



Sustainability governance

The sustainability governance of the Sandvik Group is grounded in its business strategy, business model, and international frameworks. Relevant goals are established to address material areas and effectively manage associated impacts, risks, and opportunities. Policies and management systems have been set to ensure financial, environmental and social compliance.

Governance structure

The Sandvik Board of Directors holds primary responsibility for sustainability oversight within Sandvik and the Audit Committee monitors the sustainability reporting. Implementation is delegated to the President and CEO of Sandvik.

The Group Executive Management bears the overarching responsibility for the Sandvik sustainability strategy and agenda. Implementation and follow-up, however, are the responsibilities of the Group functions, business areas and divisions. Additionally, the business areas are tasked with assessing and managing sustainability risks in their operations. The coordination within the Group is managed by the Group Communications and Sustainability function. Key performance indicators (KPIs) are consolidated and reported to track goals at both Group and business area levels. Annually, we assess our performance, establish targets, and outline focus actions for the upcoming year.

The Sustainability Council serves as a collaborative forum for cooperation and best practice sharing across Sandvik, with representation from both business areas and Group functions. Group Sustainability coordinates the sustainability agenda together with the business areas and Group functions.

Board's sustainability competence

The Board consists of members with experience from different geographic areas and different industry sectors. All Board members have long experience from managing different positions in global, industrial companies in different

functions, which includes the topics generally covered by the sustainability concept. Many of the Board members are former CEOs or senior managers of other global, industrial companies and as such, have extensive experience from managing environmental, social, and governance-related impacts of the business in all parts of its value chain.

Board's role in overseeing management of sustainability impacts

The Board oversees the due diligence and other processes to manage the impact Sandvik has on the economy, environment and people through many different processes, managed through the Board's Procedural Guidelines and the policies and procedures in The Sandvik Way. The normal Board processes include regular reports to the Board and its Committees on risk management, human resource management, sustainable supplier management, compliance and environment, and health and safety reporting. Key KPIs within the areas are tracked and reported to the Board on a quarterly basis, both through the interim reports and the Key Objectives tracking. The Audit Committee supports the Board in reviewing performance in these areas.

Stakeholder engagement is managed through the operational structure. This includes Investor Relation meetings with key shareholders, dialogues with the Board union representatives as well as considering external analyst and shareholder reports.

The Board uses this information in the strategic planning for the Group and updates the guidance to management as

appropriate, considering the overall balance of the different interests. For example, after input from stakeholders, the Remuneration Committee has requested management to investigate potential Environmental, Social, Governance (ESG) targets for one or several of the existing incentive programs during 2024.

Evaluation and reporting

The effectiveness of the processes described above is evaluated using, for example, the internal controls framework, internal and external audits in different parts of the value chain (including supplier audits), as well as the feedback from the Speak Up system and investigations conducted as part of that process.

Sustainability is an integrated part of the reports submitted to the Audit Committee and sustainability reports are also made available to the Board on at least a quarterly basis. These reports include stakeholder engagement and results of the evaluation of the effectiveness of processes.

In 2023, the Board of Directors also received updates on the new sustainability strategy and the Corporate Sustainability Reporting Directive (CSRD) project. The Communication and Sustainability function informed the Audit Committee of relevant sustainability matters and communicated progress throughout the year. Both the Audit Committee and the Board of Directors proactively sought information and engaged in discussions on related topics, including CSRD.

Materiality assessment

Sandvik has performed a double materiality assessment to determine material topics. The double materiality assessment was performed supported by the topics included in the CSRD and GRI as well as the dependence on natural, social, and human resources. The outcome of the assessment results in material impacts, risks, and opportunities, and forms the basis of this year's GRI reporting. The impact assessment includes positive, negative, actual, and potential impacts. The mapping and understanding of impacts were primarily centered on the value chains where impacts were deemed most likely to occur. Upstream, this included transportation of products and sourcing of minerals and metals from high-risk countries, as well as sourcing of conflict minerals and cobalt. Downstream, focus was on transportation of products and people, the mining sites in high-risk areas, and the end-of-life of our business areas' products.

Impacts were evaluated using scale, scope and irremediability determining the severity of an impact as well as likelihood for potential impacts. The evaluation of positive and negative impacts relied on internal expertise within different areas such as supplier management, environment, human resources, health and safety, community involvement and law. The participants came from different business areas, functions, and geogra-

phies within Sandvik, which brought different perspectives and experience on Environmental, Social and Governance (ESG) topics in the value chain. The assessment also considered external reports, legislation, and frameworks. These sources included the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the OECD Due Diligence Guidance for Responsible Mineral Supply Chains, as well as supplier risk screening through EcoVadis and supplier audits. The process involved workshops and interviews.

In the financial materiality assessment, risks and opportunities were assessed by the magnitude of the financial consequence as well as likelihood. The financial materiality assessment was based on a short-term perspective which highlighted the most urgent topics. In the coming year, the medium perspective will be further investigated and included in the analysis. Based on the input collected, a threshold value for the topics was defined, above which the topics were deemed material and as such a basis for our reporting.

Sandvik has a multitude of interactions across the value chain: suppliers, customers, and our own operations and interactions related to the end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks, and opportunities.

Material topics

- Affected communities
- Biodiversity and ecosystems
- Business conduct
- Climate change
- Equal treatment and opportunities for all
- Health and safety
- Pollution & air pollution
- Recycled input materials
- Reconditioning and refurbishment
- Waste
- Water and marine resources
- Workers in the value chain

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on the company that are likely to influence its future cash flow. The changes in material topics from last year include the addition of biodiversity and ecosystems, water and marine resources, as well as pollution and air pollution.



Examples of contributions to the Sustainable Development Goals

Sandvik contributes to achieving the Sustainable Development Goals according to the UN's 2030 Agenda. By integrating the sustainability goals, also known as the Sustainable Development Goals (SDGs), into our operations and strategy, we work to create a positive impact on society and the environment.



minerals, reduced environmental impact, and minimizing waste generation. The "opt-out" program implies that customers are automatically enrolled in the recycling initiative unless they choose to decline or "opt-out" of participation. The initiative contributes to a circular system for cemented carbide.

Our division Wolfram started the development of tools using our Bergla® tungsten carbide powder, made entirely of recycled material, this year. It is produced from 100 percent recycled tungsten raw material in a manufacturing process that requires less than 10 percent energy compared to standard recycling methods, with 90 percent of the energy utilized being renewable. The advantage of the process is its combination of an existing

technology at Wolfram with the full integration of circularity, reusing waste material.

In 2023, Sandvik announced the strategic acquisition of tungsten powder manufacturer Buffalo Tungsten. The acquisition offers synergy potential, by optimizing materials sourcing and increasing the rate of locally produced tungsten metal powder through its facility in Depew, New York, US.

Waste circularity is a focal point in our 2030 targets. In May, the Seco division introduced product packaging made from 100 percent recycled materials, sourced from discarded household plastic packaging. The increased use of recycled plastic not only aids in reducing GHG emissions but also promotes circularity.

We continually strive to improve our practices for recycling and reuse at all our sites.

SDG 13 Climate action

In September 2023, our GHG reduction targets received approval from the Science Based Targets initiative (SBTi) (read more about this on page 13). We are committed to achieving net-zero GHG emissions across the entire value chain by no later than 2050. Our near-term objectives include achieving a 50 percent reduction in absolute scope 1 and 2 GHG emissions by 2030, a 30 percent reduction in absolute scope 3 emissions and a 90 percent reduction in absolute scope 1 and 2 GHG emissions by 2040. All targets have 2019 as the base year.

Code of Conduct

Sandvik believes that ethical and sustainable business practices are a crucial foundation for a successful business.

Sandvik has a long history of working in accordance with applicable laws and internationally recognized principles, as well as in partnership with our local communities. Our Code of Conduct is built on our internal core values and external principles, such as the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact.

We are also committed to adhering to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Code of Conduct is a vital component in The Sandvik Way, our governance framework. It shows us how we need to act as individual employees, as a company and what ethical standards we should adhere to in our day-to-day work, and it is an important enabler for achieving our 2030 Sustainability Goals.

Speak Up

Employees and external parties who witness a violation of the Code of Conduct, laws or our policies can report the violation, anonymously, through the global whistleblowing tool Speak Up. All reports are assigned to an investigator from the relevant business area that conducts the investigation taking into account the principle of independent and impartial investigation. The Ethics Office oversees the effectiveness of the Speak Up process. Reports, investigations and remediations are recorded, monitored, and included in reporting to the Audit Committee.

No retaliation may be taken against an employee or business partner who, in good faith, voices their concern, as is outlined in the Speak Up policy.

Our reporting tool, Speak Up, is publicly and directly accessible by all stakeholders. They can raise concerns about the organization's negative impacts on them, including human rights concerns, and the process allows for grievances to be identified and addressed. In addition, certain countries have local grievance mechanisms and other mechanisms to support employees beyond legal requirements, such as foundations that provide rehabilitation and financial support in relation to health and well-being. The European Works Councils and relevant local unions have been involved in

the setup of local whistleblowing channels and appointments of investigators.

Compliance

The Sandvik Compliance System encompasses four key areas: Anti-Bribery and Corruption, Competition Law, Trade & Third-Party Management, and Data Privacy. The purpose is to establish a well-functioning structure for effectively managing primary compliance risks in all countries where Sandvik operates. Group Compliance sets the compliance program requirements, including risk identification, policies, relevant training and communication, monitoring and assurance, reporting, and more. These requirements are then implemented by each business area. The Group Compliance function reports to the Sandvik Group General Counsel, the Group Executive Management and the Audit Committee.

For the purpose of coordinating efforts, identifying synergies, and driving continuous improvements, a Compliance Functional Council has been established. This council, comprising representatives from both the Group and business areas, has been operational for several years and typically convenes on a quarterly basis.

Sandvik operates in countries and industries with elevated corruption and sanctions risks, both directly and indirectly through business relationships. This situation underscores the potential



significant impact the company could have on the economy, people, and the environment. To address these challenges, Sandvik has instituted an anti-corruption compliance program based on a zero-tolerance approach. Key guiding documents shaping this program include the Code of Conduct, an anti-corruption policy, and procedures governing commercial and administrative intermediaries, gifts, hospitality, travel and entertainment, and conflicts of interest. The commitment to identify and prevent corruption is not limited to these; it is also integrated into other steering documents such as the M&A procedure and the Community Involvement, Sponsorship and Donations procedure. Crucially, the Speak Up policy, along with its underlying investigation procedure, constitute vital components of the program.

All operational entities within Sandvik have a mandate to assess and collaboratively address their compliance risks together with the compliance organization. The aim is to identify and prevent potential negative impacts stemming from compliance-related issues. The actions taken by these entities undergo scrutiny from both internal and external audits. Any perceived negative impacts and weaknesses can also be raised, and where relevant, remediated through the Speak Up process. This process not only allows for the identification of concerns but also includes active engagement with individuals reporting issues, where possible. To measure and assess progress, targets and indicators are established annually through the Compliance Functional Council. These may include self-assessments covering various aspects, including anti-corruption, sanctions, export control, data privacy, and competition law efforts. Action plans are then formulated based on identified gaps, with a commitment to completing them within specified deadlines. This systematic approach ensures ongoing evaluation and improvement in our compliance practices.

Human rights and fair labor conditions

Our commitment to human rights and fair labor conditions is confirmed in both our Code of Conduct and Supplier Code of Conduct. These guiding documents endorse key international frameworks,

including the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Sandvik Code of Conduct, aligned with our core values, serves as a guide in the identification, prevention, and mitigation of risks associated with human rights and fair labor conditions.

To mitigate risks related to human rights, we continuously work to ensure compliance with national legislation and internationally agreed upon human rights standards and regulations. We regularly evaluate our processes and procedures for identifying, preventing, and mitigating these risks in the Group's operations and in our value chain. The double materiality analysis has taken consideration of human rights across our value chain. Our work on human rights and fair working terms is integrated into our regular processes and procedures in different ways, for example, in our Sustainable Supplier Management, our safety work and in our diversity, equity and inclusion work. We have zero tolerance for modern slavery in all its forms, forced labor, slave labor and/or child labor. We support children's rights and the right to education.

