

Directors' report



Group

Order intake and revenue

During 2025, the demand for Sandvik solutions varied both regionally and by customer segments. The mining industry saw strong momentum, driven by high order intake growth in the equipment divisions as well as in Parts and Services and for digital solutions. During the first half of the year, the infrastructure market remained soft, while improvements were noted across both the demolition and recycling and aggregates segments in the latter part of the year. Strong underlying demand for cutting tools was seen in the aerospace segment, and in smaller segments such as defense. Industrial production remained subdued and hence impacted underlying demand in general engineering in Europe and North America, while it was positive in Asia. Good momentum was noted in the manufacturing software business. Demand for Sandvik's tungsten powder was solid on the back of global supply limitations, and tungsten prices also contributed positively to the order intake and revenue development. Tariff surcharges were implemented by all business areas. Significant currency headwinds impacted the results throughout the year.

Earnings and return, MSEK	2024	2025
EBITA	20,493	22,616
EBITA margin, %	16.7	18.7
Adjusted EBITA ¹⁾	23,583	23,309
Adjusted EBITA margin ¹⁾ , %	19.2	19.3
Profit before tax	16,461	19,458
Profit for the period	12,245	14,691
Return on capital employed, %	13.4	15.2
Return on capital employed, excl. amortizations of surplus values, %	14.8	16.5
Return on total equity, %	13.3	15.9
Earnings per share, basic, SEK	9.76	11.71
Earnings per share, diluted, SEK	9.75	11.70
Items affecting comparability on EBITA ²⁾	-3,090	-693

1) Adjusted for items affecting comparability.

2) 2024 is mainly related to the restructuring program announced in January 2024, applicable for all BA's, a capital loss from the divestment of DWFritz ETO business and M&A costs. 2025 is mainly related to structural measures within Machining to drive operational efficiency, and M&A costs, partly offset by a capital gain from the divestment of the shares in an associated company. The line items affected are mainly Cost of goods and services sold SEK -201 million, Sales expenses SEK -169 million and Administrative expenses SEK -282 million.

Earnings and return

EBITA increased to SEK 22,616 million (20,493), corresponding to 18.7 percent (16.7) of revenues. The adjusted EBITA decreased to SEK 23,309 (23,583) and the adjusted EBITA margin increased to 19.3 percent (19.2) compared to the previous year. Changes in foreign exchange rates affected adjusted EBITA negatively by SEK -2,482 million (-434) compared with the previous year. Net financial items amounted to SEK -1,351 million (-1,959). The profit before taxes was SEK 19,458 million (16,461). Income tax had a total impact of SEK -4,767 million (-4,216) on earnings, corresponding to 24.5 percent (25.6) of profit before taxes. Profit for the year attributable to owners of the Parent Company was SEK 14,690 million (12,243). Basic earnings per share amounted to SEK 11.71 (9.76). Return on capital employed was 15 percent (13) and return on equity was 16 percent (13).

Working capital

Net working capital in relation to revenue for the year was 29 percent (30). In absolute terms net working capital amounted to SEK 32,994 million (35,902) at the end of the year. In terms of volume, net working capital increased by SEK 1,092 million compared with the previous year. Changed currency rates decreased net working capital by SEK -3,990 million compared with the previous year. The structural effect from acquisitions and divestments decreased working capital by SEK -10 million.

Cash flow and financing

Cash flow from operating activities decreased to SEK 19,189 million (20,607). Net cash flow after investing activities was SEK 12,825 million (12,936). At the end of the year, cash and cash equivalents amounted to SEK 4,958 million (4,528) and free operating cash flow was SEK 21,216 million (21,194). Financial net debt was SEK 26,515 million (32,116) and the financial net debt/EBITDA ratio was 0.9 (1.2).

At the end of 2025, Sandvik had unutilized committed credit facilities of SEK 11,000 million consisting of a revolving credit facility. The remaining duration for the Group's outstanding bonds is currently 3.5 years.

According to the international credit rating agency Standard & Poor's, Sandvik Group held a long-term rating of BBB+ with a stable outlook at year-end 2025. The short-term rating is A-2 and K1 on the domestic Nordic scale.

Equity

Equity at year-end amounted to SEK 93,237 million (96,999), or SEK 74.3 per share (77.3). The equity ratio was 55 percent (53).

Quarterly trend of revenue and profit before tax

MSEK	2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	29,002	31,419	30,306	32,151	29,301	29,700	29,218	32,461
Profit before tax	1,688	4,990	4,402	5,381	4,910	4,212	4,770	5,566
Net margin, %	6	16	15	17	17	14	16	17

Capital expenditure, MSEK	2024	2025
Investments in tangible and intangible assets	4,841	3,807
% of revenue	3.9	3.2
% of scheduled depreciation	140	112

Financial position, MSEK	2024	2025
Cash flow from operating activities	20,607	19,189
Cash flow after investing activities	12,936	12,825
Cash and cash equivalents as of December 31	4,528	4,958
Financial net debt as of December 31	32,116	26,515
Net financial items	-1,959	-1,351
Financial net debt/ EBITDA	1.2	0.9
Equity as of December 31	96,999	93,237
Equity ratio, %	53	55
Equity per share as of December 31, SEK	77.3	74.3

Investments

Investments in tangible and intangible assets for the full year 2025 amounted to SEK 3,807 million (4,841) corresponding to 112 percent of scheduled depreciation. Investments in internally generated intangible assets were SEK 924 million (964). Proceeds from the sale of companies and shares, net of cash, amounted to SEK 336 million (-22). Investments in companies and shares, net of cash acquired, amounted to SEK -2,997 million (-3,187).

Acquisitions during the year

In January, Sandvik acquired FASTech, a US-based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

In February, Sandvik acquired three US-based resellers of CAM: ShopWare, MCAM Northwest, and the CAD/CAM solutions business line of OptiPro Systems.

In March, Sandvik acquired three US-based resellers of CAM solutions in the Mastercam network, Barefoot CNC, CAD/CAM Solutions, and CamTech Engineering Services.

Sandvik also acquired the probing and post processor business lines of CIMCO Group, a Denmark-based developer of software solutions for computer-integrated manufacturing.

In June, Sandvik acquired the acquisition of Verisurf Software Inc., a US-based 3D metrology software solutions provider.

In July, Sandvik acquired Osa Demolition Equipment S.r.l. (OSA), an Italy-based manufacturer of demolition tools and hydraulic hammers.

In November, Sandvik acquired QTE Manufacturing Solutions (QTE), a US-based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

Divestments during the year

In September, Sandvik divested its holding of shares in the associated company Eimco Elecon (India) Limited. The holding has previously been reported as assets held for sale.

In September, Sandvik also divested the additive business of Cimquest, Inc.

In October, Sandvik divested the company Advanced Theodolite Technology, Inc., previously reported as assets held for sale.

Parent Company¹⁾

The Parent Company's revenues for 2025 amounted to SEK 13,465 million (13,427) and the operating result was SEK 1,662 million (793). The result from shares in Group companies of SEK 12,311 million (9,147) for the year consists of dividends

and contributions. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 37,154 million (36,753). Investments in property, plant and machinery amounted to SEK 220 million (438).

The number of employees in the Parent Company and the subsidiaries operating on commission for Sandvik AB as of December 31, 2025, was 3,550 (3,569).

1) The Parent Company includes subsidiaries operating on commission for Sandvik AB. These are presented in note P11.

Dividend

The Board of Directors proposes a dividend of SEK 6.00 per share (5.75) to the 2026 Annual General Meeting, corresponding to approximately SEK 7.5 billion (7.2)

Dividend 6.00 SEK per share	
× number of shares	1,254,385,923
	=7,526,315,538
Profit carried forward	25,423,184,876
Distributable equity, SEK	32,949,500,414

Employees

The average number of full-time equivalent employees amounted to 41,624 (41,162), of which 21 percent (21) were women. The employee turnover rate was 11 percent (11). Wages, salaries and other remunerations for the year totaled SEK 26,793 million (26,798).

Current guidelines for the remuneration of senior executives

The below remuneration guidelines were approved by the 2024 Annual General Meeting. The Board has decided to propose new guidelines for approval by the 2026 Annual General Meeting, as set out below under *Proposal for new guidelines for the remuneration of senior executives*.

