SANDVIK

Annual Report 2025

Advancing the world through engineering

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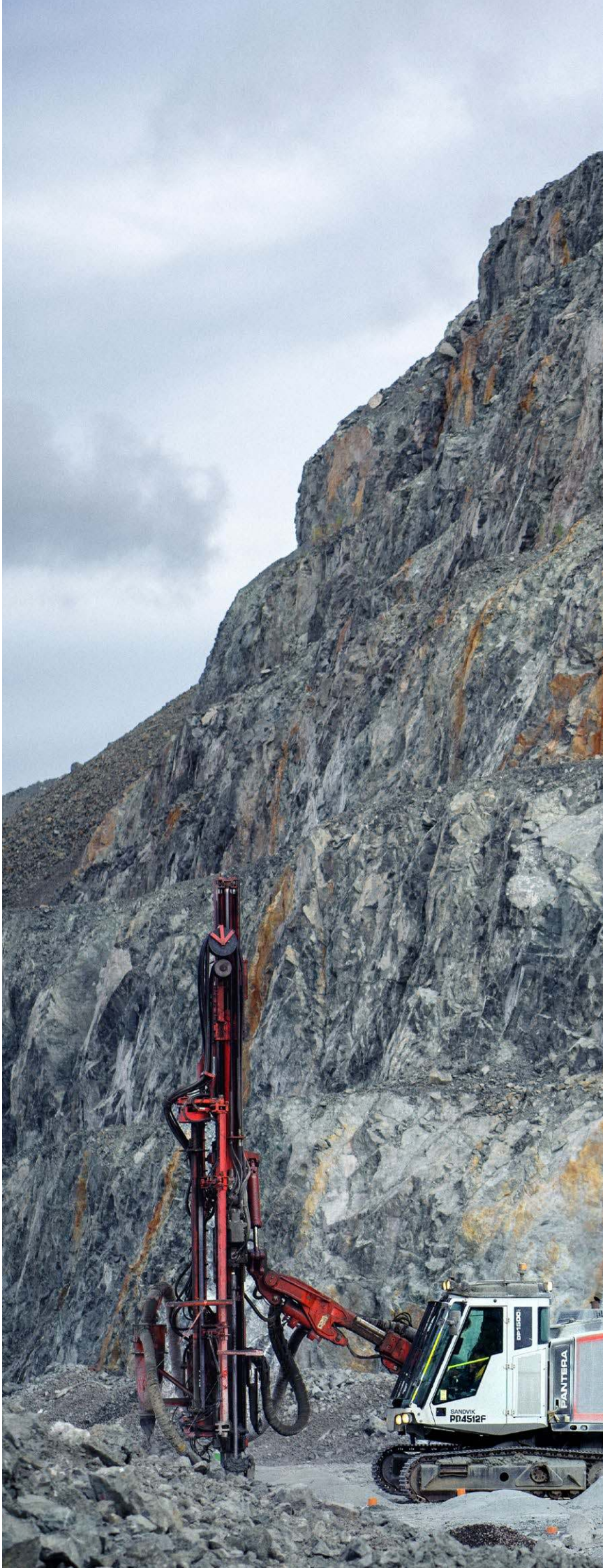
The formal annual report comprises pages 32–50, 114–171 and 176–178. The statutory sustainability statement includes pages 51–111.



Sandvik surface mining equipment at the Filminera Masbate Gold project in the Philippines.

2025 in brief

Strong momentum in key segments
- Strong organic order intake growth, driven by mining and other strategic key segments such as aerospace, defense, medical, and consumer electronics
- Organic order intake and revenues grew by 11 percent and 5 percent, respectively, at fixed exchange rates

Resilient profitability, high cash conversion and strong financial position
- Adjusted operating margin of 19.3 percent (19.2), despite significant currency headwinds. Tariffs fully mitigated
- Cash conversion of 95 percent (95)

Strategic initiatives yielding results
- Sandvik continued to introduce numerous innovations
- Solid progress in digital solutions with double-digit growth in our software businesses (Digital Mining Technologies and Intelligent Manufacturing)
- Strong momentum in surface mining
- Strengthened presence in demolition and recycling through acquisition of OSA Demolition
- Largest ever battery-electric mining equipment order received
- All-time low Total Recordable Injury Frequency Rate at 2.3 (3.0)
- Launch of new core values and 2030 strategy

2025 target outcome

Revenue growth (CAGR 2019-2025)
6%

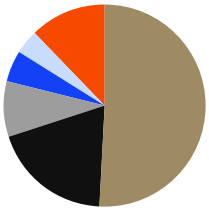
Adjusted EBITA margin
19.3%

Financial net debt/ EBITDA
0.9

MSEK	2024	2025
Order intake, MSEK	124,694	128,455
Revenues, MSEK	122,878	120,680
EBITA, MSEK	20,493	22,616
EBITA margin %	16.7	18.7
Adjusted EBITA[1], MSEK	23,583	23,309
Adjusted EBITA margin[1], %	19.2	19.3
Free operating cash flow, MSEK	21,194	21,216
Return on capital employed, %	13.4	15.2
Return on capital employed, excl. amortizations of surplus values, %	14.8	16.5
Earnings per share, diluted, SEK	9.75	11.70
Adjusted earnings per share, diluted, SEK[1]	11.90	12.17
Number of employees[2]	41,447	41,801
Share of women, %	20.4	20.3
Share of women in managerial positions, %	20.5	20.8
Greenhouse gas emissions (scope 1–2), tons	162,396	162,558
Waste circularity, %[3]	74	72
Total Recordable Injury Frequency Rate (TRIFR)[4]	3.0	2.3

1) Adjusted for items affecting comparability, see page 37. For definitions of alternative performance measures, see page 177.
2) Full-time equivalent.
3) Excluding tailings, digestion sludge, foundry sand and slag.
4) Total number of recordable injuries per million hours worked.

Revenues by customer segment



Mining	51%
General engineering	19%
Infrastructure	9%
Automotive	5%
Aerospace	4%
Other	12%

Revenues by region

North America	26%
Europe	25%
Asia	18%
Australia	12%
Africa/Middle East	12%
South America	7%

Approximately
42,000
employees

Operations in approx.
150
countries

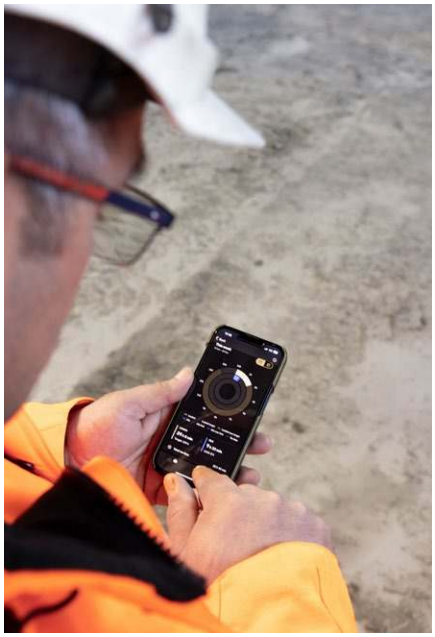
R&D spend approx.
4%
of revenues

This is Sandvik

Sandvik is a global, industrial technology group providing solutions that enhance productivity, profitability and sustainability for the mining, manufacturing, and infrastructure industries. We focus on improving our customers' productivity and are at the forefront of digitalization. Our world-leading offering includes equipment, tools, services and digital solutions for machining, mining, rock excavation and rock processing. Sandvik has a decentralized operating model, where 23 divisions with industry-leading positions and margins are fully accountable for financial operational metrics and strategic priorities. Our strong financial position, well-established brands, performance-oriented culture and global presence provide a powerful platform for achieving success, scaling operations and growing profitably.

Business areas

Mining
A global leading supplier of equipment, and tools, parts, service, digital solutions and technologies that drive sustainability for the mining and infrastructure industries.



Rock Processing
A global leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries.

Machining and Intelligent Manufacturing[1)]
A global leading manufacturer of tools and tooling systems for advanced metal cutting, digital manufacturing and software solutions, as well as metal powder.

1) As of January 1, 2026, the business area was separated in two: Machining, and Intelligent Manufacturing.

Sandvik as an investment

Sandvik is governed through a decentralized operating model where each division has full accountability for results and strategy execution. The Group provides a strong platform for the divisions to grow and scale their businesses globally through our well-established brands, financial strength and exceptional talent pool.

A company with 23 world-leading divisions
Our strategy is to have a portfolio of businesses that are/have:
— Number 1 or number 2 in their chosen market or segment
— Industrial technology leaders in mining, component manufacturing, and rock processing with particular focus on automation, electrification and digitalization
— Value-based pricing and strong pricing power that generate attractive margins
— Solutions that build lasting customer relations
— Sustainability integrated into the business model

Solid track record of successful strategy execution
We made significant progress transforming Sandvik during 2020–2025. Through careful and targeted investments, Sandvik has:
— Expanded in areas, segments and regions with higher structural growth
— Strengthened our presence in the customer value chain
— Became a leader in digital solutions within our industries
— Significantly improved our resilience
— Delivered on ambitious financial and sustainability targets
— Divested or spun out non-core, higher risk and lower margin businesses for a total SEK 30 billion in revenues since 2017, and acquired companies with a higher structural growth profile and margin resilience corresponding to more than SEK 22 billion in revenues (2020–2025)

Innovation at core
Our market-leading positions stem from long-standing customer relationships, know-how in customer applications, and successful innovations. Our competitive advantage includes an extensive presence at customer sites, and agility to act on market trends and customer needs. R&D is part of our DNA, and we continuously keep a stable and high innovation pace. During the year, Sandvik:
— Invested approximately 4 percent of revenues in R&D
— Achieved 25 percent in New Sales Ratio

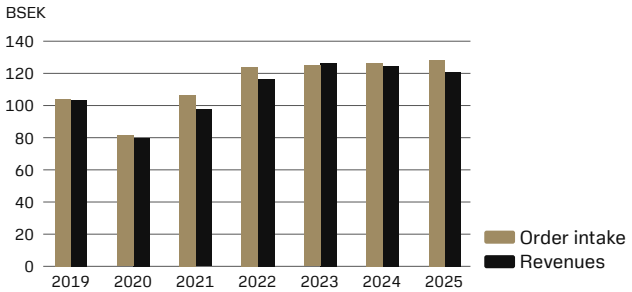
Revenue growth (CAGR 2019–2025)

6%

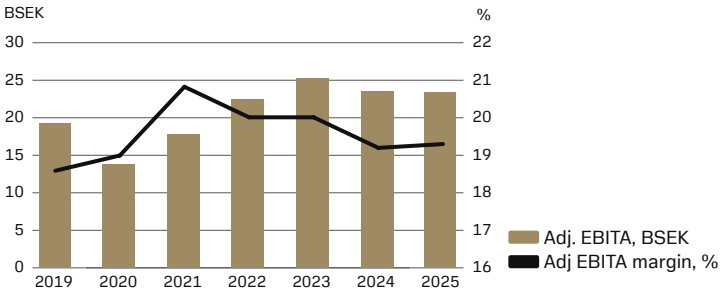
Adjusted EBITA margin 2025

19.3%

Order intake and revenues



Adjusted EBITA and adjusted EBITA margin



Resilient business
Sandvik has significantly improved its revenue and margin resilience through the following:
— Increasing its share of the aftermarket business from 31 percent to 40 percent (2019-2025)
— Building leading digital platforms and reaching SEK 5.5 billion in revenues from our digital offering, with an ambition to increase digital revenues to SEK 13 billion by 2030
— Continuous efforts on cost optimization and operational efficiency. Solid execution on the 2022 and 2024 restructuring programs with total run rate savings of SEK 2 billion
— New restructuring initiatives announced in the Machining business
— Significantly improved margin resilience through higher share of variable costs, and speed and agility through an adaptive mindset

Strong cash flow generator and a solid balance sheet for growth
Sandvik has industry-leading margins with a solid cash conversion. We generated SEK 21.2 billion in free operating cash flow in 2025, corresponding to a cash conversion of 95 percent. A strong balance sheet allows for value creating investments that drive growth. Sandvik capital allocation priorities are:
— Capex of approximately 4 percent of revenues
— Dividend policy: 50 percent of adjusted earnings per share
— Debt target (financial net debt/EBITDA) of <1.5
— Inorganic growth
— Share buy back

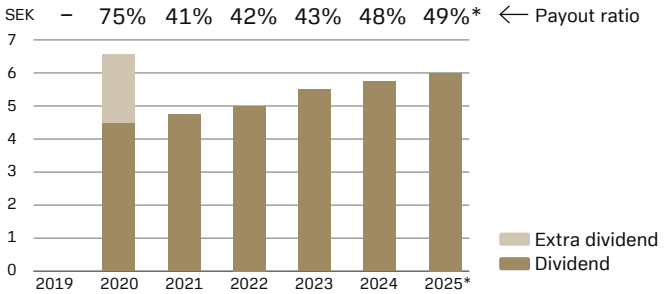
Our primary focus is to drive organic growth by leveraging our leading offering, and in addition, to target value accretive acquisitions that strengthen our growth profile and core. We have a balanced approach for allocating capital between the business areas. Sandvik carefully evaluates each business or acquisition on its own merits and returns. Thanks to a solid financial position and a stringent capital allocation process, we deliver good shareholder returns through steadily growing dividends.

Dividend target

50%

of adjusted earnings per share

Dividend and payout ratio



*Proposed dividend.

Our share

During 2025, the share price increased by 52 percent, while the OMXS30 index on Nasdaq Stockholm increased by 16 percent.

Sandvik shares are listed on Nasdaq Stockholm, Sweden. At year-end 2025, the share price was quoted at SEK 300.60 (198.30), corresponding to a market capitalization of SEK 377 billion, placing Sandvik as the 10th (12) largest company on Nasdaq Stockholm.

Share trading
In 2025, a total of 2.2 billion shares (1.9) were traded for a total value of SEK 520 billion (407). Trading in Sandvik shares on Nasdaq Stockholm accounted for 22 percent (25) of the total volume of shares traded. Other markets, for example CBOE and London Stock Exchange, accounted for 78 percent (75). The Sandvik share can be traded in the US in the form of American Depositary Receipts (ADRs), a process handled by Deutsche Bank Trust Company Americas as a depository bank. In 2025, the average daily ADR trading volume was 48,897 (105,516). At the end of 2025 there were 16,629,528 ADRs (14,382,658) outstanding.

Dividend and total shareholder return
Our target is that the dividend will amount to 50 percent of adjusted earnings per share, through a business cycle. The Board has proposed a dividend of SEK 6.00 per share (5.75) to the 2026 Annual General Meeting, corresponding to approximately SEK 7.5 billion (7.2), and a dividend yield of 2.0 percent (2.9) based on the share price at year-end. The dividend proposal corresponds to 49 percent (48) of adjusted earnings per share after dilution.

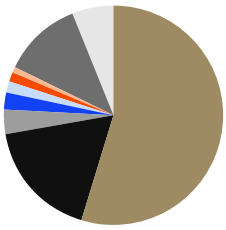
Share capital
The number of Sandvik shares amounts to 1,254,385,923. Each share has a nominal value of SEK 1.2 and the share capital amounts to SEK 1,505,263,108. Sandvik share capital comprises one series of shares, with each share carrying equal voting rights and equal rights to a dividend. Sandvik does not hold any shares in treasury.

Authorization on acquisition of the company's own shares
The 2025 Annual General Meeting resolved to authorize the Board of Directors, for the period until the next Annual General Meeting, to decide on acquisitions of Sandvik shares, on one or more occasions, up to a maximum of 10 percent of all the shares in the company. The purpose of the authorization is to enable the Board of Directors to continuously adapt the company's capital structure and thereby contribute to increased shareholder value.

Sustainability indices
Sandvik is included in several sustainability indices, such as CDP. These are international indices analyzing global companies that assume their responsible business practices. Inclusion in these indices confirms the Group's achievements in relation to sustainable business practices.

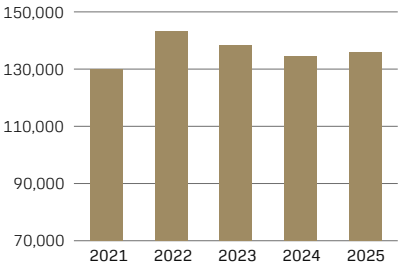
Owners
In 2025, the number of shareholders increased to 135,822 (134,622). There are shareholders in 84 (81) countries, and the total ownership outside of Sweden amounted to 45 percent (40) at year-end. The ten largest individual shareholders accounted for 41 percent (40) of the share capital on the same date. As of December 31, 2025, members of the Group Executive Management owned a total of 190,548 shares in Sandvik. Members of the Board of Directors owned a total of 1,037,900 shares in Sandvik (including deputy board members and excluding the CEO). Total ownership of Group Executive Management and the Board corresponds to about 0.10 percent of the capital and voting rights.

Distribution of shareholding by country, December 31, 2025



- Sweden, 54.9%
- US, 17.6%
- Norway, 3.4%
- Great Britain, 2.6%
- Finland, 1.7%
- Canada, 1.2%
- Germany, 1.0%
- Unknown countries, 11.7%
- Other countries, 5.9%

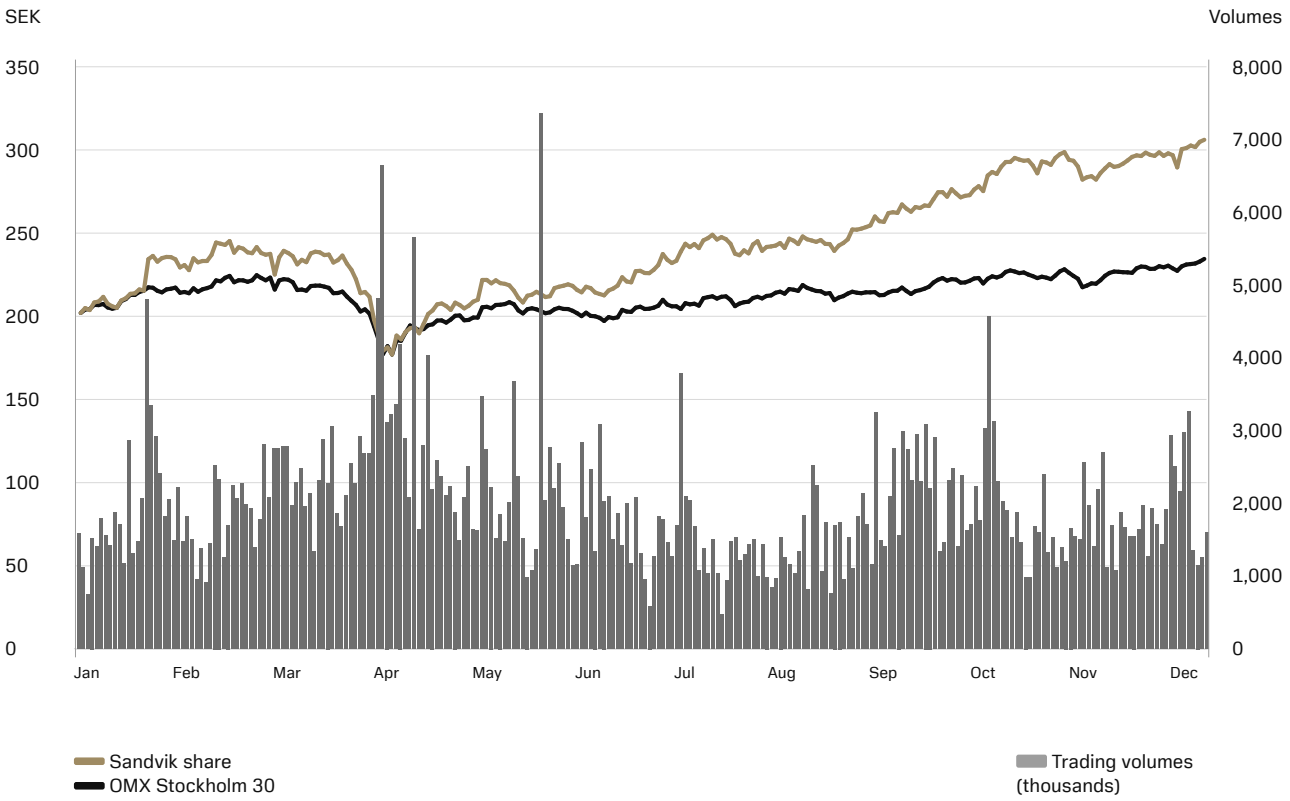
Number of shareholders, December 31, 2021–2025



Proposed dividend per share, SEK

6.00

Sandvik share development 2025



Key figures

	2024	2025
Number of shares at year-end, million	1,254	1,254
Market capitalization at year-end, billion	249	377
Number of shareholders	134,622	135,822
Share price at year-end, SEK	198.3	300.6
Earnings per share after dilution, SEK	9.75	11.70
Adjusted earnings per share, after dilution, SEK	11.90	12.17
P/E ratio at year-end	20.3	25.7
Change in share price during the year, %	-9.1	+51.6
Dividend, SEK/share	5.75	6.00[1]
Dividend payout ratio, %	48	49
Total return (price increase + dividend), %	-7	54
Proportion of shares in Sweden, %	60	55
Proportion of shares owned by the ten largest shareholder groups, %	40	41

1) Proposed dividend.

The ten largest shareholder groups, as of December 31, %

	2024	2025
Industrivärden	14.6	14.9
BlackRock	3.5	5.0
Vanguard	3.3	3.8
Swedbank Robur Funds	3.4	3.7
Lundbergföretagen	3.1	3.3
Alecta Pension Insurance	4.5	2.6
Handelsbanken Funds	2.7	2.1
Norges Bank Investment Management	1.9	2.1
SEB Funds	1.9	1.7
T. Rowe Price	1.1	1.4

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar, and the Swedish Financial Supervisory Authority.

A stronger Sandvik

We can look back on a successful 2025 for Sandvik. In a year characterized by significant geopolitical uncertainty and trade barriers, we proved the strength of our strategy by delivering good growth, a strong cash flow and resilient profitability, while at the same time advancing our long-term ambitions.

Safety first
Safety always comes first at Sandvik. We have a zero vision for accidents in the workplace, and we continuously review initiatives to ensure our long-term positive trend in safety continues. The Total Recordable Injury Frequency Rate (TRIFR) decreased to an all-time low of 2.3 (3.0) during the year.

Strong strategy execution
Over the past years, we have repositioned the Sandvik portfolio towards areas with higher growth, built a world-class digital offering, expanded our share of aftermarket business, and continuously optimized both the manufacturing footprint and our operational efficiency. Our performance in 2025 was proof of the successful transformation into a faster, more resilient and flexible company, and we showed excellent adaptability by fully mitigating the effect of significant tariff changes. Organic order intake grew by 11 percent, we delivered a robust 19.3 percent (19.2) adjusted operating profit (EBITA) margin and a 5 percent organic revenue growth. We delivered a strong cash flow of SEK 21.2 billion (21.2).

Innovation at our core
Sandvik maintains a high innovation pace as we consistently find new ways to create customer value. We continue to build on our technology leadership within areas such as advanced materials, automation, electrification and digitalization. Our investments in research and development (R&D) amounted to SEK 4.5 billion in 2025, corresponding to 3.8 percent of Group revenues. We continuously work to enhance customer solutions and always look for ways to run Sandvik in an even better way.

The major technology shifts underway in our industries, in areas such as digital technologies and artificial intelligence, provide new opportunities for Sandvik. With our strong customer relationships, leading positions within mining equipment and tools, and world-class digital platforms, we have great potential to further leverage the value we provide with our solutions. In a few years, we have built a digital and software portfolio that generated revenues of SEK 5.5 billion in 2025. We implement AI across our offering, as well as within logistics and in our internal operations, wherever it makes good business sense.

Advancing to 2030
During the year we reaffirmed our long-term financial targets, including an average annual revenue growth of 7 percent and an adjusted EBITA margin range of 20–22 percent, and as of 2026 we have entered a new strategy period, “Advancing to 2030”. We also announced that Machining and Intelligent Manufacturing would become two separate business areas, as of January 2026, which is now in effect. This change further sharpens the focus on profitable growth and provides transparency on the financial development of the two areas, while continuing to deepen collaboration.

I am proud of our accomplishments under the previous Shift Strategy that ended in 2025. We have undergone a significant transformation and repositioned Sandvik. We have divested or spun off businesses with combined revenues of SEK 30 billion and acquired businesses adding revenues of more than SEK 22 billion. This has strengthened our exposure to strategic growth areas such as digital mining and manufacturing, and enhanced our presence in growth segments and regions. In 2025, we welcomed 11 businesses to Sandvik, within areas such as CAM solutions, 3D metrology software, and demolition and recycling equipment.

Strong growth
Our efforts to increase our share of aftermarket business is clearly yielding results, growing from 31 percent to 40 percent of revenues over the strategic plan timeframe. A large aftermarket business deepens our customer relationships, strengthens resilience, and expands the addressable market.

Growth in both the equipment and the aftermarket business was robust throughout the year as mining customers maintained high activity. This – together with a favorable momentum in software solutions – is very positive as we look to further increase our share of recurring revenues.

We continuously look at ways to improve the way we work, and we took several steps to optimize our organizational structure and strengthen our operational efficiency during the year. The restructuring programs we have run across the Group were important contributors to the resilient earnings performance during the year. We also announced a restructuring plan to strengthen our machining business, targeting annual cost savings of SEK 1 billion by 2030.

Sustainable business

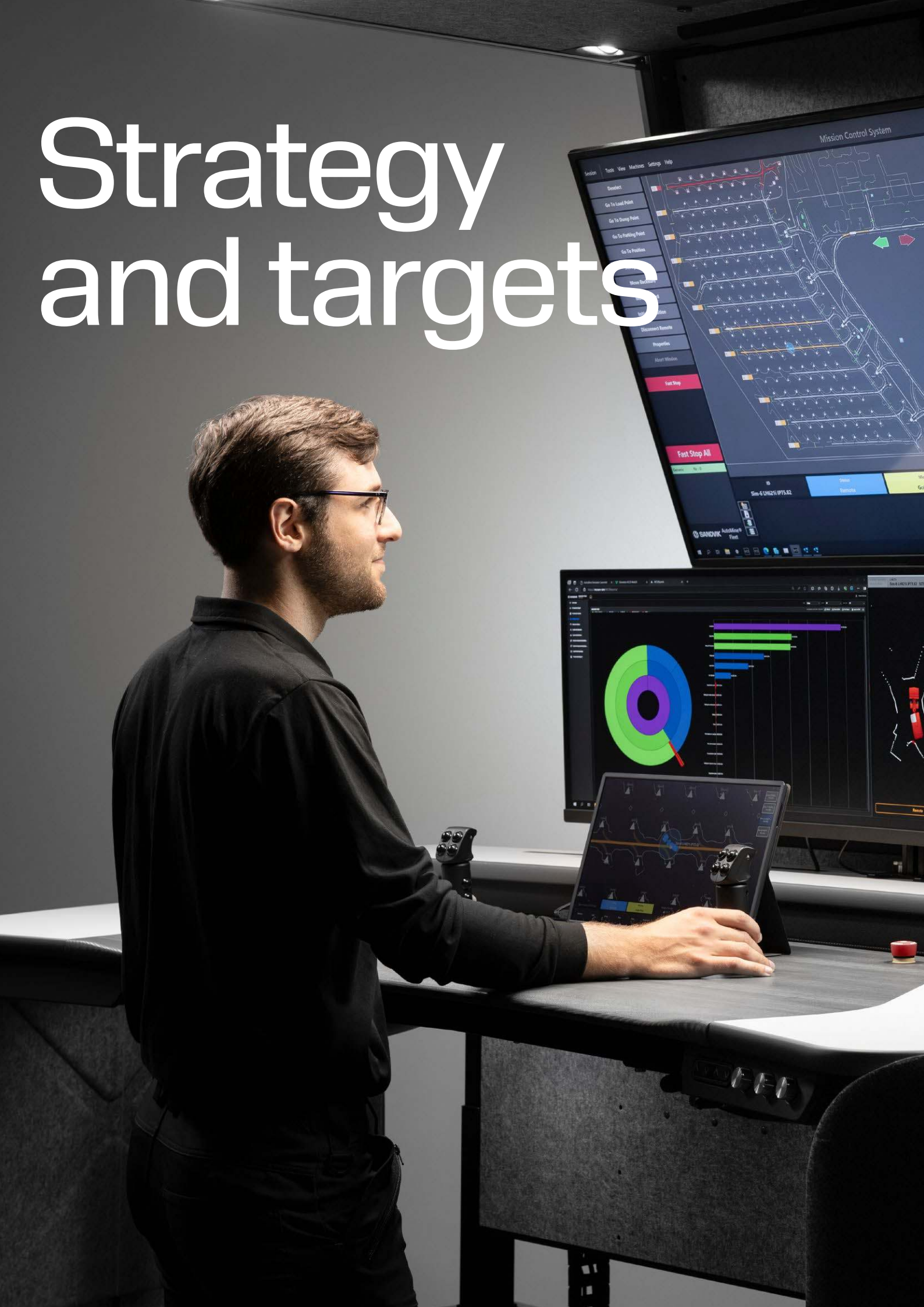
Sustainability is integrated into our business model and a major opportunity for Sandvik since our solutions help our customers improve productivity, safety, and resource efficiency in their operations. Our primary focus is on the use of our products as this is where we have our main impact. Minerals are necessary to enable electrification, and we have an important role to play in supplying our customers with the best solutions to support their needs. We have a strong position through our technology leadership and innovation capabilities in areas such as automation, digitalization and electrification, and in 2025 we received our largest-ever order for battery-electric mining equipment.

