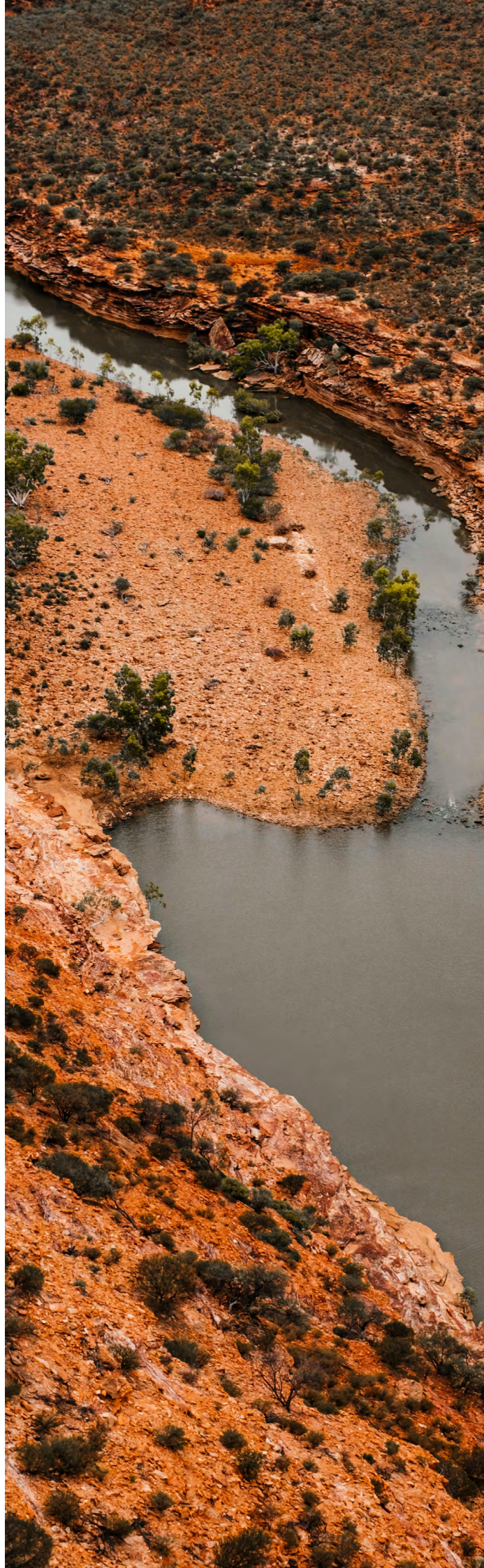


Annual Report 2025



Contents

This is Sandvik in Australia	4
A stronger Sandvik in Australia	5
Directors' report	7
Auditor's Independence Declaration	10
Sandvik Australia Holdings Sustainability Report	11
Basis of preparation	12
Executive summary	14
Governance	16
Sustainability strategy	23
Climate-related Risks and Opportunities	26
Transition plan	42
Risk management	48
Metrics and targets	51
Closing	56
Directors' Declaration	57
Limited Assurance Sustainability Report	58
Financial statements and notes	63
Consolidated Statement of Financial Position	64
Consolidated Statement of Profit or Loss and Other Comprehensive Income	66
Consolidated Statement of Changes in Equity	67
Consolidated Statement of Cash Flows	68
Notes to the Consolidated Financial Statements	69
Directors' Declaration	94
Auditor's Report to the members of Sandvik Australia Holdings Pty Ltd	95



Terms of reference

Naming convention	Description
Sandvik Australia Holdings Pty Ltd (“the Company”)	The parent entity to which these disclosures apply. In this Sustainability Report, ‘the Company’ refers to Sandvik Australia Holdings Pty Ltd (the reporting entity).
Sandvik Australia Holdings and its subsidiaries (“the Group”)	The Company and its subsidiaries are referred to as “the Group” throughout the Annual Report, consistent with the consolidated financial statements and the emissions reporting boundary described in the Basis of Preparation section (p.12-13). Collective references such as ‘we’, ‘us’, and ‘our’ are on behalf of the Group.
Sandvik AB	Sandvik AB is the ultimate parent company of the Sandvik Group, headquartered in Stockholm, Sweden. Sandvik AB is a public company listed on Nasdaq Stockholm. References to Sandvik AB in this Annual Report relate to comprises Sandvik AB and its subsidiaries globally (including business areas, divisions and sales areas).
Sandvik	‘Sandvik’ is used as a general reference to the Sandvik brand and/or the broader organisation. Where used without further specification in this Sustainability Report, it should be read in context as referring to Sandvik branded equipment, services or procedures which are jointly developed by Sandvik globally and distributed by or applied to the Group business operations.

This is Sandvik in Australia

Sandvik Australia Holdings Pty Ltd (the “Company”) is a subsidiary of Sandvik AB and the parent entity of 28 subsidiaries, largely located in Australia. Sandvik Australia Holdings and its subsidiaries (the “Group”) operates within Sandvik Group’s global governance framework and applies Group policies, standards and business practices in the Australian regulatory context.

Sandvik provides solutions that enhance productivity, profitability and sustainability for customers across the mining, manufacturing and infrastructure sectors. Our operations combine leading equipment, tools, parts, services and digital solutions, with a strong focus on improving customer performance and supporting the industry’s ongoing development through automation, digitalisation and innovation.

Sandvik entities provide a broad offering across underground and surface mining equipment, mine planning and optimisation software, automation and robotic technologies, rock processing solutions, drilling consumables, precision tooling and lifecycle support.

Operations in Australia span the full customer value chain, including sales and distribution, warehousing and logistics, pre-commissioning of equipment, rebuilds, workshop services, field service, technical support and aftermarket solutions. Through these capabilities, we combine local operational strength with access to Sandvik’s global technology platforms, established brands and specialist expertise, creating a strong foundation to support customer success and long-term value creation.



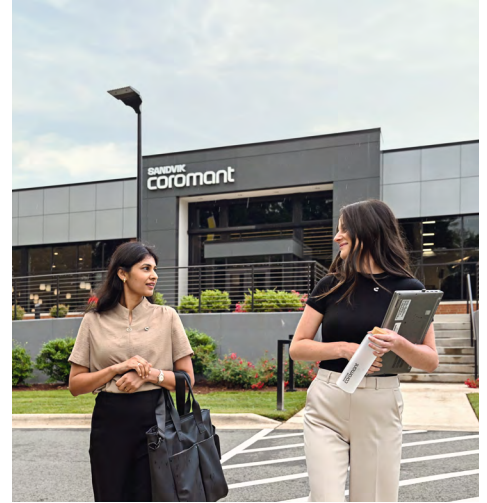
Mining

A leading supplier of equipment, tools, parts, services, software, digital solutions and automation technologies for the mining and infrastructure industries, supporting productivity, safety and operational performance across the value chain.



Rock Processing

A supplier of equipment, services and technical solutions for rock and mineral processing in the mining and infrastructure industries, supporting efficient, reliable and productive operations.



Machining and Intelligent Manufacturing

Represented in Australia through Coromant sales activities, providing tools, tooling systems and digital manufacturing solutions for advanced metal cutting and industrial applications.

A stronger Sandvik in Australia

We can look back on a solid 2025 for Sandvik Australia Holdings. In a year shaped by ongoing market complexity, changing customer expectations and a continued focus on operational discipline, we delivered sound revenue growth, strong development across both equipment and aftermarket, and a resilient overall performance, while continuing to strengthen our business for the future.

Safety first

Safety remains our first priority at Sandvik Australia Holdings. Nothing is more important than ensuring our people, contractors and visitors return home safely each day. Across our operations, we continue to strengthen our safety culture through clear standards, leadership accountability and a strong operational focus. This commitment underpins how we work, how we support our customers and how we build a resilient business for the long term. Sandvik's broader commitment to safety and continuous improvement provides an important foundation for our local approach.

Strong performance in 2025

The Group continued to experience sound operational performance during the year, with solid revenue growth and strong development across both equipment and aftermarket, supported by several significant orders. In a dynamic operating environment, our results reflected the strength of our portfolio, the quality of our customer relationships and the commitment of our people across the business. The Group recorded a profit after tax of \$81.9 million for the year ended 31 December 2025.

A broader and stronger business

Sandvik Australia Holdings continues to benefit from the strength of Sandvik's global strategy while remaining closely connected to local customer needs. Our operations span Mining, Rock Processing, and Machining and Intelligent Manufacturing, with capabilities across the full customer value chain including sales and distribution, warehousing and logistics, pre-commissioning of equipment, rebuilds, workshop services, field service, technical support and aftermarket solutions. This breadth of capability, combined with access to Sandvik's global technology platforms, established brands and specialist expertise, creates a strong foundation to support customer success and long-term value creation.

During 2025, we also saw the first full year of Universal Field Robots being reported within the business, strengthening our position in digital mining technologies and reflecting the continued evolution of our portfolio toward higher-value, technology-enabled offerings. This aligns closely with Sandvik's broader direction of building a faster, more resilient and more flexible company with greater exposure to strategic growth areas.

Innovation at our core

Innovation remains central to how we create value for our customers. Across our operations, we continue to support the industry's development through automation, digitalisation and innovation, while expanding our ability to deliver equipment, tools, parts, services and digital solutions that improve productivity and operational performance. In Australia, this means not only bringing global technologies to market, but also supporting their application through strong local service capability and close collaboration with customers.

The major technology shifts underway across our industries continue to create opportunity. With strong customer relationships and growing capability across digital, automation and software-enabled solutions, we are well positioned to support customers as their operations evolve and as demand grows for safer, more productive and more efficient solutions.

Sustainable business

In 2025, Sandvik Australia Holdings also reached an important milestone with the publication of its first AASB S2-aligned Sustainability Report. This represents a significant step forward in how climate-related risks and opportunities are



governed, assessed and integrated into our strategy, risk management and decision-making. It reflects our commitment to building a business that is resilient, transparent and well positioned for the future.

Sustainability is increasingly connected to customer value, operational resilience and long-term competitiveness. Our strategy and business model reflect the ambition to support a low-carbon, resilient economy through electrification, digitalisation, automation and circularity. As Sandvik globally continues to advance solutions that help customers improve productivity, safety and resource efficiency, we are proud to play our part locally in supporting that transition.

Looking ahead

As we look ahead, we do so from a solid foundation. We have a resilient business, a broad customer offering, leading market positions, and a clear opportunity to further build our capabilities in service, technology, and sustainability. While the external environment remains dynamic, we are confident in the platform we have established and, in our ability, to continue delivering long-term value for our customers and stakeholders.

I would like to thank our employees for their outstanding efforts and commitment throughout 2025. I also extend my appreciation to our customers, suppliers, and business partners for their continued trust and support. Together, we are building an even more capable and competitive Sandvik in Australia.

A handwritten signature in black ink, appearing to read 'C Johnston', written over a horizontal line.

Craig Johnston
Managing Director
Sandvik Australia Holdings Pty Ltd



Directors' report

TAYLOR

SAFARI

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Directors' report

The Directors of Sandvik Australia Holdings Pty Ltd (the “Company”) present their report together with the financial report of the Group, being the Company and its subsidiaries (together referred to as the “Group”), for the financial year ended 31 December 2025.

Directors and company secretary

The Directors of the Company at any time during or since the end of the financial year are:

A P Bellew	Appointed 1 July 2017, resigned 30 September 2025
C Parham	Appointed 13 August 2018
D C Goosem	Appointed 2 September 2020
W Scrivens	Appointed 1 April 2021, resigned 31 December 2025
C C Morandini	Appointed 15 December 2024
K Bills	Appointed 01 October 2025
T Montgomery	Appointed 01 October 2025
A Keth	Company Secretary appointed 15 January 2023



Registered office

Sandvik Australia Holdings Pty Ltd
Level 5, 135 Coronation Drive
Milton Qld 4064

Auditor

PricewaterhouseCoopers
480 Queen Street
Brisbane Qld 4000

Corporate information

Sandvik Australia Holdings Pty Ltd is a Company limited by shares and is incorporated and domiciled in Australia.

Principal activities

The principal activities of the Company during the year were the holding of investments in controlled entities.

The principal activities of the Group during the year were the provision and sale of mining and construction equipment together with the sale of associated parts, tools, consumables, digital solutions, and maintenance services. The Group is structured into the following business areas: Mining, Rock Processing, and Machining and Intelligent Manufacturing.

Review of operations

The Group continued to experience sound operational performance, with a solid growth in revenue during the year. There was strong development for both equipment and aftermarket with several significant orders being received during the year. The Group recorded a profit after tax for the year ended 31 December 2025 of \$81,850,000 (2024: \$87,157,000).

Significant changes in the entity's state of affairs during the year

On 2 December 2024, Sandvik Australia Holdings Pty Ltd acquired Universal Field Robots (UFR), an Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets. This is the first full year of UFR being reported in Digital Mining Technologies within the Business area Mining.

Environmental regulation

The Group is subject to the environmental regulations imposed by both Commonwealth and State legislation. The Group is, to the knowledge and belief of Group management and Directors, presently in compliance with all environmental requirements imposed by both Commonwealth and State governments.

Dividends

There were no dividends declared externally outside of the Group.

Events subsequent to reporting date

On 12 February 2026, Sandvik AB signed an agreement to acquire ThoroughTec Simulation (ThoroughTec), a South Africa-based provider of equipment simulators and simulator-based training for the global mining industry. As part of the transaction, local subsidiaries will be acquired by Sandvik Australia Holdings. ThoroughTec will be reported in Parts and Services, a division within business area Mining. The transaction is expected to close during the second quarter of 2026, subject to customary regulatory approvals.

On 28 February 2026, an armed conflict commenced involving USA, Iran, and other countries in the Middle East. This event occurred after the reporting date and has been assessed as a non-adjusting event under AASB 110 Events after the Reporting Period.

The Group continues to monitor developments and assess potential impacts on its operations, supply chains, and financial performance. At the date of authorisation of these financial statements, no direct financial impacts have been identified. Accordingly, no adjustments have been

made to the amounts recognised in the financial statements.

The ultimate impact of this event remains uncertain and will depend on future developments.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected the Group's operations, results, or state of affairs, or may do so in future years.

Likely developments

The Group will continue to provide the importation and sale of mining and construction equipment, together with the sale of associated parts, tools, consumables, maintenance services, and expanded its offering in digital mining technologies. Further information about likely developments in the operations of the Group, and the expected results of those operations in future financial years, has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the Group.

Indemnification and insurance of officers and auditors*Indemnification*

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the Company or any of its controlled entities.

Insurance premiums

During the financial year, Sandvik Australia Holdings Pty Ltd paid a premium of \$4,838 to insure the Directors and Secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company or intentional criminal acts or fines based on criminal law.

Rounding

The Group is of a kind referred to in ASIC Legislation Instrument 2016/191 dated 24 March 2016, and in accordance with that, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

This report is made with a resolution of the directors:



C Parham
Director
Brisbane
27 April 2026



Auditor's Independence Declaration

As lead auditor of Sandvik Australia Holdings Pty Ltd's audit of the financial report and review of specified sustainability disclosures within the sustainability report for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report or the review of the specified sustainability disclosures; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report or the review of the specified sustainability disclosures.

A handwritten signature in black ink, appearing to read 'K Challenor', written in a cursive style.

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
27 April 2026

Sandvik Australia Holdings Sustainability Report



Basis of preparation

Reporting basis

Sandvik Australia Holdings Pty Ltd (the “Company”) is a company domiciled in Australia. The ultimate parent entity is Sandvik AB, a company incorporated in Sweden. This Sustainability Report has been prepared by the Company and its subsidiaries (together referred to as the “Group”) to meet the disclosure requirements of the Australian Accounting Standards Board AASB Sustainability Reporting Standard S2 (Climate-related Disclosures) and the Corporations Act 2001.

The report aligns with the Company’s annual reporting cycle, covering a 12-month period ending 31 December 2025, and is designed to be read in conjunction with the Company’s consolidated financial statements prepared in accordance with AASB Accounting Standards, to provide stakeholders with a clear understanding of how climate related considerations influence our strategy, risk management, and performance.

The presentation currency of the climate-related financial disclosures is the Australian dollar (AUD), which aligns to the presentation currency used in the consolidated financial statements, and amounts disclosed are rounded to the nearest thousand dollars unless otherwise stated.

The Company is reporting under AASB Sustainability Reporting Standards AASB S2 for the first time for its annual reporting period ending 31 December 2025.

AASB Sustainability Reporting Standards AASB S2 provide transition reliefs for the first annual reporting period in which an entity applies the standards.

We have applied the following transition reliefs:

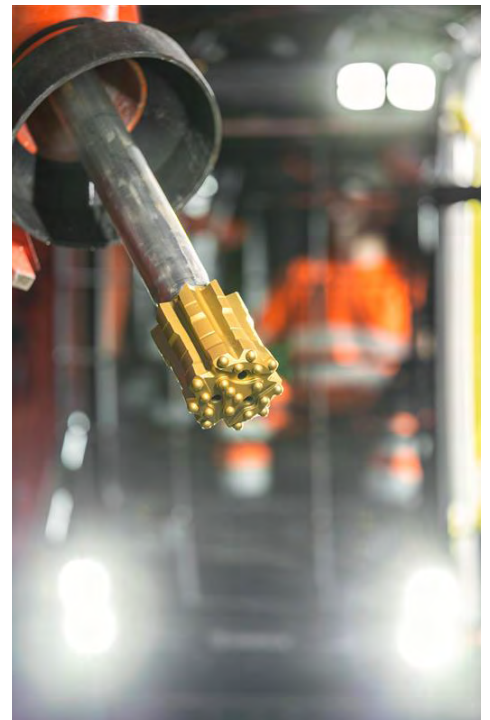
- Relief from the requirement to disclose comparative information in the first annual reporting period
- Relief from disclosing Scope 3 greenhouse gas emissions

Reporting boundary

The Sustainability Report reporting boundary includes the Group entities as described in Note 25.

Emissions reporting boundary

The Company has operational control over all its subsidiaries, and their emissions are classified as Scopes 1 and 2 (location-based). Greenhouse gas emissions are calculated using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol), as required by AASB S2. The Group reports all Scopes 1 and 2 (location-based) emissions from operations and assets over which it has operational control. Emissions data is reflected over a 12-month reporting period from December 2024 to November 2025 to align with Sandvik AB processes.



Judgements and assumptions

In the process of preparing this sustainability report, management has exercised judgement in a number of areas, including the process of identifying climate-related risks and opportunities and identifying material information to report. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain or involves data limitations. This section outlines the most critical judgements made by management in preparing this sustainability report, as well as the amounts that are subject to a high degree of measurement uncertainty. The detail of the judgement made, or the source of estimation uncertainty, is included in the table below.

Basis for non disclosure of anticipated financial effects of climate-related risks and opportunities

Certain forward-looking quantitative climate related information required under AASB S2 has not been disclosed in this reporting period. While we undertook extensive qualitative modelling and held workshops with external experts on quantitative modelling to build our capabilities, preparing reliable numerical estimates for anticipated financial effects, future climate related impacts, and scenario based quantitative outcomes would require modelling datasets and forecasting tools that are not yet sufficiently mature, and would necessitate assumptions subject to a high degree of measurement and outcome uncertainty. Many of the relevant variables such as future policy settings, carbon pricing trajectories, technology deployment rates, market developments, and value chain responses are outside the control of the Group and cannot be

reasonably estimated without undue cost or effort. Consistent with AASB S2's proportionality provisions and the standard's requirement to avoid disclosures that may result in misleading or unfaithful representation, these disclosures are provided qualitatively in this first reporting year. Quantitative disclosures including scenario outputs will be expanded as data capability and modelling maturity improve in future reporting periods.

Table 1 Key judgements, estimations and assumptions

Judgements, estimates and assumptions	Description
Materiality assessment	Judgement was applied to identify material information associated with the climate-related risks and opportunities that could reasonably be expected to affect Sandvik Australia Holdings prospects.
Material sites	Management exercised judgement to determine a sample selection of sites to apply the climate scenario analysis of physical climate related risks.
Quantification of anticipated financial effects	Forward looking quantitative disclosures have high measurement uncertainty and have therefore not been provided, consistent with the Basis for Non-Disclosure.
Assumptions in climate scenarios and analysis	Conducting climate scenario analysis involves applying expertly judged assumptions about jurisdictional policies, macroeconomic trends, national or regional variables and technology developments. Assumptions underpinning these scenarios reflect external scientific sources and necessarily involve uncertainty. This scenario analysis was limited to qualitative assessment due to current modelling maturity and high uncertainty in forward-looking numerical assumptions, therefore scenario-based quantitative financial modelling has not been disclosed.
Transition risks	Possible climate-related transition risks were identified and assessed through the scenario analysis. At present, transition risks have not been assessed as a material financial risk for Sandvik. Emerging transition risks are incorporated into our Enterprise Risk Management process, where they are monitored as the landscape continues to evolve.
Customer site proxy locations	Customer sites physical risk exposure was estimated using the coordinates of the nearest Sandvik sites in Australia. This assumes similar hazard profiles within the relevant catchments; it may under or over state location-specific variables.
GHG-related metrics	GHG emissions are measured in accordance with the GHG Protocol unless otherwise stated as required by AASB S2.
Assumptions in the Transition Plan	The Transition Plan is built on several assumptions around regulatory, technological and market environment including expected increase in availability of low emission vehicles, decarbonisation of the national electricity grid, and market expansion for recycled metals and low carbon steel. The plan assumes strengthening policy settings supporting decarbonisation and circularity initiatives, and uptake of digital, automated and electrified equipment by customers.

