

Modern slavery statement 2024



Protecting
human rights



Acknowledgement of Country

Sandvik acknowledges the ancestral lands of Australia's First Nations people, as well as First Nations enduring connection to the land, sea, and sky. Sandvik pay respects to Elders past, present, and emerging, and honours the diverse languages, customs, and traditions that enrich First Nations culture. Sandvik recognize the sacredness of the land and its significance to all who inhabit it and acknowledges the profound relationship between First Nations peoples and their ancestral lands, which shapes First Nations identity and culture. Sandvik are committed to acknowledging and preserving the stories, traditions, and living cultures of First Nations peoples.

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About this statement

At Sandvik we have a long history of ethical and responsible business conduct. We recognize that safeguarding human rights across our companies, operations and supply chain is an area of great importance to our employees, customers, suppliers, shareholders, and the communities where we operate. Sandvik Group have a zero-tolerance approach to the abuse of human rights and will continue to take steps to identify, report, address and ultimately eliminate any exploitation of vulnerable people whom we may be involved, directly or indirectly here in Australia or overseas.

The statement is made pursuant to section 14 of the Australian Government's Modern Slavery Act 2018 (the Act) and covers the 2023 calendar year. Modern Slavery describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom.

Practices that constitute Modern Slavery can include:

- Human trafficking
- Slavery
- Servitude
- Forced labour
- Debt bondage
- Forced marriage, and
- The worst forms of child labour

Modern Slavery is a term used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers, although these practices are also harmful and may be present in some situations of Modern Slavery.

This document is Sandvik's fifth Modern Slavery Statement and sets out the information required by the Act and describes the risks of Modern Slavery in our business and supply chain, our responses to those risks and how we evaluate the effectiveness of our management responses. Our Modern Slavery Statement is made in line with our Code of Conduct, which describes the principles of behaviour that all our employees aspire to and provides us with practical guidance in our actions and everyday business decisions.

Sandvik Australia takes its obligation to address Modern Slavery seriously. The business adheres to the Sandvik Group's Global Code of Conduct and pursuant to this undertakes to comply with the strictest legal and moral standards in the conduct of its operations.

** This statement has been prepared by Sandvik Mining and Construction Australia Pty Ltd (ABN 62 003 771 382) and also includes details of the operations of Sandvik Mining and Construction Pty Ltd's related entities operating in Australia, which include Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd (ABN 14 008 640 908), Sandvik Australia Pty Ltd (ABN 22 000 362 210), Deswik Mining Consultants (Australia) Pty Ltd (ABN 28 130 036 832), DSI Underground Australia Pty Ltd (ABN 84 093 424 349), NTX Australia Pty Ltd (ABN 30 611 342 913), Seco Tools Australia Pty Limited (ABN 28 003 337 442), SMC Logistics Limited (ABN 34 067 173 747), Terelion (Australia) Pty Ltd (ABN 24 088 141 217), Tricon Drilling Solutions Pty Ltd (ABN 64 060 295 696), Fero Group Pty Ltd (ABN 44 009 073 572), Fero Group (Queensland) Pty Ltd (ABN 62 124 166 105), Fero Reinforcing Pty Ltd (ABN 14 131 546 631) and Sandvik Financial Services Pty Ltd (ABN 90 161 934 176). In this statement, the terms 'Sandvik Australia', 'Sandvik', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', and 'our'refer to all the above entities.In this statement, the terms 'Sandvik Australia', 'Sandvik', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', and 'our' refer to all the above entities.*



Message from our Director, Wayne Scrivens



Sandvik is dedicated to leveraging engineering and innovation to drive the transition towards a more sustainable business model. By embedding sustainability into our operational framework and practices, we generate value for all stakeholders: customers, employees, shareholders, and society at large.

Our commitment at Sandvik is to uphold the highest standards for people, consistently striving to elevate these benchmarks in alignment with our sustainability objective of zero harm to individuals. We are steadfast in upholding human rights throughout our operations and supply chain, maintaining a zero-tolerance stance towards any form of human rights violations. It is our duty to always act ethically, safeguarding the rights of workers.

Sandvik prioritizes sustainable procurement methods aimed at minimizing adverse social and environmental impacts while enhancing the sustainability performance of our suppliers. This approach not only benefits our business and customers but also contributes positively to society.

We place great importance on collaborating with suppliers who share and embrace our sustainability principles, including those related to human rights, environmental protection, labor practices, anti-corruption measures,

material circularity, and carbon footprint reduction. These requirements form part of our 2030 Sustainability Goals and are clearly articulated in our Supplier Code of Conduct, which underwent revision in 2024.

The issue of Modern Slavery remains a persistent challenge, necessitating ongoing efforts to mitigate the risks associated with supporting such practices and contribute to their eradication. To address these risks, we remain committed to ensuring compliance with national legislation and internationally recognized human rights standards and regulations.

Sandvik Australia has a range of initiatives and activities planned for the period through to December 2024, to identity, prevent and mitigate adverse human rights impacts. These include but are not limited to:

- Develop 2024 anti-slavery objectives.
- Continue integration of the Sandvik Supplier Evaluation Procedure (SSEP).
- Further integration of the Sandvik Way for acquired businesses in The Sandvik Way of Working.
- Continuation of reviews, categorization, and identification of supplier base incoming from acquired businesses.

- Extend EcoVadis desktop and physical auditing of identified at-risk suppliers against the Sandvik Supplier Code of Conduct.
- Continue to Develop KPIs for compliance by suppliers
- Monitor completion of internal compulsory Modern Slavery training programs and procedures for employees.
- Continue Supplier engagement to raise awareness of Modern Slavery risks.
- Develop and complete digital supplier evaluation of top 80% of Sandvik total spend.
- Continue to work with suppliers to remedy any potential findings and incorporate human rights considerations into contractual provisions (where relevant).

More information on Sandvik’s approach to human rights and slavery can be found at www.sandvik.com. This Statement was approved by respective Boards of the Sandvik Australia entities by 30th June 2024.

Wayne Scrivens

Wayne Scrivens, Director
Sandvik Mining and Construction
Australia Pty Ltd

“We place great importance on collaborating with suppliers who share and embrace our sustainability principles, including those related to human rights, environmental protection, labor practices, anti-corruption measures, material circularity, and carbon footprint reduction” - Wayne Scrivens, Director



Who we are

2,200* employees

Includes DSI, Sandvik Rock Processing, and Deswik, Logistics

\$1.5 billion

Annual turnover

Geography

35 sites across Australia



Sandvik Australia overview

Sandvik is a global, high-tech engineering group providing solutions that enhance productivity, profitability and sustainability for the manufacturing, mining and infrastructure industries. Our offerings cover the entire customer value chain and are based on extensive investments in research and development, customer insights and deep knowledge of industrial processes and digital solutions.

We have world-leading positions in the following areas:

- Equipment and tools, service, digital solutions and sustainability-driving technologies for the mining and infrastructure industries, such as automated and electric mining equipment and eco-efficient rock processing.
- Metal-cutting tools, tooling systems and digital solutions driving higher efficiency and automation in component manufacturing, as well as industrial metrology technologies, additive manufacturing services and metal powder.

