



OUR MODERN SLAVERY 2022 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 chains 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 2021 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 third 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 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), SMC Logistics Limited (ABN 34067173747), Terelion (Australia) Pty Ltd (ABN 24 088 141 217), Tricon Drilling Solutions Pty Ltd (ABN 64 060 295 696), Fero Group Pty Ltd (ABN 009 073 572), Fero Group (Queensland) Pty Ltd (124 166 105), Fero Reinforcing Pty Ltd and Sandvik Financial Services Pty Ltd (ABN 90 161 934 176).

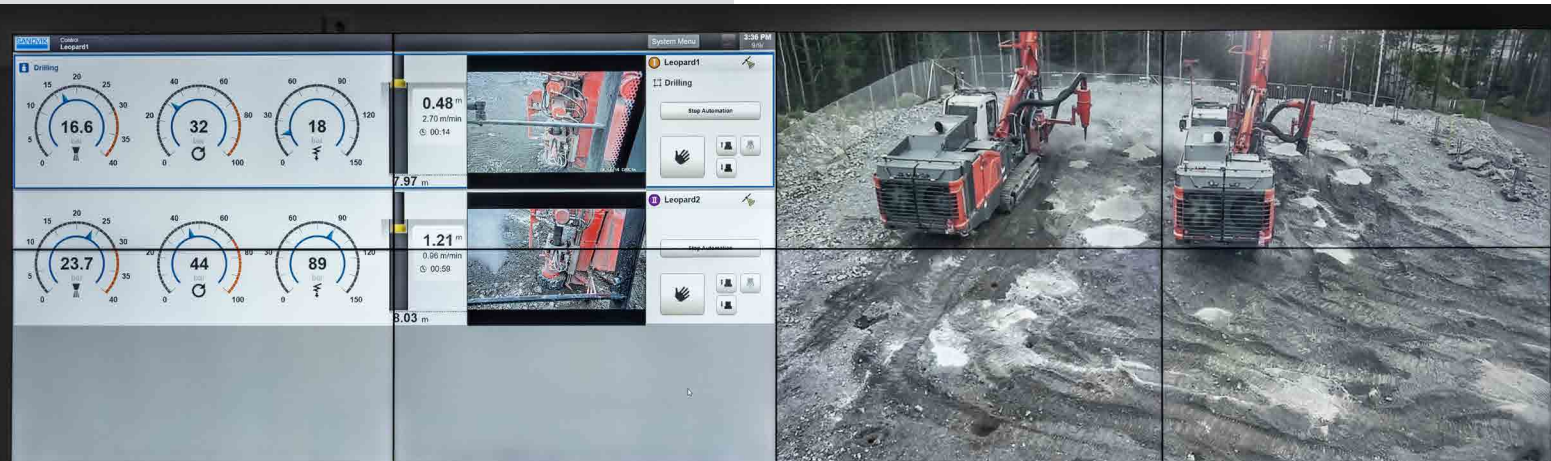
In this statement, the terms 'Sandvik Australia', 'Sandvik', the 'Company', the 'Group', 'our business', 'organisation', 'we', 'us', and 'our' refer to all the above entities.

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SUSTAINABLE BUSINESS ACCOLADES

Sandvik are included in several sustainability indices and support a number of 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 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 our 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 2022, 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 2022.

A handwritten signature in black ink, appearing to read "Wayne Scrivens".

Wayne Scrivens
Director
Sandvik Mining and Construction Australia Pty Ltd

WHO WE ARE

Sandvik is a global, high-tech engineering Group with approximately 44,000 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.



OUR BUSINESS AREAS

BUSINESS AREAS

SANDVIK MINING AND ROCK SOLUTIONS



A global leading supplier in equipment and tools, parts, service and technical solutions for the mining and construction industries. Application areas include rock drilling, rock cutting, loading and hauling, tunneling and quarrying.

