

Sandvik Statement on Responsible Sourcing of Minerals and Metals



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Background

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. Sandvik believes that ethical and sustainable business practices are a crucial foundation for a successful business. Which entails that governmental, industry and environmental standards should always be met or surpassed. We continuously work to ensure compliance with national legislation and internationally agreed standards and regulations.

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

Sandvik recognizes the potential of mineral production in disadvantaged regions to sustain livelihoods and bolster development, growth, and prosperity within these communities. To this end, Sandvik commits to manage effectively the associated risks and condemns all activities in the raw material sector connected to illegal or unlawful exploitation of ores, that finance or benefit armed groups in conflict areas, or contribute to serious human rights violations, including child labor.

Sandvik fully supports the Organisation for Economic Co-operation and Development (OECD) framework 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.

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. However, we are also committed to responsible disengagement. Where feasible, Sandvik will first seek to engage with the Supplier to address and remediate identified issues. If termination becomes necessary, we will strive to carry it out in a manner that mitigates adverse impacts on affected stakeholders.



These measures and expectations concern all minerals and metals worldwide.

3TG & cobalt

Sandvik Due Diligence is aligned with the Regulation (EU) 2017/821. The company supports its customers in complying with the SEC Conflict Mineral rule concerning section 1502 of the Dodd-Frank Act.

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 Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT).
- 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. 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.

Batteries

Sandvik commits to the requirements of the EU Battery Regulation 2023/1542 for any battery sold by Sandvik in the European Economic Area (EEA), whether on its own or in products. We ensure that all batteries used in our products are CE marked, demonstrating compliance with applicable regulatory requirements.

Specifically, Sandvik commits for any battery, which Sandvik places on the EEA market, to implement a due diligence process in line with the OECD Guidance. This includes but is not limited to the following:

- Suppliers must demonstrate compliance with the risk management and transparency measures outlined in the EU Battery Regulation for the sourcing of the minerals lithium, nickel, cobalt and natural graphite used in manufacturing of batteries or battery cells.
- Sandvik carries out a supply chain review on the potential impacts of battery or battery cell manufacture on:
 - the environment and health of stakeholders
 - human rights, labor rights and industrial relations
 - community life, incl. indigenous people

Sandvik's battery due diligence process shall be audited by a third-party auditor ('notified body') in line with the requirements of the Battery Regulation.

Reporting of Concerns

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.

Review

This statement will be reviewed regularly and updated as required.



Per Fälth, Procurement at Sandvik

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