

SSAB Swedish Steel S.p.A.
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Organizational, Management and Control Model

General Part

Approved by the Board of Directors with Resolution No. ____ dated ____

Contents

1. Definitions	5
2. Administrative Liability of Entities: Purpose and Principles	7
2.1 Legislative Decree No. 231 of 2001	7
2.2 Prerequisites of the Administrative Liability of Entities	8
2.2.1 Active Subjects of the Predicate Offence and their “Link” with the Entity	9
2.2.2 Interest or Advantage of the Entity	9
2.3 Predicate Offences of the Administrative Liability of Entities	10
2.4 Conditions for Exemption from Administrative Liability of Entities	12
2.4.1 Administrative liability of the entity and predicate offences committed by senior management	12
2.4.2 Administrative liability of the entity and predicate offences committed by persons subject to the direction of others	13
2.5 Practical application of Legislative Decree No. 231/2001	13
2.5.1 “Exemptive requirements” from administrative liability of entities required by the Decree	14
2.5.2 Guidance from criminal case law	14
2.6 Administrative sanctions applicable to entities	15
2.6.1 Pecuniary sanctions (Articles 10, 11, 12 of Legislative Decree 231/2001)	16
2.6.2 Disqualifying sanctions (Article 9, paragraph 2 of Legislative Decree 231/2001)	16
2.6.3 Publication of the Judgment (Article 18 of Legislative Decree 231/2001).....	18
2.6.4 Confiscation (Article 19 of Legislative Decree 231/2001)	18
2.7 Attempted offences	18
2.8 Offences committed abroad.....	19
2.9 Requirements of organisational and management models	19
2.10 Confindustria Guidelines.....	20
3. SSAB Swedish Steel S.p.A.	22
3.1 Profile.....	22
3.2 Governance and Institutional Structure	22
3.3 Organisational Chart.....	23
4. The 231 Model of SSAB Swedish Steel S.p.A.	23
4.1 Purpose and Objectives of the Model.....	24
4.2 Project Phases and Methodology Used	25
4.3 Mapping of Sensitive Areas.....	26

4.4 Risk Analysis and Assessment.....	27
4.5 Analysis and Assessment of Existing Controls	28
4.6 Structure of the Model.....	29
4.7 Adoption and Updating of the Model	31
4.8 Recipients of the Model.....	31
4.9 Relationship between the Model and the Code of Ethics.....	31
5. Supervisory Body.....	32
5.1 Establishment and Appointment of the Supervisory Body	32
5.2 Termination of Office.....	33
5.3 Essential Requirements of the Supervisory Body	34
5.4 Identification, Composition and Functioning of the Supervisory Body	35
5.5 Powers and Duties of the Supervisory Body	36
5.6 Powers of Access	39
5.7 Collection and Retention of Information	40
5.8 Confidentiality Obligations	40
6. Information Flows.....	40
6.1 Information Flows to the Supervisory Body.....	40
6.1.1 Collection and Retention of Documentation	42
6.2 Whistleblowing	42
6.2.1 Reporting Methods – Protection of Employees and/or Collaborators	42
6.2.2 Content of the Report	45
6.2.3 Handling of Reports	46
6.3 Information Flows from the Supervisory Body to SSAB’s Management	47
6.4 Financial Resources of the Reporting Manager and the Supervisory Body	48
6.5 Rules of Procedure.....	48
7. Disciplinary System	49
7.1 Introduction and General Principles.....	49
7.2 Behavioural Obligations and Impact on the Contractual Relationship	52
7.3 Criteria for Determining Sanctions	52
7.4 Subjects	53
7.4.1 Measures Against Employees	53
7.4.2 Measures Against Collaborators.....	55
7.4.3 Measures Against Directors	56

7.4.4 Measures Against Partners, Suppliers and External Third Parties	57
7.4.5 Measures in Relation to Whistleblowing Violations	58
8.2 Recipients of Information and Training Activities.....	59
8.2.1 Employees	59
8.2.2 Members of SSAB Corporate Bodies.....	59
8.2.3 Other Recipients (Collaborators, Consultants, Agents, etc.)	60
8.2.4 Communication Methods	60
8.3 Training Programme	61
8.3.1 Training Records and Documentation Retention	63
9. Updating and Revision of the 231 Model.....	63

1. Definitions

<i>Sensitive Activity/Process</i>	Activities of SSAB within which there is a risk of commission of the offences for which the provisions of Legislative Decree 231/2001 apply.
<i>Risk Area</i>	Area/sector at risk of commission of offences for which the provisions of Legislative Decree 231/2001 apply.
<i>Code of Ethics or Code</i>	Code adopted by SSAB pursuant to Legislative Decree 231/01 containing the core values, reference standards and rules of conduct, as well as the principles that must guide the behaviour of those acting on behalf of and in the interest of SSAB.
<i>Decree</i>	Legislative Decree no. 231 of 8 June 2001 (Regulation of the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000), also referred to as Legislative Decree 231/01.
<i>Recipients</i>	The persons to whom this Model is addressed and who, in various capacities, are required to comply with it.
<i>Foundation or Entity</i>	SSAB Swedish Steel S.p.A., also referred to simply as “SSAB”.
<i>Confindustria Guidelines</i>	The guidelines issued by Confindustria for the preparation of organisational, management and control models pursuant to Legislative Decree 231/2001, approved by the Ministry of Justice on 24 May 2004 and most recently updated on 25 June 2021.
<i>231 Model or Organisational Model</i>	This organisational, management and control model pursuant to Legislative Decree 231/01 and subsequent amendments, adopted by the Board of Directors of SSAB.
<i>Supervisory Body or SB (OdV)</i>	The body provided for by Article 6 of Legislative Decree 231/2001, with autonomous powers of initiative and control, tasked with supervising the functioning and compliance of the Model and ensuring its updating.
<i>Reporting Manager</i>	External party responsible for managing whistleblowing reports

<i>General Part</i>	The part of the Model that sets out the general rules of conduct and procedures that SSAB must observe in its overall operations.
<i>Special Part</i>	The parts of the Model that identify and regulate the processes within risk areas where offences and administrative violations may be committed.
<i>Partners</i>	Entities that have contractual relationships with SSAB, such as suppliers (both individuals and legal entities), or parties with whom SSAB enters into any form of contractually regulated collaboration (consultants, agents, etc.).
<i>Principles of Conduct</i>	The principles set out in the various Special Parts that Recipients must comply with when carrying out the activities referred to in the respective Special Part.
<i>Protocols</i>	The specific principles, rules and operating procedures set out in the various Special Parts, which Recipients must comply with when carrying out the activities indicated therein.
<i>P.A. or Public Administration</i>	Public Administration, understood as the set of all public functions (legislative, administrative and judicial) of the State or other public entities, as well as private entities performing duties on behalf of a public body.
<i>Offences or Predicate Offences</i>	The types of offences to which the provisions of Legislative Decree 231/01 apply.
<i>Control System</i>	The control system implemented by SSAB with the aim of preventing, through the adoption of specific protocols, the risk of commission of offences to which the provisions of Legislative Decree 231/2001 apply.
<i>Disciplinary System</i>	The set of sanctioning measures applied to those who fail to comply with the Principles of Conduct and the Protocols set out in the Model.
<i>Top Management</i>	Persons holding representation, administrative or management functions within SSAB.
<i>Subordinates</i>	Persons subject to the direction or supervision of one of the persons referred to above.

Consultants Persons acting in the name and/or on behalf of SSAB on the basis of a specific mandate or other consulting or collaboration arrangement.

2. Administrative Liability of Entities: Purpose and Principles

2.1 Legislative Decree No. 231 of 2001

Legislative Decree No. 231 of 8 June 2001, which introduced the “Regulation of the administrative liability of legal entities, foundations and associations, including those without legal personality” (hereinafter the “Decree”), aligned Italian legislation on the liability of legal entities with certain international conventions previously ratified by the Italian State (Brussels Convention of 26 July 1995 on the protection of the European Communities’ financial interests; Brussels Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States; OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions).

The Decree thus introduced into the Italian legal system a regime of administrative liability (substantially equivalent to criminal liability) applicable to entities (namely legal entities, foundations, associations, including those without legal personality), which is in addition to the criminal liability of the natural person who has materially committed certain specific offences. This regime aims to involve entities in the punishment of such offences when they are committed in the interest or for the benefit of the entity, whether directly or indirectly.

Excluded from the scope of application, pursuant to Article 1, paragraph 3, are: the State (understood broadly, including all its administrative branches such as Ministries, Prefectures, Police Headquarters, as well as constitutional bodies exercising legislative, judicial or executive functions, such as Parliament, the Constitutional Court and judicial authorities); territorial public entities (Regions, Provinces, Municipalities and Mountain Communities); non-economic public entities (public bodies which, even without public powers, provide services of collective interest without profit, such as INPS, INAIL, the Italian Red Cross, ACI, etc.); and, in general, all entities performing functions of constitutional relevance (e.g., political parties and trade unions, private entities provided for by the Constitution).

The offence, therefore, where the conditions set out by the law are met, operates on a dual level: it constitutes both a criminal offence attributable to the individual who committed it (punishable under criminal law) and an administrative offence attributable to the entity (punishable by administrative sanctions).

Article 5 of the Decree provides that natural persons who, by committing a specific offence in the interest or for the benefit of the entity, may give rise to the entity's liability, may be:

- individuals in top positions ("senior management") (representation, administration or management of the entity or one of its organisational units, or persons who exercise, de facto, management and control);
- individuals subject to the direction or supervision of one of the above persons.

Article 5 of Decree 231 also identifies the objective criteria for attributing administrative liability arising from offences to the entity.

The provision establishes three conditions under which the offence can be attributed to the entity:

1. the offence must have been committed in the interest or for the benefit of the entity;
2. the perpetrators must not have acted exclusively in their own interest or in the interest of third parties;
3. the perpetrators must be natural persons in senior positions or persons subject to their direction or supervision.

The entity is exempt from liability for offences committed by the above-mentioned persons if it proves that:

- the governing body adopted and effectively implemented, prior to the commission of the offence, organisational and management models suitable for preventing offences of the type that occurred;
- the entity entrusted the task of supervising the functioning, compliance and updating of the organisational and management models to a body with autonomous powers of initiative and control;
- the perpetrator committed the offence by fraudulently circumventing the organisational and management models;
- the Supervisory Body did not omit or insufficiently perform its supervisory duties.

2.2 Prerequisites of the Administrative Liability of Entities

2.2.1 Active Subjects of the Predicate Offence and their “Link” with the Entity

The natural persons whose criminal conduct gives rise, in terms of administrative-criminal sanctions, to the liability of entities are identified by Article 5, paragraph 1 of the Decree which — by virtue of the so-called theory of “organic identification” — provides that the entity is liable for offences committed in its interest or to its advantage:

- a) by persons who hold functions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy, as well as persons who exercise, even *de facto*, management and control;
- b) by persons subject to the direction or supervision of one of the persons referred to in letter a).

With reference to the persons mentioned in letter a), the legislator does not require that the senior position be formally held; it is sufficient that the functions exercised — even *de facto* — effectively involve management and control (both functions must be exercised, as noted in the Ministerial Report to the Decree).

2.2.2 Interest or Advantage of the Entity

The natural persons whose criminal conduct may give rise, in terms of administrative-criminal sanctions, to the liability of entities must have committed the predicate offence in the interest or to the advantage of the entity.

The “interest” of the entity always requires an *ex ante* assessment of the conduct of the individual, whereas the “advantage” that may accrue to the entity — even when the individual has not acted in its interest — requires an *ex post* assessment. “Interest” and “advantage” each have a specific and autonomous relevance, as it may well occur that conduct carried out in the entity’s interest proves, *a posteriori*, not to have been advantageous. The statutory requirement for the commission of offences does not constitute a *hendiadys*, as the terms refer to legally distinct concepts: an interest may exist upstream as a result of unlawful enrichment, while an advantage may be objectively achieved through the commission of the offence, even if not envisaged *ex ante*; therefore, interest and advantage may coexist (see, among others, Italian Supreme Court, Criminal Section II, 30 January 2006, no. 3615).

Subsequently, the Joint Sections of the Supreme Court clarified that:

“With regard to the liability of entities for offences, the criteria for objective attribution, represented by the reference in Article 5 of Legislative Decree No. 231 of 2001 to ‘interest or advantage’, are alternative and may coexist, since the criterion of interest expresses a teleological assessment of the offence, appreciable *ex ante*, i.e., at the time the act is committed and according to a markedly subjective standard of judgment, whereas that of

advantage has an essentially objective nature and, as such, is assessable ex post, on the basis of the concrete effects resulting from the commission of the offence” (Italian Supreme Court, Joint Sections, 24 April 2014, no. 38343).