Executive summary



Sandvik Australia Holdings Pty Ltd and its subsidiaries (the Group) presents its first AASB S2-aligned Sustainability Report for the reporting period ending 31 December 2025. This Report outlines how climate related impacts, risks, opportunities and governance are integrated into our strategy, operations and decision making. It reflects a significant uplift in climate governance maturity across the organisation and sets the foundation for consistent, transparent and future oriented sustainability reporting

Climate governance is embedded throughout the Group, aligned with Sandvik AB's global frameworks, sustainability strategy and SBTi validated targets. Oversight is provided by the Company Board and the newly established Board-level Sustainability Committee, supported by strong executive involvement and cross-functional expertise. Clear accountabilities, strengthened internal controls, and capability building efforts ensure climate related governance is consistently applied across all entities.

Strategy and business model integration of climate-related risks and opportunities reflect the ambition to support a low-carbon, resilient economy through electrification, digitalisation, automation and circularity. Our value chain spans manufacturing, service, logistics and digital mining technologies, each with climate related risks and opportunities. Through the Climate Scenario Analysis we tested resilience under orderly, disorderly and hothouse climate futures across four time horizons. This work identified material risks, such as extreme weather events, alongside significant opportunities in low emission solutions, circularity and supporting the rising demand for critical minerals and transition metals.

While isolated extreme weather events in recent years such as storm related site closures, bushfire evacuations, and weather related reductions in customer demand, have resulted in short term labour costs, repair expenses or temporary revenue impacts estimated to total \$530,000 net of insurance. These are not considered material financial impacts requiring material changes to our capital allocation or financial planning.

Resilience under climate scenarios across the orderly, disorderly and hothouse scenarios assessed is supported by:

- Diversification across commodities, customers and end markets
- A high share of parts, service and technology offerings that can be redeployed as customer needs shift
- Continued investment in automation, remote operations and condition monitoring that help customers maintain productivity under physical constraints, and
- Strengthened risk management and site controls (including climate risk assessment for new leases and targeted resilience measures at higher risk locations).



Risk management processes have been enhanced to integrate climate considerations into our established Enterprise Risk Management (ERM) framework. Climate related risks and opportunities were assessed, validated, prioritised and incorporated into entity level risk registers, ensuring alignment with existing risk appetite criteria, operational controls and mitigation pathways. Regular monitoring, biannual workshops and Board oversight ensure climate related risks remain visible and are actively managed as our operating environment evolves.

Transition planning is a core focus of our climate strategy. Our Transition Plan aligns with Sandvik ABs' SBTi-validated pathway and outlines practical, scalable actions across Scope 1-3 emissions. Key themes include: optimising our fleet, expanding rooftop solar and renewable electricity procurement, enhancing energy efficiency, developing circularity programs, and supporting customer decarbonisation through our sustainable solutions including fuel-efficient and electrified equipment, digitalisation and automation. The plan identifies assumptions, dependencies, resource allocations and resilience measures, ensuring our pathway to 2030 and 2050 is achievable, credible and transparent.

Metrics and targets are calculated in accordance with the GHG Protocol and align with Sandvik AB commitments: reducing gross Scope 1 and 2 emissions by 50% by 2030, 90% by 2040, and achieving net zero across Scopes 1-3 by 2050, compared to a 2019 baseline. Transition plan initiatives demonstrate how we will credibly achieve our emissions reduction targets. Additional metrics such as energy sourcing, investment in decarbonisation, and revenue exposure to transition metals provide insight into our strategic direction.

Overall, the Group is positioning itself to navigate climate related risks while capturing opportunities that strengthen our competitiveness and resilience. In an orderly transition, physical

risk exposure is relatively lower and market conditions support growth in low emissions and digital solutions. In disorderly and hothouse scenarios, physical impacts and disruption risks increase over the long- and extended-term (including workforce heat exposure, site disruption, supply chain interruptions and customer site downtime) however our existing and planned mitigation activities ensure minimal residual risk. The insights from our climate scenario analysis, strengthened governance, and credible transition plan form a robust foundation for long-term sustainability. As regulatory expectations evolve and modelling capability improves, we remain committed to enhancing transparency, expanding disclosure depth and driving meaningful progress towards a low carbon future.

Governance

Sustainability governance is grounded in our business strategy, business model and international frameworks. Relevant goals are set to address material areas and effectively manage associated risks and opportunities. Policies and management systems are in place to ensure financial, environmental and social compliance.

The Sandvik Way is the core governance framework that sets out the principles, policies and operating expectations that guide how Sandvik runs its businesses. It defines the systems, controls and behaviours that ensure our operations are ethical, compliant and aligned to Sandvik AB standards. This framework underpins the decentralised governance model applied across the Group, providing consistent direction while allowing each business area and entity to manage its risks, responsibilities and performance within a clear global structure.

The Company consists of business area Mining (including acquisitions such as Deswik, Universal Field Robots, Tricon Drilling Solutions), sales area Australia and New Zealand (including logistics, parts and services and divisional business lines), business area Rock Processing in Australia and China and Coromant sales as part of business area Machining which is explained further in the Business Model and Value Chain section (p.20-22).

Roles, responsibilities and competencies

Board of Directors

Sandvik AB is responsible for developing the organisation-wide policies and procedures including those related to climate and sustainability. Each entity operating in Australia has its own Board of Directors which meet at least annually. All operating entities, Executive Management and respective Boards have a responsibility to implement Sandvik AB policies through region-specific procedures, aligned with The Sandvik Way and relevant Australian regulatory requirements and governance standards.

The Sandvik Australia Holdings Board of Directors (the Company Board) has primary oversight over the governance and regulatory responses to support the way Group impacts the community, environment, employees, customers and broader stakeholders through its policies, processes and procedures. To this effect, the Board oversees the impact of climate-related risks and opportunities (CRR0) on the business and supports the transition plans through the Sustainability Committee and respective Executive Management

teams of the operating entities.

Directors of each operating entity are provided with regular information regarding compliance with climate and sustainability related matters including environmental laws, sustainable and ethical supply chain management and workplace health and safety legislation, as well as observing all relevant legal obligations including taxation and statutory reporting. These updates are formally presented at scheduled Board meetings and at forums such as the biannual Australian Business Review (Country Council). The level of compliance and progress with these obligations is measured with key performance indicators (KPIs), including emissions reduction performance, and reported to the Company Board. At this time, performance metrics relating to climate-related targets are not included in executive or employee remuneration policies.

The composition of the Company Board is consistent with the requirements of Sandvik AB's Subsidiary Governance policy and the associated business area procedures. All directors are provided

with extensive guidance and mandatory training, including country-specific training from a recognised institution (such as the Australian Institute of Company Directors, AICD). Many of the Company Board are members of the AICD, and subject to the AICD's continuing professional development requirements, including Climate Governance for Australian Company Directors. The Chief Financial Officer for Sandvik AB business area Mining is a member of the Company Board, who brings expertise on international regulations, such as the Corporate Sustainability Reporting Directive, and coherence to company-wide financial objectives, performance and ambition.

Sustainability Committee role, responsibilities and competencies

Within the reporting year, the Company Board formally established the Sustainability Committee as a Board-level advisory body to assist the members of the Company Board in maintaining oversight across sustainability generally and climate-related matters specifically. The

Table 2 Summary of roles and responsibilities between Sandvik AB and the Sandvik Australia Holdings Group of entities.

Sandvik AB	Board of Directors	<ul style="list-style-type: none"> Oversees performance of Sandvik AB sustainability objectives and receives reporting via the Audit Committee. Ensures climate related risks and opportunities are governed within Sandvik AB strategic oversight frameworks.
	Executive Management	<ul style="list-style-type: none"> Responsible for Group strategy development, including sustainability and climate related objectives. Oversees execution of climate policies, targets, and strategic programs across business areas and sales areas. Ensures climate governance is cascaded and embedded across business areas and divisions.
	Sustainability Function	<ul style="list-style-type: none"> Coordinates Group wide sustainability agenda, frameworks, and climate strategy. Supports business areas with implementing climate governance, reporting frameworks and KPIs. Consolidates internal sustainability performance and ensures alignment with Sandvik AB policy requirements.
Sandvik Australia Holdings entities	Company Board of Directors	<ul style="list-style-type: none"> Primary responsibility for climate governance in the Group. Ensures due diligence activities across subsidiaries. Ensures alignment with The Sandvik Way and Australian regulatory obligations.
	Sustainability Committee	<ul style="list-style-type: none"> Company Board level advisory committee providing recommendations and oversight of sustainability and climate related matters. Reviews disclosure readiness for AASB S2, monitors progress toward sustainability objectives and reviews climate risk frameworks, transition plan implementation, and quarterly sustainability performance.
	Executive Management and Risk Owners within ERM Framework	<ul style="list-style-type: none"> Oversees identification and management of business, financial and strategic and risks including climate related as part of ERM. Ensures mitigation actions are implemented and operational controls are functioning.
	Sustainability Team	<ul style="list-style-type: none"> Leads climate reporting processes, data quality controls, climate scenario analysis coordination, and transition plan development to ultimately develop the Company climate related disclosures in line with AASB S2. Supports capability building on climate governance across the Group.
	Finance Team	<ul style="list-style-type: none"> Supports climate related reporting integration with financial reporting and consistency of financial assumptions. Oversees climate related investment processes (e.g., CO₂ Assessment Tool).
	Operational Sites Managers, Property Management and EHS Team	<ul style="list-style-type: none"> Implement operational climate risk mitigation (heat management, storm preparedness, asset protection). Maintain continuity of operations during climate related events. Support emissions data capture and operational controls. Ensure climate risks and adaptation measures are incorporated in new and renewed assets with reference to climate scenario analysis and sustainability considerations.

Sustainability Committee has a standing brief to review climate-related financial disclosure readiness and performance with respect to environmental, social and governance matters. The Company Board receives minutes of each Sustainability Committee meeting which includes performance against sustainability targets, current climate risk profile and opportunity outlook informed by relevant stakeholders and teams within the organisation refer to Figure 1).

The Sustainability Committee consists of expertise across the functions of Sustainability; Finance; Human Resources; Environment, Health & Safety; and Procurement. All members completed a self-assessment of their competence in the following criteria: climate governance and strategy; technical climate knowledge; risk management; and leadership. The Committee has diverse knowledge across climate-related competencies, with particular strengths in risk management, assessment and oversight, change leadership, and an understanding of climate governance frameworks.

All members of the Committee have undertaken external climate-specific training whether it is an accredited AICD Climate Governance for Directors course or tertiary education.

Enterprise Risk Management roles and responsibilities

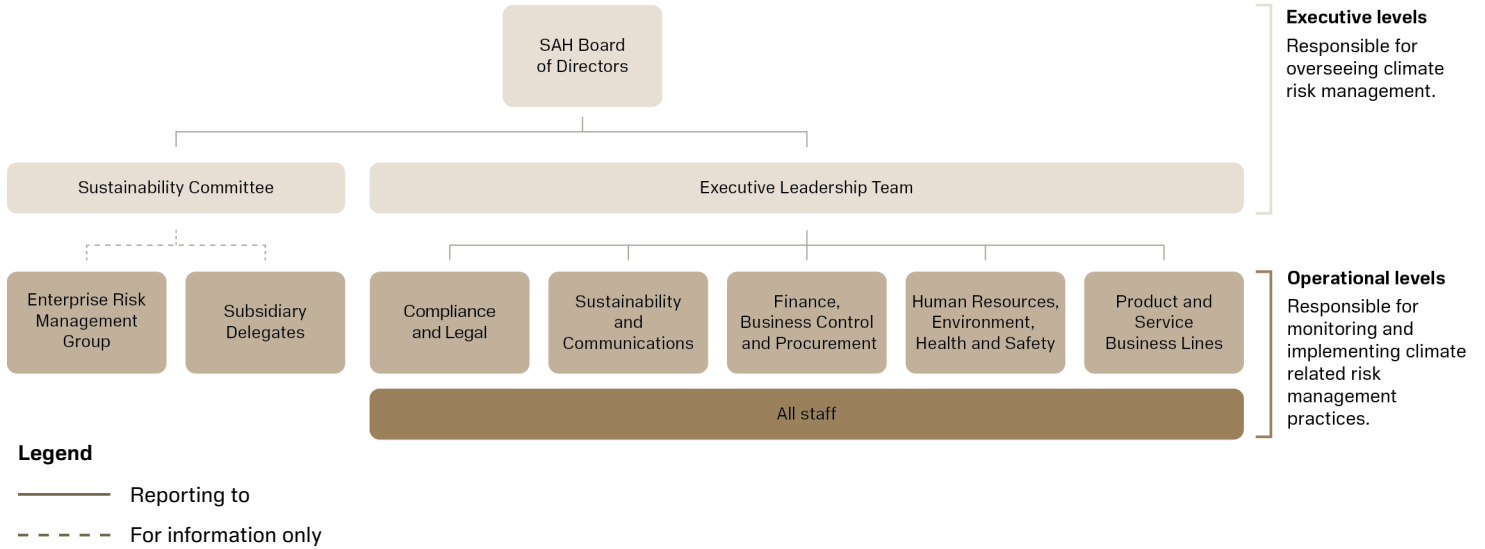
Enterprise Risk Management (ERM) is managed by Executive Management within each operating entity of the Group. Executive Management is responsible for identifying, assessing, prioritising and monitoring emerging business, strategic and financial risks, including CRRO, through established risk identification and reporting processes.

Each entity maintains a risk register and undertakes a formal ERM workshop annually, with the risk assessment updated at least bi-annually. Group and Company Boards receive periodic ERM reporting that includes changes in key risks, status of mitigation actions and material CRRO updates.

Board oversight of CRRO is exercised through review of ERM outputs and climate reporting presented by management, including reviewing

whether risk owners, controls and mitigation plans are assigned and progressing and monitoring implementation of agreed actions through follow-up reporting until closure or residual risk is within appetite.

Fig 1. Climate governance structure with Sandvik Australia Holdings



Competency of Executive Management for Climate Risk

All managers with operational responsibilities are expected to ensure that risks associated with their operations are appropriately identified, evaluated and managed. Executive Management is responsible for ensuring management within their functions and business lines understand relevant CRRO throughout the year and integrate them into operational planning and decision-making.

Throughout the year, key stakeholders participated in workshops and training sessions focused on climate risk identification, scenario analysis, and mitigation planning. Engagement activities included structured interviews, an introduction to the Australian Sustainability Reporting Standard AASB S2, a climate scenario analysis and scoring workshop, and a final risk mitigation and management workshop. These sessions provided practical tools and frameworks to support managers in integrating CRROs into their operational decision-making and oversight responsibilities.

The Sustainability and Finance teams played a central role in advancing internal understanding of climate governance, Sandvik’s sustainability commitments, and strategic initiatives

to build resilience. This was achieved through regular presentations at leadership forums, webinars, strategy days, and targeted education programs. Specific training was delivered to roles with emissions reporting responsibilities to ensure accurate data capture and reporting. The Group also engaged sustainability consultancy, SLR Consulting, to support the integration of sustainability principles across our operations, strengthening our ability to operate responsibly and build long-term business resilience.

We will continue to invest in capability-building across all management levels to ensure leaders are equipped to support their teams in managing climate-related risks and opportunities, and to embed climate resilience into day-to-day operations.

Governance of controls, procedures and strategy

Our governance of sustainability is designed to ensure that climate-related considerations are embedded into strategy and decision-making processes across all levels of the organisation through the existing governance frameworks of the ERM system, investment approval processes and strategic planning cycles. Climate risks are assessed alongside business, strategic and financial risks and reported through established channels to the Board including the Sustainability Committee minutes and Australian Business Review forum. This integration ensures that climate governance is not treated in isolation but embedded within core business oversight mechanisms.

Major transaction oversight

Within the reporting year, the Group introduced a Carbon Emissions Assessment Procedure for major capital investments. This procedure applies to all material investments exceeding \$50,000 and is supported by the CO₂ Assessment Tool, which was developed to enhance awareness of emissions impacts and improve the quality of investment decisions. The tool is intended to ensure that emissions impacts are evaluated alongside traditional factors such as cost, operational efficiency, and strategic direction. This approach supports informed decision-making and encourages sustainable investment practices without compromising business agility.

Relevant stakeholders involved in investment requests have been educated on their responsibilities under the updated process by Finance and Sustainability functions. The tool assists managers in identifying where scope 1 and 2 emissions are concentrated within their operations, forecasting transition planning needs, and informing necessary investment in emissions reduction. In future reporting periods, investment cases using the CO₂ Assessment Tool will assist the Sustainability Committee in identifying and evaluating trade-offs between emissions impacts and other strategic or financial considerations, supporting more balanced and

transparent investment decisions. In addition to emissions considerations, major transactions and longer-term commitments (including new property leases and lease renewals) are assessed for exposure to CRROs, with a focus on physical risks such as extreme heat, storms, flooding and bushfire. Climate risk considerations are incorporated into property site selection and lease decision-making to help identify whether locations are in higher-risk areas, whether additional adaptation measures or site controls may be required, and whether risks should be escalated through ERM and governance forums. This approach is supported by the Sustainability Considerations Guideline, which provides practical criteria for managing climate risks in operational sites and is prioritised for higher-risk locations informed by our climate scenario analysis.

Sustainability strategy

In addition to investment governance, the sustainability strategy is actively implemented and monitored through regular executive-level engagement. The General Manager for Sustainability reports monthly to the Executive Management and Vice President on sustainability performance, strategic progress, and priority focus areas. These presentations include updates on CRROs, progress against emissions targets, stakeholder engagement outcomes, and alignment with the Sustainability Shift objectives. This reporting cadence ensures that sustainability remains a standing agenda item at the highest levels of management and that strategic decisions are informed by current performance and emerging risks.

Policies, and procedures and controls

Climate-related controls and procedures are further supported by several policies that guide sustainable practices across the value chain. These include the Sustainability Policy, Risk Management Policy, Supplier Code of Conduct, EHS Policy, and Procurement Policy, among others. Each policy outlines specific

climate-related commitments, such as emissions reduction targets, responsible sourcing, and environmental protection measures. Policy owners at Sandvik AB are accountable for regular review and updates, ensuring alignment with stakeholder expectations and regulatory developments. The Group Executive Management ensures these policies and procedures are implemented locally by the appropriate functions. Sandvik AB is actively implementing an internal controls procedure as part of the global sustainability reporting framework. This procedure is designed to ensure a systematic and integrated process for identifying, evaluating, and managing potential risks related to sustainability metrics. By adopting a risk-based methodology, Sandvik AB prioritises controls based on the materiality of reported metrics, in compliance with the qualitative characteristics of reporting standards. These internal controls help ensure that sustainability statements are robust, reliable, and aligned with both regulatory expectations and Sandvik AB's own governance standards. The Group is actively adopting internal controls such as Workiva, as they are implemented by Sandvik AB throughout the organisation. The Sustainability Team in Australia is responsible for developing the climate-related disclosures which are checked for completeness by the Group Sustainability Committee and ultimately approved by the Company Board.

Our business model

Inputs - what we use to create value

Employees

Sandvik utilises the expertise and experience from our employees together with insights from close collaboration with customers and suppliers, to deploy innovative products and solutions into the Australian mining and infrastructure sectors.

Innovation

Sandvik has research and development, and product development at its core, which we use to drive sustainable innovations. We always strive for technology leadership and successful partnerships.

Resources

Energy, raw materials, and components are essential for Sandvik production, and we continuously drive focus on resource efficiency to minimise the environmental footprint and drive productivity.

Social

We actively engage in the communities where we operate benefitting our employees and society.



Business activities - how we operate

Operations

Sustainability integrated into operations leads to resource efficiency, cost saving, and improved risk management.

- Lean manufacturing and rebuilds, waste minimisation, and energy efficiency improve operational performance and environmental impact, while supporting a circular economy.
- Leveraging technology and digitalisation for improved transparency and data driven decision making.
- Our governance framework, The Sandvik Way, and our Code of Conduct enables responsible business of sustainability topics in the value chain.



Outputs - what we deliver and how we create value

The Group delivers world leading equipment, tooling, digital technologies, parts and services that enable safer, smarter, and more sustainable productivity across the mining and infrastructure industries.

We are accelerating the transition toward next generation solutions. Our portfolio includes advanced electric and autonomous mining equipment that reduces CO₂ emissions, improves underground working conditions, and enhances safety by removing operators from high risk areas. We also deliver eco-efficient rock processing technologies that significantly reduce energy use per tonne processed, helping customers achieve higher throughput with a lighter environmental footprint.

A major enabler of our digital growth is our strengthened capability in mine planning, scheduling, operations management, geological data modelling, and technical consulting. By integrating sophisticated digital mine design and optimisation tools with our automation and electrification expertise, we provide Australian customers with seamless end-to-end optimisation — from long-term planning and resource modelling to real-time execution. This allows mining operations to improve productivity and reduce energy intensity.

Across our offerings, we embed circularity, resource efficiency, and our Zero Harm ambition. From sustainable design and responsible sourcing to predictive maintenance and resource recovery, we focus on reducing waste, extending asset life, and enabling low-carbon, high-efficiency operations. This approach ensures our solutions deliver both environmental and economic benefits while supporting customers' long-term sustainability goals.

