liv	1.5	1.3
SEB Investment Management	0.9	0.6
Folksam	0.7	0.7
AMF	0.5	0.3
Other shareholders	52.4	58.6
Total	**100.0**	**100.0**
Whereof foreign-registered shareholders[2)]	14.8	11.4

[1)] Information from flagging notice 26 Nov 2015
[2)] Includes shareholders outside Sweden and Finland
Source: Euroclear

The number of shares and the share capital have changed since 1989 as follows:

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	4:1 split	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	3:1 split	172,765,214	259,147,821	0	2,280
2007	1:4 new issue	64,786,954	323,934,775	571	2,851
2014	New issue	225,310,735	549,245,510	1,982	4,833

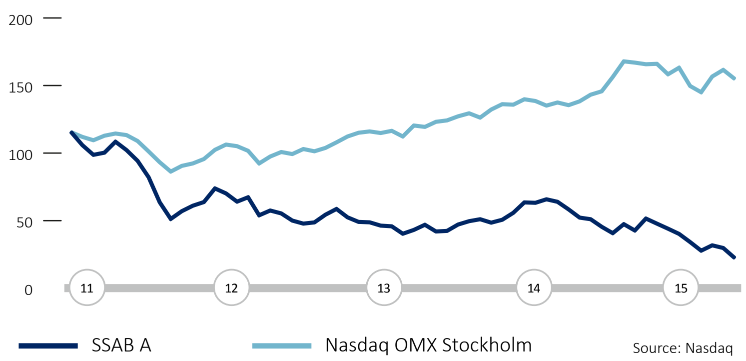
Share-related key figures

		2015	2014	2013	2012	2011
Share price, at year-end, class A share	SEK	22.61	45.62	49.30	56.55	60.65
Earnings per share (EPS)	SEK	-0.93	-3.33	-3.29	0.05	4.82
Cash flow before dividend and financing per share	SEK	4.16	0.22	3.15	10.10	2.14
Equity per share	SEK	80.82	79.78	83.74	88.81	94.98
Dividend per share	SEK	0.00[1]	0.00	0.00	1.00	2.00
Average number of shares	million	549.2	419.6	323.9	323.9	323.9
Number of shares at year-end	million	549.2	549.2	323.9	323.9	323.9
Market capitalization at year-end	SEK million	11,534	23,731	15,321	17,624	18,993
Valuation						
Direct yield, %[2]		0.00[1]	0.00	0.00	1.80	3.30
P/E ratio[2]		neg.	neg.	neg.	n.m	12.60
Price/equity, %[2]		28	57	59	64	64

[1] In accordance with the Board's proposal
[2] Based on closing price for the class A share

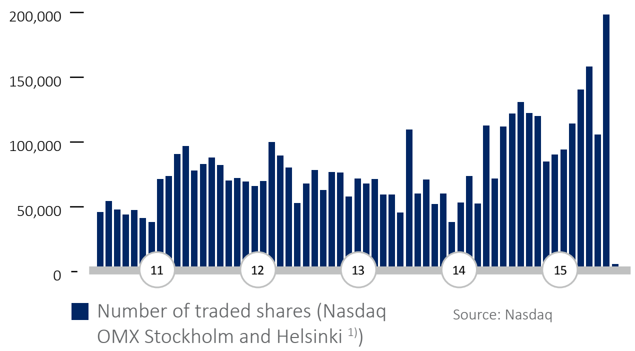
Share performance

SEK



Number of traded shares

Thousands



[1] In conjunction with SSAB's completion of the combination with Rautaruukki, SSAB applied for a secondary listing on Nasdaq OMX Helsinki, Finland, where SSAB's shares have been listed since August 1, 2014.

ANNUAL GENERAL MEETING, NOMINATION COMMITTEE, CALENDAR

ANNUAL GENERAL MEETING

SSAB's Annual General Meeting will be held in Stockholm at 1pm on Thursday April 7, 2016. To be eligible to attend the Annual General Meeting, shareholders must be included in the printout of the share register made by Euroclear Sweden AB on Friday, April 1, 2016 and must give notice of their intention to attend the meeting by no later than Friday, April 1, 2016, preferably before 12 noon.

Notice

Notice to attend the Annual General Meeting may be given via the Company's website at www.ssab.com, or by telephone at +46 8 45 45 760. Notice must include the shareholder's name, personal identification number (or company registration number), address and telephone number.

Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names to be entitled to attend at the Annual General Meeting. Temporary re-registration (voting registration) should be effected in due time before Friday, April 1, 2016.

Proxies

Original powers of attorney and, with respect to a legal entity, certificates of registration, must be submitted in due time before the Annual General Meeting to: SSAB AB, Årsstämman, Box 7832, SE-103 98 Stockholm, Sweden.

DIVIDENDS

The Board of Directors and the President & CEO propose that the Annual General Meeting resolve no payment of a dividend for 2015.

NOMINATION COMMITTEE

- Helena Stjernholm, Industrivärden (Chairman)
- Kari A.J. Järvinen, Solidium Oy
- Åsa Nisell, Swedbank Robur Funds
- Ulf Strömsten, Catella Funds
- Bengt Kjell (Chairman of the Board of Directors)

The Nomination Committee presents, among other things, proposals to the Annual General Meeting concerning the election of the Board of Directors, fees for the Board of Directors, and the election of auditors.

CALENDAR FOR FINANCIAL INFORMATION

SSAB will provide the following information with respect to the 2016 financial year:

- Report for the first quarter, April 22, 2016
- Half-year report, July 22, 2016
- Report for the third quarter, October 28, 2016
- Results for 2016, February 15, 2017
- Annual report 2016, week 11, 2017

ADDRESSES

HEAD OFFICE

SSAB AB
Box 70
SE-101 21 Stockholm, Sweden
Tel. +46 8 454 5700
Fax. +46 8 454 5725
Visitors:
Klarabergsviadukten 70, D6
www.ssab.com

DIVISIONS

SSAB Special Steels
Box 70
SE-101 21 Stockholm, Sweden
Tel. +46 8 454 5700
Fax. +46 8 454 5725
Visitors:
Klarabergsviadukten 70, D6

SSAB Europe
Harvialantie 420
FI-13300 Hämeenlinna, Finland
Tel. +358 20 5911
Fax. +358 20 592 5080

SSAB Americas
SSAB Enterprises, LLC
801 Warrenville Rd, Suite 800
Lisle, Illinois 60532, USA
Tel. +1 630 810 4800
Fax. +1 630 810 4600

SUBSIDIARIES

Tibnor
Box 600
SE-169 26 Solna, Sweden
Tel. +46 10 484 0000
Visitors:
Sundbybergsvägen 1
www.tibnor.com

Ruukki Construction
Panuntie 11
FI-00620 Helsinki, Finland
Tel. +358 20 5911
Fax. +358 20 592 9088
www.ruukki.com

SSAB AB
Box 70
SE-101 21 Stockholm, Sweden

Tel. +46 8 454 5700
Fax. +46 8 454 5725

Visitors:
Klarabergsviadukten 70, D6

www.ssab.com