In 2025, the closing year of our Shift Strategy, we continued to build a stronger Sandvik in an environment of persistent geopolitical uncertainty. The execution from the organization has been excellent throughout the year, and the solid platform we have built gives us confidence as we look ahead, “Advancing to 2030”. I would like to thank our employees for their outstanding efforts. I also want to extend a big thank you to our shareholders, customers, and business partners for your continued trust.

Stefan Widing
President and CEO

“Our performance in 2025 was proof of the successful transformation into a faster, more resilient and flexible company.”

Strategy and targets



Strategy

Sandvik is a decentralized Group with leading global positions within selected segments in our targeted industries: mining, manufacturing and infrastructure. The Group strategy is rooted in industry-leading innovation capabilities, high customer focus, value-creating premium solutions, a skilled and engaged workforce, and flexible manufacturing. We are at the forefront of advanced materials, automation, digitalization and electrification, all powerful drivers in creating customer value.

The Sandvik strategy aims to create benefits for all our stakeholders – customers, employees, and communities, ultimately leading to shareholder value. It rests on our core values, explicit target setting and a decentralized way of working. In 2025, we concluded the Shift Strategy, and from 2026 we are operating under a new updated strategy, Advancing to 2030, with our long-term financial targets reconfirmed.

Global trends

There are major global trends that impact Sandvik and consequently shape our strategic priorities. The evolution of digitalization, automation and AI creates substantial opportunities to accelerate productivity, safety and resource efficiency across the mining, manufacturing and infrastructure industries. Further enhanced by AI, there are growing opportunities to capture and utilize data to power solutions for real-time decisions and smarter operations across our industries. This trend also puts increasing emphasis on cybersecurity and the need for protection of both our own and our customers' data, being a core asset of business operations.

Urbanization is a key global trend that increases the long-term demand for infrastructure, metals, and sustainable construction materials. Building the smart cities of the future also drives investments in energy-efficient solutions and recycled solutions for the construction and infrastructure segments.

Increased regionalization impacts Sandvik and our industries, with geo-political tensions raising the level of trade barriers globally. This development underpins reshoring (bringing production back to the home country) and an increasing demand for localized production and local supply chains. Coupled with protectionism, this trend also drives demand for automated solutions to ensure competitiveness and resilience.

Many regions across the globe are facing skills shortage in the workforce. This development is accelerated by demographic shifts and an aging workforce combined with the trends of manufacturing reshoring and rapid development of new technologies. Addressing these challenges requires an increased level of automation in all our customer industries, and a need for reskilling/upskilling of the current workforce to stay competitive in the future.

The global energy transition and electrification of our societies is driving a rising need for metals and minerals, essential to enable a low-carbon future. This trend also reinforces the need for energy-efficient solutions and smarter processes that are able to deliver more with fewer resources utilized.

Driving growth

Driving growth is a key strategic priority for Sandvik, essential to create value for our stakeholders and ensure successful business results in the long term. The solutions we deliver are crucial for our customers' processes, and help them become more productive, efficient, safe, and sustainable. With our global reach and strong local presence close to the customers, we are a trusted partner who can respond quickly to changing demand. A large and expanding aftermarket business assures that we can serve our customers in the best way in their every-day operations. We continuously seek to optimize our business portfolio to ensure we have the right exposure to structurally faster-growing segments and regions.

We have a target of 7 percent annual revenue growth over a business cycle. The growth is supported by world-class R&D, technology leadership, and complementing acquisitions to accelerate our positions within targeted regions and segments. Investment in R&D is crucial and normally amounts to about 4 percent of annual revenues. In 2025, we welcomed acquisitions strengthening our portfolio in areas such as 3D metrology software, Computer Aided Manufacturing (CAM) solutions, demolition, and recycling.

Prioritized regions for inorganic expansion are, for example, the US, China, and India, and we made good progress

increasing our footprint in markets with strong structural growth over the strategy period. Within business area Machining, we strive to become the clear leader in round tools – a faster-growing area where several acquisitions over the past years have contributed to us now sharing the global number one position. Sandvik also continues to look for opportunities to grow within segments such as aerospace, medical, defense and consumer electronics, that are underpinned by structural demand trends. Within business areas Mining and Intelligent Manufacturing, the focus is on digital solutions complementing the strong existing platforms, whereas business area Rock Processing is targeting niches in downstream mining and infrastructure, such as demolition and recycling.

Strategic growth areas within Mining are surface drilling solutions, where we aim for double-digit growth in 2025–2030, and to accelerate growth within automation and mining software. Within automation and software, we have a strong foundation through AutoMine® – the leading mining automation platform – and the mine planning software business in Deswik. We also aim to advance our market-leading positions in underground mining and aftermarket.

Electrification is another key focus area where we continue to foresee a strong long-term growth trend. Whereas the overall development in this area was slower in 2025, we received the biggest order ever for battery-electric mining equipment for a critical mineral project in the US.

We see an emerging trend towards automation also among our customers within component manufacturing, a trend that is expected to accelerate in the coming years with the rapid developments in AI. We continue to invest in technology and customer channels, and our unique combination of a strong digital portfolio and leading machining process expertise provides a solid platform to meet these evolving demands.

Within Rock Processing, we maintain our focus on developing eco-efficient solutions, addressing the need for improved productivity, and reduced energy and water consumption, within the highly energy-intensive comminution processes.

Building resilience through continuous improvement

We consistently strive to become a more resilient and flexible company to help us adapt faster to cyclical demand swings and better capture growth opportunities. Growing our aftermarket business is an important focus area and from 2019-2025, our aftermarket share of revenues grew from 31 to 40 percent. A strong aftermarket base is important since this business is typically more stable and predictable than equipment revenue. It also strengthens customer relationships and deepens our insights into customer operations.

It is also critical for the Group to continuously improve the way we do things and strengthen operational efficiency. In recent years we have implemented group-wide efficiency measures that support the strategy execution. In 2025 we announced a multi-year plan of restructuring initiatives within Machining, aimed at strengthening efficiency and competitiveness, and optimizing our manufacturing footprint. These measures are expected to generate annual savings of SEK 1 billion by 2030, and during the year we initiated the first phase of this overall plan.

We strive to have localized manufacturing, service coverage and supply chains wherever it makes business sense, as it brings resilience and enables us to quickly react to changing market conditions.

Targets and results

Strategic objecive	2025 targets	2025 key results
Shift to growth	— Total growth of 7 percent (CAGR) at fixed exchange rates over a business cycle — New Sales Ratio of 30–35 percent, defined as share of sales of products younger than 5 years	— Total growth was 6 percent (7), CAGR vs 2019 at fixed exchange rates — New Sales Ratio of 25 percent (24)
Digital shift	— Software and digital sales (rolling 12M) of SEK 6.5 billion — 70 percent of our sites to have modern Enterprise Resource Planning (ERP) platforms implemented to enable a seamless flow	— Software and digital sales amounted to SEK 5.5 billion (5.1) — 57 percent (52) of our sites had implemented modern seamless flow platforms
Sustainability shift	— Reduce greenhouse gas emissions in scope 1–2 by 25 percent, compared to baseline 2019 — 80 percent waste circularity	— Compared to the baseline 2019, GHG emissions in scope 1–2 have decreased by 37 percent (comparable data) — Waste circularity amounted to 72 percent (74)
Agile through cycle	— Adjusted EBITA margin within the range of 20–22 percent over a business cycle	— Adjusted EBITA margin amounted to 19.3 percent (19.2)
Customer's first choice	— 100 percent of our divisions measure customer satisfaction and show verified improvements	— All divisions have established methods to measure customer satisfaction and the majority have processes to work with improvements
Employer of choice	— 21.2 percent female managers — Employee engagement rate at 7.7 — Total Recordable Injury Frequency Rate (TRIFR) at 2.7	— At year-end, 20.8 percent (20.5) of our managers were women — The employee engagement score was 7.8 (7.7) of a maximum 10 — The Total Recordable Injury Frequency Rate was 2.3 (3.0). Compared to the baseline 2019 it has decreased by 28 percent

A leading digital offering
Sandvik aims for digital leadership across our industries, and we have rapidly expanded our portfolio of digital solutions in recent years. Total software revenues increased by double digits during the year but did not reach the SEK 6.5 billion revenue target, mainly due to a significant negative currency impact. We are now targeting digital revenues of SEK 13 billion in 2030.

Our strategy is to combine hardware and software to create optimized end-to-end solutions for the mining, manufacturing, and infrastructure industries, future-proofing Sandvik and creating customer value. This also entails continued investing in digitalization and the adoption of new technology throughout Sandvik, creating more automated, efficient, and intelligent operations to leverage our workforce's expertise and strengthen resilience.

A strong people-centric culture
Our people are our greatest asset and it's crucial for Sandvik to retain, develop and attract a skilled workforce to deliver on our strategic objectives. We have a strong safety-first performance culture, where we drive and measure employee safety and engagement. For 2025, the Total Recordable Injury Frequency Rate was improved to 2.3 (3.0) and the engagement rate was 7.8 (7.7). We invest in the continuous learning and development of our people and aspire to have an inclusive culture that is characterized by empowerment and accountability. We also invest in long-term competence sourcing with schools, universities and inhouse Sandvik academies.

In 2024, we introduced a parental leave benefit, offering 14 weeks of paid leave for all employees, and in 2025 the benefit was rolled out in more than 50 countries.

Sustainable business
Sustainability is embedded in the way we drive our business, and we always seek to develop solutions that help our customers to operate in a more resource-efficient, safe, productive and sustainable way. About 65 percent of the emissions in our value chain derive from the use of our products, so the largest contribution we can make is to develop the best solutions and processes on the market. We have an increasing number of products that offer sustainability benefits to our customers, for example significant improvements in energy or resource efficiency, circular business models and enhanced safety features. Some of these examples include battery-electric mining vehicles, buyback programs of used materials in both Mining and Machining, and solutions to optimize resource efficiency through our software and cutting tools offering.

We have set targets for greenhouse gas (GHG) emissions that have been validated by the Science Based Targets initiative (SBTi), committing to reaching net-zero emissions by 2050 and reducing absolute emissions from our own operations (scope 1 and 2) by 50 percent by 2030, and 90 percent by 2040. We will also reduce absolute emissions from customers, suppliers and transport (scope 3) by 30 percent by 2030.

Advancing to 2030 strategy

Sandvik has presented an updated Group strategy – Advancing to 2030. The strategy is centered around five strategic objectives, focusing on growth, innovation, digitalization, profitability, and high-performing teams, with sustainability embedded in all operations.

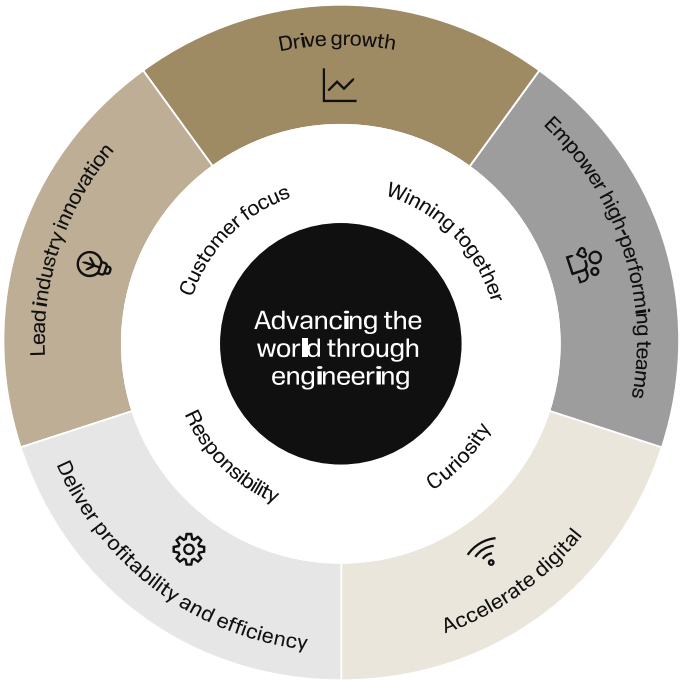
Drive growth
Driving growth is the principal way that Sandvik creates value for stakeholders and increases returns for shareholders. The existing growth target of 7 percent through a business cycle, organically and through acquisitions, will continue until 2030.

Empower high-performing teams
Targets related to health and safety, employee engagement, and inclusion. The Total Recordable Injury Frequency Rate target for 2030 is 2.1.

Accelerate digital
Sandvik needs to accelerate digitalization to stay competitive and seize the opportunities that comes with new technologies. Digitalization will increase customer productivity and automation, and make Sandvik more efficient in its end-to end processes. The 2030 digital revenue target is SEK 13 billion.

Deliver profitability and efficiency
The EBITA target range will remain at 20 to 22 percent, and a capital efficiency target (net working capital/revenues) of 25 percent has been added. We will reduce scope 1 and 2 greenhouse gas emissions by 50 percent (validated by the Science Based Target initiative).

Lead industry innovation
Innovation is at the core of Sandvik and essential for organic growth. The 2030 innovation sales ratio target is 27 percent. Revenues from sustainable solutions in focus, a selection of high-impact solutions, are targeted to grow by 10 percent annually.



Financial targets

Sandvik has long-term financial targets focusing on growth, profitability, financial position and dividend.

Growth

Target
A growth of 7 percent through a business cycle, organically and through acquisitions, excluding currency.

Outcome
A revenue growth (CAGR vs 2019) of 6 percent. Revenue growth was 4 percent over a three-year period and 10 percent over a five-year period.

EBITA margin range

Target
An adjusted EBITA margin range through a business cycle of 20–22 percent.

Outcome
The adjusted EBITA margin amounted to 19.3 percent (19.2).

Financial net debt/ EBITDA

Target
A financial net debt/EBITDA ratio below 1.5.

Outcome
The financial net debt/EBITDA ratio was 0.9 (1.2).

Dividend payout ratio[1)]

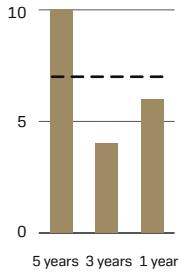
Target
A dividend payout ratio of 50 percent of earnings per share, adjusted for items affecting comparability, through a business cycle.

Outcome
A solid performance in 2025 resulted in a proposed dividend of SEK 7.5 billion (7.2) corresponding to a payout ratio of 49 percent. The average payout ratio for a three-year period amounted to 47 percent and for a five-year period to 45 percent.

Revenue growth, CAGR 2019–2025

6%

Revenue growth, %

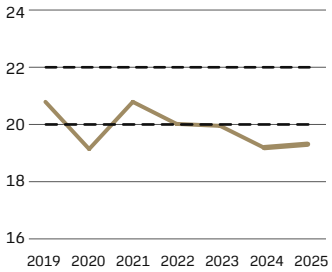


Actual
Target

Adjusted EBITA margin 2025

19.3%

Adjusted EBITA margin, %

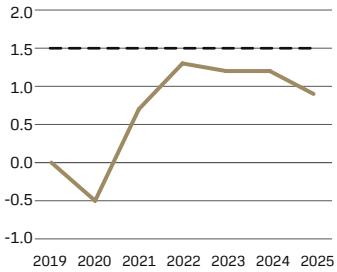


Actual
Target corridor

Financial net debt/EBITDA 2025

0.9

Financial net debt/ EBITDA ratio

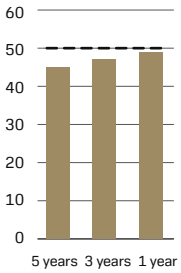


Financial net debt/EBITDA (R12)
Target

Dividend payout ratio 2025

49%

Dividend payout ratio, %



Actual
Target

1) The dividend payout ratio is only related to cash dividends and does not consider the distributed value from Alleima to shareholders in 2022. The ratio is calculated on adjusted earnings per share, diluted, for the total Group for all years except 2022, when it excludes earnings related to Alleima.

Sustainability targets

We have set sustainability targets in selected focus areas and report on KPIs for our operations to track progress towards targets. In addition to our own operations, we also work with customers and suppliers to achieve the targets.

Net zero

Target
A 25 percent reduction of scope 1 and scope 2 greenhouse gas (GHG) emissions by 2025, compared to 2019.

Outcome
In 2025, our GHG emissions amounted to 162.6 ktons (162.4), based on comparable data. Compared to the base year 2019, GHG emissions have been reduced by 37 percent.

Circularity

Target
Increase our waste circularity[1] to 80 percent by 2025.

Outcome
We achieved 72 percent (74) waste circularity. The decrease in waste circularity was partly due to reduced metal waste generation.

Safety

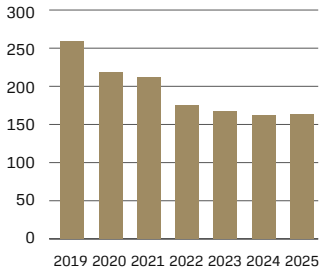
Target
A 25 percent reduction of the Total Recordable Injury Frequency Rate (TRIFR) to 2.7 by 2025, compared to 2019.

Outcome
Our safety efforts resulted in an all-time low TRIFR of 2.3 (3.0). Compared to the 2019 baseline, the TRIFR was reduced by 28 percent.

Emissions reduction 2019–2025

-37%

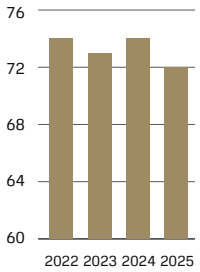
GHG emissions, ktons (comparable data)



Waste circularity 2025

72%

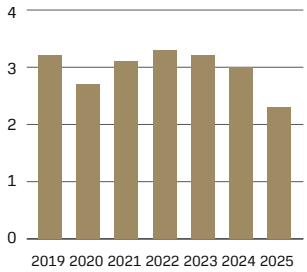
Waste circularity, %



TRIFR reduction 2019–2025

-28%

Total Recordable Injury Frequency Rate (TRIFR)



1) Excluding tailings, digestion sludge, foundry sand and slag.

Purpose and core values

Our purpose, “advancing the world through engineering” captures our ambition whereby our innovative solutions make the shift in areas such as digitalization and sustainability. This creates value for customers, employees, and communities, ultimately leading to shareholder value.

We want to be a positive force in shaping the industries of the future, using our skills to solve the big challenges of our time. In each of our businesses and value chains, we have the opportunity to enable the progress that is needed by innovating sustainable solutions, collaborating with our customers and suppliers, and building in responsibility and transparency at every level.

Our revised core values of winning together, curiosity, responsibility, and customer focus capture the culture of the company and they guide us in our actions and daily business decisions.

Winning together
We take the lead with a collaborative spirit and succeed as a team.

Curiosity
We explore, challenge and innovate to shape the future.

Responsibility
We put safety first and act with integrity and responsibility for our people and our planet, building trust in everything we do.

Customer focus
We listen, create, adapt and deliver – always close to our customers.

Global commitments and indices

We support a number of international principles and commitments and are included in several sustainability indices. This is important recognition of our efforts within sustainable business. It also shows that Sandvik is a sustainable supplier, striving to make its customers more sustainable too.

World leaders have committed themselves to 17 Global Goals for Sustainable Development (SDGs). Sandvik has defined the goals that are most relevant for the company and to which we actively contribute.

We are signatories of the UN Global Compact. With our participation we commit to applying the UN Global Compact’s ten principles in our business strategy and operations around the world and to catalyze business action in support of the UN SDGs and issues with an emphasis on collective action. Sandvik has been a signatory of the Global Compact since 2013.

EcoVadis
Sandvik reports yearly through EcoVadis to share our sustainability metrics and progress. https://recognition.ecovadis.com/2Ce7B7wTmkOC_vKb_TZAwg

Science Based Targets initiative (SBTi)
Our climate targets are approved by the Science Based Targets initiative (SBTi), as aligned with the latest climate science and the goals of the Paris Agreement.

CDP
Sandvik reports its environmental impact through CDP, a global environmental disclosure platform (formerly known as the Carbon Disclosure Project).

UN Global Compact
Sandvik is a signatory of the UN Global Compact.

Our operations

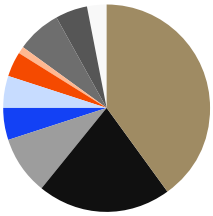
Engineers in the control room of the Sandvik test mine in Tampere (Finland). The test mine contains more than 6 km of tunnels and is used for research, development, and testing of products and future concepts for mining.

2025 in figures

Overview	2024	2025
Order intake, MSEK	64,404	69,204
Revenues, MSEK	63,607	62,971
Adjusted EBITA[1], MSEK	12,950	13,045
Adjusted EBITA margin[1], %	20.4	20.7
Return on capital employed, %	21.6	24.0
Return on capital employed, excluding amortizations of surplus values, %	22.5	24.8
Number of employees[2]	17,278	18,395
Gender balance (men/women), %	81/19	81/19
Women in managerial positions, %	20.7	20.8
Lost Time Injury Frequency Rate (LTIFR)	0.9	0.6
Total Recordable Injury Frequency Rate (TRIFR)	3.6	2.7

1) Adjusted for items affecting comparability of SEK 96 million (-507).
2) Full-time equivalent.

Commodity split



Gold	40%
Copper	21%
Coal	9%
Zinc	5%
Platinum	5%
Iron ore	4%
Diamonds	1%
Other metals	7%
Other minerals	5%
Other base metals	3%

Revenues by region

North America	24%
Africa/Middle East	21%
Australia	20%
Asia	15%
Europe	10%
South America	10%

Mining

Market
Strong demand for minerals, coupled with favorable commodity price levels and lower interest rates, spurred high mining activity during 2025. Sandvik noted very positive order momentum with a significant step up in equipment investments, a mix of brownfields, greenfield, and replacements. Demand for parts and services remained solid, driven by higher technology content, a high production pace, an aging fleet, and increasing fleet size. Digital solutions for enhanced efficiency and safety remained a customer priority and the demand for Sandvik solutions continued to be favorable.

Financial development
Order intake, at fixed exchange rates, grew by 17 percent, of which 17 percent was organic. Mining equipment grew by 46 percent and the aftermarket business grew by 5 percent, organically. Revenues, at fixed exchange rates, grew by 8 percent, of which 8 percent was organic. The Digital Mining Technologies and Parts and Services divisions both grew by double digits. Pricing and tariff surcharges contributed to the positive revenue development.

Adjusted EBITA amounted to SEK 13,045 million. The operating profit margin was 20.7 percent, heavily impacted by currency. Tariffs were fully mitigated thanks to swift implementation of tariff surcharges.

Strong momentum in strategic growth areas
Good momentum was noted during 2025, and Sandvik delivered strong organic order intake growth across equipment and aftermarket businesses. We made significant progress in our strategic priorities in electrification, automation and digitalization, and advanced our position as a productivity partner for both underground and surface mining.

Solid progress on surface
Growing within surface drilling is a strategic focus area for Sandvik, where we have made important progress in recent years. This transformation is driven by rising global demand for surface products and an expanding world-class product portfolio within Sandvik. During 2025, we took additional steps to strengthen our offering and capabilities with the inauguration of a new surface drilling production line at the site in Tampere (Finland). The initiative followed the establishment of a dedicated surface test area in Tampere that brought clear advantages in the development of new equipment as well as for showcasing new solutions to our customers. We also introduced our AutoMine® Surface Fleet,

Strategic priorities

- Advance our leading position in underground
- Grow the aftermarket business
- Strategic growth areas:
  - Surface drilling
  - Automation and mining software and technology
  - Electrification

Market position, solutions and capabilities

Market-leading position with underground trucks and loaders and drill rigs, surface drilling and mechanical cutting. Strong aftermarket business, including parts and services, ground support, rock tools and end-to-end digital solutions.

Brands

Sandvik®, Deswik®, Inrock®, Tricon®, Terelion®, LGMRT®, Velroq®

Competitors

Mining
Mainly global competitors such as Epiroc, Caterpillar and Komatsu Mining.

Infrastructure
Some global competitors present in several niches: Epiroc, Caterpillar and Furukawa. Many local players.

2019–2025 target

Revenue growth (CAGR)
10%

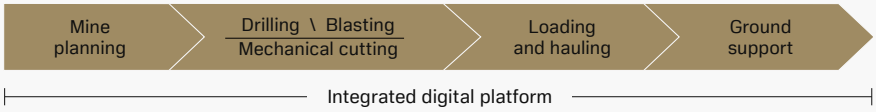
Outcome:
10%

2025–2030 targets

Revenue growth (CAGR)
8%

Adjusted EBITA range
20–22%

Rock excavation value chain



a new automation feature that enables operators to manage a larger number of Sandvik surface i-series drill rigs from any connected site location. These initiatives support the strategic focus to grow within surface drilling and they reinforce our position as a technology leader and productivity partner for the mining industry.

During the year, Sandvik started to deliver on a major surface equipment contract to Vale Base Metals' copper operations in Brazil, worth over SEK 500 million. We were also selected to supply surface rotary blasthole drills for ArcelorMittal Mining's operations in Quebec (Canada), and surface drill rigs to Barrick's Porgera gold mine (Papua New Guinea).

Advanced aftermarket position

On the back of strong demand for Sandvik equipment, we continued to expand the installed fleet, both underground and on the surface, and aftermarket order intake grew by 5 percent, organically. Sandvik also continued to leverage its local presence globally, with continued focus on training and upskilling technicians, penetrating advanced services, and investing in innovation for industry-leading capabilities. These developments strengthened our aftermarket position, a business with higher margins and resilience. In 2025, aftermarket sales accounted for 68 percent of total revenues.

Progress in digital and electrification

During the year, we strengthened our digital range by launching new electrified and intelligent equipment and we advanced our automation and software portfolio. 2025 was also a successful year in terms of customer adoption, and we made good progress in further expanding our intelligent fleet. Among the year's highlights were the implementation of autonomous AutoMine® solutions in customer mines, such as Adriatic Metals at the Vareš silver project (Bosnia), and in one of Asia Cement's surface operations. In addition, mining customer Glencore expanded its use of Sandvik automation and digital technologies with, for example, additional trucks equipped with the autonomous platform AutoMine® and investments in Newtrax collision-avoidance technology. These examples signify the important steps we are taking in our shared commitment to more productive and safer mining operations.

Our Digital Mining Technologies division grew organic revenues by double digits, thereby continuing its strong trajectory. Sandvik also received its largest battery-electric vehicle order ever, valued at SEK 750 million in total, from mining company South32 for its greenfield project in Arizona (US).

Innovations for improved productivity and sustainability

During the year, Sandvik launched several new solutions. A key achievement was the launch of an electric intelligent rotary blasthole drill rig range with modular design and a flexible power pack solution to meet different customer needs. The range is compatible with the autonomous platform AutoMine® and My Sandvik™ systems, and enables customers to leverage complete solutions from Sandvik to enhance performance, productivity and safety.

Other key innovations in 2025 included new features in the autonomous plattform AutoMine®, including surface fleet capabilities and a training simulator. We also introduced safety and efficiency solutions, such as next-generation proximity detection and improved bolting systems. These solutions enable customers to reduce operating costs and downtime, improve safety and productivity and support the transition to low-emission operations.

We made strong progress towards our sustainability goals in 2025. The launch of DataDrive'31, a major initiative to accelerate digital efficiency and circularity, and our enhanced transparency of CO_2-equivalent emission calculations supported measurable emission reductions and lifecycle improvements. We also achieved cybersecurity certification for secure product development, reinforcing our commitment to responsible and safe innovation. In addition, large customer orders for battery-electric equipment demonstrated how our technologies enable the transition to more sustainable mining operations. These initiatives emphasize our leadership in driving environmental responsibility and long-term value creation for our customers and stakeholders.

Innovations creating customer value

Industry-leading innovation is at the core of Sandvik and the key growth driver. In 2025, Sandvik expanded its offering with the introduction of fully electric versions across its entire range of next-generation intelligent rotary blasthole drills. This reflects the continued commitment to providing solutions that support the mining industry's transition towards more sustainable operations. The new electric lineup, comprising Sandvik® DR410iE, DR411iE, DR412iE, DR413iE and DR416iE, is built on the same modular platform as the diesel-powered rigs, delivering the environmental benefits of electrification while maintaining the performance and reliability expected in mining conditions.

Sandvik continued to advance surface drilling automation with the introduction of AutoMine® Surface Fleet, a new capability that enables operators to manage more than 15 Sandvik surface i-series drill rigs from any connected location.