Conversely, the entity is not liable if the persons referred to in section 2.2.1 — whether in senior positions or not — acted exclusively in their own interest or in the interest of third parties.

2.3 Predicate Offences of the Administrative Liability of Entities

An entity may be held liable only for the commission of certain offences and specific administrative violations (predicate offences), as identified by Legislative Decree 231/2001 and its subsequent amendments, as well as by laws that expressly refer to the provisions of the Decree itself (Law No. 146/2006).

In its original text, the Decree listed, among the offences giving rise to administrative liability of entities, only those committed against the Public Administration and offences against property to the detriment of the State or another public body (Articles 24 and 25). Subsequently, the list of predicate offences has been significantly and repeatedly expanded, up to the most recent amendments introduced in 2025.

In any case, an entity cannot be held liable for conduct constituting an offence if its administrative liability in relation to that offence and the related sanctions are not expressly provided for by a law that entered into force prior to the commission of the act (so-called principle of legality).

Currently, predicate offences of the administrative liability of entities are those listed in the annex “List of Predicate Offences” to this Model.

The catalogue of predicate offences is annexed to the Model — and therefore forms an integral part thereof — in order to facilitate consultation.

For the list of individual offences and their detailed description, reference should be made to the annex “List of Predicate Offences” as well as to the individual Special Parts of the Model.

Now, taking into account the analysis of SSAB’s context, its activities and the areas potentially exposed to crime risk, only those violations deemed relevant, even potentially, have been considered and therefore specifically examined in the Organisation, Management and Control Model (so-called “231 Model”), namely those covered by the following Special Parts:

Special Part “A”	Offences in Relations with the Public Administration
Special Part “B”	IT (Computer) Offences

Special Part “C”	Corporate Offences
Special Part “D”	Occupational Health and Safety Offences
Special Part “E”	Money Laundering Offences
Special Part “F”	Copyright Infringement Offences
Special Part “G”	Offences of Inducing False Statements to the Judicial Authority
Special Part “H”	Environmental Offences
Special Part “I”	Immigration-Related Offences
Special Part “L”	Tax Offences

Within each of the above Special Parts, the following have been identified:

- the areas considered “at risk of offences” and the so-called “sensitive” activities;
- the functions and/or departments and/or offices operating within the “at-risk” areas and/or “sensitive” activities;
- the offences that may theoretically be committed;
- the principles of conduct to be followed in order to reduce the risk of commission of offences;
- the duties assigned to the Supervisory Body (SB) in order to reduce the risk of offences being committed.

The categories provided for by Legislative Decree 231 that are not specifically addressed in a dedicated section of the Special Part relate either to offences that cannot even theoretically occur within SSAB, or are covered in the Code of Ethics in the form of general principles of conduct applicable to the entity.

For the purposes of establishing administrative liability arising from an offence, it is not sufficient to attribute the offence to the entity on an objective basis alone; it must also be possible to formulate a judgment of “fault” attributable to the entity itself. The criteria for the entity’s liability differ depending on whether the predicate offence was committed by persons in senior positions or by persons subject to their direction.

Article 6 outlines the liability framework of the entity in the case of offences committed by senior management, as identified in Article 5, paragraph 1(a).

With regard to the conditions required for an entity to be held liable for offences committed by subordinate persons (Article 5, paragraph 1(b)), Article 7 provides that the entity’s liability arises from a failure to comply with obligations of direction or supervision incumbent upon the entity itself. In any event, such failure is excluded if, prior to the commission of the offence, the entity had adopted organisational models suitable for preventing offences of the same type as that committed by the subordinate.

Unlike what is provided for offences committed by senior management, in this case it is the burden of the prosecution to prove the failure to adopt or the ineffective implementation of organisational models.

2.4 Conditions for Exemption from Administrative Liability of Entities

Where the requirements set out in Articles 6 and 7 of the Decree are met, the entity is not liable for the predicate offence committed in its interest or to its advantage.

2.4.1 Administrative liability of the entity and predicate offences committed by senior management

Article 6 of the Decree provides that, where the offence has been committed by persons referred to in Article 5, paragraph 1(a) — i.e., persons in senior positions — the entity shall not be held liable if it proves that:

- a) the governing body adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the type that occurred;
- b) the task of supervising the functioning of and compliance with the models and ensuring their updating has been entrusted to a body of the entity with autonomous powers of initiative and control;
- c) the individuals committed the offence by fraudulently circumventing the organisational and management models;
- d) there was no failure or insufficient supervision by the body referred to in letter b).

In relation to the scope of delegated powers and the risk of offences being committed, organisational and management models must meet the following requirements:

- a) identify the activities within which offences may be committed;
- b) establish specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- c) identify methods for managing financial resources suitable to prevent the commission of offences;
- d) provide for information obligations toward the body responsible for supervising the functioning and compliance of the models;
- e) introduce a disciplinary system capable of sanctioning non-compliance with the measures set out in the model.

The Model, therefore, consists of a set of rules and tools designed to provide the Entity with an effective organisational and management system, capable of identifying and preventing criminal conduct carried out by those acting on behalf of SSAB.

Models may be adopted, while ensuring the above requirements, also on the basis of codes of conduct prepared by associations representing entities, communicated to the Ministry of Justice pursuant to Article 6, paragraph 3 of the Decree.

It should, however, be noted that the Decree establishes a different regime depending on whether the predicate offence is committed:

- (a) by persons who hold functions of representation, administration or management of the entity or one of its organisational units with financial and functional autonomy, or by natural persons who exercise, even de facto, management and control of the entity;
- (b) by persons subject to the direction or supervision of one of the above-mentioned persons. In the first case, the Decree provides for the so-called “reversal of the burden of proof” with regard to the adoption and effective implementation of a Model capable of preventing the commission of predicate offences. This means that, where an administrative offence arising from the commission of one or more predicate offences by a senior manager is alleged, it is the Entity that must demonstrate (“shall not be liable if it proves”) that all requirements set out by the Decree have been met.

2.4.2 Administrative liability of the entity and predicate offences committed by persons subject to the direction of others

Article 7 of the Decree provides that, if the offence has been committed by the persons referred to in Article 5, paragraph 1(b), the Entity is liable if the commission of the offence was made possible by a failure to comply with obligations of direction or supervision.

In any case, such failure is deemed not to exist if, prior to the commission of the offence, the Entity adopted and effectively implemented an organisational, management and control model capable of preventing offences of the same type as the one that occurred. The Model must provide, in relation to the nature and size of the organisation and the type of activities carried out, appropriate measures to ensure that activities are conducted in compliance with the law and to promptly detect and eliminate risk situations.

Effective implementation of the Model also requires:

- a) periodic verification and possible amendment of the Model when significant violations of its provisions are discovered or when changes occur in the organisation or in its activities;
- b) a disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model.

2.5 Practical application of Legislative Decree No. 231/2001

2.5.1 “Exemptive requirements” from administrative liability of entities required by the Decree

The Decree therefore provides, as obligations for the Entity:

(I) the adoption and effective implementation, by the governing body, of a Model capable of preventing predicate offences giving rise to the Entity’s administrative liability. Such Models must:

- (a) identify the activities within which offences may be committed;
- (b) provide, in relation to the nature and size of the organisation and the type of activity carried out, measures suitable to ensure compliance with the law and to promptly detect and eliminate risk situations;
- (c) establish specific protocols aimed at planning the formation and implementation of the entity’s decisions in relation to the offences to be prevented;
- (d) identify methods for managing financial resources suitable to prevent the commission of offences;
- (e) provide for information obligations toward the body responsible for supervising the functioning and compliance of the Model;
- (f) introduce a disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model.

Effective implementation of the Model also requires:

- periodic verification and possible amendment of the Model when significant violations of its provisions are discovered or when changes occur in the organisation or in its activities;
- a disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model.

(II) the assignment of the task of supervising the functioning and compliance of the Model and ensuring its updating to a body of the entity with autonomous powers of initiative and control (the so-called Supervisory Body).

2.5.2 Guidance from criminal case law

The Decree does not specify the precise requirements that a Model must meet to be considered suitable, effective and efficient. In light of this regulatory gap, case law, already in the early years following the entry into force of the Decree, developed the so-called “Model Decalogue” (Order of the Preliminary Investigations Judge of the Court of Rome, Judge Finiti, 4 April 2003, and Order of the Preliminary Investigations Judge of the Court of Milan, Judge Secchi, 20 November 2004), whose validity was recently confirmed

by the judgment of the Court of Milan No. 1070 of 2024, identifying the activities necessary to adopt an adequate, effective and efficient Model.

In particular, case law requires:

- identification of the activities within which offences may be committed (mapping/gap analysis);
- provision of specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented (action strategy);
- identification of methods for managing financial resources suitable to prevent the commission of offences;
- establishment of the Supervisory Body to verify the proper functioning of the Model and ensure its updating.

The essential requirements of the Supervisory Body and its members are:

- autonomy and functional and decision-making independence;
 - professionalism and integrity of its members;
 - continuity of action;
-
- establishment of information flows with the Supervisory Body to verify compliance with the Model and the Code of Ethics by those subject to them;
 - introduction of a disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model (promptness and timeliness of sanctions).

In drafting the Model, it is necessary to:

- analyse the history of the entity;
- provide a “realistic and economic view of internal processes.”

2.6 Administrative sanctions applicable to entities

In the event that the Entity commits one of the offences referred to above, it may be subject to sanctions imposed by the competent authorities.

As set out in Article 9 of the Decree, the administrative sanctions provided for by the legislator are divided into four types:

- 1) Pecuniary fines, applicable to all offences
- 2) Disqualifying sanctions, applicable only in cases of particular seriousness
- 3) Confiscation of the price or profit of the offence, which is not subject to any limitations and may also be imposed in an “equivalent” form
- 4) Publication of the conviction judgment, to be applied together with disqualifying sanctions

The rationale of the legislator is clear: to target both the assets of the entity and its actual operations (pecuniary and disqualifying sanctions), as well as to prevent the risk of unjust enrichment of the entity through the commission of offences (confiscation of profits).

2.6.1 Pecuniary sanctions (Articles 10, 11, 12 of Legislative Decree 231/2001)

They apply in all cases where the entity's liability is established and have a punitive (not compensatory) nature.

They are calculated based on a "quota" system, in a number not less than 100 and not more than 1,000, while the amount of each quota ranges from a minimum of €258.23 to a maximum of €1,549.37.

The number of quotas is determined by the judge based on the criteria set out in Article 11, paragraph 1, namely:

- a) the seriousness of the offence;
- b) the degree of responsibility of the entity;
- c) the activities carried out by the entity to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences.

The value of each quota is determined based on the economic and financial conditions of the entity involved.

The total amount of the pecuniary sanction is therefore calculated by multiplying the number of quotas by the value of each quota.

The obligation to pay pecuniary sanctions is borne solely by the entity with its assets or common fund.

2.6.2 Disqualifying sanctions (Article 9, paragraph 2 of Legislative Decree 231/2001)

They may be imposed only in cases expressly provided for and only for certain offences. Disqualifying sanctions include:

- disqualification from carrying out business activities;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition on contracting with the Public Administration, except for obtaining public services;
- exclusion from benefits, financing, contributions or subsidies and possible revocation of those already granted;
- prohibition on advertising goods and services.

These sanctions apply only in cases expressly provided for by Legislative Decree 231 where at least one of the following conditions is met:

- the entity has obtained a significant profit from the offence and the offence was committed by persons in senior positions, or by persons subject to the direction of others, where the commission of the offence was determined or facilitated by serious organisational deficiencies;
- in the event of repeated offences.

As with pecuniary sanctions, the type and duration of disqualifying sanctions are determined by the criminal court, taking into account the criteria specified in Article 14 of the Decree.

In any case, disqualifying sanctions have a minimum duration of three months and a maximum of two years; however, in the most serious cases described in Article 16 of the Decree, they may be applied on a permanent basis.

Furthermore, disqualifying sanctions may be applied to the entity both at the end of the trial (once liability has been established) and as a precautionary measure pursuant to Article 45, where:

- there are serious indications of the entity's liability for an administrative offence dependent on a crime;
- specific and well-founded elements indicate a concrete risk that offences of the same kind may be committed;
- the entity has obtained a significant profit.

The assessment of serious indications for the application of precautionary measures pursuant to Article 45 must take into account:

- the complex nature of the administrative offence attributable to the entity;
- the link with the predicate offence;
- the existence of an interest or advantage for the entity.