Every employee has the right to join a union and be covered by a collective agreement. Our commitment extends to rejecting all forms of harassment or bullying. We firmly believe in fostering a diverse workforce and maintain a zero-tolerance policy against discrimination based on sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief, marital status, social group, or any other characteristics.

Speak Up is our grievance mechanism that is available for employees and external partners for our entire value chain.

Employees

Sandvik is dedicated to providing a diverse, equitable, and inclusive workplace, ensuring fair remuneration and working terms that consider individual needs. Our People policy underscores our commitment to employees, outlining our approach to attracting, developing, and

retaining staff, and, when necessary, managing their exit from the business.

Leadership development

Our managers play a crucial role in fostering team growth and achieving results. Through our leadership model and global leadership programs, we establish clear expectations for both leadership capabilities and behaviors.

Young talent

With our Global Graduate Program, we attract young professionals and offer training across various segments of the Sandvik organization. One of the program's main objectives is to develop and prepare graduates for future key positions. Upon completion, participants transition into different roles within our business.

Diversity, Equity and Inclusion

Diversity, Equity, and Inclusion are vital aspects of our people strategy, integral to the 2030 Sustainability Goals and stipulated by our Code of Conduct and core value, fair play.

The business is responsible for implementing and communicating the 2030 goals, ensuring resource allocation, and taking necessary measures for goal achievement. Sandvik has established a Diversity, Equity, and Inclusion forum comprising representatives from business areas and the Group. The forum collaborates to cultivate a diverse organization, an equitable workplace, and a culture of inclusion. Joint initiatives, best practices, and experiences are shared among forum members.

Environment, Health, and Safety (EHS)

Our Environmental, Health, and Safety (EHS) policy aligns with the principles of the Code of Conduct and core values, aiming to realize our vision of Zero Harm. We have established Group EHS procedures that focus on hazard identification, operational risk management, incident reporting injury management, EHS performance measurement and monitoring, and EHS training and competency. Each procedure clearly defines roles, responsibilities, and performance management indicators. Regular internal and external audits are conducted to review compliance with legislation, policies, and procedures.

Our EHS policy, along with Group EHS objectives and the 2030 Sustainability Goals, guides our health and safety initiatives. Each business area develops plans to meet these objectives, with annual targets set to drive performance at all organizational levels toward the 2030 goals. The scope of our EHS policy extends beyond our internal operations to include the services provided by Sandvik at customer locations.

The Sandvik EHS Council, comprising representatives from all business areas, serves as a key forum to facilitate collaboration across the company, advancing our progress toward our EHS vision. While EHS activities are decentralized within the business areas, the EHS Council identifies, reaches consensus on, and implements common initiatives and procedures. Additionally, the Council drafts documents, including the EHS policy and objectives, for consideration and approval by the Group Executive Management. The council also has the authority to appoint working groups to address specific EHS issues, such as environmental working groups.

Our EHS management systems are based on ISO 14001 and ISO 45001. The management of individual topics adheres to the criteria of established frameworks but may extend beyond them. We maintain a unified EHS policy for the company, along with Group procedures in areas where Sandvik aims to establish standards exceeding the requirements of our certified management systems. Sites with a lower risk profile are not obligated to undergo external certification. Nevertheless, these sites must comply with the requirements outlined in the Group procedure for small sites and offices.

For specific local issues, such as effluent discharge limits or environmental permits not addressed in legal requirements, certifications, or Group procedures, we implement local initiatives tailored to the specific needs of each production unit or business division. The EHS management systems extend to relationships beyond company boundaries, emphasizing our responsibility to uphold high standards in environments under the company's control. This involves actively identifying and mitigating risks to prevent work-related injuries or occupational illnesses.

Environmental criteria are integrated into the sustainable supplier management process, while both environmental and safety criteria are integral to the product development process.

Every Sandvik-controlled location will establish and uphold formal systems and processes for conducting risk assessments. All employees are empowered and encouraged to report observed hazards. The system facilitates the proper handling of all hazards, ensuring a comprehensive process from identification to resolution. The most senior Sandvik manager at each location bears responsibility for the proper management of registered hazards.

Every business area/location operates its Incident Reporting and Investigation system, with the responsibility of disseminating the findings from incident investigations throughout the organization. Each employee has access to a colleague within their immediate workplace or organization who serves as a representative of the EHS function within Sandvik.

Health and safety committees are organized based on the specific structure of the local organization and the prevailing issues within the region. These committees typically include representatives from local management, employees, and EHS professionals.

Training is incorporated into the induction process for all employees, with more in-depth training provided for EHS professionals. Additionally, EHS issues are integrated into training programs for specific roles. Our training packages encompass various formats, including in-house classroom sessions, external training, and self-learning opportunities, such as e-learning.

Access to medical and healthcare services is tailored to local needs, ranging from on-site professional healthcare to external partnerships providing services like vaccinations and health checks for our employees. We provide voluntary health and well-being programs that are adapted to local needs, covering various aspects including fitness, nutrition, mental health, and disease prevention.

Sustainable supplier management

Sandvik is committed to sustainable procurement practices that minimize our social and environmental impacts,

improve the sustainability performance of our suppliers, and create value for the business, our customers and society at large. It is important for us to partner with suppliers who understand and embrace our sustainability standards in areas such as environment, labor, human rights, anti-corruption, circularity of materials, and carbon footprint. Our requirements are part of our 2030 Sustainability Goals and are outlined in our Supplier Code of Conduct.

Community involvement

Sandvik engages in diverse community relation projects worldwide with three primary focus areas: 1) Sustainability Shift: Organizations, projects and activities related to climate change, resources and waste management, or the clean and sustainable development of communities. 2) Digital Shift: Organizations, projects and activities that build technical and digital skills, support innovations that contribute to global advancement, or introduce people to new technologies. 3) Societal Impact: Projects that support equality and inclusion, improve health and well-being, or contribute to positive development in the local communities where we operate.

We view our community involvement projects as investments, for which we require contracts, clear target groups and objectives with measurable results. We have a Community Involvement, Sponsorship and Donations procedure to guide all Sandvik entities engaged in community relations projects. All activities must comply with our Code of Conduct, which means that we do not engage in any activities of a political or religious nature, or in projects that may be viewed as hazardous to health or the environment. All our partners must sign the Sandvik Supplier Code of Conduct and undergo the same screening process as our suppliers. As part of our 2030 Sustainability Goals, we promote employee engagement in community initiatives that contribute positively to society. Our community involvement activities will be governed via a digital tool that allows for mapping, tracking and follow-up. The app is in final testing and will be launched broadly across the Group during the first half of 2024.

Non-financial notes

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NF1 About this report

This is our eighteenth consecutive year of sustainability reporting, and our commitment to annual sustainability reporting remains unchanged. The report was published on March 13, 2024. The data presented refers to the fiscal year 2023. The most recent Sustainable Business Report was published in March 2023. The non-financial notes encompass information on strategy, management approaches, stakeholder dialogues, and sustainability data.

Information meeting the Swedish legal requirements on sustainability reporting, the Statutory Sustainability Report, and Sandvik Sustainable Business Report, are found on pages 2–3, 7, 13, 58–66, 142–160. Please refer to note P12 for a list of entities included in the figures unless otherwise specified.

This report adheres to the Global Reporting Initiative, GRI Standards 2021. The figures presented are accumulated for the 2023 fiscal year for all active reporting units, unless stated otherwise. An operational control approach was used for consolidations. It encompasses material aspects defined in the materiality assessment described on page 61 and has undergone external review. No restatements of information from previous reporting periods have been made.

Our reporting aligns with the Task Force on Climate-related Financial Disclosures (TCFD), and we also adhere to the Sustainability Accounting Standards Board (SASB) reporting standard. Our climate impact is disclosed through the non-profit organization CDP.

Sandvik has been a signatory to the UN Global Compact (UNGC) since 2013, reporting on the ten principles in accordance with the UN Global Compact advanced level criteria.

As of September 2023, the Science Based Targets initiative (SBTi) has approved Sandvik science-based greenhouse gas emission reduction targets.

An independent assurance provider, engaged by the Board of Directors and the CEO of Sandvik, has undertaken a combined assurance of the Sandvik Annual Report 2023.

The Sandvik Code of Conduct, Sandvik Supplier Code of Conduct, and Sandvik Business Partner Code of Conduct are publicly accessible on home.sandvik/sustainability. Group policies, classified as internal documents, are available on the company intranet, having received approval from the Group Executive Management team. 14 policies, including the Anti-Bribery and Corruption Policy, have also been approved by the Board of Directors. These commitments apply organization-wide, including for business relationships, and are communicated via the line organization.

For additional details on our reporting, please visit home.sandvik/sustainability.

NF2 Stakeholder dialogues

Sandvik has identified a range of stakeholders who are anticipated to be impacted by the company or have the potential to influence Sandvik, with customers, employees, and investors as the most significant among them.

In 2023, we actively engaged with these stakeholders to gain insights into their relationships with Sandvik and to identify potential impacts, risks, and opportunities as part of our materiality assessment.

We met with analysts, investors, and shareholders, covering the implementation of strategic initiatives, the impact of the 2030 Sustainability Goals on Sandvik business, specific targets and outcomes, and our contributions to the UN Sustainable Development Goals. Sandvik engaged with all major shareholders during this period.

Continuous dialogues with customers remain a priority, focusing on key areas such as product development for enhanced safety, increased energy efficiency, and the promotion of electrification.

Ongoing communication with employees is facilitated through regular meetings, employee surveys, and performance dialogues. Sustainability-related perspectives are integrated into the Sandvik employee survey.

Furthermore, Sandvik maintains regular interactions with unions, fostering discussions centered around the sustainability agenda.

In 2023, Sandvik actively engaged in conferences and roundtable discussions organized by global organizations and academia.

Membership in organizations

Sandvik is a signatory of the UN Global Compact and is active in various industry associations, such as Jernkontoret (steel producers), Svemin (mines, minerals, and metal producers), the International Council of Swedish Industry (NIR), the Cobalt Institute, the International Tungsten Industry Association, the Responsible Minerals Initiative, and The Tungsten Industry Conflict Minerals Council.



NF3 Code of Conduct

The Sandvik Code of Conduct, rooted in our core values, underscores our strong commitment to ethical and responsible business practices, ensuring compliance with relevant laws and regulations across all our markets. The Code of Conduct defines the principles governing individual and corporate behavior, providing guidance for our actions and everyday business decisions.

To uphold these standards, Sandvik has set a target to train 100 percent of employees and long-term contractors who have been employed for over 90 days, in the Code of Conduct. This training covers critical topics such as anti-bribery, corruption, diversity and inclusion, among others. The target is monitored via compliance reports and training dashboards. By the end of 2023, 97 percent (95) of employees and long-term contractors had completed the Code of Conduct training. All members of the Group Executive Management and the Board of Directors have undergone training in the Code.

The goal for onboarding new employees is to train 90 percent within three months of their hiring. By the end of 2023, the outcome was 83 (77) percent. Additionally, refresher training, reinforcing Code of Conduct principles, is automatically deployed to employees who completed the training more than two years previously. As of December 31, 2023, 91 (89) percent of the invited population had successfully completed this refresher training.

NF4 Whistleblowing (Speak Up)

Employees and external stakeholders who observe any potential breach of the Code of Conduct, laws, or our policies are encouraged to report such violations, anonymously if preferred, through the global reporting tool, Speak Up. The act of speaking up is a crucial element of the Sandvik culture, fostering trust, enhancing the work environment, and mitigating risks for the company.

Our Speak Up training serves to enhance awareness and trust in the Sandvik whistleblowing process. In 2023, we provided training to 827 (4,534) new employees. To improve the enrollment in the Speak Up training, we have changed training supplier, and updated training will be added to Workday in 2024. According to our employment engagement survey, 91 percent (93) of respondents expressed confidence in the statement “I am aware that Sandvik has a whistleblowing process (Speak Up) for reporting violations of our Code of Conduct or company policies.”