Sandvik also launched DataDrive'31, a major new technology program designed to accelerate the digital transformation of the mining industry. DataDrive'31 enables new services and products through data utilization and commercialization: integrating data-driven capabilities into equipment, operations and aftermarket services, and building predictive and prescriptive operating environments that support smarter, safer and more sustainable mining.

Sandvik® MB672 is a next-generation bolter miner introduced in 2025. Sandvik continues to advance bolting technology with innovative solutions designed to automate the bolting process, and this bolter miner represents a significant step towards achieving near-term bolting automation.

Sandvik has introduced a next-generation bolter miner for longwall mining, Sandvik® MB672. It offers increased productivity, enhanced operator safety, and reduced total cost of ownership.

As part of its ambition to grow in surface drilling, Sandvik has introduced AutoMine® Surface Fleet, a new capability that enables operators to manage more than 15 Sandvik surface i-series drill rigs from any connected location.

DataDrive'31 is a six-year investment program that will accelerate the digital transformation of the mining industry.

Sandvik has introduced the next generation intelligent rotary blasthole drill rigs, all available as electric or diesel versions.

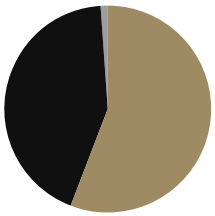
Robert Mendes, Senior Business Development Specialist, and Bruno Almeida, Equipment Sales Manager, visit the Serra Norte Mine in the Carajás region (Brazil). In the background is a Sandvik® CS660 crusher.

2025 in figures

Overview	2024	2025
Order intake, MSEK	11,103	10,694
Revenues, MSEK	10,704	10,435
Adjusted EBITA[1], MSEK	1,562	1,546
Adjusted EBITA margin[1], %	14.6	14.8
Return on capital employed, %	6.4	10.7
Return on capital employed, excluding amortization of surplus values, %	8.4	12.4
Number of employees[2]	2,739	2,779
Gender balance (men/women), %	81/19	81/19
Women in managerial positions, %	19.6	20.3
Lost Time Injury Frequency Rate (LTIFR)	2.5	2.1
Total Recordable Injury Frequency Rate (TRIFR)	5.6	5.2

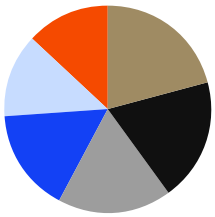
1) Adjusted for items affecting comparability of SEK 10 million (-411).
2) Full-time equivalent.

Revenues by customer segment



Mining	56%
Infrastructure	43%
Other	1%

Revenues by region



North America	21%
Australia	19%
Europe	18%
Asia	16%
South America	13%
Africa/Middle East	13%

Rock Processing

Market
Throughout the year, strong momentum was noted in the mining segment, driven by favorable commodity prices. The quest to improve mining operations from a sustainable and operational perspective continued to spur investments in digital solutions. The infrastructure market was soft at the beginning of the year but improved throughout the second half. This was most evident in the US, but there were also positive signs in Europe. The improvements were noted across both the demolition and recycling, and aggregates segments.

Financial development
Order intake, at fixed exchange rates, increased by 4 percent, of which 3 percent was organic. Equipment grew by 5 percent and the aftermarket business grew by 2 percent. Revenues at fixed exchange rates increased by 5 percent, of which 5 percent was organic. Pricing and tariff surcharges contributed to the positive revenue development.

Adjusted EBITA amounted to SEK 1,546 million. The operating profit margin was 14.8 percent, negatively impacted by currency. Tariffs were fully mitigated thanks to swift implementation of tariff surcharges.

Strategic priorities

- Leveraging on stronger position and offering in mining
- Large untapped potential in mining to address inefficiencies and sustainability, especially related to energy and water consumption
- Expand in the aftermarket
- Continue to expand in niches in downstream mining and in demolition and recycling with higher growth

Market position, solutions and capabilities

Market-leading positions in stationary and mobile crushing and screening solutions – including wear protection, screening media, feeders and train loaders – service, life cycle optimization, digital solutions, and attachment tools.

Digital solutions such as SAM by Sandvik, crushing chamber optimization software, PlantDesigner, DeckMap™, WearApp™ and automation platforms that help customers simulate, configure, and optimize their processes.

Brands

Sandvik®, Rammer®, OSA Demolition®

Competitors

Mining
Mainly global competitors such as Metso, FLSmidth, WEIR and Terex.

Infrastructure
Some global competitors present in several niches: Metso, Terex, Keestrack, Furukawa and Epiroc. Many regional players.

2019–2025 target

Revenue growth (CAGR)
~10%

Outcome:
6%

2025–2030 targets

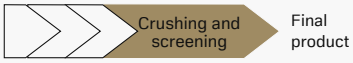
Revenue growth (CAGR)
9%

Aftermarket share
65–70%

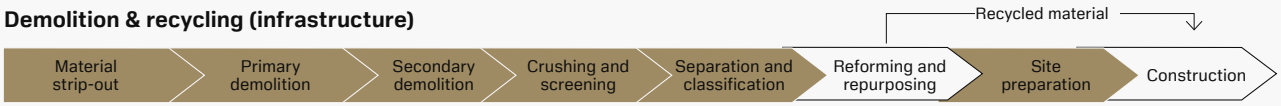
Adjusted EBITA margin
17–19%

Rock processing value chain (mining)

Aggregates (infrastructure)



Demolition & recycling (infrastructure)



Sandvik operations

Major achievements
Rock Processing experienced solid demand from the mining business and continued to make progress in expanding downstream. The increased activity in the demolition and recycling segment in the US drove orders for our premium solutions and we saw good contribution from the attachment tools manufacturer OSA Demolition Equipment, acquired in July 2025.

During the year, the Attachment Tools division secured two large orders for mining boom systems at a total value of SEK 154 million and the Screening Solutions division received a major order for screening equipment to an iron ore mine in Australia at a value of SEK 95 million.

We continued to leverage our superior crusher technology through the upgraded 800i cone crusher series, enabling higher crushed volumes and finer particle sizes. Sandvik crushing technique allows for a more efficient process where fine crushing can partially replace grinding. Fine crushing is up to 10 times more energy efficient than grinding, reducing costs for the customer. Today, hundreds of mines use old legacy techniques, and hence this is a growth area for Sandvik. The number of orders for the 800i series grew during the year, exceeding 2024 record levels. We also made strategic progress in our ambition to grow in the mining and aftermarket businesses by realizing synergies from the 2023 acquisition of SP mining.

We continuously work closely with our customers to improve their operations. One example is mining company Gold Fields that achieved an 18 percent increase in efficiency, and annual savings of more than AUD 1.5 million, after upgrading its crushing and screening circuit at the Agnew Gold Mine in Western Australia. Agnew also won Outstanding Mine Performance and the 2025 Australian Mine of the Year Award.

We continued to increase the aftermarket business' share of total sales, supported by a larger installed base and enhanced service offerings. Aftermarket sales accounted for 59 percent of revenues by the end of 2025.

In addition, we leveraged further on our broadened screening media offering and increased manufacturing capacity closer to our customers, and we expanded our sales and service footprint in key regions such as China, Africa, and Australia. Margins improved, and despite a subdued infrastructure demand, we made substantial savings, and retained good cost control.

Expansion in demolition and recycling
In demolition and recycling, we achieved a key milestone in our strategic ambition to expand in high-growth niches, driving growth across the value chain through both organic initiatives and strategic acquisitions. We successfully gained dealer traction and strengthened our position with the acquisition of OSA Demolition Equipment, an Italy-based manufacturer of demolition tools and hydraulic hammers. With this addition, Sandvik strengthened its presence in Europe, Australia, and the United States with a full-service solution within demolition and recycling.

During the year, we strengthened our offering by introducing Basic Premium for mobile crushing and screening, offering customers more tailored and scalable solutions. The introduction of the Basic Premium range makes our high-quality solutions more accessible to a broader market. Tailored for demolition, recycling, and emerging markets, these cost-effective models offer high productivity, robust performance, and retrofittable aftermarket options, bridging the gap between affordability and excellence.

Progress in electrification
2025 marked the completion of our fully electric tracked crushing and screening train, a major leap forward in sustainable rock processing. The new train includes products like the U443E fully electric jaw crusher, the QH443E electric-driven cone plant, and the QA452e hybrid triple-deck Doublescreen. It empowers customers to maximize uptime and productivity while minimizing their environmental footprint. The units can operate via external grid supply or onboard genset, significantly reducing emissions, noise, and running costs. The integration with advanced automation systems like Optik™ and My Fleet™ enables seamless integration with existing operations and entails faster ramp-up, reduced training needs, and superior operational performance.

Digital innovations and sustainable solutions
Digitalization is a key to advancing our product offering for safe, efficient, and environmentally responsible operations. During the year, we expanded our digital offering with advanced automation and condition monitoring systems, such as ACS-c 5 and ACS-s. These technologies, built into our equipment, enable smarter energy management, reduce emissions and cost, and boost productivity.

During the year, we also launched a new jaw plate range, featuring Coarse Corrugated and Heavy Duty plates. The range sets a new benchmark in crushing efficiency, delivering greater throughput, less frequent replacements, reduced material waste, and lower energy consumption.

We continued to improve our own, and customers' resource efficiency, by improving our recycling rate where worn-out steel parts are collected, recycled, and reintroduced into the melting process to form new genuine parts. We use more than 90 percent recycled steel in the production at our foundry in Svedala (Sweden). We also made progress in our refurbishment program, established in 2011, where mining equipment is restored to as-new condition. In 2025 we reused about 1,100 tons of metal, avoiding about 2,400 tons of CO_2 emissions.

These achievements prove that eco-efficiency is not just good for the planet; it's a business advantage, driving lower emissions, higher productivity, and long-term value.

Innovations creating customer value

Industry-leading innovation is at the core of Sandvik and the key growth driver. Rock Processing introduced Basic Premium for mobile crushing and screening, offering Sandvik quality in a simplified form to the construction industry. Targeted specifically to the needs of the demolition and recycling segment, this offering is simple to operate, yet still built to the same high standard and quality as the premium products for reliable performance and high productivity.

An upgraded range of jaw crushers delivers improved reliability, throughput, and ease of maintenance, helping customers achieve better productivity and lower total cost of ownership.

QH443E is an electric cone crusher designed with a focus on sustainability and productivity and is set to revolutionize operations in heavy duty applications. It takes a significant step towards bridging the gap between tracked mobile, wheeled portable, and stationary plants by combining electric drives and track mobility on a single platform. Due to the electrification of the onboard components, running the QH443E can result in up to 25 percent fuel savings and a 78 percent reduction in hydraulic oil usage compared to previous generations.

A new jaw plate range that sets a new benchmark in crushing solutions was launched during the year. It offers up to 40 percent longer wear life, up to 30 percent lower running costs, and optimized chamber geometry for greater crushing efficiency and throughput.

Remote Monitoring Services (RMS) is a predictive maintenance service Sandvik provides that remotely monitors and analyzes data from crushing and screening equipment. RMS can effectively identify abnormalities, determine root causes, and provide actionable information to eliminate defects.

The upgraded range of jaw crushers helps customers achieve better productivity and lower total cost of ownership.

A new electric cone crusher, QH443E, takes a significant step towards bridging the gap between tracked mobile, wheeled portable, and stationary plants, by combining electric drives and track mobility on a single platform.

A new jaw plate range offers up to 40 percent longer wear life, up to 30 percent lower running costs, and optimized chamber geometry for greater crushing efficiency and throughput.

Remote Monitoring Service is a predictive maintenance service that contributes to enhanced equipment reliability and timely information to resolve issues.

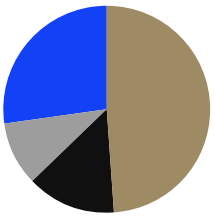
From design, to production and verification, component manufacturing is becoming automated. Digital skills are increasingly required of operators to optimize the machining process. Nicola Losurdo, Center Technician, operates a CNC machine at Sandvik Coromant in Milan (Italy).

2025 in figures

Overview	2024	2025
Order intake, MSEK	49,187	48,557
Revenues, MSEK	48,567	47,273
Adjusted EBITA[1], MSEK	9,718	9,385
Adjusted EBITA margin[1], %	20.0	19.9
Return on capital employed, %	9.6	11.5
Return on capital employed, excluding amortization of surplus values, %	11.6	13.3
Number of employees[2]	20,801	19,974
Gender balance (men/women), %	79/21	79/21
Women in managerial positions, %	19.2	19.6
Lost Time Injury Frequency Rate (LTIFR)	1.4	1.0
Total Recordable Injury Frequency Rate (TRIFR)	2.0	1.6

1) Adjusted for items affecting comparability of SEK -799 million (-2,104).
2) Full-time equivalent.

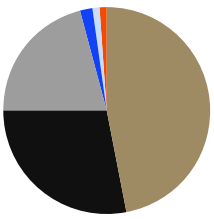
Revenues by customer segment



Engineering	49%
Automotive	14%
Aerospace	10%
Other[1]	27%

1) Includes mainly energy, die and mold, electronics, medical, pump and valve, rail and defense.

Revenues by region



Europe	47%
North America	28%
Asia	21%
South America	2%
Africa/Middle East	1%
Australia	1%

Machining and Intelligent Manufacturing

Market
The cutting tools market remained mixed in 2025. Underlying demand in general engineering was muted but stable, a consequence of the subdued industrial cycle. Demand in aerospace was strong during the year, after multiple years of backlog with large aerospace manufacturers, while the automotive industry remained weak. Sandvik also noted solid order intake development in the defense segment, where geopolitical unrest has spurred increased investments.

Scarce global supply of tungsten powder, following trade restrictions, resulted in sharp price hikes. Increased investment in digital solutions continued with strong momentum in the manufacturing software business.

Financial development
Order intake, at fixed exchange rates, increased by 5 percent, of which 4 percent was organic. Revenues, at fixed exchange rates, increased by 3 percent, of which 2 percent was organic. Pricing and tariff surcharges contributed to the positive revenue development.

Adjusted EBITA amounted to SEK 9,385 million. The operating profit margin was 19.9 percent, negatively impacted by currency. Tariffs were fully mitigated thanks to swift implementation of tariff surcharges.

Strong momentum in key segments and geographic expansion
Strong growth momentum was noted in strategically important segments, such as aerospace, consumer electronics and defense, where Sandvik has made

Strategic priorities

- Increase exposure to segments and regions with higher growth and good margins, such as aerospace, medical, and consumer electronics, and countries such as China, India and the US
- Maximize cross-selling opportunities between cutting tools brands and software brands
- Leading positions in manufacturing software business

Market position, solutions and capabilities

A unique combination of tools and software:

Market leading position in cutting tools (inserts, round tools, tools, premium offering with expert knowledge in machining components)

Leading positions in the industrial software market with different solutions for CAD/CAM, simulation and optimization of machining processes, and for 3D metrology.

Brands

Sandvik Coromant®, Seco®, Walter®, Dormer Pramet®, GWS®, Vericut®, Toolhive™, Ahno™, Wolfram™, Mastercam®, SigmaNEST®, Cimatron™, GibbsCAM™, Metrologic®, ZeroTouch®, Verisurf®, DCS®

Competitors

Premium market
IMC Group (ISCAR brand), Kennametal
Mid-market: Mitsubishi, IMC Group (TaeguTec brand), Kennametal (Widia brand)

CAM
Hexagon, Autodesk, Dassault Systems, Siemens

Metrology
Hexagon, Carl Zeiss, Innovmetric

2019–2025 target

Revenue growth (CAGR)

Machining	Intelligent Manufacturing
5%	>10%

Outcome

1%	38%

2025–2030 targets

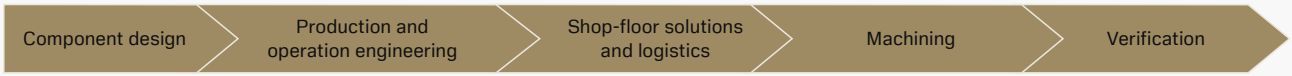
Revenue growth (CAGR)

Machining	Intelligent Manufacturing
3%	15%

EBITA margin

Machining	Intelligent Manufacturing
22–24%	25%

Manufacturing and machining value chain



targeted investments in recent years. The segments grew by high single or double digits.

During the year, Sandvik also gained further traction in round tools and took important steps to expand in key regions. Following the acquisition of Suzhou Ahno in 2024, Sandvik has established a solid position in the fast-growing local premium segment in China. The inauguration of a new inserts factory has expanded the offering further, leveraging the company's leading round tools position in the region.

Strong growth was noted in the China division, with double-digit growth in organic order intake compared to the same period in previous year.

Another important step was the investment in our innovation hub for software development in India, a strategically important market for Sandvik. The center will support our software development and innovation, and strengthen our combined offering of software and tools. It will also support our business in India and the rest of Asia, as well as attract local competence within the digital area.

Digital advancements

A key highlight of the year was our digital advancement, both organic and through acquisitions. We increased the portfolio of software solutions and services to enhance revenues, while also leveraging these solutions to capture a larger share of customer wallet. An important launch within Machining was Toolhive™, a cloud-based tool management solution that provides customers with real-time tool data and improved productivity with a minimal setup. Within Intelligent Manufacturing, we launched Mastercam® Copilot, an AI-infused Copilot built for machinists to simplify CAM programming by providing conversational help and command execution. Cimatron launched CAD-AI, a software module enabling automated part feature recognition and generation of high-quality CNC toolpaths to efficiently drive machine tools.

During the year, Sandvik also made several acquisitions. One was Verisurf Software, a US-based 3D metrology software provider. The company is strong with small- and medium-sized customers, particularly in North America. It also has presence in Europe and Asia and significant business with large aerospace and defense customers in the US market. We also completed eight reseller acquisitions in the US as part of a growth strategy in Intelligent Manufacturing. These companies expand our CAM offering and strengthen our regional presence in the US, while transitioning to a direct software sales model in these regions. This also extends our ability to offer multiple software brands to the same customer base.

Total software revenues increased by double digits during the year. However, we did not reach the SEK 4 billion revenue target, mainly due to the timing of acquisitions and currency headwind. With the increased share of software, and hence recurring revenues, Sandvik made important steps to improve both revenue and margin resilience.

Sandvik has a strategy to leverage its strong cutting tools position, including component manufacturing expertise, to expand software sales to SMEs and large enterprises, and also to enable increased share-of-wallet of cutting tool sales through our market positions with industrial software. This presents a strong offer towards companies in the manufacturing industry. On our Capital Markets Day in May 2025, we presented a successful cross-selling example, on how sales leads from our Sandvik Coromant cutting tool brand resulted in a 7 percent increase in new Vericut® software license revenue. For the coming strategy period, 15 percent of Machining's organic growth and 25 percent of Intelligent Manufacturing's growth, will come from synergy realization.

Innovations for improved productivity and sustainability

Sustainability is integrated into our business model and a core element in our innovations. During the year, we launched multiple cutting tool upgrades with clear productivity and sustainability gains, such as the CoroDrill® DE 10 drill for increased output and reduced energy consumption, and the Drion-tec® D-Spade indexable drill from Walter with significantly less carbide per cutting edge, saving resources and costs.

Another key highlight was the tool path optimization solution Vericut® Optimizer, the winner of the Sustainability Award in Memory of Sigrid Göransson 2025. With this solution, manufacturers can reduce cycle times, energy consumption, and tool wear.

During the year, Sandvik made steady progress in its circularity program, which aims to bring tungsten back into the production loop. The collected material is carefully sorted and processed to produce a more sustainable zinc reclaimed powder (PRZ). The recycling technology significantly minimizes energy consumption and chemical waste generation, thereby reducing dependency on critical virgin raw materials. For 2025, Machining successfully supported customer bring back large carbide volumes for recycling, representing 57 percent of the weight of materials sold, helping them in the transition towards a more sustainable and resource efficient solution.

Innovations creating customer value

Industry-leading innovation is at the core of Sandvik and the key growth driver. CoroDrill® DE10 from Sandvik Coromant is an exchangeable-tip drill designed for high-volume hole making with seamless plug-and-play functionality. Its best-in-class interface ensures exceptional strength, high clamping forces, and high-feed capabilities for superior productivity and energy efficiency.

The new Octomill™ 06 face milling cutter from Seco delivers efficient edge utilization, smooth cutting, and easy, secure insert changes.

Drion·tec® D-Spade from Walter features a double-sided, exchangeable-tip design for twice the tool life and superior hole quality, all while reducing carbide use by 45 percent per cutting edge.

Toolhive™ is a user-friendly, cloud-native “software as a service” solution designed to streamline tool management for small to medium businesses, offering rapid return on investment with minimal setup.

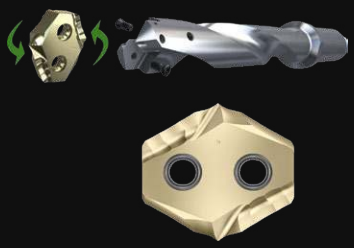
Sandvik introduced Mastercam® Copilot, an AI assistant that simplifies CAM programming for users of all skill levels.

Vericut® Optimizer is a standalone tool path optimization solution that doesn’t need Vericut verification to run. It examines machining insights that can save machining cycle times by up to 25 percent.

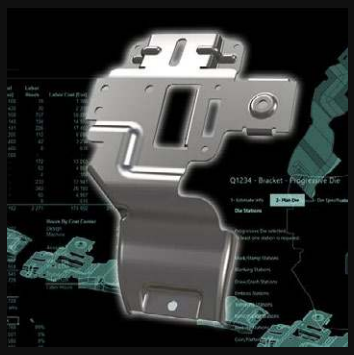
Cimatron™ DieQuote is a cloud-based software solution providing precise and comprehensive cost estimations for stamping dies in less than 10 minutes. It helps tool and die manufacturers improve their efficiency, productivity, and competitiveness by ensuring that cost estimations are powered by accurate and comprehensive data.

Cimatron™ CAD AI is a CAD technology that accelerates mold design and production by using AI to automatically detect part features within solid models. It enables automated generation of safe, high-quality CNC toolpaths to efficiently drive machine tools.

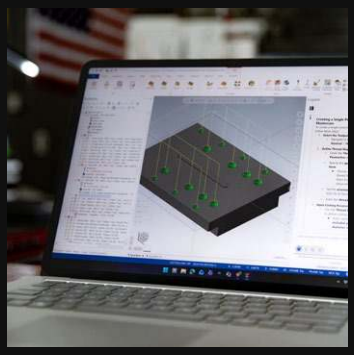
The exchangeable-tip drill CoroDrill® DE10 is designed for high-volume hole making with seamless plug-and-play functionality.



The double-sided Drion·tec® D-Spade drill doubles tool life and reduces carbide use by 45 percent per cutting edge.



Cimatron™ DieQuote is a cloud-based software solution that brings accurate and comprehensive data to tool and die manufacturers.



Mastercam® Copilot is an AI-enabled manufacturing assistant that simplifies CAM programming for users of all skill levels.

Directors' report

Group

Order intake and revenue
During 2025, the demand for Sandvik solutions varied both regionally and by customer segments. The mining industry saw strong momentum, driven by high order intake growth in the equipment divisions as well as in Parts and Services and for digital solutions. During the first half of the year, the infrastructure market remained soft, while improvements were noted across both the demolition and recycling and aggregates segments in the latter part of the year. Strong underlying demand for cutting tools was seen in the aerospace segment, and in smaller segments such as defense. Industrial production remained subdued and hence impacted underlying demand in general engineering in Europe and North America, while it was positive in Asia. Good momentum was noted in the manufacturing software business. Demand for Sandvik's tungsten powder was solid on the back of global supply limitations, and tungsten prices also contributed positively to the order intake and revenue development. Tariff surcharges were implemented by all business areas. Significant currency headwinds impacted the results throughout the year.

Earnings and return, MSEK	2024	2025
EBITA	20,493	22,616
EBITA margin, %	16.7	18.7
Adjusted EBITA[1)]	23,583	23,309
Adjusted EBITA margin[1)], %	19.2	19.3
Profit before tax	16,461	19,458
Profit for the period	12,245	14,691
Return on capital employed, %	13.4	15.2
Return on capital employed, excl. amortizations of surplus values, %	14.8	16.5
Return on total equity, %	13.3	15.9
Earnings per share, basic, SEK	9.76	11.71
Earnings per share, diluted, SEK	9.75	11.70
Items affecting comparability on EBITA[2)]	-3,090	-693

1) Adjusted for items affecting comparability.
2) 2024 is mainly related to the restructuring program announced in January 2024, applicable for all BA's, a capital loss from the divestment of DWFritz ETO business and M&A costs. 2025 is mainly related to structural measures within Machining to drive operational efficiency, and M&A costs, partly offset by a capital gain from the divestment of the shares in an associated company. The line items affected are mainly Cost of goods and services sold SEK -201 million, Sales expenses SEK -169 million and Administrative expenses SEK -282 million.

Earnings and return
EBITA increased to SEK 22,616 million (20,493), corresponding to 18.7 percent (16.7) of revenues. The adjusted EBITA decreased to SEK 23,309 (23,583) and the adjusted EBITA margin increased to 19.3 percent (19.2) compared to the previous year. Changes in foreign exchange rates affected adjusted EBITA negatively by SEK -2,482 million (-434) compared with the previous year. Net financial items amounted to SEK -1,351 million (-1,959). The profit before taxes was SEK 19,458 million (16,461). Income tax had a total impact of SEK -4,767 million (-4,216) on earnings, corresponding to 24.5 percent (25.6) of profit before taxes. Profit for the year attributable to owners of the Parent Company was SEK 14,690 million (12,243). Basic earnings per share amounted to SEK 11.71 (9.76). Return on capital employed was 15 percent (13) and return on equity was 16 percent (13).

Working capital
Net working capital in relation to revenue for the year was 29 percent (30). In absolute terms net working capital amounted to SEK 32,994 million (35,902) at the end of the year. In terms of volume, net working capital increased by SEK 1,092 million compared with the previous year. Changed currency rates decreased net working capital by SEK -3,990 million compared with the previous year. The structural effect from acquisitions and divestments decreased working capital by SEK -10 million.

Cash flow and financing
Cash flow from operating activities decreased to SEK 19,189 million (20,607). Net cash flow after investing activities was SEK 12,825 million (12,936). At the end of the year, cash and cash equivalents amounted to SEK 4,958 million (4,528) and free operating cash flow was SEK 21,216 million (21,194). Financial net debt was SEK 26,515 million (32,116) and the financial net debt/EBITDA ratio was 0.9 (1.2).

At the end of 2025, Sandvik had unutilized committed credit facilities of SEK 11,000 million consisting of a revolving credit facility. The remaining duration for the Group's outstanding bonds is currently 3.5 years.

According to the international credit rating agency Standard & Poor's, Sandvik Group held a long-term rating of BBB+ with a stable outlook at year-end 2025. The short-term rating is A-2 and K1 on the domestic Nordic scale.

Equity
Equity at year-end amounted to SEK 93,237 million (96,999), or SEK 74.3 per share (77.3). The equity ratio was 55 percent (53).

Quarterly trend of revenue and profit before tax

	2024				2025			
MSEK	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	29,002	31,419	30,306	32,151	29,301	29,700	29,218	32,461
Profit before tax	1,688	4,990	4,402	5,381	4,910	4,212	4,770	5,566
Net margin, %	6	16	15	17	17	14	16	17

Capital expenditure, MSEK	2024	2025
Investments in tangible and intangible assets	4,841	3,807
% of revenue	3.9	3.2
% of scheduled depreciation	140	112

Financial position, MSEK	2024	2025
Cash flow from operating activities	20,607	19,189
Cash flow after investing activities	12,936	12,825
Cash and cash equivalents as of December 31	4,528	4,958
Financial net debt as of December 31	32,116	26,515
Net financial items	-1,959	-1,351
Financial net debt/ EBITDA	1.2	0.9
Equity as of December 31	96,999	93,237
Equity ratio, %	53	55
Equity per share as of December 31, SEK	77.3	74.3

Investments
Investments in tangible and intangible assets for the full year 2025 amounted to SEK 3,807 million (4,841) corresponding to 112 percent of scheduled depreciation. Investments in internally generated intangible assets were SEK 924 million (964). Proceeds from the sale of companies and shares, net of cash, amounted to SEK 336 million (-22). Investments in companies and shares, net of cash acquired, amounted to SEK -2,997 million (-3,187).

Acquisitions during the year
In January, Sandvik acquired FASTech, a US-based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

In February, Sandvik acquired three US-based resellers of CAM: ShopWare, MCAM Northwest, and the CAD/CAM solutions business line of OptiPro Systems.

In March, Sandvik acquired three US-based resellers of CAM solutions in the Mastercam network, Barefoot CNC, CAD/CAM Solutions, and CamTech Engineering Services.

Sandvik also acquired the probing and post processor business lines of CIMCO Group, a Denmark-based developer of software solutions for computer-integrated manufacturing.