With regard to the criteria for choosing disqualifying measures (Article 46), the legislator has adopted the principles of:

- proportionality with respect to the seriousness of the offence and the sanction that may be imposed;
- adequacy in relation to actual precautionary needs;
- graduality, ensuring that the adopted measure is always the least burdensome among those sufficient to meet the precautionary needs of the specific case.

Without prejudice to the application of pecuniary sanctions, disqualifying sanctions are not applied when, before the declaration of the opening of the first-instance trial, the following conditions are met:

- the entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case effectively acted to do so;
- the entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the type that occurred;
- the entity has made available the profit obtained for the purposes of confiscation.

2.6.3 Publication of the Judgment (Article 18 of Legislative Decree 231/2001)

The publication of the judgment is an optional sanction and presupposes the application of a disqualifying sanction. The judgment is published by posting it in the Municipality where it was issued, in the Municipality where the offence was committed and in the Municipality where the entity has its registered office, as well as on the institutional website of the Ministry of Justice. The publication is at the entity's expense and is carried out by the court registry; its purpose is to inform the public of the conviction.

2.6.4 Confiscation (Article 19 of Legislative Decree 231/2001)

Confiscation is an autonomous and mandatory sanction applied with the conviction judgment against the entity and concerns the price or profit of the offence (except for the part that may be returned to the injured party) or, if this is not possible, sums of money or other assets of equivalent value; the rights acquired by third parties in good faith are safeguarded.

For completeness, it should also be noted that the Judicial Authority may order:

- preventive seizure of the assets subject to confiscation (Article 53);
- conservative seizure of movable and immovable assets of the entity where there are reasonable grounds to believe that the guarantees for the payment of pecuniary sanctions, procedural costs or other amounts due to the State may be lacking or dispersed (Article 54).

2.7 Attempted offences

Article 26 of the Decree provides that, in cases of attempted offences, pecuniary sanctions (in terms of amount) and disqualifying sanctions (in terms of duration) are reduced by one third to one half.

The definition of an attempted offence is provided by Article 56, paragraph 1 of the Italian Criminal Code, according to which “whoever performs acts suitable and unequivocally directed to commit a felony [...] if the action is not completed or the event does not occur.” Sanctions are excluded if the company voluntarily prevents the completion of the action or the occurrence of the event.

2.8 Offences committed abroad

According to Article 4 of Legislative Decree 231/2001, the entity may be held liable in Italy for offences — covered by the same Decree — committed abroad, provided that the State where the act was committed does not initiate proceedings against the entity.

The Decree therefore includes a provision inspired by the principle of universal jurisdiction, under which an entity may be held liable for offences committed abroad.

General requirements:

- the offence must be committed in the interest or to the advantage of the entity by a senior manager (Article 5);
- failure to adopt and effectively implement compliance programmes (Articles 6 and 7).

Specific requirements (Article 4):

- the offence must be committed abroad by a senior manager;
- the entity must have its main seat in Italy;
- the entity may be held liable in the cases and under the conditions provided by Articles 7, 8, 9 and 10 of the Italian Criminal Code;
- if the above conditions are met, the entity is liable provided that the State where the offence was committed does not prosecute;
- where the law provides that prosecution requires a request by the Minister of Justice, proceedings against the entity are initiated only if such request is also made against the entity itself.

The relevant offences are those governed by Legislative Decree 231/2001 (Articles 24 et seq.) and must have been committed abroad by persons belonging to a branch of an entity with its main seat in Italy.

2.9 Requirements of organisational and management models

The content of the Model is defined by Article 6, which provides, in paragraph 2, that the entity must:

- identify the activities within which offences may be committed;

- establish specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- identify methods for managing financial resources suitable to prevent offences;
- provide for information obligations toward the Supervisory Body;
- introduce a disciplinary system capable of sanctioning non-compliance with the measures set out in the Model.

In the case of subordinate persons, the adoption and effective implementation of the Model means that the entity will be liable only where the offence was made possible by a failure to comply with obligations of direction and supervision (Article 7, paragraphs 1 and 2).

Paragraphs 3 and 4 introduce two additional principles that are relevant for exemption from liability:

- the Model must include measures suitable both to ensure that activities are carried out in compliance with the law and to promptly detect risk situations, taking into account the type of activity carried out and the nature and size of the organisation;
- effective implementation of the Model requires periodic verification and modification where significant violations or organisational or regulatory changes occur; the existence of an adequate disciplinary system is also essential.

From a formal standpoint, therefore, the adoption and effective implementation of a Model is not mandatory but optional for entities, which may decide not to comply with the Decree without incurring sanctions solely for that reason.

However, the adoption and effective implementation of an adequate Model is an essential requirement for entities to benefit from the exemption from liability provided by the legislator.

It is also important to note that the Model should not be considered a static tool, but rather a dynamic and continuously evolving system, enabling the entity to correct, over time and through proper implementation, any shortcomings that could not be identified at the time of its initial adoption.

2.10 Confindustria Guidelines

Pursuant to Article 6, paragraph 3 of the Decree, Models may be adopted on the basis of codes of conduct prepared by associations representing entities and communicated to the Ministry of Justice, which may, where appropriate, provide comments. Confindustria was the first association to issue guidance for the development of organisational models, publishing its Guidelines in March 2002, subsequently partially updated in 2004, 2008, 2014 and most recently in June 2021 (hereinafter also referred to as the "Guidelines").

The Confindustria Guidelines have long provided methodological guidance for the proper development of a Model.

The following activities are required for the correct implementation of the Model:

- (a) mapping of risk areas and functions, namely a thorough analysis of the organisational structure aimed at identifying the areas exposed to potential offences;
- (b) analysis of potential risks, taking into account the entity's past experience, the characteristics of individuals operating in each risk area and any offences committed by them in the same sector;
- (c) design of the control system, i.e. assessment of the existing system, identification of any necessary adjustments and their implementation where lacking. The control system must ensure that the risk of offences is reduced to a level where it can only be circumvented intentionally and fraudulently.

It is also provided that, in small entities, supervisory duties may be carried out directly by the governing body, and that in joint-stock companies such duties may be performed by the Board of Statutory Auditors, the Supervisory Board, or the Management Control Committee.

Furthermore, with regard to offences relating to occupational health and safety under Article 25-septies of Legislative Decree 231, specific guidance on Model requirements is set out in Article 30 of Legislative Decree 81/2008 (Consolidated Act on Health and Safety at Work) and in the Standardised Procedures.

3. SSAB Swedish Steel S.p.A.

3.1 Profile

SSAB Swedish Steel S.p.A. (formerly Bresciacoils S.p.A.) is a company headquartered in Ghedi (BS) — where it has been operating since 1996 — primarily engaged in “Service Center” activities, consisting of the trading, as well as the leveling and cutting of rolled steel products and coils purchased from foreign Group companies, and the distribution of finished products acquired from Group companies.

The company therefore acts both as a seller of products (steel from coils and plates), purchasing from Group companies and selling on the Italian market, possibly after processing activities carried out in-house or through third-party companies, and as a pure distributor of products purchased from Group companies, without, in the latter case, holding inventory.

SSAB also provides services in favor of Group companies (intercompany services), through employees with specific expertise.

In addition, albeit marginal compared to the company’s core business, financial services are provided between SSAB Swedish Steel and SSAB under a cash pooling agreement.

3.2 Governance and Institutional Structure

SSAB Swedish Steel S.p.A. is wholly owned by SSAB EMEA AB (a company incorporated under Swedish law), which in turn is 100% controlled by SSAB AB, a highly specialized steel company that operates production facilities in Sweden and Finland for advanced high-strength steels (AHSS), quenched and tempered (Q&T) steel, coil plates, heavy plates, construction solutions, and protection/defense solutions for both civil and military applications.

SSAB Swedish Steel S.p.A. is therefore subject to direction and coordination activities pursuant to Article 2497 of the Italian Civil Code by SSAB EMEA AB.

The “guidelines” through which the parent company exercises its direction and coordination activities — fundamental to ensuring a unified approach to corporate governance at Group level — have been formally adopted by SSAB.

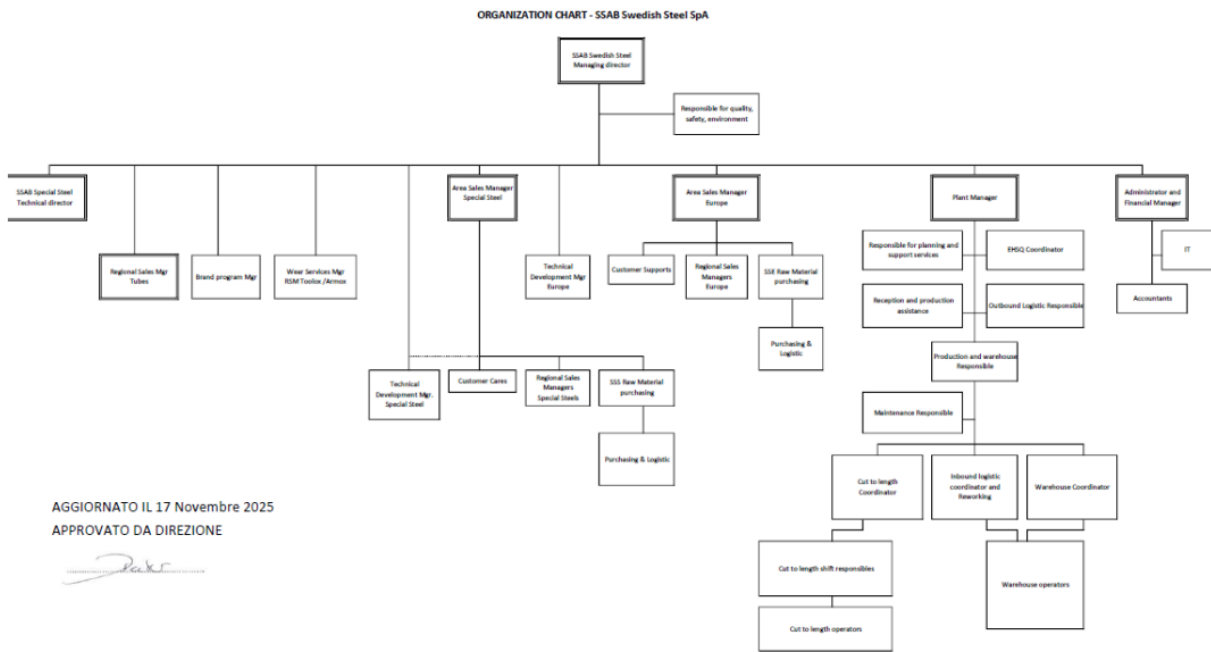
Through this process, key principles have been identified and formalized to enable the parent company to implement the necessary intercompany policies in a coordinated manner, while allowing the subsidiary to comply with them, respecting its autonomy and freedom of economic initiative, and ensuring compliance with the laws of the country in which it operates.

3.3 Organizational Chart

SSAB

ORGANIGRAMMA AZIENDALE
SSAB Swedish Steel SpA

REV. 3



4. The 231 Model of SSAB Swedish Steel S.p.A.

4.1 Purpose and Objectives of the Model

SSAB has decided to adopt this Organisation, Management and Control Model with the aim, on the one hand, of ensuring that its activities are conducted in compliance with the principle of “legality”, since no unlawful conduct, even if carried out in the interest or for the benefit of the entity, can be considered consistent with SSAB’s policies; and, on the other hand, of ensuring “control”, which must govern all decision-making and operational phases of corporate activities, with full awareness of the risks arising from the potential commission of offences.

The objectives of this 231 Model are:

- to raise awareness among the recipients by requiring them, within the scope of the activities carried out in the interest of SSAB, to adopt correct and transparent conduct, in line with the ethical values that guide the company in pursuing its corporate purpose, and to prevent the risk of the offences provided for in Legislative Decree 231/2001;
- to make the above-mentioned individuals aware that, in the event of violation of the provisions issued by SSAB, they may incur disciplinary sanctions, in addition to criminal and/or administrative penalties, which may also give rise to liability for SSAB under Legislative Decree 231/2001;
- to establish and/or strengthen controls enabling SSAB to prevent or promptly respond in order to avoid the commission of offences by senior managers and by persons subject to their direction or supervision, which could entail the administrative liability of SSAB;
- to actively sanction conduct carried out in breach of the Model through the imposition of disciplinary and/or contractual penalties;
- to improve effectiveness and transparency in the management of SSAB’s activities.

Furthermore, the 231 Model has been prepared taking into account:

- the analysis of the documentation collected regarding the organisational structure, in order to understand the activities carried out by SSAB;
- the strategic decisions of the governing bodies and management of SSAB;
- the changes that have occurred within the organisation.