DIVISIONS

- Underground Drilling
- Loading and Hauling
- Surface Drilling
- Rock Drills and Technologies
- Mechanical Cutting
- Parts and Services
- Rock Tools
- Rotary Drilling
- Ground Support

SANDVIK MANUFACTURING AND MACHINING 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.

Sandvik Machining Solutions²⁾

- Sandvik Coromant
- Seco
- Walter
- Dormer Pramet
- Wolfram

Sandvik Manufacturing Solutions²⁾

- Additive Manufacturing
- Design and Planning Automation
- Metrology

SANDVIK MATERIALS TECHNOLOGY



A world-leading manufacturer of advanced stainless steels and special alloys for the most demanding industries. The offering covers a large variety of product forms, such as tube, pipe, bar and strip steel as well as products for industrial heating.

- Tube
- Kanthal
- Strip

SANDVIK ROCK PROCESSING SOLUTIONS¹⁾



A leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and construction industries.

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

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.

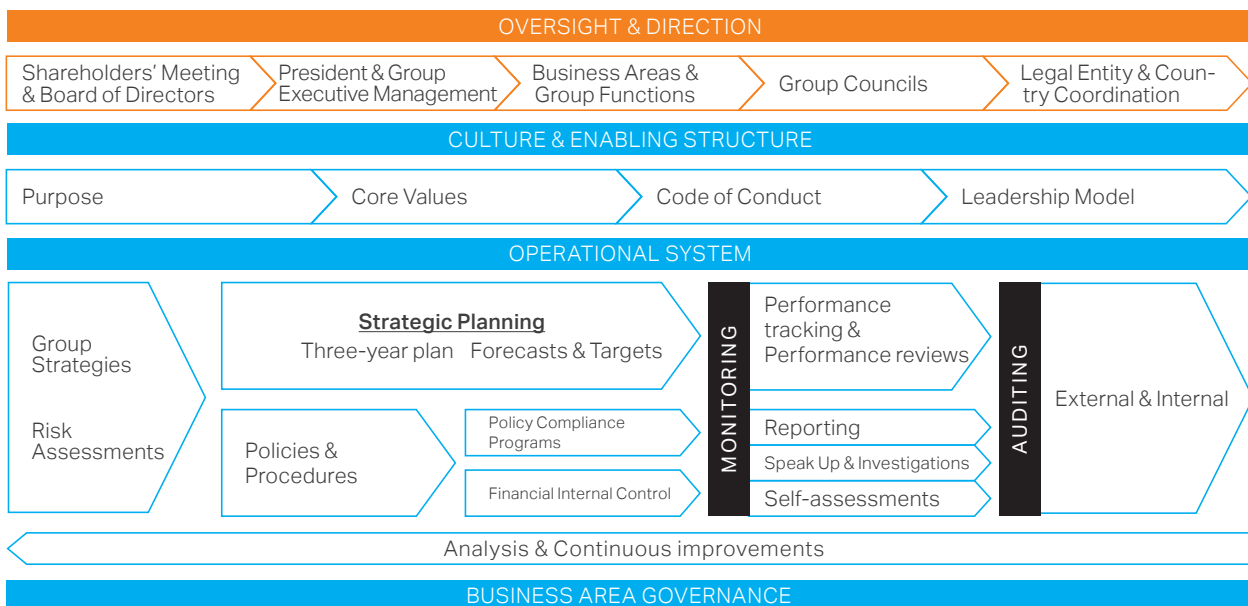
The Sandvik Board of Directors has the overall responsibility for ensuring sustainable corporate governance is deployed within Sandvik, with assurance added by monitoring these activities by the Audit Committee. The Group Executive Management has the overall responsibility for Sandvik’s corporate governance 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 (KPIs) 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.

The Sandvik Way





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.

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.

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.

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 daily 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. As part of this commitment, Sandvik will achieve net zero by 2050 at the latest.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

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.

AND SUPPLY CHAIN



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. Australia is a key market.