The Group also creates broader societal value by contributing to employment, tax revenue, innovation ecosystems and community development across the regions in which we operate. Through local partnerships, skills development programs, engagement with First Nations communities and broader community investment and engagement initiatives, we help build stronger, more inclusive and resilient societies.

Value chain

Through its controlled businesses, the Group provides equipment, tools, technologies, software and services to support customers across the mining, quarrying, construction and infrastructure sectors. The Group oversees local sales, service, technology development and manufacturing activities that support customers across Australia and the broader Asia-Pacific region.

In 2025, the Group generated approximately AUD 2.1 billion in revenue and employed around 2,000 people across its Australian operations.

The Group businesses collectively span key stages of the mining value chain, including extraction, rock processing, digital mine planning and emerging automation technologies. Together, they deliver a comprehensive portfolio of equipment, consumables, software, automation and lifecycle services that support the productivity, safety and sustainability of customer operations.

Our primary business activities include:

- Sandvik Mining and Construction provides underground and surface mining equipment, rock drilling tools, parts and lifecycle services, as well as digital and automation solutions designed to improve safety, productivity and sustainability across mining operations and the civil infrastructure industries.
- Sandvik Rock Processing supplies equipment and solutions for crushing, screening and rock processing used in

quarrying, mining and infrastructure projects, together with associated aftermarket support and services.

- Deswik develops mine planning software and consulting solutions used by mining companies globally to design, schedule and optimise their operations.
- Tricon Drilling Solutions specialises in rotary drilling tools and consumables used in surface mining, supporting customers with durable, high-performance drilling solutions.
- Sandvik Machining provides high-precision cutting tools and machining solutions through the Coromant business, supporting customers with advanced tooling technologies.
- Universal Field Robots develops advanced robotic technologies and automation systems designed to improve safety and efficiency in hazardous or remote operational environments.
- Shark develops ground engaging tools and wear parts that support Sandvik's mining and construction customers with durable, high performance solutions.

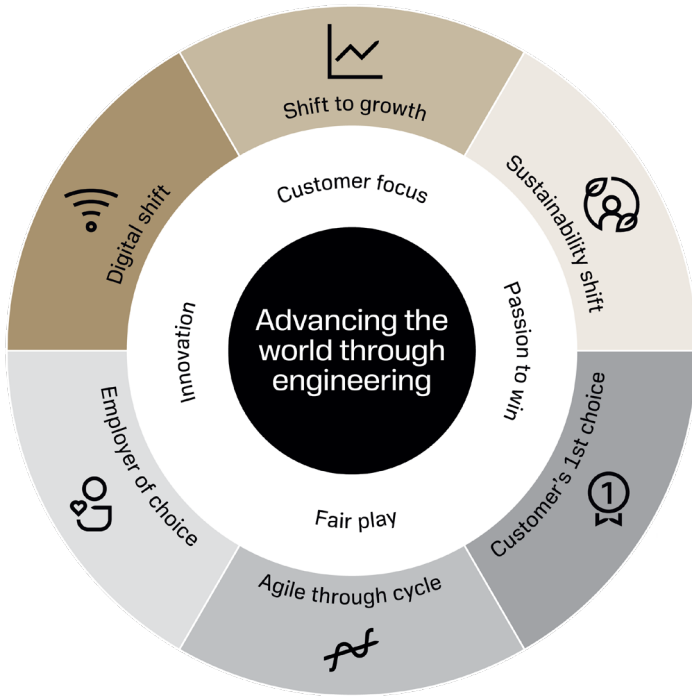
Collectively, these businesses position the Group to deliver integrated solutions that support the mining and resources sector with safer, more productive and increasingly sustainable operations. Reference Note 25 for the complete list of Group Entities.



Table 3 Value chain relationships

Value chain	Category	Description	Key geographic location
Upstream	Key suppliers of purchased goods and services	HR, IT, professional services, industrial supplies (lubricants, electrical/hydraulic/mechanical components), subcontracted machining, packaging materials	Australia, Northern Europe, China, India
	Capital goods	Industrial and mining equipment, cranes, forklifts, automation systems, grinding and welding equipment, electrical engines	Northern Europe, Australia, China, India
	Real estate and facility management	Property leasing, maintenance, building services (cleaning, security), utilities	Australia, New Zealand
	Logistics	International and domestic transportation and distribution of raw materials, parts, and components	International air and road freight routes, sea freight ports, domestic Australian transport
	Fuel and energy	Electricity supply, diesel, LPG, LNG	Australia
Core operations	Operational processes	Pre-delivery inspections and assembly, servicing and maintenance, equipment rebuilds, mine planning software development, mining consulting, robotics, waste management	Australia
	Business travel	Vehicle rentals, hotel stays, air travel, taxi and local transport for staff mobility	Global
	Leased assets	Car leasing, leased production equipment	Australia
Downstream	Transportation and distribution	Outbound logistics of finished goods (where paid or coordinated by customers/supply chain partners)	Australia & international customer destinations
	Customers	Mining companies and contractors, industrial, mining, manufacturing, and engineering customers using Sandvik equipment, tools, software and services	Australia, New Zealand, Papua New Guinea

Sustainability strategy



Our Sustainability Strategy aims to create benefits for all stakeholders – customers, employees, the communities we operate in, and shareholders. It rests on our core values, explicit target setting, and a decentralised way of working. Guidance is taken from the Sandvik AB strategy and adapted to fit the specific characteristics, opportunities and challenges for each individual part of the Group business. Closing out the We make the shift strategy period, six key strategic objectives were prioritised in 2025:

- Digital Shift,
- Shift to Growth,
- Sustainability Shift,
- Employer of Choice,
- Agile through Cycle, and
- Customers 1st choice.

Sustainability is integrated in all six of these objectives and is recognised as being a cornerstone to future business opportunities for the Group, in supporting improvements in our customers productivity, safety, and resource efficiency. Sandvik aims to be the employer of choice within our industries and attract, retain, and develop diverse talents to drive our strategy. The sustainability strategy is composed of five focus areas designed to support the Group's long-term sustainability ambitions. These focus areas are:

- To offer **Sustainable solutions**,
- Achieve **Net Zero** emissions,
- To embed **Circularity** into our business,
- Respect and develop the **People and communities** we work with and impact, and
- To operate always as a **Responsible business**.

Sustainable solutions

Sustainable solutions aim to lead the industry innovation through solutions that are clearly differentiated on sustainability, driving value and creating substantial benefits for our customers and society.

We work in close collaboration with our customers to ensure that global Sandvik product divisions are developing sustainable solutions tailored to the Australian market and climate. Product development considers impact on the entire lifecycle of the product, from sourcing and manufacture through to use-phase and end-of-life treatment – each stage underpinned by sustainability principles in water, energy, circularity, and resource efficiency. Effectively communicating these sustainable solutions to our local customers and engaging in continuous feedback loops between production and end users ensures that our offerings remain relevant, impactful, and tailored to the unique needs of our environment. This ongoing collaboration drives innovation and enhances the overall sustainability outcomes for both our customers and the broader community.

Technology provides the tools to enable end-to-end optimisation for our industries. Data and new technologies are transforming how we gather insights and share knowledge with our customers, enabling continuous transformation, as well as transparency across the value chain.

As the world works to meet the targets of the Paris Agreement, there will be increased demand for the critical minerals needed to build the infrastructure for the energy transition. Sustainable solutions for our mining equipment include energy-efficient rock processing solutions and battery-electric and diesel-electric equipment powered by renewable energy. The largest contribution we can make is to help our customers undergo a sustainable transition in mining and infrastructure through the solutions we provide. See more on our climate-related opportunity for sustainable solutions in the Low-Emission Goods and Services section (p.38).

Net zero

We are committed to achieving net zero GHG emissions across the entire value chain by no later than 2050.

Our goal is to have net zero emissions in our value chain. This includes the impact of our products and equipment in use. We have Net Zero transition targets which are described in the Transition Plan section (p.42-46).

We help customers improve operational efficiency and reduce environmental impacts through the adoption of Sandvik products and solutions. This includes addressing key areas such as water, pollution and greenhouse gas emissions. Accelerating the development of more sustainable solutions that reduce customer emissions is critical to this effort.

Our net zero journey is underpinned by collaborative transition planning and robust governance. We have developed an emissions reduction roadmap aligned with sustainable facilities management, low-emissions vehicle adoption, and mandatory CO₂ impact assessments for all capital investments, ensuring sustainability is embedded across departments. We are working to ensure that every individual site has an action plan to reduce GHG emissions and increase energy efficiency. We have identified key decarbonisation levers to support us in our transition towards net zero. Read more on this in the Climate Transition Plan section (p.42-46).

Circularity

We will drive circularity and resource efficiency, doing better with less and working towards circular value chains.

We are committed to playing our part in building a global economy based on circular business models. By minimising waste and finding new ways to capture sustainable materials and products within closed loops, we can reduce carbon emissions and bring environmental value for land and water. And, in the case of critical minerals, circularity will help to meet the demand caused by the energy transition.

We are building circularity and resource efficiency into our business in a number of different ways. We are driven to improve the circular value chain for product components, minimising barriers for customers to participate in sustainable practices through convenient buy-back programs and resource recovery initiatives. Sandvik is the first original equipment manufacturer (OEM) in Australia to offer carbide recycling, pioneering a program that preserves critical resources and supports secure, conflict-free supply chains.

In our own operations, we are working to increase the share of waste that is reused or recycled. In regions without strong waste management infrastructure, we collaborate with partners to identify alternatives to landfill. We are rethinking packaging with our global Sandvik distribution hubs, to identify the most environmentally efficient option for products in need of packaging, and eliminating waste where possible. Read more in our key Climate-Related Opportunity for Circularity section (p.41).

People and communities

We work to protect and advance people, enabling diversity, equity and inclusion in our business, human rights in our value chain and resilient communities where we work.

We place people and communities at the heart of our mission, prioritising ethical supply chains, zero harm, workplace diversity, equity and inclusion, and community engagement. We are committed to promoting decent work in our value chain, to contribute to improving lives. Through ongoing Reconciliation Action Plans, we are striving to create employment and procurement opportunities for First Nations Australians, and to foster cultural understanding and respect within our workforce. Health and safety is rigorously monitored across our operations and we continuously invest in our safety culture and our goal of zero harm.

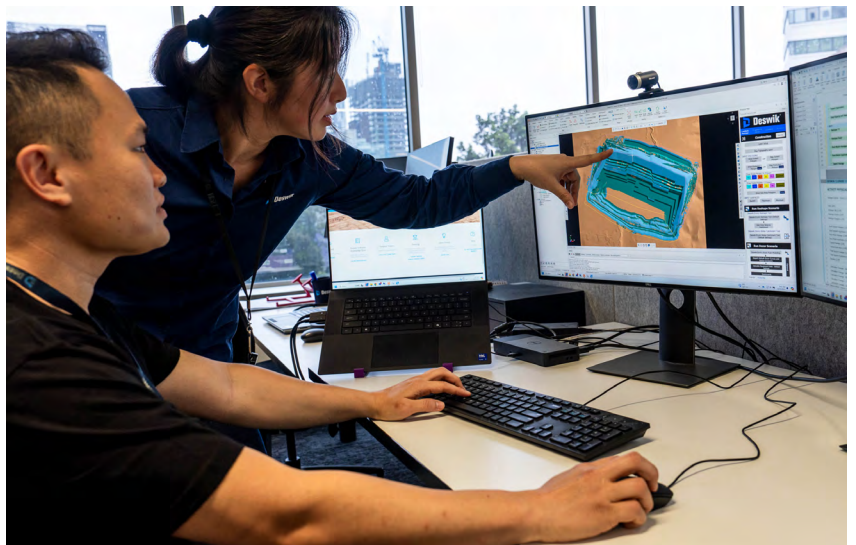
Our engagement with communities local to Sandvik's operations is based on our commitment to using our passion and expertise to solve challenges and build skills for the jobs of the future. Across all our communities, our aim is to actively participate through partnerships, education and volunteering to bring our values to life.

Responsible business

We will ensure high standards of business conduct and responsibility are built in in our own operations through our value chain, enabled by transparency and due diligence. At Sandvik we have a long history of responsible business conduct which has played a significant role in the global success of Sandvik AB and the Group. We constantly aim higher in ethics and transparency, being a leader in playing fair and being open. Our work in this area is supported by our Code of Conduct, our risk-based compliance programs with clear policies and training as well as monitoring and assurance, complemented by our SpeakUp (whistleblowing) and investigations processes and remediation and discipline. We uphold a strong commitment to safeguarding human rights across its operations and supply chain, guided by the Sandvik Code of Conduct and supported by annual reporting under the Modern Slavery Act 2018. Our Modern Slavery Statement outlines the actions taken to identify, assess and manage modern slavery risks, with key deliverables including the mandatory application of the Supplier Code of Conduct, strengthened supplier due diligence and categorisation processes, integration of the Sustainable Supplier Evaluation Procedure, and expanded use of external assessments such as sustainability rating tool, EcoVadis, for at risk suppliers. In our supplier management and procurement practices, our aim is to ensure that our own high standards are embedded. These standards include environmental, anti-bribery, trade controls, privacy, fair competition, health and safety, human rights and labour practices. The Supplier Code of Conduct sets out our expectations and requirements, and we seek out business partners who share our values and commitments. These activities are complemented by internal training, ongoing monitoring of supplier performance, and the continued enhancement of grievance and reporting mechanisms to ensure accountability and continuous improvement in responsible sourcing and ethical business practices. Our ambition is to contribute to a responsible, sustainable value chain, collaborating with our suppliers and customers and conducting our business with honesty and integrity to meet stakeholder expectations as well as legal requirements. We are committed to transparency on our sustainability progress and performance. We will continue to keep pace with all relevant emerging regulation on sustainability and reporting.

Climate-related Risks and Opportunities

This section describes the Group's climate-related risks and opportunities (CRRO) and how they may affect our business model, value chain and financials. To support readability, we first outline the climate scenarios, time horizons and key assumptions used in our assessment. We then describe each material CRRO and reference those scenarios consistently when discussing impacts, mitigation actions and resilience. See the Concentration of CRRO in the Value Chain section (p.21-22) for a summary.



Climate scenario analysis

Our CRRO identification, climate scenario analysis and resilience assessment was supported by SLR Consulting. The process included a review of relevant plans and documentation, desktop analysis of climate and scenario data, interviews and three workshops. The insights and feedback from representatives from across the Group informed the site selection, business impacts and inherent resilience, ensuring that existing and planned mitigation and adaptation efforts were captured effectively. The workshops served as checkpoints to validate scenario analysis results with cross-functional stakeholders and determine an actionable approach to ensure the resilience assessment accurately represented the Group's position. These insights paved the way for implementing the AASB S2 requirements and provided a practical roadmap to enable the Group to integrate CRROs into Sandvik's established Enterprise Risk Management (ERM) procedure and business strategy.

Scenario selection

A range of emerging CRRO types was evaluated to understand how they could materialise under different climate scenarios and time horizons, considering potential business impacts across the entire value chain. The qualitative assessment of CRROs considered our exposure, sensitivity and adaptive capacity, utilising risk and opportunity tools to systematically score the outputs. Within our own operations, we assessed sites where our major service centres and distribution hubs are situated. A sample was selected based on asset value, operating value and geographic distribution to ensure effective representation and limit the evaluation to material effects. To ensure resilience to uncertain climate futures, the Group has stress-tested its strategy and business plan using scenario analysis that incorporates both high transition (Orderly) and high physical risk (Hothouse) scenarios. The climate scenario analysis was conducted on 13 CRROs, with three distinct scenarios over four time horizons to stress-test impacts under

a variety of potential future scenarios. We have drawn on scenarios from the Intergovernmental Panel on Climate Change, International Energy Agency, Network for Greening the Financial System, and ClimSystems to conduct an integrated risk assessment and identify financial implications. This approach enables us to account for a range of potential futures and uncertainties by grouping global scenarios to reflect different, broadly accepted views of the global energy transition. From these, key macroeconomic and socio-economic variables were extracted to support comparability across scenarios. This hybrid approach ensures that the scenarios remain methodologically robust and comparable, while being tailored to our business context and the implications for our operations and strategy. Table 4 describes the three climate scenarios and assumptions applied to stress test the risks, opportunities and financial implications.

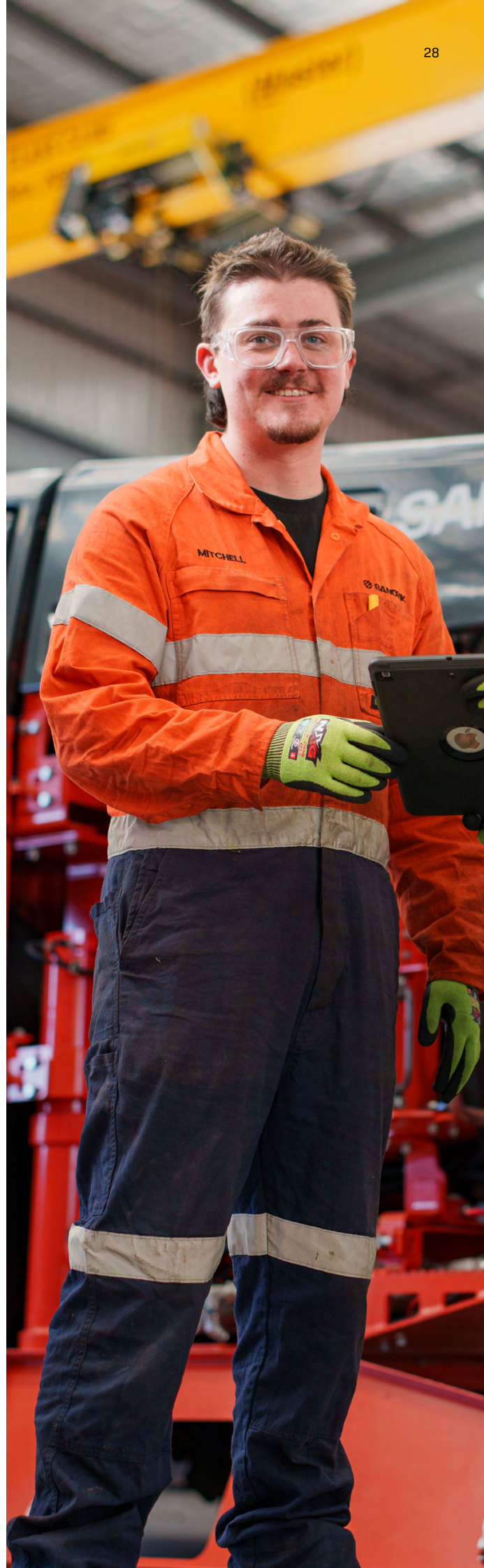
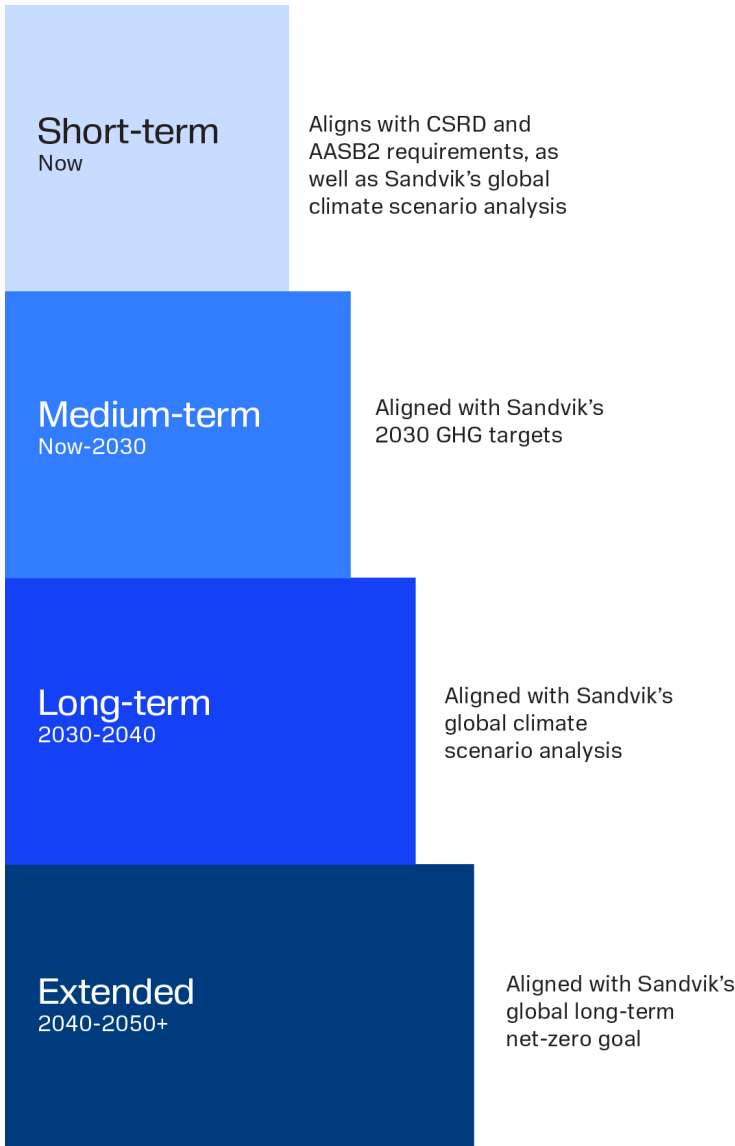
Table 4 Description and underlying assumptions of selected climate scenarios

Network for Greening the Financial System (NGFS)	Orderly transition	Disorderly transition	Hothouse scenario
	Net Zero 2050	Delayed transition	Current policies
Approx. IPCC	SSP1-1.9	SSP2-4.5	SSP5-8.5
Approx. temperature increase	1.0-1.8°C	2.1 - 3.5°C	3.3 - 5.7°C
Summary of assumptions on climate-related policies and macroeconomic trends	Net Zero 2050 limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. Carbon Dioxide Removal (CDR) is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO2 emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 °C by the end of the century, with limited overshoot (< 0.2 °C) of 1.5 °C in earlier years. Physical risks are relatively low but transition risks are high.	Delayed Transition assumes global annual emissions do not decrease until 2030. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. The availability of CDR technologies is assumed to be low pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in Orderly transition after 2030 to ensure a 67 % chance of limiting global warming.	Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. This includes irreversible changes like higher sea level rise. This scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a "hot house world".
Reason for selection	<ul style="list-style-type: none"> - Complies with AASB S2 for Paris-aligned scenarios. - Reflects ambitious global climate targets, focusing on rapid decarbonisation by mid-century. - Aligned with Sandvik AB climate scenario analysis. - Enables evaluation of aggressive mitigation strategies for net-zero committed companies. 	<ul style="list-style-type: none"> - Aligned with Sandvik AB climate scenario analysis. - Highlights risks linked to delayed action in the short-term and an abrupt, costly transition in the longer-term. 	<ul style="list-style-type: none"> - Aligned with AASB S2 requirement to assess a high emissions climate scenario well-above 2°C. - Aligned with Sandvik AB climate scenario analysis. - Essential for stress testing physical risks under continued warming, particularly for long-term investments or assets vulnerable to extreme weather events.