Scope of the guidelines

These guidelines encompass the President and other members of the Group Executive Management. The guidelines do not apply to any remuneration decided on or approved by the General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer senior executives competitive total remuneration. For more information regarding the Company's business and sustainability strategy, see the Company's website: home.sandvik.

Types of remuneration

The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as the Group's earnings trend. The remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits.

Fixed salary

The purpose of the fixed salary is to attract and retain senior executives with the right competence for the respective positions. The salary level should be determined by comparing the salary to similarly complex positions within a defined peer group.

*Variable remuneration**– Variable share related remuneration*

The Company may offer long-term share related or share price related remuneration. Such programs are adopted by the General Meeting and are therefore not covered by these guidelines. There are currently ongoing long-term share related incentive programs for senior executives and key employees in the Group. For more information on these programs, see the Company's website: home.sandvik.

–Variable cash remuneration

The Company may offer short or long-term variable cash remuneration. The fulfillment of objectives for awarding such remuneration shall be measured over a period of one to three years. Such remuneration may amount to not more than 75 percent of the fixed annual salary per year.

Variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the Company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year the Board of Directors and the Remuneration Committee shall establish the criteria, including key performance indicators (KPIs) and the target ranges, deemed relevant for the upcoming measurement period. The criteria may be financial, with at least three KPIs, and non-financial, and shall always be related to business performance. At least 80 percent of the variable cash remuneration shall be linked to the financial criteria. The President and Group function heads shall be measured on Group level KPIs and the business area Presidents shall be measured on both Group level and business area level KPIs. The established KPIs shall be presented on the Company's website: home.sandvik.

The extent to which the criteria for awarding variable cash remuneration have been fulfilled shall be determined when the measurement period has ended and will be published in the Report on Evaluation of Remuneration the following year. For financial criteria, the evaluation shall be based on the latest financial information made public by the Company.

–Special arrangements

In specific cases, the Company may offer one-off remuneration provided that such remuneration is only made on an individual basis, for the purpose of recruiting or retaining senior executives, does not exceed an amount corresponding to 100 percent of the individual's fixed annual salary and maximum variable cash remuneration, and is not paid more than once per year and individual.

–Right to withhold or reclaim remuneration

Terms and conditions for variable remuneration shall be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances prevail and such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterwards were found to have been misstated because of wrongdoing or malpractice (so called malus and clawback).

Pension benefits

For the President, the pension benefit shall be defined contribution and the pension premiums shall amount to not more than 37.5 percent of the fixed annual salary. For the other senior executives, pension benefits shall be defined contribution and amount to not more than 35 percent of the fixed annual salary.

Other benefits

Other benefits may include, for example, life insurance, medical insurance and company car benefit. Such benefits may amount to not more than 5 percent of the fixed annual salary. For senior executives in need of double accommodation, paid accommodation, etc. may be added in line with Sandvik regulations and such benefits may amount to not more than 20 percent of the fixed annual salary.

Termination of employment

Severance pay may be paid when employment is terminated by Sandvik. The President and the other senior executives may have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6–12 months fixed salary. When employment is terminated by the senior executive, the notice period may not exceed six months and no severance pay shall be paid.

In case a senior executive is not entitled to severance pay, but is covered by a non-compete undertaking, the senior executive may instead be compensated for such a non-compete undertaking. Any remuneration paid as compensation for a non-compete undertaking shall not exceed 60 percent of the fixed salary at the time of notice of termination of the employment and shall not be paid for a longer period than 18 months. Fixed salary during the notice period together with any compensation for the non-compete undertaking shall not exceed an amount equivalent to the senior executive's fixed salary for 24 months.

Consideration of remuneration to the Company's employees

When preparing the proposal for these guidelines, the employment conditions applied within the Company as a whole have been used as a benchmark, following the principle that the remuneration packages of all Sandvik employees should be based on the complexity of the position, performance and market practice. In general, the same combination of remuneration components such as fixed salary, variable remuneration, pension and other benefits are offered within Sandvik.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management. The President and the other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters to the extent that they are affected by such matters.

Decisions on remuneration to the President are taken by the Board of Directors, based on proposals from the Remuneration Committee, and decisions on remuneration to the other senior executives are taken by the Remuneration Committee.

Adjustments to local rules

Remuneration for employment subject to rules other than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the greatest extent possible, the overall purpose of these guidelines.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

For information concerning the current remuneration of senior executives, including ongoing long-term incentive programs, refer to note G4.

Proposal for new guidelines for the remuneration of senior executives

The Remuneration Committee has recommended that the Board of Directors proposes a change to the remuneration guidelines, in relation to the STI objectives for the business area Presidents. Under the proposed change, their performance may be measured on either solely business area level objectives or on both business area level and Group level objectives (whereas the current guidelines require measurement on both levels).

In light of the above, the Board of Directors proposes that the 2026 Annual General Meeting resolves on guidelines for remuneration with the same material content as the guidelines that were approved by the 2024 Annual General Meeting, with the exception of the section *Variable cash remuneration*, second paragraph, which is proposed to have the following new wording:

Variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the Company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year the Board of Directors and the Remuneration Committee shall establish the criteria, including objectives and the target ranges, deemed relevant for the upcoming measurement period. The criteria may be financial, with at least three objectives, and non-financial, and shall always be related to business performance. At least 80 percent of the variable cash remuneration shall be linked to the financial criteria. The President and Group function heads shall be measured on Group level objectives, and business area Presidents shall be measured either solely on business area level objectives or on both business area level and Group level objectives. The established objectives shall be presented on the Company's website: [home.sandvik](https://www.home.sandvik.com).

Research and development (R&D)

Each business area is responsible for its own R&D activities. Focus areas are machining materials and process development, powder metallurgy, electrification and digital solutions.

Sandvik has a portfolio of 7,502 (8,264) active patents. In 2025, 822 (1,157) new patents were granted. This year's decrease is due to a refined reporting method, in which each Unitary Patent is counted as a single patent, while traditional European patents continue to be counted per country. This

adjustment aligns with the evolving UP/UPC system and provides a more accurate reflection of our patent portfolio. Investments in R&D were SEK 4,542 million (5,053), corresponding to 3.8 percent (4.1) of revenues. The number of employees in R&D, including Quality Assurance, was 2,942 (3,075).

Tax

Sandvik is a multinational group with many inter-company transactions. The OECD has issued guidelines for transfer pricing of cross-border transactions in multinational groups. Sandvik adheres to these guidelines and also to the local legislation of each country to ensure that a correct pricing model is deployed and that a correct amount of tax is paid in each country. Sandvik monitors the OECD's tax reform work and the EU initiatives on tax transparency carefully and observes these standards as and when enacted. We strive to have good relations with our stakeholders, such as tax authorities, non-governmental organizations and investors.

Sandvik has initiated cooperation with tax authorities in several countries. We are convinced that an open discussion and cooperation with tax authorities around the globe will help us to reduce uncertainty about the taxes we are obliged to pay. We contribute to the local communities and countries in which we operate in the form of, for example, taxes and employment opportunities. In 2025, the Group paid SEK 5,156 million (5,474) in income taxes globally. Income tax comprises just a portion of all taxes paid by Sandvik worldwide. In addition, we pay social security contributions, environmental and energy taxes, property taxes, etc. Furthermore, Sandvik collects and pays taxes at the request of governments and authorities, including indirect taxes and withholding taxes.

Environment

In Sweden, Sandvik operates under licenses at seven sites in accordance with the Swedish Environmental Code, with each site holding the necessary environmental permits. During the year, there were a couple of minor environmental incidents, along with two exceedances of regulatory limits. All incidents are managed in consultation with the respective local supervisory authorities. In 2023, Sandvik Rock Tools in Sandviken applied for new permits, and the permit process was still ongoing at the end of 2025.

Statutory sustainability statement

Sandvik has, in accordance with the Annual Accounts Act, prepared a statutory sustainability statement, approved for issue by the Board of Directors and the President and CEO. The statement comprises pages 51–111.

Events after the end of the period

On January 27, 2026, Sandvik announced that Mats Eriksson, President of the Mining business area, has decided to retire in 2027, when he turns 65 years. In 2026 he will step down from his position and as member of the Group Executive Management once a successor has assumed the role, tentatively on July 1, 2026.