Countries where
Sandvik
operates

150+



Total
employees

44,000+



Revenue

SEK 100 billion +

AUD 15 billion+



Australian
Employees
900+



Australia ranked in
Top 5
Sandvik markets



Sandvik in Australia

Locations: 20 offices, sites
and workshops at 15 regional,
remote and urban locations



- 1 ADELAIDE
- 2 BOHLE
- 3 BRISBANE
- 4 BROKEN HILL
- 5 BURNIE

- 6 COBAR
- 7 KALGOORLIE
- 8 MACKAY
- 9 MELBOURNE
- 10 MT ISA

- 11 HUNTER VALLEY
- 12 OLYMPIC DAM
- 13 ORANGE
- 14 PERTH
- 15 BENDIGO

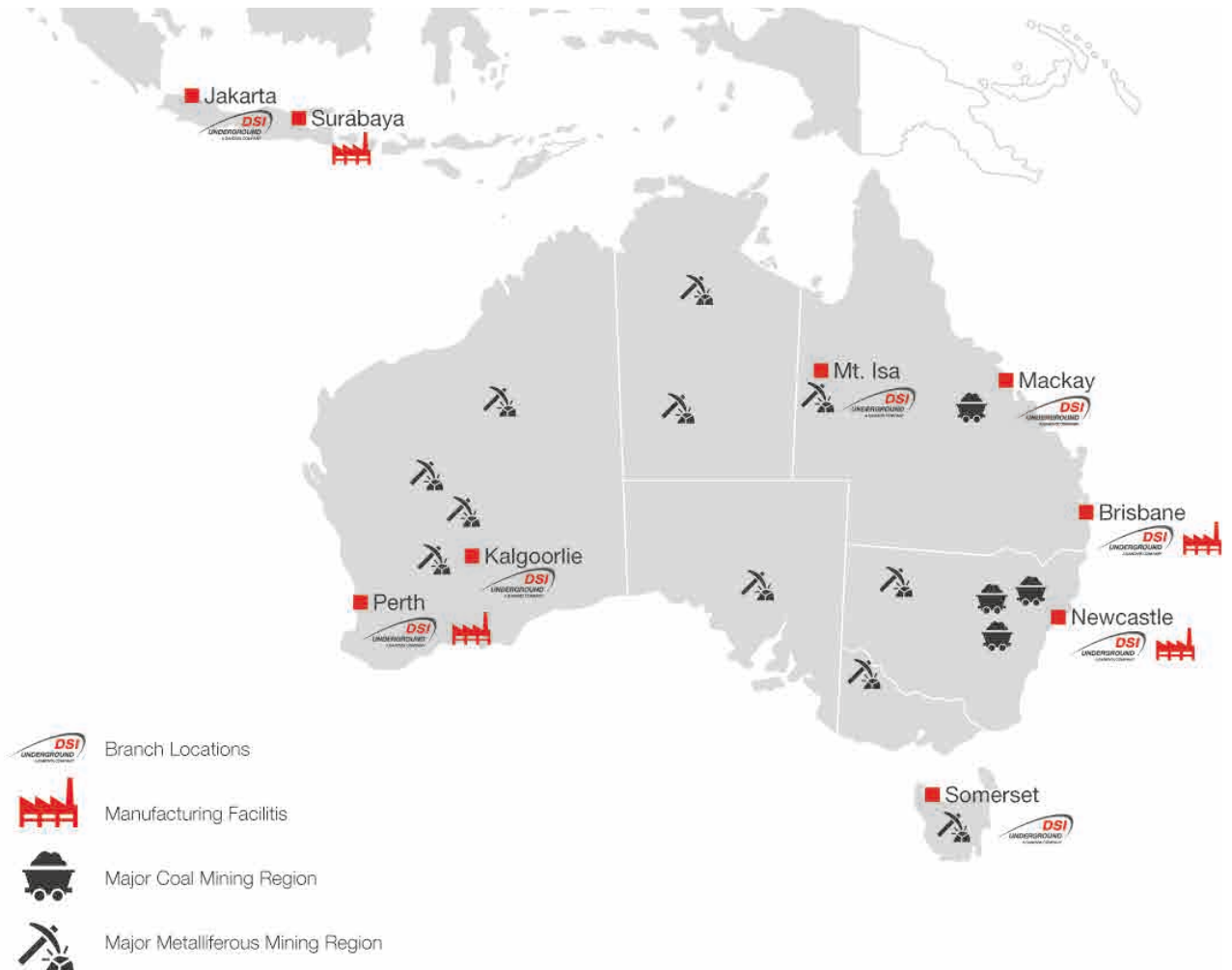
RECENT ACQUISITIONS

On 24 December 2020, Sandvik announced the acquisition of DSI Underground. DSI Underground is a leading specialist ground support supplier to the underground mining and tunnelling industries worldwide. DSI Underground operates in over 70 countries and employs approximately 2,000 people. As a global company, DSI Underground enjoys a reputation for conducting business with responsibility, integrity, and respect for all of those who are affected by our activities. DYWIDAG-Systems International Pty Limited (trading as DSI Underground) is part of the DSI Underground group of companies.