Linking time horizons to planning horizons

Each CRRO was assessed over the three scenarios across four distinct time horizons to understand how the identified risks evolve. The time horizons were determined using management judgement to ensure alignment with the Groups' investment cycles, asset lives, customer contracting periods and Sandvik AB sustainability targets. These horizons reflect the periods over which climate-related risks are expected to materialise and influence strategic decision-making, while aligning with national and international climate policies (e.g. Paris Agreement, Corporate Sustainability Reporting Directive, AASB S2).

The time horizons include:





Materiality assessment

The Group undertook a structured and judgement based materiality assessment to determine the climate related information that is material to our strategy, business model and long term prospects. Material information was selected by first identifying a broad set of potential climate related risks and opportunities through internal engagement, review of external climate science, industry benchmarking and insights from operational leaders across each business in the entity group. Each CRRO was then evaluated for its likelihood, severity, exposure, adaptive capacity and potential influence on strategic planning, resilience, financial performance, or decision making across our value chain. The resilience assessment considered the adaptive capacity of our strategy and business model in responding to the identified CRROs against the strategically selected scenarios and time horizons. Using our ERM methodology, climate related risks were prioritised where they could reasonably be expected to affect our ability to create or preserve value over our defined short, medium, long and extended term horizons. This process ensured that only the most relevant and useful information was included in our disclosure, supported by credible evidence, internal expertise and scenario analysis. Management judgement guided the integration of CRROs alongside other strategic, business and financial risks, our materiality assessment ensures that our sustainability reporting reflects the issues most significant to the Group's operations, stakeholders and long term resilience.

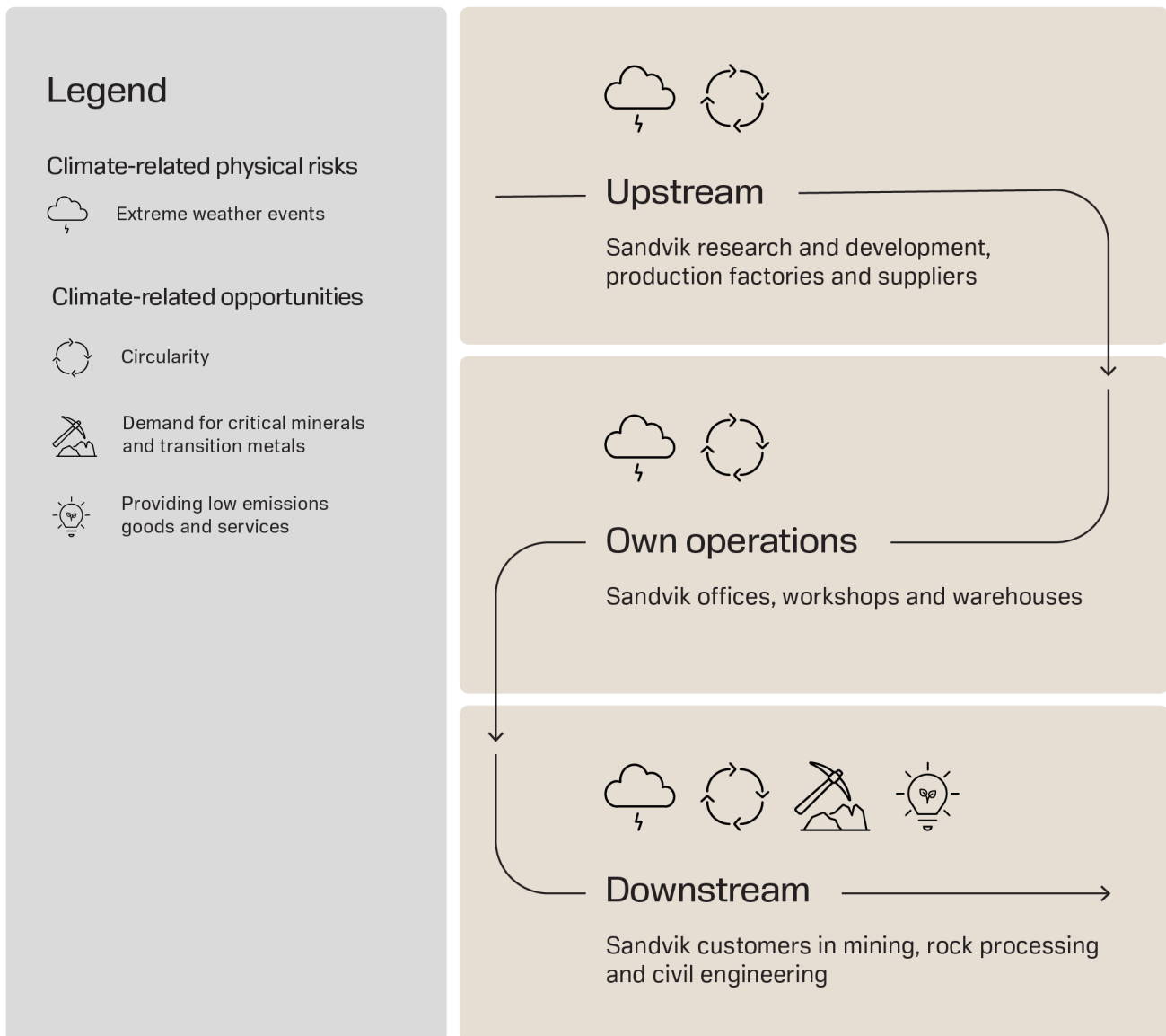
Basis for non-disclosure of transition risks

We assessed both climate-related physical risks and climate-related transition risks. Based on our materiality assessment, only climate-related physical risks were identified as material to our business in the reporting period. Transition risk drivers including policy and regulation, technology, market and reputation, were assessed and are not currently considered material, primarily because they are addressed through our existing strategy and business model, including our focus on climate-related opportunities such as demand for transition metals, circularity and the provision of low-emissions products and solutions.

Our climate scenario analysis included an orderly and delayed transition scenarios to test the potential pace and direction of transition drivers and to inform our assessment of exposure and resilience. The orderly transition scenario assumes more rapid and comprehensive changes in policy settings and technology compared to delayed transition pathways. Whereas transition risks associated with the delayed transition scenario are typically characterised by abrupt or uncoordinated policy action, faster repricing of assets and greater potential for market disruption. Under these scenarios, we expect transition impacts to be manageable and, in many cases, supportive of our strategic positioning. The process for identifying material climate-related risks, integrating them into existing management activities and prioritising them against other risks is further outlined in the Risk Management section (p.48-49).

Concentration of CRRO in the value chain

We assessed individual physical risks based on hazard groups, for example fire and heat (referring to bushfires and extreme heat) and storms (including cyclones, precipitation and lightning). It was important to assess and workshop these impacts at a hazard level to detail individual mitigation responses and reflect on events experienced. Once the resilience assessment was undertaken, we aggregated these effects into one risk category (extreme weather events) as the analysis yielded a similar risk profile over our time horizons and climate scenarios. We assessed risks at each stage of the value chain, with input from key stakeholders to best represent their exposure to hazards and business impacts. Our findings indicate that our CRROs are concentrated downstream of our operations; our final list of CRROs contains:



Climate related risks



Extreme weather events

Value chain: upstream - supply chain

Risk type: physical (acute/chronic)

Risk description

The Group faces a material physical risk from storms including cyclones, lightning, and heavy rainfall, which can disrupt supply chains by causing flooding on major transportation routes and delays to inbound freight. The risk is further heightened by the potential impact of storms on sea freight, both at loading points and upon arrival. Such events may result in material shortages, hindered production schedules, and delayed order fulfillment. Over time, repeated disruptions could lead to reputational risks, increased operational delays, and greater financial exposure, particularly if competitors with more resilient supply chains gain market advantage.

Current financial effects

No material quantified impact in the current financial period. In March 2025, tropical Cyclone Alfred impacted South East Queensland, its behaviour indicating climate change influences such as warmer oceans and heavier rainfall. This event impacted our supply chain as Brisbane Port and Airport were closed for four consecutive days. Road closures affected distribution to Mackay and Mount Isa logistics centres for up to 7 days. However, existing mitigation measures ensure safety stock levels are equipped to manage short-term disruptions, which prevented any direct customer impacts.

Anticipated financial effects

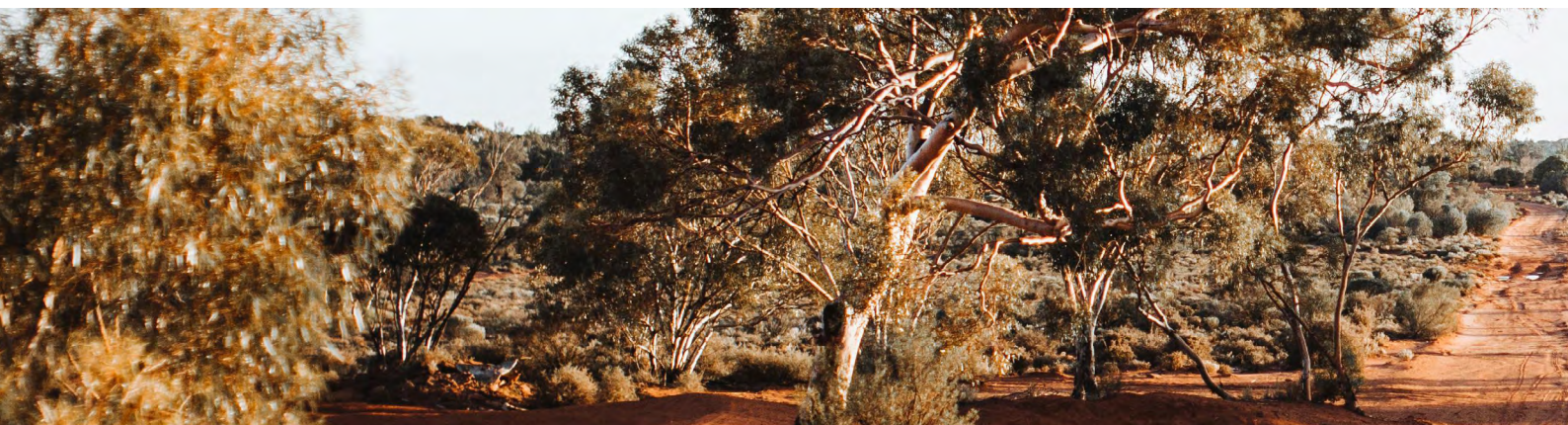
Over the short to medium-term, supply chain disruption from more frequent or severe storm events may increase logistics and procurement costs through expedited freight, alternative routing, short-term sourcing and higher inventory holding requirements. Over the longer-term, repeated disruption could contribute to higher operating costs and potential working-capital variability if lead times extend or if safety-stock levels need to be increased for critical components.

Strategy (effects on business model and value chain, current mitigation impacts)

To address these risks, we have embedded resilience and agility into its supply chain strategy. Existing controls include maintaining multiple supply routes across road, rail, and air; and leveraging a diverse supplier base with mature supply chain capabilities in China, strong Australian vendors, and a growing presence in India. This diversity ensures fast access to critical parts and reduces the risk of obsolescence. We stock critical spares on-site and explore partnerships within the value chain to further strengthen supply security. Looking ahead, Sandvik is investing in the development of its Malaysian and Indian supply chains to provide greater agility and diversification, as well as exploring alternative sourcing and stocking locations for raw materials and critical spares. These measures are intended to mitigate the impact of extreme weather events and ensure continuity of operations.

Resilience of the strategy under climate scenarios

Our strategy demonstrates resilience to storm-related supply chain risks across climate scenarios. Extreme weather events pose a medium inherent risk to our supply chain in the short and medium-term. The unmitigated risk increases in the long and extended-term under disorderly and hothouse scenarios, primarily due to reliance on key supply routes. Major highway blockages caused by severe weather can disrupt the movement of hundreds of containers, impacting material availability and production schedules. To limit our residual risk, we continue to diversify our supplier base, develop alternative supply routes, and invest in local stockholding and strategic partnerships, ensuring our operations remain agile and resilient as climate impacts intensify.





Extreme weather events

Value chain: core operations - Sandvik sites

Risk type: physical (acute/chronic)

Risk description

We assessed multiple physical risk factors likely to impact the business including fire, heat, extreme precipitation and storms. Rising temperatures due to climate change pose a direct risk to the operations across Sandvik sites in Australia. Fire and heat-related impacts such as bushfires can impact both workers and infrastructure at sites. Storms, including cyclones and lightning, coupled with associated heavy rainfall, can directly impact Sandvik sites through operational disruptions, damage to infrastructure and equipment, and directly impacting workforce health and safety.

Many of the Company's acquired sites in the digital technology sector are situated in small office buildings within low-risk urban areas. This geographic positioning increases resilience against extreme climate events, thereby reducing operational disruptions and associated costs in these locations. However, sites located in remote regions such as Kalgoorlie and Mount Isa are exposed to higher risks of heatwaves and extreme heat, while low-lying areas including Brisbane and Mackay are exposed to extreme precipitation and extreme water levels. These risks are expected to persist and may intensify over time, particularly under more severe climate scenarios.

Current financial effects

Extreme weather events during the reporting period resulted in identifiable, short term costs as set out below; however, these impacts were not material to the Group's financial position, financial performance or cash flows. Our business continuity plans, incident and crisis management procedures and insurance coverage supported timely response and recovery, ensuring financial effects were contained and operational continuity remained.

In January 2025, our largest service centre in Heatherbrae was impacted by a storm event which caused a two-day site

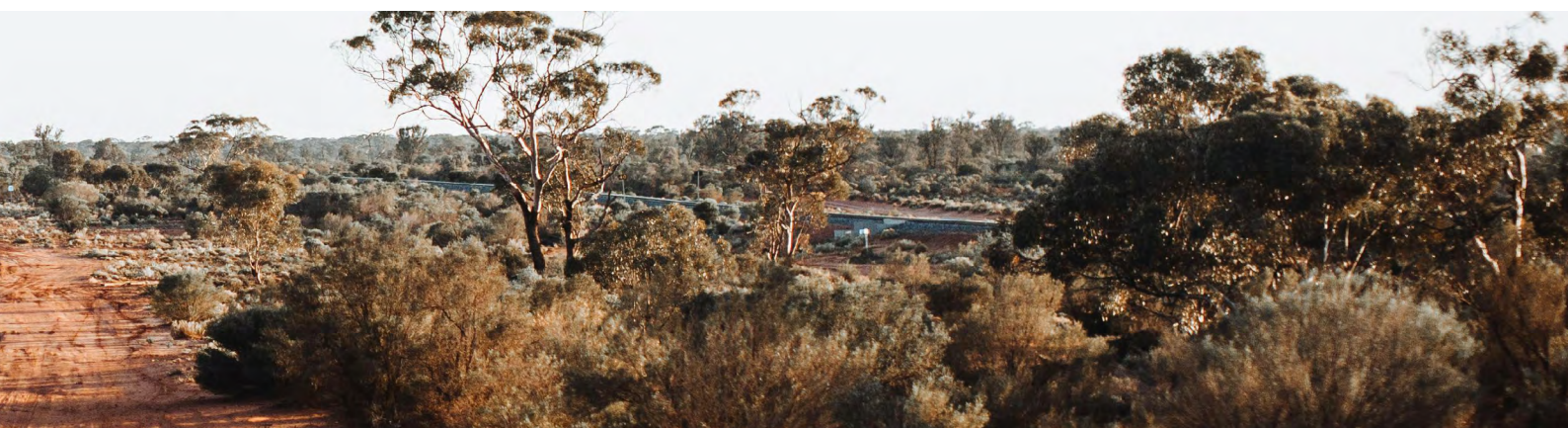
shutdown to manage repairs and ensure the safety of the workplace. Labour costs due to lost time and subsequent overtime totalled \$161,000 and property damages were expensed at \$290,000. The Incident and Crisis Management Procedure was followed promptly to ensure staff were safe and instructed to work remotely until the site was operational. The business has sufficient insurances in place to mitigate financial losses.

Tropical Cyclone Alfred affected South East Queensland in March of 2025, with minimal impacts to Sandvik sites directly, precautionary measures were implemented to ensure employee safety including flexible working arrangements and site closure. Mitigation actions to suspend work incurred labour expenses of \$25,000.

In December 2025, two sites located in Kenwick, Perth were impacted by a local bushfire event. Authorities declared an evacuation alert for all persons within the potential fire zone, this resulted in the evacuations of approximately 70 people from both sites. Workshop production and warehouse activities were suspended for 13 hours and lost labour recovery during this period was estimated at \$45,000. Both sites returned to normal operations the following day with no impact to equipment, assets or inventory.

Anticipated financial effects

Over the short to medium-term, we may incur additional operating costs associated with more frequent extreme weather events, including repairs and maintenance, business interruption, and potential increases in insurance premiums. We may also incur additional capital expenditure over time to increase site resilience (for example, cooling and ventilation improvements, site hardening and asset protection measures), particularly at higher exposure sites. These investments are expected to help avoid or reduce future downtime and unplanned costs, and are considered through our property planning, site maintenance programs and ERM governance.



Strategy (effects on business model and value chain, current mitigation impacts)

We manage these risks through the ERM framework, with controls and redundancies built into the business model designed to support operational continuity. Current measures include the use of evaporative cooling units, personal cooling equipment, electric curtains, and adjusted work schedules to mitigate heat exposure. Our strategic property portfolio assesses climate risk impacts when renewing leases and signing for new sites to address threats in the medium to extended-term. Facilities are equipped with fans, air-conditioned break rooms, and sprinkler systems to help protect staff and assets during heatwaves, bushfires, and storms. Our site with significant heat exposure in Mount Isa, was the first operational facility to install air conditioning in the workshop, keeping our operational team safe. Proactive vegetation management ensures we are resilient to future storm impacts, reducing the risk of fallen trees damaging assets.

This year the Group released a local Sustainability Considerations Guideline to provide practical instructions for managing climate-related risks such as extreme heat and flooding, supporting sites to stay resilient and maintain operational continuity as climate risks intensify. We maintain a crisis management plan, actively monitor weather conditions, and ensure communication plans are in place for staff at risk. These controls are regularly reviewed and enhanced based on climate scenario analysis to address identified vulnerabilities.

Resilience of the strategy under climate scenarios

The risk from extreme weather is expected to remain low across all orderly climate scenarios. However, under disorderly and hothouse scenarios, unmitigated risk could increase to medium in the long and extended-term. Sites such as Mt Isa and Kalgoorlie are most at risk of increased frequency and severity of heat events, while Mackay and Brisbane are particularly exposed to storm and flood risks due to their geographic characteristics. We continue to monitor these evolving risks and adapt our strategy accordingly. We have planned a range of measures to implement in the medium-term to increase the resilience of our sites to extreme weather, including regular climate risk assessments, safety audits for climate risk, tailored emergency response plans, and clear communication protocols for staff. We will diversify our supply chain, assess sites for climate risks before leasing, and ensure safe asset storage in flood-prone areas. Planned initiatives also include installing air-conditioning in workshops and leveraging flexible shifts to reduce heat exposure. These actions will strengthen our operational resilience as climate risks evolve.







