



OUR MODERN SLAVERY 2023 STATEMENT

HONOURING HUMAN RIGHTS



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 with whom we engage, directly or indirectly here in Australia or overseas.

This statement is made pursuant to section 14 of the Australian Government's Modern Slavery Act 2018 (the Act) and covers the 2022 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 fourth 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 Sandvik's Code of Conduct, which describes the principles of behavior 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), DSI Underground Australia Pty Ltd (ABN 84 093 424 349), NTX Australia Pty Ltd (ABN 30 611 342 913), Seco Tools Pty Ltd (ABN 28 003 337 442), Sandvik Mining and Construction 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 (62 124 166 105), Fero Reinforcing Pty Ltd (ABN 14 131 546 631), Deswik Mining Consultants (Australia) Pty Ltd (ABN 28 130 036 832) 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.+

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SUSTAINABLE BUSINESS ACCOLADES

Sandvik are included in several sustainability indices and support several international principles and commitments. This is important recognition of our efforts in sustainable business. It also shows our customers that we are a sustainable supplier, striving to make them more sustainable too.



MESSAGE FROM OUR DIRECTOR, WAYNE SCRIVENS



Sandvik is committed to using engineering and innovation to make the shift towards a more sustainable business. Integrating sustainability into our business model and ways of working creates value for all stakeholders: customers, employees, shareholders, as well as society. At Sandvik we aspire to the highest standards for people and will continue to raise these standards in line with our sustainability goal: zero harm to people. We are committed to respecting human rights across our business and supply chain and have a zero-tolerance approach to any abuse of human rights. We have a responsibility to ensure we do the right thing always, including safeguarding the rights of workers.

Sandvik is committed to sustainable procurement practices that minimize negative social and environmental impacts, improve the sustainability performance of our suppliers and create value for the business, our customers and society at large.

It is important for us to partner with suppliers who understand and embrace our sustainability standards in areas such as human rights, environment, labor, anti-corruption, circularity of materials and carbon footprint. Our requirements are part of our 2030 Sustainability Goals and are outlined in our Supplier Code of Conduct, which was updated in 2021.

Modern Slavery is a persistent challenge and ongoing efforts are required to reduce the risk of supporting the practice and to help in its eradication. To mitigate these risks, we continuously work to ensure compliance with national legislation and agreed human rights standards and regulations. Sandvik Australia has a range of initiatives and activities planned for the period through to December 2023, to identify, prevent and mitigate adverse human rights impacts. These include but are not limited to:

- Continue anti-slavery work group and develop anti-slavery objectives
- Commence integration of the Sandvik Supplier Evaluation Procedure (SSEP)
- Integrate acquired businesses in The Sandvik Way of Working
- Review, categorize, and identify supplier base incoming from acquired businesses
- Extend 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
- Complete 15 physical comprehensive supplier audits against the terms and conditions of our



Supplier Code of Conduct (completed in the next 12-months)

- Roll out Modern Slavery eLearning to suppliers for completion
- Continue to work with suppliers to remedy any potential findings and incorporate human rights considerations into contractual provisions (where relevant)
- Review and update Sandvik Supplier Code of Conduct highlighting specific reference to Modern Slavery

More information on Sandvik's approach to human rights and slavery can be found at www.sandvik.com. This Statement was approved by the respective Boards of the Sandvik Australia entities by 30th June 2023.

Wayne Scrivens
 Director
 Sandvik Mining and Construction Australia Pty Ltd

WHO WE ARE

Sandvik is a global, high-tech engineering Group with approximately 40,000 employees and sales in more than 150 countries. We have a strong focus on enhancing customer productivity, profitability, and sustainability. Our operations are based on unique expertise in materials technology, extensive knowledge about industrial processes and close customer cooperation. This combination, coupled with continuous investments in research and development (R&D), has enabled us to achieve world-leading positions in the following areas:

- Tools and tooling systems for industrial metal cutting
- Equipment and tools, service and technical solutions for the mining and construction industries
- Advanced stainless steels and special alloys as well as products for industrial heating

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.