From both a technical-organisational and legal standpoint, the above activities made it possible to preliminarily identify sensitive processes/activities, organisational

requirements and the components of the control system characterising an organisation, management and control model that — in line with applicable best practices — takes into account the company's specific characteristics, is consistent with its governance model, and enhances the controls and bodies existing at the time of its approval.

This Model is periodically reviewed and updated.

4.2 Project Phases and Methodology Used

This Organisation, Management and Control Model has been developed in compliance with the provisions of Legislative Decree 231/01 and the guidelines issued by Confindustria.

In order to assess the adequacy of SSAB's organisation and internal procedures with respect to the prevention of the risks of offences provided for by the Decree, and following the operational guidance provided by the administrative body, a dedicated Working Group was established, composed of internal representatives and external consultants with expertise in administrative, technical and legal matters.

The Working Group prepared the Model through the following main phases:

Phases	Activities
Phase 1	<u>Planning</u> Analysis of the organisational structure and of the activities carried out and managed by SSAB, also taking into account the main documentation collected (organisational chart, delegations of authority, existing internal regulations and protocols, authorisations, etc.).
Phase 2	<u>Identification of Risk Areas</u> Mapping of activities at risk of commission of offences relevant for the purposes of Legislative Decree 231, i.e. all activities and processes that could theoretically give rise to the offences provided for by the regulations (so-called "sensitive" processes/activities). Phase 2 began with the conduct of specific interviews with the functions identified based on their respective competences. The information collected, together with the documentation, made it possible to prepare a mapping report by assigning severity and probability indicators, commonly recognised in national and international practice for risk assessment activities.
Phase 3	<u>Assessment of the Control System</u>

	All sensitive activities were analysed in order to assess the existence of control mechanisms in place, with particular attention to preventive controls and other compliance elements/activities.
Phase 4	<u>Identification of Control Protocols</u> Identification of the organisational requirements characterising an adequate organisation, management and control model pursuant to the Decree, as well as of control principles and protocols, taking into account the operational practices already in place within SSAB. The protocols are inspired by the principle of ensuring that the various phases of the decision-making process are documented and verifiable.
Phase 5	<u>Formalisation of the Organisation, Management and Control Model</u> Definition of the Model pursuant to the Decree, structured in all its components and operating rules, tailored to SSAB's specific context and consistent with the Guidelines issued by Confindustria.

The activities carried out by the Working Group led to the preparation of the risk mapping and risk assessment report, attached to the Model as an integral and substantive part thereof (Annex "Risk Mapping").

Based on the findings emerging from the risk mapping and the available documentation, SSAB proceeded with the preparation of the Model, the structure of which is described in the following paragraph.

For the risk analysis, the operating principles of the Model and the composition of the Supervisory Body, reference was also made to the "Confindustria Guidelines for the development of organisation, management and control models pursuant to Legislative Decree 231/2001", most recently updated in June 2021.

To ensure the proper functioning of the Model, and in compliance with the provisions of the legislator, it was deemed appropriate to establish a dedicated Supervisory Body, which, as further specified below, has been entrusted with the task of monitoring its correct implementation and proposing any necessary updates.

Specific training and information mechanisms regarding the Model have also been introduced for all individuals involved, in any capacity, in SSAB's activities, with the aim of ensuring that their conduct is aligned with principles of fairness and responsibility.

4.3 Mapping of Sensitive Areas

Article 6, paragraph 2 of Legislative Decree No. 231/2001 defines the essential characteristics for the development of an organisation, management and control model. In particular, letters (a) and (b) of the provision make explicit reference to a typical risk management system.

The Confindustria Guidelines expressly identify two main phases in which such a system must be structured:

1. risk identification: i.e. analysis of the context to determine where (in which area/sector of activity) and how events relevant to Legislative Decree 231/2001 may occur;
2. design of the control system (i.e. protocols for planning and implementing the entity's decisions), namely the assessment of the existing system within the entity and its possible adaptation in terms of its ability to effectively mitigate, i.e. reduce to an acceptable level, the identified risks.

From a conceptual standpoint, reducing risk requires acting (jointly or separately) on two key factors:

- i) the probability of occurrence of the event;
- ii) the severity of the event itself.

Based on the Confindustria Guidelines and certain risk management models developed in operational and academic contexts, a specific methodology was developed for the assessment of SSAB's sensitive areas pursuant to Legislative Decree No. 231/2001.

The applied methodology included the following phases:

- analysis and assessment of inherent risks;
- analysis and assessment of existing controls.

4.4 Risk Analysis and Assessment

The first phase of risk analysis and assessment was structured into two activities:

1. identification of potential risks (inherent risk);
2. evaluation of potential risks (based on the weighting of probability and severity of the offence).

The identification of potential risks was carried out starting from the types of offence-risk provided for by Legislative Decree 231/2001.

This first level of analysis represents the inherent risk characterising the activity in question, i.e. the risk inherent in the nature of the activity itself, regardless of the individuals performing it and the controls in place.

At this stage, the assessment was conducted independently of the internal control system (organisation, competencies, operational controls, etc.) and the management tools established to reduce the likelihood and/or impact of such risks.

In the document “Risk Mapping” (attached to this General Part), the level of SSAB’s exposure to risk is indicated for each activity considered sensitive under Legislative Decree 231/2001.

The level of risk exposure is determined by multiplying probability by impact and makes it possible to identify the areas in which SSAB is most exposed to the risk of commission of offences pursuant to Legislative Decree 231, regardless of the existing control systems.

In the columns “Activities and Functions at Risk” of the Risk Mapping document, a hypothetical representation is provided, for each offence category, of how it could materialise within each specific area.

4.5 Analysis and Assessment of Existing Controls

Once the areas of SSAB’s activities in which offences under Legislative Decree 231/2001 could be committed and the methods of their execution had been identified, an analysis and assessment of the existing control system within the company was carried out prior to the start of this project.

This analysis was conducted in order to evaluate the capacity of SSAB’s existing internal control system to prevent the commission of the offences identified in the previous phase.

In this regard, the following control areas were taken into consideration:

- organisational system;
- reference procedures;
- process traceability;
- other controls (management controls, code of ethics, etc.).

This analysis makes it possible to apply mitigation factors to the inherent risk and thus determine the level of residual risk.

For a more detailed and specific analysis of the risk assessment for each offence under Legislative Decree 231, reference should be made to the “Risk Mapping” document attached to this Model.

4.6 Structure of the Model

The 231 Model consists of the following documents:

- a **“General Part”**, which describes: the overall functioning of the organisation, management and control system adopted by SSAB aimed at preventing the commission of predicate offences; the methodology adopted for drafting the Model; the identification and appointment of the Supervisory Body, including a description of its powers, duties and information flows; the procedures for reporting unlawful conduct and its management; the disciplinary system and related sanctions; the training and communication plan to ensure awareness of the Model 231 provisions; and the criteria for updating and revising the Model.

- **“Special Parts”**, which supplement the General Part by providing a description of the specific categories of offences under Legislative Decree 231/2001 that SSAB has deemed relevant based on the nature of its activities, following the identification of “sensitive” processes.

The structure based on Special Parts allows for timely updates through amendments and additions when new offences are introduced into Legislative Decree 231.

Each Special Part describes the “sensitive activities” related to the relevant offences within SSAB, as well as the control tools adopted for prevention.

These tools are binding on the recipients of the Model (as defined below) and consist of obligations to act (e.g., compliance with protocols and reporting duties) and obligations not to act (i.e., prohibitions), which are explicitly specified.

Compliance with these obligations has legal relevance: in the event of violations, SSAB will apply its disciplinary and sanctioning system.

The Special Parts must also be read in conjunction with behavioural principles contained in procedures (adopted or to be adopted) and in the Code of Ethics, which guide the conduct of recipients across various operational areas to prevent misconduct or behaviours inconsistent with SSAB’s policies.

The current Special Parts are:

Special Part A

“Offences in relations with the Public Administration” and “Private-to-private corruption”, pursuant to Articles 24, 25 and 25-ter of Legislative Decree 231/01.

Special Part B

“IT offences and unlawful data processing”, pursuant to Article 24-bis of Legislative Decree 231/2001.

Special Part C

“Corporate offences”, pursuant to Article 25-ter of Legislative Decree 231/2001.

Special Part D

“Manslaughter or serious/very serious bodily harm committed in violation of occupational health and safety regulations”, pursuant to Article 25-septies of Legislative Decree 231/2001.

Special Part E

“Receiving stolen goods, money laundering, self-laundering and use of funds, assets or benefits of unlawful origin”, pursuant to Article 25-octies.

Special Part F

“Copyright infringement offences”, pursuant to Article 25-novies.

Special Part G

“Inducement not to make statements to the judicial authority”, pursuant to Article 25-decies.

Special Part H

“Environmental offences”, pursuant to Article 25-undecies.

Special Part I

“Employment of irregular workers”, pursuant to Article 25-duodecies.

Special Part L

“Tax offences”, pursuant to Article 25-quinquiesdecies.

Special Part M

“Organised crime and transnational offences”, pursuant to Article 24-ter.

Special Part N

“Offences against industry and trade”, pursuant to Article 25-bis.1.

The Model is complemented by certain internal procedures, which remain autonomous for periodic updating:

- Code of Ethics, forming an integral part of the Model and representing the tool for implementing ethical principles within SSAB, as well as safeguarding its reputation;
- Organisational chart;

- Health and safety organisational chart;
- Internal protocols;
- Certifications UNI EN ISO 9001, UNI EN ISO 14001 and UNI ISO 45001;
- Privacy module;
- Whistleblowing system.

4.7 Adoption and Updating of the Model

This Model, as an act issued by the governing body (Article 6, paragraph 1(a) of the Decree), is adopted by the Board of Directors (BoD) of SSAB during a formal meeting. The BoD has exclusive responsibility for adopting, amending and updating the Model.

The BoD shall promptly update the Model, also based on proposals from the Supervisory Body, when:

- violations or circumventions occur that undermine its effectiveness;
- changes occur in legislation, organisational structure or company activities.

Relevant functions are responsible for informing the Supervisory Body of changes to operational procedures necessary for effective implementation.

The Supervisory Body must promptly inform the BoD in writing of any circumstances requiring updates to the Model.

4.8 Recipients of the Model

The Model applies to members of corporate bodies (Chairperson, Board of Directors), internal bodies (Managing Director), management and all employees.

With regard to external collaborators, consultants and suppliers, SSAB is committed to monitoring compliance with the Code of Ethics and applicable laws within the limits of its control powers.

4.9 Relationship between the Model and the Code of Ethics

The principles and rules set out in the Model complement those contained in the Code of Ethics adopted by SSAB, although the latter has a broader and more general scope than the Model.

In compliance with the Confindustria Guidelines, SSAB has decided to accompany the Model with a Code of Ethics, which contains the ethical principles also relevant for preventing offences under Legislative Decree 231/2001 and which constitute an essential element of the preventive control system.

In this regard, it is specified that:

- the Code of Ethics is an autonomous instrument intended for general application, whose main purpose is to set out a series of ethical principles that SSAB recognises as its own and to which all employees and all persons cooperating in achieving the company's objectives are required to adhere;
- the General Part and the Special Parts of the Model, on the other hand, comply with the specific provisions of the Decree and are aimed, in particular, at preventing the commission of the offences provided for therein, constituting a part of the broader set of principles, duties and responsibilities contained in the Code of Ethics.

SSAB communicates this Model through appropriate means to ensure that it is effectively known to all relevant parties.

All persons to whom the Model applies are required to comply strictly with its provisions, also in fulfilment of the duties of loyalty, fairness and diligence arising from their legal relationship with SSAB.

SSAB condemns any conduct that is inconsistent not only with the law but also with the provisions of the Model and the Code of Ethics, even if carried out in the interest and/or to the advantage of SSAB.

5. Supervisory Body

This section provides a summary description of the Supervisory Body, identifying its members, main functions, reporting lines and information flows addressed to it.

Having said that, Article 6, paragraph 1(b) of the Decree establishes, as a condition for exemption from administrative liability, that a body within the entity, endowed with autonomous powers of initiative and control, be entrusted with the task of supervising the functioning of and compliance with the Model and ensuring its updating.

5.1 Establishment and Appointment of the Supervisory Body

The Supervisory Body is appointed by resolution of the Board of Directors (BoD) and remains in office for the term established therein.

The appointment must specify the selection criteria and comply with eligibility requirements in terms of integrity, moral standing and independence of each member.