Extreme weather events

Value chain: downstream - customer sites

Risk type: physical (acute/chronic)

Risk description

Our customers, particularly in Australia, operate in regions exposed to physical climate risks such as extreme heat, bushfires, storms, and heavy rainfall. These events can cause road closures in remote areas, stranding customer sites and Sandvik service staff, which increases costs and operational risk. Other potential impacts include increased cooling requirements for customers, faster equipment wear, higher maintenance costs, operational slowdowns or shutdowns during extreme weather periods, and reduced or hindered access to customer sites. Vulnerability to this risk is evident due to having limited control over managing the consequences. Sites surrounding Mount Isa and Adelaide are most at risk of fire and heat, particularly in a hothouse scenario, while sites surrounding Mackay are especially exposed to storm and flood risks due to their geographic characteristics. Unmitigated, these risks are expected to persist and may intensify over time, especially under more severe climate scenarios.

Current financial effects (recent impacts)

Sandvik's Rock Tools and Parts & Services businesses in Australia are the most directly exposed to extreme weather events, as demand for consumables and service support is closely linked to customer production volumes and site accessibility. There were no material weather-related disruptions at customer sites impacting these businesses in 2025.

Anticipated financial effects

Over the short to medium-term, extreme weather events at customer sites may lead to temporary reductions in demand for consumables, parts and services if customer production slows or access to sites is restricted, which can create revenue volatility and working capital impacts. Over the longer-term, increasing physical risk may also shift customer investment toward resilience, safety and remote operations, supporting demand for automation, digital monitoring and maintenance optimisation solutions.

Strategy (effects on business model and value chain, current mitigation impacts)

Our business model incorporates resilience through a diversified customer base and stock management practices. We ensure critical parts are readily available and pre-position consignment stock at sites vulnerable to weather disruptions. Supporting our customers in building climate resilience is a critical driver of our strategy to deliver sustainable solutions. By continuously enhancing our offerings, we provide indirect yet significant opportunities for customers to mitigate climate-related risks and maintain operational continuity. Technical

solutions such as fire-retardant screening media, higher viscosity oils for equipment, and condition monitoring systems (e.g., MySandvik, DeckMapp, ACS-S) are deployed to detect early signs of equipment damage and plan maintenance proactively. Our digital solutions including AutoMine, robotics and play a key role in mitigating workforce heat exposure while reducing ventilation costs. Other equipment is adapted with air-conditioned cabs to improve worker safety in extreme heat. These measures help our customers maintain productivity and safety during extreme weather events.

Our digital and autonomous solutions, such as remote monitoring systems and automation suite, provide a significant opportunity to maintain operational productivity when extreme weather events restrict site accessibility. These technologies enable remote operation and monitoring of equipment, allowing essential functions to continue despite limited on-site staff presence. In some cases, our autonomous systems and robotics are designed to operate with minimal connectivity, leveraging local control systems and onboard intelligence to ensure continued performance during temporary internet outages or disruptions. This capability is particularly valuable in Australia, where mining and infrastructure sites are often located in remote regions prone to severe weather events.

Resilience of the strategy under climate scenarios

Under orderly climate scenarios, the risk from extreme weather at customer sites is expected to remain low across all time horizons. However, both unmitigated and mitigated risks increase under disorderly and hothouse scenarios in the long and extended-term. Sandvik's ongoing investment in automation, condition monitoring, and flexible service models, combined with regular scenario analysis and engagement with customers on their risk portfolio, supports the resilience of our strategy as climate risks evolve.

Case story

Sandvik Partnership at Olympic Dam

Events in 2024 provide a clear example of the potential financial and operational impacts that severe weather can have.

In October 2024, severe storms in South Australia damaged transmission infrastructure supplying power to BHP's Olympic Dam operation near Roxby Downs, resulting in a prolonged power outage from September through November and a temporary halt to operations. Mining activity was significantly reduced during this period, directly impacting demand for drilling consumables and services.

For Sandvik's Rock Tools business, the disruption contributed to an estimated reduction in billing of approximately \$700,000, driven by lower production volumes and reduced tool consumption at site. This example demonstrates how climate-related physical risks, including severe weather and associated infrastructure failures at customer operations, can temporarily suppress demand and create revenue volatility within our consumables and service portfolios. It reinforces the importance of diversified customer exposure, agile forecasting and proactive customer engagement in managing such risks.



Climate related opportunities



Demand for transition metals

Value chain: downstream - customers

Opportunity type: transition (market)

Opportunity description

Australia is a leading producer of critical and transition metals. Global electrification opportunities including electric vehicles, renewable energy, battery storage and digital infrastructure are expected to increase demand for these commodities, which in turn supports activity in the Australian resources sector.

This opportunity is relevant to the Group because we supply mining equipment, digital technology, automation systems, rock processing solutions and manufacturing tools to customers operating across transition metal value chains.

Growth in greenfield developments and brownfield expansions has increased demand for new equipment and for long term parts and services agreements, as well as productivity upgrades, automation solutions and digital mine optimisation. In parallel, many Australian critical mineral producers are accelerating adoption of autonomous and digital technologies to improve competitiveness and meet sustainability expectations, which Sandvik's technology capabilities directly support.

Realising this opportunity depends on resilient supply chains and access to a skilled workforce, both of which may be affected by volatile climate conditions. The Group is strengthening resilience through supply chain and workforce planning, and by integrating physical climate risk considerations into risk management and operational decision making.

Current financial effects

In the reporting period, approximately 16% of revenue was derived from transition metals including copper and other base metals across our business entities. This provides an indicator of our current exposure to the transition metals market; however, these revenues are not disclosed as a separate line item in the financial statements.

Anticipated financial effects

We are well-positioned to support the extraction and processing of transition metals, including through our established expertise in mining equipment, digital solutions, and advanced screening solutions for managing lower-grade ores. Potential impacts include increased revenue from solutions targeted at transition metal projects, expansion of relevant product and service offerings, and increased demand for screening and optimisation technologies as ore grades decline.

As ore bodies become deeper and more complex, mining operations are increasingly adopting automation and digital planning to maintain safety and productivity while managing ventilation, ground support and emergency response requirements. This creates demand and positive anticipated

financial effects for solutions such as Sandvik AutoMine, UFR robotics and Deswik planning and optimisation systems.

Strategy (effects on business model and value chain, current actions)

Our business model emphasises flexibility and adaptability, with made-to-order solutions and ongoing development of alternative cutting equipment for use outside of thermal coal. We are currently supplying transition metal industries and repurposing thermal coal-specific machinery for mechanical cutting and tunnelling. Our approach includes workforce development to ensure we have the necessary skills to support growth in this sector, and supply chain diversification to navigate potential disruptions. These actions enable us to expand our offering and maintain resilience as market dynamics evolve.

Ability to execute under climate scenarios

Under an orderly transition scenario, demand growth for transition metals and associated mining investment is expected to be stronger and more sustained, supporting a medium high opportunity for us to supply equipment, automation, digital and processing solutions to transition metal projects. Under disorderly and hothouse scenarios, the timing and scale of transition metal demand and capital deployment may be more volatile or deferred; however, our business remains resilient due to our diversified exposure across commodities, customers and sectors, and our ability to redeploy capital equipment and services across the broader resources and infrastructure market. Our ongoing investment in product innovation, supply chain diversification and workforce development supports reliable delivery and helps us capture transition metal opportunities across a range of climate futures.

Judgement applied to commodity risks

In assessing industry-related risks under climate scenarios, we specifically considered our exposure to thermal coal to assess the impact of an accelerated transition away from this commodity in favour of renewable energy and critical minerals. Part of our standard risk management process is to monitor commodity trends to remain agile through cycles and maintain a diversified portfolio of resources and sectors. Existing shifts in commodity demands have reduced the Group's revenue share from thermal coal over the past several years. As a result, exposure to phased-out minerals, including thermal coal, was assessed and determined to be an immaterial risk for Sandvik's Australia Holdings business – rather we are positioned well to seize the opportunity to service transition metal mining and processing.



Low emissions Goods and Services

Value chain: downstream - customers

Opportunity type: products and services

Opportunity description

One major advantage of the transition to a low-carbon economy is the rapid electrification of society, which is driving demand for critical minerals and fossil-free energy sources. Sandvik is a global leader in electric mining equipment and supplies advanced tools and tooling systems for the energy sector, including renewables. The growing market for battery-electric and hybrid trucks presents significant opportunities for our mining portfolio. We also see a growing opportunity to develop our customer offering through digital solutions, to support our customers to become more resilient, productive and automated.

Current financial effects

No material quantitative financial effects in the current period, however Sandvik's strategic collaboration on diesel-electric underground equipment is expected to produce positive material financial effects in future.

Anticipated financial effects

The formalised agreements with leading contractors Byrnegut and Perenti in 2024 have not yet led to material revenue changes; however, they have enabled a pipeline of product development and technical engagement throughout 2025. These collaborations represent an investment in innovation and capability-building, which positions us to capture future market share in low-emission mining solutions as demand accelerates. While direct financial impacts remain limited in the short-term, these strategic partnerships are expected to drive future revenue growth and resilience by expanding our low-emission portfolio and strengthening relationships with key industry partners.

Strategy (effects on business model and value chain, current actions)

Across all our businesses and value chains, we have opportunities to enable the transformation into a low-carbon economy through innovative, sustainable solutions and close collaboration with customers and suppliers. Sandvik has an integral role in the transition to a low carbon economy – with solutions that help our customers improve productivity, safety, and resource efficiency in their operations. Through our technology leadership and innovation capabilities in areas such as automation, digitalisation and electrification, we have a unique opportunity to drive sustainability in our customers' industries.

We aim to be a key enabler of our customers' transitions through a strong focus on innovation and a leading offering in new technologies, digitalisation, automation, and sustainable solutions. About 4 percent of Sandvik AB's annual revenues are spent on Research and Development (R&D) to ensure a leading

product offering which cascades to the Group, enabling us to execute the strategy for low emissions goods and services. Sustainability is then integrated in all aspects of product development at Sandvik AB level with the Product Sustainability Plan, Sustainability Design Analysis Tool, and Product Carbon Footprint Calculation.

Our electrification journey is integral to our broader sustainability strategy, delivering substantial reductions in emissions, heat, and noise, while improving safety and productivity for our customers. Through continued innovation and collaboration, we remain at the forefront of the industry's transition to low-emission, electrified mining solutions. We are additionally investing in targeted recruitment and training to build electrical and digital competencies, ensuring the workforce is ready to support the transition to low-emission solutions.

Sandvik AB's digital offering has rapidly expanded in recent years, driven by strategic acquisitions such as Deswik and Universal Field Robots (UFR), which have significantly enhanced our capabilities in digital mining technology, automation, and data-driven solutions. Our portfolio now includes advanced digital platforms for mine planning, collision avoidance, automation and robotics, offering an interoperable safety system for efficient and sustainable mining. This growth enables us to deliver innovative, low-emission goods and services that support our customers' energy transition and sustainability goals. By enabling remote operations, predictive maintenance, and process optimisation, our digital solutions help reduce energy consumption, lower emissions, and improve resource efficiency across the mining and infrastructure value chain. These technologies not only drive productivity and safety but also empower our customers to meet their decarbonisation targets, making Sandvik a key enabler in the transition to a more sustainable, low-carbon economy.

Ability to execute under climate scenarios

The opportunity for growth is high in the medium- and long-term under orderly and disorderly scenarios, as demand for low-emission solutions accelerates. Our ongoing investment in innovation, digitalisation, and sustainability-focused product development supports our ability to capture this opportunity and remain resilient under a range of climate scenarios. In the case of a hothouse scenario, we continue to maintain our diesel offering to ensure resilience to a delayed adoption of net zero policies and incentives.

Case story

Customer partnerships advancing diesel-electric underground equipment

In 2024, Sandvik formalised strategic collaboration agreements with leading underground mining contractors Byrnes and Barminto to accelerate the development of diesel-electric underground equipment. While the agreements were signed in 2024, the substantive product development collaboration and technical engagement progressed throughout 2025.

During 2025, both contractors worked closely with Sandvik's global engineering teams, providing operational insights and structured feedback to inform the design, testing and refinement of diesel-electric loaders and trucks. This included input on machine performance, maintainability, operator experience and suitability for varied underground conditions, ensuring the equipment is aligned with real-world site requirements.

These partnerships demonstrate how the Group is collaborating across the value chain to advance lower-emission underground solutions. By combining contractor expertise with our global engineering capability, we are supporting practical decarbonisation pathways for customers while enhancing productivity, safety and lifecycle efficiency.



Case story

Sandvik electrifies its entire intelligent rotary blasthole drill range

In 2025, Sandvik AB made a significant advance in supporting the mining industry's sustainability transition by electrifying our entire intelligent rotary blasthole drill range. Building on product development work carried out in prior years, we launched fully electric versions of the DR410iE, DR411iE, DR412iE, DR413iE and DR416iE rotary drills, covering hole diameters from 152 mm to 406 mm and offering customers a practical pathway away from traditional diesel power. These electric drill rigs use the same modular platform as existing diesel-powered models but integrate robust electric power systems designed for demanding mining conditions, including soft starters to minimise grid impact and flexible multi-voltage motors suited to varied site power infrastructures. Customers also have the option to convert diesel-powered rigs to fully electric in the field, extending the life of existing assets while enhancing sustainability outcomes. Operators benefit from familiar control systems across the i-series range, simplifying training and adoption, while the electric drivetrains deliver improved energy efficiency and reduced emissions — an important step toward meeting industry decarbonisation goals. This development illustrates how the Group is bringing electrification solutions to market in 2025 that help our customers reduce greenhouse gas emissions and cost of ownership, demonstrating tangible progress in sustainable mining equipment innovation.





Circularity

Value chain: upstream, core operations and downstream

Opportunity type: products and services

Opportunity description

Circular economy principles are a key enabler of the transition by optimising resource efficiency, reducing waste and minimising reliance on scarce materials. Our opportunity for growth within the circular economy is evident throughout each phase of the value chain, including sourcing of responsible and recycled materials, minimising waste in our operations, and refurbishing and recycling sold components.

Current financial effects

The current financial effects of circularity initiatives including refurbishment, rebuild services and buy-back programs, are primarily reflected in ongoing operating costs and revenues within business as usual activities, and are not separately identified as material line items in the financial statements.

Anticipated financial effects

Over the medium to long-term, circularity is expected to support revenue growth from buy-back programs, life extension, and end of life services, as well as increased demand for recycled or lower impact materials in products. Scaling circularity may require additional operating expenditure (for example, collection logistics, sorting and processing partnerships, systems and training) and may involve input cost premiums for low carbon or recycled materials in some supply chains. Over time, greater recovery and reuse of components, reduced waste disposal costs and improved material security are expected to support cost efficiencies and resilience, while helping customers meet sustainability expectations.

Strategy (effects on business model and value chain, current actions)

Circularity is integrated in our strategy and our business model and is one of our sustainability focus areas and an important aspect of our sustainable solutions. We actively work with prolonging the lifecycle of our products and increase resource recovery. We aim to increase recycled content in our products, we run buyback programs to reuse materials and offer reconditioning and refurbishment of our products. Our sites in Australia and New Zealand are regularly implementing improvements to material recovery and recycling streams in our own operations.

We have implemented several product component life extension and recycling initiatives to implement circular principles. As the first Original Equipment Manufacturer in Australia to offer local carbide recycling, we have pioneered a program that preserves critical resources and supports secure, responsible supply chains. Through convenient buy-back programs and resource recovery initiatives, we collect used cemented carbide inserts, drill bits, and rock tools from customers, recovering valuable

materials for reintroduction into our production processes. Through this initiative, some product streams reach up to 90% recycled content. We have additionally trialled buy-back programs for our trucks, loaders and drills achieving on average 90% material recovery. Large scale viability of this program is challenging due to equipment condition and ability to acquire at the machine's end of life.

Additionally, approximately 70% of all rock processing screens are refurbished, resulting in up to 50% of components being reused. We are also conducting studies to evaluate the economic feasibility of introducing screen media recycling and reclaiming worn panels from customers, rather than sending them to landfill. These initiatives help reduce our reliance on new raw materials, lower costs, and support our sustainability commitments.

Sandvik offers SSAB Zero Steel TM on our truck dump boxes to promote the use of recycled steel which is processed using renewable energy. However, in the supply chain there remains a green premium on low-carbon steel which is a barrier to implement and scale low-emissions steel components in our equipment. More advanced carbon pricing and boarder adjustment policies and incentives are required to support investment in low emissions steel.

Ability to execute under climate scenarios

Sandvik has a strong foundation to execute this opportunity due to existing recycling and refurbishing programs. The scale of the opportunity is low compared to others due to external factors, however niche opportunities are evident in the extended-term with respect to orderly and disorderly scenarios.

Transition plan

Overview of the Transition Plan

The Group has developed a climate related Transition Plan aligned with Sandvik AB's SBTi validated 1.5°C pathway. The plan sets out the actions, assumptions, dependencies, resource commitments and progress supporting our transition toward a lower carbon, climate resilient operating model. The Transition Plan encompasses both mitigation and adaptation activities, addressing Scope 1–3 greenhouse gas emissions while strengthening our resilience to physical climate impacts.



Transition Targets

Sandvik AB (SBTi-validated) targets

Since 2023, Sandvik AB's greenhouse gas (GHG) reduction targets have been validated by the Science Based Targets initiative (SBTi), confirming their alignment with the latest climate science and adherence to the objectives of the Paris Climate Agreement to limit global warming to 1.5°C. Sandvik AB has committed to reducing emissions from our own operations while reducing emissions from customers, suppliers and transport, aligned with the following SBTi-approved targets:

50%

Reduction of absolute Scope 1 and 2 emissions by 50% by 2030 (baseline 2019).

30%

Reduction of absolute Scope 3 emissions by 30% by 2030 (baseline 2019).

90%

Reduction of absolute Scope 1 and 2 emissions by 90% by 2040.

0.0

Net zero emissions across Scopes 1, 2 and 3 by 2050.

These targets guide the ambition for all Sandvik entities globally. The Group has a role reducing Scope 1 and 2 emissions of our operations, and a responsibility to continue to engage with customers to drive the adoption of low emissions goods to reduce the downstream emissions of Sandvik AB.

Local targets

Sandvik Australia Holdings adopts the following targets:

50%

Reduction of absolute Scope 1 and 2 emissions by 50% by 2030 (baseline 2019).

90%

Reduction of gross Scope 1 and 2 emissions by 90% by 2040.

0.0

Net-zero emissions across Scopes 1, 2, and 3 by 2050

Within this global framework, we contribute through targeted local actions aimed at reducing Scope 1 emissions from transport and equipment, lowering Scope 2 emissions through on site solar, energy efficiency and renewable energy procurement, and enabling reductions in Scope 3. Towards our 2050 net-zero target, our Scope 3 efforts focus on customer decarbonisation through sustainable solutions from electrification, automation, digital mining technologies, and efficient equipment offerings. We also collaborate with suppliers to increase recycled content and strengthen resilience. Local baselines and performance metrics for Australia are reported in the Metrics & Targets section (p.51-54).

The Group's decision to not adopt the target to reduce absolute Scope 3 emissions by 30% by 2030 is concerned with the emissions accounting methodology of our distributed products. Emissions associated with material sourcing and use phase (Category 1: Purchased Goods and Services and Category 11: Use of Sold Products), which account for 85% of Sandvik AB total GHG emissions, are accounted for by product Divisions rather than Sales Areas.

Key transition actions

Decarbonisation of operations (Scope 1-2)

Operational decarbonisation is being driven by major programs across transport, production, and energy. In transport, our Low Emissions Vehicle (LEV) Strategy guides the optimisation of our fleet to determine efficiencies for all vehicle categories. This includes identifying fit for purpose LEV* models, providing adoption incentives, reducing surplus vehicles and increasing remuneration options regarding vehicles. Our Forklift Strategy guides the complete transition to electric alternatives and suitable handheld equipment by 2030.

Within production processes, we are investigating the availability of low emission or renewable fuels and progressively replacing high emission equipment with more efficient alternatives. However, renewable fuels are not considered a viable option in the local markets at this time due to supply challenges and conflicting industry demands. The availability of fuel alternatives is a dependency in our plan beyond 2030, however in the short to medium-term, we have taken a conservative approach that balances ambition with certainty, our Transition Plan has a low risk of failure as it relies on readily available mechanisms and resources.

For energy decarbonisation, we are expanding rooftop solar capacity across major workshops and warehouses and procuring renewable electricity for leased properties through accredited schemes. We will invest in battery storage where it is beneficial for the operation. We continue to deliver energy efficiency improvements at our sites through equipment, cooling and lighting. Site level operational resilience is strengthened through the implementation of our Sustainability Considerations Guideline, which provides practical instructions on managing climate related operational risks such as heat and precipitation.

*Low Emissions Vehicles (LEVs) considered as hybrid, plug-in hybrid or electric vehicle models.

Value chain & Scope 3 decarbonisation

Our Scope 3 decarbonisation strategy centres on circularity, supplier engagement, and the deployment of low emission solutions for customers. We increasingly source recycled materials, particularly steel and tungsten, and maintain long standing buy back programs for cemented carbide inserts, drill bits and tools. These initiatives enable high levels of recycled content, with certain carbide product streams reaching up to 90 percent recycled tungsten. Our refurbishment programs in rock processing achieve substantial material recovery, and we continue to develop recycling pathways for screen media and end of life equipment. For customers, we support decarbonisation through electrified mining equipment, digital optimisation platforms, condition monitoring tools, and remote operation systems that reduce ventilation requirements,

improve energy efficiency and maintain productivity during extreme weather. We have also introduced lifecycle assessment tools to calculate CO₂ footprints for screening and mining equipment and tools, increasing visibility of downstream emission reductions.