In June, Sandvik acquired the acquisition of Verisurf Software Inc., a US-based 3D metrology software solutions provider.

In July, Sandvik acquired Osa Demolition Equipment S.r.l. (OSA), an Italy-based manufacturer of demolition tools and hydraulic hammers.

In November, Sandvik acquired QTE Manufacturing Solutions (QTE), a US-based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

Divestments during the year
In September, Sandvik divested its holding of shares in the associated company Eimco Elecon (India) Limited. The holding has previously been reported as assets held for sale.

In September, Sandvik also divested the additive business of Cimquest, Inc.

In October, Sandvik divested the company Advanced Theodolite Technology, Inc., previously reported as assets held for sale.

Parent Company[1)]
The Parent Company's revenues for 2025 amounted to SEK 13,465 million (13,427) and the operating result was SEK 1,662 million (793). The result from shares in Group companies of SEK 12,311 million (9,147) for the year consists of dividends and contributions. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 37,154 million (36,753). Investments in property, plant and machinery amounted to SEK 220 million (438).

The number of employees in the Parent Company and the subsidiaries operating on commission for Sandvik AB as of December 31, 2025, was 3,550 (3,569).

1) The Parent Company includes subsidiaries operating on commission for Sandvik AB. These are presented in note P11.

Dividend
The Board of Directors proposes a dividend of SEK 6.00 per share (5.75) to the 2026 Annual General Meeting, corresponding to approximately SEK 7.5 billion (7.2)

Dividend 6.00 SEK per share	
× number of shares	1,254,385,923
	=7,526,315,538
Profit carried forward	25,423,184,876
Distributable equity, SEK	32,949,500,414

Employees
The average number of full-time equivalent employees amounted to 41,624 (41,162), of which 21 percent (21) were women. The employee turnover rate was 11 percent (11). Wages, salaries and other remunerations for the year totaled SEK 26,793 million (26,798).

Current guidelines for the remuneration of senior executives
The below remuneration guidelines were approved by the 2024 Annual General Meeting. The Board has decided to propose new guidelines for approval by the 2026 Annual General Meeting, as set out below under *Proposal for new guidelines for the remuneration of senior executives.*

Scope of the guidelines
These guidelines encompass the President and other members of the Group Executive Management. The guidelines do not apply to any remuneration decided on or approved by the General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability
A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer senior executives competitive total remuneration. For more information regarding the Company's business and sustainability strategy, see the Company's website: home.sandvik.

Types of remuneration
The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as the Group's earnings trend. The remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits.

Fixed salary
The purpose of the fixed salary is to attract and retain senior executives with the right competence for the respective positions. The salary level should be determined by comparing the salary to similarly complex positions within a defined peer group.

Variable remuneration
– Variable share related remuneration
The Company may offer long-term share related or share price related remuneration. Such programs are adopted by the General Meeting and are therefore not covered by these guidelines. There are currently ongoing long-term share related incentive programs for senior executives and key employees in the Group. For more information on these programs, see the Company's website: home.sandvik.

–Variable cash remuneration
The Company may offer short or long-term variable cash remuneration. The fulfillment of objectives for awarding such remuneration shall be measured over a period of one to three years. Such remuneration may amount to not more than 75 percent of the fixed annual salary per year.

Variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the Company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year the Board of Directors and the Remuneration Committee shall establish the criteria, including key performance indicators (KPIs) and the target ranges, deemed relevant for the upcoming measurement period. The criteria may be financial, with at least three KPIs, and non-financial, and shall always be related to business performance. At least 80 percent of the variable cash remuneration shall be linked to the financial criteria. The President and Group function heads shall be measured on Group level KPIs and the business area Presidents shall be measured on both Group level and business area level KPIs. The established KPIs shall be presented on the Company's website: home.sandvik.

The extent to which the criteria for awarding variable cash remuneration have been fulfilled shall be determined when the measurement period has ended and will be published in the Report on Evaluation of Remuneration the following year. For financial criteria, the evaluation shall be based on the latest financial information made public by the Company.

–Special arrangements
In specific cases, the Company may offer one-off remuneration provided that such remuneration is only made on an individual basis, for the purpose of recruiting or retaining senior executives, does not exceed an amount corresponding to 100 percent of the individual's fixed annual salary and maximum variable cash remuneration, and is not paid more than once per year and individual.

–Right to withhold or reclaim remuneration
Terms and conditions for variable remuneration shall be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances prevail and such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterwards were found to have been misstated because of wrongdoing or malpractice (so called malus and clawback).

Pension benefits
For the President, the pension benefit shall be defined contribution and the pension premiums shall amount to not more than 37.5 percent of the fixed annual salary. For the other senior executives, pension benefits shall be defined contribution and amount to not more than 35 percent of the fixed annual salary.

Other benefits
Other benefits may include, for example, life insurance, medical insurance and company car benefit. Such benefits may amount to not more than 5 percent of the fixed annual salary. For senior executives in need of double accommodation, paid accommodation, etc. may be added in line with Sandvik regulations and such benefits may amount to not more than 20 percent of the fixed annual salary.

Termination of employment
Severance pay may be paid when employment is terminated by Sandvik. The President and the other senior executives may have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6–12 months fixed salary. When employment is terminated by the senior executive, the notice period may not exceed six months and no severance pay shall be paid.

In case a senior executive is not entitled to severance pay, but is covered by a non-compete undertaking, the senior executive may instead be compensated for such a non-compete undertaking. Any remuneration paid as compensation for a non-compete undertaking shall not exceed 60 percent of the fixed salary at the time of notice of termination of the employment and shall not be paid for a longer period than 18 months. Fixed salary during the notice period together with any compensation for the non-compete undertaking shall not exceed an amount equivalent to the senior executive's fixed salary for 24 months.

Consideration of remuneration to the Company's employees
When preparing the proposal for these guidelines, the employment conditions applied within the Company as a whole have been used as a benchmark, following the principle that the remuneration packages of all Sandvik employees should be based on the complexity of the position, performance and market practice. In general, the same combination of remuneration components such as fixed salary, variable remuneration, pension and other benefits are offered within Sandvik.

The decision-making process to determine, review and implement the guidelines
The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management. The President and the other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters to the extent that they are affected by such matters.

Decisions on remuneration to the President are taken by the Board of Directors, based on proposals from the Remuneration Committee, and decisions on remuneration to the other senior executives are taken by the Remuneration Committee.

Adjustments to local rules
Remuneration for employment subject to rules other than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the greatest extent possible, the overall purpose of these guidelines.

Derogation from the guidelines
The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

For information concerning the current remuneration of senior executives, including ongoing long-term incentive programs, refer to note G4.

Proposal for new guidelines for the remuneration of senior executives
The Remuneration Committee has recommended that the Board of Directors proposes a change to the remuneration guidelines, in relation to the STI objectives for the business area Presidents. Under the proposed change, their performance may be measured on either solely business area level objectives or on both business area level and Group level objectives (whereas the current guidelines require measurement on both levels).

In light of the above, the Board of Directors proposes that the 2026 Annual General Meeting resolves on guidelines for remuneration with the same material content as the guidelines that were approved by the 2024 Annual General Meeting, with the exception of the section *Variable cash remuneration*, second paragraph, which is proposed to have the following new wording:

Variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the Company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year the Board of Directors and the Remuneration Committee shall establish the criteria, including objectives and the target ranges, deemed relevant for the upcoming measurement period. The criteria may be financial, with at least three objectives, and non-financial, and shall always be related to business performance. At least 80 percent of the variable cash remuneration shall be linked to the financial criteria. The President and Group function heads shall be measured on Group level objectives, and business area Presidents shall be measured either solely on business area level objectives or on both business area level and Group level objectives. The established objectives shall be presented on the Company's website: home.sandvik.

Research and development (R&D)
Each business area is responsible for its own R&D activities. Focus areas are machining materials and process development, powder metallurgy, electrification and digital solutions.

Sandvik has a portfolio of 7,502 (8,264) active patents. In 2025, 822 (1,157) new patents were granted. This year's decrease is due to a refined reporting method, in which each Unitary Patent is counted as a single patent, while traditional European patents continue to be counted per country. This adjustment aligns with the evolving UP/UPC system and provides a more accurate reflection of our patent portfolio. Investments in R&D were SEK 4,542 million (5,053), corresponding to 3.8 percent (4.1) of revenues. The number of employees in R&D, including Quality Assurance, was 2,942 (3,075).

Tax
Sandvik is a multinational group with many inter-company transactions. The OECD has issued guidelines for transfer pricing of cross-border transactions in multinational groups. Sandvik adheres to these guidelines and also to the local legislation of each country to ensure that a correct pricing model is deployed and that a correct amount of tax is paid in each country. Sandvik monitors the OECD's tax reform work and the EU initiatives on tax transparency carefully and observes these standards as and when enacted. We strive to have good relations with our stakeholders, such as tax authorities, non-governmental organizations and investors.

Sandvik has initiated cooperation with tax authorities in several countries. We are convinced that an open discussion and cooperation with tax authorities around the globe will help us to reduce uncertainty about the taxes we are obliged to pay. We contribute to the local communities and countries in which we operate in the form of, for example, taxes and employment opportunities. In 2025, the Group paid SEK 5,156 million (5,474) in income taxes globally. Income tax comprises just a portion of all taxes paid by Sandvik worldwide. In addition, we pay social security contributions, environmental and energy taxes, property taxes, etc. Furthermore, Sandvik collects and pays taxes at the request of governments and authorities, including indirect taxes and withholding taxes.

Environment
In Sweden, Sandvik operates under licenses at seven sites in accordance with the Swedish Environmental Code, with each site holding the necessary environmental permits. During the year, there were a couple of minor environmental incidents, along with two exceedances of regulatory limits. All incidents are managed in consultation with the respective local supervisory authorities. In 2023, Sandvik Rock Tools in Sandviken applied for new permits, and the permit process was still ongoing at the end of 2025.

Statutory sustainability statement
Sandvik has, in accordance with the Annual Accounts Act, prepared a statutory sustainability statement, approved for issue by the Board of Directors and the President and CEO. The statement comprises pages 51–111.

Events after the end of the period
On January 27, 2026, Sandvik announced that Mats Eriksson, President of the Mining business area, has decided to retire in 2027, when he turns 65 years. In 2026 he will step down from his position and as member of the Group Executive Management once a successor has assumed the role, tentatively on July 1, 2026.

Business areas

Sandvik is a global, industrial technology group providing solutions that enhance productivity, profitability and sustainability for the manufacturing, mining and infrastructure industries. Sandvik is a decentralized Group and consists of three business areas: Mining, Rock Processing and Machining and Intelligent Manufacturing. From January 1, 2026 the Business area Machining and Intelligent Manufacturing will be divided into two separate business areas.

	Mining				Rock Processing				Machining and Intelligent Manufacturing				Group			
			Change				Change				Change				Change	
MSEK	2024	2025	%	%[1]	2024	2025	%	%[1]	2024	2025	%	%[1]	2024	2025	%	%[1]
Order intake	64,404	69,204	7	17	11,103	10,694	-4	3	49,187	48,557	-1	4	**124,694**	**128,455**	3	11
Revenue	63,607	62,971	-1	8	10,704	10,435	-3	5	48,567	47,273	-3	2	**122,878**	**120,680**	-2	5
Adjusted EBITA[2]	12,950	13,045	1	n/a	1,562	1,546	-1	n/a	9,718	9,385	-3	n/a	**23,583[3]**	**23,309[3]**	-1	n/a
Adjusted EBITA margin[2], %	20.4	20.7	2	n/a	14.6	14.8	2	n/a	20.0	19.9	-1	n/a	**19.2**	**19.3**	1	n/a
EBITA	12,443	13,140	6	n/a	1,150	1,557	35	n/a	7,614	8,586	13	n/a	**20,493[4]**	**22,616[4]**	10	n/a
EBITA margin, %	19.6	20.9	n/a	n/a	10.7	14.9	n/a	n/a	15.7	18.2	n/a	n/a	**16.7**	**18.7**	n/a	n/a
Return on capital employed, %	21.6	24.0	n/a	n/a	6.4	10.7	n/a	n/a	9.6	11.5	n/a	n/a	**13.4**	**15.2**	n/a	n/a
Return on capital employed, excl. amortizations of surplus values, %	22.5	24.8	n/a	n/a	8.4	12.4	n/a	n/a	11.6	13.3	n/a	n/a	**14.8**	**16.5**	n/a	n/a
Items affecting comparability	-507	96	n/a	n/a	-411	10	n/a	n/a	-2,104	-799	n/a	n/a	**-3,090[5]**	**-693[5]**	n/a	n/a
Number of employee[6]	17,278	18,395	6	n/a	2,739	2,779	1	n/a	20,801	19,974	-4	n/a	**41,447[7]**	**41,801[7]**	1	n/a

1) Organic change.
2) Adjusted for items affecting comparabilities.
3) Including Group activities of SEK -667 (-647) million.
4) Including Group activities of SEK -667 (-715) million.
5) Including Group activities of SEK 0 (-67) million.
6) Full-time equivalent.
7) Including Group activities of 653 (629).

Mining
A global leading supplier of equipment and tools, parts, service, digital solutions and technologies that increase sustainability for the mining and infrastructure industries. Mining had good momentum during 2025 with a strong order intake. Order intake for the business area amounted to SEK 69,204 million (64,404), an organic increase of 17 percent. Revenue totaled SEK 62,971 million (63,607), a total decrease of 1 percent, but an organic increase of 8 percent. The EBITA margin was 20.9 percent (19.6) and the adjusted EBITA margin was 20.7 percent (20.4) of revenues. The items affecting comparability of SEK 96 million (-507) were primarily related to a capital gain from the divestment of the shares in an associated company offset by M&A costs.

Rock Processing
A global leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries. Mining had strong momentum and infrastructure market improved during the latter part of 2025. Order intake for the business area amounted to SEK 10,694 million (11,103), an organic increase of 3 percent, currency headwind gave a total decrease of 4 percent. Revenue totaled SEK 10,435 million (10,704), with an organic increase of 5 percent and a total decrease of 3 percent. The EBITA margin was 14.9 percent (10.7) and the adjusted EBITA margin was 14.8 percent (14.6) of revenues. The items affecting comparability of SEK 10 million (-411) were mainly related to the restructuring program.

Machining and Intelligent Manufacturing
A global leading manufacturer of tools and tooling systems for advanced metal cutting, digital manufacturing and software solutions, as well as metal powder. Strong underlying demand for cutting tools was seen in the aerospace segment, and in smaller segments such as defense. Industrial production remained subdued and hence impacted underlying demand in general engineering. Good momentum was noted in the manufacturing software business. Order intake amounted to SEK 48,557 million (49,187), an organic increase of 4 percent and with currency headwind a total decrease of 1 percent. Revenue totaled SEK 47,273 million (48,567), with an organic increase of 2 percent and a total decrease of 3 percent. The EBITA margin was 18.2 percent (15.7) and the adjusted EBITA margin was 19.9 percent (20.0). The items affecting comparability of SEK -799 million (-2,104) were mainly related to the restructuring program and M&A costs.

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.

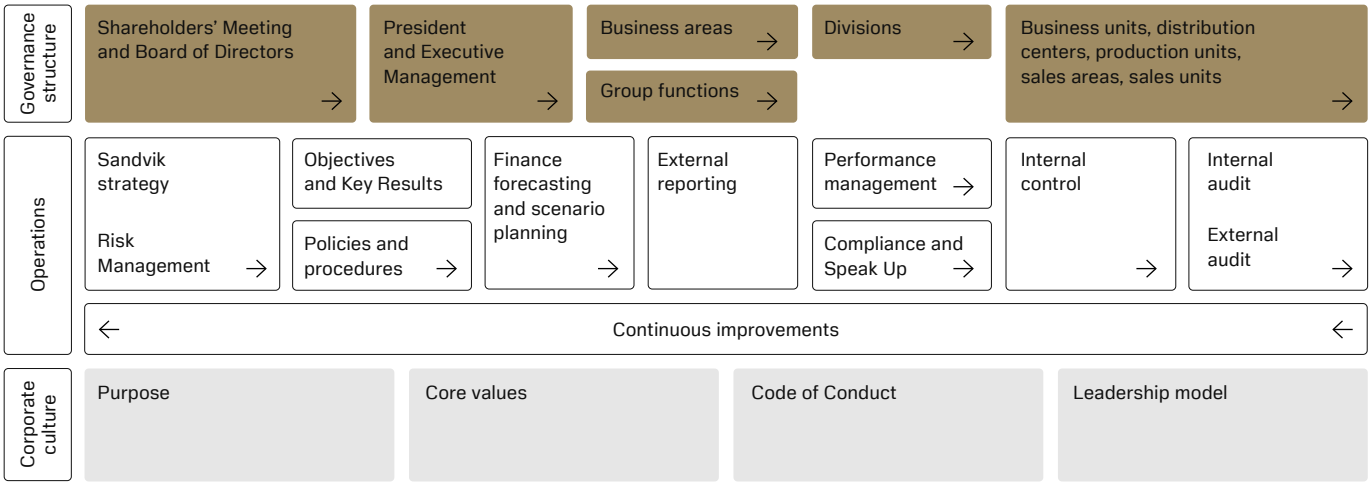
Operations

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.

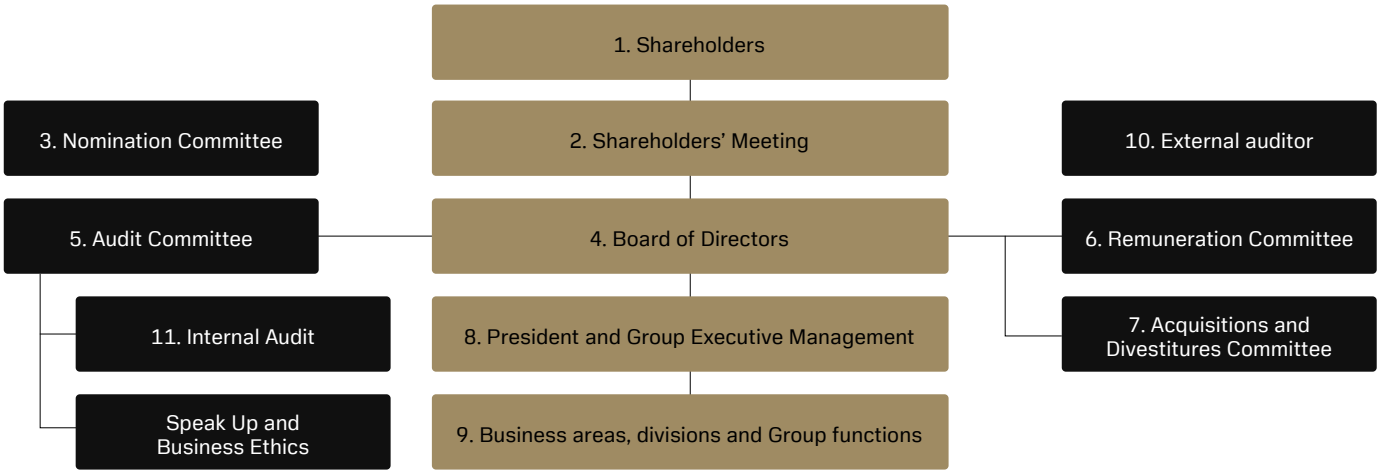
Corporate culture

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 Wärn 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.

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.

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

				Meeting attendence			
Name	**Function**	**Elected**	**Independent according to the Code**	**Board**	**Audit Committee**	**Remuneration Committee**	**A&D Committee**
				13	*5*	*3*	*3*
Claes Boustedt	Member	2015	Yes	13	5		3
Marika Fredriksson	Member	2017	No[2)]	13			
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.

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:

I. Control environment	II. Risk assessment	III. Control activities	IV. Information and communication	V. Monitoring and follow-up

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.

Board of Directors

Information regarding board assignments and holdings of shares as of December 31, 2025.

Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.

Johan Molin

Born 1959. Chairman of the Board since 2015. Chairman of the Remuneration Committee and the Acquisitions and Divestitures Committee and member of the Audit Committee.

Education and business experience: M.Sc. in Business and Economics. President and CEO of Assa Abloy 2005–2018. President and CEO of Nilfisk-Advance 2001–2005. Various positions within Atlas Copco 1983–2001.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 965,000 as well as 1,000,000 call options.

Claes Boustedt

Born 1962. Board member since 2015. Chairman of the Audit Committee and member of the Acquisitions and Divestitures Committee.

Education and business experience: M.Sc. in Business and Economics. Executive Vice President of L E Lundbergföretagen AB since 1997. President of L E Lundberg Kapitalförvaltning AB since 1995.
Current board assignments: Board member of Alleima AB, Hufvudstaden AB and Husqvarna AB.
Shareholding in Sandvik (own and closely related persons): 50,000.

Marika Fredriksson

Born 1963. Board member since 2017.

Education and business experience: Master of Business Administration. CFO and Group Executive Vice President of Vestas Wind Systems A/S 2013– 2022. CFO of Gambro AB 2009–2012. CFO of Autoliv Inc. 2008–2009. Various positions within Volvo 1996–2008, including CFO and Senior Vice President Finance and Strategy at Volvo Construction Equipment Corporation.
Current board assignments: Chairman of the board of Emagine A/S and board member of AB Industrivärden, A.P. Møller-Mærsk A/S., KONE Oyj and Ecolean AB.
Shareholding in Sandvik (own and closely related persons): 2,500.

Andreas Nordbrandt

Born 1971. Board member since 2021.

Education and business experience: M.Sc. in Mechanical Engineering and Hydraulics. President of the Underground Rock Excavation Division within Epiroc 2016–2018. Various positions within Atlas Copco 1995–2018, including President of the Rocktec Division.
Current board assignments: Chairman of the board of Alleima AB, SaltX Technology Holding AB and SMP Holding AB.
Shareholding in Sandvik (own and closely related persons): 2,400.

Susanna Schneeberger

Born 1973. Board member since 2024.

Education and business experience: M.Sc. in International Business and MBA. Senior advisor and partner at Executive Interim Partners GmbH since 2022. Business area president as well as Chief Digital Officer for KION 2018–2020. CEO of Demag Cranes & Components 2015–2018. Various positions within Trelleborg 2007–2014.
Current board assignments: Chairman of the Board of Yunex GmbH and board member of SKF AB and Modulaire Group.
Shareholding in Sandvik (own and closely related persons): 1,000.

Helena Stjernholm

Born 1970. Board member since 2016. Member of the Audit Committee, the Remuneration Committee and the Acquisitions and Divestitures Committee.

Education and business experience: M.Sc. in Business and Economics. President and CEO of AB Industrivärden since 2015. Investment manager and subsequently partner at IK Partners 1998–2015. Consultant at Bain & Company 1997–1998.
Current board assignments: Chairman of the board of SCA and board member of AB Industrivärden, AB Volvo, the Confederation of Swedish Enterprise and the Stockholm School of Economics.
Shareholding in Sandvik (own and closely related persons): 5,000.

Stefan Widing

Born 1977. Board member since 2020.

Education and business experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. President and CEO, Sandvik AB, since 2020. Various positions within Assa Abloy 2006–2020, including Executive Vice President HID Global division. Various positions within Saab 2001–2006.
Current board assignments: Board member of Holmen AB and the Swedish Association of Industrial Employers (Industriarbetsgivarna).
Shareholding in Sandvik (own and closely related persons): 112,753.

Kai Wärn

Born 1959. Board member since 2020. Member of the Remuneration Committee.

Education and business experience: M.Sc. in Mechanical Engineering. President and CEO of Husqvarna AB 2013–2020. Operations partner at IK Investment Partners Norden AB 2011–2013. President and CEO of Seco Tools AB 2004–2010. Various positions within ABB 1985–2004.
Current board assignments: Chairman of the board of Electrolux Professional AB and SunStreet Energy AB.
Shareholding in Sandvik (own and closely related persons): 12,000.

HONORARY CHAIRMAN
Percy Barnevik
Chairman of the Board of Sandvik AB 1983–2002 and thereafter honorary Chairman until he passed away in July 2025.

BOARD SECRETARY
Johanna Kreft
Born 1976. Executive Vice President and General Counsel, Sandvik AB, since October 2025.

AUDITOR
Öhrlings Pricewaterhouse-Coopers AB
Auditor-in-charge: Anna Rosendal, Authorized Public Accountant.
Other auditing assignments: Boliden, Sdiptech and Nobia.

Employee representatives

Fredrik Håf

Born 1983. Board member since 2024, deputy Board member 2022–2024 (employee representative, IF Metall).

Education and business experience: Chairman of the Union Committee, Metal Workers' Union, division Rock Tools, Sandviken, Sweden. Various operator positions at division Rock Tools since 2002.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 2.

Thomas Lilja

Born 1975. Board member since 2016 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience: Technical College Graduate, Mechanical Engineering. Chairman Trade Union, Unionen Sandvik Sweden and Unionen Coromant, Machining & Intelligent Manufacturing. Various purchasing positions within Sandvik 2000–2010. Various production and logistics positions within Scania 1995–2000.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 5,197.

Carl-Åke Jansson

Born 1972. Deputy board member since 2024 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience: B.Sc. in Mechanical Engineering. Deputy chairman of Swedish Association of Graduate Engineers, Sandvik in Västberga, and the Swedish Academic Association within Sandvik. Various positions within Sandvik Coromant since 2004, including product owner and designer of process equipment.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 1,120.

Jessica Smedjegård

Born 1981. Deputy board member since 2024 (employee representative, IF Metall).

Education and business experience: Chairman of the Metal Worker´s Union club, Sandvik Coromant Gimoverken Sweden. Chairman of IF Metall´s joint union club within Sandvik Sweden. Various operator positions at Sandvik Coromant since 2004.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 156.

Group Executive Management

Information regarding board assignments and holdings of shares as of December 31, 2025.

Current board assignments refer to assignments in companies or organizations outside Sandvik Group.

Stefan Widing

Born 1977. President and CEO, Sandvik AB, since 2020.

Education and business experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. Various positions within Assa Abloy 2006–2020, including Executive Vice President HID Global division. Various positions within Saab 2001–2006.
Current board assignments: Board member of Holmen AB, and the Swedish Association of Industrial Employers (Industriarbetsgivarna).
Shareholding in Sandvik (own and closely related persons): 112,753.

Björn Axelsson

Born 1981. Executive Vice President and Head of Human Resources, Sandvik AB, since February 2025.

Education and business experience: Executive MBA and Bachelor in Social Science. Vice President HR & EHS of Sandvik Mining and Rock Solutions 2019–2025. Chief Human Resources Officer of Maxon 2018–2019. Vice President HR of RUAG Space 2015–2018. Various positions within Volvo 2000–2015, including HR & EHS Director and HR Business Partner roles.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 14,488.

Nadine Crauwels

Born 1971. President of business area Machining since 2020.

Education and business experience: M.Sc. in Mechanical Engineering. President of Sandvik Coromant 2017–2020. Various other positions within Sandvik Coromant since 2000, including Vice President Customized Solutions and Strategic Relations, and Sandvik Coromant Manager Switzerland. Project Engineer and Consultant for the metal cutting industry at WTCM (today Sirris) 1995–2000.
Current board assignments: Board member of Alfa Laval AB.
Shareholding in Sandvik (own and closely related persons): 8,534.

Mats Eriksson

Born 1962. President of business area Mining since 2022.

Education and business experience: B.Sc. in Computer Science. President of the Load and Haul division 2016–2022. President and CEO of Cencorp Oyj 2010–2012 and Salcomp Oyj 1998–2006 as well as leading positions for several other companies.
Current board assignments: Board member of the Technology Industry Employers of Finland, and Svemin.
Shareholding in Sandvik (own and closely related persons): 17,374.

Cecilia Felton

Born 1984. Executive Vice President and Chief Financial Officer, Sandvik AB, since 2022.

Education and business experience: B.Sc. Environmental Policy with Economics. Various positions within Sandvik since 2013, including acting Chief Financial Officer, Vice President Group Control and Director Group M&A and Investments, and Director Group Business Control. Various positions within Ernst & Young, Operational Transaction Services, London, 2007–2013.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 9,396.

Richard Harris

Born 1970. President of business area Rock Processing since 2022.

Education and business experience: Bachelor of Engineering and Chartered Engineer. Various positions within Sandvik since 2002, including President of the Walter division 2019–2022, President of the Wolfram division 2016–2019, and different Supply and Production Director roles. Various positions within manufacturing companies, including Production Manager at Land Rover and Plant Manager at Keiper UK Ltd.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 6,804.

Johanna Kreft

Born 1976. Executive Vice President and General Counsel, Sandvik AB, since October 2025.

Education and business experience: Master of Laws (LL.M.). EVP and General Counsel, Alleima AB, 2022–2025. Various positions at Sandvik 2007–2022 including Business Area General Counsel Sandvik Materials Technology. Associate at Ahlford Advokatbyrå 2004–2007. Associate at Michelson & Werner Advokatbyrå 2000–2004.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 1,771.