The following persons cannot be appointed as members of the Supervisory Body and, if appointed, shall cease to hold office:

- persons in situations that may compromise their autonomy or independence;
 - spouses, relatives or in-laws up to the fourth degree of any person subject to their control, or those having common or conflicting interests with such persons;
 - persons who carry out other activities and/or roles (including consulting, representation, management or executive functions) that may create conflicts of interest on behalf of SSAB and/or its subsidiaries, or roles that are incompatible with them;
 - persons falling under the conditions set out in Article 2382 of the Italian Civil Code (e.g. disqualification, legal incapacity, bankruptcy, or conviction involving disqualification, even temporary, from public office or inability to hold managerial positions);
 - persons under investigation or convicted for offences covered by the Decree;
- persons who have been convicted by final judgment pursuant to Article 648 of the Italian Criminal Code:
- ✓ for acts connected to the performance of their duties;
 - ✓ for acts significantly affecting their professional integrity;
 - ✓ for acts resulting in disqualification from a profession or trade, or inability to contract with the Public Administration.

5.2 Termination of Office

Without prejudice to any review of the role and positioning of the Supervisory Body based on experience gained from the implementation of the Model, termination of office may occur solely for the following reasons:

- resignation;
- revocation;
- disqualification;
- death.

Resignation

A member of the Supervisory Body may resign at any time by notifying the Board of Directors.

Revocation

Members of the Supervisory Body may be revoked in the following cases:

- repeated failure to perform their duties or unjustified inactivity;
- violation of confidentiality obligations or of whistleblowing regulations;
- imposition of disqualifying sanctions on SSAB as a result of inactivity by one or more members of the Supervisory Body;
- detection of violations of the Model by obligated persons, combined with failure to report such violations or to verify the adequacy and effective implementation of the Model for the purpose of proposing amendments or reporting the need for updates.

Disqualification

Disqualification may be declared by the Board of Directors exclusively in the following cases:

- serious breach of supervisory obligations;
- loss of the requirements of integrity and moral standing;
- imposition of disqualifying sanctions on SSAB as a result of inactivity of its members;
- occurrence, after appointment, of any of the grounds for ineligibility described above.

Disqualification from office for any of the above reasons entails ineligibility for reappointment.

Revocation or declaration of disqualification is resolved by the Board of Directors.

In the event of resignation, incapacity, death, or revocation/disqualification of the Chairperson of the Supervisory Body, the most senior member shall take over and remain in office until the appointment of a new Chairperson of the Supervisory Body.

In cases where a member ceases to hold office for reasons other than disqualification, the Chairperson or another member shall promptly inform the Board of Directors in order to allow it to take the necessary decisions without delay.

5.3 Essential Requirements of the Supervisory Body

In order to ensure the proper performance of the functions assigned by the Decree, and taking into account the guidance provided by the Confindustria Guidelines, the Supervisory Body as a whole must meet the following requirements.

Autonomy and Independence

The position of the Supervisory Body within SSAB must “ensure the autonomy of its control initiative from any form of interference and/or influence by any component of the entity.”

To this end, the Supervisory Body, established as a staff unit at the highest possible hierarchical level, reports directly to the Board of Directors, allowing it to operate without direct or indirect influence from the entities under its control.

It must not be involved in any operational activities, nor participate in management activities that could compromise its objectivity in carrying out its supervisory functions.

Professionalism

The Supervisory Body must possess the specialised technical skills necessary to perform its duties.

To this end, it is required to have, collectively, expertise in legal, corporate and organisational matters, as well as knowledge of risk analysis and assessment techniques, process and procedure mapping (flow charting), fraud detection methodologies, statistical sampling, and the structure and execution methods of offences.

Continuity of Action

In order to ensure effective and ongoing performance of its functions, the Supervisory Body must have a dedicated structure capable of guaranteeing continuous and regular activity, even if not on an exclusive basis.

For this purpose, it may rely — under its own responsibility — on the support of internal SSAB functions (typically Internal Audit) or external consultants.

5.4 Identification, Composition and Functioning of the Supervisory Body

In compliance with the provisions of the Decree and the Confindustria Guidelines, and taking into account the size and nature of SSAB's activities, the company has deemed it appropriate to establish a collegial body which, by its nature and characteristics, as well as in relation to the size of the company and its business activity, is suitable to meet the required standards of autonomy and independence.

The Supervisory Body shall consist of three members, selected from individuals with specific and proven expertise and experience in corporate matters and inspection activities.

Within the Body, a Chairperson and, from time to time, a Secretary are appointed.

None of the members of the Supervisory Body may hold executive, managerial or control roles that could create conflicts of interest.

The Board of Directors appoints the members of the Supervisory Body and determines their annual remuneration as well as an annual budget, allocated solely for planning purposes and to ensure the availability of adequate resources.

Such resources may be used at the Body's discretion in performing its duties, including for external consultancy, travel expenses, operational activities, services from external entities, surprise audits, and similar activities.

The Supervisory Body meets at least once a year; resolutions are adopted by majority, while ensuring that differing opinions, if any, are duly recorded. The main findings arising from activities and meetings must be formally documented.

The documents, signed by all members present, are archived by the Chairperson and stored in appropriately secured premises within SSAB.

5.5 Powers and Duties of the Supervisory Body

In line with Articles 6 and 7 of Legislative Decree 231/01, the Supervisory Body is entrusted with the functions and powers described below.

The primary responsibility of the Supervisory Body is to supervise and monitor the Model adopted; in particular, it is tasked with verifying:

- compliance by all recipients with the procedures set out in the Model, as well as the proper application of the sanctions provided for, including in cases of breach of whistleblowing rules, and reporting to the governing body or relevant parties any violations that may give rise to liability for the entity;
- the adequacy and effectiveness of the Model in preventing the commission of the offences provided for by the Decree, having regard to SSAB's organisational structure.

The Supervisory Body is also responsible for submitting proposals to the Board of Directors regarding any updates to the Model that may be necessary as a result of:

- significant violations of the Model;
- changes in SSAB's internal organisation and/or operating methods;
- regulatory changes, particularly the introduction of new predicate offences under the Decree.

The Supervisory Body is further tasked with monitoring initiatives aimed at promoting knowledge and understanding of the Model, as well as ensuring its dissemination, comprehension and implementation.

The Supervisory Body must report to the Board of Directors in order to inform it of the results of its activities, in particular:

- on a periodic basis, at least annually, reporting on the checks carried out, any issues identified regarding the adequacy and effectiveness of the Model, and proposals for improvement;
- whenever necessary, reporting any significant violations of the Model that could give rise to liability for SSAB, so as to enable the adoption of appropriate measures.

Likewise, the Supervisory Body may be convened at any time by the Board of Directors in relation to the functioning of the Model or specific issues.

More specifically, the Supervisory Body is entrusted with the following activities:

Verification

- collection, processing and storage of relevant information regarding compliance with the Model;
- collection of reports concerning acts and conduct in violation of the Model or within the whistleblowing framework;
- conducting reviews of SSAB's activities for monitoring purposes and for the possible updating of the mapping of sensitive activities;
- carrying out periodic targeted audits on specific operations or acts performed by SSAB, particularly within sensitive areas, the results of which must be summarised in a dedicated report to be submitted and illustrated to the corporate bodies;
- implementation of the control procedures provided for by the Model, also through the issuance or proposal of internal provisions (regulatory and/or informational);
- initiation and execution of internal audits, coordinating each time with the relevant functions to obtain additional information;
- coordination with other functions to ensure more effective monitoring of activities in relation to the procedures established in the Model.

Updating

- interpretation of relevant regulations, in coordination with SSAB functions, and verification of the Model's compliance with such regulatory provisions;
- periodic updating of the list of information to be made available to the Supervisory Body;
- assessment of the need for amendments or updates to the Model, also through meetings with the various relevant functions;
- monitoring updates to the organisational chart, which describes the entity's overall structure, including areas, departments and offices, as well as their respective functions.

Training

- coordination with the Head of Human Resources in defining training programmes for staff and the content of periodic communications to be sent to Model recipients,

aimed at providing them with the necessary awareness and basic knowledge of the regulations under Legislative Decree 231;

- preparation and continuous updating, in cooperation with the relevant function, of the section on SSAB's intranet/internet containing all information relating to Legislative Decree 231 and the Model;
- monitoring initiatives aimed at disseminating knowledge and understanding of the Model, and preparation of the internal documentation necessary for its effective implementation, including instructions for use, clarifications or updates;
- responding to interpretative questions or, more generally, to any requests for clarification relating to Legislative Decree 231 and all parts of the Model, including the provisions of the Code of Ethics.

Sanction-related activities

- reporting any violations of the Model, including breaches of whistleblowing provisions and the Code of Ethics, to the Board of Directors and/or to the function responsible for assessing the application of any sanctions;
- coordinating with the competent functions to assess the adoption of sanctions or other measures, without prejudice to their authority regarding the imposition of such measures and the related decision-making process;
- monitoring the outcomes of cases, including dismissals or the imposition of sanctions.

Powers

In order to carry out its duties, the Supervisory Body is granted the following main powers:

- to define its internal operating procedures or adopt its own regulations governing the organisation and conduct of its supervisory activities, controls and related documentation;
- unrestricted access, without the need for prior consent, to all SSAB functions in order to obtain any data and information necessary to perform its duties (within the limits of privacy legislation and labour law provisions);
- the ability to rely on all internal SSAB structures and on external consultants where necessary for specific needs, who, in such cases, operate as purely technical specialists under the responsibility of the Supervisory Body.

Given its duties, the Board of Directors remains in any case the only body responsible for overseeing the adequacy of the Supervisory Body's actions, as it ultimately holds responsibility for the functioning and effectiveness of the Model.

The Supervisory Body does not have coercive powers, nor powers to intervene by modifying the organisational structure or to impose sanctions on employees, corporate bodies, collaborators, consultants, service companies, partners, suppliers or other parties; these powers are assigned to SSAB's governing bodies or competent functions.

The Supervisory Body may rely not only on all internal SSAB structures but also, under its direct supervision and responsibility, on external consultants with specific expertise for the execution of technical control activities.

Such consultants must always report the results of their work to the Supervisory Body.

The autonomy and independence that must characterise the Supervisory Body's activities have led to the introduction of safeguards to ensure the effectiveness of the Model and to prevent its supervisory activities from leading to retaliatory actions against it; therefore, decisions regarding remuneration, promotions, transfers or disciplinary measures concerning members of the Supervisory Body are reserved exclusively to the Board of Directors.

5.6 Powers of Access

In carrying out its duties, the Supervisory Body has unrestricted access to SSAB's information for investigation, analysis and control purposes.

The Supervisory Body has authority to access all SSAB documents, whether confidential or not, that are relevant to its oversight activities, including in particular:

- corporate documentation;
- documentation relating to active and passive contracts;
- personnel information and, more generally, any kind of information and/or data, including those classified as "confidential", subject to compliance with privacy regulations;
- financial data and accounting transactions;
- internal procedures;
- strategic plans, budgets, forecasts and, more generally, short-, medium- and long-term financial plans.

In the case of checks involving personal and/or sensitive data, the Supervisory Body shall identify the most appropriate methods to safeguard confidentiality.

In order to achieve its objectives, the Supervisory Body may coordinate its activities with those carried out by the external auditor and may access and use the results obtained by the latter, including related documentation.

The Supervisory Body also has the authority to physically access the areas subject to verification, directly interviewing personnel and, where necessary, carrying out checks on the existence of specific information or on SSAB's assets.

5.7 Collection and Retention of Information

All information, reports and/or communications provided for in the 231 Model are stored by the Supervisory Body in a dedicated physical and electronic archive.

The data and information stored in the archive may be made available to parties external to the Supervisory Body only upon prior authorisation by the Supervisory Body itself and the head of the function to which the information relates.

5.8 Confidentiality Obligations

Members of the Supervisory Body are bound to confidentiality regarding all information and data acquired in the performance of their duties, without prejudice to the reporting obligations expressly provided for in the Model.

Members ensure the confidentiality of the information in their possession — particularly with regard to reports received concerning alleged violations of the Model — and refrain from seeking or using confidential information for purposes other than those specified in Article 6 of the Decree.

In any case, all information held by members of the Supervisory Body is processed in accordance with applicable legislation, in particular Legislative Decree No. 196 of 30 June 2003 and Regulation (EU) 2016/679 (General Data Protection Regulation – GDPR).

6. Information Flows

6.1 Information Flows to the Supervisory Body

The Supervisory Body must be promptly informed of any acts, conduct or events that may result in a violation of the 231 Model or that are otherwise relevant to ensuring its effective implementation.

