

Corporate governance report

Corporate governance at Sandvik aims to ensure an efficient organization, clear allocation of responsibilities, transparency and solid management structures to promote stakeholder confidence and sustainable value creation.

Sandvik AB is a public company with its shares listed on Nasdaq Stockholm. Corporate governance within Sandvik is based on external rules such as the Swedish Companies Act, the Swedish Corporate Governance Code (the “Code”), and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, alongside internal rules such as the Articles of Association, the Board’s procedural guidelines and the company’s policies and procedures. Our corporate governance framework, The Sandvik Way, implements these external and internal rules and sets out common principles and ways of working throughout the organization, as further described below.

The Code is available at corporategovernanceboard.se. In 2025, Sandvik applied the Code without any deviations from its regulations.

This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Code, and has been reviewed by the company’s auditor. The report describes the company’s governance structure and organization, the Board’s duties and work, as well as internal control with regard to the company’s financial reporting.

The Sandvik Way

The Sandvik Way is based on three segments, as illustrated in the model below.

Governance structure

This segment outlines how the Sandvik Group is led and governed. The Board, elected at the Shareholders’ Meeting,

sets the strategic direction for the Group. The President carries this out through the Group Executive Management, whose members manage and oversee the operations of the Group. The main operational responsibility in the Group lies with the business areas and divisions, whereas the Group functions are responsible for functional policies and processes supporting the business.

The Sandvik Way has been implemented in each of the business areas, with additional requirements cascaded down in the operational structure of the business areas.

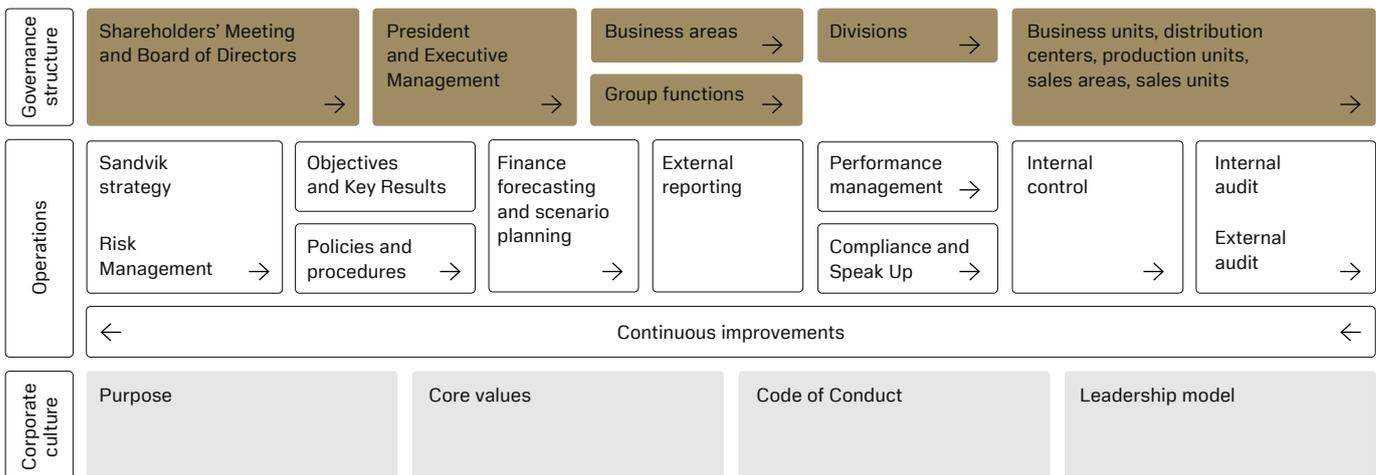
Operations

The detailed controls and risk frameworks common across the Group are detailed in this segment. This includes aspects such as strategy and risk management, policies, financial forecasting and scenario planning, as well as compliance, internal controls and audits. Performance management, controls and continuous improvements provide a solid basis for our ways of working.

Corporate culture

This segment sets the foundation for how we all shape our culture in the company and enable a customer-oriented and responsible business. Our operational controls and risk frameworks are supported by the ambitions and requirements of our purpose, core values, Code of Conduct and leadership model.

The Sandvik Way



Corporate governance model



1. Shareholders

As of December 31, 2025, the Sandvik share capital amounted to SEK 1,505,263,107.60 represented by 1,254,385,923 shares. At year-end, Sandvik had about 136,000 shareholders and AB Industrivärden was the largest owner with about 14.95 percent of the share capital. Of the total share capital at year-end, about 45 percent was owned by investors outside Sweden.