VALUE-CREATING OFFERINGS

BUSINESS AREAS

DIVISIONS

SANDVIK MINING AND ROCK SOLUTIONS



A global leading supplier of equipment and tools, parts, service, digital solutions and sustainability-driving technologies for the mining and infrastructure industries.

- Underground Drilling
- Load and Haul
- Surface Drilling
- Rotary Drilling
- Mechanical Cutting
- Rock Tools
- Ground Support
- Digital Mining Technologies
- Parts and Services

SANDVIK ROCK PROCESSING SOLUTIONS



A global market-leading manufacturer of tools and tooling systems for advanced industrial metal cutting. Products are manufactured in cemented carbide and other hard materials such as diamond, cubic boron nitride and special ceramics.

- Stationary Crushing and Screening
- Mobile Crushing and Screening
- Attachment Tools
- Shanbao

SANDVIK MANUFACTURING AND MACHINING SOLUTIONS



A market-leading manufacturer of tools and tooling systems for advanced metal cutting, expanding into digital manufacturing and software solutions, as well as technologies such as additive manufacturing and in-line metrology.

- Sandvik Machining Solutions1)
 - Sandvik Coromant
 - Seco
 - Walter
 - Dormer Pramet
 - Wolfram
- Sandvik Manufacturing Solutions1)
 - Design and Planning Automation
 - Additive Manufacturing

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.

The Sandvik Way

Sandvik Australia operates according to The Sandvik Way. The Sandvik Way is a global governance model created to ensure the highest standards of corporate behaviour.

The Sandvik Way includes a Code of Conduct that expresses zero tolerance for any form of Modern Slavery, including forced, bonded, or compulsory labor, servitude, deceptive recruiting, descent-based slavery, and human trafficking. This refers not only to all work performed involuntarily, but also to instances of coercion, mental and/or physical threat or abuse, abuse of power and deception.

The Sandvik Group's business strategy, business model and the 2030 Sustainability Goals form the

basis for the company's corporate governance. Relevant goals are set to address material areas and efficiently manage related risks and opportunities.

Policies and management systems have been set and embedded in the organization to ensure financial, environmental, and social compliance.

The Sandvik Board of Directors has the overall responsibility for ensuring sustainable corporate governance is deployed within Sandvik, with assurance added by monitoring these activities by the audit Committee.

The Group Executive Management has the overall responsibility for Sandvik's corporate governance strategy and agenda while the business areas

and divisions are responsible for the implementation, management, assessment, and follow-up.

The Communications and Sustainability function is responsible for the coordination within the Group.

Key Performance Indicators

KPI's are consolidated and reported to follow up on goals at Group and business area levels. Each year we evaluate our performance and set targets and focus actions for the coming year. The Sustainability Council is a forum for cooperation and best practice sharing across Sandvik. The Council is comprised of representatives from the business areas and group functions. The Sustainable Business function coordinates the sustainability agenda together with the business areas.



CODE OF CONDUCT AND INTEGRITY

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.

