

Sandvik Statement on Responsible Sourcing of Minerals and Metals

In line with Sandvik's 2030 Sustainability Goals, we are committed to ensure best practice with respect to safety, health, environment and ethics at all stages of our supply and production chain. We firmly believe that a sustained success of the company can only be built upon a sound foundation, which entails that governmental, industry and environmental standards should always be met or surpassed.

Sandvik has a strong focus on recycling and circular economy. When primary raw materials are used, we are committed to source from responsible sources only, allowing for social development and minimizing environmental degradation.

Sandvik recognizes the potential that minerals production has of minerals in disadvantaged regions to bolster development and sustain livelihoods by generating income, growth and prosperity. Related risks need to be managed adequately. As such, Sandvik condemns all activities in the raw material sector that are connected to illegal or unlawful exploitation of ores, that directly or indirectly finances or benefits armed groups in conflict areas, or that contributes to serious human rights violations, including child labour. Sandvik has adopted measures to manage and mitigate these risks.

Sandvik fully supports the activities of the Organisation for Economic Co-operation and Development (OECD) addressing the above-mentioned risks. Individual Sandvik companies stand at different positions within the overall supply chains of metals, and take appropriate actions to ensure compliance with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas](#) (OECD Guidance) in their day-to-day operations. This includes implementation of raw material management systems that address and mitigate the risks outlined in Annex II of the Guidance, namely:

- Serious human rights abuses associated with extraction, transport or trade of minerals
- Direct or indirect support to non-state armed groups
- Inappropriate involvement of private or public security forces
- Bribery, fraudulent misrepresentation of minerals and money laundering
- Adverse impact of non-payment of taxes, fees and royalties

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

Sandvik supports its customers in complying with the SEC Conflict Mineral rule concerning section 1502 of the Dodd-Frank Act, and sources its raw materials in line with the EU Due Diligence Regulation 2017/821.

We expect our suppliers to promote responsible sourcing of raw materials in a similar way we do and to follow the OECD Guidance. All Sandvik suppliers must contractually abide to the

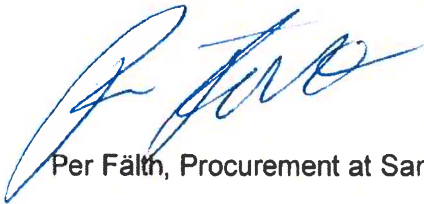
Sandvik Supplier Code of Conduct, which includes requirements for transparent and responsible supply chains for raw materials. Sandvik employs a combination of checks through supplier assessments, feedback and collaborative efforts to ensure continuous improvements along its supply chain. In case of non-compliance with the Sandvik Supplier Code of Conduct, Sandvik is entitled to terminate the contractual relationship with the Supplier.

These measures and expectations concern all minerals and metals worldwide. For tantalum, tin, tungsten, gold (the so-called 3TG) and cobalt, the following applies:

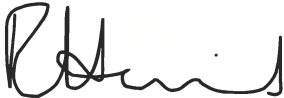
- While respecting commercial confidentiality, we require our suppliers to report on their supply chain through transparency tools like Responsible Minerals Initiative's CMRT and CRT.
- We require all 3TG and cobalt smelters and refiners in our supply chain to demonstrate compliance with third-party assessment programmes such as the Responsible Minerals Initiative's RMAP. In case of Cobalt, these assessments have commenced relatively recent, and if not already compliant, at the minimum, an RMAP "active" status is expected. All smelters and refiners are expected to report annually on the performance of their responsible sourcing systems, as stipulated in the OECD Guidance.
- All EU based suppliers are required to comply with EU regulation 2017/821.

This statement will be reviewed regularly and updated as required.

Sandvik encourages all stakeholders to report concerns and violations with respect to Sandvik's Responsible Sourcing of Raw Materials, for example through the company's whistle-blowing system: [Speak Up – System for reporting concerns](#) about suspected breaches of Sandvik's Code, policies and the law, without fear of retaliation.



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