Business areas

Sandvik is a global, industrial technology group providing solutions that enhance productivity, profitability and sustainability for the manufacturing, mining and infrastructure industries. Sandvik is a decentralized Group and consists of three business areas: Mining, Rock Processing and Machining and Intelligent Manufacturing. From January 1, 2026 the Business area Machining and Intelligent Manufacturing will be divided into two separate business areas.

MSEK	Mining				Rock Processing				Machining and Intelligent Manufacturing				Group			
	2024	2025	Change		2024	2025	Change		2024	2025	Change		2024	2025	Change	
			%	% ³⁾			%	% ³⁾			%	% ³⁾			%	% ³⁾
Order intake	64,404	69,204	7	17	11,103	10,694	-4	3	49,187	48,557	-1	4	124,694	128,455	3	11
Revenue	63,607	62,971	-1	8	10,704	10,435	-3	5	48,567	47,273	-3	2	122,878	120,680	-2	5
Adjusted EBITA ²⁾	12,950	13,045	1	n/a	1,562	1,546	-1	n/a	9,718	9,385	-3	n/a	23,583 ³⁾	23,309 ³⁾	-1	n/a
Adjusted EBITA margin ²⁾ , %	20.4	20.7	2	n/a	14.6	14.8	2	n/a	20.0	19.9	-1	n/a	19.2	19.3	1	n/a
EBITA	12,443	13,140	6	n/a	1,150	1,557	35	n/a	7,614	8,586	13	n/a	20,493 ⁴⁾	22,616 ⁴⁾	10	n/a
EBITA margin, %	19.6	20.9	n/a	n/a	10.7	14.9	n/a	n/a	15.7	18.2	n/a	n/a	16.7	18.7	n/a	n/a
Return on capital employed, %	21.6	24.0	n/a	n/a	6.4	10.7	n/a	n/a	9.6	11.5	n/a	n/a	13.4	15.2	n/a	n/a
Return on capital employed, excl. amortizations of surplus values, %	22.5	24.8	n/a	n/a	8.4	12.4	n/a	n/a	11.6	13.3	n/a	n/a	14.8	16.5	n/a	n/a
Items affecting comparability	-507	96	n/a	n/a	-411	10	n/a	n/a	-2,104	-799	n/a	n/a	-3,090 ⁵⁾	-693 ⁵⁾	n/a	n/a
Number of employee ⁶⁾	17,278	18,395	6	n/a	2,739	2,779	1	n/a	20,801	19,974	-4	n/a	41,447 ⁷⁾	41,801 ⁷⁾	1	n/a

1) Organic change.

2) Adjusted for items affecting comparabilities.

3) Including Group activities of SEK -667 (-647) million.

4) Including Group activities of SEK -667 (-715) million.

5) Including Group activities of SEK 0 (-67) million.

6) Full-time equivalent.

7) Including Group activities of 653 (629).

Mining

A global leading supplier of equipment and tools, parts, service, digital solutions and technologies that increase sustainability for the mining and infrastructure industries. Mining had good momentum during 2025 with a strong order intake. Order intake for the business area amounted to SEK 69,204 million (64,404), an organic increase of 17 percent. Revenue totaled SEK 62,971 million (63,607), a total decrease of 1 percent, but an organic increase of 8 percent. The EBITA margin was 20.9 percent (19.6) and the adjusted EBITA margin was 20.7 percent (20.4) of revenues. The items affecting comparability of SEK 96 million (-507) were primarily related to a capital gain from the divestment of the shares in an associated company offset by M&A costs.

Rock Processing

A global leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries. Mining had strong momentum and infrastructure market improved during the latter part of 2025. Order intake for the business area amounted to SEK 10,694 million (11,103), an organic increase of 3 percent, currency headwind gave a total decrease of 4 percent. Revenue totaled SEK 10,435 million (10,704), with an organic increase of 5

percent and a total decrease of 3 percent. The EBITA margin was 14.9 percent (10.7) and the adjusted EBITA margin was 14.8 percent (14.6) of revenues. The items affecting comparability of SEK 10 million (-411) were mainly related to the restructuring program.

Machining and Intelligent Manufacturing

A global leading manufacturer of tools and tooling systems for advanced metal cutting, digital manufacturing and software solutions, as well as metal powder. Strong underlying demand for cutting tools was seen in the aerospace segment, and in smaller segments such as defense. Industrial production remained subdued and hence impacted underlying demand in general engineering. Good momentum was noted in the manufacturing software business. Order intake amounted to SEK 48,557 million (49,187), an organic increase of 4 percent and with currency headwind a total decrease of 1 percent. Revenue totaled SEK 47,273 million (48,567), with an organic increase of 2 percent and a total decrease of 3 percent. The EBITA margin was 18.2 percent (15.7) and the adjusted EBITA margin was 19.9 percent (20.0). The items affecting comparability of SEK -799 million (-2,104) were mainly related to the restructuring program and M&A costs.

Corporate governance report

Corporate governance at Sandvik aims to ensure an efficient organization, clear allocation of responsibilities, transparency and solid management structures to promote stakeholder confidence and sustainable value creation.

Sandvik AB is a public company with its shares listed on Nasdaq Stockholm. Corporate governance within Sandvik is based on external rules such as the Swedish Companies Act, the Swedish Corporate Governance Code (the “Code”), and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, alongside internal rules such as the Articles of Association, the Board’s procedural guidelines and the company’s policies and procedures. Our corporate governance framework, The Sandvik Way, implements these external and internal rules and sets out common principles and ways of working throughout the organization, as further described below.

The Code is available at corporategovernanceboard.se. In 2025, Sandvik applied the Code without any deviations from its regulations.

This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Code, and has been reviewed by the company’s auditor. The report describes the company’s governance structure and organization, the Board’s duties and work, as well as internal control with regard to the company’s financial reporting.

The Sandvik Way

The Sandvik Way is based on three segments, as illustrated in the model below.

Governance structure

This segment outlines how the Sandvik Group is led and governed. The Board, elected at the Shareholders’ Meeting,

sets the strategic direction for the Group. The President carries this out through the Group Executive Management, whose members manage and oversee the operations of the Group. The main operational responsibility in the Group lies with the business areas and divisions, whereas the Group functions are responsible for functional policies and processes supporting the business.

The Sandvik Way has been implemented in each of the business areas, with additional requirements cascaded down in the operational structure of the business areas.

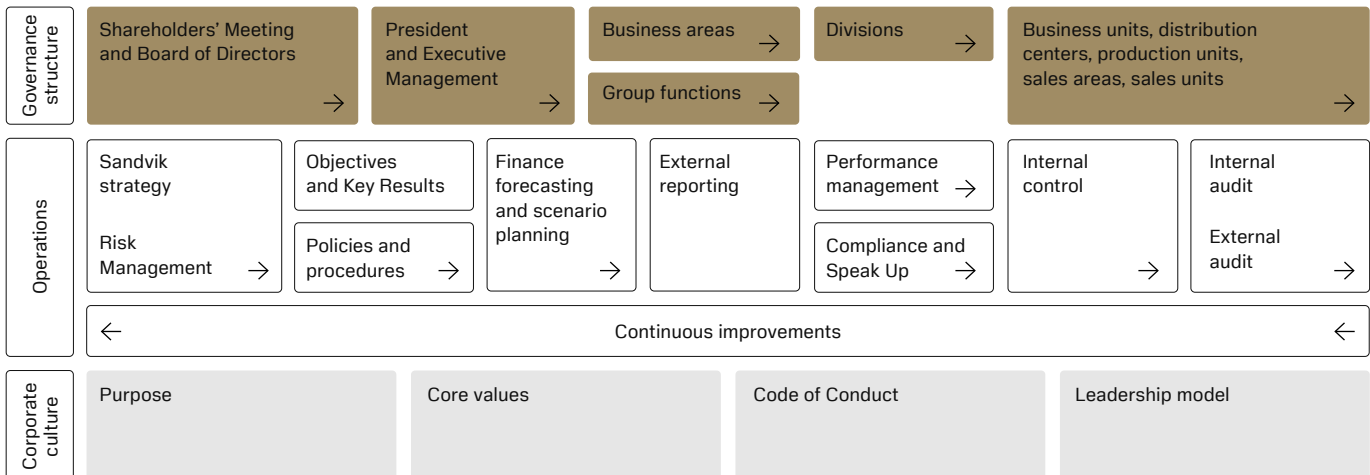
Operations

The detailed controls and risk frameworks common across the Group are detailed in this segment. This includes aspects such as strategy and risk management, policies, financial forecasting and scenario planning, as well as compliance, internal controls and audits. Performance management, controls and continuous improvements provide a solid basis for our ways of working.