Speak Up is accessible through our internet and web portals, as well as via telephone hotlines in all major countries where Sandvik operates. Reports submitted through Speak Up undergo screening, and each case is subsequently assigned to an investigator. These investigators conduct the necessary investigations with support from the Business Integrity specialist investigation function.

In 2023, there were 343 (290) reported Speak Up incidents excluding inquiries (see distribution in chart) with 83 percent (91) closed within 90 days.

The substantiation rate for closed cases was 29 percent (35). No cases (1) concerned human rights, and 21 (6) cases involved bribery and kickbacks. All Speak Up cases undergo investigation, resulting in either substantiated or unsubstantiated findings

based on the allegations. Consequences for substantiated cases vary from warnings and enhanced controls/training to employee dismissal, contract termination, non-renewal for business partners, or referral to relevant authorities for further investigation. The execution of the consequences is carefully managed within the remit of the law and our policies, including the obligation to protect the identity of the whistleblower and relevant data privacy regulations.

| Speak Up reports | Number | |
|----------------------------------|------------|------------|
| | 2022 | 2023 |
| Human relations | 152 | 165 |
| Compliance | 42 | 73 |
| Theft and misappropriation | 25 | 20 |
| Business records and information | 11 | 28 |
| Environment, health and safety | 22 | 24 |
| Inquiries | 30 | 24 |
| Other | 38 | 33 |
| Total | 320 | 367 |

NF5 Compliance

The compliance initiatives throughout 2023 continued to be significantly influenced by the sanctions imposed on Russia and the company decision in 2022 to wind down its operations. During 2023 the focus of compliance gradually moved from actual winding-down towards risk-based efforts to counteract Russian entities from accessing Sandvik products through intermediaries outside of Russia. Prior to February 2022, Sandvik operated through eight legal entities and employed approximately 950 individuals in Russia. By December 31 2023, Sandvik had no employees left in the country and only one legal entity, which was in the process of being liquidated.

The Compliance House serves as a tool allowing, among other things, each Sandvik entity to understand and address its compliance risks, increasing transparency in control implementation. In 2023, the emphasis was placed on identifying and rectifying additional gaps in the implementation of the compliance program. As of the year-end 2023, the Compliance House included all business entities, with the exception of a few recently acquired entities that underwent compliance risk assessment during the due diligence process. Additionally, certain entities primarily engaged in administrative tasks and internal services, deemed low risk, were excluded. 88 percent (92) of the operational units in the tool conducted a self-assessment review during the year.

The Compliance House requires that each entity communicates annually with its employees in four compliance areas. As of December 31, 2023, 82 percent (94) of the entities reported compliance with anti-corruption communication. The corresponding figures for competition law, trade compliance, and data privacy communication were 82 percent (93), 71 percent (new), and 82 percent (92), respectively.

Compliance training was provided to employees through various formats, including e-learning, webinars, and classroom sessions. Over 53,835 training records were generated, with 21,476

→ NF5, continued

focusing on anti-corruption, 5,510 on competition law, 22,801 on data privacy, and 4,048 on sanctions and export control.

In 2022, all members of the Group Executive Management participated in anti-corruption dilemma training, and during 2023, this training was expanded to include business area and division management teams. This will continue in 2024.

Sandvik has zero tolerance for bribery and corruption and in 2023, Sandvik reviewed and updated its Anti-Bribery and Corruption policy. The policy mandates all employees, managers and directors to identify and disclose any conflicts of interest. No members of the Board of Directors have declared any conflict of interest with respect to cross-shareholding with suppliers and other stakeholders. The risk assessment conducted through the Compliance House, factoring in action plans and existing controls, did not reveal any significant residual corruption risks. Sandvik requires its business partners to adhere to its supplier/business partner Code of Conduct. It requires suppliers/business partners to comply with relevant rules and principles concerning anti-corruption, competition law, data privacy, and international sanctions.

Sandvik also requires that relevant commercial intermediaries sign an anti-corruption and export control/trade clause in the contract. The use of the anti-corruption clause and the Business Partner Code of Conduct is followed up through Compliance House. 78 percent (63) of the entities using commercial intermediaries responded that all their commercial intermediaries had signed the Sandvik Business Partner Code of Conduct and 73 percent (60) that all commercial intermediaries had signed a contract including an anti-corruption clause. The entities' responses are audited and confirmed by the Internal and External Audit functions as part of the regular audit programs.

During 2023 there were no major public legal cases regarding potential non-compliance with laws and regulations brought against Sandvik and neither did Sandvik receive any significant fines or non-monetary sanctions for non-compliance with laws or regulations.

NF6 Employees

At year-end 2023, the number of employees amounted to 40,877 (40,489).

Competence development

Sandvik offers numerous opportunities for competence development, such as stretch assignments, mentorship, utilization of digital learning platforms, and participation in face-to-face programs. We provide a global offer of leadership and expert programs, a variety of learning academies, digital workshops, and e-learning modules aimed at upskilling and reskilling for both current needs and future demands, all supporting our 2025 strategy.

Global Graduate program

The Global Graduate program is a Sandvik trainee program, providing young professionals with a 15-month opportunity to explore different facets of our global operations. The program aims to attract and recruit top students from selected markets, facilitating their introduction to the Sandvik world and contributing to our employer brand. In September 2023, the sixth global graduate program commenced with twelve participants from China, India, Finland, Sweden, Brazil, Germany, and the US, maintaining a balanced gender split of 50/50 percent.

Internal job market

As a Sandvik employee, you are responsible for steering your own career development. Our organization provides a broad spectrum of career opportunities. Through our internal job market, employees have the opportunity to transition to different divisions within Sandvik or explore opportunities in other countries, fostering both personal and professional growth. In 2023, we welcomed 3,599 new hires recruited externally to Sandvik. A significant portion of the job openings were advertised within our Sandvik internal job market.

Diversity, Equity, and Inclusion

We strive to create an equitable workplace with an inclusive culture for diverse talented individuals, which creates benefits all the way to our communities, value chains and customers. This commitment is evident in our recruitment, people development, and retention efforts, with ongoing initiatives detailed on pages 20, 26, and 32.

We recognize that diversity, equity, and inclusion are essential, starting from the top. Our Executive Management team exemplifies this, representing 4 (5) nationalities and diverse backgrounds. As part of our goals, we aim to achieve 25 percent female representation among our managers by 2025, and as of 2023, we reached 20.5 percent (19.6). Additionally, in 2023, 32 percent (30) of external executive recruits were female, and 27 percent (28) of the successor talent pool for division management comprised women. In terms of nationality, 14 percent (14) of business area management team members were non-Europeans.

In 2023, we initiated the integration of Equity into our Diversity and Inclusion (D&I) efforts. This involved defining the relationship between Equity and our core Sandvik value of fair play, incorporating Equity into our Sustainability Strategy, and launching quarterly global awareness campaigns with #SandvikTrueColor.



→ NF6, continued

By embracing "Equity," Sandvik aims to adopt an employee-centric approach that acknowledges and addresses the specific realities of our diverse talents.

Our commitment is to empower individuals to thrive, bring their authentic selves to work, and foster a workplace that supports everyone's career growth, regardless of background. We monitor our inclusion levels through quarterly D&I Pulse surveys. As part of our strategy, we provide Diversity, Equity, and Inclusion (now DEI instead of D&I) training to all employees, managers, and HR specialists across our business areas. This comprehensive program includes a toolbox featuring online and offline learning, workshops, exercises, and DEI basic training offered to all newly hired and acquired employees. Our Bridge program specifically focuses on leadership across diverse cultures, and all internal global leadership programs include training on creating an inclusive work environment and promoting diversity.

Employee engagement

Sandvik conducts Quarterly Engagement Surveys (QPulse) to measure employee satisfaction and engagement, and recognize improvement possibilities in identified priority areas. In the third quarter, we introduced a modern Engagement Insights Platform, enhancing our employee-centric and digital approach. This platform provides managers with real-time engagement data, enabling prompt action on employee insights. The annual average for the Engagement Index was 78 percent (78), and the Inclusion Index was 81 percent (79.5), with a response rate of 73 percent (65).

Key Performance Indicators based on results are implemented in each business area and Group functions.

Bias awareness was introduced to the manager training, and 93 percent of the feedback respondents evaluated the training as useful.

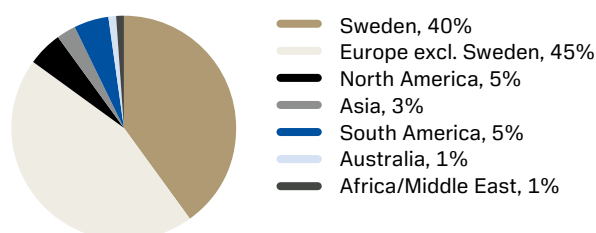
Every Sandvik employee is offered at least one annual individual performance dialogue with their manager, focusing on past performance, new goals, and development plans for the upcoming years. In 2023, 94 percent (93) of employees participated in these dialogues.

In 2023, 42 percent (46) of employees were covered by collective bargaining agreements.

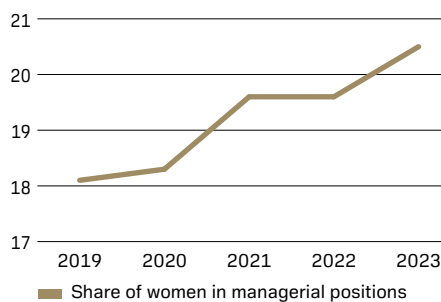
Remuneration

The ratio of the annual total compensation for the President and CEO to the average remuneration per employee in the Parent Company (excluding the President and CEO) is 30 to 1. The ratio of the percentage increase in these respective compensations for 2023 compared to 2022 is 1.4 to 1. Regarding remuneration, see note G4.

Top 300 managers, nationalities



Share of women in managerial positions, %



Employees by employment contract and gender

| FTE | Women | | Men | | Total | |
|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Permanent | 6,662 | 7,043 | 26,467 | 27,400 | 33,129 | 34,443 |
| Temporary | 318 | 345 | 1,067 | 1,007 | 1,385 | 1,352 |
| Total | 6,980 | 7,388 | 27,534 | 28,407 | 34,514 | 35,795 |

Employees by employment type and gender

| FTE | Women | | Men | | Total | |
|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Full time | 6,402 | 6,785 | 27,033 | 27,890 | 33,435 | 34,675 |
| Part time | 578 | 603 | 501 | 517 | 1,079 | 1,120 |
| Total | 6,980 | 7,388 | 27,534 | 28,407 | 34,514 | 35,795 |

Employees by employment contract and region

| FTE | Permanent | | Temporary | | Total | |
|----------------------|---------------|---------------|--------------|--------------|---------------|---------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Europe | 17,160 | 17,428 | 681 | 516 | 17,841 | 17,944 |
| North America | 4,361 | 4,492 | 23 | 27 | 4,384 | 4,519 |
| South America | 2,006 | 2,310 | 35 | 32 | 2,041 | 2,342 |
| Africa & Middle East | 2,032 | 2,122 | 250 | 380 | 2,282 | 2,502 |
| Asia | 6,517 | 6,671 | 374 | 362 | 6,891 | 7,033 |
| Australia | 1,062 | 1,434 | 23 | 36 | 1,085 | 1,470 |
| Total | 33,138 | 34,457 | 1,386 | 1,353 | 34,524 | 35,810 |

Employees by employment type and region

| | Full time | | Part time | | Total | |
|----------------------|---------------|---------------|--------------|--------------|---------------|---------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Europe | 16,843 | 16,895 | 998 | 1,049 | 17,841 | 17,944 |
| North America | 4,359 | 4,503 | 25 | 16 | 4,384 | 4,519 |
| South America | 2,021 | 2,323 | 20 | 19 | 2,041 | 2,342 |
| Africa & Middle East | 2,277 | 2,497 | 5 | 5 | 2,282 | 2,502 |
| Asia | 6,887 | 7,028 | 4 | 5 | 6,891 | 7,033 |
| Australia | 1,058 | 1,444 | 27 | 26 | 1,085 | 1,470 |
| Total | 33,445 | 34,690 | 1,079 | 1,120 | 34,524 | 35,810 |