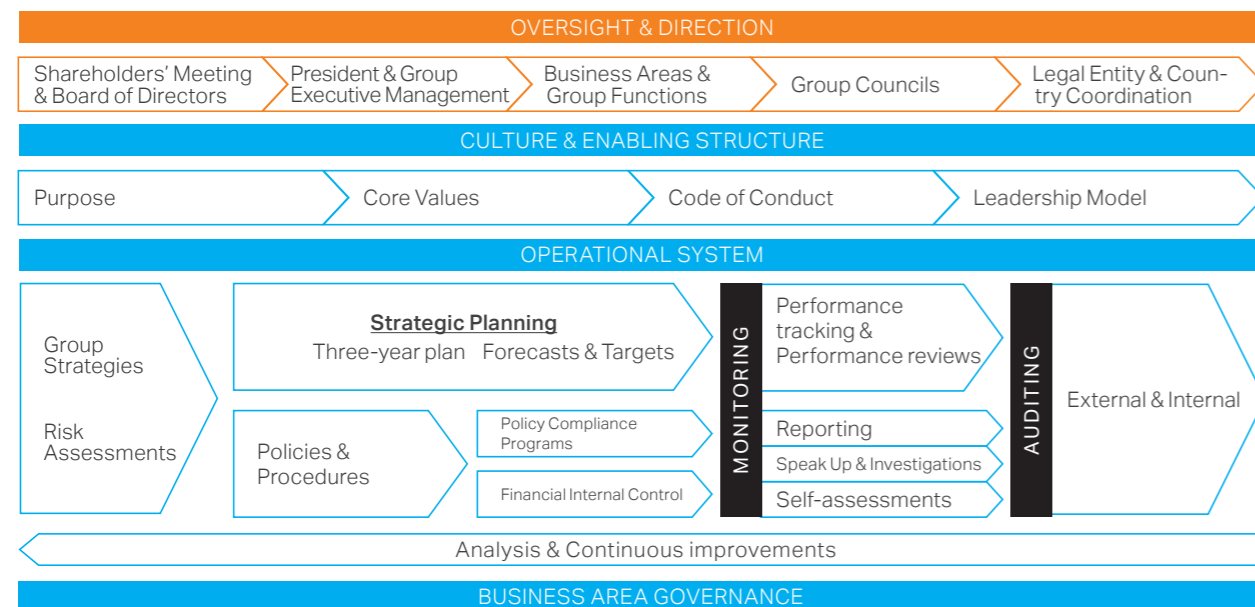
Customer Focus: We constantly strive to exceed our customers' expectations and enable them to excel in their business. We are decentralized and decisions are taken close to customers.

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.

The Sandvik Way



SUSTAINABILITY GOALS 2030

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 2021, 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 purchasing procedures and performance management of the organization. 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 TARGETS 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.



Raising the Bar

Exploring the Science Based Targets initiative's progress in driving ambitious climate action

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



Sandvik is committed to the UN Sustainable Development Goals (SDGs). SDGs identified as most relevant to our organisation so that we can maintain the focus in these key areas.

SDG	Goal	Description
	SDG 3	Good health and well-being
	SDG 5	Gender equality
	SDG 7	Clean energy
	SDG 8	Decent work
	SDG 9	Industry innovation
	SDG 12	Responsible production
	SDG 13	Climate action

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

At the operational level, several mechanisms are in place to reduce potential exposure to Modern Slavery. The distribution and enforcement of a Supplier Code of Conduct and the use of a Sustainable Supplier Management approach are two key tools. Sandvik Australia also assesses potential suppliers, to audit working conditions, and to evaluate its own performance in addressing Modern Slavery.

A strong company strategy

Company culture is one of the first lines of defense against Modern Slavery. Sandvik Australia is a part of the Swedish multinational engineering company, Sandvik. As such, its vision is to create value for customers, shareholders, employees and other stakeholders 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. This includes many aspects from planning and forecasting, policies, procedures and controls to compliance, monitoring and audit. The operational system represents the day-to-day controls that directly impact the work of our employees.



RECENT ACQUISITIONS

Schenck Process Group (SP Mining)

In November 2022, the mining related business of the Schenck Process Group – Schenck Process Mining, was acquired by global, high-tech engineering group Sandvik AB. SP Mining is now part of Sandvik's Rock Processing Solutions business area.

Schenck Process is a global leader in applied measuring & process technologies, making processes work in all areas of industry throughout the world.

SP Mining helps leading mining companies around the world to improve their process reliability, efficiency, accuracy, and safety. We combine over 50 years of mineral processing experience, with outstanding equipment to deliver innovative solutions for screening, feeding, loading and weighing applications. We focus on the needs of our customers and support them throughout the entire lifecycle of their equipment.

Bringing together Sandvik's expertise in crushing with SP Mining's screening, feeding and loading know-how, will allow us to deliver even better digitalisation, sustainability, and productivity to the mineral processing industry.

Deswik

Sandvik also acquired Australian-based Deswik, the leading and fastest growing major provider of mine planning software. Deswik will be part of a newly formed

division Digital Mining Technologies within business area Sandvik Mining and Rock Solutions.

By acquiring Deswik, Sandvik gains a top-tier supplier of integrated software platforms that support digitalization throughout mine planning stages, with more than 10,000 current licenses. Deswik has a high quality customer base, and its strong profitable growth and low customer churn will further enhance Sandvik's presence within software and digitalization, and help accelerate growth.