Mattias Nilsson

Born 1972. President of business area Intelligent Manufacturing since 2023.

Education and business experience: B.Sc. in Business Administration, Finance and Accounting. Various positions within Sandvik since 2007, including Vice President Offer Management and R&D at Sandvik Coromant 2021–2023.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 7,253.

Björn Roodzant

Born 1969. Executive Vice President and Head of Group Communications and Sustainability, Sandvik AB, since 2023.

Education and business experience: M.Sc. in Economics, Strategy and Marketing. Various positions within Sandvik since 2004, including Vice President Marketing and Communications at Sandvik Coromant.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 7,567.

Sofia Sirvell

Born 1974. Executive Vice President and Chief Digital Officer, Sandvik AB, since 2023.

Education and business experience: M.Sc. in Industrial Engineering. Various positions within H&M 2006–2021 including Deputy Chief Technical Officer 2020–2021 and Head of Strategy IT 2019–2020.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 4,608.

Changes in the Group Executive Management

Johan Kerstell, Head of Human Resources, left the company in February 2025 and was succeeded by Björn Axelsson.

Åsa Thunman, General Counsel, left Sandvik in May 2025 and was succeeded by Johanna Kreft in October 2025.

As of 2026, business area Machining and Intelligent Manufacturing was separated in two: business area Machining and business area Intelligent Manufacturing.

Risk management

The Sandvik risk management process aims to support our business in managing and mitigating critical risks which may impact our ability to achieve our financial targets and strategic objectives. 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. Other risks can be more directly within our own control.

ERM – a part of our strategic work
To effectively identify and manage risk is an important element of business success for all parts of Sandvik.

To support the day-to-day risk management in the operations, Sandvik has an Enterprise Risk Management (ERM) program that covers all business areas, divisions, and functions within the Group. The Sandvik Board of Directors is ultimately responsible for the governance of risk management and the Sandvik Group Executive Management ensures there is a common and efficient process in place. All management teams are responsible for their own risk management. The teams must follow the minimum requirements outlined in The Sandvik Way, which requires reviewing the strategic and operational risks at least annually. The ERM methodology is also used as a tool for decision-making, operationally and within projects, as well as in the strategy process in various levels of the Group.

Sandvik Group risk profile and key risks
The Sandvik Group risk profile is based on the bottom-up ERM process where the divisions, business areas and functions first make their assessment and the Group Risk Management Network then makes recommendations for a new Group risk profile based on the outcome of these assessments.

The ERM process is complemented with a strategic analysis by the Group Executive Management to more specifically identify key risk areas that are tied to our ability to execute on our Group strategy. The purpose is to get a focused and concrete risk landscape for the Group to enable good follow-up of the different risk-mitigating activities in relation to the strategic goals.

The Sandvik Key Risks map details the individual risks we are actively addressing to achieve long-term success and strategy fulfillment and is presented on page 49. When we deliver on our strategic targets, many of the risks will be fully mitigated. The map is coupled with a follow-up model for tracking the different initiatives that lead to better risk mitigation, which the Group Executive Management team reviews and discusses regularly. This creates a more dynamic and strategically relevant risk management discussion at the highest levels of the company. The outcome of the strategic analysis is presented in the table on page 50.

An ERM report, summarizing key risks and mitigating activities across our business, was provided to the Sandvik Audit Committee and Board of Directors in December 2025. The Board of Directors' and the Audit Committee's involvement in the risk management process is further described on pages 40–41.

Insurance as a risk management tool
Sandvik has tailored insurance programs that transfer the risks associated with, amongst others, the Group's property, cargo, and liability exposures. Insurable risks are continuously evaluated, and actions are taken to reduce these risks as part of the Sandvik loss-prevention strategy. Supported by our loss-prevention procedure and guidelines, risk evaluations highlight opportunities to reduce the potential for business interruption and to ensure the Group's ability to deliver to its customers. To ensure cost efficient and tailored insurance solutions, selected risks are reinsured through the Group's captive insurance company.

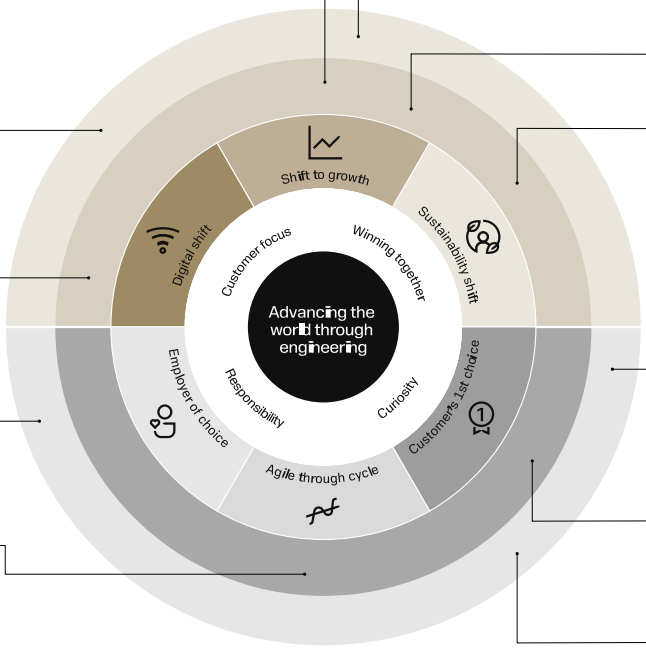
Geopolitical developments
- Regionalization/ nationalization
- Increasing trade tariffs
- Armed/hybrid conflicts
- Extreme weather events/ climate change

Business transformation
- Electrification of the mine
- Closed-loop manufacturing
- Execution of digital shift and data-driven productivity

Digital disruption
- Cybersecurity
- Information security
- Disruption by digital players
- Embracing AI

Key talent attraction/retention
- New talent (digital, electrification, sustainability)
- Reskill existing workforce

Manage the EBITA corridor and Net Working Capital
- Controlled ramp-up
- Inefficient use of capital
- Contingency fatigue



Geographical agility
- Lower growth projections in some key markets
- Heavy European footprint

Acquisition value creation
- Business case delivery

Compliance
- Third-party risks
- Stricter financing requirements
- Trade compliance and sanctions

Changing customer needs/ requirements
- Customer centricity
- Adapting to market transformation
- Customer requirements on cyber- and information security

Change management
- Operating structure
- Transformative leadership capabilities

Competition from emerging markets
- Technology and innovation race
- Market share threat
- Cost competitiveness
- New business models

The illustration shows which strategic area each key risk relates to, although several risks are relevant for more than one strategic area. The proximity to the center shows how actively we operationally work with the risk. The further out from the center, the more long-term/strategic the risk is. Many risks are both short and long term and require both short and long-term mitigation.

Business continuity and crisis management
The Global Risk Management Policy and related procedures for business continuity and crisis management outline what local management teams must do to ensure they can respond to disruptive events and continue their business operations on an acceptable level when faced with challenges. Once a risk materializes, our crisis and business continuity management priorities are to minimize harm to people and the environment, and to minimize damage to the Sandvik business, as well as ensuring a swift return to normal activities and safeguarding the company brands.

Internal audit and internal control as part of Sandvik risk management
The internal audit function regularly follows up on the implementation of different risk management programs such as ERM, business continuity, crisis management and the insurance programs. Sandvik applies group-wide internal controls to monitor risk mitigations. Read more about the internal controls program at Sandvik on page 43.

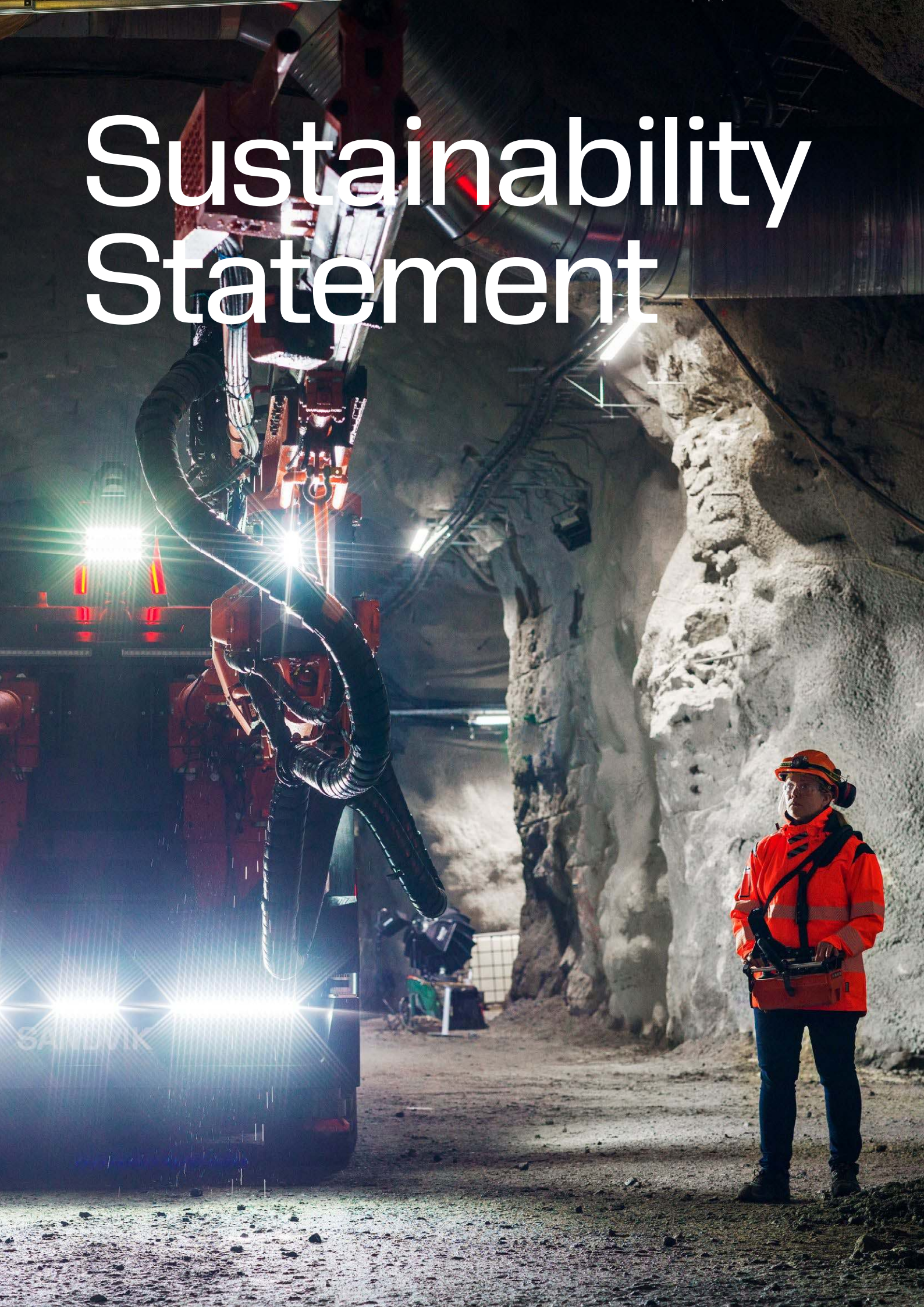
Sustainability and climate change
Assessment and management of sustainability risks are integrated parts of the ERM- and property loss prevention programs and are set out in the Sandvik Key Risks map and Risk Profiles in different parts of the organization. Sandvik has assessed current and future natural and climate change-related hazards for our locations covering 130 individual sites and more than 90 percent of the overall Total Insured Value (TIV).

The assessment reflects the current situation, and models the evolution of natural hazards under different climate change scenarios and at different future time horizons.

The goals of the assessment are to provide an overview of the physical climate risks facing the portfolio of sites at different time horizons and under different climate change scenarios, and to establish a ranking of locations from high to low climate risk based on climate data and insured values. The assessment is used to support in the identification and prioritization of management actions within the loss prevention program, which may include in-depth assessments of sites and investments in resilience measures, as upcoming steps in the Sandvik climate resilience journey.

Strategic objective	Key risk	What this means	Examples of what do we do (mitigation)
Shift to growth	**Geopolitical development**	— Regionalization/nationalization — Increasing trade tariffs — Armed/hybrid conflicts — Extreme weather events/climate change	— Tariff mitigation plans from all business areas — Property loss prevention and environmental resilience review
	Geographical agility	— Lower growth projections in some key markets — Heavy European footprint	— Footprint optimization — Regional growth strategy and segments
	Acquisition value creation	— Business case delivery	— Capital allocation
	Business transformation	— Electrification of the mine — Closed-loop manufacturing — Execution of digital shift and data driven productivity	— Business area M&A and partnership strategies — Six moves/digital strategy
Digital shift	**Digital disruption**	— Cybersecurity — Information security — Disruption by digital players — Embracing AI	— Cybersecurity improvement program — Implementation of NIS2 EU directive — Data management projects — Establishing Intelligent Manufacturing — Execution of Digital Mining and digital offering — AI adoption plans for all parts of the business
Sustainability shift	**Compliance**	— Third-party risks — Stricter financing requirements — Trade compliance and sanctions	— Intermediary management program — Update digital tools for third parties — Compliance digital improvement project
Agile through cycle	**Managing the EBITA corridor and Net Working Capital**	— Controlled ramp-up — Inefficient use of capital — Contingency fatigue	— Restructuring projects — Contingency plans, four phases, performance management — Pricing initiatives and follow-up, incl. mitigating tariffs and weaker USD — Inventory management projects in all business areas and divisions — Actions on employee engagement
Customer's 1st choice	**Changing customer needs/requirements**	— Customer centricity — Adapting to market transformation — Customer requirements on cyber- and information security	— Cybersecurity improvement program/NIS2 implementation
	Change management	— Operating structure — Transformative leadership capabilities	— Leadership education for change
	Competition from emerging markets	— Technology and innovation race — Market share threat — Cost competitiveness — New business models	— Keep improving productivity and safety to demonstrate the value proposition — Clear M&A strategies and pipelines — Develop execution capability and speed
Employer of Choice	**Key talent attraction /retention**	— New talent (digital, electrification, sustainability) — Reskill existing workforce	— Business areas, divisions and Group functions have competency plans in place — Group common employer branding initiatives targeting new competence areas

Sustainability Statement



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BP-1 General basis for preparation of the sustainability statement and BP-2 Disclosures in relation to specific circumstances

The sustainability statement within the administration report constitutes Sandvik statutory sustainability statement in accordance with the Annual Accounts Act (ÅRL). The report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and includes the disclosures required by the EU Taxonomy Regulation.

This is the first year of reporting according to the Corporate Sustainability Reporting Directive (CSRD). As additional guidance on interpretation continues to develop practices on implementation of the European Sustainability Reporting Standards (ESRS) will become more established. We will continue to monitor these developments to apply and strengthen our sustainability statement. We have updated our sustainability reporting to align with the ESRS. This has resulted in some changes in how we measure certain metrics compared to previous years mainly under S1 Own workforce due to use of headcount. Information on how each metric is prepared can be found in the reporting principles of each disclosure requirement. The sustainability statement is prepared at a consolidated level for Sandvik Group, and the scope of reporting is consistent with the financial statement. See note P11 for a list of entities included in the figures unless otherwise specified. The figures presented are accumulated for the 2025 fiscal year for all legal entities, unless stated otherwise. Sandvik applies the following definitions for time horizons: short-term equals the reporting year, medium-term one to five years, and long-term more than five years.

The sustainability statement covers the material aspects identified in the double materiality assessment (DMA) for the areas of environment, social, and governance, and includes own operations, upstream, and downstream value chains.

An independent assurance provider has undertaken a limited assurance of the Sandvik Annual Report 2025.

We have not omitted any disclosures due to ongoing negotiations, nor have we omitted any information due to reasons of intellectual property.

Metrics subject to measurement uncertainty	E1-6 scope 3, S1-16 pay gap
Phase in provisions	E1-9, E5-6, S1-7, S1-14
	Value chain entity specific metrics for E3, E4, S2 downstream, and S3
Entity specific metrics	E1-6, S1-5, S1-16, S2-5

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Disclosure requirement	Section	Paragraph	Page
GOV-1 The role of the administrative, management, and supervisory bodies	Corporate governance	The Sandvik Way, Nomination Committee for 2026 AGM, 4. Board of directors - Composition and competence, Board of Directors, Independence, 5. Audit Committee	38-41, 44-45
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies	Corporate governance	Corporate governance model, Board proceedings during 2025, 5. Audit Committee	39, 40-41
GOV-5 Risk management and internal controls over sustainability reporting	Corporate governance	5. Audit Committee, Internal control over financial reporting	41, 43
IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities	Risk management	Risk management	48-50

GOV-1 The role of the administrative, management and supervisory bodies

The Board is responsible for setting the business focus, business portfolio, and overall short and long-term operational objectives, and for adopting key policies to ensure the long-term sustainability of the business. The Board identifies how sustainability issues impact risks and business opportunities, and approves the company's strategic plans for long-term sustainability goals, based on an assessment of actual and potential impacts, risks, and opportunities. Guidelines for risk management, which include actual and potential sustainability risks, are reviewed and adopted regularly.

The Board ensures that Sandvik has routines to safeguard that principles for financial and sustainability reporting, and related internal controls, are applied. It also oversees that sustainability reports are produced in accordance with legislation, accounting and reporting standards, and other requirements for listed companies.

The Audit Committee, appointed by the Board, prepares matters for the Board concerning sustainability reporting, compliance and risk management, internal controls, internal and external audits, and Sandvik financial and sustainability information. The Committee also reviews and discusses any Group policies that are to be adopted by the Board. It assists the Board in these matters, reporting observations and, if and when necessary, making recommendations and proposals for actions and resolutions.

The Audit Committee examines accounting principles to ensure alignment with accepted sustainability reporting practices. It also oversees the company's compliance with applicable laws and regulations governing sustainability reporting and makes recommendations to ensure the reliability of the reporting.

Group Executive Management is responsible for the Sandvik overall strategy, including sustainability. Implementation and follow-up is managed by the Group functions, business areas and divisions. Each business area assesses and manages sustainability risks within its operations, while Group Sustainability coordinates the sustainability agenda together with the business areas and Group functions.

Strategic objectives are adopted by the President & CEO and the Group Executive Management, to ensure delivery of the strategy, and selected objectives are approved by the Board. Key results are consolidated and reported to track objectives at both Group and business area levels. Performance is assessed quarterly, and targets and actions are set for the upcoming year.

Although Sandvik's operational structure is decentralized, all parts of the Sandvik Group adhere to a set of mandatory joint requirements in our governance framework, The Sandvik Way, to ensure performance management, legal responsibilities, and compliance with relevant rules and regulations throughout the organization. Sustainability governance at Sandvik is grounded in the company's business strategy, business model, and international frameworks. Relevant goals are set to address material areas and effectively manage associated impacts, risks, and opportunities.

Policies and management systems have been implemented to ensure financial, environmental, and social compliance. The Group Executive Management has the overall accountability for the implementation of our policies. Each policy owner is responsible for reviewing and updating the policies, taking into account expectations from relevant external stakeholders such as regulators, customers, investors, and Non-Governmental Organizations (NGOs).

Further details on Sandvik governance structure related to business conduct can be found under *Incorporated by reference index*. Data related to the composition of the Board is found under *S1-9.*

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board oversees the company's control mechanisms for assessment of the impact that Sandvik has on the economy, environment, and people, as outlined in the Board's Procedural Guidelines and relevant policies in The Sandvik Way. The Board also ensures that the company has effective management of all sustainability impacts, risks, and opportunities.

The Audit Committee monitors CSRD reporting, including the Group's double materiality assessment which is adopted annually by the Board. The Committee receives regular updates from the sustainability function.

Relevant key results are tracked and reported to the Board and Group Executive Management quarterly, through interim reports and objectives and key results tracking.

Stakeholder engagement is managed through the operational structure, see *SBM-2* for further details.

GOV-3 Integration of sustainability-related performance in incentive schemes

Sustainability is integrated in the business strategy. The financial targets are linked, among other things, to delivering on sustainability performance. Therefore, Sandvik does not apply separate sustainability-related performance in the incentive schemes.

GOV-4 Statement on due diligence

Due diligence at Sandvik consists of several different processes to manage the impact Sandvik has on the economy, environment and people. Our due diligence is managed through policies and procedures in The Sandvik Way. Components of due diligence are under regular development and improvement, and is reviewed yearly. The table below maps where to find information about our due diligence process in our sustainability statement.

Core elements of Due Diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy, and business model	GOV-2, GOV-3, SBM-3, E1-2, E2-1, E3-1, E4-2, E5-1, S1-1, S2-1, S3-1, G1-1, G1-2, G1-3
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2, IRO-1, S1-2, S2-2
c) Identifying and assessing adverse impacts	IRO-1, S1-3, S2-3, G1-2
d) Taking actions to address those adverse impacts	E1-3, E2-2, E3-2, E4-3, E5-2, S1-4, S2-4, S3-4, G1-3
e) Tracking the effectiveness of these efforts and communicating	E1-4, E1-5, E1-6, E2-3, E2-4, E3-3, E4-4, E5-3, E5-5, S1-5, S1-6, S1-9, S1-14, S1-16, S1-17, S2-5, S3-5

GOV-5 Risk management and internal controls over sustainability reporting

Sandvik has an internal control procedure as a part of our sustainability reporting framework, in The Sandvik Way. The purpose of the procedure is to establish a systematic and integrated approach to internal controls for sustainability reporting. It is structured to identify, evaluate, and manage potential risks to ensure that the sustainability statement complies with the qualitative characteristics in ESRS 1. The internal control system aligns with the conceptual framework of Committee of Sponsoring Organizations of the Treadway Commission (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.

Sandvik has adopted a risk-based approach when setting the scope of internal controls for sustainability reporting. We conducted an analysis to identify material risks related to reported metrics and prioritized based on the level of importance for Sandvik. In the risk assessment, we identified risks related to completeness and accuracy of environmental, social and governance (ESG) data that could impact the sustainability statement. These risks are taken into consideration to ensure that adequate controls exist to mitigate these risks. In 2026, we will conduct risk assessments specifically targeting the ESG metrics and related processes to identify any risks and reassess existing ones. Our aim is to enhance our approach to risk evaluation and the related prioritization methodology in subsequent reports, thereby fostering ongoing improvements within our sustainability reporting framework. More information about our risk management and internal controls are available in the incorporated reference index within BP-2.

SBM-1 Strategy, business model and value chain

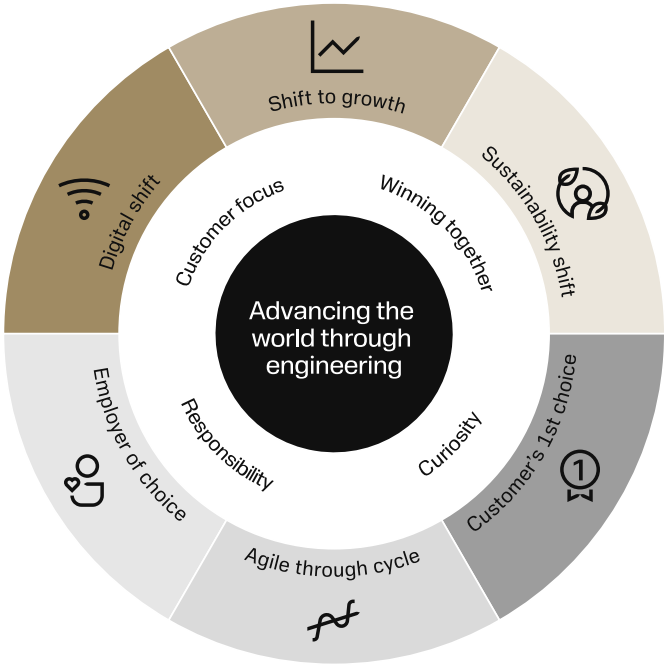
Sandvik is a global, industrial technology group providing solutions that enhance productivity, profitability and sustainability for the mining, manufacturing, and infrastructure industries. We have approximately 43,000 employees and sales in more than 150 countries. Further details about our employees are found under *S1-6*. Our purpose “Advancing the world through engineering” has been adopted by the Group Executive Management and approved by the Board, and forms the basis for who we are. The purpose is supported by our core values, which together with the Code of Conduct, guides us in our daily business decisions and forms the basis of our strategy.

Our strategy aims to create benefits for all our stakeholders – customers, employees and communities, ultimately leading to shareholder value. It rests on our core values, explicit target setting, and a decentralized way of working. Business area, divisional, and function strategies are all guided by the Sandvik Group strategy, but adapted to fit the specific characteristics, opportunities and challenges for each individual part of the business. The strategy includes six strategic objectives for which Sandvik has defined 2025 targets and key results.

The strategic objectives includes Digital shift, Shift to growth, Sustainability shift, Employer of choice, Agile through cycle, and Customers 1st choice. Elements of sustainability are integrated in all of these areas. Sustainability is a major business opportunity for Sandvik, and our solutions help our customers improve productivity, safety, and resource efficiency in their operations. Sandvik aims to be the employer of choice within our industries and attract, retain, and develop diverse talents to drive our strategy.

The ambition with the Sustainability shift is to fully integrate sustainability into business. We have five focus areas within sustainability that support our strategy and long-term sustainability ambitions. Our focus areas include Sustainable solutions, Net Zero, Circularity, People and communities, and Responsible business. Sustainable solutions aims to lead industry innovation through solutions that are clearly differentiated on sustainability, driving value, and creating substantial sustainability gains for our customers and society. About 65 percent of the emissions in our value chain derive from the use of our products. The largest contribution we can make is to help our customers undergo a sustainable transition in mining, manufacturing, and infrastructure through the solutions we provide. Our focus on net zero includes our validated SBTi net zero targets to 2050. We develop products and solutions that strengthen customer efficiency and improve environmental impact related to water, pollution, and greenhouse gas emissions. In our operations we drive efficiency improvements, and we engage our key suppliers in their transition. For people and communities we focus on our safety-first culture working to protect and advance people in our business. We work to respect human rights in our value chain and support resilient communities around us. Responsible business highlights Sandvik commitment to maintaining high standards of business conduct and responsibility built into our operations and throughout our value chain, enabled by transparency and due diligence.

An overview of our value chain and material impacts, risks, and opportunities is found under SBM-3. 2025 is the final year for the current strategy period. As of 2026, the updated five-year strategy, Advancing to 2030, will be implemented.



Business model

Inputs – what we use to create value

Employees
Sandvik utilizes the expertise and experience from our employees, together with insights from close collaboration with customers and suppliers, to develop innovative products and solutions.

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 focus on resource efficiency to minimize the environmental footprint and drive productivity.

Social
We actively engage in the communities where we operate, benefiting our employees and society.

Business activities – how we operate

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

- Lean manufacturing, waste minimization, and energy efficiency improve operational performance and reduce environmental impact, while supporting a circular economy.
- Leveraging technology and digitalization 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

Sandvik develops world-leading products and solutions designed for improved productivity, efficiency, and sustainability.

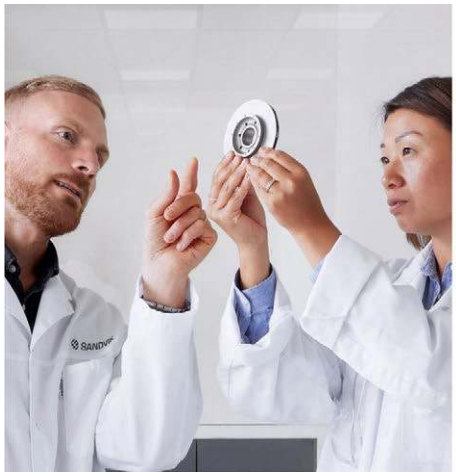
We deliver equipment, such as drill rigs, rock drilling tools and systems, load and haul machines, tunneling equipment, continuous mining and mechanical cutting equipment, crushing and screening equipment, parts and services, mine planning software, and ground support for the mining and infrastructure industries.

Sandvik is a leader in electric and autonomous mining equipment. Electric mining equipment reduces CO_2 emissions, heat and noise. Autonomous mining equipment enables remote fleet control which removes operators from hazardous areas and increases their safety.

Eco-efficient rock processing equipment reduces the energy used per ton of material crushed at the customer site and extends service intervals. The grinding phase is very energy consuming. By working close to customers to optimize comminution circuits, Sandvik can reduce the material size from the crushing plant. Replacing grinding by fine crushing is up to ten times more energy efficient compared to conventional grinding.

Sandvik offers leading solutions for the component manufacturing industry, with engineering, automotive and aerospace as its major customer segments. Our tools and tooling systems for metal cutting and our manufacturing software make component manufacturing more productive, energy efficient and less resource intensive. We aim to optimize, automate and connect the component manufacturing value chain, from design and planning to preparation, production and verification. Circularity includes all parts of the product lifecycle, from design and sourcing to use, and resource recovery.

We create economic value for society through revenues, taxes and wages. Community engagement projects contribute to local economies and communities.