Corporate culture

This segment sets the foundation for how we all shape our culture in the company and enable a customer-oriented and responsible business. Our operational controls and risk frameworks are supported by the ambitions and requirements of our purpose, core values, Code of Conduct and leadership model.

The Sandvik Way



Corporate governance model



1. Shareholders

As of December 31, 2025, the Sandvik share capital amounted to SEK 1,505,263,107.60 represented by 1,254,385,923 shares. At year-end, Sandvik had about 136,000 shareholders and AB Industrivärden was the largest owner with about 14.95 percent of the share capital. Of the total share capital at year-end, about 45 percent was owned by investors outside Sweden.

For more information about the Sandvik share and ownership structure, see pages 8–9.

2. Shareholders' meeting

The General Meeting of Shareholders is the highest decision-making body. At the Annual General Meeting, the shareholders are given the possibility to exercise their voting rights in relation to, for example, the Annual Report, dividends, the election of the Board, the appointment of auditor and other matters stipulated in the Companies Act, the Articles of Association and, where applicable, the Code.

All shareholders who have been entered in the share register and have informed the company of their participation within the time limit stated in the notice of the General Meeting are entitled to participate at the General Meeting and exercise their voting rights in respect of the shares held. Shareholders are also entitled to be represented by a proxy at a General Meeting. According to the Articles of Association, the Board may also decide to allow shareholders to exercise their voting rights through postal voting before the General Meeting.

All Sandvik shares carry equal voting rights with one vote per share.

2025 Annual General Meeting

At the Annual General Meeting held on April 29, 2025, shareholders representing 62.4 percent of the share capital and votes participated. Resolutions included the following:

- Dividend of SEK 5.75 per share
- Re-election of Board members Claes Boustedt, Marika Fredriksson, Johan Molin, Andreas Nordbrandt, Susanna Schneeberger, Helena Stjernholm, Stefan Widing and Kai Wörn as well as re-election of Johan Molin as Chairman of the Board
- Election of Öhrlings PricewaterhouseCoopers AB as auditor
- Approval of the Board's remuneration report
- Adoption of a long-term incentive program in the form of a performance share program for about 350 senior executives and key employees in the Group
- Authorization for the Board to decide on the acquisition of the company's own shares up to a maximum of 10 percent of all the shares in the company

For additional information about the Annual General Meeting, including the minutes, visit home.sandvik.com.

2026 Annual General Meeting

The next Annual General Meeting will be held in Sandviken, Sweden, on April 28, 2026. More information can be found in the notice convening the General Meeting and at home.sandvik.com.

3. Nomination Committee

The main task of the Nomination Committee is to prepare and submit proposals to the General Meeting regarding election of Chairman of the meeting, the Board members and Chairman of the Board, appointment of the auditor, and fees to Board members who are not company employees and to the auditor. The Annual General Meeting has adopted instructions for the Nomination Committee, which include procedures for appointing the Nomination Committee, valid until the General Meeting resolves on a change. In accordance with these instructions, the Nomination Committee shall consist of members appointed by each of the four largest shareholders in terms of the number of votes on the final business day in August plus the Chairman of the Board (convener).

Nomination Committee for the 2026 Annual General Meeting

For the 2026 Annual General Meeting, the Nomination Committee consists of:

- Fredrik Lundberg, Chairman (Industrivärden),
- Oscar Bergman (Swedbank Robur Funds),
- Lars Pettersson (Lundbergs),
- Daniel Kristiansson (Alecta) and
- Johan Molin (the Chairman of the Sandvik Board).

Up to the date of this Annual Report, the Nomination Committee met on three occasions. The Nomination Committee was informed of the results of the Board's own evaluation. The Committee met with the President and CEO and the CFO, who presented the company's strategy. The Nomination Committee discussed the general criteria that Board members should fulfill, including the independence requirement, and reviewed the number of Board assignments that each Board member has in other companies. The Nomination Committee applied rule 4.1 of the Code as the diversity policy. This rule states that the Board shall have an appropriate composition in view of the company's operations, phase of development and other relevant circumstances, display diversity and breadth in terms of qualifications, experience and background of the Board members elected by the General Meeting, and that the company shall strive for gender balance.



The 2025 Annual General Meeting was held at the Ferrum Arena in Sandviken, Sweden.

4. Board of Directors

The Board is responsible for the company's organization and the management of the company's business. The Board is required to continuously monitor the company's and the Group's financial position.

The Board ensures that the company's organization is designed in a way that ensures that the financial statements, the management of assets and the company's financial condition in general are controlled in a satisfactory manner. The Board also adopts the strategy for the Group and monitors the performance and compliance with relevant rules and strategic plans.

The President is appointed by the Board and is responsible for the daily operations pursuant to guidelines and instructions issued by the Board. The distribution of responsibilities between the Board and the President is laid down in the Board's Procedural Guidelines which are reviewed and adopted each year. The review is based on aspects such as the Board's evaluation of the individual and collective work that the Board performs.

In addition to financial reporting and the monitoring and follow-up of daily operations and profit trend, Board meetings address the goals and strategies for the operations, significant acquisitions and investments, as well as matters relating to the capital structure. Senior executives report business plans and strategic issues to the Board on an ongoing basis.

Composition and competence

As of December 31, 2025, the Sandvik Board consisted of eight members elected by the Annual General Meeting. The Nomination Committee communicated before the 2025 Annual General Meeting that it had applied rule 4.1 of the Code as the diversity policy. The current Board composition is the result of the work of the Nomination Committee prior to that General Meeting.

The Board is composed of individuals with diverse backgrounds across various geographic regions and industry sectors. Each member brings substantial experience from leadership roles in global, industrial companies, covering areas related to sustainability and business conduct. Additionally, many members have managed environmental, social, and governance impacts throughout the business value chain in previous positions as CEOs or senior managers at other international industrial firms. Of the Board members elected by the General Meeting, 62.5 percent are men and 37.5 percent are women.

Pursuant to Swedish legislation, trade unions are entitled to representation on the Board and they have appointed two members and two deputies.

The Board members are presented on pages 44–45.

Independence

Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company, and Stefan Widing is not regarded as independent in relation to the company and its executive management. The other five Board members elected by the General Meeting are all independent in relation to Sandvik and its executive management, as well as the company's major shareholders. Accordingly, 62.5 percent of the Board members are independent and the composition of the Board complies with the independence requirements of the Code. The President is the only executive member of the Board.

Board proceedings during 2025

In 2025, the Board held 13 meetings. Throughout the year, the Board addressed a broad range of topics, including the strategic objectives for 2025, CSRD and sustainability reporting, and updates on the Sandvik strategic objectives Digital Shift and Customer's First Choice. The Board also addressed matters relating to innovation deep dives, the separation of business area Machining & Intelligent Manufacturing into two business areas, enterprise risk management, succession planning and talent management, as well as investments and review of previously made investments.

A particular focus during the year was the Sandvik strategy and financial targets for 2030, both at Group level and within the business areas. The Board also discussed mitigating measures in response to tariffs and currency impacts. All business area Presidents presented their goals and strategies, and the Board reviewed the strategies and results from several divisions. In addition, the Board handled matters relating to the acquisition of Osa Demolition Equipment S.r.l. and reviewed previously made acquisitions and divestments.