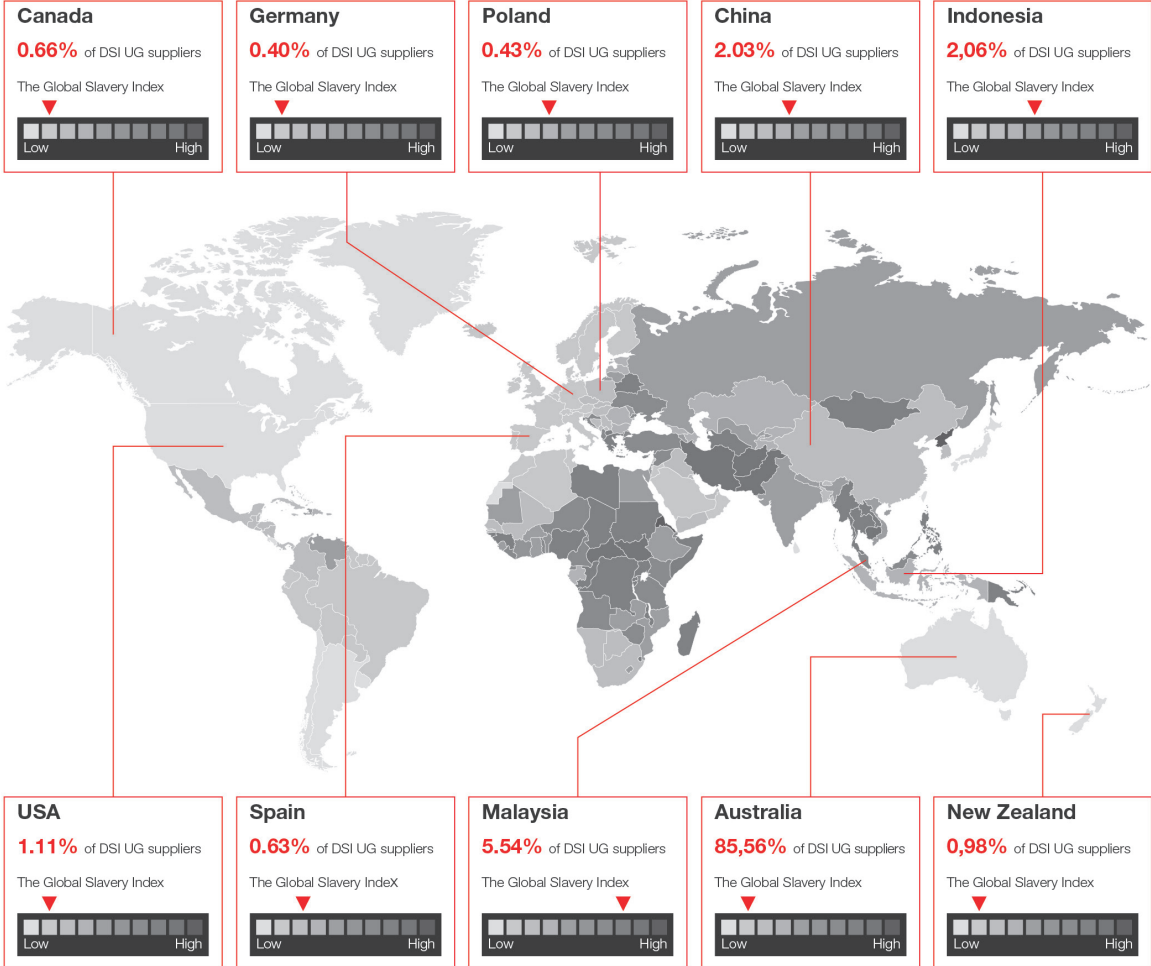
Shift to growth

As an Integrated Sandvik company DSI Underground are committed to protecting these rights for all individuals including our workers, the communities in which we operate, and those who may be impacted by our activities, our customers, and those within our supply chains. DSI Underground active vendors for 2021 was approximately 860 suppliers with a total value of more than 310M AUD. Eighty percent (80%) of the total supply chain value

comprised from Australian based vendors. International spend included 11% from Malaysia, China 3.5% respectively. The remaining 5.5% is sourced from USA, Canada, Austria, New Zealand, Italy, France, UK, Germany, Sweden, Singapore, India, Indonesia, Spain and Switzerland.



Top 10 DSI Underground countries of origin (by annual spend in each country)



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.

In some countries where we operate there are risks of human rights violations. Our Group-wide Supplier Code of Conduct provide guidance in identifying, preventing and mitigating these risks. Human rights are integrated into our Sustainable Supplier Management (SSM) program.

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 2021, 3200 suppliers were directly engaged with our Australian operations with a total contestable spend of <400 M AUD. Sandvik's international base suppliers totaled <550.

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

Suppliers and their approved sub-contractors (including their recruitment agencies), must not engage in or tolerate the following: restrictions of movement excessive recruitment fees or cash deposits confiscation of identity documents and/or passports withholding of wages abusive working conditions debt bondage violence or any form of forced, compulsory or illegal labor, including trafficking, prison labor, child slavery or bonded labor or any other kind of exploitation or abuse.