Key dependencies and external constraints

Execution of the Transition Plan relies on several external factors, including the availability of renewable electricity from the grid, supplier capacity to provide circular or low carbon materials, and technological maturity of electric or autonomous mining equipment in Australian conditions. Infrastructure limitations, particularly at leased sites, may influence the feasibility of solar deployment or charging infrastructure. National and international policy changes affecting low carbon fuels and material costs also represent key dependencies. Customer procurement cycles and their willingness to adopt electrified or autonomous solutions further influence the pace of Scope 3 reduction. Each dependency is assessed through the ERM process and informed by insights from our Climate Scenario Analysis.



Resource allocation

Financial resources

The financial resources allocated to the Transition Plan are embedded within standard capital and operational expenditure planning. These investments include fleet electrification, solar installations, renewable energy procurement, energy efficiency upgrades, and workforce capability building. At Sandvik AB level, approximately four percent of annual revenues are dedicated to research and development, supporting electrification, digitalisation and product sustainability across the global portfolio.

Operational resources

Operational resources supporting the Transition Plan include cross functional collaboration among sustainability, fleet, procurement, property, finance and HR teams. Operations teams lead climate risk adaptation efforts at the site level, while Sandvik AB governance structures provide oversight for SBTi target progress, sustainability informed product design and product emissions accounting capabilities.



Progress to date

During the reporting year, we increased the proportion of low emission vehicles in its fleet by seven percent and invested approximately \$30,000 in renewable electricity procurement through the Australian Government accredited GreenPower scheme. Additionally, 908 megawatt hours of renewable energy was generated in 2025 between five locations with rooftop solar installations.

The Sustainability Considerations Guideline was deployed to all operational sites to improve resilience to extreme heat and precipitation impacts. Heat mitigation, storm preparedness and site specific adaptation awareness was increased across high risk regions including Mount Isa, Mackay, Perth and Brisbane. Digital and autonomous solutions continued to scale, with increased adoption of Deswik, UFR and AutoMine technologies, supporting customers in reducing emissions and improving operational resilience. Further quantitative results are disclosed in the Metrics & Targets section (p.51-54).

Monitoring and review

The Transition Plan is overseen by the Sustainability Team and Sustainability Committee, with progress reviewed quarterly across the Executive Management Team. Sandvik AB governance structures ensure alignment with the global strategy, sustainability commitments and SBTi targets. The Transition Plan undergoes an annual review to integrate updated regulatory developments, technological progress and performance against interim targets. Planned refinements include expanding low emission vehicle adoption across higher utilisation fleet categories, increasing renewable electricity procurement for leased sites, and further integrating digital solutions that support customer level emissions reductions. Sandvik will continue to develop and scale circularity initiatives, strengthen recycling pathways and invest in site level climate resilience, including property risk assessment and infrastructure upgrades. These forward actions ensure that the Group continues to progress toward its 2030 and 2050 climate commitments while maintaining operational resilience and strategic alignment.



Risk management

Risk landscape

Achieving the Sandvik strategy is dependent on continuously managing the risks associated with it. These risks can be driven by external factors where our ability to influence them is limited and risk mitigation is therefore focused on agility and adaptability. Others can be more directly within our own control. We continue to operate under our well-established ERM process which is used in all Group entities for analysing risks in the local entity, business unit, division, or business area.

Risk management policies and procedures

Risk management policies and procedures are set by Sandvik AB or Business Areas and implemented in local jurisdictions. Strengthening and reviewing the resilience of our strategy and business model is integrated in our strategy development. To effectively identify and manage risk is an important element of business success for all parts of Sandvik.

Our policies and procedures related to climate risk management:

- Sandvik has an Enterprise Risk Management (ERM) program to support the day-to-day risk management within operations. Effective Risk Management supports management efforts to identify, measure, respond to, monitor and report risks that in different ways may affect the achievement of Sandvik's strategic, operational and financial objectives.
- ERM refers primarily to the activities, carried out by management in the business, to identify and evaluate strategic, business and financial risks material to the business, agree on risk response, risk reporting and communication of those risks and the follow up and monitoring of risks.
- Business continuity is a strategic approach that involves the development of a response to safeguard the entire business by managing the impact of a business disruption to achieve the company's business objectives for survival, irrespective of the cause of the disruption.
- The Crisis Management Procedure ensures that unexpected events are managed properly, consistently and at the right organizational level within Sandvik, it is

necessary to have a common Group approach for crisis management and to establish the right capability where necessary. The Crisis Communication Procedure outlines how the communication aspects shall be handled in an incident or crisis situation.

- Sandvik's Insurance Procedure stipulates that insurance is managed at Group level to enable Sandvik to leverage its entire buying power to achieve the best possible terms and conditions. It also enables customised risk transfer solutions, lower insurance premiums and higher insurance limits.
 - Sandvik's Property Loss Prevention Procedure details the terms for management of fire risks, 'natural catastrophe' risks and physical loss prevention within Sandvik.
- These processes are integrated into and inform the Group's overall risk management process.

Risk process

Process for identification, assessment, prioritisation and monitoring of CRROs

The Group has been managing climate-related risks and strengthening climate-related opportunities as part of our strategic objectives and regular business conduct for several years, with considerations to extreme weather trends affecting our presence in various regions, supply chain disruptions, and a changing regulatory environment regarding sustainability expectations. In the reporting year, we strengthened our existing Enterprise Risk Management (ERM) process to incorporate climate scenario analysis and AASB S2 reporting requirements. Climate-related risks and opportunities (CRROs) are identified, assessed, prioritised and monitored within ERM, with inputs from scenario analysis, stakeholder engagement and external expertise where required. CRROs were initially identified and assessed with support from SLR Consulting and then integrated into Group entity risk registers and prioritised using our ERM criteria, informed by scenario-based impacts across time horizons. This four-step approach supports consistent evaluation of severity and likelihood and alignment with our broader risk appetite.

01 Identification

CRROs are identified through our established ERM process, supplemented in 2025 by external climate science and benchmarking to integrate qualitative climate scenario analysis insights. SLR Consulting supported the initial identification by facilitating interviews and workshops with senior leaders across the Group's Australian businesses to develop a long list of potential CRROs. These insights were screened for relevance to our strategic, operational and financial context in Australian operations, across the value chain and time horizons, resulting in 13 CRROs for scenario assessment.

02 Assessment

CRROs were assessed using our ERM methodology and climate scenario analysis. Three climate scenarios and four time horizons defined in the Scenario Selection section (p.27) were applied to evaluate impacts across a range of plausible futures, utilising expert climate science systems to extrapolate physical risk levels and macroeconomic trends to inform transition risks.. Physical and transition risks were assessed for exposure, sensitivity, adaptive capacity, likelihood and potential business impact. Opportunities were assessed for scale, strategic alignment, contribution to resilience and feasibility within our current and future operating environment. Scenario outputs and key assumptions were validated with cross-functional stakeholders, and existing controls and mitigation pathways were assessed to inform our resilience view and subsequent ERM integration. Sandvik AB performed a physical risk assessment across global sites using site geo-coordinates and total insured value to evaluate exposure to acute and chronic hazards (e.g., flood,

precipitation, heatwave, drought, wildfire and wind) under a high-emissions scenario (IPCC SSP5-8.5). We cross-referenced the results with our local assessment to confirm coverage and identify any gaps; the findings were broadly consistent.

03 Integration with existing processes – prioritisation of CRROs relative to other risks

Following identification and assessment, we incorporated relevant CRROs, risk scores and key impacts into our ERM processes to ensure consistent prioritisation alongside other strategic, business and financial risks.

Climate-related risks are prioritised using our ERM criteria (likelihood and financial impact measured through EBIT thresholds), together with relevant non-financial considerations such as safety, business continuity and regulatory compliance. Climate-related opportunities are prioritised based on their potential to enhance resilience, support customer transition needs and contribute to our strategic objectives.

Material CRROs are integrated into entity risk registers, assigned to risk owners and reviewed through the annual ERM workshop and bi-annual risk reviews. Controls, mitigation actions and target residual risk levels are assessed against risk appetite, with escalation through established governance forums where required.

04 Monitoring

CRROs are monitored through our ERM cycle. Risk owners are accountable for implementing mitigation actions, monitoring control effectiveness and updating risk profiles. Risk registers are updated at least twice annually, with CRROs reviewed in the annual ERM workshop. Material changes and key actions are reported through management channels, the bi-annual Australian Business Review, the Sustainability Committee and may be escalated to respective Boards.

We will continue to strengthen monitoring by improving consistency of time-horizon application and, as capability matures, incorporating more quantitative climate-risk scoring within ERM. Climate scenario analysis will be refreshed at least biennially to reflect updates in climate science, regulation and market expectations.



Metrics and targets

Greenhouse Gases for 2025 period

Operational GHG emissions

Reporting principles

The Group measures and reports GHG emissions in accordance with the GHG Protocol: Corporate Standard, employing the operational control approach. All greenhouse gases, facilities, activities, geographies and operations are included in our GHG reduction targets. Emissions include all consolidated subsidiaries over which Sandvik Australia Holdings has operational control, which aligns with our emissions reporting boundaries. We do not have any material joint ventures or associates. We employ the operational control approach, as outlined in the GHG Protocol Corporate Standard.

Table 5 Greenhouse Gas Emissions 2025

	Year
Scope, metric tonnes CO₂ equivalent	2025
Scope 1	
Gross scope 1 GHG emissions	3455.1
Scope 2	
Gross location-based scope 2 GHG emissions	6952.7

Progress against climate-related targets

As described in the Transition Plan section (p.42-46), the Group adopts the following targets:

- Reduction of gross Scope 1 and 2 emissions by 50% by 2030 (baseline 2019).
- Reduction of gross Scope 1 and 2 emissions by 90% by 2040.
- Net zero emissions across Scopes 1, 2 and 3 by 2050.

Our Scope 1 and 2 emissions reduction targets are set and tracked on a market-based Scope 2 basis, consistent with the Greenhouse Gas Protocol and Sandvik AB's SBTi-validated methodology. However, because the Group operates across multiple jurisdictions where contractual instrument frameworks and market-based accounting methodologies differ, a consolidated market-based Scope 2 and combined Scope 1 and 2 emissions total may not be comparable across countries and is therefore not disclosed this reporting period. We report location-based Scope 2 emissions and provide separate information on renewable electricity procurement, including GreenPower volumes, and other transition actions to support users' understanding of our progress toward the targets. Performance remains consistent with our targets and in line with our Transition Plan (p.42-46). Scope 1 emissions have

increased with organic growth due to higher mobile equipment utilisation and increased service operations. Location based Scope 2 emissions decreased moderately despite business growth. Renewable electricity including solar generation and GreenPower procurement increased during the year and supports our decarbonisation strategy. Reductions are expected to accelerate as low-emissions vehicles, solar installations and energy efficiency projects scale across operational sites. Performance against Group's SBTi targets is assessed using market-based Scope 2 emissions, consistent with the global SBTi methodology. Our targets are gross targets, which do not include GHG removals, carbon credits or avoided emissions as a means of achieving GHG emission reductions. We contribute directly to our emissions reduction targets through the following means. Performance against these targets is monitored quarterly via the Sustainability Committee and other internal reporting channels. See more on our Key Transition Actions in the Transition Plan section (p.42-46).



Adoption of Low Emissions Vehicles (LEV)



Transition to electric forklifts by 2030



Expansion of rooftop solar installations



Procurement of renewable electricity for owned and leased sites



Energy efficiency enhancements (cooling, lighting, building performance)

Methodology, inputs and assumptions

The Group calculates Scope 1 and 2 emissions using activity-based measurements for fuel, gas and energy consumption.

Activity data is collected for the emissions sources:

- Scope 1 GHG emissions: quantities of diesel, gasoline, liquefied petroleum gas and natural gas consumed based on third-party provided information such as supplier invoices or consumption-based reports.
- Scope 2 GHG emissions: quantities of purchased electricity consumed based on third-party provided information such as consumption-based reports which consolidate invoice data from several suppliers.

For activity data that is not available on a timely basis, estimates based on historical data are used. For activity data that is missing, proxy data is applied.

Emissions factors

Scope 1 and 2 GHG emissions for Australian locations are calculated using the most recent Australian National Greenhouse Account Factors. Scope 1 and 2 GHG emissions for locations outside of Australia are measured using the most recent country-specific emission factors developed by the UK Department of Environment Food Rural Affairs (DEFRA) and International Energy Agency (IEA).

Scope 2 emissions – contractual instruments

During the reporting period, Australian entities procured GreenPower accredited renewable electricity as part of our renewable electricity sourcing strategy. GreenPower is an Australian Government-accredited program that enables the purchase and retirement of renewable electricity attributes through Energy Attribute Certificates. We validate GreenPower contracts and certificate retirement as part of our emissions data controls.

Due to differences in market-based Scope 2 accounting approaches, contractual instrument frameworks and data availability across the jurisdictions in which the Group operates, we have not disclosed a consolidated market-based Scope 2 emissions figure in this reporting period. We instead report location-based Scope 2 emissions and provide information on contractual instruments (including GreenPower volumes) to support users' understanding of our renewable electricity procurement activities.

Estimation Uncertainty and Controls

Emissions data is subject to limited estimation uncertainty, primarily relating to fuel usage in mixed purpose equipment and accruals for late utility invoices. Internal controls include:

- Three-way reconciliation of electricity and fuel consumption between third-parties, the Environment, Health and Safety Team and the Sustainability Team
- Validation of GreenPower certificates
- Annual review of emissions factors

Sandvik has procured over 1100 megawatt hours of GreenPower in Australia to support renewable energy generation and grid decarbonisation



Additional metrics

We have not currently adopted any targets related to renewable energy deployment, energy efficiency, transitional risk mitigation or climate adaptation. Sandvik recognises the importance of addressing climate change adaptation in relation to physical risks. This aspect is addressed in our Enterprise Risk Management (ERM) process, business contingency plans, crisis management procedures, property risk assessments and insurance reviews, and site-level sustainability guidelines. We track the effectiveness of our policies through several monitoring processes, where each policy outlines how compliance is monitored.

Table 6 Climate-related metrics

Category	Percentage or amount, metric and description
Metrics to measure progress	- 22% of total energy is sourced from renewables through on-site solar generation and GreenPower.
	- 7% increase in LEVs in fleet
Investment in decarbonisation and adaptation	- \$30,000 invested in for GreenPower for the period.
	- \$319,000 invested in leasing of LEVs.
	- \$49,600 invested in adaptation to storm effects.
Business activities aligned with climate opportunities	- 16% of revenue from transition metals including copper and other base metals.

Vulnerability of assets to climate risks

Vulnerability of assets to climate-related physical risks is limited to risks occurring in our own operations as this was the scope of our climate data assessments, rather than geographic locations in our supply chain or specific customer sites. To determine the value of assets exposed to climate-related physical risks, we reference the Sandvik AB physical risk assessment conducted in 2025 which assessed climate-related hazards on all global sites exceeding a total insured value threshold of 50 MUSD (~72MAUD) to represent materiality. We utilise this assessment as it was conducted based on total insurance value of all global sites as opposed to a sample selection, and it spotlighted risks occurring in the hothouse scenario (akin to the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathway SSP5-8.5) to plausibly reflect the maximum expected risk exposure in terms of severity and likelihood.

This metric defines the proportion of assets exposed to material acute or chronic physical climate risks in a hothouse scenario across defined time horizons.

Table 7 Asset vulnerability to physical climate risks

Location	% of total assets
Heatherbrae, New South Wales	6.3
Kenwick (workshop), Western Australia	5.7
Kenwick (warehouse), Western Australia	6.7
Virginia, Queensland	5.7
Pinkenba, Queensland	5
Sunshine, Victoria	4

Carbon Pricing

No internal carbon pricing mechanisms are currently applied as other strategies for managing climate-related risks and reducing emissions are prioritised at this stage. There is potential for the CO2 Assessment Procedure to adopt a carbon price in future. We will continue to monitor industry practice and regulatory developments and may reassess the adoption of internal carbon pricing in the future.

Remuneration

Consistent with Sandvik AB, the Group did not incorporate sustainability or climate-related performance metrics into incentive schemes during 2025.

Metrics governance and review

Climate related metrics are overseen by the Group Sustainability Committee. Metrics are reviewed annually, with ongoing improvements or assessments considered for:

- Enhanced energy and emissions data automation
- Inclusion of Scope 3 calculations and validation
- Quantification of climate related transition risks and opportunities
- Carbon pricing
- Executive remuneration

Closing

Sandvik Australia Holdings is committed to delivering a transparent, credible and forward looking sustainability statement that reflects both our responsibility and our ambition in responding to climate change. Through the integration of AASB S2 requirements into our strategy, governance, risk management processes and metrics, we have built a foundation that strengthens our resilience and supports long term value creation for our employees, customers, shareholders and communities.

This first year of AASB S2 reporting represents an important milestone. Our climate scenario analysis, transition planning and governance structures have enabled us to accelerate our understanding of both the risks that climate change poses to our business and the significant opportunities it highlights in supporting customers through electrification, automation, digitalisation and circularity. These insights are embedded across our operational and strategic frameworks, ensuring climate considerations shape decision making at all levels of our organisation.

While uncertainties remain, particularly in the maturity of forward looking climate modelling and the evolving regulatory landscape, we are committed to continuous improvement. As data quality, modelling tools and global best practice evolve, our disclosures will expand in depth and sophistication. We will continue to strengthen internal capabilities, mature our scenario analysis, and enhance our ability to quantify financial impacts over time.

Our long term ambition remains clear: to support the transition to a low carbon and climate resilient economy while maintaining operational excellence, enabling customer success, and contributing positively to society. Through ongoing collaboration across our value chain, investment in sustainable solutions, and rigorous governance, we are well positioned to meet our targets and continue to build a resilient and responsible business for the future.



Directors' declaration

The directors of Sandvik Australia Holdings Pty Ltd declare that, in their opinion, Sandvik Australia Holdings Pty Ltd has taken reasonable steps to ensure that the substantive provisions of the Sandvik Australia Holdings Pty Ltd Sustainability Report for the financial year ended 31 December 2025 set out on pages 11 to 56 are in accordance with the Corporations Act 2001 (C'th) ("the Act") including section 296C of the Act (compliance with applicable sustainability standards such as the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures) and section 296D of the Act (climate statement disclosures).

This declaration is made on 27 April 2026 in accordance with a resolution of the board of directors of Sandvik Australia Holdings Pty Ltd, and is signed for and on behalf of the board of directors by:



C Parham

Director



Independent Auditor's Review Report on specified Sustainability Disclosures

To the Members of Sandvik Australia Holdings Pty Ltd

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Sandvik Australia Holdings Pty Ltd (the Company) and its controlled entities (together, the Group) for the year ended 31 December 2025 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Specified Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures</i> (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Contained within the Governance section presented on pages 16 to 19.
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	The climate-related risks and opportunities listed on pages 31 to 41, specifically the title, risk or opportunity type and risk or opportunity description.
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	The following emissions disclosed in Table 5 on page 51: Scope 1 – 3,455.1 metric tonnes of Co2e Scope 2 (Location-based) - 6,952.7 metric tonnes of Co2e Applicable method and measurement approaches on pages 51 and 53.

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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



Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Sustainability Report for the year ended 31 December 2025, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the Financial Report included in the Annual Report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases



The specified Sustainability Disclosures in relation to Strategy (risks and opportunities) have been prepared using assumptions about future events, and management's actions, that may not occur.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;
- Performed enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;



- Inspected and assessed, on a sample basis, charters, policies, minutes of meetings regarding the monitoring, management and oversight of climate-related matters, and other underlying evidence supporting the climate-related financial disclosures on governance;
- Performed enquiries of management regarding the approach taken by the Group to:
 - Identify climate-related risks and opportunities;
 - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Performed enquiries of management and examined underlying evidence to assess the completeness and accuracy of the establishment of the organisational boundary, and sources of emissions, in the context of the specified Sustainability Disclosures;
- Performed enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- Applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data, and;
- Performed testing over the calculations of the Scope 1 and 2 emissions, including testing the activity data utilised within the calculations to third-party records and other relevant underlying information, on a sample basis.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Kim Challenor'.