SBM-2 Interests and views of stakeholders

Sandvik has identified a range of stakeholders who are likely to be impacted by the company or have the potential to influence Sandvik. Stakeholder interests are taken into consideration in the strategic planning. We engage with stakeholders to gain insights into their relationships with Sandvik and also to support in identifying potential impacts, risks, and opportunities as part of our materiality assessment. Where dialogues have had an impact on strategy and business model, this is further described in the stakeholder table. Stakeholder engagement is managed through the operational structure.

Sustainability is an integrated part of the reports submitted to the Audit Committee on a regular basis.

Stakeholder group	Type of engagement	Connection to strategy and business model
Customers	Dialogues with customers focused on key areas such as product development for enhanced safety, increased energy efficiency, and electrification.	Customers inform our product development and offering. Customer feedback is directly linked to sustainable solutions in our strategy.
Employees and employee representatives	Continuous communication with employees is ensured through regular meetings, employee surveys and performance dialogues. Sustainability-related perspectives are integrated into Sandvik employee surveys. Sandvik maintains regular interactions and discussions with unions regarding the sustainability agenda. In the Double Materiality Assessment (DMA) Sandvik included diverse perspectives and experience on social topics from internal experts, and outcomes from employee surveys, Speak Up, and other relevant internal processes.	Employees and employee representatives provide valuable input to ESG programs and shape actions and improvement plans to address any issues. Learnings from engagement activities are analyzed and integrated where appropriate into our people strategy.
Shareholders	Sandvik actively engages with shareholders to discuss the implementation of strategic initiatives, the impact of sustainability goals on Sandvik business, specific targets and outcomes, and our contributions to the UN Sustainable Development Goals (UNSDG).	The Board of Directors and Group Executive Management uses this information in the strategic planning for the Group and updated the guidance to management as appropriate, considering the overall balance of different interests.
Suppliers and workers in the value chain	Sandvik actively participates in industry forums to advocate for responsible sourcing of minerals and has collaborated in the development of common industry tools and standards to amplify impact. This engagement includes conflict-affected and high-risk areas, either directly or through subsidiaries. Our involvement includes memberships in the Responsible Minerals Initiative, Cobalt Institute, and the Tungsten Conflict Minerals council. Within the DMA we included different internal perspectives and experiences, and considered external reports, legislation, and frameworks. External sources included reports on working conditions and impacts in relevant industries, supplier risk screenings, and supplier audits.	Supports the understanding and effectiveness of our supplier practices and commitment. Engagement provides learnings of market-specific conditions and challenges and possible improvements to our supply chain programs.
Policymakers, regulators and authorities	We engage with governments indirectly on ESG issues through industry associations. Relevant legislations and frameworks that had the potential to influence the assessment were reflected in the DMA.	Ensure we adhere to regulations. Through continual engagement and dialogue with key policymakers and regulators, we increase our alignment with their objectives, refining our internal policies and business strategies.
NGOs and sustainability experts	Sandvik is a signatory of the UN Global Compact (UNGC) and is active in various industry associations such as Jernkontoret, Svemin, the International Council of Swedish industry (NIR), the Cobalt Institute, the International Tungsten Industry Association, the Responsible minerals initiative, and the Tungsten industry conflict minerals council. In the DMA we have considered reports and views from these organizations.	Access to valuable insights, expertise and best practices which help us identify potential Impacts, Risks, and Opportunities (IROs). Supports in developing relevant ambitions and actions. This may then be integrated into our ESG policies, targets and actions.
Affected communities and nature	We strive to be an engaged partner in the communities in which we operate. Affected communities and nature as a silent stakeholder are taken into consideration in the DMA assessment through reports on environmental and social impact, and engagement with community representatives and employees through internal experts as well as scientific studies.	Informs decisions on community engagement programs and actions on environmental issues.

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Sustainability is integrated in our strategy and represents a major business opportunity for Sandvik. Our solutions help our customers improve productivity, safety, and resource efficiency in their operations. Through our technology leadership and innovation capabilities in areas such as automation, digitalization, and electrification, we have a unique opportunity to drive sustainability in our customers' industries.

We have a clear strategy for driving long-term growth and resilience. Sandvik has a strong platform to leverage on, with global market leading positions, a decentralized operating model, a strong corporate culture, and financial strength. We continuously look at means of improving ways of working, optimizing organizational structure, and strengthen our operational efficiency. 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. Sandvik has an Enterprise Risk Management (ERM) program to support the day-to-day risk management within operations. It covers all business areas, divisions, and functions within the Group. Impacts are managed throughout the business with activities to mitigate negative impacts and strengthen positive ones.

Sandvik aims to be a positive force in shaping the industries of the future, using our expertise and skills to support a sustainable future. In each of our businesses and value chains, we have the opportunity to enable the transformation through innovative sustainable solutions, collaboration with our customers and suppliers, and incorporating responsibility and transparency at every level.

Sandvik has set a clear goal to reduce its greenhouse gas impact across the entire value chain. Our largest impact is through the use of our products and solutions, and we continuously strive to increase productivity and minimize the environmental impact. We aim to increase circularity by using more secondary material in our production and circular business models.

Sandvik has performed a double materiality assessment (DMA) to identify material topics. This assessment was supported by topics included in the Corporate Sustainability Reporting Directive (CSRD) and considered dependencies on natural, social, and human resources. The assessment resulted in material impacts, risks, and opportunities, and forms the basis of this year's CSRD reporting.

Our DMA identified material Impacts, Risks, and Opportunities (IRO) across nine topical standards. The illustration and table on the following pages provides a consolidated list of all our material IROs identified in the 2025 DMA throughout our value chain. A more detailed overview of material IROs specific to each topic is shown under each topical standard. Among our material topics, we have identified four financial risks and four financial opportunities, described in the relevant sections of this report. The illustration includes the value chains that have been assessed in the DMA as likely to generate material impacts, risks, and opportunities. Sandvik is connected to the impacts in our value chain through our business relationships. Our IROs have been assessed over the short, medium, and long-term time horizons.

At the end of the reporting year, we have not identified any material risks and opportunities for which there is a significant risk of material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period.

Sandvik comprises 23 divisions, grouped into three business areas within mining, infrastructure, and manufacturing industries. These are world-leading businesses that share a common purpose and business models to help our customers become more efficient, productive, and sustainable. Sandvik strives to be an enabler in our customers' shifts through a strong focus on innovation and a leading offering in new technologies, digitalization, automation, and sustainable solutions. Sustainability is integrated into our strategy, and our business areas integrate the sustainability shift into their business, through products and services, and activities in their own operations. To fulfill global climate targets, the electrification of society is required, and there is an increasing demand for minerals and fossil fuel-free energy sources. Sandvik is world-leading in electric mining equipment, and supplies tools and tooling systems for the energy industry, including renewable energy. Our largest impact is through our products, and we continuously strive to increase productivity and minimize environmental impact. We aim to increase circularity by using more secondary material in production. We repurchase customers' used cemented carbide inserts, drill bits, and rock tools, and use them to manufacture new tools. We also provide refurbishment of equipment in mining, crushing, and screens. For sustainable solutions we have developed a framework that will serve as the basis for a common way of working and target-setting. We have introduced numerous innovations with a focus on automation, digitalization, and electrification. These improve efficiency and productivity while reducing emissions and waste.

Sandvik impacts, risks and opportunities across the value chain

Positive impacts
— Climate change
— Recycled materials

Negative impacts
— Biodiversity and ecosystems
— Climate change
— Waste
— Water and marine resources
— Workers in the value chain

Upstream

Impacts related to sourcing of minerals and metals, transportation of products, extraction and processing, refining and chemical manufacturing, manufacturing of components/products.

Positive impacts
— Climate change
— Fair treatment for equal opportunity
— Health and safety
— Recycled materials
— Reconditioning and refurbishment

Opportunities
— Climate change
— Recycled materials
— Reconditioning and refurbishment

Negative impacts
— Air pollution
— Business conduct
— Climate change
— Waste

Risks
— Climate change
— Human resources
— Health and safety
— Business conduct

Own operations

All business areas separated by different types of activities such as production sites, employees working at customer sites.

Positive impacts
— Climate change
— Health and safety

Negative impacts
— Affected communities
— Biodiversity and ecosystems
— Climate change
— Pollution
— Waste
— Water and marine resources
— Workers in the value chain

Downstream

Impacts related to transportation of products and people, the end of life of all products (including recycling and buy back programs), mining offering in high-risk areas.

The table below provides a consolidated list of all our material impacts, risks, and opportunities, identified in our DMA 2025, and whether the IRO is connected to our strategy, focus areas, and business model. The list is structured according to the ESRS and does not reflect significance of the impact, risk, and opportunity.

Impacts, risks, and opportunities		Value chain	Description	Connection to the strategy and business model
Climate change	⊕	Upstream, own operations, downstream	Potential impact and contribution to limiting the effects of climate change by enabling the transition to net zero through our product development.	All the material impacts, risks, and opportunities are connected to our strategy, sustainability focus areas, and business model.
Climate change	⊖	Upstream, own operations, downstream	All greenhouse gas emissions contribute to global warming that affects both people and the environment and is considered an actual impact.	
Climate change	↗	Own operations	With the transition to a low-carbon economy Sandvik has the opportunity to supply customers with electrified mining equipment, low carbon cutting tools, and energy efficient products.	
Climate change	⚠	Own operations	Climate risk includes different aspects that may affect the total risk. Factors considered included entities at climate risk, insured value and possible lost business, costs for climate adaptation activities, supply chain and customer disruptions, legal requirements and external expectations, and physical climate impacts that can generate effects throughout our value chain.	
Air pollution	⊖	Own operations	Actual consumption of fossil fuels in our operations, both transport and production activities releases nitrogen oxides (NO_X) and sulfur oxides (SO_X). Air emissions cause eutrophication and acidification of water and soil that affects the environment and people.	
Pollution	⊖	Downstream	Pollution to air, water, and soil is interlinked to several topics, such as water, biodiversity, and affected communities, and have an actual negative impact that can affect both people and environment.	
Water and marine resources	⊖	Upstream, downstream	Actual impacts for water quality and access to water are related to the extraction and processing of minerals and metals. Poor water quality may have a negative effect on health and wellbeing for people and wildlife.	
Biodiversity and ecosystems	⊖	Upstream, downstream	Potential disruptions in ecosystems and decreasing biodiversity affect all living beings, both people and the environment negatively, and is considered an actual impact.	
Recycled materials	⊕	Upstream, own operations	Increased use of recycled material contributes to the transition towards a circular economy and generates potential positive effects both for people and the environment.	
Reconditioning and refurbishment	⊕	Own operations	Prolonging our products' lifespan contributes to a circular economy with a potential positive impact.	
Waste	⊖	Upstream, own operations, downstream	Waste that is not recycled or reused has an actual negative impact on people and the environment. If not handled properly, it may increase pollution to air, water, and soil.	
Recycled materials	↗	Own operations	Our offering related to circularity and recycled material, such as use of recycled materials in products and buyback and recycling programs.	
Reconditioning and refurbishment	↗	Own operations	Our business offering related to reconditioning and refurbishment, regrinding of tools, remanufacturing and redesign, parts and services that support reconditioning of products.	
Fair treatment for equal opportunity	⊕	Own operations	Local and global initiatives with an actual positive impact on our own workforce related to non-discrimination and equal opportunities.	
Health and safety	⊕	Own operations, downstream	Extensive health and safety programs have an actual positive impact on our own workforce. The safety of our products as well as safety checks and improvement plans suggested to customers when Sandvik has employees at a customer site have a potential positive impact downstream.	
Human resources	⚠	Own operations	Not having the right competence and engagement from our employees can affect our ability to deliver on our strategy and financial results.	
Health and Safety	⚠	Own operations	The risk is related to the financial effect if we do not deliver on our health and safety standards.	
Workers in the value chain	⊖	Upstream, downstream	Potential and actual impacts include poor working environment that could result in impacts on health and safety. Serious impacts related to forced or child labor affects the individuals' human rights and overall living conditions, resulting in serious impacts for the individual.	
Affected communities	⊖	Downstream	Local environmental impacts may negatively influence a community's livelihood and the access to a clean and healthy environment. Mining operations may affect the rights of local communities and indigenous people and, if not managed properly, may result in infringement of rights. Considered an actual impact when not mitigated.	
Business conduct	⊖	Own operations	Weak business conduct or violation of anti-bribery and anti-corruption laws and principles can potentially have indirect negative environmental consequences. It may negatively impact company culture and societies where we operate.	
Business conduct	⚠	Own operations	Business conduct as a risk may generate a financial effect in different ways, such as influence on our financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term.	

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities

In the Double Materiality Assessment (DMA), Sandvik considered the topics included in the Corporate Sustainability Reporting Directive (CSRD) and dependencies on natural, social, and human resources. The Sandvik risk management process, Enterprise Risk Management (ERM), risk profile, and existing due diligence processes were used as an input to the assessment. Further information on how sustainability is integrated in our processes is found under *GOV-1* and *GOV-2*.

The impact materiality considered all time horizons, however the scoring was mainly done in the short-term perspective. The medium and long-term perspectives were discussed and, when deemed likely to affect the outcome of the materiality analysis, included in the assessment. Some topics, such as climate change, were considered to have an increasingly negative environmental impact long-term. Since the medium and long-term perspectives are based on assumptions, it was however decided to focus on the short-term perspective. Adjusting the outcome of the DMA for environmental impacts based on the long-term was not deemed necessary since these impacts already were considered material in the shorter time horizons.

The impact assessment evaluated positive, negative, actual, and potential impacts. The assessment started in the value chains where impacts are likely to occur. In line with the Organization for Economic Cooperation and Development (OECD) due diligence framework, this allows for prioritization and focus on value chains where impacts are likely to materialize. Initially, all value chains were considered, of which some were deemed less likely to have material impacts than others. This conclusion was based on stakeholder engagement, both internal expertise and the use of proxies. Upstream value chain included transportation of products and sourcing of minerals and metals from high-risk countries, as well as sourcing of conflict minerals and cobalt. Downstream, the focus was on transportation of products and people, mining sites in high-risk areas, and end-of-life of all our business areas' products.

The process started with reviewing the CSRD list of topics on a sub-sub level where available, and mapping these against the identified scoping of the value chains. Impacts were evaluated using scale, scope, and irremediable character, determining the severity of an impact as well as likelihood for potential impacts.

The evaluation relied on internal expertise from various areas, such as supplier management, environment, human resources, health and safety, community involvement and legal. Participants from different business areas, functions, and geographies within Sandvik brought diverse perspectives and experience on Environmental, Social, and Governance (ESG) topics in the value chain. The assessment also considered external reports, legislation, and frameworks. These sources included the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the OECD Due Diligence Guidance for Responsible Mineral Supply Chains, as well as supplier risk screening through EcoVadis and supplier audits, and were used when engaging directly with affected stakeholders was not possible or not appropriate.

In the financial materiality assessment, risks and opportunities were assessed by the magnitude of the financial consequence as well as likelihood. The financial materiality assessment considered the short-term perspective, which highlighted the most urgent topics, as well as the medium and long-term perspectives that highlight risks and opportunities that may materialize in the longer term. It was concluded that most risks and opportunities were very unlikely to materialize within the short to medium-term. Based on the input collected, a threshold for the topics was defined, above which the topics were deemed material and as such a basis for our reporting.

Climate change

When conducting our DMA, we considered several input sources such as energy and greenhouse gas (GHG) data, environmental permits, audits, insurance data, ISO certificates, and local significant environmental aspects. For the mapping and understanding of Impacts, Risks, and Opportunities (IROs) we used credible proxies and relevant reports, frameworks and media. Engagement with local community is first and foremost managed locally and occurs when applicable to meet laws and regulations.

Based on our GHG inventory of scope 1, 2, and 3 we have screened our activities to assess where our emissions are most significant, both current and potential future emissions. Scope 1 and 2 emissions from our own operations are not a significant part of our total emissions, however material since all emissions contribute to global warming and need to be considered as contributing to climate change. Our scope 1 and 2 emissions mainly relate to fossil energy consumption. Sandvik is actively working to ensure that each division has an action plan in place to enhance energy efficiency and reduce GHG emissions.

Since 2023, our 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. We have committed to reaching net-zero greenhouse gas (GHG) emissions by 2050 at the latest, reducing absolute emissions from our own operations (scope 1 and 2) by 50 percent by 2030 and 90 percent by 2040. We will also reduce absolute emissions from customers, suppliers, and transport (scope 3) by 30 percent by 2030. We have not identified activities or assets that poses a significant risk for us not to reach our GHG emission reduction targets as outlined under locked-in emissions. Further details on our transition plan and targets are found under disclosure requirement *E1-1*.

Climate-related physical risks

The assessment of climate-related physical risks for our own operations involved assessing climate-related hazards on our 130 most important sites based on total insured value. The analysis was performed during 2025. A software tool that uses the geo-coordinates of the sites was utilized to assess their exposure levels to both acute and chronic climate-related physical risks. The assessment tool addressed several climate hazard perils, including flood, precipitation, heatwave, drought, cold wave, hail, sea level rise, wildfire, wind and tornado. The Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathway SSP5-8.5 was applied for the scenario analysis, representing a fossil-fueled development and high-emission scenario. It predicts global warming of 3.3-5.7°C at the end of the 21st century, therefore plausibly reflecting the maximum expected risk exposure in terms of severity and likelihood. The time horizons used were 2030 and 2060. The goal with the assessment was to provide an overview of the physical climate risks facing the portfolio of sites at different time horizons and under different climate change scenarios, and to establish a ranking of locations from high to low climate risk based on climate data and insured values. The assessment is used to support the identification and prioritization of management actions within the loss prevention program, which may include in-depth assessments of sites and investments in resilience measures, as upcoming steps in the Sandvik climate resilience journey.

As a response to the physical risks to our assets, all major locations are part of Sandvik loss prevention program, entailing an assessment of climate change related exposure. In addition, we conduct risk engineering reports for selected exposed assets that inform mitigation actions at site level.

Transition risks

Possible climate-related transition risks were identified and assessed through scenario analysis, considering a pathway aligned with limiting global warming to 1.5°C, with no or limited overshoot. This scenario is suitable for estimating the maximum intensity and speed of transition events, as well as the highest risk exposure. The analysis considered IPCC's low emissions scenario, Shared Socioeconomic Pathways 1 (SSP1), that assumes a future characterized by high electrification rates across sectors, high technology advancement in biofuels, stricter regulations on emitting GHGs, and increased costs associated with fossil fuel consumption.

We have assessed transition events within the categories policy and regulation, technology, market and reputation, where policy and regulation was most prominent from a transition risk perspective. Transition aligned with the Paris Agreement carries minimal risk if implemented globally in a structured manner where long-term clarity and consistent policies are essential for a successful transition. A structured transition becomes an opportunity as Sandvik is well-positioned with solutions for a low carbon economy. In the short to medium-term, rising demand and limited availability of fossil-free energy is expected to increase overall energy costs. Availability of fossil-free electricity will be critical in minimizing the magnitude and duration of associated transition risks.

At present, transition risks have not been identified as a material financial risk for Sandvik. We have adopted net zero targets which are integrated into our strategy and product development processes. Emerging transition risks are incorporated into our Enterprise Risk Management process, where they are monitored as the landscape continues to evolve.

Pollution

We have screened our assets and activities in order to identify the actual and potential pollution-related Impacts, Risks, and Opportunities (IROs) in own operations, upstream and downstream value chain. In our DMA, we considered several input sources such as energy and pollution data, environmental permits, audits, insurance data, ISO certificates and local significant environmental aspects. For the mapping and understanding of IROs we focus on the use of credible proxies and relevant reports, frameworks and media. Engagement with the local community is primarily managed at the local level and occurs mainly in connection with environmental permit processes.

Sandvik has identified material impacts related to pollution throughout our value chain. In our own operation, emissions of nitrogen oxides (NO_x) and sulfur oxides (SO_x) from consumption of fossil fuels related to the transport of products and people have been assessed as material. The release of NO_x and SO_x are interlinked to our climate targets and actions. Downstream, the potential pollution of air, water, and soil from mining activities is material, which we are linked to through our business relationships.

Water

We have screened our assets and activities in order to identify actual and potential water and marine resources-related Impacts, Risks, and Opportunities (IROs) in our value chain. For the mapping and understanding of IROs, Sandvik focuses on the use of credible proxies and relevant reports, frameworks and media. In our Double Materiality Assessment (DMA), we considered several input sources such as water data, environmental permits, audits, insurance data, ISO certificates and local significant environmental aspects. Engagement with the local community is primarily managed at the local level and occurs mainly in connection with environmental permit processes.

Biodiversity and Ecosystems

In the DMA related to biodiversity and ecosystems, we considered all our global assets and operations — and their associated dependencies, impacts, risks, and opportunities.

We have screened our assets and activities in order to identify the actual and potential biodiversity and ecosystems-related impacts, risks, and opportunities in our value chain. For the mapping and understanding of IROs, Sandvik focuses on the use of credible proxies and relevant reports, frameworks and media is considered. We have not engaged in consultations directly with affected communities regarding biodiversity and ecosystems. Negative impacts on biodiversity and ecosystems were identified in our upstream and downstream value chain, mainly related to mining activities and their effect on land use change, pollution and GHG emissions. Disruptions in ecosystems and decreasing biodiversity affect all living beings, both people and environment negatively.

While we acknowledge the significance of biodiversity and ecosystems, our direct dependency on ecosystem services and conversion of natural ecosystems remains limited within our own operations. Investigations on the site's localization, including ecosystems-related aspects, are generally part of the environmental impact assessment when applying for permits. Our sites are predominantly situated in urban industrial areas, minimizing the impact on biodiversity-sensitive areas. Our own mining operation in Austria is located adjacent to an area protected by the Salzburg Nature Conservation Act. The operation has been assessed as having no direct negative impact on biodiversity. We have not identified any sites in our own operations that have activities negatively affecting biodiversity sensitive areas or that affect threatened species. We have not identified material negative impacts with regard to land degradation, desertification or soil sealing.

Resource use and circular economy

Sandvik has identified several impacts related to resource and circular economy where we have an actual or potential material impact on people and environment, either from our own operations or other parts of the value chain. We have also identified opportunities linked to circularity that may have a significant impact on the financial position. Circularity is an integrated part of the Sandvik strategy. In each of our businesses and value chains, we have the opportunity to enable the transformation to a circular economy through innovative sustainable solutions and collaboration with our customers and suppliers.

When conducting our Double Materiality Assessment we considered several input sources such as waste data, environmental permits, audits, ISO certificates and local significant environmental aspects. For the mapping and understanding of impacts, risks, and opportunities we focus on the use of credible proxies and relevant reports, frameworks and media. Engagement with the local community is primarily managed at the local level and occurs mainly in connection with environmental permit processes.

Business conduct
Sandvik operates in countries and industries with elevated corruption and sanctions risks, both directly and indirectly through business relationships. Business conduct as a risk may generate a financial effect in different ways, such as influence on our financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long-term. Risks include increased regulatory requirements, third-party risks, stricter financing requirements and trade sanctions.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

List of included disclosure requirements can be found under Sustainability appendix.

Environmental information

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E1 Climate change

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Sandvik has identified several impacts related to climate change where we have an actual or potential material impact on people and environment, either from own operations or other parts of the value chain. We have also identified climate-related risks and opportunities that may impact the financial position.

The effects of climate change and the need to transition to a low-carbon economy places increasing demands on societies and companies to adapt and innovate. As a result of climate-related physical risks, Sandvik has identified a potential financial risk. The risk assessment for climate considered several different aspects that may affect the total risk. Factors considered included entities at climate risk, insured value and possible lost business, costs for climate adaptation activities, supply chain and customer disruptions, legal requirements, external expectations and physical climate impacts that can generate effects throughout our value chain. Further details on resilience and climate scenario analysis is found under *IRO-1* in the chapter *General information*.

One major consequence 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 solutions for renewables. The growing market for battery-electric vehicles presents significant opportunities for our mining operations.

Climate action is embedded in the Sandvik strategy. We aim to be a key enabler of our customers' transitions through a strong focus on innovation and a leading offering in new technologies, digitalization, automation, and sustainable solutions. About 4 percent of our annual revenues are spent on Research and Development (R&D) to ensure a leading product offering. 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. By focusing on improving customers' productivity and sustainability we secure market-leading positions. Our global reach, local presence and decentralized business model allow us to be flexible and adapt to changing conditions. All our business areas have action plans in place to manage changes in market conditions. As the world transitions to a low-carbon economy, we have opportunities to expand our offering of, for instance, electrified mining equipment, low-carbon cutting tools, and energy-efficient products.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Scope 1 emissions	⊖	Own operations	Direct GHG emissions from fossil fuel and gas consumption.	All emissions contribute to global warming that affects both people and the environment, and are considered as actual impacts.
Scope 2 emissions	⊖	Own operations	Consumption of electricity and heating generating GHG emissions.	
Scope 3 emissions upstream	⊖	Upstream	Sourcing of minerals and metals cause substantial GHG emissions in our upstream value chain, from extraction and refining to transportation and component manufacturing.	
Scope 3 emissions downstream	⊖	Downstream	The use of sold mining and rock processing equipment generates significant GHG emissions in our downstream value chain. In the double materiality assessment, we also considered emissions generated from other mining activities, such as energy usage for ventilation.	
Reduction of GHG impacts	⊕	Upstream, own operations, downstream	The possibility for us to reduce GHG emissions is present throughout the value chain. Our main contribution is the potential to enable the transition through electrification and climate efficient technologies downstream. We work with research and development in our own operations to continue to develop sustainable solutions that supports climate transition.	Potential contribution to limiting the effects of climate change.
Climate change	⚠	Upstream, own operations, downstream	The risk assessment for climate considered several different aspects that may affect the total risk. Factors considered included entities at climate risk, insured value and possible lost business, costs for climate adaptation activities, supply chain and customer disruptions, legal requirements and external expectations and physical climate impacts that can generate effects throughout the Sandvik value chain.	
Climate change	↗	Own operations	Climate opportunities exist within all Sandvik business areas, both in product development and offering. Some examples are electrification, low carbon products and service offering. With the transition to a low-carbon economy, Sandvik has the opportunity to supply customers with electrified mining equipment, low carbon cutting tools and energy efficient products.	

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

E1-1 Transition plan for climate change mitigation

Sandvik has made a long-term commitment to address climate change by setting science-based targets consistent with the Science Based Targets initiative (SBTi).

GHG reduction targets and decarbonization levers

Our transition plan for climate change mitigation outlines our key levers to reach our GHG emission reduction targets. Our GHG emission reduction targets and their compatibility with the limiting of global warming to 1.5°C in line with the Paris Agreement are further disclosed within *E1-4*.

For own operations, we see efficiency measures and usage of fossil-free energy as key enablers for reducing GHG emissions. We approach our scope 1 and 2 emissions through the lens of transportation, production processes, and electricity usage. Our waterfall diagram on scope 1 and 2 reduction is based on these decarbonization levers.

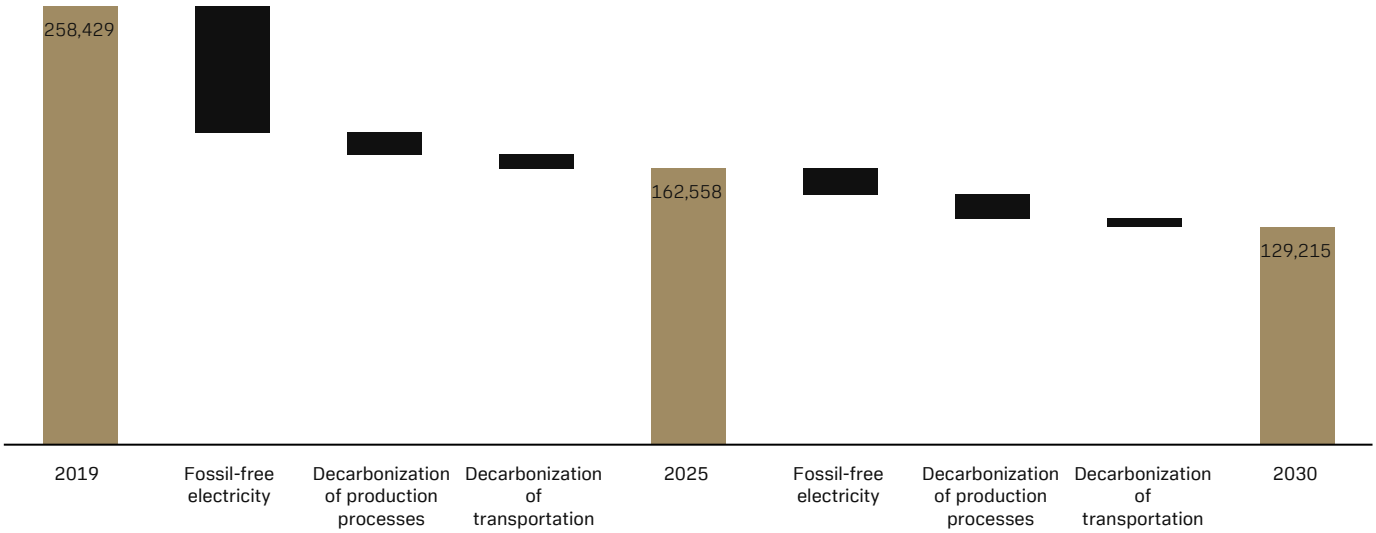
About 65 percent of our value chain emissions are tied to the usage of our sold mining and rock processing products. Reducing these downstream emissions by developing solutions that reduce tailpipe emissions is a key priority. Applicable solutions include, for example, efficiency measures, and engines running on renewable fuels and electrification. In the upstream value chain, initiatives targeting resource efficiency, circularity, and purchasing goods with less embedded GHG emissions are key enablers for reducing GHG emissions. Uncertainties remain however, particularly regarding further developments in the fuel and electricity market, and customer preferences. These external factors are critical for achieving our long-term climate targets. The high degree of dependencies surrounding upstream and downstream emissions makes the mapping of a robust reduction pathway complex. However, we know our emissions hotspots and our focus lies on collaborating with suppliers and customers to reduce emissions. By developing and offering electrified mining and rock processing equipment that enhances customer productivity and profitability, we provide products that enable net zero within the industries that we serve.