Polymathian

In November 2022, Sandvik signed an agreement to acquire Polymathian Industrial Mathematics, an advanced optimization software and services company headquartered in Brisbane.

Established in 2013 by its current owners and members of its management team, Polymathian has 50 employees and full year revenues of approximately AUD 13.7 million. Its unique automated decision-making and process optimization offering enables it to benefit from a growing market and high profit margins.

The acquisition of Polymathian complements the Deswik offering.

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 160 countries.

In Australia, Sandvik has over 20 offices, sites and workshops at 15 regional, remote and urban locations.



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 and internal guidelines which are available to all employees. These include Sandvik's Whistleblower Policy and Code of Conduct (SCoC) which all employees must follow. 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.

In 2022, >2200 active suppliers were directly engaged with our Australian operations with a total contestable spend of >600 M AUD. Sandvik's international base suppliers totaled <550.

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

SUSTAINABLE PROCUREMENT

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 and mitigate our negative social and environmental impacts as well as improve the sustainability performance of our suppliers. Our ambition is that all Sandvik procurement professionals strive to be at the cutting edge 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

Our comprehensive set of policies, standards and principles ensure that we uphold the commitments we make to our stakeholders including suppliers. For responsible sourcing and SSM some of the key policies and procedures include:

We have adopted a Global Procurement Policy, Procurement Procedure and Supplier onboarding process that sets the governance for the Group's procurement practices, including compliance with our sustainability requirements.

One of the fundamentals in our sourcing process is our Sandvik Supplier Code of Conduct that helps us drive the work in a sustainable and responsible manner. We encourage our suppliers to strive towards continual improvement in the areas of the Supplier Code and work together with us in building a sustainable business. As part of our sustainability strategy, we have a commitment to ensure that all suppliers comply with our Supplier Code of Conduct by 2030. 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.

Main updates in version 3 of 2021 of the Supplier Code:

- Human Rights Due Diligence, preparing for the upcoming EU legislation
- A responsible sourcing of minerals and metals section including cobalt section replacing the previous conflict minerals requirement
- New requirements in the environmental area related to climate and circularity for the Supplier Code to support Sandvik Sustainability SHIFT
- A Business Ethics section, where trade compliance and data protection have been added to anti-corruption and competition law requirements.



- A requirement to follow collective bargaining agreed conditions related to compensation, benefits and working hours in applicable cases
- Inclusion of the concept of modern slavery replacing the forced labor concept
- An encouragement to provide family-friendly working conditions that provide a healthy work-life balance, including if applicable the possibilities for caring responsibilities and recreation.

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.

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 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.