In 2023, the group had approximately 41,000 employees, sales in 170 countries and revenues of about SEK 127 billion.

As a successful supplier of equipment, tools, and technical solutions, Sandvik Australia has connections with hundreds of suppliers, partners, and subcontractors in a range of countries. The complex nature of these interactions means a variety of different measures are required to identify and eliminate possible inputs tainted by Modern Slavery.

Customer segments



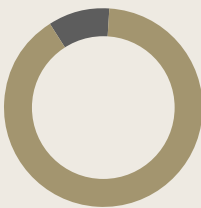
- Gold
- Electrification metals 1
- Other 2
- Bulk

1: Electrification metals: Nickel, Copper, Zinc, Lithium, Cobalt. 2: Other: Diamonds, other metals, other minerals.

Product offerings



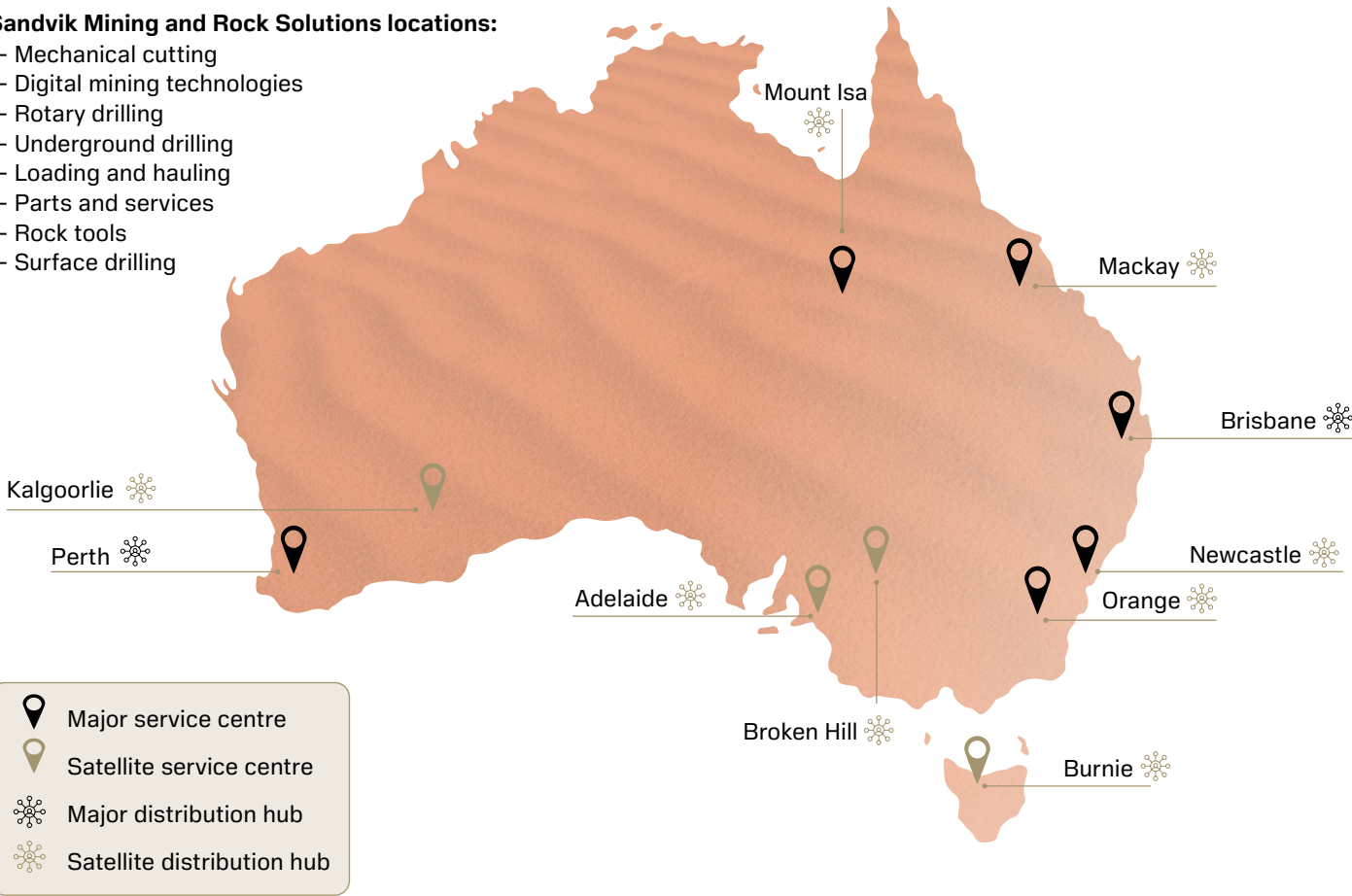
- Aftermarket
- Equipment



- Mining
- Infrastructure

Sandvik Mining and Rock Solutions locations:

- Mechanical cutting
- Digital mining technologies
- Rotary drilling
- Underground drilling
- Loading and hauling
- Parts and services
- Rock tools
- Surface drilling





Corporate governance – The Sandvik Way

Our approach to combating Modern Slavery relies upon a strong company strategy, excellent culture and awareness, effective governance tools, a clear sustainability agenda, and mechanisms for assessing potential exposure and for addressing its impacts.