The following table discloses our decarbonization levers and how GHG reduction is enabled.

Scope	Decarbonization lever	GHG reduction enabled by
Scope 1	Decarbonization of transportation	Efficiency measures, renewable fuels, electrification
Scope 1	Decarbonization of production processes	Efficiency measures, renewable fuels, electrification
Scope 2	Fossil-free electricity	Efficiency measures, fossil free-electricity
Scope 3	Supply chain decarbonization	Efficiency measures, recycled materials, increased circularity, low-carbon materials, new materials
Scope 3	Decarbonization of transportation and distribution	Efficiency measures, renewable fuels, electrification
Scope 3	Decarbonization of product use phase	Efficiency and productivity measures, R&D, electrification, renewable fuels, electric grid decarbonization

The waterfall diagram below indicates how we aim to reduce our scope 1 and 2 emissions to 2030 and reach our related reduction targets.

Scope 1 and 2 roadmap to 2030, ton CO_2eq (Market based)



Progress in implementing the transition plan
By the end of 2025, we achieved a -37 percent reduction of scope 1 and 2 GHG emissions, demonstrating that we are ahead of our SBTi approved targets for scope 1 and 2. This was achieved through efficiency measures, switching to renewable fuels, and using more fossil-free electricity. Within scope 3, our focus is on supplier engagement to reduce emissions from the supply chain and product development to reduce emissions from the use of sold products. Our scope 3 emissions in 2025 were stable compared to the 2019 baseline. More information about our progress is found within *E1-4.*

Alignment with business strategy and financial planning
Achieving our climate targets is central to our strategy and integrated into our annual business and financial planning. Consequently, the necessary Capital and Operational Expenditures (CAPEX and OPEX) to meet our climate targets and transition plan are included within the business strategy and financial planning for the relevant business segments.

Our ambition to achieve net zero emissions by 2050 and our 2030 GHG emissions targets are approved by the Group Executive Management team and the Board of Directors. Each business area and division contributes to the delivery of the targets, along with specific roadmaps on how to reach the targets.

Assessment of locked-in GHG emissions
Sandvik has conducted a qualitative assessment of potential locked-in GHG emissions from its key assets and products, as well as from the company's value chain. The assessment indicates that our locked-in GHG emissions stem from the use of sold mining and rock-processing products. When calculating the impact from the use of our sold products, we account for the full anticipated lifespan of the products and take a conservative approach by assuming our non-electric vehicles are run on diesel, thereby assuming that the emissions are locked-in. However, all our combustion engine mining vehicles are equipped with engines that are compatible with renewable fuels/biofuels such as Hydrotreated Vegetable Oil (HVO). For certain product categories, such as rotary blast hole drills, we provide customers with the option to convert diesel-powered units to fully electrified versions in the field. By offering these alternatives, emissions from our products can be reduced during the product lifetime which reduces transition risks.

For electric equipment, the GHG emissions are closely linked to the electric grid mix of the country the product is sold to. Sales of electric equipment to countries with a higher share of fossil free electricity result in lower GHG emissions and less locked-in emissions.

We do not consider the locked-in emissions to pose a risk to achieving our GHG emission reduction targets. We are committed to reaching our net-zero target and provide solutions to our customers that have zero tailpipe emissions, such as our electric equipment. As a leading supplier of battery-electric vehicles (BEVs) we are committed to providing our customers with sustainable solutions that reduce their environmental footprint while also increasing efficiency and productivity.

EU taxonomy alignment and EU Paris-aligned benchmarks
Sandvik has minimal economic activity that falls under the scope of the EU taxonomy. As a result, we have not pursued plans for EU taxonomy alignment.

Sandvik is included in the EU Paris-aligned benchmarks.

E1-2 Policies related to climate change mitigation and adaptation

Sandvik has adopted several policies and procedures to manage our material impacts, risks, and opportunities related to climate change mitigation and adaptation.

All climate-related policies and procedures are part of our group governance framework, The Sandvik Way, and accessible on our global intranet. More information on our policy governance is found under *GOV-1*. Our Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, Risk management policy and a short version of the Environment, Health and Safety (EHS) policy are accessible on our external website home.sandvik.

Impacts, risks, and opportunities	Policy	Scope	Policy owner	Key content
Reduction of GHG impacts, climate change	Sustainability policy	Upstream, own operations, downstream	Head of Group Communications and Sustainability	— Commitment to reduce scope 1, 2, and 3 GHG emissions to reach net zero in our value chain by 2050. — Development of products that enhance customers' environmental performance.
Climate change	Risk management policy and procedures	Upstream, own operations, downstream	General Counsel	— Identification and evaluation of material strategic, business, and financial risks. — Property loss prevention. — Business continuity management. — Insurance.
Reduction of GHG impacts	Supplier Code of Conduct	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Requirements to calculate, document, and plan the mitigation of GHG emissions. — Encouragement on setting GHG emission reduction targets in line with the Paris Agreement.
Reduction of GHG impacts	Code of Conduct	Own operations	General Counsel	— Commitment to environmental responsibility when operating our business and providing products and services.
Reduction of GHG impacts	EHS policy	Own operations	Head of Human Resources	— Commitment to protect the environment. — Commitment to reduce scope 1 and 2 GHG emissions, to support our net zero transition. — ISO 14001 requirement for major locations.
Reduction of GHG impacts	Energy efficiency and sourcing guideline	Own operations	Head of Human Resources	— Application of energy efficient technology. — Renewable energy deployment and sourcing of fossil-free energy.
Reduction of GHG impacts	Business Partner Code of Conduct	Downstream	General Counsel	— Requirements to calculate, document, and plan the mitigation of GHG emissions. — Encouragement to set GHG emission reduction targets in line with the Paris Agreement.

E1-3 Actions and resources in relation to climate change policies

Our climate-related policies, along with group objectives and targets, guide our climate-related actions. Each business area develops plans to meet the Group objectives, with annual targets set to drive performance at all organizational levels. Our decentralized way of working empowers sites, divisions, and sales areas to implement mitigation actions that are relevant in their respective context or market. Common focus areas, ways of working, and best practices are shared and decided upon within the business areas and the Sandvik Group councils. The councils also appoint working groups to address specific topics on climate change, such as energy efficiency and sourcing.

As stated within *E1-2*, we require that all major sites (non-administrative Sandvik sites with more than 25 individuals) attain external ISO 14001 certification. At the end of 2025, about 75 percent of the established sites had achieved this certification (recently commenced and acquired sites excluded).

Through our community involvement and sponsorship activities, we have the opportunity to contribute to addressing climate-related challenges in the areas where we operate. For example, this may include supporting local communities with solutions to help mitigate the impacts of climate change.

The necessary Capital and Operational Expenditures (CAPEX and OPEX) to meet our climate targets and transition plan are embedded within the business strategy and financial planning for the relevant business segments. There were no significant monetary amounts of CAPEX and OPEX identified to implement the transition plan for 2025, and the years up to 2030.

In the following table, our climate-related implemented key actions in 2025 are disclosed and linked to our decarbonization levers. The actual GHG reductions resulting from the implemented key actions are included in our GHG calculations, disclosed in *E1-6*. Expected reductions from future actions are incorporated into our transition plan which is disclosed in *E1-1*.

IRO/ Decarbonization lever	Description	Scope	Key actions	Time horizon
Decarbonization of transportation (scope 1)	Actions to reduce emissions from transportation and mobile equipment include efficiency measures, fuel switching to renewable fuels, as well as electrifying transportation.	Own operations globally	— Expansion of battery electric, HVO and hybrid car fleet in, for instance, sales area northern Europe, south-east Asia, and USA. — Fossil-fuel powered forklifts replaced with electric ones at several sites, including Ballygawley (Northern Ireland), Changzhou (China), and Elko (USA). — Sites in Tampere and Turku (Finland) changed to HVO in test-running of mining products.	2025 2025 2025
Decarbonization of production processes (scope 1)	Actions to reduce emissions from production processes and stationary equipment include efficiency measures, fuel switching to renewable fuels, as well as electrifying processes.	Own operations globally	— Energy-efficiency measures implemented at sites across Sandvik. — Installation of new carburization furnace at our site in Sankt Martin im Sulmtal (Austria), which improves energy efficiency and reduces electricity and hydrogen consumption. — Energy savings via Powder Line Gas Reduction project continued in Ballygawley (Northern Ireland), reducing usage of liquefied petroleum gas.	2025 2025 2025
Fossil-free electricity (scope 2)	Actions to reduce emissions from electricity include efficiency measures and utilizing fossil-free electricity.	Own operations globally	— Energy-efficiency measures implemented at sites across Sandvik. — Expanded usage of own produced renewable electricity.	2025 2025
Supply chain decarbonization (scope 3, category 1)	Sourcing of low-carbon materials and circularity/ecodesign initiatives are integral parts of reducing emissions from purchased input materials. We create circular business models to keep valuable materials in circulation, for instance by running buyback/recycling programs for our used tools and carbide drill bits. Our Bergla® tungsten carbide powder is made entirely of recycled material. We run reconditioning programs for our solid round tools and refurbishment programs to prolong the life of our mining and rock processing equipment.	Upstream globally	— The Seco division changing to packaging made of 98-100% recycled plastic. The change will result in an estimated reduction of 131 tons of CO_2eq emissions annually. — Divisions Rock Tools and Ground Support increased their scrap-based steel supply, engaging with suppliers that use Electric Arc Furnace (EAF) in their steelmaking process. — Sandvik is the first supplier in the industry to be certified for circularity in the production of key crushing components. Through a validated process in our foundry in Svedala (Sweden), worn-out steel parts are collected, recycled, and reintroduced into the melting process to form new genuine parts like mantles and concaves. As a result, more than 90% recycled steel is used in production, saving large amounts of virgin raw material, and up to 16,000 tons of CO_2eq emissions annually.	2025 2025 The closed-loop approach has been in place for more than 15 years.
Decarbonization of transportation and distribution (scope 3, category 4 and 9)	Initiatives that reduce GHG emissions in scope 3 category 4 and 9, on upstream and downstream transportation and distribution. For instance, efficiency measures, changing mode of transport, fuel switching and electrification.	Upstream and downstream distribution globally	— Division Rock Tools, together with long-standing logistics partner Expresservice, launched a biogas-powered truck for deliveries of rock tools from our warehouse in Sandviken (Sweden). The new truck reduces emissions by up to 65 tons of CO_2eq per year.	2025
Decarbonization of product use phase (scope 3, category 11)	The largest contribution we can make is to help our customers undergo a sustainable transition in mining, manufacturing, and infrastructure through the solutions we provide. Our electric mining and rock processing equipment increases our customers' productivity, while reducing their environmental impact, and helping them to reach their sustainability targets.	Downstream globally	— We received our largest BEV order to date as South32 selected Sandvik to supply 22 battery-electric vehicles for its greenfield Hermosa critical minerals project in Arizona (USA). — A joint initiative from Vericut and Seco Tools that boosts sustainability received the 2025 *Sandvik Sustainability Award in Memory of Sigrid Göransson*. By optimizing numerical control (NC) programs using Vericut® Optimizer software, manufacturers can reduce cycle times, energy consumption, and tool wear. — We launched the first battery-electric cable bolter on the market and thereby expanded our industry-leading battery-electric underground drill offering. Sandvik DS422iE uses lithium-iron phosphate (LFP) battery power instead of a diesel engine and offers zero emissions tramming, drilling, bolting and grouting. The LFP battery chemistry provides maximum safety underground while delivering the highest level of productivity and utilization of the equipment. — We launched electric versions of the entire range of the next generation's intelligent rotary blast hole drills. In addition, we offer customers the ability to convert a diesel-powered unit to a fully electrified version in the field. — We started providing product-specific GHG emission calculations to help customers better understand the carbon footprints of our mining equipment. The methodology takes a lifecycle perspective and is third-party verified. By providing verified emissions data, we not only enhance transparency but also support our customers in achieving their sustainability goals.	2025 2025 2025 2025 2025
Climate adaptation	We work to reduce the physical risks posed by climate change and strengthen resilience across our operations.	Own operations globally	— We conducted an updated scenario analysis to assess climate-related physical risks at our own sites, helping us better understand potential risks, and inform resilience planning. — We completed 15 climate-related recommendations from our property insurance partner to mitigate climate-related physical risks and exposure at our locations.	2025 2025

E1-4 Targets related to climate change mitigation and adaptation

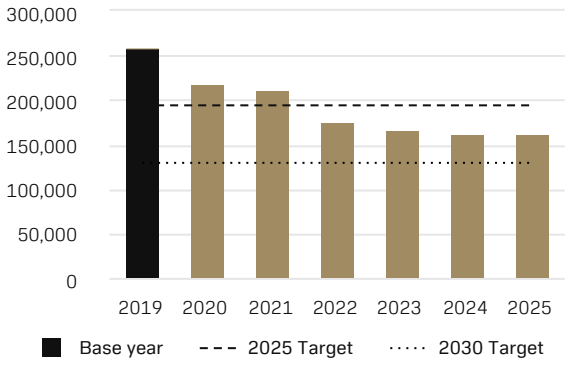
Climate change mitigation

In 2023, our targets to reduce GHG emissions were validated by the Science Based Targets initiative (SBTi). We are committed to:

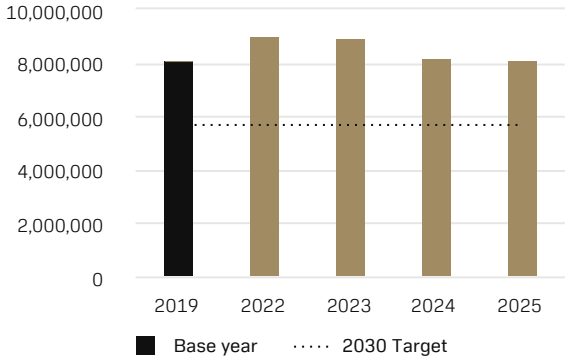
- Reduce absolute scope 1 and 2 GHG emissions by 50% by 2030, with 2019 as the baseline.
- Reduce absolute scope 3 emissions by 30% by 2030, with 2019 as the baseline.
- Reduce absolute scope 1 and 2 GHG emissions by 90% by 2040, with 2019 as the baseline.
- Reach net-zero GHG emissions across the value chain by 2050 at the latest.

In 2025, we reached a scope 1 and 2 reduction of -37 percent (-37), compared to the 2019 baseline. Our scope 3 emissions in 2025 were stable compared to the 2019 baseline. Progress on our 2030 targets is disclosed below.

Scope 1 and 2, ton CO_2eq (market-based)



Scope 3, ton CO_2eq



We have not adopted any group-wide targets related to renewable energy deployment, energy efficiency, and transitional risk mitigation. As a highly decentralized, global and diverse company, targets on, for instance, energy efficiency are implemented at division and site level. We track the effectiveness of our policies through several monitoring processes, where each policy outlines how compliance is monitored. The monitoring includes internal control, employee surveys, and internal and external audits.

To achieve our GHG emission reduction targets, we consult with employees, customers, and suppliers to determine new technologies to, for instance, advance our product offering and optimize production processes within our operations. The integration of these technologies is important for meeting our targets. Sandvik is a global, industrial technology group providing solutions that enhance productivity, profitability, and sustainability for the mining, manufacturing, and infrastructure industries, adopting and developing new technologies is at the core of our business. “Accelerate digital” is one of our strategic objectives. We see a growing opportunity to develop our customer offering through digital solutions, to support our customers to become more efficient, productive, and automated. Digitalization is a tool for us to stay competitive and develop sustainable solutions.

Baseline	Baseline value, ton CO_2eq
Scope 1 and 2, 2019	258,429
Scope 3, 2019	8,107,000

The International Energy Agency (IEA) climate scenario Net Zero Emissions by 2050 Scenario (NZE) served as our underlying policy and climate scenario when we set the targets. The scenario describes what is needed for the global energy sector to achieve net-zero CO_2eq emissions by 2050. The targets have not been derived using a sectoral decarbonization pathway, as no relevant pathway is available for our type of sector.

We monitor and review the scope 1 and 2 target progress at all levels within the organization on a quarterly basis. The data collection is based on the quarterly energy and GHG reporting that takes place on location level. More information about our reporting principles is found within *E1-5* Energy consumption and mix and *E1-6* Gross scopes 1, 2, 3, and total GHG emissions. We are on track towards reaching our 2030 scope 1 and 2 target.

We monitor and review the scope 3 target progress on a divisional, business area and Group level annually. The data collection is based on our scope 3 inventory. More information about our reporting principles is found within *E1-6* Gross scopes 1, 2, 3, and total GHG emissions. The current progress pace is lagging behind the linear target progress for the near-term scope 3 target.

Our decarbonization levers and their overall contributions to achieve the GHG emissions reduction targets are described in the following table.

Scope	Decarbonization lever	Description	Overall quantitative contributions to achieve the GHG emission reduction targets
Scope 1	Decarbonization of transportation	Actions to reduce emissions from transport and mobile equipment include efficiency measures, fuel switching to renewable fuels, as well as electrifying transport.	Approximately 1%
Scope 1	Decarbonization of production processes	Actions to reduce emissions from production processes and stationary equipment include efficiency measures, fuel switching to renewable fuels, as well as electrifying processes.	
Scope 2	Fossil-free electricity	Actions to reduce emissions from electricity include efficiency measures and utilizing fossil-free electricity.	Approximately 1%
Scope 3	Decarbonization of product use phase	Initiatives that reduce our scope 3 category 11 emissions. For instance, more energy-efficient products, electric products, and eco-efficient rock processing.	Approximately 65%
Scope 3	Supply chain decarbonization	Initiatives that reduce our scope 3 category 1 emissions. For instance, changing input materials to ones with less embedded GHG emissions, circularity efforts to close the loop, resource efficiency measures.	Approximately 25%
Scope 3	Decarbonization of transportation and distribution	Initiatives that reduce GHG emissions in scope 3, category 4 and 9, on upstream and downstream transportation, and distribution. For instance, efficiency measures, changing mode of transport, fuel switching, and electrification.	Approximately 5%
Other Scope 3 initiatives	Other scope 3 initiatives	Initiatives that reduce our scope 3 emissions within other categories than the ones mentioned above.	Approximately 3%

§ Reporting principles

All greenhouse gases, facilities, activities, geographies, operations, and scope 3 categories are included in our GHG reduction targets. We employ the operational control approach, as outlined in the GHG Protocol Corporate Standard. We include all our subsidiaries' emissions under operational control in the target boundary, which aligns with our GHG inventory boundaries. We do not have any significant joint ventures.

Our targets are gross targets, meaning that we do not include GHG removals, carbon credits or avoided emissions as a means of achieving the GHG emission reduction targets. Scope 1 and 2 relates to approximately 1 percent of our total GHG emissions each, whereas scope 3 relates to approximately 98 percent. For scope 2, the targets refer to market-based GHG emissions.

Our baseline and baseline values are disclosed in the baseline table. 2019 was selected as the base year since it was considered to be the most recent representative year prior to the COVID-19 pandemic.

Climate change adaptation

Sandvik has not adopted any specific targets on climate adaptation on a Group level. Sandvik recognizes 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, and our insurance-focused site visits. We track the effectiveness of our policies through several monitoring processes, where each policy outlines how compliance is monitored.

E1-5 Energy consumption and mix

Energy consumption and mix, MWh	2023	2024	2025
Fossil energy consumption			
Fuel consumption from coal and coal products	0	0	0
Fuel consumption from crude oil and petroleum products	174,124	169,541	153,842
Fuel consumption of diesel for backup power	106	1,128	3,291
Fuel consumption from natural gas	187,287	192,814	195,842
Fuel consumption from other fossil sources	0	0	0
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	223,243	214,074	210,415
Total fossil energy consumption	584,759	577,557	563,390
Share of fossil sources in total energy consumption, %	*51.9*	*51.0*	*51.1*
Nuclear energy consumption			
Total consumption from nuclear sources	159,732	276,586	374,495
Share of consumption from nuclear sources in total energy consumption, %	*14.2*	*24.4*	*34.0*
Renewable energy consumption			
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources	9,102	9,572	10,152
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	365,364	256,550	141,144
Consumption of self-generated non-fuel renewable energy	8,334	11,586	13,427
Total renewable energy consumption	382,800	277,708	164,722
Share of renewable sources in total energy consumption, %	*34.0*	*24.5*	*14.9*
Total energy consumption	**1,127,291**	**1,131,851**	**1,102,607**

Energy intensity per net revenue, MWh/MSEK	2024	2025	Yearly change, %
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	9.2	9.1	-1

§ Reporting principles

The energy data is sourced from our Environment, Health and Safety (EHS) reporting system, with reporting occurring quarterly at the entity level. The collection of energy data primarily relies on information provided by suppliers and electricity meter readings. A minimal share of the energy data is estimated by using external statistics and industry averages.

The energy data is offset by one month, allowing time for data collection, quality control, and consolidation. The energy data is gathered for the period January to November, the December data is estimated based on the previous year' December data. All energy data refers to continuing operations. The historical data has been updated to include acquisitions and to reflect our organizational structure as of 2025, to get a comparable dataset.

Data on grid electricity consumption from nuclear and renewable sources are accounted for based on Energy Attribute Certificates (EACs). Grid electricity consumption not covered by EACs are accounted as electricity from fossil sources. District heating consumption with a CO_2eq emission factor above zero is accounted as heat produced from fossil sources. District heating consumption with a CO_2eq emission factor of zero is accounted as heat produced from renewable sources.

Net revenue is based on the Group's total revenue in the income statement. All Sandvik activities are defined as "high climate impact sectors". Our activities are included as manufacturing in the NACE sector C.

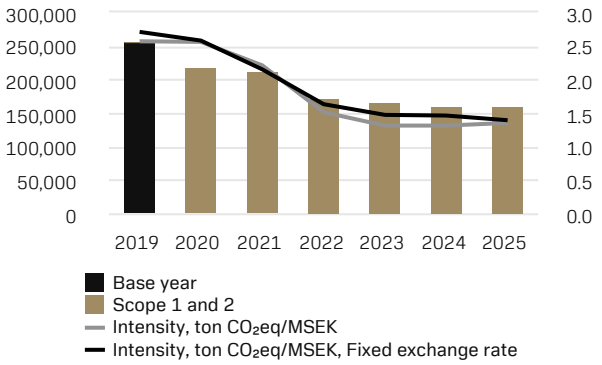
E1-6 Gross Scopes 1, 2, 3, and Total GHG emissions

		Retrospective			Targets		
Scope, ton CO_2eq	**Baseline 2019**	**2024**	**2025**	**Yearly change, %**	**2030**	**2050**	**Annual % target / Base year**
Scope 1							
Gross scope 1 GHG emissions	99,979	81,458	78,326	-4	Reduce scope 1 and 2 with 50%	Net zero	-3%
Percentage of scope 1 GHG emissions from regulated emission trading schemes, %	0	0	0	0	N/A	N/A	N/A
Scope 2							
Gross location-based scope 2 GHG emissions	215,054	216,042	217,754	1	N/A	N/A	N/A
Gross market-based scope 2 GHG emissions	158,450	80,938	84,232	4	Reduce scope 1 and 2 with 50%	Net zero	-3%
Scope 3							
Total gross indirect (scope 3) GHG emissions	8,107,000	8,211,000	8,145,000	-1	Reduce with 30%	Net zero	-3%
Category 1: Purchased goods and services	1,768,000	2,184,000	2,046,000	-6	N/A	N/A	N/A
Category 2: Capital goods	62,000	41,000	47,000	15	N/A	N/A	N/A
Category 3: Fuel and energy related actions	52,000	80,000	76,000	-5	N/A	N/A	N/A
Category 4: Upstream transportation and distribution	321,000	271,000	376,000	39	N/A	N/A	N/A
Category 5: Waste generated in operation	26,000	22,000	22,000	0	N/A	N/A	N/A
Category 6: Business travel	79,000	55,000	58,000	5	N/A	N/A	N/A
Category 7: Employee commuting	57,000	55,000	57,000	4	N/A	N/A	N/A
Category 8: Upstream leased assets	8,000	6,000	6,000	0	N/A	N/A	N/A
Category 9: Downstream transportation and distribution	11,000	2,000	2,000	0	N/A	N/A	N/A
Category 10: Processing of sold goods	6,000	1,000	1,000	0	N/A	N/A	N/A
Category 11: Use of sold products	5,709,000	5,489,000	5,449,000	-1	N/A	N/A	N/A
Category 12: End-of-life treatment of sold products	7,000	5,000	5,000	0	N/A	N/A	N/A
Category 13: Downstream leased assets	0	0	0	0	N/A	N/A	N/A
Category 14: Franchises	0	0	0	0	N/A	N/A	N/A
Category 15: Investments	0	0	0	0	N/A	N/A	N/A
Total GHG emissions							
Total GHG emissions, location-based	8,422,033	8,508,500	8,441,080	-1	N/A	N/A	N/A
Total GHG emissions, market-based	8,365,429	8,373,396	8,307,558	-1	N/A	N/A	N/A

Biogenic emissions, ton CO_2eq	**2023**	**2024**	**2025**
Scope 1	2,094	2,117	2,364
Scope 3	16,000	14,000	14,000

GHG intensity per net revenue, ton CO_2eq/MSEK	**2024**	**2025**	**Yearly change, %**
Total GHG emissions (location-based) per net revenue	69	70	1
Total GHG emissions (market-based) per net revenue	68	69	1

Scope 1 and 2 intensity (ton/MSEK) – entity specific metric



§ Reporting principles

Scope 1 and 3 calculations encompasses carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydroflourocarbons (HFCs), perflourocarbons (PFCs), sulfur hexaflouride (SF_6), and nitrogen triflouride (NF_3). The scope 2 calculations are limited to CO_2 emissions since it is the only emission that energy companies are obligated to report. Thus the emission factors are also limited to CO_2. This exclusion is estimated to represent less than 1 percent of total emissions.

Emission factors sourced from the UK Department for Environment, Food & Rural Affairs, Ecoinvent, IEA, US EPA Power Profiler, Canada's National Inventory Report, and Exiobase, are utilized along with supplier-specific data. Emission factors represent Global Warming Potential values based on a 100-year time horizon (GWP100).

Scope 1 and 2 calculations are based on energy consumption data, reported on a quarterly basis by our entities in our EHS reporting system. For details, see *E1-5* reporting principles.

Reporting of biogenic emissions are limited to scope 1 and 3. Scope 1 biogenic emissions relate to the use of biofuels, such as ethanol, biogas, and bio-based fractions of gasoline and diesel, within our own operations. We account for a reduction in fossil GHG scope 1 emissions following our purchase of biogas, which takes place through contractual instruments. Location-based and market-based emission factors for scope 2 do not separate the percentage of biomass or biogenic CO_2, CH_4, and N_2O, and therefore scope 2 biogenic emissions are not reported. Biogenic scope 3 emissions are related to the bio-based fraction of diesel within use of sold products.

Within scope 2, we monitor both location-based and market-based GHG emissions, where the difference is due to the purchase of renewable or fossil-free energy certificates. In 2025, about 75 percent of the grid electricity was covered by renewable and nuclear energy certificates.

Scope 3 emissions are calculated on an annual basis and consolidated to Sandvik Group level. In our scope 3 calculations, we employ a hybrid approach combining both screening and inventory-based methodologies. It is important to apply caution when analyzing scope 3 data, as it represents a complex methodology and includes data uncertainty. Spend-based emission factors, including the influence of inflation and currency fluctuation, causes data uncertainty, and we aim to move away from spend-based data to enhance data reliability.