For more information about the Sandvik share and ownership structure, see pages 8–9.

2. Shareholders' meeting

The General Meeting of Shareholders is the highest decision-making body. At the Annual General Meeting, the shareholders are given the possibility to exercise their voting rights in relation to, for example, the Annual Report, dividends, the election of the Board, the appointment of auditor and other matters stipulated in the Companies Act, the Articles of Association and, where applicable, the Code.

All shareholders who have been entered in the share register and have informed the company of their participation within the time limit stated in the notice of the General Meeting are entitled to participate at the General Meeting and exercise their voting rights in respect of the shares held. Shareholders are also entitled to be represented by a proxy at a General Meeting. According to the Articles of Association, the Board may also decide to allow shareholders to exercise their voting rights through postal voting before the General Meeting.

All Sandvik shares carry equal voting rights with one vote per share.

2025 Annual General Meeting

At the Annual General Meeting held on April 29, 2025, shareholders representing 62.4 percent of the share capital and votes participated. Resolutions included the following:

- Dividend of SEK 5.75 per share
- Re-election of Board members Claes Boustedt, Marika Fredriksson, Johan Molin, Andreas Nordbrandt, Susanna Schneeberger, Helena Stjernholm, Stefan Widing and Kai Wörn as well as re-election of Johan Molin as Chairman of the Board
- Election of Öhrlings PricewaterhouseCoopers AB as auditor
- Approval of the Board's remuneration report
- Adoption of a long-term incentive program in the form of a performance share program for about 350 senior executives and key employees in the Group
- Authorization for the Board to decide on the acquisition of the company's own shares up to a maximum of 10 percent of all the shares in the company

For additional information about the Annual General Meeting, including the minutes, visit home.sandvik.com.

2026 Annual General Meeting

The next Annual General Meeting will be held in Sandviken, Sweden, on April 28, 2026. More information can be found in the notice convening the General Meeting and at home.sandvik.com.

3. Nomination Committee

The main task of the Nomination Committee is to prepare and submit proposals to the General Meeting regarding election of Chairman of the meeting, the Board members and Chairman of the Board, appointment of the auditor, and fees to Board members who are not company employees and to the auditor. The Annual General Meeting has adopted instructions for the Nomination Committee, which include procedures for appointing the Nomination Committee, valid until the General Meeting resolves on a change. In accordance with these instructions, the Nomination Committee shall consist of members appointed by each of the four largest shareholders in terms of the number of votes on the final business day in August plus the Chairman of the Board (convener).

Nomination Committee for the 2026 Annual General Meeting

For the 2026 Annual General Meeting, the Nomination Committee consists of:

- Fredrik Lundberg, Chairman (Industrivärden),
- Oscar Bergman (Swedbank Robur Funds),
- Lars Pettersson (Lundbergs),
- Daniel Kristiansson (Alecta) and
- Johan Molin (the Chairman of the Sandvik Board).

Up to the date of this Annual Report, the Nomination Committee met on three occasions. The Nomination Committee was informed of the results of the Board's own evaluation. The Committee met with the President and CEO and the CFO, who presented the company's strategy. The Nomination Committee discussed the general criteria that Board members should fulfill, including the independence requirement, and reviewed the number of Board assignments that each Board member has in other companies. The Nomination Committee applied rule 4.1 of the Code as the diversity policy. This rule states that the Board shall have an appropriate composition in view of the company's operations, phase of development and other relevant circumstances, display diversity and breadth in terms of qualifications, experience and background of the Board members elected by the General Meeting, and that the company shall strive for gender balance.



The 2025 Annual General Meeting was held at the Ferrum Arena in Sandviken, Sweden.

4. Board of Directors

The Board is responsible for the company's organization and the management of the company's business. The Board is required to continuously monitor the company's and the Group's financial position.

The Board ensures that the company's organization is designed in a way that ensures that the financial statements, the management of assets and the company's financial condition in general are controlled in a satisfactory manner. The Board also adopts the strategy for the Group and monitors the performance and compliance with relevant rules and strategic plans.

The President is appointed by the Board and is responsible for the daily operations pursuant to guidelines and instructions issued by the Board. The distribution of responsibilities between the Board and the President is laid down in the Board's Procedural Guidelines which are reviewed and adopted each year. The review is based on aspects such as the Board's evaluation of the individual and collective work that the Board performs.