The Remuneration Committee, Audit Committee and the Acquisitions and Divestitures Committee reported from their respective meetings. For the Audit Committee, this included accounting principles, financial outcome, enterprise risk management, compliance, Speak Up and Code of Conduct,

Composition of the Board, independence and meeting attendance in 2025

Name	Function	Elected	Independent according to the Code	Meeting attendance			
				Board	Audit Committee	Remuneration Committee	A&D Committee
Claes Boustedt	Member	2015	Yes	13	5	3	3
Marika Fredriksson	Member	2017	No ²⁾	13	5		3
Fredrik Håf	Member ¹⁾	2022		13			
Carl-Åke Jansson	Deputy ¹⁾	2024		12			
Thomas Lilja	Member ¹⁾	2016		13			
Johan Molin	Chairman	2015	Yes	13	5	3	3
Andreas Nordbrandt	Member	2021	Yes	13			
Susanna Schneeberger	Member	2024	Yes	13			
Jessica Smedjegård	Deputy ¹⁾	2024		13			
Helena Stjernholm	Member	2016	No ²⁾	13	5	3	3
Stefan Widing	Member	2020	No ²⁾	13			
Kai Wärn	Member	2020	Yes	12		3	

1) Employee representatives.

2) Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the company and its executive management.

internal control and internal audit, as well as findings from the external audit. The Committees also submitted matters for resolution by the Board and their minutes and reports were made available to the Board members.

In the autumn of 2025, the Board traveled to Perth, Australia, to visit the production sites of business areas Rock Processing and Mining and to meet with local customers.

Remuneration of the Board

Information on remuneration to the non-executive Board members elected by the General Meeting is included in note G4.

Evaluation of the work of the Board

To ensure the quality of the work of the Board, optimize the work processes and identify the possible need for further expertise and experience, the work of the Board and its members is evaluated annually. In 2025, the evaluation was led by the Chairman of the Board, without the involvement of an independent third party, and was carried out by each Board member responding anonymously to an online questionnaire. The Chairman also held separate evaluation discussions with all Board members. The compiled results of the evaluations were analyzed and subsequently presented to the Board as well as to the Nomination Committee.

Board Committees

The Board has established three Board Committees, with the primary task to prepare issues and present them to the Board for resolution. The tasks of the Committees and their work procedures are stipulated in written instructions issued by the Board. The members of each Committee, including the Committee Chairman, are appointed annually by the Board at its constituent meeting held after the Annual General Meeting.

5. Audit Committee

In 2025, the members of the Audit Committee were Claes Boustedt (Chairman of the Committee), Johan Molin and Helena Stjernholm. Areas addressed by the Audit Committee mainly related to:

- *Sustainability and financial reporting*: monitoring the reporting process and ensuring the accuracy and reliability of reported information. In respect of the sustainability reporting, monitoring the Group's double materiality assessment

- *Internal control and internal audit*: monitoring the effectiveness of the internal control environment and the work of Internal Audit
- *Internal and external audit*: planning, scope and follow-up of the audit activities throughout the year
- *Auditor appointment*: assisting the Nomination Committee with the proposal for the external auditor
- *Auditor independence*: monitoring the external auditor's independence and objectivity, including reviewing the extent of non-audit services provided
- *Corporate risk management*: overseeing the Group's processes for managing overall corporate risks, as well as specific risk areas such as legal disputes, compliance, corporate investigations, IT security, accounting procedures, taxation, treasury, finance operations, insurance coverage and pension issues
- *Compliance framework*: reviewing the development and effectiveness of compliance processes, with a particular focus on the operational stability of the compliance program
- *Code of Conduct and Speak Up*: monitoring the Sandvik Code of Conduct and the global whistleblowing system, and reviewing selected Speak Up cases as well as the overall effectiveness of the system

The Audit Committee held five meetings during the year. The Sandvik external auditor, together with representatives of the company's management, participated in these meetings.

6. Remuneration Committee

In 2025, the members of the Remuneration Committee were Johan Molin (Chairman of the Committee), Helena Stjernholm and Kai Wärn. The tasks of the Remuneration Committee are, among others, those prescribed by the Code, which include preparing the proposal for guidelines for remuneration of senior executives. The Committee also prepares the remuneration report as well as the proposal for the long-term incentive program for senior executives.

The Remuneration Committee decides on the remuneration to be paid to the Group Executive Management. Based on the recommendations of the Remuneration Committee, the Board decides the remuneration and terms of employment for the President.

For guidelines, remuneration and other benefits payable to the Group Executive Management, refer to the Guidelines for the remuneration of senior executives on pages 34–36 and note G4.

The Remuneration Committee held three meetings during the year.

7. Acquisitions and Divestitures Committee

In 2025, the members of the Acquisitions and Divestitures Committee were Johan Molin (Chairman of the Committee), Claes Boustedt and Helena Stjernholm. The purpose of the Committee is to prepare matters relating to major or strategically important acquisitions and divestitures for Board decisions. The Committee meets on an ad hoc basis, at the request of the President and CEO in consultation with the Chairman of the Board.

The Acquisitions and Divestitures Committee held three meetings during the year.

8. President and Group Executive Management

The President is accountable for Group decision-making in all areas delegated by the Board. In order to ensure a full Group perspective in these matters, the President has appointed the Group Executive Management as an advisory forum, focusing on how to achieve Group targets, strategies, structure and organization. The Group Executive Management meets each month and its members are accountable for implementing the President's decisions.

The members of the Group Executive Management are presented on pages 46–47.

9. Business areas, divisions and Group functions

The Sandvik operations are organized based on a decentralized business model. In 2025, Sandvik conducted business through three separate business areas: Mining, Rock Processing and Machining & Intelligent Manufacturing. As of January 1, 2026, the latter was separated into two business areas: Machining and Intelligent Manufacturing. Each business area is based on distinct product offerings and has full responsibility and accountability for its respective business results.

Each of the business areas is organized in a number of divisions based on product offering or brand. The division is the highest operational entity in the Sandvik organizational structure. Certain divisions that are based on a product offering are divided into business units representing a defined part of the product offering.

For more detailed information relating to the Group's business activities and product portfolios refer to pages 20–31 and visit [home.sandvik](https://www.home.sandvik).

While the main operational responsibility in the Group lies with the business areas and divisions, the Group functions specifically focus on setting the appropriate enabling structures and processes that are common for the Group or cover a specific area for which the Group is responsible. There are five Group functions within Sandvik: Communications and Sustainability, Finance, IT, HR and Legal.

10. External auditor

At the 2025 Annual General Meeting, the audit firm Öhrlings PricewaterhouseCoopers AB was elected auditor of Sandvik AB for the period until the 2026 Annual General Meeting. Anna Rosendal is the auditor-in-charge.

The auditor continuously audits and monitors the company's general accounting and the execution by the Board and the President of their respective responsibilities.

The progress of the audit is reported regularly during the year to the management teams of individual companies and the

business areas, the Audit Committee and the Board. The auditor meets with the Board at least once a year without the President or any other member of the Group Executive Management attending.

The independence of the external auditor is guaranteed by the Audit Committee having determined the principles for allowing non-audit services to be provided by the auditor and, in some cases, pre-approving non-audit services.

Audit fees are paid continuously over the period in office on an approved current account basis. For detailed information on fees paid to the auditor, see note G5.

11. Internal Audit

The Internal Audit function is subordinated to the Audit Committee and the Vice President Group Internal Audit and Group Internal Control reports to the Audit Committee.

Internal audits include, as a basis, the Group's policies for corporate governance, risk management and internal control regarding areas such as financial reporting, compliance with the Code of Conduct and IT.

The outputs of the audits include action plans and programs for improvement. Findings are reported to the business area management and to the Audit Committee.

Internal Audit interacts with the external auditor on a periodic basis to discuss and share audit plans and audit results.

Internal control over financial reporting

The Sandvik organization manages a well-established financial reporting process aimed at ensuring a high level of internal control.

The internal control system aligns with the conceptual framework of COSO, which is based on five key components that provide an effective framework for describing and designing the internal control system implemented in the organization. The five components are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

and Follow-up. As 2025 is the first year of CSRD reporting, the control environment related to sustainability reporting is less mature than for our financial reporting. More information about internal controls over sustainability reporting is found under GOV-5. The application of the COSO framework is described below.

The Sandvik Board is ultimately responsible for the governance of risk management including internal control over financial reporting.

The five integral components of internal control activities:



For more information, visit the COSO website: www.coso.org

I. Control environment

Sandvik internal control over financial reporting forms an integral part of the operations, described in The Sandvik Way, which also includes risk assessments, policies, procedures and compliance.