→ NF6, continued

Employee hires by age

| | 2022 | | 2023 | |
|--------------|--------------|------------|--------------|------------|
| | Hired | % | Hired | % |
| Under 30 | 1,153 | 32 | 1,146 | 32 |
| 30–50 | 2,148 | 60 | 2,141 | 59 |
| Over 50 | 298 | 8 | 310 | 9 |
| Total | 3,599 | 100 | 3,597 | 100 |

Employee hires by gender

| | 2022 | | 2023 | |
|--------------|--------------|------------|--------------|------------|
| | Hired | % | Hired | % |
| Women | 872 | 24 | 832 | 23 |
| Men | 2,734 | 76 | 2,763 | 77 |
| Total | 3,607 | 100 | 3,599 | 100 |

Employee hires by region

| | 2022 | | 2023 | |
|----------------------|--------------|------------|--------------|------------|
| | Hired | % | Hired | % |
| Europe | 1,328 | 37 | 1,176 | 33 |
| North America | 835 | 23 | 865 | 24 |
| South America | 387 | 11 | 452 | 13 |
| Africa & Middle East | 268 | 7 | 268 | 7 |
| Asia | 594 | 17 | 557 | 15 |
| Australia | 195 | 5 | 281 | 8 |
| Total | 3,607 | 100 | 3,599 | 100 |

Employee turnover by age

| | 2022 | | 2023 | |
|--------------|--------------|-----------|--------------|-----------|
| | Left | % | Left | % |
| Under 30 | 556 | 16 | 547 | 15 |
| 30–50 | 2,448 | 12 | 1,887 | 9 |
| Over 50 | 911 | 10 | 946 | 10 |
| Total | 3,915 | 12 | 3,380 | 10 |

§ Reporting principles

Employee statistics regarding Full Time Equivalent (FTEs) are sourced from the financial reporting system. To align with financial reporting standards, we specifically report on continuing operations. All additional employee metrics, such as age distribution, turnover rates, new hires, part-time/full-time status, gender demographics, and performance dialogues, are extracted from the Group's centralized HR system, covering 86 percent of the workforce at Sandvik.

These figures are compiled annually and serve as the foundational data for various calculations, including performance reviews. Discrepancies in the total employee count across certain tables are attributed to incomplete data. For our classification, a manager is defined as an employee responsible for overseeing an organizational unit. Sandvik does not have a substantial portion of workers who are not categorized as formal employees.

Employee turnover by gender

| | 2022 | | 2023 | |
|--------------|--------------|-----------|--------------|-----------|
| | Left | % | Left | % |
| Women | 818 | 13 | 716 | 10 |
| Men | 3,098 | 12 | 2,665 | 10 |
| Total | 3,916 | 12 | 3,381 | 10 |

Employee turnover by region

| | 2022 | | 2023 | |
|----------------------|--------------|-----------|--------------|-----------|
| | Left | % | Left | % |
| Europe | 2,192 | 13 | 1,325 | 8 |
| North America | 638 | 15 | 762 | 17 |
| South America | 225 | 12 | 328 | 15 |
| Africa & Middle East | 212 | 11 | 216 | 10 |
| Asia | 496 | 8 | 508 | 8 |
| Australia | 154 | 15 | 243 | 19 |
| Total | 3,917 | 12 | 3,382 | 10 |

Employees by gender and employee category, %

| | Women | | Men | | Total | |
|--------------|-----------|-----------|-----------|-----------|------------|------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Staff | 27 | 27 | 73 | 73 | 57 | 57 |
| Workers | 12 | 12 | 88 | 88 | 43 | 43 |
| Total | 20 | 20 | 80 | 80 | 100 | 100 |

Employees by age group and employee category, %

| | Under 30 | | 30–50 | | Over 50 | | Total | |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Staff | 8 | 8 | 64 | 64 | 27 | 28 | 57 | 57 |
| Workers | 18 | 17 | 57 | 58 | 25 | 25 | 43 | 43 |
| Total | 13 | 12 | 61 | 63 | 26 | 25 | 100 | 100 |

Share of women and age structure

| | Share of women, % | Age structure, % | | |
|--------------------|-------------------|------------------|---------|----------|
| | | Under 30 | 30–50 | Above 50 |
| Board of Directors | 25 (25) | 0 (0) | 25 (25) | 75 (75) |
| Management | 21 (20) | 1 (1) | 68 (69) | 31 (30) |
| Other employees | 21 (20) | 14 (14) | 60 (60) | 26 (26) |



NF7 Health and Safety

Management systems

Each non-administrative Sandvik facility employing more than 25 individuals is required to attain external ISO 45001 certification within two years of commencement or acquisition. At the end of 2023, 90 percent of the relevant sites were certified in accordance with ISO 45001 standards.

Health and safety metrics

We utilize a wide range of leading and lagging indicators to assess health and safety performance across all Sandvik locations. Notable metrics include the Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR), both of which have exhibited positive long-term trends. In 2023, the LTIFR (LTIs per million hours worked) decreased to 1.1 (1.3), and the TRIFR (total number of recordable injuries per million hours worked) decreased to 3.0 (3.1). Hand and finger cuts and pinches were the most common injury types.

Acquisitions continue to exert a negative impact on both TRIFR and LTIFR trends, and we are working actively to bring these numbers down to the same level as more established Sandvik sites. We have implemented various health and safety initiatives, including targeted injury prevention campaigns and safety

meetings, with an ongoing commitment to maintaining a strong focus on safety.

Regrettably, a tragic fatality occurred at one of our Australian production units during the year. The investigation into the incident is currently underway and Sandvik is cooperating with local authorities.

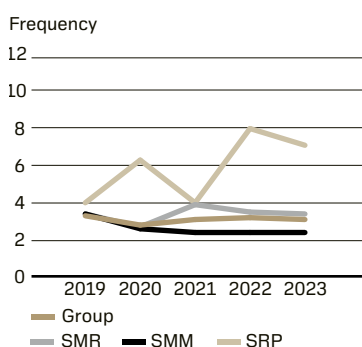
Training

We strive to equip every employee with the necessary skills, knowledge, and competencies to execute their tasks safely, thereby reducing the risk of occupational injury, illness, and environmental harm. In each Sandvik location, we identify and document the fundamental qualifications and competencies required for each occupation, conducting training needs analyses. Attendance at crucial training sessions is mandatory, and records of attendance are maintained.

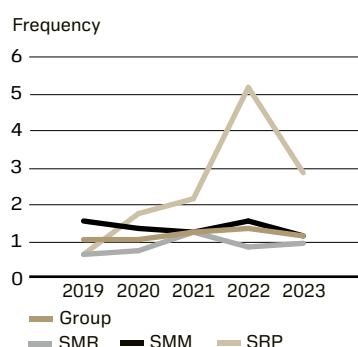
Occupational health and well-being

Sandvik offers health and well-being programs to its employees across all locations. These initiatives cover a diverse range of topics, including work/life balance, healthy eating, and stress management.

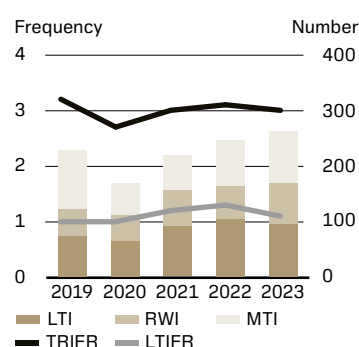
TRIFR by business area



LTIFR by business area



TRIFR and LTIFR, Group



Work-related incidents

| | 2022 | | | 2023 | | |
|------------------------------------------------|-----------|-----------------------------|-----------------|-----------|-----------------------------|-----------------|
| | Employees | Non-employees ¹⁾ | Total workforce | Employees | Non-employees ¹⁾ | Total workforce |
| Number of fatalities | 0 | 0 | 0 | 1 | 0 | 1 |
| Number of LTI | 90 | 15 | 105 | 88 | 7 | 95 |
| LTIFR ²⁾ | 1.3 | 1.4 | 1.3 | 1.2 | 0.65 | 1.1 |
| Number of TRI | 218 | 30 | 248 | 233 | 31 | 264 |
| TRIFR ²⁾ | 3.2 | 2.9 | 3.1 | 3.1 | 2.9 | 3.0 |
| Exposure hours, hazards and near misses | | | | | | |
| Million exposure hours | 69.2 | 10.4 | 79.6 | 76.1 | 10.8 | 86.9 |
| Hazards reported | - | - | 64,266 | - | - | 71,039 |
| Hazards closed out | - | - | 60,650 | - | - | 67,618 |
| Hazard close out ratio (%) | - | - | 94.4 | - | - | 95 |
| Near misses reported | - | - | 3,845 | - | - | 3,912 |
| NMFR | - | - | 48 | - | - | 45 |

1) All who are not employees but whose work and/or workplace is controlled by Sandvik.

2) Normalization factor = 1,000,000 hours worked.

→ NF7, continued

Occupational risk management

All Sandvik locations are required to incorporate occupational health risks, such as exposure to noise, dust, fumes, and other hazardous materials, in their location risk assessments as an integral part of their EHS Management Systems.

We consistently strive to substitute hazardous materials in our production with less harmful alternatives. Where replacement is not feasible, we actively minimize the use of hazardous materials. We invest in new equipment and refining processes to diminish employee exposure to hazards, including noise, dust, and gases. Our products and solutions are thoughtfully designed with a focus on enhancing operators' health and safety, reducing their exposure to chemical hazards.

For example, our battery-driven underground mining equipment plays a crucial role in mitigating potential health impacts from diesel particulate matter and other engine emissions.

§ Reporting principles

Health and safety data is sourced from our EHS reporting system, providing a comprehensive array of EHS performance indicators on a monthly basis. The key figures compiled are based on information available at the date of the most recent year-end accounts, which may require that historical figures are adjusted. All EHS data refers to continuing operations. Acquisitions are included in the actual data set once they are merged with Sandvik and start reporting EHS data.

An LTI (Lost Time Injury) refers to an incident resulting in a full shift away from work. An RWI (Restricted Work Injury) involves an injury where an individual can be at work but cannot perform all of their regular duties. An MTI (Medical Treatment Injury) is an injury requiring medical treatment but allowing the individual to perform all of their usual work tasks. Worked hours are defined as exposure hours, encompassing all hours exposed to risk by employees, contractors, and subcontractors. These exposure hours are collected and entered into the EHS database on a monthly basis.

Incidents categorized as "high-consequence injury/illness" in GRI reports are integrated into our data for Lost Time Injuries. In 2023, we recorded one (1) incident meeting the criteria for a six-month absence. Our approach to mitigate these low frequency/high severity injuries/illnesses is a key part of our management system and is handled within the processes for serious potential incident management including, for example, in our work with critical controls.

Information on occupational illnesses and frequency rates is an integral part of our EHS reporting processes. Capturing illness data can be challenging, often surrounded by regulatory obligations, particularly concerning worker privacy. Complicating matters is the fact that occupational illnesses may not be detected until some time after exposure, and there may be non-work-related factors contributing to the illness, making it challenging to recognize as work-related. This uncertainty increases the complexity of handling illness data.

Occupational illness is defined as physical or mental harm or disease that develops over time during the course of work, not resulting from a single instantaneous event. Determining an illness as work-related is a complex process.

NF8 Environmental footprint

Management systems

Every non-administrative Sandvik location with more than 25 people is mandated to obtain external ISO 14001 certification within two years of commencement or acquisition. By year-end 2023, 92 percent of the sites within scope had obtained certification in accordance with ISO 14001.

Greenhouse gas emissions and energy

Sandvik is actively working to ensure that each individual site in the company has an action plan in place to enhance energy efficiency and reduce greenhouse gas (GHG) emissions.