We encourage our suppliers to strive towards continuous improvement, and to establish, implement and maintain recognized management systems and standards related to the areas described in the Supplier Code. Risk assessment, implemented policies, processes and routines, clearly communicated roles and responsibilities, relevant training and instructions, establishment and evaluation of measurable goals, along with functioning control systems, serve as the foundation for the successful implementation of the Supplier Code.

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 in order 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.



- | | | | |
|-----------------|-----------------|-----------------------|----------------|
| 1 AUSTRALIA | 7 GERMANY | 13 UNITED KINGDOM | 19 AUSTRIA |
| 2 INDONESIA | 8 CANADA | 14 FRANCE | 20 SWITZERLAND |
| 3 CHINA | 9 SWEDEN | 15 RUSSIAN FEDERATION | |
| 4 UNITED STATES | 10 INDIA | 16 NETHERLANDS | |
| 5 FINLAND | 11 ITALY | 17 LICHTENSTEIN | |
| 6 NEW ZEALAND | 12 SOUTH AFRICA | 18 SINGAPORE | |



RISKS OF MODERN SLAVERY PRACTICES

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

Taxonomy risks

Minimum requirements for suppliers

- Migrant worker risks, including bonded labour, retention of passports, and poor working conditions and pay,
- Labour rights
- Conflict minerals

- Community
- Environment and health
- Compliance

Non-production consumables

Example: Apparel, hardware, cleaning agents and food stuffs, food/soaps.