The Sandvik Financial Reporting Policies and Procedures govern control over financial reporting. These documents contain detailed instructions regarding accounting policies and financial reporting procedures to be applied by all Sandvik reporting entities.

A Sandvik Financial Internal Control Framework has been developed and includes key components such as well-defined roles and responsibilities, internal control procedures and the risk and control matrix which defines a mandatory minimum of control activities that contribute to the mitigation of risks to acceptable levels. The implementation of internal controls has been completed for key entities within the scope of internal controls over financial reporting. For future implementations (including new acquisitions) the respective business areas will handle the process according to the scoping and integration plan.

II. Risk assessment

The design of internal control over financial reporting begins with a risk assessments process at the respective business area/division/entity level. Risk assessment is the identification of factors or conditions that threaten the achievement of the Sandvik objectives.

Key risks noted in local assessments and observations made by Internal and External Audit are also taken into consideration to ensure that adequate controls exist to mitigate these risks.

III. Control activities

Mandatory control activities include business process controls, IT controls and corporate governance controls focusing on compliance with policies and procedures. Internal controls are tailored per each operational entity based on risks and applicability. Entity management and process owners are responsible for ensuring that internal controls are operated as per agreed design.

At Group level, Group Control manages the reporting process to ensure the completeness and accuracy of financial reporting and compliance with IFRS requirements.

Controllers in the divisions and business areas perform analytical reviews and investigations, conduct business trend analyses and update forecasts.

IV. Information and communication

Policies and procedures related to financial reporting are updated and communicated on a regular basis to all entities.

Results of monitoring and the status of improvement activities related to internal controls are included in the CFO report which is part of the agenda for the Audit Committee meetings.

Quarterly interim reports are published externally and are supplemented by investor meetings attended by members of the Group Executive Management.

V. Monitoring and follow-up

Entity management, as well as local and global process owners, are responsible for testing the effectiveness of internal controls through self-assessments every six months and according to the requirements in the Sandvik Internal Control Framework. The results of the self-assessment testing of controls including test evidence are reported and consolidated in a Governance, Risk and Compliance IT tool. The tool also requires the reporting of action plans with the purpose to remediate ineffective controls. Furthermore, the Group Internal Controls team, in collaboration with the business areas, conducts independent controls testing for selected key entities. This procedure is designed to establish control reliance by external auditors.

Business areas and divisions are to monitor the remediation of ineffective controls. The Audit Committee monitors the effectiveness of internal controls related to financial reporting presented by management with potential deficiencies and suggested actions.

The Board reviews all quarterly interim reports as well as the Annual Report prior to publishing. The Audit Committee reports to the Board regarding internal control matters including matters for resolution. Minutes from Audit Committee meetings are made available to Board members.

Board of Directors

Information regarding board assignments and holdings of shares as of December 31, 2025.

Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.



Johan Molin

Born 1959. Chairman of the Board since 2015. Chairman of the Remuneration Committee and the Acquisitions and Divestitures Committee and member of the Audit Committee.

Education and business experience: M.Sc. in Business and Economics. President and CEO of Assa Abloy 2005–2018. President and CEO of Nilfisk-Advance 2001–2005. Various positions within Atlas Copco 1983–2001.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 965,000 as well as 1,000,000 call options.



Claes Boustedt

Born 1962. Board member since 2015. Chairman of the Audit Committee and member of the Acquisitions and Divestitures Committee.

Education and business experience: M.Sc. in Business and Economics. Executive Vice President of L E Lundbergföretagen AB since 1997. President of L E Lundberg Kapitalförvaltning AB since 1995.
Current board assignments: Board member of Alleima AB, Hufvudstaden AB and Husqvarna AB.
Shareholding in Sandvik (own and closely related persons): 50,000.



Marika Fredriksson

Born 1963. Board member since 2017.

Education and business experience: Master of Business Administration. CFO and Group Executive Vice President of Vestas Wind Systems A/S 2013–2022. CFO of Gambro AB 2009–2012. CFO of Autoliv Inc. 2008–2009. Various positions within Volvo 1996–2008, including CFO and Senior Vice President Finance and Strategy at Volvo Construction Equipment Corporation.
Current board assignments: Chairman of the board of Emagine A/S and board member of AB Industrivärden, A.P. Møller-Mærsk A/S., KONE Oyj and Ecolean AB.
Shareholding in Sandvik (own and closely related persons): 2,500.



Andreas Nordbrandt

Born 1971. Board member since 2021.

Education and business experience: M.Sc. in Mechanical Engineering and Hydraulics. President of the Underground Rock Excavation Division within Epiroc 2016–2018. Various positions within Atlas Copco 1995–2018, including President of the Rocktec Division.
Current board assignments: Chairman of the board of Alleima AB, SaltX Technology Holding AB and SMP Holding AB.
Shareholding in Sandvik (own and closely related persons): 2,400.



Susanna Schneeberger

Born 1973. Board member since 2024.

Education and business experience: M.Sc. in International Business and MBA. Senior advisor and partner at Executive Interim Partners GmbH since 2022. Business area president as well as Chief Digital Officer for KION 2018–2020. CEO of Demag Cranes & Components 2015–2018. Various positions within Trelleborg 2007–2014.
Current board assignments: Chairman of the Board of Yunex GmbH and board member of SKF AB and Modulaire Group.
Shareholding in Sandvik (own and closely related persons): 1,000.



Helena Stjernholm

Born 1970. Board member since 2016. Member of the Audit Committee, the Remuneration Committee and the Acquisitions and Divestitures Committee.

Education and business

experience: M.Sc. in Business and Economics. President and CEO of AB Industrivärden since 2015. Investment manager and subsequently partner at IK Partners 1998–2015. Consultant at Bain & Company 1997–1998.

Current board assignments:

Chairman of the board of SCA and board member of AB Industrivärden, AB Volvo, the Confederation of Swedish Enterprise and the Stockholm School of Economics.

Shareholding in Sandvik (own and closely related persons): 5,000.



Stefan Widing

Born 1977. Board member since 2020.

Education and business

experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. President and CEO, Sandvik AB, since 2020. Various positions within Assa Abloy 2006–2020, including Executive Vice President HID Global division. Various positions within Saab 2001–2006.

Current board assignments: Board member of Holmen AB and the Swedish Association of Industrial Employers (Industriarbetsgivarna).

Shareholding in Sandvik (own and closely related persons): 112,753.



Kai Wörn

Born 1959. Board member since 2020. Member of the Remuneration Committee.

Education and business

experience: M.Sc. in Mechanical Engineering. President and CEO of Husqvarna AB 2013–2020. Operations partner at IK Investment Partners Norden AB 2011–2013. President and CEO of Seco Tools AB 2004–2010. Various positions within ABB 1985–2004.

Current board assignments:

Chairman of the board of Electrolux Professional AB and SunStreet Energy AB.

Shareholding in Sandvik (own and closely related persons): 12,000.

HONORARY CHAIRMAN

Percy Barnevik

Chairman of the Board of Sandvik AB 1983–2002 and thereafter honorary Chairman until he passed away in July 2025.

BOARD SECRETARY

Johanna Kreft

Born 1976. Executive Vice President and General Counsel, Sandvik AB, since October 2025.

AUDITOR

Öhrlings Pricewaterhouse-Coopers AB

Auditor-in-charge: Anna Rosendal, Authorized Public Accountant.

Other auditing assignments:

Boliden, Sdiptech and Nobia.

Employee representatives



Fredrik Håf

Born 1983. Board member since 2024, deputy Board member 2022–2024 (employee representative, IF Metall).

Education and business

experience: Chairman of the Union Committee, Metal Workers' Union, division Rock Tools, Sandviken, Sweden. Various operator positions at division Rock Tools since 2002.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 2.



Thomas Lilja

Born 1975. Board member since 2016 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business

experience: Technical College Graduate, Mechanical Engineering. Chairman Trade Union, Unionen Sandvik Sweden and Unionen Coromant, Machining & Intelligent Manufacturing. Various purchasing positions within Sandvik 2000–2010. Various production and logistics positions within Scania 1995–2000.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 5,197.