In 2023, there were over 200 Environmental Improvement Projects (EIPs) and contributions in progress, with many focused on reducing greenhouse gas (GHG) emissions and promoting circularity. These projects target the most material topics for each business area, division, or site. Initiatives such as improved insulation in buildings, implementation of LED lighting, switching to electric forklifts, and the installation of solar rooftop panels exemplify the ongoing efforts.

Our transition plan to net zero

In 2023, our GHG reduction targets were endorsed by the Science Based Targets initiative (SBTi), confirming their alignment with the latest climate science and adherence to the objectives of the Paris Climate Agreement. The baseline for our GHG emissions reduction targets is set at 2019, and our 2030 objectives encompass a 50 percent reduction in absolute scope 1 and 2 (own operations respective heating and electricity) GHG emissions, along with a 30 percent reduction in absolute scope 3 GHG emissions (customers, suppliers and transport).

We have a number of activities, so called decarbonization levers, that support us in our transition plan towards net-zero. In scope 1, fuel switching and electrification of transportation and production processes are essential in order to reach our targets. For instance, diesel forklifts were replaced by electric forklifts at several sites during 2023, for example in Khanbogd (Mongolia), Patancheru (India), Luoyang (China) and Santiago (Chile). Our sites in Lahti (Finland) and Svedala (Sweden) continued to replace natural gas with biogas.

To reduce emissions in scope 2, we build upon activities such as energy efficiency measures, power purchase agreements (PPAs), roof-top solar panels and sourcing of fossil-free electricity. In 2023, our own renewable electricity production increased by 64 percent, compared to 2022.

Reductions in scope 3 are enabled by our development of more sustainable solutions across all our industries, including battery-electric mining equipment, energy-efficient rock processing solutions and productivity-enhancing manufacturing and machining solutions for optimized energy and resource efficiency.

We see a clear trend towards battery electric mining equipment (BEVs), now accounting for more than 10 percent of orders. During the year, we launched new electric mining and rock processing equipment, see pages 22 and 28. Sourcing of low-carbon materials and circularity/ecodesign initiatives are other integral parts of our transition. We create circular business models to keep



→ NF8, continued

valuable materials in circulation and, in 2023, we introduced an industry-first "opt-out" recycling program for carbide drill bits.

The acquisition of Buffalo Tungsten will increase our local production of metal powders in the US, reduce transport and become a hub for recycling of used tools. We also signed a letter of intent with steelmaker SSAB for the purchase of fossil-free steel.

For a more detailed transition plan to net zero, visit our website home.sandvik/sustainability or scan the QR code.



2023 developments

In 2023, GHG emissions within scope 1 and 2 increased by 1 percent, compared to the preceding year. This increase can be attributed primarily to lower sourcing of low-emission electricity, such as certificates. Scope 1 emissions decreased by 3 percent. Compared to our 2019 baseline, we have decreased our scope 1 and 2 emissions by 23 percent. We are on track to meet the ambitious 2030 goal for scope 1 and 2 emissions. Within scope 2, we monitor both location-based and market-based greenhouse gas emissions, where the difference is mainly due to the purchase of renewable or fossil-free energy via renewable energy certificates and/or guarantees of origin. Location-based emissions decreased by 4 percent compared to the previous year.

On the next page lie our scope 3 baseline inventory alongside our most recent scope 3 inventory. The primary scope 3 categories are "Purchased goods and services" and "Use of sold products". "The Purchased goods and services" category is primarily influenced by the procurement of steel and cemented carbide. The "Use of sold products" category relates to fuel consumption, including diesel, and electricity in our sold mining and rock processing equipment.

It is important to apply caution when analyzing scope 3 data, as it represents a complex methodology and includes data uncertainty. The increase in category 1 emissions between 2019 and 2022 is primarily attributable to inflation and currency exchanges. The influence of inflation and currency fluctuations introduces a notable level of data uncertainty, and we are moving away from spend-based data in order to enhance data reliability. We are cultivating closer relationships with key suppliers to obtain emission factors specific to each supplier, which offer greater precision compared to general spend- or weight-based emission factors. Our emphasis on key suppliers is driven by the challenge of obtaining supplier-specific data from 46,000 suppliers spanning 104 countries, from whom we source raw materials, components, products, and services.

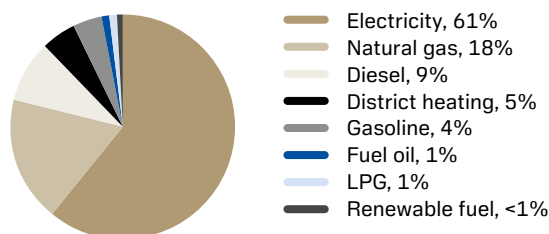
The determination of the emissions of use of sold products, such as mining and rock processing equipment, is based on sales volumes and the anticipated lifespan of these products. Collaborating closely with quality assurance, services, and repair teams allows us to extend the operational lifespan of our products. However, it is crucial to acknowledge that a longer product lifetime

contributes to increased GHG emissions in category 11, accounting for the entire life expectancy of the product.

For battery electric vehicles (BEVs), the GHG emissions are closely linked to the electric grid mix of the country where the product is sold to. BEV sales to countries with cleaner electric grids result in lower GHG emissions. Additionally, GHG emissions are influenced by available emission factors. As an example, emission factors for electricity within category 3 have increased by about 47 percent due to a modification in emission factor methodology.

Despite the uncertainties associated with these data points, it is imperative to calculate and report scope 3 GHG emissions. This practice not only identifies emission hotspots but also guides the formulation of targeted reduction initiatives necessary to achieve our net-zero goals.

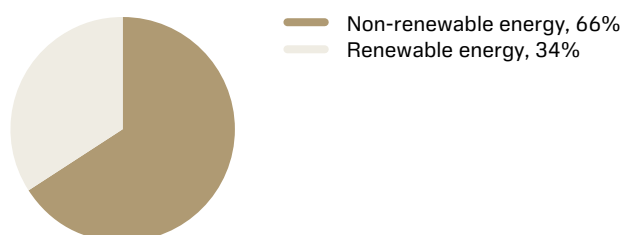
Energy by energy source



Energy consumption

| TJ | 2022 | 2023 |
|-----------------------------------------|--------------|--------------|
| Non-renewable fuels | 1,307 | 1,251 |
| Gasoline | 130 | 159 |
| Diesel | 316 | 336 |
| Liquefied petroleum gas (LPG) | 38 | 41 |
| Natural gas | 767 | 664 |
| Fuel oil | 57 | 50 |
| Renewable fuels | 17 | 32 |
| Ethanol | 2 | 7 |
| HVO | 5 | 11 |
| Bio gas | 10 | 15 |
| Total energy from fuels | 1,323 | 1,283 |
| Grid electricity | 2,321 | 2,291 |
| Own renewable electricity | 18 | 29 |
| Purchased heat and steam | 189 | 218 |
| Sold heat | -35 | -26 |
| Total electricity heat and steam | 2,493 | 2,512 |
| Total energy consumption | 3,816 | 3,795 |

Renewable vs. Non-renewable energy

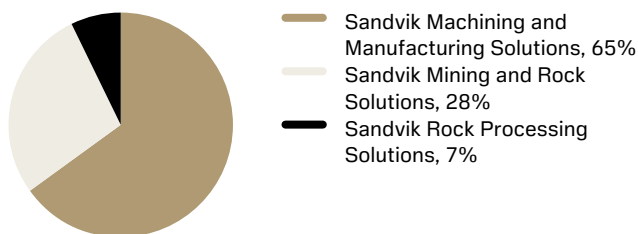


→ NF8, continued

Energy intensity

| Total energy use in relation to revenues | 2022 | 2023 |
|------------------------------------------|------|------|
| GJ/MSEK | 34 | 30 |

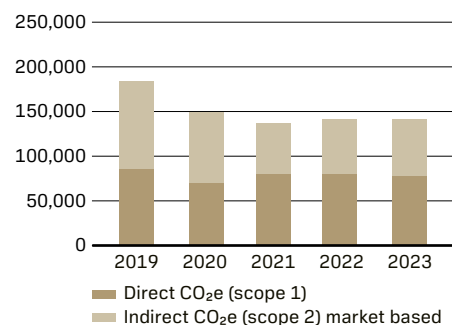
Energy consumption by business area



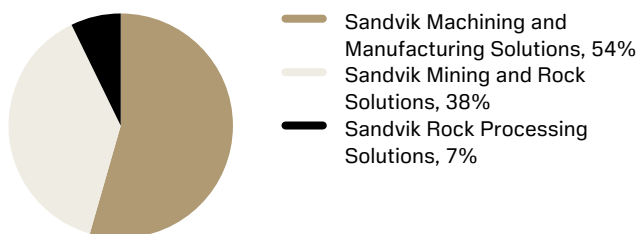
GHG emissions, scope 1 and 2

| Ktons CO ₂ e | 2022 | 2023 |
|------------------------------------------------|------------|------------|
| Scope 1 | 81 | 78 |
| Scope 1 Biogenic Fraction | 3 | 9 |
| Scope 2 (location based) | 187 | 181 |
| Initiatives to source low-emission electricity | -129 | -118 |
| Scope 2 (market based) | 58 | 63 |
| Gross total (location based) | 268 | 259 |
| Net total (market based) | 139 | 141 |

GHG emissions 2019–2023, ktons



GHG emissions by business area (scope 1 and 2)



Emission intensity (scope 1 and 2)

| Total CO ₂ e in relation to revenues | 2022 | 2023 |
|-------------------------------------------------|------|------|
| Tons CO ₂ e/MSEK | 1.2 | 1.1 |

| Scope 3 inventory | 2019 (base-line year), kton CO ₂ e | 2022 (latest inventory), kton CO ₂ e | Difference, % |
|--------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|---------------|
| Category 1: Purchased goods and services | 1,800 | 2,600 | 44 |
| Category 2: Capital goods | 60 | 70 | 17 |
| Category 3: Fuel and energy related actions | 50 | 80 | 60 |
| Category 4: Upstream transportation and distribution | 300 | 400 | 33 |
| Category 5: Waste generated in operation | 30 | 20 | -33 |
| Category 6: Business travel | 80 | 50 | -38 |
| Category 7: Employee commuting | 60 | 50 | -17 |
| Category 8: Upstream leased assets | 8 | 6 | -25 |
| Category 9: Downstream transportation and distribution | 11 | 4 | -64 |
| Category 10: Processing of sold goods | 6 | 9 | 50 |
| Category 11: Use of sold products | 5,700 | 5,800 | 2 |
| Category 12: End-of-life treatment of sold products | 7 | 7 | 0 |
| Category 13: Downstream leased assets | 0 | 0 | - |
| Category 14: Franchises | 0 | 0 | - |
| Category 15: Investments | 0 | 0 | - |
| Total scope 3 emissions | 8,100 | 9,000 | 11 |

Other emissions to air

Emissions to air of nitrogen oxides (NO_x) and sulfur oxides (SO_x) from usage of fossil fuels are material for Sandvik. Emissions of NO_x and SO_x are managed via our GHG reduction commitments and as we decarbonize our own operations, the emissions of NO_x and SO_x decrease.

| Other emissions to air (tons) | 2022 | 2023 |
|-------------------------------|-------|-------|
| NO _x | 120.2 | 120.0 |
| SO _x | 0.9 | 0.7 |

Water

Water usage is carefully monitored, and steps are taken to minimize withdrawal, including the circulation of process and cooling water to reduce the reliance on fresh water. The company's emissions to water primarily include nitrogen compounds, oxygen-consuming substances, and metals. As part of our commitment to environmental stewardship, all wastewater from production processes undergoes treatment before release to ensure that all discharges adhere to acceptable limits.

In manufacturing operations, particularly in hot environments, a certain amount of water will naturally transpire and evaporate. However, the volumes evaporated are negligible in comparison to overall production and water quantities. All withdrawn water is either released back to recipients following appropriate treatment (either in our own facilities or through third-party treatment operations) or is circulated and reused. Water withdrawal and discharges are executed with control and adhere to applicable permits.

Sandvik employs the WWF tool, the Water Scarcity Risk Map, to identify sites situated in water stress areas. We have mapped sites



→ NF8, continued

representing 95 percent of our water consumption, with 10 facilities located in areas experiencing high to very high water stress risk. These specific sites account for approximately 6 percent of our total water consumption.