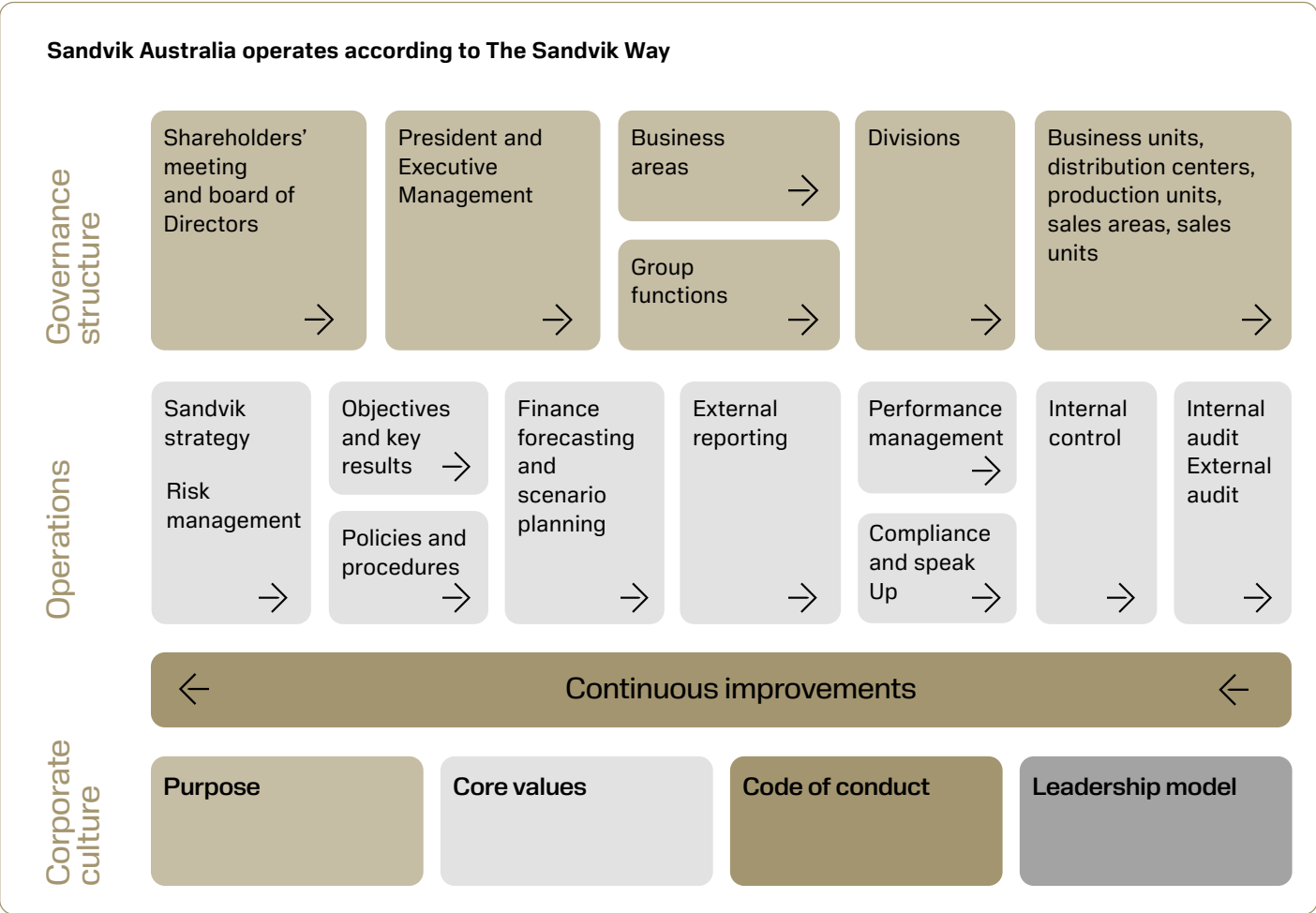
Sandvik’s corporate governance framework, The Sandvik Way, implements the external rules previously mentioned and sets out the internal rules and principles for governance that apply specifically within Sandvik. It is based on three segments, as set forth in the model below, and describes how common ways of working have been implemented throughout the entire organization.

Governance structure

- Shareholders’ Meeting and Board of Directors
- President and Executive Management
- Business areas, Group functions
- Divisions
- Business units, distribution centers, production units, sales areas, sales units

This section outlines how the Sandvik Group is led and governed. The Board of Directors, 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 is implemented in the respective business areas, with additional requirements cascaded down in the operational structure of each business area.



International framework adoption

Sandvik supports the UN 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, in which we participate. We are committed to adhering to these principles as well as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and expect the same from our suppliers. Sandvik’s business strategy, business model and the 2030 Sustainability Goals form the basis for the company’s sustainable business governance. Relevant goals are set to address material areas and efficiently manage related risks and opportunities. Policies and management systems have been set to ensure financial, environmental, and social compliance.

Code of Conduct

The Sandvik Code of Conduct is a cornerstone for our company. 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, in which we participate. The Code of Conduct is a vital component in The Sandvik Way governance model, which encompasses common steering documents and processes, such as our policies and procedures. As part of our sustainability strategy, make the sustainability shift, we have a commitment to ensure that all suppliers comply with the Sandvik Supplier code of conduct by 2030. Sustainable supplier management is a prioritized area for Sandvik, as it is essential for us to do business with suppliers that share our commitment for strong social, environmental, and economic performance. The business relations with our suppliers must be based on honesty, as well as trust and cooperation, and we strive to develop transparency around our suppliers’ sustainability performance.

Core values

Customer focus, innovation, fair play, and passion to win are our core values. Our core values represent the culture of the company, and they guide us in our actions and daily business decisions.



Customer focus:

We constantly strive to exceed our customers’ expectations and enable them to excel in their business. We are decentralized and decisions are made close to customers.



Innovation:

We always strive for technology leadership, and successful partnerships. We work to ensure everyday advancements and innovative shifts.



Fair play:

We put health and safety first. We are ethical, compliant and conduct our business sustainably.



Passion to win:

We establish our market leadership through strong performance management, continuous improvements, and empowered people. We are passionate about making our company number one.

Our Sustainability Goals 2030 take a holistic approach that includes customers, suppliers, and our own operations in its scope. Sandvik is committed to the UN Sustainable Development Goals (SDGs) and our Sustainability Goals 2030 reflect the SDGs identified as most relevant to our organisation so that we can maintain the focus in these key areas.

In 2022, the Board of Directors approved a new Sustainability policy and the targets for Science Based Targets initiative validation. During the year the Communication and Sustainability function reported progress and informed the Audit Committee on relevant sustainability topics. The Audit Committee and the Board of Directors have informed themselves and further discussed related topics, such as the Science Based Target Initiative (SBTi) and Corporate Sustainability Reporting Directive (CSRD).

We reported regularly on sustainability KPIs in our interim reports to ensure we are on track to achieve our goals.

The goal areas have also been included in the business area review process, and across the organization all divisions have developed roadmaps to achieve the goals in their most relevant areas. We have a team responsible for ensuring that sustainable supplier management is integrated into the daily purchasing procedures and performance management of the organization.

We are proud of the significant contribution Sandvik makes to our Customers sustainability achievements, through the applications, products and services Sandvik provides to them. For example our main contribution to sustainability is through our products and solutions. For example, our electrically powered mining equipment and highly efficient and precise drills help our customers improve their productivity and work environment, while reducing waste, energy, and emissions. We also contribute to medical improvements and improved quality of life with, for example, our ultra-fine medical wire for devices such as pacemakers and hearing implants.

Science Based Target Initiative (SBTi)

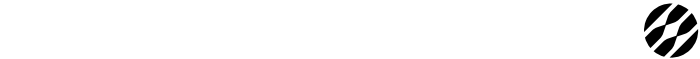
Sandvik has committed to set targets in line with the SBTi, consistent with the Paris Agreement. This is a natural step in Sandvik’s sustainable business strategy, where we can make a big difference through our customer offerings, such as battery-electric mining equipment, productivity-enhancing manufacturing and machining solutions, and energy-efficient rock processing solutions.

Sandvik already has ambitious sustainability targets for 2030 where we have committed to reach a 50 percent reduction of greenhouse gas emissions. By joining the SBTi, Sandvik will seek to get its sustainability targets validated against science-based criteria.

Sandvik’s Science Based Targets include:

- Sandvik Group commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2019 base year.
- Sandvik Group commits to reduce absolute scope 1 and 2 GHG emissions with 50% by 2030 from a 2019 base year.*
- Sandvik Group also commits to reduce absolute scope 3 GHG emissions with 30% by 2030 from a 2019 base year.
- Sandvik Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2019 base year.*
- Sandvik Group also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2019 base year.

Sustainability goals 2030



United Nations sustainable development goals

We have identified seven SDGs that we see as most relevant to our organisation, so that we can maintain focus on these key areas.