Carl-Åke Jansson

Born 1972. Deputy board member since 2024 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business

experience: B.Sc. in Mechanical Engineering. Deputy chairman of Swedish Association of Graduate Engineers, Sandvik in Västberga, and the Swedish Academic Association within Sandvik. Various positions within Sandvik Coromant since 2004, including product owner and designer of process equipment.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 1,120.



Jessica Smedjegård

Born 1981. Deputy board member since 2024 (employee representative, IF Metall).

Education and business

experience: Chairman of the Metal Worker's Union club, Sandvik Coromant Gimoverken Sweden. Chairman of IF Metall's joint union club within Sandvik Sweden. Various operator positions at Sandvik Coromant since 2004.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 156.

Group Executive Management

Information regarding board assignments and holdings of shares as of December 31, 2025.

Current board assignments refer to assignments in companies or organizations outside Sandvik Group.



Stefan Widing

Born 1977. President and CEO, Sandvik AB, since 2020.

Education and business

experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. Various positions within Assa Abloy 2006–2020, including Executive Vice President HID Global division. Various positions within Saab 2001–2006. **Current board assignments:** Board member of Holmen AB, and the Swedish Association of Industrial Employers (Industriarbetsgivarna). **Shareholding in Sandvik (own and closely related persons):** 112,753.



Björn Axelsson

Born 1981. Executive Vice President and Head of Human Resources, Sandvik AB, since February 2025.

Education and business

experience: Executive MBA and Bachelor in Social Science. Vice President HR & EHS of Sandvik Mining and Rock Solutions 2019–2025. Chief Human Resources Officer of Maxon 2018–2019. Vice President HR of RUAG Space 2015–2018. Various positions within Volvo 2000–2015, including HR & EHS Director and HR Business Partner roles. **Current board assignments: – Shareholding in Sandvik (own and closely related persons):** 14,488.



Nadine Crauwels

Born 1971. President of business area Machining since 2020.

Education and business

experience: M.Sc. in Mechanical Engineering. President of Sandvik Coromant 2017–2020. Various other positions within Sandvik Coromant since 2000, including Vice President Customized Solutions and Strategic Relations, and Sandvik Coromant Manager Switzerland. Project Engineer and Consultant for the metal cutting industry at WTCM (today Sirris) 1995–2000. **Current board assignments:** Board member of Alfa Laval AB. **Shareholding in Sandvik (own and closely related persons):** 8,534.



Mats Eriksson

Born 1962. President of business area Mining since 2022.

Education and business

experience: B.Sc. in Computer Science. President of the Load and Haul division 2016–2022. President and CEO of Cencorp Oyj 2010–2012 and Salcomp Oyj 1998–2006 as well as leading positions for several other companies. **Current board assignments:** Board member of the Technology Industry Employers of Finland, and Svemin. **Shareholding in Sandvik (own and closely related persons):** 17,374.



Cecilia Felton

Born 1984. Executive Vice President and Chief Financial Officer, Sandvik AB, since 2022.

Education and business

experience: B.Sc. Environmental Policy with Economics. Various positions within Sandvik since 2013, including acting Chief Financial Officer, Vice President Group Control and Director Group M&A and Investments, and Director Group Business Control. Various positions within Ernst & Young, Operational Transaction Services, London, 2007–2013.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 9,396.



Richard Harris

Born 1970. President of business area Rock Processing since 2022.

Education and business

experience: Bachelor of Engineering and Chartered Engineer. Various positions within Sandvik since 2002, including President of the Walter division 2019–2022, President of the Wolfram division 2016–2019, and different Supply and Production Director roles. Various positions within manufacturing companies, including Production Manager at Land Rover and Plant Manager at Keiper UK Ltd.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 6,804.



Johanna Kreft

Born 1976. Executive Vice President and General Counsel, Sandvik AB, since October 2025.

Education and business

experience: Master of Laws (LL.M.). EVP and General Counsel, Alleima AB, 2022–2025. Various positions at Sandvik 2007–2022 including Business Area General Counsel Sandvik Materials Technology. Associate at Ahlford Advokatbyrå 2004–2007. Associate at Michelson & Werner Advokatbyrå 2000–2004.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 1,771.



Mattias Nilsson

Born 1972. President of business area Intelligent Manufacturing since 2023.

Education and business

experience: B.Sc. in Business Administration, Finance and Accounting. Various positions within Sandvik since 2007, including Vice President Offer Management and R&D at Sandvik Coromant 2021–2023.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 7,253.



Björn Roodzant

Born 1969. Executive Vice President and Head of Group Communications and Sustainability, Sandvik AB, since 2023.

Education and business

experience: M.Sc. in Economics, Strategy and Marketing. Various positions within Sandvik since 2004, including Vice President Marketing and Communications at Sandvik Coromant.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 7,567.



Sofia Sirvell

Born 1974. Executive Vice President and Chief Digital Officer, Sandvik AB, since 2023.

Education and business

experience: M.Sc. in Industrial Engineering. Various positions within H&M 2006–2021 including Deputy Chief Technical Officer 2020–2021 and Head of Strategy IT 2019–2020.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 4,608.

Changes in the Group Executive Management

Johan Kerstell, Head of Human Resources, left the company in February 2025 and was succeeded by Björn Axelsson.

Åsa Thunman, General Counsel, left Sandvik in May 2025 and was succeeded by Johanna Kreft in October 2025.

As of 2026, business area Machining and Intelligent Manufacturing was separated in two: business area Machining and business area Intelligent Manufacturing.

Risk management

The Sandvik risk management process aims to support our business in managing and mitigating critical risks which may impact our ability to achieve our financial targets and strategic objectives. These risks can be driven by external factors where our ability to influence them is limited and risk mitigation is therefore focused on agility and adaptability. Other risks can be more directly within our own control.

ERM – a part of our strategic work

To effectively identify and manage risk is an important element of business success for all parts of Sandvik.

To support the day-to-day risk management in the operations, Sandvik has an Enterprise Risk Management (ERM) program that covers all business areas, divisions, and functions within the Group. The Sandvik Board of Directors is ultimately responsible for the governance of risk management and the Sandvik Group Executive Management ensures there is a common and efficient process in place. All management teams are responsible for their own risk management. The teams must follow the minimum requirements outlined in The Sandvik Way, which requires reviewing the strategic and operational risks at least annually. The ERM methodology is also used as a tool for decision-making, operationally and within projects, as well as in the strategy process in various levels of the Group.

Sandvik Group risk profile and key risks

The Sandvik Group risk profile is based on the bottom-up ERM process where the divisions, business areas and functions first make their assessment and the Group Risk Management Network then makes recommendations for a new Group risk profile based on the outcome of these assessments.