Water intensity

| Water withdrawal in relation to revenues | 2022 | 2023 |
|------------------------------------------|------|------|
| m ³ /MSEK | 40 | 31 |

Water withdrawal, 1,000 m³

| Fresh water by source of withdrawal | All areas | | Water stressed areas | |
|-------------------------------------|--------------|--------------|----------------------|------------|
| | 2022 | 2023 | 2022 | 2023 |
| Surface | 2,784 | 2,354 | 0 | 0 |
| Ground | 462 | 459 | 36 | 29 |
| Third-party | 1,181 | 1,133 | 233 | 196 |
| Rain | 27 | 3 | 22 | 3 |
| Total withdrawal | 4,453 | 3,950 | 290 | 228 |

Waste

Circularity is a material topic for Sandvik and we reuse and recycle to offset the use of raw materials and reduce waste. Our most significant waste input is various forms of metal raw materials as our products are refined products based on metal handling. A metal raw material can be melted down and used many times, without compromising quality, which creates favorable conditions for circular material handling. We strive to increase recycled material in our products.

We systematically collect and categorize waste generated from our production processes to facilitate the reuse or recycling of the materials. Through buyback programs with our customers, we actively retrieve and reintegrate the collected material back into our production cycles. Our commitment to sustainable waste management includes partnerships with external entities, including waste service companies, with whom we collaborate to explore innovative recycling methods for our waste streams. Each of our locations bears the responsibility of ensuring that third-party waste companies handle the waste in strict accordance with contractual and legislative obligations. Further, all employees and contractors are responsible for accurate waste sorting and disposal.

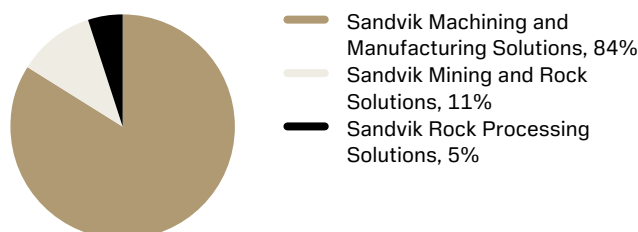
Total actual waste decreased by 21 percent to 336 ktons in 2023, primarily driven by reduced amount of tailings, digestion sludge and slag. With a few exceptions, waste is predominantly treated off-site.

Our overarching objective is to achieve a waste circularity of 90 percent by 2030. The current waste circularity rate stands at 71 percent (73). Circular waste is defined as reuse and recycling. In circularity rate reporting, we exclude tailings, digestion sludge and slag because we assess that it is not feasible in the foreseeable future to take further actions to avoid sending these fractions to landfill.

Waste by type and disposal method

| Tons | 2022 | 2023 |
|---------------------------------------------------------|----------------|----------------|
| Hazardous waste | 19,208 | 20,552 |
| Circular waste | 7,045 | 6,900 |
| to reuse | 141 | 114 |
| to recycling | 6,904 | 6,786 |
| Non-circular waste | 12,163 | 13,652 |
| to energy recovery | 581 | 775 |
| to incineration | 766 | 1,366 |
| to landfill | 9,384 | 10,701 |
| whereof digestion sludge | 6,005 | 5,465 |
| disposal method unknown | 1,432 | 809 |
| Non-hazardous waste | 407,085 | 315,229 |
| Circular waste | 40,612 | 43,242 |
| to reuse | 8,466 | 7,851 |
| to recycling | 32,146 | 35,391 |
| Non-circular waste | 366,473 | 271,987 |
| to energy recovery | 3,026 | 3,509 |
| to incineration | 253 | 290 |
| to landfill | 362,361 | 267,542 |
| whereof slag | 3,589 | 2,130 |
| whereof mining tailings | 351,072 | 257,824 |
| disposal method unknown | 832 | 645 |
| Total waste | 426,293 | 335,781 |
| Waste excluding landfilled slag, tailings and digestion | 65,627 | 70,362 |

Total waste by business area



Waste intensity

| Total waste in relation to revenues | 2022 | 2023 |
|-------------------------------------|-------|-------|
| Tons/MSEK | 3,795 | 2,654 |

Disclosure related to sustainability linked loan

In 2022, Sandvik signed a SEK 11 billion revolving credit facility with a group of 14 banks. The new credit facility has a clear link to our sustainability targets for 2030 with regards to the ambitions to reduce carbon emissions by 50 percent and increase waste circularity to 90 percent. The annual KPIs are aligned with those goals and the interest margin on the facility is affected positively or negatively depending on whether the KPI levels are met. The targets are based on comparable data, which means we adjust the data for a more accurate reflection of the outcome. Acquisitions are included once their historical baseline data has been recalculated. At the end of 2023, we reached a 46 percent reduction in scope 1 and 2 GHG emissions, compared to the 2019 baseline (using the comparable dataset). Waste circularity reached 73 percent (using the comparable dataset).

→ NF8, continued

§ Reporting principles

Environmental data is sourced from our EHS reporting system, with reporting occurring quarterly for environmental indicators. To ensure accuracy, the environmental data is offset by one month, allowing time for data collection, quality control, and consolidation. The data encompasses the period from December 2022 to November 2023. The key figures presented are based on information available as of December 2023, and adjustments to historical figures may be necessary based on subsequent updates. All EHS data refers to continuing operations. Acquisitions are incorporated into the dataset once they are integrated with Sandvik and start reporting EHS data.

In calculating our scope 1–3 GHG emissions, we adhere to the GHG Protocol, employing an operational control consolidation approach. Scope 1 and 3 calculations encompassed CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. The scope 2 calculations were limited to CO₂ emissions because it is the only emission that energy companies are obligated to report, thus the emission factors are also limited to CO₂. This exclusion is estimated to represent less than 1 percent of total emissions.

Scope 1 and 2 calculations are based on reported energy consumption data. Scope 1 biogenic emissions are restricted to use of biofuels, such as ethanol, biogas and bio-based fractions of gasoline and diesel. We account for a reduction in fossil GHG scope 1 emissions following our purchase of biogas, which takes place through contractual instruments.

In our scope 3 calculations, we employ a hybrid approach combining both screening and inventory-based methodologies. Emission factors sourced from DEFRA, Ecoinvent, IEA, US EPA's Power Profiler, Canada National Inventory Report, and Exiobase are utilized, along with supplier-specific data. For market-based emissions (scope 2), consumption data incorporates specific emission factors when available; otherwise, it relies on the same factors used for location-based emissions.

Emissions of NO_x and SO_x are calculated using emission factors from the Swedish Environmental Protection Agency.

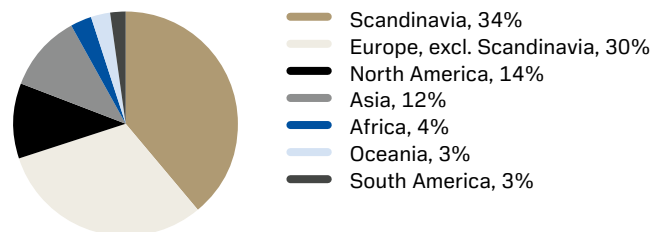
In our waste management framework, reportable waste disposal methods are defined based on the disposal codes outlined in the EU Regulation (EC) No 1013/2006 of the European Parliament and Council dated 14 June 2006 concerning shipments of waste. These definitions are applied by our reporting entities. The determination of waste disposal method varies in the company but primarily relies on information provided by waste disposal companies.

NF9 Sustainable supplier management

At Sandvik, we are committed to sustainable procurement practices, with a focus on minimizing social and environmental impacts while concurrently enhancing the sustainability performance of our suppliers. This dedication is designed to create value for our business, customers, and society at large. Our sourcing and procurement operations are pivotal in realizing our Sandvik sustainability goals.

We focus on proactively identifying, preventing, mitigating, and accounting for adverse risks within our supply chain. With 46,000 suppliers spanning 104 countries, we strategically source raw materials, components, products, and services with sustainability in consideration.

Supplier spend by region



The Sandvik Supplier Code of Conduct, accessible at home.sandvik.com/supplier-code-of-conduct, imposes sustainability requirements on our suppliers. We pursue continuous improvement in collaboration with our suppliers.

Sandvik collaborates with EcoVadis, a global sustainability rating and risk screening provider. EcoVadis supports us in evaluating our supplier base in a systematic way, and in communicating with our customers, investors, and media. EcoVadis provides us with updated information about risks in our supply chain, monitors suppliers' compliance with the Sandvik Supplier Code of Conduct, and supports the due diligence process. Sandvik also maintains a rating scorecard with EcoVadis, where our performance in sustainability areas such as environment, human rights, and sustainable procurement practices is evaluated. Our sustainable procurement scores have improved from the previous year due to, for example, improved documentation and transparency.

Throughout the year, 31 percent of our procurement team underwent internal training, enhancing their competence in our supplier sustainability requirements. Additionally, we organized two webinars with key suppliers to communicate our sustainability requirements and targets. Across the organization, we organized supplier days and various activities aimed at our suppliers.

Supplier Risk Management

As an integral component of our sustainability strategy, we are dedicated to ensuring that all suppliers align with our Supplier Code of Conduct by 2030. It outlines our sustainability expectations for suppliers in health and safety, compliance with applicable laws, labor and human rights, environment, and anti-corruption. Suppliers are urged to transmit our requirements throughout their respective supply chains. Suppliers neglecting to address critical issues run the risk of not being rewarded contracts or



→ NF9, continued

facing termination of their existing contracts. In 2023, two supplier contracts were terminated due to violations of the Supplier Code of Conduct. A responsible exit plan is currently being discussed.

In 2023, approximately 4 percent of our supplier spend (1,362 suppliers) was rated as high risk, distributed among China (2.3 percent), India (1 percent), Brazil (0.4 percent) and Mexico (0.4 percent).

Throughout the year, we worked on implementing a more efficient way of evaluating and approving suppliers to be compliant with our Supplier Code of Conduct. We continued the implementation of EcoVadis, to systematically screen suppliers for ethical, social, and environmental risks based on industry affiliation and country, as well as impartial remote assessments.

Given the vast number of suppliers and the complexity of our supply chain, we implement a risk-based approach. We prioritize suppliers with high-risk profiles for proactive measures and further due diligence. So far, approximately 27,000 suppliers have undergone risk screening in EcoVadis.

High-risk suppliers are prioritized for on-site audits and further due diligence. By signing the Supplier Code of Conduct, the supplier grants Sandvik the right to conduct social compliance audits. In 2023, 22 on-site audits were carried out, all conducted by independent third-party auditors. While issues may vary across the supply chain, depending on country and business, we have identified a number of risks related to human rights, the majority related to working hours and compensation. The responsibility for improvements and corrective actions lies with the supplier, with non-compliance cases managed by the responsible buyer alongside the audit coordinator until resolved.

Our overarching focus remains on developing a sustainable supply base, responsible sourcing practices, and fostering strong partnerships with our suppliers.

Responsible sourcing of minerals and metals

Sandvik is committed to contributing to sustainable development for present and future generations, including the ethical sourcing of minerals and metals. Sandvik condemns any activities in the raw material sector associated with illegal or unlawful exploitation of ores, which directly or indirectly finance armed groups in conflict areas, or contribute to human rights violations, including child labor. Our commitment to responsible sourcing is reflected in the Supplier Code of Conduct and the Sandvik Statement on Responsible Sourcing of Minerals and Metals ([home.sandvik/mineralsourcing](https://www.sandvik.com/home/sandvik/mineralsourcing)), both aligning with the OECD Due Diligence Guidance. These documents serve as the foundation for responsible sourcing and outline supplier requirements for 3TG (Tantalum, Tin, Tungsten, and Gold) and cobalt.