- Manufacturing/processing waste management services. Risks to women, children and migrant workers, including trafficking and forced labour, retention of passports, long work hours below minimum wage, lack of freedom of association.
- Labour rights
- Community
- Environment and health
- Compliance

Travel and accommodation

Example: Hotel personnel, biofuels in aviation gasoline, risks to women, children and migrant workers including bonded labour, retention of passports and poor working conditions and pay.

- Labour rights
- Environment and health

Technology

Example: Computing devices source material (3TGs/conflict minerals) and manufacturing.

- Migrant worker risks, including bonded labour, retention of passports, occupational health and safety, and poor working conditions and pay, source materials (3TGs and conflict minerals).
- Labour rights
- Conflict minerals

Consumables

Example: Mill liners, grinding media including source materials (rubber, metals) and manufacturing.

- Migrant worker risks, including bonded labour,
- retention of passports, occupational health and safety, poor working conditions and pay
- Labour rights
- Conflict minerals
- Environment and health
- Community

GLOBAL DISRUPTION

In FY20/FY21, the COVID-19 pandemic caused unprecedented disruption in many areas of our Company, including our supply chain. Actions to address these risks required a coordinated approach between our Health and Safety, Procurement and Logistics and Business teams. Additional Modern Slavery risks were identified within our supply chain during this period due to the increased challenges of obtaining goods and services including:

- Increased demand for PPE which required us to use new suppliers to fulfil orders
- Increased financial pressure on small businesses, in some cases leading to closure and the unemployment of workers
- Limited due diligence for new suppliers as a result of having to source items, in particular PPE, in short timeframes

- Scarcity of items potentially leading to increased pressures on suppliers and hazardous working conditions for workers
- Health and financial stress for workers who were unable to work for health reasons or because of supplier shutdowns or regional lockdowns
- Inability to physically distance increasing the risk of contracting the COVID-19 virus

To address these risks Sandvik worked closely with our suppliers to ensure risks were understood and mitigated in the procurement of key supplies and services. Examples of how we further managed disruptions included the following measures:

- Preferential use of existing suppliers and vendors who had already undergone due diligence processes and are aware of our requirements

- Supporting our suppliers with 7-day payment terms to all small businesses and working collaboratively with our suppliers to address any cashflow challenges
- Continued due diligence of our higher risk suppliers

NOTE: Due to the pandemic, movement around countries and across borders was restricted since FY20. As a result, Sandvik Supplier Sustainability supported by the Australian businesses carried out on-site audits of two of its suppliers. The result of those two audits was a finding of no slavery. Sandvik's aim for FY2022 is to complete at least 15 onsite audits of suppliers.

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.



ACTIONS TO ADDRESS OUR RISK OF MODERN SLAVERY

International Framework Adoption

Sandvik is committed to the fundamental principles on human rights, labor rights, the environment and the fight against corruption throughout our operations. This also includes building sustainable relationships with our suppliers. We have developed the Supplier Code of Conduct ("The Supplier Code") and we require our suppliers to make every effort to comply with it. It applies to our entire supply base including suppliers, contractors, distributors, and agents.

Sandvik work with a third-party platform which provides the tools required to risk assess and manage Modern Slavery and human rights risks with our individual suppliers.

The platform allows for continuous risk monitoring of all Sandvik suppliers and provides Sandvik with an end-to-end solution for performing supply chain due diligence. To provide Sandvik current updated information the platform draws from over 100,000 data sources from Governments, trade unions, NGO's and business networks.

The guidance provided by this platform includes benchmarking and the formulation of targets, an auditing tool, data reporting, corrective action plans, and advice for situations where it may be appropriate to withdraw from a sector or location.