In addition to financial reporting and the monitoring and follow-up of daily operations and profit trend, Board meetings address the goals and strategies for the operations, significant acquisitions and investments, as well as matters relating to the capital structure. Senior executives report business plans and strategic issues to the Board on an ongoing basis.

Composition and competence

As of December 31, 2025, the Sandvik Board consisted of eight members elected by the Annual General Meeting. The Nomination Committee communicated before the 2025 Annual General Meeting that it had applied rule 4.1 of the Code as the diversity policy. The current Board composition is the result of the work of the Nomination Committee prior to that General Meeting.

The Board is composed of individuals with diverse backgrounds across various geographic regions and industry sectors. Each member brings substantial experience from leadership roles in global, industrial companies, covering areas related to sustainability and business conduct. Additionally, many members have managed environmental, social, and governance impacts throughout the business value chain in previous positions as CEOs or senior managers at other international industrial firms. Of the Board members elected by the General Meeting, 62.5 percent are men and 37.5 percent are women.

Pursuant to Swedish legislation, trade unions are entitled to representation on the Board and they have appointed two members and two deputies.

The Board members are presented on pages 44–45.

Independence

Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company, and Stefan Widing is not regarded as independent in relation to the company and its executive management. The other five Board members elected by the General Meeting are all independent in relation to Sandvik and its executive management, as well as the company's major shareholders. Accordingly, 62.5 percent of the Board members are independent and the composition of the Board complies with the independence requirements of the Code. The President is the only executive member of the Board.

Board proceedings during 2025

In 2025, the Board held 13 meetings. Throughout the year, the Board addressed a broad range of topics, including the strategic objectives for 2025, CSRD and sustainability reporting, and updates on the Sandvik strategic objectives Digital Shift and Customer's First Choice. The Board also addressed matters relating to innovation deep dives, the separation of business area Machining & Intelligent Manufacturing into two business areas, enterprise risk management, succession planning and talent management, as well as investments and review of previously made investments.

A particular focus during the year was the Sandvik strategy and financial targets for 2030, both at Group level and within the business areas. The Board also discussed mitigating measures in response to tariffs and currency impacts. All business area Presidents presented their goals and strategies, and the Board reviewed the strategies and results from several divisions. In addition, the Board handled matters relating to the acquisition of Osa Demolition Equipment S.r.l. and reviewed previously made acquisitions and divestments.

The Remuneration Committee, Audit Committee and the Acquisitions and Divestitures Committee reported from their respective meetings. For the Audit Committee, this included accounting principles, financial outcome, enterprise risk management, compliance, Speak Up and Code of Conduct,

Composition of the Board, independence and meeting attendance in 2025

Name	Function	Elected	Independent according to the Code	Meeting attendance			
				Board	Audit Committee	Remuneration Committee	A&D Committee
Claes Boustedt	Member	2015	Yes	13	5	3	3
Marika Fredriksson	Member	2017	No ²⁾	13	5		3
Fredrik Håf	Member ¹⁾	2022		13			
Carl-Åke Jansson	Deputy ¹⁾	2024		12			
Thomas Lilja	Member ¹⁾	2016		13			
Johan Molin	Chairman	2015	Yes	13	5	3	3
Andreas Nordbrandt	Member	2021	Yes	13			
Susanna Schneeberger	Member	2024	Yes	13			
Jessica Smedjegård	Deputy ¹⁾	2024		13			
Helena Stjernholm	Member	2016	No ²⁾	13	5	3	3
Stefan Widing	Member	2020	No ²⁾	13			
Kai Wärn	Member	2020	Yes	12		3	

1) Employee representatives.

2) Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the company and its executive management.

internal control and internal audit, as well as findings from the external audit. The Committees also submitted matters for resolution by the Board and their minutes and reports were made available to the Board members.

In the autumn of 2025, the Board traveled to Perth, Australia, to visit the production sites of business areas Rock Processing and Mining and to meet with local customers.

Remuneration of the Board

Information on remuneration to the non-executive Board members elected by the General Meeting is included in note G4.

Evaluation of the work of the Board

To ensure the quality of the work of the Board, optimize the work processes and identify the possible need for further expertise and experience, the work of the Board and its members is evaluated annually. In 2025, the evaluation was led by the Chairman of the Board, without the involvement of an independent third party, and was carried out by each Board member responding anonymously to an online questionnaire. The Chairman also held separate evaluation discussions with all Board members. The compiled results of the evaluations were analyzed and subsequently presented to the Board as well as to the Nomination Committee.