Wolfram Bergbau und Hütten AG (WBH), a Sandvik subsidiary based in Austria, operates one of the world's largest tungsten refineries and is recognized as a Responsible Mineral Initiative (RMI) compliant tungsten facility under the Responsible Minerals Assurance Process (RMAP Conformant Tungsten Smelters at responsiblemineralsinitiative.org). WBH maintains its own Responsible Sourcing Statement, adheres to annual reporting based on the OECD Step 5 guideline, and undergoes third-party assurance assessments annually.

Our commitment to responsible sourcing for 3TG and cobalt, along with associated due diligence activities, is geared towards increasing supply chain transparency and mitigating potential

risks, while also fostering continuous improvement in supplier performance. We work continuously with selected suppliers to proactively prevent and mitigate risk. We regularly communicate externally, and Sandvik annually publishes a Report on Responsible Sourcing of Minerals and Metals.

Sandvik actively participates in industry forums to advocate for the responsible sourcing of minerals and collaborates in the development of common industry tools and standards to amplify impact. This engagement includes conflict-affected and high-risk areas, either directly or through our subsidiaries. Our involvement includes memberships in the Responsible Minerals Initiative, the Cobalt Institute, and The Tungsten Industry Conflict Minerals Council.

The company's efforts in 2023 were concentrated on reviewing suppliers within scope and strengthening due diligence efforts.

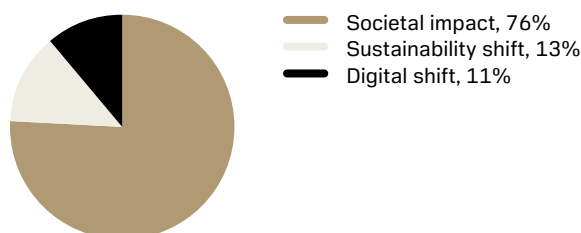
New and upcoming legislation

In light of the evolving legislative landscape related to sustainability and supply chains, the procurement organization at Sandvik is preparing for upcoming changes. Throughout the year, focus was on reinforcing and developing our due diligence processes and ensuring alignment with reporting requirements. A key activity, for example, was mapping potential and actual impacts in our upstream value chain through the double materiality assessment as part of CSRD requirements. See more under Sustainability Governance.

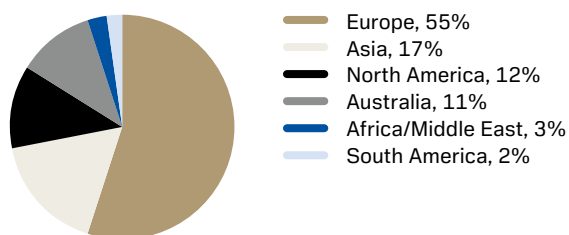
NF10 Community involvement

Our platform for community involvement includes three focus areas: sustainability shift, digital shift and societal impact. In 2023, we were involved in about 170 projects.

Community projects by focus area



Community projects by geography



NF11 EU taxonomy

The EU taxonomy identifies specific activities in certain sectors that contribute significantly to at least one of the EU's environmental goals. These activities must also avoid causing significant harm to any of the other objectives and adhere to minimum social safeguards (taxonomy aligned). Sandvik has assessed its operations to determine applicable eligible activities, as outlined by the criteria in the EU delegated acts and supporting NACE code information. Applying the precautionary principle, any activities not clearly defined in the EU taxonomy have been left out. As the mining sector falls outside the scope of the EU taxonomy, our mining equipment business is exempt from the reporting requirements. Similarly, the manufacturing of Sandvik Machining Solutions is not eligible under the EU taxonomy.

Throughout the year, we have examined the four new environmental objectives to identify any eligible activities as well as additions to the existing objectives. For the newly added objectives, the initial eligibility assessment shows that we have activities associated with the transition to a circular economy within Sorting and material recovery of non-hazardous waste and Repair, refurbishment and remanufacturing. For these activities only eligibility is reported for FY2023. When it comes to reporting on climate change mitigation and adaptation, only a few Sandvik activities qualify. Parts of the business area Sandvik Rock Processing are included within Manufacture of steel, however the majority of the Group's eligible activities are related to owned and leased facilities (real estate). Energy efficiency and solar panels are considered separate activities related to real estate, as activities deemed eligible are focused on climate mitigation. Certain limitations in the evaluation stem from the non-global application of European reporting standards, affecting the full review of owned facilities and energy efficiency activities. In such cases, activities are deemed eligible but not fully aligned.

The assessment of aligned activities, including turnover, capital expenditures (CapEx), and operational expenditures (OpEx), has been determined by reviewing the EU criteria for substantial contribution. Validation has been carried out through relevant documents such as certificates, product specifications, and other supporting materials. Changes in aligned activities from previous reporting year include the addition of activity 7.5 for CapEx. Each eligible activity meeting the substantial contribution criteria has been subject to a review of applicable Do No Significant Harm (DNSH) criteria, aligning with EU requirements. Validation in this regard has been supported by documentation such as Climate Scenario Analysis, Life Cycle Analysis, and environmental documentation.

Sandvik has used the Platform on Sustainable Finance's Final report on Minimum Safeguards to assess compliance with the minimum safeguards laid down in Article 18 in Regulation (EU) 2020/852. There are processes in place to secure minimum safeguards relating to anti-corruption, fair competition and taxation as well as following the OECD's six steps for due diligence of human rights. For more information, see pages 61–66 and 143–144. There have been no court convictions in any of these areas.

Nuclear and fossil gas related activities

| Row Nuclear energy related activities | | |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1. | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3. | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| Fossil gas related activities | | |
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat and cool using fossil gaseous fuels. | NO |

§ Reporting principles

Total turnover included in the denominator includes external reported revenue in the income statement (line revenues). The allocation of the eligible activities has been prepared using product accounts. The aligned activities refer to production within the manufacturing of steel.

Total CapEx included in the denominator includes investments and additions through acquisitions in property, plant and equipment (G14), intangible assets, excluding goodwill (G13) and right-of-use assets (G15). The allocation of the eligible activities has been prepared by using cost types. The aligned activities refer to buildings.

Total OpEx included in the denominator are R&D, short-term leases, maintenance and repairs and other direct expenditure relating to maintenance of buildings. The allocation of the eligible activities has been prepared using cost types. The aligned activities refer to maintenance of buildings and equipment.



→ NF11, continued

Proportion of Taxonomy-aligned economic activities

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities.

| Financial year 2023 | Year | | | Substantial Contribution Criteria | | | | | | DNSH criteria ('Do No Significant Harm') | | | | | | | | | | Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 | Category enabling activity | Category transitional activity |
|----------------------------------------------------------------------------------------------------------------------|---------|----------|-----------------------------------|-----------------------------------|---------------------------|------------|------------|------------------|--------------|------------------------------------------|---------------------------|-------|-----------|------------------|--------------|--------------------|----|---|---|------------------------------------------------------------------------------|----------------------------|--------------------------------|
| | Code | Turnover | Proportion of Turnover, year 2023 | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | | | | | | |
| Economic Activities | | MSEK | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | | | |
| Manufacture of iron and steel | CCM 3.9 | 510 | 0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 0% | - | T | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 510 | 0% | 0% | - | - | - | - | - | - | Y | Y | Y | Y | Y | Y | 0% | | | | | |
| Of which Enabling | | | | | - | - | - | - | - | - | Y | Y | Y | Y | Y | Y | - | E | | | | |
| Of which Transitional | | 510 | 0% | 0% | | | | | | - | Y | Y | Y | Y | Y | Y | 0% | | T | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 1 | 0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0% | | | | | |
| Sorting and material recovery of non-hazardous waste | CE 2.7 | 210 | 0% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | - | | | | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 14 753 | 12% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | - | | | | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 14 964 | 12% | 0% | - | - | - | 12% | - | | | | | | | | 0% | | | | | |
| A. Turnover of Taxonomy-eligible activities (A1+A2) | | 15 474 | 12% | 0% | - | - | - | 12% | - | | | | | | | | 0% | | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 111 029 | 88% | | | | | | | | | | | | | | | | | | | |
| TOTAL | | 126 503 | 100% | | | | | | | | | | | | | | | | | | | |

→ NF11, continued

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities.

| Financial year 2023 | Year | | | Substantial Contribution Criteria | | | | | | DNSH criteria (Do No Significant Harm') | | | | | | Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 | Category enabling activity | Category transitional activity | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|-------|--------------------------------|-----------------------------------|---------------------------|------------|------------|------------------|--------------|-----------------------------------------|---------------------------|------------|------------|------------------|--------------|---------------------------------------------------------------------------|----------------------------|--------------------------------|--------------------|---|
| | Code | CapEx | Proportion of CapEx, year 2023 | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | | | | Minimum Safeguards | % |
| Economic Activities | | MSEK | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | % | E | T |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | |
| Manufacture of iron and steel | CCM 3.9 | 37 | 0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 0% | - | T |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 22 | 0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 0% | E | - |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings | CCM 7.4 | 3 | 0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 0% | E | - |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 3 | 0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | - | E | - |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 23 | 0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 0% | E | - |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 88 | 1% | 1% | - | - | - | - | - | - | - | Y | Y | Y | Y | Y | Y | 0% | | |
| Of which Enabling | | 51 | 1% | 1% | - | - | - | - | - | - | - | Y | Y | Y | Y | Y | Y | 0% | E | |
| Of which Transitional | | 37 | 0% | 0% | | | | | | | - | Y | Y | Y | Y | Y | Y | 0% | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 2 | 0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0% | | |
| Acquisition and ownership of buildings | CCM 7.7 | 1 187 | 14% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 13% | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 46 | 1% | N/EL | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | - | | |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 1 235 | 15% | 14% | - | - | - | 1% | - | - | | | | | | | | 13% | | |
| A. CapEx of Taxonomy-eligible activities (A1+A2) | | 1 323 | 16% | 15% | - | - | - | 1% | - | - | | | | | | | | 13% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 7 240 | 84% | | | | | | | | | | | | | | | | | |
| TOTAL | | 8 563 | 100% | | | | | | | | | | | | | | | | | |



→ NF11, continued

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities.

| Financial year 2023 | Year | | Substantial Contribution Criteria | | | | | | | DNSH criteria ('Do No Significant Harm') | | | | | | | Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 | Category enabling activity | | Category transitional activity | |
|------------------------------------------------------------------------------------------------------------------|---------|-------|-----------------------------------|---------------------------|---------------------------|------------|------------|------------------|--------------|------------------------------------------|---------------------------|-------|-----------|------------------|--------------|--------------------|--------------------------------------------------------------------------|----------------------------|---|--------------------------------|--|
| | Code | OpEx | Proportion of OpEx, year 2023 | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | | % | E | T | |
| Economic Activities | | MSEK | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | | |
| Manufacture of iron and steel | CCM 3.9 | 141 | 1% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 2% | - | T | | |
| Acquisition and ownership of buildings | CCM 7.7 | 160 | 2% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | - | Y | Y | Y | Y | Y | Y | 2% | - | - | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 301 | 3% | 3% | - | - | - | - | - | - | Y | Y | Y | Y | Y | Y | 4% | | | | |
| Of which Enabling | | | | | - | - | - | - | - | - | Y | Y | Y | Y | Y | Y | 0% | E | | | |
| Of which Transitional | | 141 | 1% | 1% | | | | | | - | Y | Y | Y | Y | Y | Y | 2% | | T | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 366 | 4% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 4% | | | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 196 | 2% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | - | | | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2) | | 562 | 6% | 4% | - | - | - | 2% | - | | | | | | | | 4% | | | | |
| A. OpEx of Taxonomy-eligible activities (A1+A2) | | 863 | 9% | 7% | - | - | - | 2% | - | | | | | | | | 7% | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 8 828 | 91% | | | | | | | | | | | | | | | | | | |
| TOTAL | | 9 691 | 100% | | | | | | | | | | | | | | | | | | |