SDG	Goal	Description
 3 GOOD HEALTH AND WELL-BEING	SDG 3	Good health and well being
 5 GENDER EQUALITY	SDG 5	Gender equality
 7 AFFORDABLE AND CLEAN ENERGY	SDG 7	Clean Energy
 8 DECENT WORK AND ECONOMIC GROWTH	SDG 8	Decent work
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	SDG 9	Industry innovation
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12	Responsible production
 13 CLIMATE ACTION	SDG 13	Climate action



Our structure, operations and supply chain



Sandvik Australia aims to set the industry standard, and items on its strategic agenda that are compatible with anti-slavery work include ‘accountability’ and ‘a culture of doing things right’.

At the operational level, measures are established to reduce potential exposure to Modern Slavery. The mandatory distribution and enforcement of our Supplier Code of Conduct and the support of a Sustainable Supplier Management are two of these measures. Sandvik Australia also assesses potential suppliers commitment to auditing working conditions, and performance in addressing Modern Slavery.

Company culture is one of the first lines of defence against Modern Slavery. Sandvik Australia is part of the Swedish multinational engineering company, Sandvik. As such, its vision is to create value for customers, shareholders, employees and other stakeholder through the core values of customer focus, fair play, innovation and passion to win. Sandvik Australia aims to set the industry standard, and items on its strategic agenda that are compatible with anti-slavery work include ‘accountability’ and ‘a culture of doing things right’.

Operational System

The detailed controls and risk frameworks common across the Group are detailed in the operational system - The Sandvik Way. This includes many aspects from planning and forecasting, policies, procedures, and controls to compliance, monitoring and audit. The Sandvik Way represents the day-to-day controls that directly impact the work of our employees.

Sandvik in Australia

Sandvik is a high-tech and global engineering group with a focus on enhancing customer productivity, profitability, safety, and sustainability. While it was founded in Sweden, it now has operations in more than 150 countries. Australia is a key market.



Australia ranked in
Top 5 Sandvik markets





Our supply chains

Sandvik is committed to contributing to sustainable development for present and future generations. This includes identifying, preventing, mitigating, and accounting for adverse environmental, human rights and governance impacts in our own operation and supply chain, and we expect the same commitment from our suppliers.

Sandvik Group’s corporate governance seeks to address the complex risks associated with Modern Slavery within its policies, procedures that all employees are required to observe. Among these, Sandvik’s Whistleblower Policy is designed to identify any deliberate departure from Sandvik’s policies and procedures while the Supplier Code of Conduct (SCoC) sets out the minimum standards Sandvik requires from its Suppliers, and in relation to employment, Sandvik Group shall not tolerate child labour or forced labour. Where any deviation to the SCoC is found to be in existence or a report is made under

the Whistleblower Policy, a proper investigation is required, and remedial action must be undertaken.

In Australia, Sandvik divides its supply chain into two categories: direct and indirect procurement. Direct procurement involves the procurement of goods, material and services directly related to the production of goods and/or services that the business is offering. Indirect procurement, meanwhile, relates to purchases of goods and services required to operate the business.

During 2023 Sandvik in Australia oversaw an active supplier base of oversaw 2700 domestic and international vendors.

Our major international suppliers include vendors based in China, Republic of Korea, Malaysia, Singapore, New Zealand, Japan, Indonesia, USA, United Kingdom, Germany and India.

Where possible, Sandvik buys locally to provide small enterprises with support to build local communities and business opportunities.

All business relations between Sandvik and our suppliers must be based on transparency, trust, and cooperation. It is important for us to partner with suppliers who understand and embrace our sustainability standards.

Responsible sourcing and sustainable supplier management

Responsible Sourcing and Sustainable Supplier Management (SSM) play an important role in the overall Sandvik Sustainability Strategy. We are committed to sustainable procurement practices that prevent or mitigate negative social and environmental impacts as well as improve the sustainability performance of our suppliers. Sandvik strives to be at the forefront of supply chain sustainability.

All business relations between Sandvik and our suppliers must be based on transparency, trust, and cooperation. It is important for us to partner with suppliers who understand and embrace our sustainability standards. The standards are about protecting the environment, mitigating climate change, building circularity as well as respecting human and labor rights, and committing to conducting business with high ethical integrity.

Policies and standards

Sandvik’s policies, standards and principles help to ensure that we observe the commitments we make to our stakeholders including suppliers. Responsible sourcing and Sustainable Supplier Management are cornerstone to Sandvik, and as such we have developed a Global Procurement Policy, procurement procedures and supplier onboarding processes, that supports the governance for the Group’s procurement practices, including compliance with our sustainability requirements.

Sandvik’s Supplier Code of Conduct outlines the standards we require suppliers meet, to be part of Sandvik’s sustainable and responsible supply chain. We encourage our suppliers to strive towards continual improvement. Accepting and complying with the Supplier Code is a prerequisite for doing business with Sandvik, and a basis for ensuring sustainable governance and due diligence.



Sandvik’s first Supplier Code of Conduct was released in 2008 and since then we have had 3 major revisions to reflect changes in the world around us, new legislation etc.

In addition to the Supplier Code, we adhere to the Sandvik Supplier Sustainability Evaluation Procedure. This procedure supports us in our work to identify, prevent, mitigate, and account for adverse environmental, human rights and governance impacts from our supply chain, and outlines the rules for evaluating and approving a supplier as compliant with the Sandvik Supplier Code of Conduct to qualify as a Sandvik supplier



Supplier code of conduct

The Sandvik Supplier Code requires all our suppliers to not engage in or support the use of any form of forced, compulsory or illegal labour, including trafficking, child labour, prison labour or bonded labour. We also perform audits of identified high risk suppliers. We require that suppliers, contractors, distributors, and agents make every effort to comply with the Supplier Code of Conduct, which is part of the business agreement all suppliers have with Sandvik. To date Sandvik are not aware of any instances of non-compliance.



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We expect our suppliers not only to comply with the Supplier Code, but also, to be open to collaborating with us to contribute to Sandvik's Sustainability Targets:

- We build circularity
- We shift climate
- We champion people
- We play fair

It is the responsibility of the supplier to meet the requirements outlined in the Supplier Code, in their own organization and in their supply chain.

Supplier Code of Conduct Audit

Audits are carried out as per the Supplier Code of Conduct Audit Procedure (under review). Audits are performed by a third-party service provider. Alternatively, the supplier can provide an audit report covering a similar content to the Supplier Code, performed by a third party approved by Sandvik within 12 months, where no breach of Sandvik zero tolerance criteria was identified. On site audit is a form of compliance check, set to ensure that Sandvik does not cooperate with suppliers where there is evidence of violation of the zero tolerance requirements. Zero tolerance requirements are the minimum levels that the supplier must comply with and best practice is that the supplier should be provided with an opportunity to remediate the non-compliance within a reasonable timeframe agreed with Sandvik, and it needs corrective action immediately.

Zero tolerances requirements are as follows. Human and labor rights.