The following general rules apply:

- managers of functions operating within sensitive activities must provide the Supervisory Body with:
 - i) periodic results of the control activities performed (summary reports, etc.), including those requested by the Supervisory Body, in implementation of the Model and its instructions;

ii) any anomalies or irregularities identified within the available information;

- the functions identified according to their organisational roles must promptly communicate, in writing, any information concerning:

- the issuance and/or updating of organisational documents;
- changes in responsibilities within functions involved in risk activities and any updates to the system of delegations and powers of attorney;
- reports prepared by control functions or bodies in the course of their activities, from which facts, acts, events or omissions may emerge that indicate critical issues regarding compliance with the Decree or the Model;
- disciplinary proceedings initiated for violations of the Model, decisions to close such proceedings and their reasons, as well as sanctions imposed for violations of the Model or related procedures;
- measures and/or information from judicial police or other authorities indicating investigations (including against unknown persons) for offences covered by Legislative Decree 231 that may involve SSAB;
- requests for legal assistance submitted by employees in case of judicial proceedings related to offences under the Decree, unless prohibited by judicial authority;
- results of inspections or audits carried out by public authorities (e.g. Guardia di Finanza);
- receipt of notices or claims from supervisory authorities (e.g. notifications from the Data Protection Authority);
- IT security breaches;
- any other act or document presenting critical issues in relation to compliance with the Model.

The Supervisory Body may also request information, including for example:

- transactions falling within sensitive activities;
- any other information relevant for effective monitoring and updating of the Model, even if not expressly listed above.

The Supervisory Body evaluates all reports received and, within its competence and discretion, takes appropriate measures, possibly hearing the reporting party and the person responsible for the alleged violation.

All resulting decisions must be justified and reported to the Board of Directors.

SSAB ensures that reporting parties are protected against any form of retaliation, discrimination, penalty or adverse consequence, guaranteeing confidentiality of their identity, without prejudice to legal obligations and the protection of the rights of SSAB and/or individuals wrongly accused.

6.1.1 Collection and Retention of Documentation

All information, reports and documentation provided for in the 231 Model are stored by the Supervisory Body in dedicated electronic and physical archives.

Such data and information may be disclosed to external parties only with prior authorisation of the Supervisory Body.

6.2 Whistleblowing

Following the entry into force of Law No. 179 of 30 November 2017 (“Provisions for the protection of persons reporting crimes or irregularities of which they have become aware in a public or private employment context”), paragraph 2-bis was added to Article 6 of Legislative Decree 231/2001, with the aim of regulating the reporting of unlawful conduct.

In January 2018, Confindustria issued an explanatory note entitled “Whistleblowing regulation”, illustrating the main contents of Law 179/2017.

In implementation of Article 6, paragraph 2-bis of Legislative Decree 231/2001, SSAB has therefore adopted a set of rules aimed at ensuring the confidentiality of the reporting party while providing protection against discrimination or retaliation.

The regulatory framework has most recently been updated following the entry into force of Legislative Decree 24/2023, along with the issuance of new “Guidelines on the protection of persons reporting breaches of EU law and of persons reporting breaches of national provisions. Procedures for the submission and management of external reports”, approved by ANAC by Resolution No. 311 of 12 July 2023, and an operational guide published by Confindustria in October 2023.

6.2.1 Reporting Methods – Protection of Employees and/or Collaborators

Recipients of the 231 Model may and/or must submit, preferably through the dedicated platform made available by SSAB, in order to safeguard the integrity of SSAB, detailed reports of unlawful conduct relevant under Legislative Decree 231/2001, based on precise and consistent factual elements, or of violations of the 231 Model or of EU law, of which they have become aware in the course of their duties pursuant to Legislative Decree 24/2023.

On SSAB's website there is a dedicated "legal" section containing the Code of Ethics, the Model and the Whistleblowing Procedure.

For this purpose, SSAB has adopted a specific whistleblowing procedure compliant with legal provisions and the Model, implemented through dedicated software ("MyWhistleblowing"), including for the handling of external reports.

In particular, the following may be reported: conduct, acts or omissions that harm the public interest or the integrity of the private entity, including:

- (i) violations of national laws involving civil, criminal or administrative offences,
- (ii) violations of the Model or of Legislative Decree 231/01;
- (iii) violations of EU law concerning public procurement; financial services, products and markets; anti-money laundering and counter-terrorism financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety; animal health and welfare; public health; consumer protection; protection of privacy and personal data; and security of networks and information systems;

as well as:

- acts or omissions affecting the financial interests of the European Union;
- acts or omissions relating to the internal market (e.g. competition law or State aid violations);
- acts or conduct that undermine the purpose or objectives of EU provisions;
- information relating to attempts to conceal such violations, or unlawful activities not yet committed but reasonably expected to occur based on concrete and consistent evidence ("well-founded suspicions").

Such reports must be made in compliance with whistleblowing legislation, particularly with regard to the protection of the reporting party against any form of retaliation or discrimination.

Reports may be submitted in written form:

- 2. electronically, by uploading the report into the dedicated MyWhistleblowing platform accessible via the SSAB website;

3. in paper format, by submitting a sealed envelope marked “confidential – for the reporting handler”, containing two further sealed envelopes: one with the reporting party’s identification data and a copy of an ID document, and the other with the content of the report.

Any report received through other channels will be entered into the platform for processing in accordance with applicable regulations and the Whistleblowing Procedure, to which reference is made for further details.

Reports are collected and processed through the software, which transmits them in a confidential and anonymous manner to the external reporting handler.

In line with the opinion of the Data Protection Authority, SSAB expressly excludes the use of ordinary email and certified email (PEC) for reporting purposes, as they are no longer considered adequate to ensure the confidentiality of the procedure.

Here is the English translation:

Within the framework of updating the Model to comply with whistleblowing regulations, SSAB appoints, by means of a specific resolution of the Board of Directors, the reporting manager, granting them an appropriate budget or remuneration for the required service.

The reporting manager shall provide the whistleblower with an acknowledgment of receipt within 7 days from receiving the report and shall proceed with its handling and closure in accordance with applicable regulations.

In the event of a lack of response to the submitted report, or where there are reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest, the reporting party may first contact ANAC (National Anti-Corruption Authority) and, in the absence of a response from the latter as well, may, where legally permitted, proceed with public disclosure (for further details, reference is made to the explanatory document issued by ANAC).

In particular, it is prohibited to carry out or threaten any acts of retaliation or discrimination, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report, in compliance with Article 6, paragraph 2-bis of the Decree and Article 17 of Legislative Decree 24/2023, which expands the range of acts considered retaliatory.

The adoption of discriminatory or retaliatory measures against reporting parties may be reported to the National Labour Inspectorate, for the relevant actions, either by the whistleblower or by trade union organisations, as well as to ANAC, which may adopt all consequent measures, including the imposition of administrative monetary sanctions on SSAB.

In accordance with applicable regulations, any retaliatory or discriminatory dismissal of the reporting party is null and void, as are any changes in duties or any other retaliatory or discriminatory measures adopted against them.

The burden of proof lies with the employer, who must demonstrate that, in the event of disputes relating to disciplinary sanctions, demotion, dismissal, transfer, or any organisational measure having direct or indirect negative effects on working conditions following a report, such measures are based on reasons unrelated to the report itself.

Any breaches of measures protecting whistleblowers or facilitators, as well as unfounded reports made with intent or gross negligence, are sanctioned in accordance with the provisions of the subsequent “Disciplinary and Sanctioning System”.

6.2.2 Content of the Report

Without prejudice to the details set out in the Whistleblowing Procedure, reports must be made in good faith, be detailed and based on concrete and verifiable factual elements, and must concern identifiable circumstances, containing all the information necessary to unequivocally identify the individuals responsible for the reported conduct and the validity of the report itself.

It is advisable that the report include supporting documentation confirming its content, as well as an indication of any other individuals who may have knowledge of the facts.

The report must not concern personal grievances and must not be based on rumours, but on precise facts.

The whistleblowing system must not be used for purely personal purposes or to pursue claims or retaliation that fall within the general regulation of employment/collaboration relationships or relations with supervisors or colleagues.

Anonymity must not be used as a means to vent disagreements or conflicts among employees. It is also prohibited to:

- use offensive or abusive language;
- submit reports with purely defamatory or slanderous intent;
- submit reports concerning exclusively private matters with no direct or indirect connection to SSAB’s activities. Such reports are considered even more serious when referring to personal habits or orientations relating to gender, religion, politics or philosophy.

In summary, every report must have the sole purpose of:

- i) safeguarding SSAB's integrity;
- ii) preventing and/or addressing unlawful conduct as defined in the Model;
- iii) preventing and/or addressing unlawful conduct in general.

Conversely, reports made in bad faith, with intent or gross negligence, or that are manifestly unfounded, are considered violations of the Model and are sanctioned in accordance with SSAB's disciplinary system.

6.2.3 Handling of Reports

Without prejudice to the details set out in the Whistleblowing Procedure, SSAB — through the implementation of a dedicated platform managed by an appointed reporting manager, as well as through the involvement of the Supervisory Body, which is duly informed — adopts appropriate measures to ensure the confidentiality of the identity of those submitting information.

However, conduct aimed solely at obstructing or delaying the activities of the reporting manager and/or the Supervisory Body must be appropriately sanctioned. SSAB guarantees protection for whistleblowers acting in good faith against any form of retaliation, discrimination or penalty and, in any event, ensures the confidentiality of the reporting party's identity, without prejudice to legal obligations and the protection of SSAB's rights and those of individuals wrongly or maliciously accused.

Such protections are also extended, pursuant to Article 3(5) of Legislative Decree 24/2023, to facilitators, individuals within the same working environment who have a stable emotional or family relationship (up to the fourth degree) with the reporting party, colleagues working in the same context who have a regular relationship with the reporting party, as well as entities owned by the reporting party or for which they work, and entities operating within the same working environment.

The reporting manager evaluates the reports received at its own discretion and responsibility, determines whether action is required, and subsequently conducts the investigation deemed appropriate in relation to the report. The results are then communicated to the Supervisory Body for the adoption of appropriate measures.

Where deemed appropriate, the reporting manager may make use of third-party personnel in conducting investigations. Decisions regarding the outcome of the investigation, including any closure, must be properly justified in writing.

In any case, the outcome of the report and the related reasons must be communicated to the reporting party.

6.3 Information Flows from the Supervisory Body to SSAB's Management

The Supervisory Body reports on the implementation of the 231 Model, on the emergence of any critical issues, and on the need for corrective or updating measures.

The Supervisory Body reports to the Board of Directors, whenever it deems appropriate, on significant facts and circumstances relating to its activities.

In particular, the Supervisory Body:

- promptly communicates the occurrence of extraordinary situations (for example: significant violations of the principles set out in the 231 Model by employees, partners, consultants and suppliers; regulatory changes concerning administrative liability of entities; etc.) as well as urgent reports received;
- submits a written report to the Board of Directors on a periodic basis, at least annually, which must include at least:
 - i) a summary of the activities carried out;
 - ii) any issues or critical aspects identified during its supervisory activities;
- ensures that all information, reports and documentation produced by the Supervisory Body are retained for a period of 10 years. Minutes of meetings are prepared in accordance with the Supervisory Body's internal regulations and in compliance with confidentiality obligations under whistleblowing legislation;
- ensures that reports are recorded in a dedicated whistleblowing register established by the Supervisory Body, in compliance with confidentiality obligations concerning the identity of reporting parties.

Where not already subject to specific reporting, the Supervisory Body shall also indicate:

- any corrective actions that are recommended to ensure the effectiveness and/or efficiency of the 231 Model, including those necessary to remedy organisational or procedural deficiencies that may expose SSAB to the risk of offences under the Decree, including any newly identified "sensitive" activities;
- conduct not compliant with the 231 Model, in accordance with the timing and procedures set out in SSAB's disciplinary system;
- a summary of reports received from internal and external parties, including those directly identified, relating to alleged violations of the Model, prevention protocols and implementing procedures, as well as the results of the related investigations;
- an overall assessment of the functioning and effectiveness of the Model, including proposals for additions, corrections or amendments;
- any relevant changes in the regulatory framework and/or significant changes in SSAB's internal structure or operating methods requiring updates to the Model;
- any actual or potential conflicts of interest involving a member of the Supervisory Body;
- a report on expenses incurred;

- an annual activity plan for the following year, to be submitted to the Board of Directors.

The Board of Directors has the right to convene the Supervisory Body at any time in order to receive information regarding its activities.

Meetings with the Supervisory Body must be properly minuted, and copies of the minutes must be kept by the Supervisory Body.

The Supervisory Body must also coordinate, whenever deemed appropriate, with the relevant company functions responsible for specific areas, in order to carry out its activities as effectively as possible.