Sustainable Procurement

Sustainable procurement defines the way Sandvik suppliers shall be evaluated from a sustainability perspective covering different areas described by:

- Sandvik Risk Universe: An overview of possible risks to focus on in individual working

cases

- List of requirements for sustainable supplies
- Countries and categories risk level: Indicating minimum level of required audit
- On boarding new suppliers is a 3-step process:
 1. Acknowledgement of compliance to Sandvik Supplier Code of Conduct (SSCoC)
 2. Supplier Self-Assessment Questionnaire (SAQ) (to be send out via SRM System)
 3. On-site Audits

This process provides an overview of our expectations regarding sustainable sourcing. The standard details the policies and procedures that suppliers are required to comply with in relation to environmental, social, governance, labour and human rights. It includes an expectation that suppliers conduct business in a manner consistent with internationally recognised human rights and the United Nations Guiding Principles on Business and Human Rights and that they comply with the requirements of the Modern Slavery Act 2018 (Cth). Acknowledgement of, and agreement to comply with the standard is required as part of the contract award process and reviewed through performance assessments during the term of contract.

All suppliers must be risk screened, and based on identified risk levels different compliance checks are performed:

- Low risk suppliers are assessed as Supplier Code Compliant if they have accepted the Supplier Code as stated in this procedure.
- Medium and high-risk suppliers must undergo risk rating and/or supplier audit with approved outcome in order to

be assessed as Supplier Code Compliant.

Risk Screening

Sustainability risk screening is carried out based on the supplier's inherent country and category risks, spend classification and supplier criticality for Sandvik. The criticality aspect is provided by the purchaser. Prior to entering a business relation with a new supplier, the supplier must be risk screened.

Re-assessment cycle

Risk screening is a continual process and is carried out continuously. To enhance internal assessments Sandvik utilizes an independent third party platform to stay informed of any changes in the risk. Supplier ratings in the platform are requested to annually re-assess and Sandvik is informed of changes in their risk level. Audits should be carried out periodically as per the Supplier Code of Conduct Audit Procedure.

Global Procurement Policy

We have adopted a Group-wide Procurement Policy that includes our previous sustainability commitments towards sustainable procurement processes, to prevent bribery and corruption, ensure compliance with the Supplier Code of Conduct, reduce the environmental footprint and negative social impact of our supply base and ultimately protect and create business value for Sandvik and our business partners. Several key processes support the implementation of the newly adopted policy, such as supplier sustainability risk assessment and approval process. This revised process, an integrated part of our purchasing model, is in a pilot phase with the intention to cover all new suppliers once fully implemented.

ACTIONS TO ADDRESS OUR RISK OF MODERN SLAVERY

We annually carry out a Reasonable Country of Origin Enquiry based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to identify melters/refiners associated with our supply chain.

Supplier sustainability program

Sandvik's Supplier Sustainability Program focuses on three areas:

- Creating supplier commitment
- Building capacity both externally and internally
- Monitoring of identified high-risk suppliers through audits. All audits are carried out in accordance with common procedures and guidelines and the corrective action plans are followed through until implementation.

Contracts, Terms and Conditions

All contracts, as well as our supplier purchase order standard terms and conditions, require that minimum standards in environmental, ethical, human rights and health and safety are met. Our standard purchase order includes a specific Modern Slavery clause.

Speak Up

Employees and external parties who witness a violation of the Code of Conduct, laws or our policies can report the violation, anonymously, through the global reporting tool Speak Up. In order to take necessary action in case of a breach of the Code, policies or law within Sandvik, all employees, customers, suppliers and other stakeholders have a responsibility to report any concerns they may have. Speak Up may also be used to ask questions related to Sandvik's business conduct.

All reports are assigned an investigator from the relevant business area that conducts the investigation. The Ethics Office oversees the effectiveness of the Speak Up process. Reports, investigations and remediations are recorded, monitored, and included in reporting to the Audit Committee. No retaliation may be taken against an employee or business partner who, in good faith, voices their concern, as is outlined in the Speak Up Policy.