Evidence of:

- Child labor.
- Discrimination, harassment, or inhumane treatment.
- Forced labor/modern slavery.
- Local freedom of association legislation not respected.
- Legal minimum wage not paid.
- Employees are not entitled to legal weekly rest.
- Poor/absent Health and Safety.
- Evidence of buildings not designed, constructed, maintained, and modified in a way that ensures that building and fire safety is ensured. Not all buildings are suitable for their purpose. This includes dormitories when applicable.
- Evidence of employees exposed to extreme occupational health and safety risk.
- Responsible sourcing of minerals and metals.
- Evidence of raw materials supply supporting conflict.
- Refusal to provide the evidence of being listed as or sourcing from a smelter that is listed as conflict-free.
- Business ethics.
- Evidence of bribery or corruption.
- Environmental breaches/pollution events.
- Evidence of extreme risk of negative environmental impact.
- Supply chain management.
- Evidence that Supplier Code requirements are not communicated and implemented to sub suppliers on which the delivery to Sandvik depends.

Monitoring

- No access to premises (except from agreed restricted areas), not allowing the conduct of employee interviews, not sharing documents and records relevant for the audit.
- Supplier provides deliberately altered information/documents to influence Sandvik's approval decision, for example fake documents or double bookkeeping.
- Non-compliances not accepted, Corrective Action Plans (CAP) not implemented. or supplier has not taken any action towards improving within one year from the date of audit.



Supplier due diligence and risk management

At Sandvik, we will not risk cooperating with suppliers non-compliant to our Supplier Code of Conduct. Sustainability risk screening, and risks of violation of the Sandvik Supplier Code is a key area of Sustainable Supplier Management at Sandvik. To ensure this, we have chosen EcoVadis, a global sustainability rating company, to help us evaluate how well our suppliers comply with our Supplier Code of Conduct. Risk screening is a continuous process and is carried out in the IQ tool and Sandvik is informed of any changes in the risk. Suppliers in EcoVadis (or equivalent) ratings platform are requested to annually

re-assess and Sandvik is informed of changes in their risk level. Risk rating is based on the supplier’s inherent country and category risks, spend classification and supplier criticality for Sandvik. The criticality aspect is provided by Sandvik sourcing. As per the Supplier Code of Conduct Audit Procedure, high-risk supplier audits should be carried out periodically. By signing the Supplier Code, the supplier gives Sandvik the right to perform social compliance audits. We use a third-party service provider for our audit program, Arche Advisors. During 2023 Sandvik Supplier Code

of Conduct acceptance was mandatory for all new vendors being onboarded into ERP systems. Additionally formal requests were submitted to historical vendors for SSCoC acceptance. In total <400 new and historical suppliers formally agreed to SSCoC. Engaging our suppliers and supporting the implementation of specific corrective actions is critical and part of our SSM ecosystem and due diligence procedures. Measuring this progress and reporting on it is how we demonstrate continuous improvement. Demonstration of positive change instills trust in key stakeholders.

In some countries where we operate there are risks of human rights violations. Our Group-wide Code of Conduct and Supplier Code of Conduct provide guidance in identifying, preventing, and mitigating these risks. To mitigate these risks, we continuously work to ensure compliance with national legislation and internationally agreed human rights standards and regulations. We regularly evaluate our standards and procedures for identifying, preventing, and mitigating adverse human rights impacts in the Group’s operations and value chain, as well as to enhance positive impacts. Human rights are integrated into the sustainability program in different ways, for example, in our Sustainable Supplier Management. Forced or slave labour

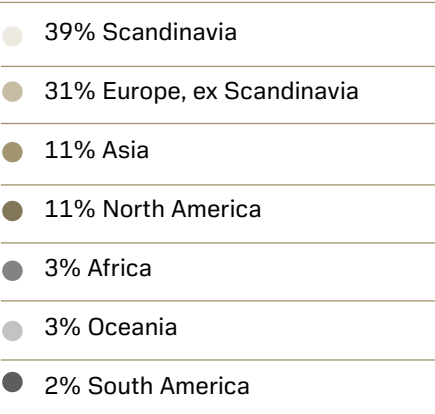
and child labour are strictly forbidden. We also support children’s rights and the right to education through our community involvement programs in Australia. As part of our SSM 2030 roadmap, we plan to perform a gap-analysis with our current due diligence framework and requirements in upcoming EU directive on Corporate Sustainability Due Diligence. Our board of directors recently adopted a Third-Party Management Policy, specifying a framework and minimum requirements for Sandvik’s work with identifying, assessing, and controlling business critical risks arising from Legal and Committed Requirements presented throughout the lifecycle of the relationships with Third Parties. The purpose is to create a system

that enables efficient, coordinated, and proportionate risk management of Legal and Committed Requirements in Third Party relationships. It specifically focuses on high-risk areas and partners, and propose adequate responses, such as enhanced human rights due diligence. We believe in a diverse workforce without any form of discrimination based on gender identity, ethnicity, national origin, age, disability, marital status, or any other characteristics protected by law, nor do we accept any form of harassment or bullying. All employees have the right, if they choose, to join a union and be covered by a collective agreement. Health and safety are key elements in our operations as we believe the right to a safe and healthy workplace is central.

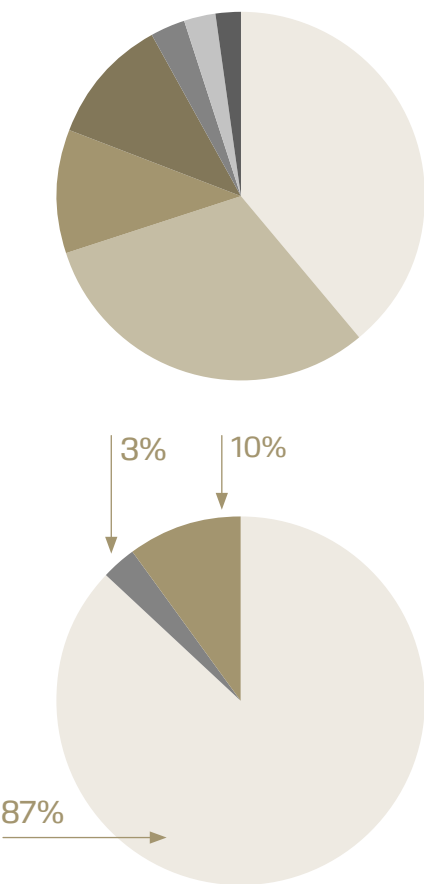
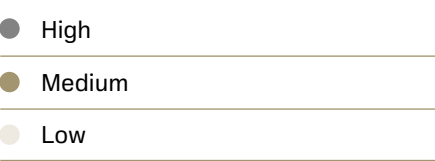
Forced or slave labour and child labour are strictly forbidden. We also support children’s rights and the right to education through our community involvement programs in Australia



Supplier spend by region



Supplier by risk



Supply chain due diligence framework, supported by Ecovadis:



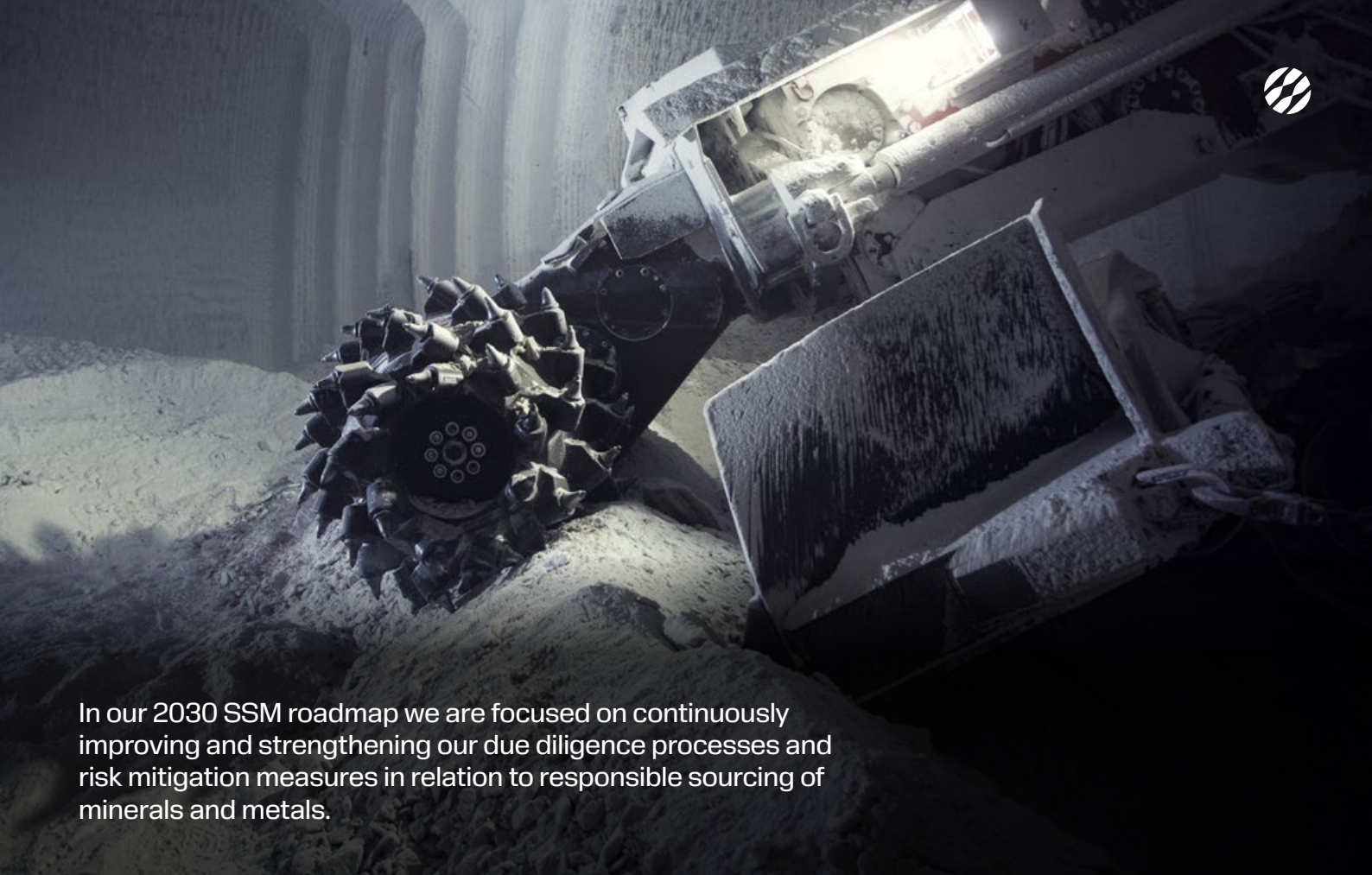
Responsible sourcing of mineral and metals

Sandvik condemns all activities in the raw material sector that are connected to illegal or unlawful exploitation of ores, that directly or indirectly finance, or benefit armed groups in conflict areas, or that contribute to serious human rights violations, including child labour.

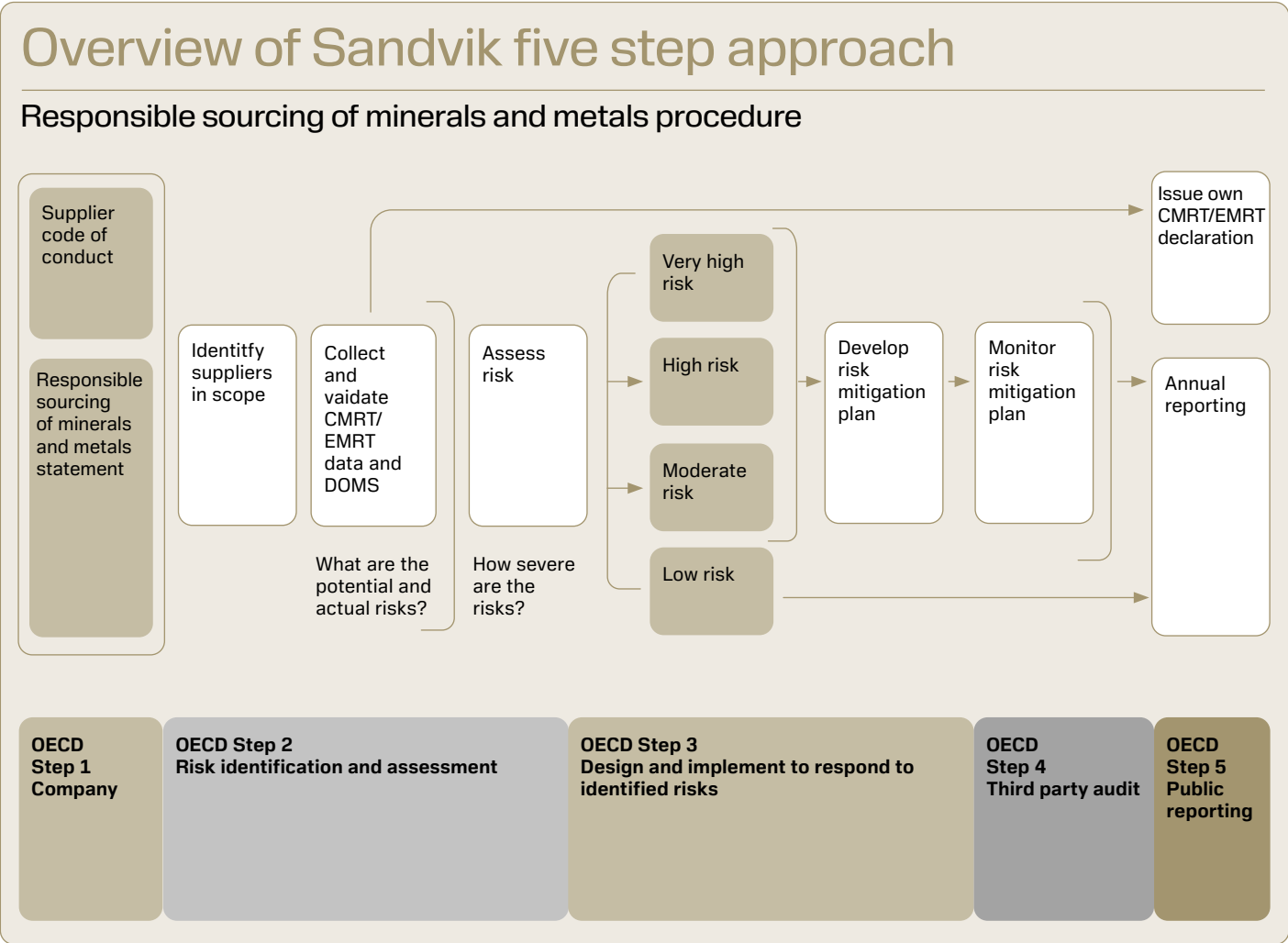
Sandvik takes an active role in industry forums to promote responsible sourcing of minerals, including the ones from conflict-affected and high-risk areas (CAHRAs). Sandvik is directly, or through its subsidiaries, a member of Responsible Minerals Initiative, Cobalt Institute, and the Tungsten Industry – Conflict Minerals Council.