Board Committees

The Board has established three Board Committees, with the primary task to prepare issues and present them to the Board for resolution. The tasks of the Committees and their work procedures are stipulated in written instructions issued by the Board. The members of each Committee, including the Committee Chairman, are appointed annually by the Board at its constituent meeting held after the Annual General Meeting.

5. Audit Committee

In 2025, the members of the Audit Committee were Claes Boustedt (Chairman of the Committee), Johan Molin and Helena Stjernholm. Areas addressed by the Audit Committee mainly related to:

- *Sustainability and financial reporting*: monitoring the reporting process and ensuring the accuracy and reliability of reported information. In respect of the sustainability reporting, monitoring the Group's double materiality assessment

- *Internal control and internal audit*: monitoring the effectiveness of the internal control environment and the work of Internal Audit
- *Internal and external audit*: planning, scope and follow-up of the audit activities throughout the year
- *Auditor appointment*: assisting the Nomination Committee with the proposal for the external auditor
- *Auditor independence*: monitoring the external auditor's independence and objectivity, including reviewing the extent of non-audit services provided
- *Corporate risk management*: overseeing the Group's processes for managing overall corporate risks, as well as specific risk areas such as legal disputes, compliance, corporate investigations, IT security, accounting procedures, taxation, treasury, finance operations, insurance coverage and pension issues
- *Compliance framework*: reviewing the development and effectiveness of compliance processes, with a particular focus on the operational stability of the compliance program
- *Code of Conduct and Speak Up*: monitoring the Sandvik Code of Conduct and the global whistleblowing system, and reviewing selected Speak Up cases as well as the overall effectiveness of the system

The Audit Committee held five meetings during the year. The Sandvik external auditor, together with representatives of the company's management, participated in these meetings.

6. Remuneration Committee

In 2025, the members of the Remuneration Committee were Johan Molin (Chairman of the Committee), Helena Stjernholm and Kai Wärn. The tasks of the Remuneration Committee are, among others, those prescribed by the Code, which include preparing the proposal for guidelines for remuneration of senior executives. The Committee also prepares the remuneration report as well as the proposal for the long-term incentive program for senior executives.

The Remuneration Committee decides on the remuneration to be paid to the Group Executive Management. Based on the recommendations of the Remuneration Committee, the Board decides the remuneration and terms of employment for the President.

For guidelines, remuneration and other benefits payable to the Group Executive Management, refer to the Guidelines for the remuneration of senior executives on pages 34–36 and note G4.

The Remuneration Committee held three meetings during the year.

7. Acquisitions and Divestitures Committee

In 2025, the members of the Acquisitions and Divestitures Committee were Johan Molin (Chairman of the Committee), Claes Boustedt and Helena Stjernholm. The purpose of the Committee is to prepare matters relating to major or strategically important acquisitions and divestitures for Board decisions. The Committee meets on an ad hoc basis, at the request of the President and CEO in consultation with the Chairman of the Board.

The Acquisitions and Divestitures Committee held three meetings during the year.

8. President and Group Executive Management

The President is accountable for Group decision-making in all areas delegated by the Board. In order to ensure a full Group perspective in these matters, the President has appointed the Group Executive Management as an advisory forum, focusing on how to achieve Group targets, strategies, structure and organization. The Group Executive Management meets each month and its members are accountable for implementing the President's decisions.

The members of the Group Executive Management are presented on pages 46–47.

9. Business areas, divisions and Group functions

The Sandvik operations are organized based on a decentralized business model. In 2025, Sandvik conducted business through three separate business areas: Mining, Rock Processing and Machining & Intelligent Manufacturing. As of January 1, 2026, the latter was separated into two business areas: Machining and Intelligent Manufacturing. Each business area is based on distinct product offerings and has full responsibility and accountability for its respective business results.

Each of the business areas is organized in a number of divisions based on product offering or brand. The division is the highest operational entity in the Sandvik organizational structure. Certain divisions that are based on a product offering are divided into business units representing a defined part of the product offering.

For more detailed information relating to the Group's business activities and product portfolios refer to pages 20–31 and visit [home.sandvik](https://www.home.sandvik).

While the main operational responsibility in the Group lies with the business areas and divisions, the Group functions specifically focus on setting the appropriate enabling structures and processes that are common for the Group or cover a specific area for which the Group is responsible. There are five Group functions within Sandvik: Communications and Sustainability, Finance, IT, HR and Legal.