6.4 Financial Resources of the Reporting Manager and the Supervisory Body

The Board of Directors of SSAB allocates both to the Reporting Manager and to the Supervisory Body an initial and periodic financial endowment (annual budget), based on the periodic report referred to in the previous section, prepared by both parties. This budget may be used for expenses that they may incur in the performance of their operational duties.

Such financial resources also enable the Reporting Manager and the Supervisory Body to cover specific costs related to verification activities entrusted to external parties.

The Supervisory Body has full autonomy in the use of these financial resources and shall account for their use at least annually or in the context of its periodic reporting.

Both the Reporting Manager and the Supervisory Body provide annual information, within their respective activity reports, regarding the use of the allocated annual budget.

Should these resources prove insufficient, both may request and are entitled to obtain from the Board of Directors the funds necessary to carry out their duties.

Finally, the Supervisory Body is provided with administrative support resources and appropriate technical means necessary for the performance of its functions.

6.5 Rules of Procedure

The Supervisory Body governs its operations through specific internal regulations. In any case, such regulations must not conflict with the provisions concerning the Supervisory Body set out in this Model.

The Board of Directors formally acknowledges the internal regulations adopted by the Supervisory Body.

Here is the English translation:

7. Disciplinary System

7.1 Introduction and General Principles

Article 6, paragraph 2(e) and Article 7, paragraph 4(b) of Legislative Decree 231/01 require, for both senior management and subordinate employees, the establishment of “a disciplinary system suitable to sanction non-compliance with the measures set out in the Model.”

Legislative Decree 24/2023 has further introduced specific sanctioning provisions relating to breaches of whistleblowing regulations.

The effective implementation of the Model and the Code of Ethics, as well as of the whistleblowing procedures referred to in the Model and detailed in the relevant procedure, necessarily requires an adequate system of sanctions. This system plays an essential role within the framework of Legislative Decree 231/01, as it ensures the protection and enforcement of internal procedures.

In other words, a system capable of sanctioning violations of the provisions and organisational procedures set out in the Model constitutes a key element of the Model itself and an indispensable condition for its effective operation, application and compliance by all recipients.

The rules contained in the Model are adopted autonomously by SSAB to ensure full compliance with legal requirements; therefore, the application of sanctions is independent both from the criminal relevance of the conduct and from the initiation of criminal proceedings by judicial authorities, even where the conduct may constitute a criminal offence under the Decree.

Sanctions may therefore be applied even in cases where recipients have merely violated the principles set out in the Model, without committing a criminal offence or causing direct liability of the entity under Legislative Decree 231/2001.

The adequacy of the sanctioning system must be continuously monitored by the Supervisory Body, which must be provided with appropriate information flows regarding the types of sanctions imposed and the circumstances underlying them.

SSAB has therefore adopted a disciplinary system specifically aimed at sanctioning violations of the principles, rules and measures set out in the Model and in the related protocols and procedures, in compliance with applicable collective bargaining agreements, laws and regulations.

In accordance with Confindustria Guidelines, the initiation of disciplinary proceedings and the imposition of sanctions are independent of the existence and/or outcome of any criminal proceedings concerning the same conduct.

The recipients of this system include individuals holding senior positions (e.g. directors), employees subject to supervision, and — to the extent applicable — all individuals who establish relationships with SSAB, whether on a permanent or temporary basis, such as agents, artists, external collaborators, consultants, professionals, business or operational partners, and suppliers.

Specific procedures shall be adopted to inform all recipients, from the outset of their relationship with SSAB and whenever it changes, about the existence and content of this disciplinary and sanctioning system, in compliance with applicable legal requirements, including those relating to the posting of disciplinary rules in accessible workplaces for employees.

As already noted, sanctions under this system are applied independently of any criminal proceedings, since the rules of the Model are binding on recipients and must be enforced in accordance with the principles of promptness and timeliness, regardless of whether a criminal offence has been committed or is punishable.

This section of the Model identifies and describes the violations relevant under Legislative Decree 231/2001, the corresponding disciplinary sanctions, and the procedures for their enforcement.

SSAB, mindful of the need to comply with both legal provisions and contractual obligations, ensures that the sanctions applied under this system are consistent with contractual arrangements with recipients and, in particular:

- for employees, SSAB ensures that disciplinary procedures and sanctions comply with Article 7 of Law No. 300/1970 (Workers' Statute) and the applicable national collective labour agreement (CCNL);

- for recipients engaged under contracts other than employment contracts, sanctions and procedures comply with applicable legal and contractual provisions.

Without prejudice to the powers of competent bodies and functions to investigate, contest violations and impose sanctions, the Supervisory Body must be involved in the disciplinary process.

Indeed, the Supervisory Body may act as a reporting party in cases of Model violations and, where disciplinary proceedings are initiated (even upon reports by others), it must be involved in order to provide the competent functions with the elements necessary to assess the violation and its severity.

Furthermore, the Supervisory Body verifies that appropriate procedures are adopted to inform recipients of this system and of any updates.

Pursuant to Article 21 of Legislative Decree No. 24/2023, SSAB acknowledges that monetary sanctions may be imposed where the following are ascertained:

- the commission of any act of retaliation which causes, or may cause, directly or indirectly, unjust damage to the reporting person (or to the person who has filed a complaint or made a public disclosure) and/or to other persons specifically identified by the law;
- failure to establish reporting channels;
- failure to manage reports received;
- any action or attempt to hinder reporting;
- breach of the obligation of confidentiality.

Following the handling of a report, SSAB initiates one or more sanctioning procedures, assessing the appropriate type of sanction to apply to persons who have committed violations identified as a result of the report.

Sanctions, to be imposed in compliance with the applicable labour law framework, must be proportionate to the severity of the misconduct.

Where the reporting person is also jointly responsible for the violation, they shall be subject to more lenient treatment compared to other co-responsible parties, consistent with the nature of the violation and applicable regulations.

SSAB also applies disciplinary sanctions to the reporting person where their responsibility has been established, even by a first-instance judgment, for the offences of defamation or slander (or related misconduct connected to the report), or where their civil liability is established in cases of wilful misconduct or gross negligence.

7.2 Behavioural Obligations and Impact on the Contractual Relationship

All recipients of this disciplinary system are required to align their conduct with the provisions of the Model, including the Code of Ethics and whistleblowing rules, as well as with the instructions and requirements issued by the Supervisory Body.

Any violation of the above, if ascertained:

- in the case of employees, constitutes a breach of contractual obligations arising from the employment relationship pursuant to Article 2104 of the Italian Civil Code (“duty of diligence”) and Article 2106 (“disciplinary sanctions”);
- in the case of directors, constitutes a breach of the duties imposed by law and the company’s articles of association pursuant to Article 2392 of the Italian Civil Code (“liability towards the company”);
- in the case of persons holding other corporate roles, collaborators, consultants, service companies/foundations, suppliers, partners or other external parties, constitutes a breach of contract entitling SSAB to terminate the contract, without prejudice to the right to claim damages.

7.3 Criteria for Determining Sanctions

In cases of violation of the Model, the type and severity of the sanctions to be imposed shall be proportionate to the following general criteria:

- seriousness of the violation;
- level of hierarchical and/or technical responsibility of the perpetrator;
- subjective element of the conduct (distinction between intent and negligence);
- relevance of the obligations breached;
- consequences for SSAB;
- involvement of other parties in the violation;
- mitigating or aggravating circumstances, with particular regard to professional conduct, previous work performance, disciplinary record, and the circumstances in which the violation occurred.

The seriousness of the breach shall also be assessed based on:

- a. timing and manner of execution;
- b. degree of intent;
- c. extent of damage or risk for SSAB and its employees;
- d. foreseeability of the consequences;
- e. context in which the violation occurred.

The degree of fault and any repetition of the offence shall constitute aggravating factors and may result in the application of a more severe sanction.

Where multiple violations are committed through a single act and are subject to different sanctions, the most severe sanction may be applied.

The imposition of disciplinary sanctions, regardless of the initiation of proceedings or the outcome of criminal trials, must comply with the principles of promptness, timeliness and, as far as possible, fairness.

Sanctions and the related procedures for contesting the violation differ depending on the category of recipient.

7.4 Subjects

The following are subject to this disciplinary system: employees, the Chief Executive Officer, collaborators and all persons who have contractual relationships with SSAB within the scope of such relationships.

All recipients must be informed of the existence and content of the Model. In particular, the Human Resources Department, in coordination with the Supervisory Body, is responsible for communicating it. The procedure for imposing sanctions under this disciplinary system shall take into account the specific legal status of the person concerned.

With specific reference to individuals responsible for activities related to occupational health and safety, they are subject to disciplinary sanctions defined by applicable health and safety regulations, as well as to this sanctioning system.

7.4.1 Measures Against Employees

1. Any violation by employees (i.e. those subject to the applicable National Collective Labour Agreement – CCNL) of the behavioural rules set out in the Model, protocols and internal procedures constitutes a disciplinary offence.

2. Sanctions shall be proportionate to the employee's level of responsibility and operational autonomy, the existence of any prior disciplinary record, the intent and seriousness of the conduct (also assessed in relation to the level of risk to which SSAB is exposed), and the specific circumstances in which the violation occurred.

3. In line with the processes adopted by SSAB, sanctions for breaches of the Model shall be those provided for under the applicable CCNL.

4. Following notification of a Model violation to the Supervisory Body, an investigation procedure shall be initiated in accordance with the provisions of the applicable CCNL. The assessment of such violations, also possibly based on reports from the Supervisory Body, as well as the management of disciplinary proceedings and the imposition of sanctions, remain within the competence of the Board of Directors.

5. The Supervisory Body must be involved in the procedure for assessing violations and imposing sanctions for breaches of the Model. For example, no disciplinary case concerning employees may be closed, nor any sanction imposed, without prior information to and opinion from the Supervisory Body.

6. Disciplinary measures applicable to employees, in compliance with the procedures set out in Article 7 of Law No. 300 of 20 May 1970 (Workers' Statute) and any applicable special regulations, are those provided for under the sanctioning system of the applicable CCNL.

7. All provisions of Article 7 of Law No. 300/1970 remain fully applicable, particularly with regard to the posting of disciplinary rules and the obligation to notify the employee in advance of the charges, in order to allow them to prepare an adequate defence and submit explanations.

8. Pursuant to Articles 5(b) and 7 of Legislative Decree 231/2001, sanctions may be applied to individuals committing disciplinary offences arising, by way of example and not limitation, from the following conduct:

- failure to comply with the behavioural principles and procedures established by the Model;
- failure to properly record or provide truthful documentation of activities, thereby preventing transparency and verifiability of procedures;
- failure by supervisors to monitor the conduct of their subordinates to ensure proper implementation of the Model;
- failure to provide training and/or updates and/or communication to personnel operating in risk areas;
- breach or circumvention of the control system, including through removal, destruction or alteration of documentation required by procedures, or hindering access to information and documentation by competent parties, including the Supervisory Body.

9. The sanctions applicable for breaches of the Model, in order of increasing severity, are:

- verbal warning: in cases of minor negligent breaches or procedural errors due to negligence;
- written warning: in cases of repeated minor breaches or conduct not compliant with the Model during risk-related activities;

- fine (not exceeding three hours' pay): in cases of continued violations following a written warning or repeated non-compliant conduct;
- suspension from work and pay for up to a maximum of ten (10) days: this applies in cases of serious violations of the principles and/or procedures of the Model, such as to cause damage to SSAB or expose it to liability towards third parties, as well as in cases of repeated offences that may lead to the imposition of a fine;
- dismissal with notice: this applies where, in the performance of their duties, an employee adopts conduct characterised by significant non-compliance with the provisions and/or procedures and/or internal rules established by the Model, even if such conduct is only potentially capable of constituting one of the offences sanctioned by the Decree;
- dismissal without notice: this applies where, in the performance of their duties, an employee adopts conduct knowingly in contrast with the provisions and/or procedures and/or internal rules of the Model which, even if only potentially capable of constituting one of the offences sanctioned by the Decree, undermines the trust element that characterises the employment relationship or is so serious as to make its continuation impossible, even temporarily.

Examples (non-exhaustive) of conduct that may lead to such sanction include:

- violation of Principles and procedures with external relevance and/or their fraudulent circumvention, carried out through conduct aimed at committing an offence relevant under the Legislative Decree;
- violation and/or circumvention of the control system, carried out by removing, destroying or altering the documentation required by the Model or its implementing procedures, or by preventing competent persons and the Supervisory Body from carrying out controls and accessing requested information and documentation.

7.4.2 Measures Against Collaborators

Contracts must include a clause informing the collaborator that SSAB has adopted the integrated Model, as well as providing access to the relevant documentation relating to the established relationship, in order to ensure compliance with the Model, for the parts within their scope, in the performance of the contractual relationship.