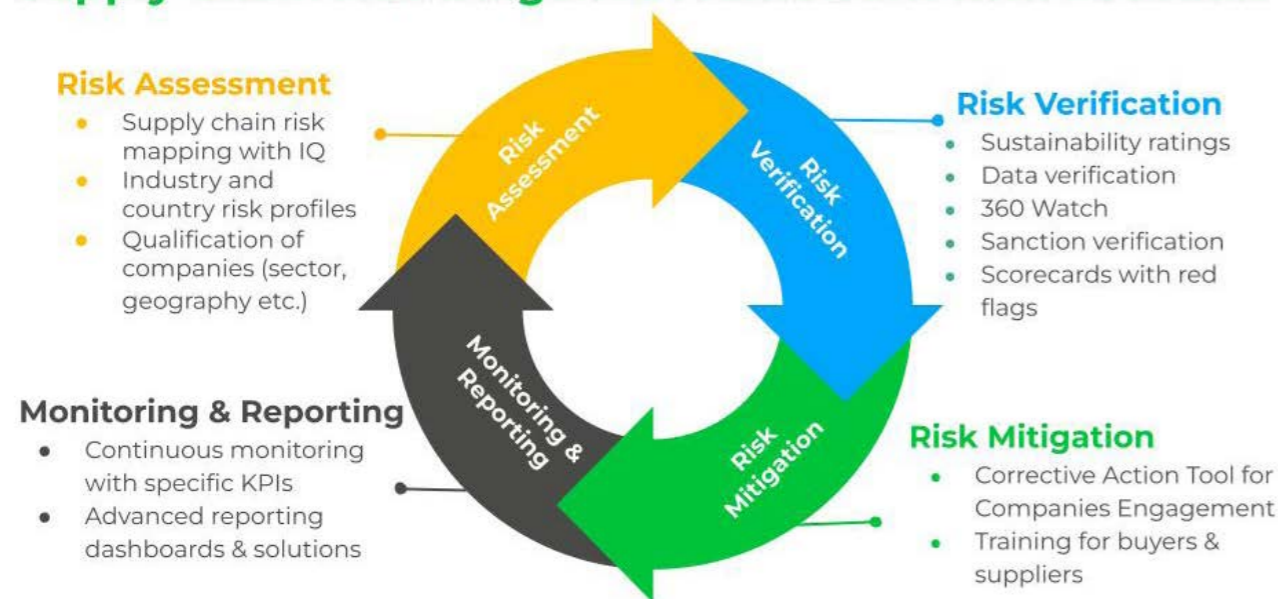
In 2022, approximately 3% of our supplier spend (1,213) within Sandvik Group was rated as high risk, with the distribution China (1.8 percent), India (0.9 percent), Mexico (0.2 percent), Brazil and Russia (0.15 percent each). Sandvik paused its business activities in Russia on February 28 due to Russia's war in Ukraine. Since then, the company has continuously been assessing and adjusting to the situation and has taken the decision to wind down operations in Russia.

OUR SUPPLY CHAINS

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.

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 instils trust in key stakeholders. Supply Chain Due Diligence Framework, supported by Ecovadis:

Supply Chain Due Diligence Framework with EcoVadis



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 for example, in India and China.

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.

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.

OVERVIEW OF SANDVIK 5 STEP APPROACH

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.



CASE STUDY: CONFLICT MINERALS

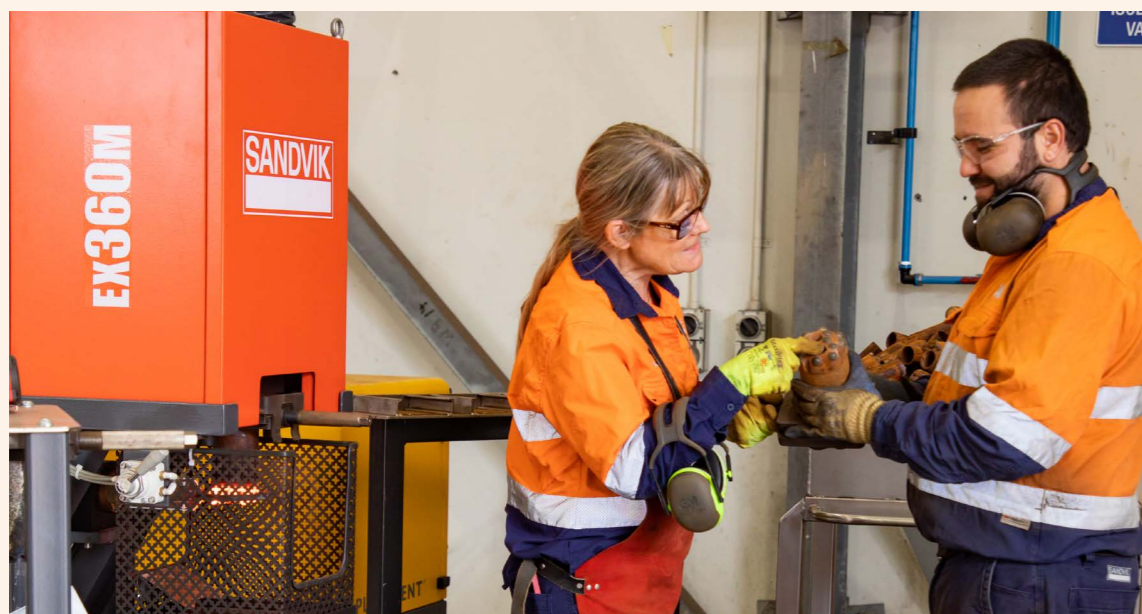
Sandvik recognizes the potential of the production of minerals to bolster development and sustain livelihoods by generating income, growth, and prosperity. However, under certain circumstances mining and trade of minerals may support conflict, and there is a risk of contributing to adverse impacts, including 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 [Rock Tools Recycling Program — Sandvik Mining and Rock Technology](#)



TRANSPARENCY & GRIEVANCE MECHANISM

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.