NF12 GRI Index

GRI Content Index

| | |
|---------------------------------|------------------------------------------------------------------------------------------------|
| Statement of use | Sandvik has reported in accordance with the GRI standards for the period 2023.01.01–2023.12.31 |
| GRI 1 used | GRI 1: foundation 2021 |
| Applicable GRI Sector Standards | N/A |

| | Standard and disclosure | Page | Comments |
|---------------------|--------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| | GRI 2: General disclosures 2021 | | |
| | The organization and its reporting practices | | |
| | Disclosure 2-1 Organizational details | 36, 47-48, 72, 76 | |
| | Disclosure 2-2 Entities included in the organization's sustainability reporting | 44, 72, 125-131, 142-155 | |
| | Disclosure 2-3 Reporting period, frequency and contact point | 44, 142 | |
| | Disclosure 2-4 Restatements of information | 142 | |
| | Disclosure 2-5 External assurance | 52, 142, 161-162 | |
| | Activities and workers | | |
| | Disclosure 2-6 Activities, value chain and other business relationships | 2-3, 19-35, 43, 62-66, 101, 132 | |
| | Disclosure 2-7 Employees | 144-146 | iii and e) Information unavailable/incomplete We lack a Group-wide system for collection of number of non-guaranteed workers. |
| General disclosures | Disclosure 2-8 Workers who are not employees | 144-146 | Entire disclosure 2-8 not applicable. Sandvik does not have a significant portion of workers who are not employees. |
| | Governance | | |
| | Disclosure 2-9 Governance structure and composition | 47-51, 54-57, 61, 146 | |
| | Disclosure 2-10 Nomination and selection of the highest governance body | 47-48, 51, 61 | |
| | Disclosure 2-11 Chair of the highest governance body | 49 | |
| | Disclosure 2-12 Role of the highest governance body in overseeing the management of impact | 49, 61 | |
| | Disclosure 2-13 Delegation of responsibility for managing impacts | 61 | |
| | Disclosure 2-14 Role of the highest governance body in sustainability reporting | 51, 61 | |
| | Disclosure 2-15 Conflicts of interest | 37, 48, 51, 54-57, 143-144 | |
| | Disclosure 2-16 Communication of critical concerns | 47-51 | Not disclosed, due to confidentiality. |
| | Disclosure 2-17 Collective knowledge of the highest governance body | 61 | |
| | Disclosure 2-18 Evaluation of the performance of the highest governance body | 50-51, 53, 61 | |
| | Disclosure 2-19 Remuneration policies | 42, 51, 77-78 | |
| | Disclosure 2-20 Process to determine remuneration | 43, 77-79 | |
| | Disclosure 2-21 Annual total compensation ratio | 77-79 | |



→ NF12, continued

| | Standard and disclosure | Page | Comments |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General disclosures | Strategy, polices and practices | | |
| | Disclosure 2-22 Statement on sustainable development strategy | 4 | |
| | Disclosure 2-23 Policy commitments | 47, 63-66 | ii) Information incomplete/unavailable. Due diligence is not one single defined process but part of many different polices and procedures across Sandvik and an integrated part of the Sandvik Way. |
| | Disclosure 2-24 Embedding policy commitments | 47, 49, 53-54, 61, 63-67 | |
| | Disclosure 2-25 Processes to remediate negative impacts | 61-65 | |
| | Disclosure 2-26 Mechanisms for seeking advice and raising concerns | 61-65, 143-144 | |
| | Disclosure 2-27 Compliance with laws and regulations | 63, 65, 143-144 | a, b) Data unavailable/incomplete. We report on significant fines |
| | Disclosure 2-28 Membership associations | 142 | |
| | Stakeholder engagement | | |
| | Disclosure 2-29 Approach to stakeholder engagement | 62, 142 | |
| | Disclosure 2-30 Collective bargaining agreements | 144-145 | b) Data unavailable/incomplete. The working conditions and terms of employment of employees not covered by collective bargaining agreements are based on the Sandvik Code of Conduct and local country legislation |
| | GRI 3: Material topics 2021 | | |
| | Disclosures on material topics | | |
| | Disclosure 3-1 Process to determine material topics | 62-66 | |
| | Disclosure 3-2 List of material topics | 62 | |
| | Disclosure 3-3 Management of material topics | 7, 13, 16, 62-66, 142-153 | |
| | GRI 205: Anti-corruption 2016 | | |
| | Disclosure 3-3 Management of material topics | 65 | iii) Not Applicable. Positive impacts are not material. |
| | Disclosure 205-1 Operations assessed for risks related to corruption | 65, 143-144 | |
| | Disclosure 205-2 Communication and training about anti-corruption policies and procedures | 64, 143-144 | |
| | Disclosure 205-3 Confirmed incidents of corruption and actions taken | 143-144 | c) Information unavailable/incomplete |
| | GRI 301: Materials 2016 | | |
| | Disclosure 3-3 Management of material topics | 13, 62-66, 151 | |
| | Disclosure 301-1 Materials used by weight or volume | | Information unavailable/incomplete for the entire disclosure materials 2016. Data is available in some divisions but not compiled for Sandvik as a whole.. |
| | Disclosure 301-2 Recycled input materials used | | |
| | Disclosure 301-3 Reclaimed products and their packaging materials | | |
| | GRI 302: Energy 2016 | | |
| | Disclosure 3-3 Management of material topics | 13, 16, 61-67, 149-150 | |
| | Disclosure 302-1 Energy consumption within the organization | 149-150 | c, iii and d, iii) Information unavailable/incomplete No separate data on cooling consumption |
| | Disclosure 302-2 Energy consumption outside of the organization | 149-150 | Information unavailable/incomplete Incomplete data of energy consumption outside of the organisation. |
| Disclosure 302-3 Energy intensity | 150 | | |
| Disclosure 302-4 Reduction of energy consumption | | Entire disclosure information unavailable/incomplete | |
| Disclosure 302-5 Reductions in energy requirements of products and services | | Entire disclosure information unavailable/incomplete | |
| GRI 303: Water and Effluents 2018 | | | |
| Disclosure 3-3 Management of material topics | 13, 16, 61-66, 150-151 | | |
| Disclosure 303-3 Water withdrawal | 150-151 | | |
| GRI 304: Biodiversity 2016 | | | |
| Disclosure 3-3 Management of material topics | 13, 16, 61-66 | | |
| GRI 305: Emissions 2016 | | | |
| Disclosure 3-3 Management of material topics | 13, 16, 61-67, 148-150 | | |
| Disclosure 305-1 Direct (scope 1) GHG emissions | 148-150 | | |
| Disclosure 305-2 Energy indirect (scope 2) GHG emissions | 148-150 | | |
| Disclosure 305-3 Other indirect (scope 3) GHG emissions | 148-151 | c) Information unavailable/incomplete | |
| Disclosure 305-4 GHG emissions intensity | 148-150 | | |
| Disclosure 305-5 Reduction of GHG emissions | 148-150 | | |
| Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 150-151 | | |

→ NF12, continued

| | Standard and disclosure | Page | Comments |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Material topics | GRI 306: Waste 2020 | | |
| | Disclosure 3-3 Management of material topics | 13, 16, 61-66, 151 | |
| | Disclosure 306-1 Waste generation and significant waste-related impacts | 151 | |
| | Disclosure 306-2 Management of significant wasterelated impact | 151 | |
| | Disclosure 306-3 Waste generated | 151 | |
| | Disclosure 306-4 Waste diverted from disposal | 151 | |
| | Disclosure 306-5 Waste directed to disposal | 151 | |
| | GRI 308: Supplier Environmental Assessment 2016 | | |
| | Disclosure 3-3 Management of material topics | 13, 16, 61-66, 152-153 | |
| | Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken | 152-153 | |
| | GRI 401: Employment 2016 | | |
| | Disclosure 3-3 Management of material topics | 13, 16, 61-66, 144-146 | |
| | Disclosure 401-1 New employee hires and employee turnover | 144-146 | |
| | Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employee | | Entire disclosure information unavailable/incomplete No global information collected |
| | GRI 403: Occupational Health and Safety 2018 | | |
| | Disclosure 3-3 Management of material topics | 13, 16, 61-66, 147-148 | |
| | Disclosure 403-1 Occupational health and safety management system | 66, 147-148 | |
| | Disclosure 403-2 Hazard identification, risk assessment, and incident investigation | 66, 147-148 | |
| | Disclosure 403-3 Occupational health services | 66, 147-148 | |
| | Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety | 66, 147-148 | |
| | Disclosure 403-5 Worker training on occupational health and safety | 66, 147-148 | |
| | Disclosure 403-6 Promotion of worker health | 66, 147-148 | |
| | Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 66, 147-148 | |
| | Disclosure 403-8 Workers covered by an occupational health and safety management system | 66, 147-148 | |
| | Disclosure 403-9 Work-related injuries | 66, 147-148 | |
| | Disclosure 403-10 Work-related ill health | 66, 147-148 | |
| | GRI 405: Diversity and Equal Opportunity 2016 | | |
| | Disclosure 3-3 Management of material topics | 13, 16, 61-66, 144-146 | |
| Disclosure 405-1 Diversity of governance bodies and employees | 144-146 | iii) Not applicable. Sandvik does not track information on e.g. minority or vulnerable groups | |
| Disclosure 405-2 Ratio of basic salary and remuneration of women to men | | Entire disclosure information unavailable/incomplete. Not possible to collect information required on significant locations of operations. | |
| GRI 408: Child Labor 2016 | | | |
| Disclosure 3-3 Management of material topics | 13, 16, 61-66, 143-144, 152-153 | | |
| Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor | 143-144, 152-153 | | |
| GRI 409: Forced or Compulsory Labor 2016 | | | |
| Disclosure 3-3 Management of material topics | 13, 16, 61-66, 143-144, 152-153 | | |
| Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 143-144, 152-153 | | |
| GRI 414: Supplier social assessment 2016 | | | |
| Disclosure 3-3 Management of material topics | 13, 16, 61-66, 152-153 | | |
| Disclosure 414-2 Negative social impacts in the supply chain and actions taken | 152-153 | | |



Assurance report

Auditor's Combined Assurance Report on the Sustainable Business Report and Statement on the Statutory Sustainability Report

To the annual general meeting of Sandvik AB (publ),
corporate identity number 556000-3468

Introduction

We have been engaged by the Board and the President and CEO to undertake an examination of Sandvik's Sustainable Business Report for 2023. The company has defined the scope of the Sustainable Business Report and the Statutory Sustainability Report on page 142. The engagement includes a limited assurance engagement on the complete Sustainable Business Report and audit of certain information as specified below. Within the scope for this assignment and our assurance report note NF11 EU Taxonomy, on page 154–157, have not been included in our assurance engagement.

Responsibilities of the Board and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Sustainable Business Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 142 of the Sustainable Business Report, and consists of the Global Reporting Initiative (GRI) Sustainability Reporting Standards which are applicable to the Sustainable Business, the Greenhouse Gas Protocol for CO₂ emissions as well as the accounting and calculation principles that Sandvik has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainable Business Report based on the procedures we have performed, and to provide a statement on the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our engagement in accordance with ISAE3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. We have conducted our examination regarding the Statutory Sustainability Report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Sandvik according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The objective of an audit is to obtain reasonable assurance that the information is free of material misstatements. A

reasonable assurance engagement includes examining, on a test basis, evidence supporting the quantitative and qualitative information in the Sustainable Business Report.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainable Business Report, and applying analytical and other limited assurance procedures. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The stated conclusion based on a limited assurance and an examination in accordance with RevR 12, therefore, does not have the security that the conclusion of our reasonable assurance procedures.

Since this assurance engagement is combined, our conclusions regarding the reasonable assurance, the limited assurance and the review according to RevR12 will be presented in separate sections.

Our reasonable assurance engagement includes 2023 data related to the Sustainability Goals We build circularity, We shift climate and We play fair, and specifically the following KPIs:

- Total waste (page 151)
- CO₂ emissions in scope 1 and scope 2 (page 150)
- Share of women in managerial positions (page 146)

Our procedures are based on the criteria defined by the Board of Directors and the Managing Director as described above. We consider these criteria suitable for the preparation of the Sustainable Business Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainable Business Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Managing Director.

In our opinion the information in the Sustainable Business Report which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and the Managing Director.

A Statutory Sustainability Report has been prepared.

Stockholm, March 12, 2024

PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant

Anna Rosendal
Authorized Public Accountant