The Supplier Code and Sandvik Statement on Responsible sourcing of minerals and metals reflect our commitment to responsible sourcing of minerals and metals in accordance

with the OECD Due Diligence Guidance. The two documents also cover the sourcing of cobalt. Annually, we perform a reasonable country of origin enquiry to identify smelters and refiners associated with our supply chain, based on the OECD Due Diligence Guidance. Wolfram Bergbau und Hütten AG (WBH), a Sandvik subsidiary based in Austria, operates one of the world's largest tungsten refineries and is listed as a Responsible Mineral Initiative (RMI) Responsible Minerals Assurance Process compliant tungsten facility (RMAP Conformant Tungsten Smelters at responsiblemineralsinitiative.org). WBH has its own Responsible Sourcing Statement, reports annually according to the OECD Step 5 guideline, and undergoes annual third-party assurance assessments.



In our 2030 SSM roadmap we are focused on continuously improving and strengthening our due diligence processes and risk mitigation measures in relation to responsible sourcing of minerals and metals.



Step 1

Establish strong company management systems

Step 2

Identify and assess risks in the supply chain

Step 3

Design and implement a strategy to respond to identified risks

Step 4

Carry out independant third-party assessment

Step 5

Report annually on supply chain due diligence

Case study: conflict minerals

Sandvik recognizes the potential of the production of minerals to bolster development and sustain livelihoods by generating income, growth, and prosperity. However, under certain circumstances mining and trade of minerals may support conflict, and there is a risk of contributing to adverse impacts, including serious human rights abuses.

Sandvik condemns all activities in the raw material sector connected to illegal or unlawful exploitation of minerals and ores. As such, the company fully supports the goals of the Organization for Economic Co-operation and Development (OECD) to avoid the use of raw materials which directly or indirectly finance or benefit armed groups in conflict-affected and high-risk areas. Sandvik takes an active role in industry forums to promote responsible sourcing of minerals.

In August 2012, in response to violations of human rights related to mining of certain minerals from the conflict region in the eastern part of the Democratic Republic of Congo (DRC), the U.S. Securities and Exchange Commission (SEC) approved the Final Conflict Minerals Rule under the Dodd-Frank Act, to implement

reporting and disclosure requirements related to conflict minerals. The SEC defines cassiterite, columbite-tantalite, gold, wolframite, or their derivatives as conflict minerals regardless of whether their production or trade has supported conflict.

Many of Sandvik's products contain these minerals, often as an essential ingredient. Sandvik supports its customers to comply with current legislation and undertakes its due diligence to provide "DRC conflict-free" products and adequate documentation to facilitate reporting under the SEC Rule. All Sandvik suppliers must abide to the Sandvik's Supplier Code of Conduct, which includes requirements for a transparent and conflict-free supply chain.

In addition to these sourcing controls, Sandvik have also recently introduced a carbide recycling program which will further reduce reliance on virgin minerals and thereby reduce modern slavery risk exposure in this area.

For further information on our carbide recycling program please visit <https://www.rocktechnology.sandvik/en/campaigns/rock-tools-recycling-program/>



Transparency and reporting

Our ambition is to create transparency for our customer by enabling them to understand how Sandvik as their supplier manage, mitigate, and prevent sustainability risks. Sustainability risks can pose real challenges but are also manageable, often with concrete solutions.

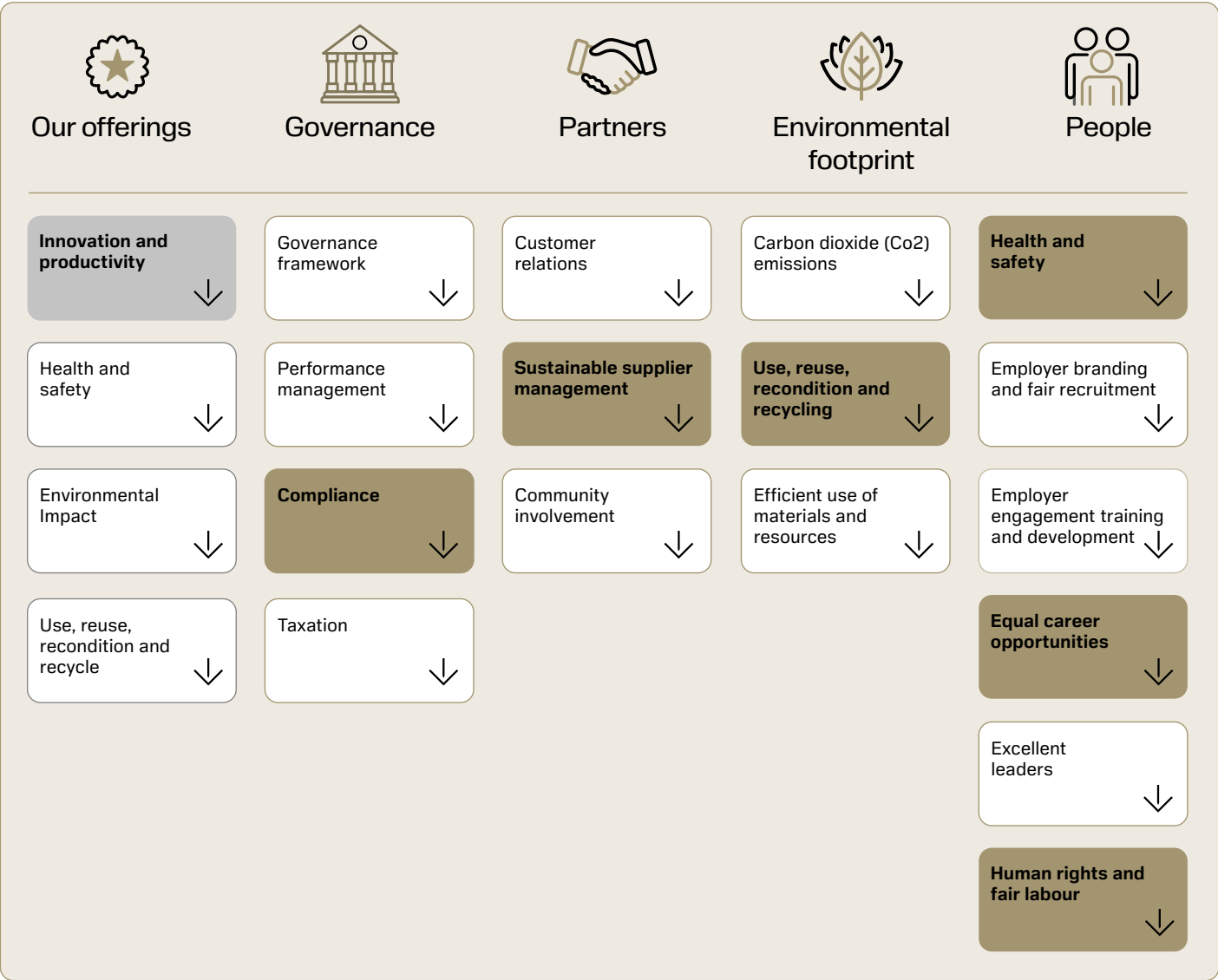
As of 2021, we report according to the Sustainability Accounting Standards Board (SASB) reporting standard for Industrial Goods and Machinery. Sandvik also reports in accordance with TCFD (Task Force on Climate-related Financial Disclosures) and the Global Reporting Initiative, GRI.