10. External auditor

At the 2025 Annual General Meeting, the audit firm Öhrlings PricewaterhouseCoopers AB was elected auditor of Sandvik AB for the period until the 2026 Annual General Meeting. Anna Rosendal is the auditor-in-charge.

The auditor continuously audits and monitors the company's general accounting and the execution by the Board and the President of their respective responsibilities.

The progress of the audit is reported regularly during the year to the management teams of individual companies and the

business areas, the Audit Committee and the Board. The auditor meets with the Board at least once a year without the President or any other member of the Group Executive Management attending.

The independence of the external auditor is guaranteed by the Audit Committee having determined the principles for allowing non-audit services to be provided by the auditor and, in some cases, pre-approving non-audit services.

Audit fees are paid continuously over the period in office on an approved current account basis. For detailed information on fees paid to the auditor, see note G5.

11. Internal Audit

The Internal Audit function is subordinated to the Audit Committee and the Vice President Group Internal Audit and Group Internal Control reports to the Audit Committee.

Internal audits include, as a basis, the Group's policies for corporate governance, risk management and internal control regarding areas such as financial reporting, compliance with the Code of Conduct and IT.

The outputs of the audits include action plans and programs for improvement. Findings are reported to the business area management and to the Audit Committee.

Internal Audit interacts with the external auditor on a periodic basis to discuss and share audit plans and audit results.

Internal control over financial reporting

The Sandvik organization manages a well-established financial reporting process aimed at ensuring a high level of internal control.

The internal control system aligns with the conceptual framework of COSO, which is based on five key components that provide an effective framework for describing and designing the internal control system implemented in the organization. The five components are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

and Follow-up. As 2025 is the first year of CSRD reporting, the control environment related to sustainability reporting is less mature than for our financial reporting. More information about internal controls over sustainability reporting is found under GOV-5. The application of the COSO framework is described below.

The Sandvik Board is ultimately responsible for the governance of risk management including internal control over financial reporting.

The five integral components of internal control activities:



For more information, visit the COSO website: www.coso.org

I. Control environment

Sandvik internal control over financial reporting forms an integral part of the operations, described in The Sandvik Way, which also includes risk assessments, policies, procedures and compliance.

The Sandvik Financial Reporting Policies and Procedures govern control over financial reporting. These documents contain detailed instructions regarding accounting policies and financial reporting procedures to be applied by all Sandvik reporting entities.

A Sandvik Financial Internal Control Framework has been developed and includes key components such as well-defined roles and responsibilities, internal control procedures and the risk and control matrix which defines a mandatory minimum of control activities that contribute to the mitigation of risks to acceptable levels. The implementation of internal controls has been completed for key entities within the scope of internal controls over financial reporting. For future implementations (including new acquisitions) the respective business areas will handle the process according to the scoping and integration plan.

II. Risk assessment

The design of internal control over financial reporting begins with a risk assessments process at the respective business area/division/entity level. Risk assessment is the identification of factors or conditions that threaten the achievement of the Sandvik objectives.

Key risks noted in local assessments and observations made by Internal and External Audit are also taken into consideration to ensure that adequate controls exist to mitigate these risks.

III. Control activities

Mandatory control activities include business process controls, IT controls and corporate governance controls focusing on compliance with policies and procedures. Internal controls are tailored per each operational entity based on risks and applicability. Entity management and process owners are responsible for ensuring that internal controls are operated as per agreed design.

At Group level, Group Control manages the reporting process to ensure the completeness and accuracy of financial reporting and compliance with IFRS requirements.

Controllers in the divisions and business areas perform analytical reviews and investigations, conduct business trend analyses and update forecasts.

IV. Information and communication

Policies and procedures related to financial reporting are updated and communicated on a regular basis to all entities.

Results of monitoring and the status of improvement activities related to internal controls are included in the CFO report which is part of the agenda for the Audit Committee meetings.

Quarterly interim reports are published externally and are supplemented by investor meetings attended by members of the Group Executive Management.

V. Monitoring and follow-up

Entity management, as well as local and global process owners, are responsible for testing the effectiveness of internal controls through self-assessments every six months and according to the requirements in the Sandvik Internal Control Framework. The results of the self-assessment testing of controls including test evidence are reported and consolidated in a Governance, Risk and Compliance IT tool. The tool also requires the reporting of action plans with the purpose to remediate ineffective controls. Furthermore, the Group Internal Controls team, in collaboration with the business areas, conducts independent controls testing for selected key entities. This procedure is designed to establish control reliance by external auditors.