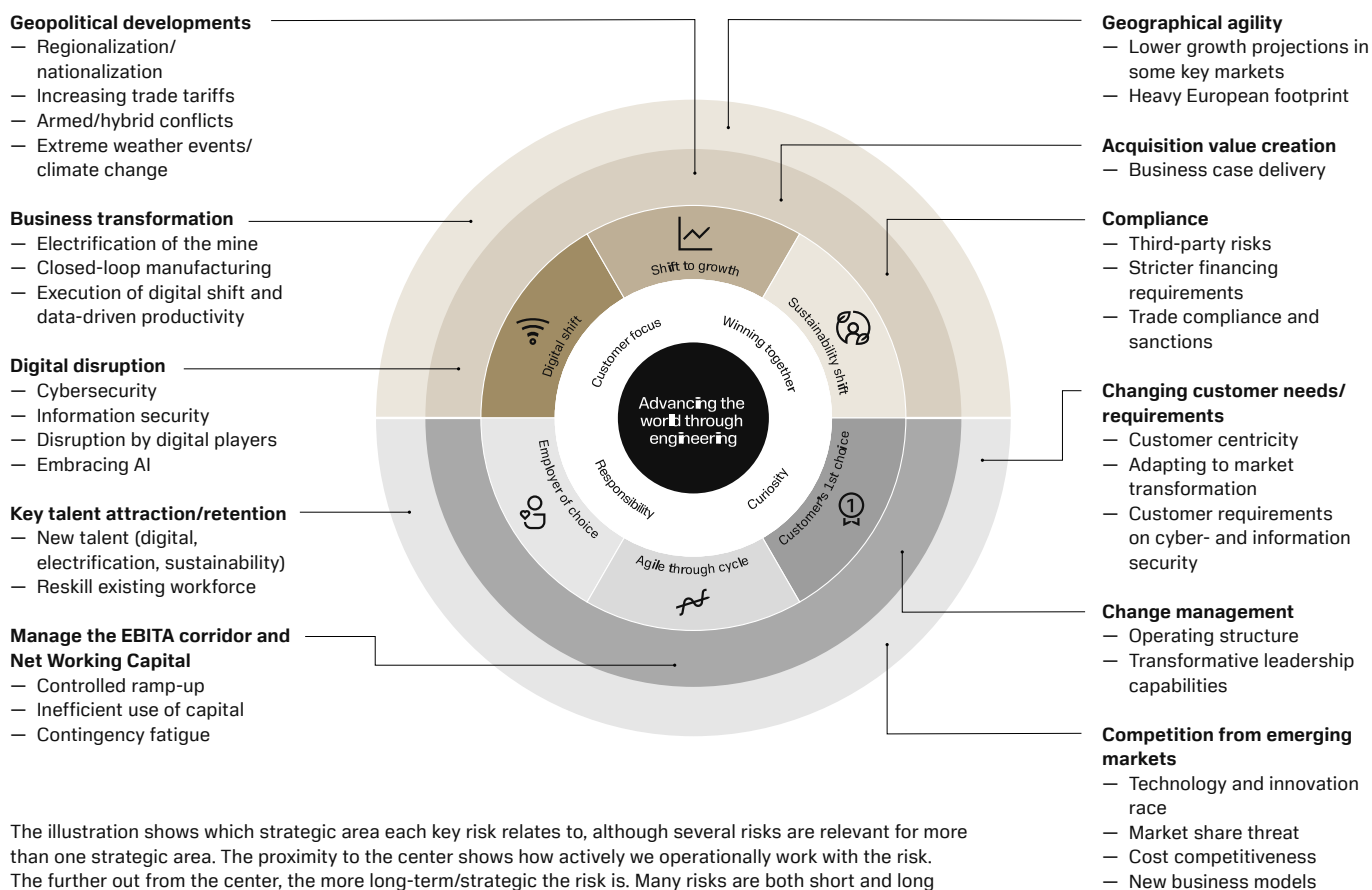
The ERM process is complemented with a strategic analysis by the Group Executive Management to more specifically identify key risk areas that are tied to our ability to execute on our Group strategy. The purpose is to get a focused and concrete risk landscape for the Group to enable good follow-up of the different risk-mitigating activities in relation to the strategic goals.

The Sandvik Key Risks map details the individual risks we are actively addressing to achieve long-term success and strategy fulfillment and is presented on page 49. When we deliver on our strategic targets, many of the risks will be fully mitigated. The map is coupled with a follow-up model for tracking the different initiatives that lead to better risk mitigation, which the Group Executive Management team reviews and discusses regularly. This creates a more dynamic and strategically relevant risk management discussion at the highest levels of the company. The outcome of the strategic analysis is presented in the table on page 50.

An ERM report, summarizing key risks and mitigating activities across our business, was provided to the Sandvik Audit Committee and Board of Directors in December 2025. The Board of Directors' and the Audit Committee's involvement in the risk management process is further described on pages 40–41.

Insurance as a risk management tool

Sandvik has tailored insurance programs that transfer the risks associated with, amongst others, the Group's property, cargo, and liability exposures. Insurable risks are continuously evaluated, and actions are taken to reduce these risks as part of the Sandvik loss-prevention strategy. Supported by our loss-prevention procedure and guidelines, risk evaluations highlight opportunities to reduce the potential for business interruption and to ensure the Group's ability to deliver to its customers. To ensure cost efficient and tailored insurance solutions, selected risks are reinsured through the Group's captive insurance company.



Business continuity and crisis management

The Global Risk Management Policy and related procedures for business continuity and crisis management outline what local management teams must do to ensure they can respond to disruptive events and continue their business operations on an acceptable level when faced with challenges. Once a risk materializes, our crisis and business continuity management priorities are to minimize harm to people and the environment, and to minimize damage to the Sandvik business, as well as ensuring a swift return to normal activities and safeguarding the company brands.

Internal audit and internal control as part of Sandvik risk management

The internal audit function regularly follows up on the implementation of different risk management programs such as ERM, business continuity, crisis management and the insurance programs. Sandvik applies group-wide internal controls to monitor risk mitigations. Read more about the internal controls program at Sandvik on page 43.

Sustainability and climate change

Assessment and management of sustainability risks are integrated parts of the ERM- and property loss prevention programs and are set out in the Sandvik Key Risks map and Risk Profiles in different parts of the organization. Sandvik has assessed current and future natural and climate change-related hazards for our locations covering 130 individual sites and more than 90 percent of the overall Total Insured Value (TIV).

The assessment reflects the current situation, and models the evolution of natural hazards under different climate change scenarios and at different future time horizons.

The goals of the assessment are to provide an overview of the physical climate risks facing the portfolio of sites at different time horizons and under different climate change scenarios, and to establish a ranking of locations from high to low climate risk based on climate data and insured values. The assessment is used to support in the identification and prioritization of management actions within the loss prevention program, which may include in-depth assessments of sites and investments in resilience measures, as upcoming steps in the Sandvik climate resilience journey.

Strategic objective	Key risk	What this means	Examples of what do we do (mitigation)
Shift to growth	Geopolitical development	<ul style="list-style-type: none"> – Regionalization/nationalization – Increasing trade tariffs – Armed/hybrid conflicts – Extreme weather events/climate change 	<ul style="list-style-type: none"> – Tariff mitigation plans from all business areas – Property loss prevention and environmental resilience review
	Geographical agility	<ul style="list-style-type: none"> – Lower growth projections in some key markets – Heavy European footprint 	<ul style="list-style-type: none"> – Footprint optimization – Regional growth strategy and segments
	Acquisition value creation	<ul style="list-style-type: none"> – Business case delivery 	<ul style="list-style-type: none"> – Capital allocation
	Business transformation	<ul style="list-style-type: none"> – Electrification of the mine – Closed-loop manufacturing – Execution of digital shift and data driven productivity 	<ul style="list-style-type: none"> – Business area M&A and partnership strategies – Six moves/digital strategy
Digital shift	Digital disruption	<ul style="list-style-type: none"> – Cybersecurity – Information security – Disruption by digital players – Embracing AI 	<ul style="list-style-type: none"> – Cybersecurity improvement program – Implementation of NIS2 EU directive – Data management projects – Establishing Intelligent Manufacturing – Execution of Digital Mining and digital offering – AI adoption plans for all parts of the business
Sustainability shift	Compliance	<ul style="list-style-type: none"> – Third-party risks – Stricter financing requirements – Trade compliance and sanctions 	<ul style="list-style-type: none"> – Intermediary management program – Update digital tools for third parties – Compliance digital improvement project
Agile through cycle	Managing the EBITA corridor and Net Working Capital	<ul style="list-style-type: none"> – Controlled ramp-up – Inefficient use of capital – Contingency fatigue 	<ul style="list-style-type: none"> – Restructuring projects – Contingency plans, four phases, performance management – Pricing initiatives and follow-up, incl. mitigating tariffs and weaker USD – Inventory management projects in all business areas and divisions – Actions on employee engagement
Customer's 1st choice	Changing customer needs/requirements	<ul style="list-style-type: none"> – Customer centricity – Adapting to market transformation – Customer requirements on cyber- and information security 	<ul style="list-style-type: none"> – Cybersecurity improvement program/NIS2 implementation
	Change management	<ul style="list-style-type: none"> – Operating structure – Transformative leadership capabilities 	<ul style="list-style-type: none"> – Leadership education for change
	Competition from emerging markets	<ul style="list-style-type: none"> – Technology and innovation race – Market share threat – Cost competitiveness – New business models 	<ul style="list-style-type: none"> – Keep improving productivity and safety to demonstrate the value proposition – Clear M&A strategies and pipelines – Develop execution capability and speed
Employer of Choice	Key talent attraction /retention	<ul style="list-style-type: none"> – New talent (digital, electrification, sustainability) – Reskill existing workforce 	<ul style="list-style-type: none"> – Business areas, divisions and Group functions have competency plans in place – Group common employer branding initiatives targeting new competence areas