Sandvik regularly do a comprehensive sustainability report connected to our annual report. During 2023 we have a project focusing on new reporting requirements stemming from the EU Corporate Sustainability Reporting Directive (CSRD).

Grievance mechanism

Our Code of Conduct details procedures for raising concerns and how to report possible breaches of our Code and our policies or the law. The reporting can be done directly to a Sandvik manager or, as an alternative, through the reporting system Speak Up, hosted by Navex Ethicspoint. The reporting system Speak Up is available on the Sandvik website, or by local telephone lines listed on the Speak Up site, or in our Code of Conduct. Speak Up can also be used to ask questions about our business conduct. All reports received are evaluated and responded to, and investigations are conducted if deemed necessary. Anyone who raises a concern in good faith is fully supported by Sandvik's management.

As part of our Sustainable Supplier Management Roadmap 2030, we aim to increase awareness about our grievance mechanism amongst our suppliers, already accessible through various channels.



Modern slavery risks to Sandvik

The main Modern Slavery risks that Sandvik Australia faces are thought to come indirectly through our supply chain, through both direct and indirect procurement where there is less visibility over our suppliers' supply chains. Through independent research, we have identified the following goods and services within our supply chain as being at higher risk of being subject to modern slavery activity:

- Raw materials procured from higher risk countries
- Electronics
- Cleaning services
- Logistics and transportation
- Labour hire and contract workers
- Security and maintenance services
- Clothing
- Non-production consumables
- Manufacturing/processing waste management services
- Travel and accommodation
- Biofuels
- Technology
- Wear Parts/Consumables





Actions to address our modern slavery risks

Independent audits

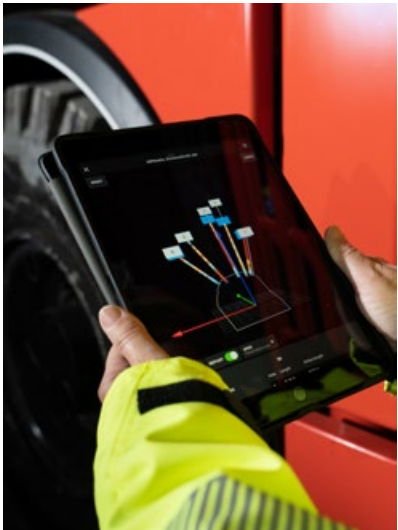
When due diligence processes or monitoring of our suppliers indicates a high-risk of modern slavery, independent audits may be undertaken. If an audit is required, we commission experienced third Party (Ecovadis) audit companies based in the country where the audit is required. High-risk vendors may also be asked to undertake third party audits and provide the findings to Sandvik as a condition of their contract.

Independent audits are valuable and a necessary part of ongoing supplier due diligence. We understand there can be limitation and sensitivities and are committed to working with our vendors to create a transparent and robust process that provides mutual benefit. In 2023, we engaged an independent consultant to undertake audits in line with Sandvik Supplier Code of Conduct.

The objectives of the assessment looked at conditions at supplier operations and its supply chain due diligence processes. Although no incidents of modern slavery were identified, the assessment identified some improvement opportunities in the areas of overtime and fatigue management, as well as enhanced supply chain transparency and due diligence. In 2023, we will continue to work with Ecovadis to implement the recommended improvements.



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Assessing outcomes and effectiveness

Our team at Sandvik continually assess our effectiveness in managing Modern Slavery and human rights risks by tracking our actions and outcomes, partnering with suppliers, undertaking regular internal governance and external assurance processes.

General awareness throughout the organisation includes information for employees to identify aspects which may present modern slavery concerns including (but not limited to):

- Ensuring overtime work is consensual, unless necessary and mandated according to local laws.
- Ensuring employees have the right to leave their accommodation and workplace freely during their leisure time.
- Ensuring employees are not required to surrender original personal certificates or identification documents such as government-issued identification, passports, or work permits as a condition of employment.
- Ensuring no use of unlawful disciplinary practices or financial penalties such as unfair or illegal deductions from wages, withholding of wages, or discontinuing benefits as a disciplinary measure.
- Ensuring that there are no deposits, fees, fines, loans, or repayment agreements preventing employees from leaving their employment upon providing reasonable notice.
- Ensuring that repayment agreements are foreseeable, reasonable, and limited in time.
- Ensuring that migrant workers are treated fairly and on an equal basis with local employees.

The actions proposed for 2024 and their outcomes are as follows:

- Delivering training programs and procedures for employees and suppliers of Sandvik Australia.
- Continued due diligence with Ecovadis to implement recommended improvements.



Consultation within our business and entities

Identification and implementation of actions to assess and manage our Modern Slavery risks continues to involve consultation and engagement across Sandvik.

Examples of consultation in 2023, include:

- Engagement with Sandvik’s Procurement, Legal, Learning & Development, and Sustainability teams on the development of a new eLearning course.
- Executive Management Teams and Board of Directors regularly briefed on Modern Slavery regulatory requirements, risks and feedback received in relation to this Modern Slavery statement.
- Internal and external teams in relation to the modern slavery risks to our local suppliers and how these are being managed.
- Key stakeholders within Sandvik Group to ensure quality and consistency of approach in addressing modern slavery risks.
- All Australian employees with training programs, webinars, and other communications

Training and capacity building

As an organization we recognize the importance of managing human rights risks, including Modern Slavery and human trafficking, in Australia and globally.

Sandvik believes that ongoing awareness of Modern Slavery, and understanding how to identify and address Modern Slavery concerns, are crucial to managing this risk within our organisation.

Sandvik requires that all Australian employees complete online training on the Code of Conduct and acknowledge that they have read and understand the policy. Employees are also required to complete training on evolving areas of compliance on a regular basis. Short training videos, webinars and in-person training sessions are important means of reaching as many employees as possible. Sandvik Australia’s intranet pages have practical guidance in easy-to-understand summaries, Q and A documents, and scenarios on a wide range of topics.

Sandvik Australia continually evaluates its training content in this area to ensure that additional training and reference materials on modern slavery topics are available to employees.

Sandvik Australia communicates to its related entities at regular intervals utilising various channels including, but not limited to, individual and team face-to-face and online meetings, intranet news, webinars, and documentation.



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We value all feedback
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