Business areas and divisions are to monitor the remediation of ineffective controls. The Audit Committee monitors the effectiveness of internal controls related to financial reporting presented by management with potential deficiencies and suggested actions.

The Board reviews all quarterly interim reports as well as the Annual Report prior to publishing. The Audit Committee reports to the Board regarding internal control matters including matters for resolution. Minutes from Audit Committee meetings are made available to Board members.

Auditor's report

To the general meeting of the shareholders of Sandvik AB (publ),
corporate identity number 556000-3468

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual accounts and consolidated accounts of Sandvik AB (publ) for year 2025 except for the statutory sustainability report on pages 51–111. The annual accounts and consolidated accounts of the company are included on pages 32–171 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 51–111.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the company and the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matters

Point in time for revenue recognition

We refer to the notes G2, G3 and P2 which provide further information on how the Group recognizes its revenues.

The Group manufactures and sells products and services to customers worldwide. Sales are conducted mainly via its own distribution channels. The sales agreements include various delivery and contractual terms and the point in time when material delivery obligations are fulfilled varies although it most often occurs at a specific point in time.

The Group has analyzed its various sales agreements and taken a position on in which period or periods a sales transaction should be recognized as revenue.

How our audit addressed the Key Audit Matters

Our audit has included among other things the following steps:

- Mapped and evaluated selected systems and processes for revenue recognition and tested a selection of key controls.
- Evaluated whether the company's accounting principles are consistent with IFRS.
- Tested a selection of sales transactions to test whether they are recognized according to the Group's policies.
- Performed data analysis to identify and evaluate a selection of manual and automatic accounting entries.
- Tested the disclosures provided against the books and other accounting information.

Valuation of goodwill as well as intangible fixed assets with an indefinite use right period

We refer to note G12 which contains further information on the Group's intangible assets and significant assumptions used in the impairment testing.

The majority of Sandvik's intangible assets have been acquired externally, primarily through business combinations, and amount in total to material amounts. Assets with an indefinite useful life, such as goodwill, are not amortized. Instead, an annual test is performed of whether the carrying amounts of these assets for a cash-generating unit can continue to be justified. There are a number of elements where management's judgments and estimates about future outcomes are decisive for assessing any need for impairment.

Our audit has included among other things the following steps:

- On a sample basis tested the Group's models for impairment testing and evaluated significant assumptions used to determine forecast cash flows and discount rates and in the calculation of the assets' value in use. In the evaluation we have compared with the operations' history, the Group's forecasts and strategic planning as well as with external data sources where this was possible and relevant. We have involved valuation specialists from PwC in this work.
- Tested the disclosures provided against the books and other accounting information.

Valuation of inventory

We refer to notes G17 and P13 which sets out the company's principles for inventory valuation.

Sandvik has significant inventories of raw materials, spare parts and work in progress at its production units and finished goods primarily at its sales units. The inventory value amounts in total to material amounts and the valuation of inventories is important so that gross profit is fairly stated.

It is challenging to correctly account for the acquisition cost when purchasing, manufacturing and logistics processes are complex. In determining product costings there are a number of trade-offs that need to be made by management that have an impact on the reported values. This concerns, among other things, making judgments regarding normal production volumes, exchange rates, raw material prices as well as allocation keys for other direct and indirect costs. For finished goods an assessment needs to be made of whether the products have been subject to obsolescence and how saleable they are. Finally, there is a complexity in controlling and measuring volumes, not least of raw materials and work in progress, as well as in eliminating effects from intra-group transactions.

Our audit has included among other things the following steps:

- Mapped and evaluated selected systems and processes for inventory accounting and tested a selection of key controls for the determination of inventory volumes and for the determination of carrying amounts.
- On a sample basis tested raw material inventories against actual purchase prices, evaluated the reasonableness of product costings for work in progress and finished goods inventory.
- Participated in stock takes at a selection of inventory locations and tested cut-off of receipts and shipments.
- Tested a selection of key controls related to the inventory valuation process.
- Tested the disclosures provided against the books and other accounting information.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–31 and 176–178 and the statutory sustainability report on pages 51–111. The other information also includes the Remuneration Report which we received before the signing date of this Auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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 Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sandvik AB (publ) for year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sandvik AB (publ) for the year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sandvik AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97, Stockholm, was appointed auditor of Sandvik AB (publ) by the general meeting of the shareholders on 29 April 2025 and has been the company's auditor since 27 April 2018.

Stockholm March 9th, 2026
Öhrlings PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Auditor in charge

Martin By
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.