Kim Challenor
Partner

Brisbane
27 April 2026

Financial statements and notes



Consolidated Statement of Financial Position

in thousands of dollars (\$'000)	Note	31 December 2025	31 December 2024
Assets			
Current assets			
Cash and cash equivalents	8	3,174	43,838
Trade and other receivables	10	630,771	509,734
Inventories	11	307,022	253,896
Prepayments		13,269	8,946
Tax receivable		2,774	30,379
Other current assets		18,111	46,848
Total current assets		975,121	893,641
Non-current assets			
Trade and other receivables	10	1,123	1,192
Property, plant and equipment	13	97,857	88,426
Right-of-use assets	14	103,710	99,869
Investment in associate	16	6,063	5,663
Intangible assets and goodwill	15	1,538,249	1,598,863
Total non-current assets		1,747,002	1,794,013
Total assets		2,722,123	2,687,654
Liabilities			
Current liabilities			
Trade and other payables	17	525,680	365,214
Loans and borrowings	18	-	1,036,000
Lease liabilities	14	21,615	18,283
Provisions	19	6,934	6,075
Tax Payable		16,254	-
Employee benefits	20	72,485	68,350
Total current liabilities		642,968	1,493,922
Non-current liabilities			
Deferred tax liabilities	12	9,731	28,508
Lease liabilities	14	90,722	90,359
Provisions	19	3,118	2,070
Employee benefits	20	6,569	6,000
Loans and borrowings	18	865,000	45,000

Total non-current liabilities		975,140	171,937
Total liabilities		1,618,108	1,665,859
Net assets		1,104,015	1,021,795
Equity			
Share capital	21	1,195,110	1,195,110
Foreign Currency Translation Reserve		(554)	(924)
Retained earnings		(92,978)	(172,391)
Total equity attributable to equity holders of the Company		1,101,578	1,021,795
Non-controlling interest		2,437	-
Total equity		1,104,015	1,021,795

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes on pages 69 to 93.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

in thousands of dollars (\$'000)	Note	31 December 2025	31 December 2024
Revenue	5	2,258,061	2,062,883
Cost of sales		(1,796,071)	(1,671,588)
Gross profit/(loss)		461,990	391,295
Other income	6	2,975	14,414
Selling and administrative expenses		(260,094)	(239,548)
Impairment expense	15	(5,390)	-
Other operating expenses		(33,790)	(20,992)
Results from operating activities		165,691	145,169
Finance income		13,603	10,776
Finance costs		(56,781)	(46,301)
Net finance income/(expense)	7	(43,178)	(35,525)
Share of profit/(loss) from associate	16	401	237
Profit/(loss) before tax		122,914	109,881
Tax expense	12	(41,064)	(22,724)
Profit/(loss) for the year		81,850	87,157
Gain/(loss) from foreign currency translation*		370	(515)
Total comprehensive income/(loss) for the year		82,220	86,642
Profit attributable to:			
- Owners of Sandvik Australia Holdings Group		80,341	86,642
- Non-controlling interests		1,879	-
		82,220	86,642
Total comprehensive income/(loss) for the period arises from:			
Continuing operations		82,220	86,642
Discontinued operations		-	-
		82,220	86,642

*Gain/(loss) from foreign currency translation is accumulated in the Foreign Currency Translation Reserve. This is an Other Comprehensive Income item that may be reclassified to Profit or Loss if the foreign entities are fully or partially disposed.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes on pages 69 to 93.

Consolidated Statement of Changes in Equity

in thousands of dollars (\$'000)	Attributable to owners of the Company				Total equity
	Share capital	Foreign Currency Translation Reserve*	Retained earnings	Non-controlling interests	
Balance at 1 January 2024	1,195,110	(409)	(259,548)	-	935,153
Total comprehensive income for the year					
Profit/(Loss) for the year	-	-	87,157	-	87,157
Gain/(loss) from foreign currency translation	-	(515)	-	-	(515)
Total comprehensive income for the year	-	(515)	87,157	-	86,642
Transactions with owners in their capacity as owners:					
Contributions by and distributions to owners					
Total contributions by and distributions to owners	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance at 31 December 2024	1,195,110	(924)	(172,391)	-	1,021,795
Balance at 1 January 2025	1,195,110	(924)	(172,391)	-	1,021,795
Total comprehensive income for the year					
Reclassification of NCI retained earnings	-	-	(1,927)	1,927	-
Profit/(Loss) for the year	-	-	79,971	1,879	81,850
Gain/(loss) from foreign currency translation	-	370	-	-	370
Total comprehensive income for the year	-	370	78,044	3,806	82,220
Transactions with owners in their capacity as owners:					
Total contributions by and distributions to owners	-	-	1,369	(1,369)	-
Total transactions with owners	-	-	1,369	(1,369)	-
Balance at 31 December 2025	1,195,110	(554)	(92,978)	2,437	1,104,015

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 69 to 93.

Consolidated Statement of Cash Flows

in thousands of dollars (\$'000)	Note	31 December 2025	31 December 2024
Cash flows from operating activities			
Cash receipts from customers		2,263,919	2,118,700
Cash paid to suppliers and employees		(2,004,415)	(2,014,500)
Interest paid		(43,682)	(39,760)
Interest received		13,603	11,371
Income taxes received from/(paid to) tax authorities and related entities		(18,149)	(54,558)
Net cash inflow/(outflow) from operating activities		211,276	21,253
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		-	(45,103)
Proceeds from sale of intangible assets		2	-
Proceeds from sale of property, plant and equipment		2,266	1,302
Acquisition of intangible assets		(2,050)	-
Acquisition of property, plant and equipment		(14,192)	(21,238)
Net cash inflow/(outflow) from investing activities		(13,974)	(65,039)
Cash flows from financing activities			
Loans from related party		-	45,000
Repayment of loans from related party		(216,151)	-
Principal elements of lease payments		(21,016)	(21,198)
Payments from/(for) transaction costs		(799)	(689)
Net cash inflow/(outflow) from financing activities		(237,966)	23,113
Net increase /(decrease) in cash and cash equivalents		(40,664)	(20,673)
Cash and cash equivalents at beginning of year	8	43,838	64,511
Cash and cash equivalents at end of year		3,174	43,838

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 69 to 93.

Notes to the Consolidated Financial Statements

01 Reporting entity

Sandvik Australia Holdings Pty Ltd (the “Company”) is a company domiciled in Australia. The address of the Company’s registered office is Level 5, 135 Coronation Drive Milton QLD 4064. The ultimate parent entity is Sandvik AB, a company incorporated in Sweden. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”).

The Group is a for-profit entity and is primarily involved in the importation and sale of mining, construction and materials handling equipment and associated parts, tools, consumables, the provision of maintenance services and mining software development.

02 Basis of preparation

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities during the normal course of business. The Directors have concluded that the Group is able to continue as a going concern for the foreseeable future.

(A) Statement of compliance

These general-purpose financial statements have been prepared in compliance with the requirements of the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB). The Group is a for-profit, private sector entity which is not publicly accountable for the purposes of preparing these consolidated financial statements. The financial statements were authorised for issue by the Board of Directors on 27 April 2026.

(B) Basis of measurement

The financial statements have been prepared on the historical cost basis except, for the following:

- Certain financial assets and liabilities measured at fair value
- Assets held for sale – measured at fair value less costs to sell

(C) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016 and in accordance with that, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(D) Critical estimates and judgements

In preparing these consolidated financial statements in conformity with Australian Accounting Standards – Simplified Disclosure Requirements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of causing a material adjustment within the year ending 31 December 2025 is disclosed in the following notes;

- Note 3 – Significant Accounting Policies
 - Note 3(A)(i) - Business combinations
 - Note 3(K)(vi) - Revenue from digital offerings
- Note 9 – Business Combinations
 - Prior year acquisition
- Note 12 – Taxes
 - Recognition of deferred tax assets and liabilities
- Note 15 – Intangible Assets and Goodwill
 - Impairment of goodwill
- Note 19 – Provisions
 - Measurement of provisions

03 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently within the Group.

(A) Basis of consolidation

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by Sandvik Australia Holdings
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (A)(ii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (H)(ii)). Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or

equity securities (see (C)).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(B) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. This includes gains or losses resulting from the translation of foreign currency-denominated assets, liabilities, income, and expenses.

(C) Financial instruments

(i) Non-derivative financial assets

A financial asset or a financial liability is recognised on the Consolidated Statement of Financial Position when the entity becomes a party to the contractual provisions of the instrument. Trade receivables are recognised upon issuance of the invoice. A liability is recognised when the counterparty has performed under the agreement and the company is contractually obliged to settle the obligation, even if no invoice has been received.

A financial asset is derecognised when the rights under the agreement are realised or have expired, or when control of the

contractual rights is lost. The same applies to a portion of a financial asset. A financial liability is derecognised when the obligation specified in the contract is discharged or otherwise expires.

A financial asset and a financial liability are offset and presented as a net amount in the Consolidated Statement of Financial Position only if there is a legally enforceable right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits, and short-term investments that have a maturity of no more than three months from the date of acquisition and are exposed only to an insignificant risk of changes in value..

(ii) Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade, and other payables.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the Consolidated Statement of Cash Flows.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(D) Investments

Investments in controlled entities are measured at cost, less accumulated impairment losses.

Investments in associates are measured using equity accounting. The investor's share of the associate's post-acquisition profits or losses is recognized in the Group's other comprehensive income.

Any dividends received from the associate reduce the carrying amount of the investment.

(E) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour.
- any other costs directly attributable to bringing the assets to a working condition for their intended use.
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.
- Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gains and losses on disposal of an item of property, plant, and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably. Ongoing repairs and maintenance are expensed as incurred.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation methods and useful lives

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant, and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- | | |
|-----------------------------------------------------|-------------|
| – Buildings | 20-50 years |
| – Leasehold property | 4-17 years |
| – Plant and equipment | 3-17 years |
| – Office equipment, motor vehicles and other assets | 3-20 years |

Machines that are used as rental units are classified as rental fleet. These are depreciated over three years based on cost for idle rental units.

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(F) Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 3(A)(i).

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. Goodwill is measured at cost less accumulated impairment losses.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred. Development activities involve a plan or design to produce new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their useful lives.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful

lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

– Patents	5 - 15 years
– Customer relationships	5 – 20 years
– Other intangibles	3 - 15 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(G) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the standard cost and first-in-first-out, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(H) Impairment of assets

(i) Non-derivative financial assets

A financial asset not classified at fair value through profit or loss, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise and indications that a debtor or issuer will enter bankruptcy.

Financial assets are measured at amortised cost.

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in

an allowance account against receivables. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(I) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(J) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(K) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue, as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts, and rebates.

(i) Sale of goods

Revenue from goods sold (e.g., metal cutting tools, mining equipment) is recognized at a point in time when the control

has been transferred to the customer. For sale of goods the transfer of control usually occurs when the significant risks and rewards are transferred in accordance with the Incoterms. For changes in contract assets and liabilities, see notes 10. Trade and Other Receivable and 17. Trade and Other Payables, respectively.

When goods sold are highly customized and there is an enforceable right to payment for performances completed to date, the goods are recognized over time. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Payment is generally due between 30–90 days from the transfer of control. In some contracts, short-term advances are required before the equipment is delivered.

(ii) Rendering of services

Revenue from service contracts (e.g., installation, support and maintenance) is recognized over time since the customer receives and consumes the benefits as it is being provided. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

In instances where the services are not customised (e.g. after market refurbishments) and there is no right to payment until completion of the services, the revenue is recognised at a point in time.

Payment is generally due between 30–90 days after completion.

(iii) Rendering of services - stage of completion

Revenue and associated costs from a contract to provide services by reference to the stage of completion of the contract. These contracts are made to a customer's specification and if a contract is terminated by the customer, then the Company is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Un-invoiced amounts are presented as contract assets.

(iv) Rental revenue

Rental fleet revenue is recognised in profit or loss on a straight-line basis over the term of the lease.

(v) Dividends

Revenue from dividends from controlled entities is recognised by the Company when they are declared by the controlled entities.

(vi) Revenue from digital offerings

Revenue from software licenses is recognised at point in time if the customer can use the license in its current functionality and no further updates or improvements are expected or required.

If the customer has the right to access the license including future updates with improved functionality, the revenue from those licenses is recognised over the contract period.

Software subscription and software rental contracts may contain multiple performance obligations. At the inception of the contract, the terms are examined and if the criteria meet the right to use, the license and software enhancement components within both subscriptions and rental revenue are

recognised at a point in time. If the nature of the license is determined to be the right to access, the revenue is recognised over time as the performance obligation is fulfilled. The maintenance defects and technical support components within both subscription and rental revenue are recognised over the contract period.

(L) Leases

At the inception of a contract the Group assess if the contract is or contains a lease. Contracts may contain both leases and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Any non-lease components are separated from the lease components in the contract for all classes of underlying assets.

The non-lease component cost is recognised as an expense as invoiced (or accrued) and are not included in the calculation of a right-of-use asset or lease liability.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The Group uses its incremental borrowing rate as the discount rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

The incremental borrowing rate is established through a bottom-up approach using different building blocks (market rate, Sandvik Group risk rate, company risk spread and 100 % leverage adjustment). Each block contains values that are either sourced from recognised market data suppliers or through internal models built on historical and implied data combined with various assumptions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases

low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of assets with value below \$5,000.

(M) Finance income and finance costs

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables) and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(N) Tax

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable, in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- temporary differences related to investments in subsidiaries to the extent that the Group can control the timing of the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to

be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposures

In determining the amount of current and deferred tax the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(iv) Tax consolidation

The Company and its wholly owned Australian resident entities are part of a tax-consolidated group. Consequently, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Sandvik Australia Holdings Pty Ltd. There are some entities outside of the Sandvik Australia Holdings accounting consolidated group that are part of the tax consolidated group. The implementation date for the tax consolidated group was 1 January 2004, and all entities have been taxed as a single entity from that date. Current tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the "separate taxpayer within the group" approach. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the entity's Consolidated Statement of Financial Position and their tax values applied under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the Company are assumed by the head entity of the tax consolidated group and are recognised as amounts payable (or receivable) to other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution from, or distribution to, the head entity. The Group recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the assets can be utilised. The Company assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity, in accordance with AASB 112 applied in the context of the tax consolidated group.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses because of revised assessments of the probability of recoverability are recognised by the head entity only.

(v) Nature of tax funding arrangement and tax sharing agreements

The Company, in conjunction with other members of the tax consolidated group, has entered a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax loss and deferred tax asset assumed by the head entity, resulting in the Company recognising an inter entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter entity payable (receivable) is at call. Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The Company, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(O) Goods and Services Tax

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(P) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to the grant and the grant will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes the related costs that the grants are intended to compensate.

04 New standards and interpretations

New standards and amendments – applicable 1 January 2025

The following amendment applies for the first time but does not have a material impact to the Group's financial reporting:

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]

New standards and amendments – applicable after 31 December 2025

The following amendments do not yet apply and are not expected to have a material impact to the Group's financial reporting in future reporting periods:

- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9]
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 & AASB 107]
- AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity [AASB 7 & AASB 9]
- AASB 2014-10 Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

The amendments above are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Insofar as related to Simplified Disclosure requirements, the Group is still assessing the impact of the following upcoming standard on future periods:

- AASB 18 Presentation and Disclosure in Financial Statements

Items recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

05 Revenue

in thousands of dollars (\$'000)	2025	2024
Sale of goods	1,934,782	1,806,001
Rendering of services	152,583	133,271
Rental revenue	18,675	8,937
Revenue from digital offerings	152,021	114,674
Total Revenue	2,258,061	2,062,883

The Group derived revenue from the different sources over time and at a point in time as follows:

in thousands of dollars (\$'000)	2025	2024
Revenue recognised over time		
Sale of goods	63,288	57,038
Rendering of services	7,916	5,589
Subscription revenue	63,717	50,798
Total revenue recognised over time	134,921	113,425
Revenue recognised point in time		
Sale of goods	1,871,494	1,747,696
Rendering of services	144,667	123,699
Rental revenue	18,675	8,937
Subscription revenue	88,304	69,126
Total revenue recognised point in time	2,123,140	1,949,458
Total Revenue	2,258,061	2,062,883



06 Other income

in thousands of dollars (\$'000)	2025	2024
Rental of properties income	-	2,498
Net gain on sale of property, plant & equipment	1,733	711
Net gain on earnout liability	-	10,584
Government grants and subsidies	18	-
Royalties	40	-
Service fee income	796	357
Other items	388	264
Total Other Income	2,975	14,414

07 Finance Income and Finance Costs

in thousands of dollars (\$'000)	2025	2024
Interest income	14,363	11,370
Net foreign exchange gain/(loss)	(760)	(594)
Finance income	13,603	10,776
Interest expense	(56,549)	(46,065)
Other finance costs	(232)	(236)
Finance costs	(56,781)	(46,301)
Net finance income/(expense) recognised	(43,178)	(35,525)

Items recognised in the Consolidated Statement of Financial Position

08 Cash and cash equivalents

in thousands of dollars (\$'000)	2025	2024
Bank balances	3,174	43,838
Cash and cash equivalents	3,174	43,838

09 Business combinations

Prior year acquisition

On 02-December-2024, Sandvik acquired 100% of the outstanding shares in UFR Holdings Pty Ltd ("UFR"); an Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets. UFR became a part of Digital Mining Technologies division within the business area Mining.

The details of this acquisition were included in the Financial Statements for the year ended 31 December 2024 since that was the first year the combined pro-rata business results were reported.

10 Trade and other receivables

in thousands of dollars (\$'000)	2025	2024
Trade receivables	244,610	219,591
Trade receivables from related parties	46,127	34,064
Cashpool assets from related parties	323,343	242,809
Contract Assets	21,857	19,567
Allowance for impairment	(4,043)	(5,105)
Total trade and other receivables	631,894	510,926
Current	630,771	509,734
Non-current	1,123	1,192
Total trade and other receivables	631,894	510,926

11 Inventories

in thousands of dollars (\$'000)	2025	2024
Raw materials and consumables	2,483	3,127
Work in progress at cost	55,552	56,472
Finished goods	248,987	194,297
Total Inventories	307,022	253,896

During the year ended 31 December 2025 raw materials, consumables and changes in finished goods and work in progress included in 'cost of sales' amounted to \$1,488,951 (2024: \$1,387,082).

In 2025 the write-down of inventories to net realisable value amounted to \$8,381,000 (2024: \$7,415,000). The reversal of write-downs amounted to \$7,754,000 (2024: \$6,773,000). The write-downs and reversals are included in cost of sales.

12 Taxes

Tax recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

in thousands of dollars (\$'000)	2025	2024
Current tax		
Current tax on profits for the year	62,223	47,459
Adjustments for current tax of prior periods	(2,379)	(635)
Total current tax expense	59,844	46,824
Deferred income tax		
Decrease/(increase) in deferred tax assets	(22,844)	(10,913)
(Decrease)/increase in deferred tax liabilities	1,423	(3,471)
Adjustments to true-up pre-acquisition period balances	2,641	(1,790)
Correction of prior period deferred tax liability	-	(6,394)
Less deferred tax assets recognised on acquisition	-	(1,532)
Total deferred tax expense/(benefit)	(18,780)	(24,100)
Income tax expense	41,064	22,724
Income tax expense is attributable to:		
Profit from continuing operations	41,064	22,724
Profit from discontinued operations	-	-

Reconciliation of Income Tax Expense to Tax Payable

in thousands of dollars (\$'000)	2025	2024
Profit before income tax expense	122,914	110,769
Tax at the Australian tax rate of 30% (2024 - 30%)	36,874	33,231
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible entertainment	201	223
Non-deductible transaction costs	51	321
Non-deductible impairment on goodwill	1,617	-
Other non-deductible expenditure	309	217
Non-assessable/non-deductible earnout adjustment	3,000	(1,807)
Non-claimable foreign income tax offset	-	173
Non-assessable profit of SMCL PE	(634)	(519)
Non-assessable income	(446)	(1,396)
Sundry	-	135
Utilisation of Capital Losses	(1,984)	-
True-up of prior year fixed asset deferred tax	2,675	-
Difference in foreign tax rates	(856)	(592)
Adjustments for tax of prior periods	257	(7,262)
Income tax expense	41,064	22,724

Recognised Deferred Tax Assets and Liabilities

in thousands of dollars (\$'000)	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Consolidated						
Property, plant and equipment	8,734	11,708	(7,905)	(7,626)	829	4,082
Intangible assets	17,509	10,243	(90,499)	(101,267)	(72,990)	(91,024)
Trade Receivables	3,809	1,487	(3,009)	-	800	1,487
Inventories	5,551	4,314	(9)	-	5,542	4,314
Accruals	18,048	17,771	-	-	18,048	17,771
Provisions	20,516	20,337	(31)	(216)	20,485	20,121
Prepayments	-	-	(533)	(2,295)	(533)	(2,295)
Other items	2,317	2,551	(369)	(1,193)	1,948	1,358
AASB 16 - right of use asset	21,635	16,676	(51,022)	(44,686)	(29,387)	(28,010)
AASB 16 - lease liability	31,967	30,624	-	-	31,967	30,624
Unearned Revenue	18,889	13,064	(5,329)	-	13,560	13,064
Tax assets before set off	148,975	128,775	(158,706)	(157,283)	(9,731)	(28,508)
Set off of tax	(148,975)	(128,775)	148,975	128,775	-	-
Net tax assets/(liabilities)	-	-	(9,731)	(28,508)	(9,731)	(28,508)

There are no unrecognised deferred tax liabilities as at 31 December 2025 (2024: \$nil).

There is an unrecognised deferred tax assets of \$510,364 (gross amount \$1,701,213) as at 31 December 2025 relating to net capital loss (2024: \$3,180,813, gross amount \$10,602,709).

Global minimum tax – OECD Pillar Two model rules

The Company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Australia, the jurisdiction in which the company is incorporated, and came into effect from 1 January 2024. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Due to satisfaction of the transitional safe harbour rule, the company expects the group is not subject to top up tax in Australia for the year ended 31 December 2025.