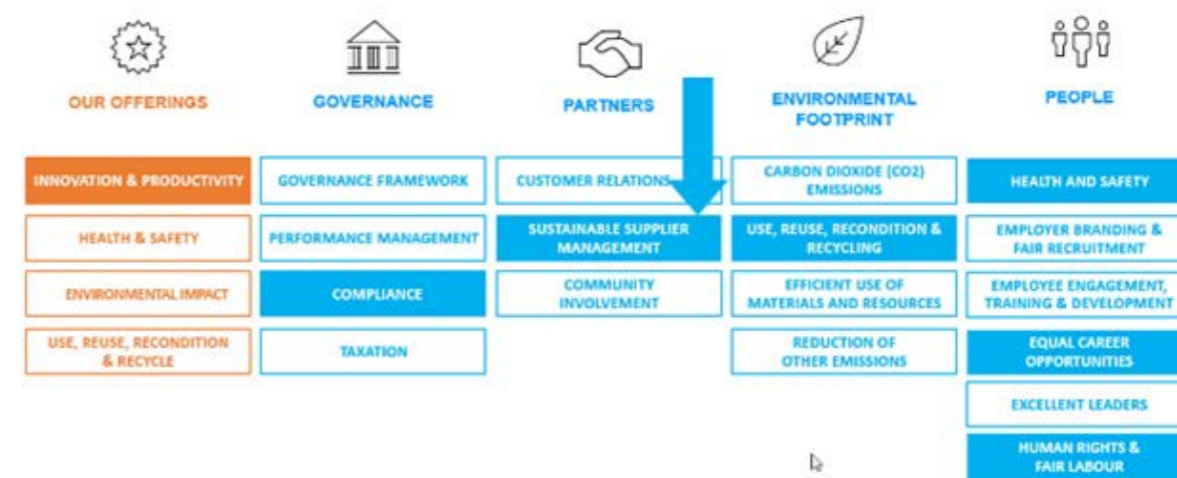
As of 2021, we report according to the Sustainability Accounting Standards Board (SASB) reporting standard for Industrial Goods and Machinery. Sandvik also reports in accordance with TCFD (Task Force on Climate-related Financial Disclosures) and the Global Reporting Initiative, GRI.

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, yet 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



Sandvik® TH665B is our largest capacity BEV truck for underground applications. It is the size of a 40-ton diesel truck but can carry 65 tons.

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 FY22, we engaged an independent consultant to undertake audits in line with the 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 FY23, we will continue to work with Ecovadis to implement the recommended improvements.

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 FY23 and their outcomes are as follows:

- Delivering training programs and procedures for employees and suppliers of Sandvik Australia.
- Our Modern Slavery eLearning module is mandatory for all employees and was introduced to Sandvik Australia in early 2021. We intend to make a similar eLearning available to our suppliers by the end of 2023.
- Continued due diligence with Ecovadis to implement recommended improvements



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&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.

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 with all our associated entities.

Examples of consultation in 2022, include engaging with:

- Sandvik Australia Procurement groups, Learning & Development, Legal and Sustainability teams on the development of a new eLearning course for all entities
- Executive Management Teams and Board of Directors across all entities have been regularly briefed on Modern Slavery regulatory requirements, as well as our risks and feedback received in relation to this Modern Slavery Statements
- Internal and external teams in relation to local suppliers and Modern Slavery risks – and how these are being managed.
- Key stakeholders within the Global Sandvik Group to ensure quality and consistency of approach in addressing modern slavery risks
- All Australian employees via training programs, webinars, and other communications



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FEEDBACK

We value all feedback. Please forward any comments on this statement or request additional information to:
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