Compliance

The Sandvik Compliance System includes four areas:

1. Anti-Bribery and Corruption;
2. Competition Law;
3. Third-Party Management and;
4. Data Privacy.

To emphasize the importance of a fully embedded and agile Compliance System within the business, the Compliance System is part of our 2030 sustainability goals. The purpose of including this system in our goals is to ensure well-functioning corporate governance and control over our international business and to manage compliance risks in all countries in which Sandvik operates.

Our compliance program requirements are set by Group Compliance, including compliance risk identification, policies, applicable training, controls, audits, reporting and monitoring etc., and is implemented by each business area. The Group Compliance function reports to the Sandvik Group General Counsel and the Audit Committee. To ensure continuous alignment and balance between the group compliance requirements and the business implementation, the Sandvik Compliance Functional Council (CFC), which comprises the Group Compliance, business area compliance officers, Head of

Governance and Head of Business Integrity, serves the purpose of ensuring efficient, effective, and sustainable program initiatives.

When evaluating a supplier's compliance with the Supplier Code, Sandvik will take into consideration the scope and applicability of the requirements in relation to the nature of the supplier's business and the associated risks.

Additional supplier-specific sustainability requirements and targets may be defined in commercial agreements. Failure by the supplier to allow Sandvik the right to verify compliance with the Supplier Code, or to remedy identified non-compliances within a reasonable time shall be regarded as a material breach of The Supplier Code. As a result, Sandvik is entitled to terminate the contractual relationship with the Supplier. Suppliers must stay up to date, and comply with, national and regional legislation as well as relevant and applicable international regulations and conventions related to the areas in the Supplier Code.

Suppliers must stay up to date, and comply with, national and regional legislation as well as relevant and applicable international regulations and conventions related to the areas in the Supplier Code. Suppliers must be aware of whether any domestic regulation or its enforcement conflicts with international human rights standards and strive to honour the spirit of universally recognized human rights. Where the requirements in the Supplier Code are stricter than local laws, the requirements of the Supplier Code must be applied. In the event of actual or potential contradictions between the Code and applicable laws and regulations, suppliers must notify Sandvik.

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.
- Our initial Modern Slavery Statement published identified several targeted actions that would bring positive impact to highlight the importance of understanding the impact of Modern Slavery and starting to understand how Sandvik could make an impact in its eradication.
- The actions proposed for FY21 and their outcomes are as follows:
- Establishing an anti-slavery work group the establishment of the working group was delayed throughout 2021 due to resource constraints and Covid-19
- Mapping suppliers Sandvik's Supplier base was completed, and the results analysed in conjunction with a third-party auditor. The risk of Modern Slavery

was identified for more than 2,000 suppliers.

- Completing the digitalisation of supplier self-assessment questionnaires. Sandvik's online systems and tools were developed and delivered for Sandvik Supplier Relationship Management at the end of 2020 and was rolled out to suppliers in 2021.
- Conducting Sandvik Supplier Code of Conduct audits of identified high risk suppliers. The number of audits able to be conducted was severely affected by the availability of resources both from Sandvik Australia and suppliers due to the pandemic.
- Developing KPIs for compliance by suppliers the development of KPIs to monitor our supplier's compliance has been delayed until 2021. Sandvik's aim for FY2022 is for the suppliers making Sandvik's top 80% of spend to complete the self-assessment questionnaire and for Sandvik to assess each of these.
- Delivering training programs and procedures for employees and suppliers of Sandvik Australia. Sandvik developed and approved an eLearning module for all employees at the end of 2020.

The eLearning module has been completed and 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.

Although it has been a challenging period Sandvik was able to make significant progress in these areas and continue to assess their effectiveness.



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 FY21, 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 Statement
- 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

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.



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FEEDBACK

We value all feedback. Please forward any comments on this statement or request additional information to AUS.NZ.communications@sandvik.com