The contract must formalise the obligation to comply with the Model, to which the collaborator must adhere, signing for acceptance and acknowledgment of this specific obligation.

The contract must also include an express clause stating that any act or event resulting in non-compliance with or violation of the Model, its protocols, procedures and control mechanisms constitutes a contractual breach.

Non-compliance with or violations of the Model shall result in the application of the following sanctions, depending on their severity, which must be expressly provided for in the contract:

- a) written warning and notice to comply with the Model protocols within a specified timeframe, with an express reservation of the right to claim compensation for any damages caused, where the violation is not serious;
- b) payment of a contractual penalty, without prejudice to the right to claim damages;
- c) immediate termination of the contract pursuant to Article 1456 of the Italian Civil Code, where the violation of the Model, protocols or control measures is deemed serious and such as to make continuation of the relationship impossible, with an express reservation of the right to claim damages.

Upon instruction of the Board of Directors, the violation must be formally contested in writing by registered letter (with return receipt) to the offending party, specifying the facts giving rise to the breach and indicating the relevant time and place.

No sanction may be imposed by the Board of Directors unless the violation has first been formally contested in writing, specifying the facts giving rise to it, and at least fifteen days have elapsed from such notification, during which the third party shall be heard in their defence and may submit written statements and observations.

The imposition of the above sanctions must be duly justified and communicated in writing to the offender's address by registered letter with return receipt.

7.4.3 Measures Against Directors

Members of the Board of Directors are required, upon acceptance of their appointment, to undertake to comply with the provisions of the Model, the Code of Ethics and Conduct, and the whistleblowing system, with the corresponding sanctions in case of breach.

In the event of non-compliance, the Supervisory Body shall promptly inform the Shareholders' Meeting in order to assess the most appropriate measures.

The sanctions that may be imposed on members of the Board of Directors who violate the provisions of the organisational and management Model adopted by the governing body are as follows:

- a) formal written warning censuring the violation of the Model's provisions and requiring compliance;
- b) suspension from office and from remuneration for a period ranging from one to six months in the case of serious, repeated or multiple violations;

- c) removal from office with immediate effect in the case of particularly serious violations that undermine the fiduciary relationship, thereby constituting just cause.

Sanctions are imposed by the Shareholders' Meeting, following a non-binding opinion requested from the Supervisory Body.

Where violations of the Model by members of the Board of Directors are identified, upon notification from the Supervisory Body, the latter shall promptly convene the Shareholders' Meeting in accordance with the Articles of Association and the provisions of the Italian Civil Code.

The Shareholders' Meeting examines the facts indicated on the agenda and issues a formal statement of the charges, specifying the time and place of the violation that led to the convening of the meeting. It also sets a date for reconvening in order to hear the oral and/or written defence of the offender and to decide on the matter.

The Supervisory Body shall communicate the formal charges to the offender by registered letter with return receipt, indicating the date of the subsequent Shareholders' Meeting for the above purposes.

A period of not less than twenty-five and not more than forty days must elapse between the date of receipt of the notice of charges and the scheduled date of the Shareholders' Meeting.

At the time of formalising the charges, if particularly serious violations are identified, the Shareholders' Meeting may, at its discretion, order the immediate provisional suspension of the offender until the conclusion of the proceedings, such suspension to be communicated together with the notice of charges.

This is without prejudice to the corporate liability action provided for under the Italian Civil Code, as well as any related claims for compensation for both financial and non-financial damages resulting from the contested violations.

7.4.4 Measures Against Partners, Suppliers and External Third Parties

In the case of relationships with external third parties (e.g. partners, agents, intermediaries, professionals, consultants, suppliers, third-party companies, etc.), such relationships must be formalised through specific contracts or equivalent documentation.

Contracts must include a clause informing the third party of SSAB's adoption of the 231 Model and making relevant documentation available to ensure compliance during the contractual relationship.

Contracts must also include clauses:

- confirming awareness of Legislative Decree 231;
- requiring a commitment to refrain from conduct that could constitute offences under the Decree (regardless of whether the offence is actually committed or punishable);
- regulating the consequences of any breach.

Violations of the Model shall result in the following sanctions, to be expressly included in the contract:

- a) contractual penalties, determined by SSAB according to the type of relationship;
- b) suspension of performance with a binding deadline to remedy the violation, failing which the contract shall be automatically terminated;
- c) immediate termination of the contract pursuant to Article 1456 of the Italian Civil Code, without prejudice to SSAB's right to claim compensation for all direct and indirect damages.

Upon instruction of the Board of Directors, the breach must be formally contested in writing via registered letter, specifying the facts and relevant time and place.

No sanction may be imposed unless the breach has first been formally notified and at least 15 days have elapsed, during which the third party may present its defence.

The sanction must be reasoned and communicated in writing, either via registered letter or certified email (PEC).

The choice of sanction must take into account the seriousness and recurrence of the conduct.

7.4.5 Measures in Relation to Whistleblowing Violations

In the event of breaches of whistleblowing regulations and the related procedures, aimed at safeguarding the identity of the reporting party and protecting them from retaliation or discrimination, SSAB may impose the following sanctions on members of the Supervisory Body.

Should one of the members of the Supervisory Body breach the confidentiality of the reporting party's identity, the remaining members shall promptly inform the Board of Directors, which may proceed with the revocation of the appointment of the non-compliant member and the appointment of a replacement.

Where, however, a breach of the confidentiality of the reporting party's identity is attributable to the Supervisory Body as a whole, the Board of Directors shall revoke the appointment of the entire Body and proceed with the appointment of a new Supervisory Body, without prejudice to any additional legal provisions.

8.2 Recipients of Information and Training Activities

8.2.1 Employees

Each employee is required to:

- become familiar with and understand the principles and contents of the 231 Model, including the whistleblowing section, as well as the Code of Ethics;
- be aware of the operational procedures governing the performance of their duties;
- actively contribute, within the scope of their role and responsibilities, to the effective implementation of the 231 Model, reporting any deficiencies identified therein.

In order to ensure effective and consistent communication, SSAB promotes and facilitates knowledge of the contents and principles of the 231 Model and the implemented procedures, with varying levels of detail depending on the position and role of the recipients.

Procedures and behavioural rules, together with the Code of Ethics, are communicated to all SSAB personnel.

Communication takes place both through dedicated informational notices and via email; the relevant documentation is made available to all concerned parties via email.

All employees are required to sign a specific declaration acknowledging that they have read the Code of Ethics. For newly hired employees, this declaration is signed upon acceptance of the employment offer.

Appropriate communication tools are used to update the recipients of this section regarding any amendments to the 231 Model, as well as any relevant procedural, regulatory, or organisational changes.

8.2.2 Members of SSAB Corporate Bodies

Members of SSAB's corporate bodies, upon acceptance of their appointment, must sign a declaration undertaking to comply with the Code of Ethics and the 231 Model and to cooperate in their implementation.

Appropriate communication tools are adopted to keep them informed of any amendments to the 231 Model, as well as any significant procedural, regulatory or organisational changes.

8.2.3 Other Recipients (Collaborators, Consultants, Agents, etc.)

Communication activities relating to the contents and principles of the 231 Model shall also be directed to third parties who have contractual relationships with SSAB, with particular reference to those operating within activities deemed "sensitive" under Legislative Decree 231/2001.

8.2.4 Communication Methods

The table below provides a detailed overview of the methods of communication and information, depending on the category of recipient:

Recipients	Communication Type	Details
All potentially interested parties	Information	Publication of the General Part of the Model and the Code of Ethics, including the established whistleblowing system, on the SSAB website.
Users / Public Administration	Information	Inclusion in communications addressed to them and in contracts of a note regarding the adoption of the Model and the Code of Ethics.
Suppliers, Consultants, Partners	Information	Reference to the Model and the Code of Ethics in contracts, including clauses specifying the consequences of non-compliance with the Model.

Senior management (top-level positions) and their subordinates	Information and Training	Delivery of a copy of the Model, the Code of Ethics and all related annexes and/or their publication on SSAB's internal network. Posting of the disciplinary system in the workplace (for employees). Reference to the Model and the Code of Ethics in contracts, including clauses specifying consequences of non-compliance. Provision of specific training activities.
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8.3 Training Programme

SSAB promotes knowledge of the Code of Ethics, the 231 Model, the related internal procedures and their updates among all Recipients, who are therefore expressly required to be familiar with their content, to comply with them and to contribute to their effective implementation.

The Code of Ethics and the 231 Model adopted by SSAB require the implementation of training activities addressed to those who must directly apply the Model and the related procedures, in order to ensure awareness of:

- the risks affecting certain activities in which the offences provided for by the applicable legislation may occur;
- the measures available to prevent such offences;
- the most relevant aspects of the applicable regulatory framework in relation to the activities performed;
- the responsibilities arising therefrom;
- the detailed procedures adopted by SSAB.

Training activities must be properly planned, with the involvement of the Supervisory Body (OdV), with which the Board of Directors must agree on contents, recipients and delivery methods.

All recipients are required to actively cooperate in training initiatives.

Training must be timely (in line with regulatory developments), clear and comprehensive.

Training shall be provided selectively, based on the knowledge requirements of each activity or organisational area; therefore, it is differentiated in terms of content and delivery methods depending on the recipients' role, their exposure to risk areas and whether they hold representative powers.

To this end, SSAB organises courses and other targeted training initiatives, including through remote learning and the use of IT tools, to disseminate and promote understanding of the procedures and behavioural rules adopted under the 231 Model and the principles of the Code of Ethics.

Participation in training is mandatory and is formalised through attendance records (or tracking access to e-learning platforms).

Where, during Board meetings or upon specific request from the Supervisory Body, a need emerges to improve the level of knowledge among employees and collaborators, additional training sessions or informational initiatives shall be arranged.

Each training activity must be subject to verification to assess its effectiveness and, where necessary, corrective actions must be implemented.

Appropriate consequences, including disciplinary measures in serious cases, must be envisaged for those who refuse to participate in training activities.

Training must be organised both at the time of hiring and in the event of changes in roles or the introduction of significant new tools relevant to the offences covered by Legislative Decree 231/2001.

a. Training for Senior Management and Top-Level Positions

The Board of Directors shall organise meetings with Board members and senior management in order to:

- illustrate the adopted prevention protocols;
- explain the procedures to be followed for the prevention of offences;
- clarify the relationships between the governing body, corporate bodies and the Supervisory Body;
- illustrate the need for the exchange of information between individual functions and the Supervisory Body.

b. Training for Employees

The Board of Directors shall organise training sessions for employees involved, in various capacities, in activities exposed to risks of predicate offences.

For all employees, in order to ensure proper knowledge and application of the 231 Model, SSAB makes the Model available on its website. In case of doubts regarding interpretation or application, employees may contact the Supervisory Body via a dedicated email address to obtain clarification.

Where necessary, the Supervisory Body, upon identifying specific needs, organises additional training sessions.

Training activities shall cover:

- the relevant legal framework;
- specific prevention protocols for each role;
- the sanctioning system;
- the obligation to implement continuous information flows between responsible functions and the Supervisory Body.

c. Advanced Training on the Supervisory Body

The Board of Directors shall organise in-depth training sessions for corporate bodies, employees at various levels and collaborators involved in risk-related activities, focusing on the role, powers of investigation and control of the Supervisory Body, including its principles, functions, powers, relationships and information flows.

8.3.1 Training Records and Documentation Retention

At the end of each training session, a record must be prepared and signed by all participants and recorded in the training register.

The register shall briefly indicate the topics covered, any supporting materials used and the date of the session.

Documentation relating to training activities must be retained by SSAB as part of the “Annexes to the 231 Model”.

9. Updating and Revision of the 231 Model

The Board of Directors resolves on updates and amendments to the 231 Model in response to:

- violations of the Model’s provisions;
- changes in SSAB’s internal organisation and/or its operational processes;
- regulatory changes;

- outcomes of control activities.

Once approved, updates are communicated to the Supervisory Body.

The Supervisory Body, in any case, retains specific duties and powers relating to the maintenance, development and ongoing updating of the 231 Model.

To this end, it submits observations and proposals relating to organisational and control systems to the relevant corporate functions or, in significant cases, to the Board of Directors.

The Board of Directors retains exclusive responsibility for approving updates or amendments to the Model arising from:

- regulatory changes concerning administrative liability of entities;
- identification of new “sensitive activities” or changes to previously identified ones, including in connection with new business activities;
- commission of offences under Legislative Decree 231/2001 by recipients of the Model, or significant violations of the Model;
- identification of deficiencies or gaps in the Model following effectiveness assessments.