13 Property, plant and equipment

in thousands of dollars (\$'000)	Land and buildings	Leasehold property	Plant and equipment	Office equipment, motor vehicles and other	Rental fleet	Assets under construction	Total
At 1 January 2025							
Cost	59,727	7,126	42,322	33,417	61,685	1,260	205,537
Accumulated Depreciation	(23,196)	(3,996)	(22,495)	(18,902)	(48,522)	-	(117,111)
Net book Amount	36,531	3,130	19,827	14,515	13,163	1,260	88,426

Year ended 31 December 2025							
Opening net book amount	36,531	3,130	19,827	14,515	13,163	1,260	88,426
Additions	169	(8)	4,845	1,493	12,505	7,509	26,513
Disposals	(300)	-	(76)	(166)	(2,417)	-	(2,959)
Transfer in	3,714	4,139	2,374	1,638	573	4,185	16,623
Transfer out	-	(2,749)	-	(4,064)	-	(5,710)	(12,523)
Depreciation for the year	(2,159)	(445)	(4,942)	(4,041)	(6,093)	-	(17,680)
Impairment loss	-	-	-	-	(543)	-	(543)
Closing Net book amount	37,955	4,067	22,028	9,375	17,188	7,244	97,857

At 31 December 2025							
Cost	63,310	8,508	49,465	32,318	72,345	7,244	233,190
Accumulated depreciation & impairment	(25,355)	(4,441)	(27,437)	(22,943)	(55,157)	-	(135,333)
Net book amount	37,955	4,067	22,028	9,375	17,188	7,244	97,857

Depreciation expense is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in selling and administrative expenses.

Impairment Loss

There was \$543,000 of property, plant and equipment impairment recognised during 2025 (2024: \$nil).

14 Right-of-use Assets and Lease Liabilities

The Group leases various offices, equipment (forklift) and vehicles.

Right-of-use assets

in thousands of dollars (\$'000)	Buildings	Plant & equipment	Total
Cost			
Balance at 1 January 2024	117,848	12,993	130,841
Remeasurement	23,506	873	24,379
Additions	4,630	4,927	9,557
Disposals	(2,472)	(5,623)	(8,095)
Transferred	-	-	-
Balance at 31 December 2024	143,512	13,170	156,682
Balance at 1 January 2025	143,512	13,170	156,682
Remeasurement	2,767	1,896	4,663
Additions	14,422	7,435	21,857
Disposals	(2,865)	(2,570)	(5,435)
Transferred	-	-	-
Balance at 31 December 2025	157,836	19,931	177,767
Accumulated depreciation and impairment losses			
Balance at 1 January 2024	(38,447)	(7,744)	(46,191)
Depreciation for the year	(15,020)	(3,697)	(18,717)
Disposals	2,472	5,623	8,095
Balance at 31 December 2024	(50,995)	(5,818)	(56,813)
Balance at 1 January 2025	(50,995)	(5,818)	(56,813)
Depreciation for the year	(15,930)	(6,387)	(22,317)
Disposals	2,886	2,187	5,073
Balance at 31 December 2025	(64,039)	(10,018)	(74,057)
Carrying amounts			
at 31 December 2024	92,517	7,352	99,869
at 31 December 2025	93,797	9,913	103,710

Depreciation expense is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in selling and administrative expenses.

Lease liabilities

in thousands of dollars (\$'000)	2025	2024
Current	21,615	18,283
Non-current	90,722	90,359
Total lease liabilities	112,337	108,642

Total expense included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in selling and administrative expenses are as follows:

in thousands of dollars (\$'000)	2025	2024
Interest expense	5,720	4,379
Expense relating to short-term leases	270	343
Expense relating to leases of low-value assets	-	-

Future lease payments in relation to lease liabilities as at period end are as follows:

in thousands of dollars (\$'000)	2025	2024
Within one year	21,615	18,283
Later than one year but not later than five years	62,720	49,363
Later than five years	54,931	40,996
Total	139,266	108,642

15 Intangible assets and goodwill

in thousands of dollars (\$'000)	Goodwill	Customer relationships	Trademarks, Patents & Licenses	Other	Total
At 1 January 2025					
Cost	1,616,260	339,184	101,264	293,311	2,350,019
Accumulated amortisation & impairment	(547,891)	(85,283)	(20,411)	(97,571)	(751,156)
Net book amount	1,068,369	253,901	80,853	195,740	1,598,863
Year ended 31 December 2025					
Opening net book amount	1,068,369	253,901	80,853	195,740	1,598,863
Additions	-	-	88	2,085	2,173
Disposals	-	(6,500)	-	(800)	(7,300)
Amortisation charges	-	(19,055)	(2,937)	(28,105)	(50,097)
Impairment charges	(5,390)	-	-	-	(5,390)
Closing net book amount	1,062,979	228,346	78,004	168,920	1,538,249
At 31 December 2025					
Cost	1,616,260	332,684	101,352	294,596	2,344,892
Accumulated amortisation & impairment	(553,281)	(104,338)	(23,348)	(125,676)	(806,643)
Net book amount	1,062,979	228,346	78,004	168,920	1,538,249

Amortisation expenses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in selling and administrative expenses.

Trademarks, Patents & Licenses include brand names. Other intangibles comprise contract related intangibles, acquired software and other capitalised research and development expenditure.

Impairment testing

Goodwill is monitored by management at the level of the cash-generating units (CGUs) listed below.

In 2025 management combined CGUs Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd – Fire Suppression and Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd – GET to Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd – Parts & Services as managements monitors these at an aggregated level.

CGUs for the group consist of:

- Sandvik Mining and Construction Australia Pty Ltd
- Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd – Parts & Services
- Sandvik Mining and Construction Australia (Production/

- Supply) Pty Ltd – Rock Bolts
- Sandvik Australia Pty Ltd
- Tricon Drilling Solutions Pty Ltd
- Deswik Group, including all wholly owned subsidiaries
- Sandvik Rock Processing Australia (SRPA) including all wholly owned subsidiaries
- Sandvik Mining Technology (Tianjin) Co
- Universal Field Robots Group, including all wholly owned subsidiaries

The Group tests whether the acquired goodwill has suffered any impairment on an annual basis. For the 2025 reporting period, the recoverable amount of the CGUs was determined based on value in use calculations except for the Deswik Group which also undertook a fair value less cost of disposal (FVLCD). The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the forecast period are extrapolated using estimated growth rates. In 2025, the Group recognised a \$5,389,900 impairment charge from the Universal Field Robots Group. This is recognised as an impairment expense in the Statement of Profit or Loss and Other Comprehensive Income. The impairment charge arose due to expected synergies arising from the acquisition not yet being realised.

16 Investment in Associate

Investments in MCB

In FY22, with the purchase of the Deswik Group, the Group acquired 30% of the interest in MCB Serviços e Mineração Ltda (MCB) with the investment being held under the entity Deswik Brazil. MCB was originally established in 2007 and has its headquarters in Belo Horizonte (Brazil), its focus is on assisting mining companies with scoping studies and project evaluation. The country of incorporation is also the principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Notwithstanding the above, the Group treats MCB as an associate and accounts for it under equity accounting as per the relevant accounting principles. The following table summarizes the investment held in MCB as at 31 December 2025:

Fair value as at 1 January 2025	5,800
Dividend Income earned for FY22	(1,069)
Share of profit for FY23	445
Share of profit for FY24	237
Share of profit for FY25	401
Carrying value of investment in associate as at 31 December 2025	5,814

Other investments held by Sandvik Australia Holdings

The remaining \$250,000 is investment in an external tech industry angel fund trust in which the Group does not hold a significant interest.

17 Trade and other payables

As at 31 December 2025, the Group has contract liabilities of \$104,993,000 (2024: \$66,016,000). The contract liabilities relate to the obligation to transfer goods or services to customers, for which consideration has been received.

in thousands of dollars (\$'000)	2025	2024
Trade and other payables	112,556	95,029
Trade and other payables due to related parties	261,343	160,671
Contract liabilities	104,993	66,016
Accruals	63,877	53,034
Accruals due to related parties	(17,089)	(9,536)
Total trade and other payables	525,680	365,214
Current	525,680	365,214
Non-current	-	-
Total trade and other payables	525,680	365,214

18 Loans and borrowings

in thousands of dollars (\$'000)	2025	2024
Current loans and borrowings	-	1,036,000
Non-current loans and borrowings	865,000	45,000
Total loans and borrowings	865,000	1,081,000

Sandvik Australia Holdings Group entered into an arm's length loan agreement with Sandvik Treasury Aktiebolag (AB) on 31 March 2022 for the amount of \$820 million. The loan and all other unpaid amounts (including unpaid interest at that date) are to be repaid on 30 March 2028.

During FY25, the Group repaid another loan of \$216 million to Sandvik Treasury Aktiebolag (AB) that was current as at 31 December 2024.

The Group entered a long-term loan with Sandvik Treasury AB on 29 November 2024 for the acquisition of UFR, \$45 million. The loan and all other unpaid amounts (including unpaid interest at that date) are to be repaid on 29 November 2027.

19 Provisions

in thousands of dollars (\$'000)	Warranties		Restructuring		Legal		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Balance at beginning of the period	4,170	3,667	140	830	1,226	622	2,609	2,385	8,145	7,504
Provisions made during the year	347	5,245	-	3,457	1,248	920	2,897	1,683	4,492	11,305
Provisions used during the year	(1,119)	(4,742)	(69)	(3,318)	(10)	(57)	(897)	(1,286)	(2,095)	(9,403)
Provisions reversed during the year	-	-	-	(829)	-	(259)	(490)	(173)	(490)	(1,261)
Balance at 31 December 2025	3,398	4,170	71	140	2,464	1,226	4,119	2,609	10,052	8,145
Current	3,398	4,162	-	-	2,148	900	1,388	1,013	6,934	6,075
Non-current	-	8	71	140	316	326	2,731	1,596	3,118	2,070
Total provisions	3,398	4,170	71	140	2,464	1,226	4,119	2,609	10,052	8,145

The warranty provisions relate mainly to provisions for future claims. The provision is based on estimates made from historical warranty data associated with similar products and services.

Make Good Provisions are included in the "Other" category.

20 Employee benefits

in thousands of dollars (\$'000)	2025	2024
Salaries and bonuses - short term	30,526	27,612
Liability for long service leave - short term	17,495	16,498
Liability for annual leave - short term	24,464	24,240
Liability for long service leave - long term	6,569	6,000
Total employee benefits	79,054	74,350
Current	72,485	68,350
Non-current	6,569	6,000
Total employee benefits	79,054	74,350

21 Capital and reserves

in thousands of dollars (\$'000)	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares				
Fully paid	83,666,668	83,666,668	1,168,610	1,168,610
On issue at 31 December	83,666,668	83,666,668	1,168,610	1,168,610
Preference shares				
Fully paid	26,500	26,500	26,500	26,500
On issue at 31 December	26,500	26,500	26,500	26,500
Total share capital			1,195,110	1,195,110

Ordinary shares

The Company does not have authorized capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally regarding the Group's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. In the event of the winding up of the Group, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Redeemable non-participating preference shares

The redeemable non-cumulative non-participating preference shares are redeemable at the option of the Group. The redemption price may not exceed the subscription price.

22 Capital commitments

The Group has commitments to incur capital expenditure with respect to plant and equipment as at 31 December 2025 of \$7,494,694 (2024: \$7,597,874).

23 Contingencies

The Group has entered various counter indemnities of bank and performance guarantees related to its own future performance in the normal course of business.

The directors are of the opinion that there are no other material contingent liabilities as at 31 December 2025 (2024: \$nil).

in thousands of dollars (\$'000)	2025	2024
Bank guarantees	7,486	7,470
Total contingencies	7,486	7,470

24 Related parties

Parent and ultimate controlling party

The ultimate controlling party of the Group is Sandvik AB, a company incorporated in Sweden.

Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers which mainly relate to car parking and accommodation.

Certain executive officers are subject to a mutual term of notice of 1 to 6 months. On resignation at the Group's request, they may be entitled to that term of notice as payment in lieu of notice in addition to statutory entitlements that may arise in the case of redundancy or early retirement

Key management personnel compensation

The key management personnel compensation comprised the following:

in dollars	2025	2024
Short-term employee benefits	2,246,701	1,933,301
Defined contribution plan costs	259,410	295,556
	2,506,111	2,228,857

Loans to key management personnel

There were no loans issued to key management personnel during the year ended 31 December 2025 (2024: \$nil).

Other related party transactions

There were no loans issued to key management personnel during the year ended 31 December 2025 (2024: \$nil).

in dollars	2025	2024
Sales of goods and services	291,365,190	217,164,073
Sale of administrative & other services	5,663,909	16,127,018
Interest income	1,331,880	2,274,791
Stock & raw material purchases	51,117,466	46,018,598
Administrative services expense	36,877,092	15,238,115
Interest expense	309,067	118,005
Short-term loan	-	1,036,000,000
Long-term loan	865,000,000	45,000,000

Other related parties are entities within the Sandvik AB Global Group but outside of the Sandvik Australia Holdings Pty Limited Group. All outstanding balances are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

in dollars	2025	2024
Trade & other amounts owing to related parties	1,109,255	1,232,135,000
Trade & other amounts owing from related parties	376,974	300,097,000

25 Group entities

The Group is controlled by the following entities:

in percentages (%)

Name	Type	Ownership	
		2025	2024
Sandvik Finance BV	Immediate parent entity	100	100
Sandvik AB	Ultimate parent entity and controlling party	100	100

Interests in material subsidiaries in which Sandvik Australia Holdings Pty Limited has direct control are as follows. They have share capital consisting solely of ordinary shares that are held directly by the group. The country of incorporation or registration is also their principal place of business.

Name	Country of incorporation	Ownership	
		2025	2024
in percentages (%)			
Sandvik Australia Holdings Pty Ltd	Australia	N/A	N/A
Sandvik Australia Pty Ltd	Australia	100	100
Sandvik Mining and Construction Australia Pty Ltd	Australia	100	100
Sandvik Mining and Construction Australia Pty Ltd (New Zealand branch)	New Zealand	100	100
Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd	Australia	100	100
Sandvik Mining and Rock Tec Global Roles Australia	Australia	100	100
Terelion (Australia) Pty Ltd	Australia	100	100
Tricon Drilling Solutions Pty Ltd	Australia	100	100
Deswik Group Pty Ltd	Australia	100	100
Deswik Europe Ltd	United Kingdom	100	100
Deswik Kazakhstan LLP	Kazakhstan	100	100
Deswik USA Inc.	United States of America	100	100
Deswik (Canada) Inc.	Canada	100	100
Deswik Chile SpA	Chile	100	100
Deswik Colombia S.A.S	Colombia	100	100
Deswik Mexico S.A de C.V.	Mexico	100	100
Deswik Peru S.A.C.	Peru	100	100

Name	Country of incorporation	Ownership	
		2025	2024
in percentages (%)			
Deswik Mining Consultants (Pty) Ltd	South Africa	74	74
Zebenza Kanzima (Pty) Ltd	South Africa	49	49
Deswik Software Solutions Pty Ltd	Australia	100	100
Deswik Brazil Holdings Pty Ltd	Australia	100	100
Deswik Mining Consultants (Australia) Pty Ltd	Australia	100	100
S-Process Equipment Australia Pty Ltd	Australia	100	100
Sandvik Rock Processing Australia Pty Limited	Australia	100	100
Sandvik Mining Technology(Tianjin) Co., Ltd	People's Republic of China	100	100
UFR Holdings Pty Ltd	Australia	100	100
Universal Field Robots Pty Ltd	Australia	100	100
UFR Technology Pty Ltd	Australia	100	100

26 Auditor's remuneration

During the year, the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the parent entity, Sandvik Australia Holdings Pty Ltd and by PwC's related network firms.

in dollars	2025	2024
Audit and review services		
Auditors of the Company		
Audit and review of financial statements	1,056,173	902,603
Total audit services	1,056,173	902,603
Other non-audit services		
Taxation & other consultancy services	211,833	220,633
Total other non-audit services	211,833	220,633
Total charges for services provided by PwC	1,268,006	1,123,236

The other non-audit services mostly relate to consulting on taxation, trade compliance, customs, and related activities.

27 Deed of cross guarantee

Pursuant to ASIC Corporations Instrument 2016/785 dated 28 September 2016, the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgment of financial reports, and Directors' report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable if after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees if the Company is wound up.

The subsidiaries subject to the Deed are:

- Sandvik Mining and Construction Australia Pty Ltd
- Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd
- Sandvik Australia Pty Ltd
- Terelion (Australia) Pty Ltd
- Tricon Drilling Solutions Pty Ltd
- Deswik Group Pty Ltd
- Deswik Mining Consultants (Australia) Pty Ltd
- Sandvik Rock Processing Australia Pty Ltd
- S-Process Equipment Australia Pty Ltd
- UFR Holdings Pty Ltd
- UFR Technology Pty Ltd
- Universal Field Robots Pty Ltd

A Consolidated Statement of Profit or Loss and Other Comprehensive Income and a Consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, as at 31 December 2025 is set out as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

in thousands of dollars (\$'000)	2025	2024
Revenue	2,112,123	1,959,500
Cost of sales	(1,681,430)	(1,599,106)
Gross profit	430,693	360,394
Other income	2,848	14,337
Selling and administrative expenses	(243,632)	(223,197)
Impairment expense	-	-
Other expenses	(33,639)	(18,585)
Results from operating activities	156,270	132,949
Finance income	13,225	10,629
Finance expense	(56,334)	(45,865)
Net financing income/(expense)	(43,109)	(35,236)
Profit/(loss) before tax	113,161	97,713
Income tax expense	(46,114)	(26,749)
Profit/(loss) for the year	67,047	70,964

Consolidated Statement of Financial Position

in thousands of dollars (\$'000)	31 December 2025	31 December 2024
Assets		
Cash and cash equivalents	13	40,689
Trade and other receivables	591,037	473,299
Inventories	298,735	246,827
Prepayments	12,202	8,361
Tax receivable	-	31,331
Other current assets	16,667	42,255
Total current assets	918,654	842,762
Trade and other receivables	2,833	3,091
Property, plant and equipment	94,392	84,676
Right-of-use assets	99,557	95,721
Intangible assets and goodwill	1,542,059	1,596,796
Total non-current assets	1,738,841	1,780,284
Total assets	2,657,495	2,623,046
Liabilities		
Trade and other payables	515,481	344,152
Loans and borrowings	-	1,036,000
Lease liabilities	20,286	17,373
Provisions	6,177	5,231
Tax Payable	15,455	-
Employee benefits	71,587	67,673
Total current liabilities	628,986	1,470,429
Loans and borrowings	865,000	45,000
Deferred tax liabilities	21,902	35,306
Lease liabilities	87,399	86,779
Employee benefits	6,569	6,000
Non-current provisions	2,802	1,744
Total non-current liabilities	983,672	174,829
Total liabilities	1,612,658	1,645,258
Net Assets	1,044,837	977,788
Equity		
Share capital	1,195,110	1,195,110
Retained earnings	(150,274)	(217,322)
Total equity	1,044,836	977,788

28 Parent entity disclosures

in thousands of dollars (\$'000)	2025	2024
Result of parent entity		
Profit/(Loss) for the year	41,446	23,433
Total comprehensive Income for the year	41,446	23,433
Financial position of parent entity at year end		
Current assets	454,251	373,357
Total assets	2,214,687	2,164,584
Current liabilities	456,573	1,267,916
Total liabilities	1,321,573	1,312,916
Total equity of parent entity comprising of		
Share capital	1,195,110	1,195,110
Retained earnings	(301,996)	(343,442)
Total equity	893,114	851,668

29 Events occurring after the reporting period

On 12 February 2026, Sandvik AB signed an agreement to acquire ThroughTec Simulation (ThoroughTec), a South Africa-based leading provider of equipment simulators and simulator-based training for the global mining industry. As part of the transaction, local subsidiaries will be acquired by Sandvik Australia Holdings. ThoroughTec will be reported in Parts and Services, a division within business area Mining. The transaction is expected to close during the second quarter of 2026, subject to customary regulatory approvals. On 28 February 2026, an armed conflict commenced involving USA, Iran, and other countries in the Middle East. This event occurred after the reporting date and has been assessed as a non-adjusting event under AASB 110 Events after the Reporting Period.

The Group continues to monitor developments and assess potential impacts on its operations, supply chains, and financial performance. At the date of authorisation of these financial statements, no direct financial impacts have been identified. Accordingly, no adjustments have been made to the amounts recognised in the financial statements.

The ultimate impact of this event remains uncertain and will depend on future developments.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected the Group's operations, results, or state of affairs, or may do so in future years.

Directors' declaration

1. In the opinion of the Directors of Sandvik Australia Holdings Pty Ltd (the Company):

(a) the Consolidated Financial Statements and Notes that are set out on pages 64 to 93 are in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2025;
- ii. and of its performance, for the financial year ended on that date; and
- iii. complying with Australian Accounting Standards – Accounting Standards – General Purpose Financial Statements – Simplified Disclosures and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Group and related consolidated entities identified in Note 27 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations Instrument 2017/191.

Signed in accordance with a resolution of the directors:

Dated at Brisbane 27th day of April 2026.



C Parham

Director



Independent auditor's report

To the members of Sandvik Australia Holdings Pty Ltd

Our opinion

In our opinion:

The accompanying financial report of Sandvik Australia Holdings Pty Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information; and
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate review conclusion on the specified sustainability disclosures within the sustainability report, in accordance with the scope of Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/apzlwnoy/ar3_2024.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Kim Challenor
Partner

Brisbane
27 April 2026



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