Our primary scope 3 categories are "1: Purchased goods and services" and "11: Use of sold products". The "Purchased goods and services" category is primarily influenced by the procurement of steel and cemented carbide. The "11: Use of sold products" category relates to fuel consumption, including diesel, and electricity in our sold mining and rock processing equipment. The data is based on sales volumes and the anticipated lifespan of these products. Collaborating closely with quality assurance, services, and repair teams allows us to extend the operational lifespan of our products. These activities will, however, increase the category 11 emissions as the emissions account for the entire life expectancy of the product. For sold products equipped with combustion engines, we take a conservative approach and assume the equipment is run on diesel. For electric equipment, GHG emissions are closely linked to the electric grid mix in the country the product is sold to. Sales of electric equipment to countries with a high share of fossil free electricity in their grid result in lower GHG emissions.

For the entity specific metric of scope 1 and 2 intensity, two separate intensity metrics are disclosed, both revenues at fixed exchange rates and revenues according to the income statement has been used.

E1-8 Internal carbon pricing

Sandvik Group has not implemented an internal carbon pricing procedure.

E2 Pollution

Pollution, including air, water, and soil pollution, were identified as material in our double materiality assessment.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Nitrogen oxides and sulfur oxides (NO_X and SO_X)	⊖	Own operations	Actual consumption of fossil fuels in our operations, both within transport and production activities.	Emissions cause eutrophication and acidification of water and soil that have negative effects on the environment and people's health.
Pollution	⊖	Downstream	Impact related to mining operations that may cause pollution related to air, water, and soil.	Pollution is interlinked to several topics, such as water, biodiversity, and affected communities, pollution may have a negative impact on all these topics that can affect both people and environment.

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

E2-1 Policies related to pollution

Sandvik has several policies and procedures to manage our material impacts related to pollution. All pollution-related policies and procedures are part of our Group governance framework, The Sandvik Way, and are accessible on our Group intranet. More information on our policy governance is found under *GOV-1*. Our Code of Conduct, Sandvik Business Partner Code of Conduct and a short version of the EHS policy is accessible on our external website home.sandvik.

IRO	Policy	Scope	Policy owner	Key contents
Nitrogen oxides and sulfur oxides (NO_X and SO_X)	Code of Conduct	NO_X and SO_X within own operations	General Counsel	— Commitment to environmental responsibility when operating our business and providing products and services.
Nitrogen oxides and sulfur oxides (NO_X and SO_X)	EHS policy	NO_X and SO_X within own operations	Head of Human Resources	— Commitment to protecting the environment. — Commitment to reducing scope 1 and 2 GHG emissions.
Pollution	Sustainability policy	Downstream	Head of Group Communications and Sustainability	— Development of products that enhance customers' environmental performance (sustainable solutions).
Pollution	Business Partner Code of Conduct	Downstream	President business area Rock Processing and sponsor of Procurement Council in the Group Executive Management	— Implement and maintain a risk-based approach to reduce or minimize any negative environmental impact from activities, products and services. — Control, measure, document, and plan work to minimize the environmental impact. — Actively work to replace hazardous chemicals with safer alternatives.

E2-2 Actions and resources related to pollution

Our pollution-related policies, along with Group objectives and targets, guide our pollution-related actions. Each business area develops plans to meet the Group objectives, with annual targets set to drive performance at all organizational levels. Our decentralized way of working empowers sites, divisions, and sales areas to implement mitigation actions that are relevant in their respective context or market. Common focus areas, ways of working, and best practices are shared and decided upon within the business areas and the Sandvik Group councils.
The downstream impact is related to the mining sector and potential negative impact on air, water, and soil. We are linked to this impact and have not developed any specific actions targeting the downstream value chain.

In the following table, our pollution-related implemented key actions in 2025 are disclosed.

IRO	Description	Scope	Key actions	Time horizon
Nitrogen oxides and sulfur oxides (NO_X and SO_X)	Pollution of NO_X and SO_X generated as a result of fossil fuel consumption is managed through our commitment to reducing GHG emissions. As we decarbonize our operations, the emissions of NO_X and SO_X decreases.	Own operations	— Expansion of battery electric, HVO and hybrid car fleet in, for instance, sales area northern Europe, south-east Asia, and USA.	2025
			— Fossil-fuel powered forklifts replaced with electric ones at several sites, including Ballygawley (Northern Ireland), Changzhou (China), and Elko (USA).	2025
			— Sites in Tampere and Turku (Finland) changed to HVO in test-running of products.	2025

E2-3 Targets related to pollution

NO_X and SO_X pollution occurs as a result of fossil fuel consumption in our own operations. We have not adopted any specific pollution targets. However, our ambition to reduce pollution of NO_X and SO_X is incorporated in our targets to reduce GHG emissions. As we decarbonize our operations and work to meet our GHG reduction targets for scope 1 and 2, the emissions of NO_X and SO_X will also decrease. Our targets are to reduce scope 1 and 2 emissions by 50 percent by 2030, and by 90 percent by 2040, compared to the 2019 baseline.

We have not adopted any group-wide targets related to our material pollution-related topics within the downstream value chain. We track the effectiveness of our policies through several monitoring processes, where each policy outlines how compliance is monitored.

E2-4 Pollution of air, water, and soil

Pollution of air, ton	2023	2024	2025
NO_X	125.0	113.0	113.0
SO_X	0.7	0.7	0.6

§ Reporting principles

The data is calculated based on data on fossil fuel consumption and by applying emission factors from the Swedish Environmental Protection Agency. Data on fossil fuel consumption is reported on a quarterly basis by the entities in our EHS reporting system. The fossil fuel consumption data primarily relies on information provided by suppliers. A minimal share of the data is estimated by using external statistics and industry averages.

The fossil fuel consumption data is offset by one month, allowing time for data collection, quality control, and consolidation. The data is gathered for the period January to November, and the December data is estimated based on the previous year's December data. All data refers to continuing operations. The historical data has been updated to include acquisitions and to reflect our organizational structure as of 2025, to get a comparable dataset.

We do not perform any direct measurements of NO_X and SO_X as we consider the current calculation methodology to be adequate.

E3 Water and marine resources

Negative impacts on water and marine resources were identified in our upstream and downstream value chain, mainly related to mining activities and their impact on water quality and access. For our own operations, the impact on water was assessed not to be significant enough to meet the threshold of materiality, neither the risk, opportunities or dependencies on water. We manage the withdrawal and discharge processes in adherence to local permits. All wastewater from production processes undergoes appropriate treatment, either within our facilities or through third-party operations, before being released back to recipients, or is recirculated and reused. We utilize the World Wildlife Fund's (WWF's) Water Scarcity Risk Map to identify sites located in water-stressed areas.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Water quality	⊖	Upstream	Water quality impacts are related to the extraction and processing of minerals and metals. The extraction can affect water quality negatively through tailings and pollution. Further up in the value chain impacts on water may be associated with the use of chemicals in refining processes.	Poor water quality has a negative affect on health and wellbeing for people and wildlife. Potential negative effects on nature include decreased biodiversity.
Water quality and marine ecosystems	⊖	Downstream	Impacts on water from mining activities, such as tailings or pollution to water. The use of water and mining activities can affect groundwater quality.	
Access to water	⊖	Downstream	The use of water in mining operations may affect the access to water for people and nature.	Water is crucial for life, both for people and nature.

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

E3-1 Policies related to water and marine resources

We have not developed specific policies covering our material topics on water and marine resources. The area is however integrated in our Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, and Sustainability policy. Our community involvement projects are steered by the Community involvement, sponsorship and donations procedure. We recognize water as a shared resource and put requirements on suppliers and business partners to measure, document, and plan their work to minimize their environmental impact from water consumption. The effectiveness of policies addressing water and marine resources is followed up through monitoring of compliance within respective policy.

Remediation is a part of our due diligence process. Suspected breaches or concerns related to regulations or our policies can be reported through our global whistleblowing mechanism Speak Up, including impacts related to water and marine resources.

E3-2 Actions and resources related to water and marine resources and E3-3 Targets related to water and marine resources

We have not developed specific actions, targets, and metrics related to the material topics on water and marine resources. We are linked to water impacts through our business relationships in the upstream and downstream value chain. Therefore, we apply phase in provisions for the development of entity specific metrics.

Through our community involvement and sponsorship activities, we have the opportunity to contribute to addressing water-related challenges in the areas where we operate. For example, this may involve supporting local communities in implementing clean water solutions.

When evaluating strategic suppliers, we assess their environmental impact to minimize the impact of the materials we source. Through our approach to develop and offer sustainable solutions for our customers, we take action which indirectly reduces negative impacts on water. We develop water-efficient mining and rock processing solutions that reduce our customers' water use. Developing and providing our customers with sustainable solutions is integrated into our strategy and business model.

E4 Biodiversity and ecosystems

Negative impacts on biodiversity and ecosystems were identified in our upstream and downstream value chain, mainly related to mining activities and their effect on land use change, pollution, and GHG emissions. Disruptions in ecosystems and decreasing biodiversity affect all living beings, both people and environment negatively. We recognize that people, biodiversity, and ecosystems are linked, and that nature supports human health and wellbeing.

Biodiversity and ecosystems are not considered material topics within our own operations and do not generate direct effects on our strategy and business model. Based on our assessment, we have identified no direct material impact or associated risks related to the topic of biodiversity and ecosystems. Consequently, we have not developed a transition plan for this topic.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Impacts on biodiversity and ecosystems	⊖	Upstream	Potential impacts related mainly to mining activities in terms of change of land use, pollution, and GHG emissions. Effects throughout the value chain of minerals and metals that may affect biodiversity and ecosystems were considered.	Disruptions in ecosystems and decreasing biodiversity affect all living beings, both people and environment negatively.
Impacts on biodiversity and ecosystems	⊖	Downstream		

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Sandvik has not assessed any risks in terms of resilience related to our strategy and business model in relation to biodiversity and ecosystems.

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Biodiversity and ecosystems have not been assessed as material topics within our own operations. We have not identified any sites in our own operations that have activities negatively affecting biodiversity-sensitive areas or that affect threatened species. We have not identified material negative impacts with regard to land degradation, desertification or soil sealing.

E4-2 Policies related to biodiversity and ecosystems

We have not developed specific policies for the area of biodiversity and ecosystems. The area is however integrated into our Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, and Sustainability policy. Our community involvement projects are steered by the Community involvement, sponsorship and donations procedure. We recognize that people, biodiversity, and ecosystems are linked, and that nature fundamentally supports human health, wellbeing, and economic prosperity. Biodiversity and ecosystem impact is complex and faces multiple pressures, including direct factors like land use changes and overexploitation of natural resources, as well as indirect factors such as GHG emissions and pollution. The effectiveness of policies addressing biodiversity and ecosystems is measured within the framework of Sandvik Group's management system.

Remediation is a part of our due diligence process. Suspected breaches or concerns related to regulations or our policies can be reported through our global whistleblowing mechanism Speak Up, including impacts related to biodiversity and ecosystems.

E4-3 Actions and resources related to biodiversity and ecosystems and E4-4 Targets related to biodiversity and ecosystems

We have not developed specific actions, targets and metrics related to biodiversity and ecosystems. We are linked to these impacts through our business relationships in the upstream and downstream value chain. We therefore apply phase-in provisions for the development of entity specific metrics.

Through our community involvement and sponsorship activities, we have the opportunity to contribute to addressing ecosystem-related challenges in the areas where we operate.

When evaluating strategic suppliers, we assess their environmental impact to minimize the impact of the materials we source. Through our approach to develop and offer sustainable solutions for our customers, we take action which indirectly reduces negative impacts within the area of ecosystems. This includes transitioning to circular business models to optimize resource utilization, shifting to electric-powered equipment to minimize tailpipe emissions, and developing water-efficient solutions that reduce our customers' water use. Developing and providing our customers with sustainable solutions is integrated into our strategy and business model.

E5 Resource use and circular economy

We are committed to playing our part in building a global economy based on circular business models. By minimizing waste and finding new ways to capture sustainable materials and products within closed loops, we can bring environmental benefits for air, land, and water. 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. Recycled materials and remanufacturing/reconditioning are material within circularity as potential and actual positive impacts. It is also assessed as an opportunity. Waste-related negative impacts are present throughout the complete value chain. We have considered the implications of waste not being recycled or correctly handled, such as pollution to air, water, and soil.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Recycled materials	⊕	Upstream, own operations	Buyback programs and recycled content in products in all business areas.	Increased use of recycled material contributes to the transition towards a circular economy and generates potential positive effects both for people and environment.
Reconditioning and refurbishment	⊕	Own operations	Reconditioning and refurbishment performed in all business areas.	Prolonging our products' lifespan contributes to a circular economy with a potential positive impact.
Waste generation and waste impacts	⊖	Upstream	Waste through the minerals and metals value chain. Refining raw materials goes through many steps of refining and processing and all these steps generate waste.	Waste that is not recycled or reused has a potential negative impact on people and the environment. If not handled properly, it may increase pollution to air, water, and soil. Tailings related to mining operations are difficult to recirculate and can generate significant pollution.
Waste	⊖	Own operations	Non-circular waste.	
Waste generation	⊖	Downstream	Mining waste.	
Recycled materials	↗	Own operations	Offering related to circularity and recycled material, such as use of recycled materials in products, and buyback and recycling programs.	
Reconditioning and refurbishment	↗	Own operations	Our business offering related to reconditioning and refurbishment, regrinding of tools, remanufacturing and redesign, parts and services that support reconditioning of products.	

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

E5-1 Policies related to resource use and circular economy

Sandvik has adopted several policies and procedures to manage our material impacts and opportunities related to resource use and circular economy.

Sandvik Group has not employed a policy commitment on transitioning away from the use of virgin resources, including relative increases in the use of secondary (recycled) resources.

Sustainable sourcing is governed through our Responsible sourcing of minerals and metals procedure and Supplier sustainability evaluation procedure, included in the Procurement policy. The Responsible sourcing of minerals and metals procedure applies to the sourcing of tin, tantalum, tungsten, gold, and cobalt used in our products. The purpose of the procedure is to ensure compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas and relevant legislations. The Supplier sustainability evaluation procedure outlines our work to identify, mitigate and account for adverse environmental, human rights, and governance impacts from our supply chain. It outlines rules for evaluating and approving a supplier as compliant with our Sandvik Supplier Code of Conduct. The procedure establishes the utilization of EcoVadis to screen suppliers for inherent risks based on country and industry-related risks.

All circularity-related policies and procedures are part of our Group governance framework, The Sandvik Way, and accessible on our global intranet. The Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, and a short version of the EHS policy is accessible on our external website home.sandvik.

IRO	Policy	Scope	Policy owner	Key contents
Waste	Supplier Code of Conduct	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Requirements on controlling, measuring, and documenting the work to minimize the environmental impact of waste. — Guidance on minimizing waste to landfill, especially hazardous waste.
Waste	Sustainability policy	Upstream	Head of Group Communications and Sustainability	— Commitment to promote resource efficiency throughout the value chain.
Recycled materials	Supplier Code of Conduct	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Guidance on selecting materials and resources that can be reused and recycled. — Guidance on participating in the transition from a linear to a circular economy and work towards conserving finite resources.
Recycled materials	Sustainability policy	Upstream	Head of Group Communications and Sustainability	— Commitment to move to more circular business models. — Commitment to promote circularity throughout the value chain.
Waste and recycling	Code of Conduct	Own operations	General Counsel	— Commitment to follow local procedures on waste separation to minimize environmental harm. — Commitment to reuse and recycle materials.
Waste and recycling	EHS policy and procedures	Own operations	Head of Human Resources	— Promotion of systems to minimize waste. — Promotion of systems to reuse, recycle, and recover materials and follow the waste hierarchy.
Waste and recycling	Sustainability policy	Own operations	Head of Group Communications and Sustainability	— Commitment to minimize waste. — Commitment to recirculate products and materials.
Reconditioning and refurbishment	Sustainability policy	Own operations	Head of Group Communications and Sustainability	— Commitment to provide reconditioning and refurbishment services for our products and equipment.
Waste	Sustainability policy	Downstream	Head of Group Communications and Sustainability	— Commitment to move to more circular business models. — Commitment to recirculate products and materials.
Waste	Business Partner Code of Conduct	Downstream	General Counsel	— Requirements on controlling, measuring, and documenting the work to minimize the environmental impact of waste. — Guidance on minimizing waste to landfill, especially hazardous waste.

E5-2 Actions and resources related to resource use and circular economy

Our circularity-related policies, along with Group objectives and targets, guide our circularity-related actions. Each business area develops plans to meet these objectives, with annual targets set to drive performance at all organizational levels. Through our decentralized way of working, sites, divisions, and sales areas can implement actions appropriate for their context and the markets where they operate. Common focus areas, ways of working, and best practices are shared and decided upon in the business areas and Sandvik Group councils.

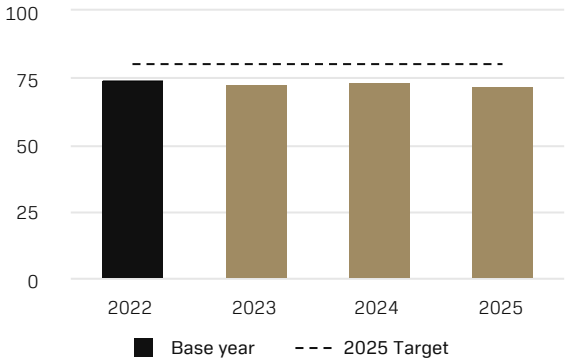
Through our community involvement and sponsorship activities, we have the opportunity to contribute to addressing waste-related challenges in the areas where we operate. For example, this may include supporting local communities to develop innovative ways to reuse or recycle waste materials.

IRO	Description	Scope	Key actions	Time horizon
Waste	Through our Supplier Code of Conduct, we set requirements on suppliers to control, measure and document the work to minimize the environmental impact of waste. We also provide guidance on minimizing waste to landfill, especially hazardous waste.	Upstream	— No implementation of key actions targeting this IRO during 2025.	
Recycled input materials	We aim to increase recycled content in our products. We run buyback programs where we repurchase customers' used cemented carbide inserts, drill bits and rock tools and use them to manufacture new tools. For instance, our tungsten carbide powder Bergla is made of 100% recycled tungsten raw material.	Upstream	— Sandvik continuously works to increase the use of direct recycled materials to reduce the carbon footprint and increase the circularity of our cemented carbide products. — Business area Machining and Intelligent Manufacturing engages in RESQTOOL, an EU-funded project aimed at developing sustainable and energy-efficient solutions for recycling hard metals. — Divisions Rock Tools and Ground Support increased their scrap-based steel supply, engaging with suppliers that use an electric arc furnace in their steelmaking process. — Business area Machining and Intelligent Manufacturing is committed to increasing the use of recycled and recyclable plastics in its packaging solutions. For example, the Seco division introduced packaging made from 98–100% recycled plastic. Similarly, Sandvik Coromant's plastic tube packaging is now made of 98% recycled plastic materials. — Sandvik is the first supplier in the industry to be certified for circularity in the production of key crushing components. Through a validated process in our foundry in Svedala (Sweden), worn-out steel parts are collected, recycled, and reintroduced into the melting process to form new genuine parts – like mantles and concaves. As a result, more than 90% recycled steel is used in production, avoiding large amounts of virgin raw material, and saving over 16,000 tons of CO_2eq emissions annually.	2025 Ongoing since 2024. 2025 2025 The closed-loop approach has been in place for more than 15 years. Circularity certification was received in 2025.
Waste and recycling	We work according to the waste hierarchy. We systematically collect and categorize waste generated from our production to facilitate the reuse or recycling of the materials. Our commitment to sustainable waste management includes partnerships with external entities, such as waste service companies, with whom we collaborate to explore innovative recycling methods for our waste streams. Each of our sites are responsible for ensuring that third-party waste companies handle the waste in strict accordance with contractual and legislative obligations. Furthermore, all employees and contractors are responsible for accurate waste sorting and disposal.	Own operations	– Implementation of a hydraulic oil filtering system at the Rock Processing site in Perth (Australia) which facilitates the reuse of hydraulic oil. The need for virgin hydraulic oil and the generation of hazardous waste are reduced. — Aluminum oxide recycling has been implemented in Münsingen (Germany) and Westminster (USA), each using a tailored approach. In Münsingen, the waste is sent to an external recycler, where it is processed for reuse in other industrial applications. In Westminster, the initiative was enabled through close collaboration with the supplier. The material is now returned to the supplier, who remelts and reprocesses it into new aluminum oxide blasting media. Both these initiatives divert waste from landfill, reduce the need for virgin raw materials and contribute to circular material flows.	2025 2025
Reconditioning and refurbishment	We prolong the product lifecycle through initiatives such as insert reconditioning and equipment refurbishment. With reconditioning and refurbishment, we can bring our products back to their original quality, several times.	Own operations	— Division Sandvik Coromant completed a pilot study focusing on the remanufacturing of small vibration damped tools. In this initiative, used tools were retrieved from the customer, remanufactured, and returned with full performance, creating a circular loop with both environmental and economic benefits. — Business area Rock Processing continued the refurbishment program for used screens, feeders and exciters. At the Sandvik facility in Jandakot (Australia) this equipment is restored with a focus on reusing as many components as possible. Parts that cannot be reused are often recycled. — Business area Mining continued its life extension program. The program schedules strategic rebuilds of equipment throughout its operational lifetime.	2025 Ongoing since 2011. Acquired by Sandvik in 2022. Ongoing since early 2000s.
Waste	Our buyback programs and refurbishment programs reduce downstream waste generation. We take full end-to-end responsibility for batteries in our mining equipment, including battery design and we provide battery recycling options in areas where our battery-electric vehicles (BEVs) operate.	Downstream	— Business area Mining expanded the roll-out of its carbide drill bit recycling program. In all onboarded markets, every rock tool is automatically included in the program. — Business area Machining and Intelligent Manufacturing continued to introduce its digitalized customer recycling program for used carbide tools across additional markets. The new self-service portal offers a faster, more user-friendly experience with enhanced traceability. — Business area Mining continued the end-of-life recycling program for mining equipment in Australia and New Zeeland.	Ongoing since 2023. Digitalized approach ongoing since 2024. Ongoing since 2023.

E5-3 Targets related to resource use and circular economy

We have a group-wide waste circularity target to reach a minimum of 80 percent waste circularity within our own operations by 2025. This target relates to preparing for reuse and recycling in the waste hierarchy. In 2025, we reached a waste circularity rate of 72 percent (74).

Waste Circularity %



We did not reach the waste circularity target of 80 percent in 2025. A main challenge to improving waste circularity and reaching our waste circularity target is identifying and implementing viable solutions for waste types that are currently non-recyclable due to their characteristics. In geographical areas with limited recycling infrastructure, finding disposal alternatives to landfill remains a challenge.

Targets on increased circular product design, such as design for durability, dismantling, repairability, recyclability, and circular material use rates, are not available on a Group level, but exist on a divisional and business area level. We track the effectiveness of our policies through several monitoring processes, with each policy outlining how compliance is monitored.

§ Reporting principles

We define circular waste as waste being reused and recycled. In circularity rate reporting we exclude tailings, digestion sludge, foundry sand, and slag since we deem it unfeasible to prevent these materials from being sent to landfill in the foreseeable future. The waste circularity rate is calculated by dividing the weight of the circular waste with the weight of the total waste, excluding the excluded waste fractions. Ecological thresholds were not considered when setting the target. Legislation does not require Sandvik Group to employ a waste circularity target.

We monitor and review target progress at all levels within the organization on a quarterly basis. The data collection is based on the quarterly waste reporting that takes place on a location level. More information about our waste reporting principles is found within *E5-5.*

E5-5 Resource outflows

Products and materials

We are committed to playing our part in building a global economy based on circular business models. For Sandvik, a circular business model includes all parts of the product lifecycle, from design and sourcing, to use, prolonging the lifecycle, and resource recovery. We work strategically with strengthening circular business models and offerings across our business areas. Developing circular business models is a critical part of our sustainability focus areas.

Circularity begins at the design state, where we aim to design products for longer lifespans, refurbishment, reuse, and easy recyclability. We aim to increase recycled content in our products. We run buyback programs where we repurchase customers' used cemented tools, carbide inserts, and drill bits, and use them to manufacture new tools.

We prolong the product lifecycle through initiatives such as inserts reconditioning and equipment refurbishment that bring our products back to their original quality, several times. Our reconditioning centers extend the lifespan of solid round tools, such as carbide drills and end mills, restoring them to original quality and prolonging their total lifecycle. This process not only maximizes the utilization of raw materials in manufacturing but also reduces cutting tool costs for customers. Our refurbishment program brings new life into aging mining and rock processing equipment, offering a sustainable alternative to purchasing new machinery. By refurbishing and upgrading key components, the program not only extends the lifespan of equipment but also significantly reduces its environmental impact. This initiative supports the circular economy, cuts waste, and minimize the need for new raw materials.

We take full end-to-end responsibility for batteries in our mining equipment, including battery design, secondary applications and end-of-life management. Lithium-ion batteries are typically considered to be at end-of-life at 80 percent of their capacity. However, mining operations present unique opportunities to utilize the remaining capacity. Sandvik batteries from high-consumption vehicles, such as trucks, can be repurposed for equipment with lower energy requirements, such as loaders, or be integrated into stationary energy storage systems, supporting site infrastructure such as lighting and charging stations. When batteries reach the end of their operational life, we ensure responsible recycling through regional partnerships. While China currently dominates recycling capabilities, initiatives are underway to develop facilities in North America, Europe, and elsewhere, creating a more efficient network.

Waste

Waste by type and disposal method, ton	2023	2024	2025
Total amount of waste generated	332,836	371,535	398,751
Circular waste			
Total amount of circular waste	49,128	51,897	46,649
Share of circular waste, %	*14.8*	*14.0*	*11.7*
Hazardous waste	6,944	6,534	8,052
Preparation for reuse	123	117	151
Recycling	6,821	6,416	7,900
Non-hazardous waste	42,185	45,363	38,597
Preparation for reuse	7,728	11,762	6,800
Recycling	34,456	33,602	31,798
Non-circular waste			
Total amount of non-circular waste	283,708	319,638	352,102
Share of non-circular waste, %	*85.2*	*86.0*	*88.3*
Hazardous waste	13,304	13,986	14,568
Energy recovery	795	515	422
Incineration	981	1,146	933
Landfill	10,716	11,688	12,653
Unspecified treatment	811	637	560
Non-hazardous waste	270,404	305,652	337,534
Energy recovery	3,826	3,293	3,007
Incineration	292	452	183
Landfill	265,615	300,435	333,111
Unspecified treatment	671	1,472	1,233
Radioactive waste	0	0	0

After mining tailings, our most significant waste fraction is various forms of metal raw materials as our products are refined products based on metal handling. A metal raw material can be melted down and used many times, without compromising quality, which creates favorable conditions for circular material handling. Within our own operations, metals have a close to 100 percent recycling rate.

§ Reporting principles

The waste data is sourced from our EHS reporting system, with reporting occurring quarterly at the entity level. The determination of the generated waste amounts and its disposal method primarily relies on information provided by waste disposal companies. A minimal share of the waste data is estimated by using external statistics and industry averages.

The waste data is offset by one month, allowing time for data collection, quality control, and consolidation. The data is gathered for the period of January to November. December data is estimated based on previous years December data. All waste data refers to continuing operations.

In our waste management framework, reportable waste disposal methods are defined based on the disposal codes outlined in the EU Regulation (EC) No 1013/2006 of the European Parliament and Council dated 14 June 2006 concerning shipments of waste. These definitions are applied by our reporting entities.

EU Taxonomy

For the 2025 taxonomy reporting, Sandvik has chosen to apply the Commission Delegated Regulation (EU) 2026/73 of 4 July 2025. This means mainly that the presentation format has changed compared with previous years reporting.

The EU Taxonomy identifies specific activities in certain sectors that contribute significantly to at least one of the EU's environmental goals. These activities must also avoid causing significant harm to any of the other objectives and adhere to minimum social safeguards (Taxonomy-aligned). Sandvik has assessed its operations to determine applicable eligible activities, as outlined by the criteria in the EU delegated acts and supporting NACE code information. Sandvik is reporting details for CapEx for 7.7 acquisition and ownership of buildings. Compared to the previous year's reporting, activities considered immaterial have not been assessed for eligibility and alignment. This includes: manufacture of iron and steel and acquisition and ownership of buildings.

The Do No Significant Harm (DNSH) criteria presents certain limitations in the evaluation of alignment, which arise from the fact that European reporting standards are not applied globally, and unclarity remains in the interpretation of certain requirements. The Commission is conducting a review of all the DNSH criteria. The objective is to revise them to enhance simplicity, usability, and alignment with EU legislation. Due to this, we have opted to maintain a conservative compliance approach to the DNSH criteria, resulting in a reported zero percent alignment across all KPIs. We monitor developments regarding the taxonomy and, as reporting practices and guidelines evolve, we may reassess our current stance. Sandvik has used the Platform on Sustainable Finance's Final report on Minimum Safeguards to assess compliance with the minimum safeguards laid down in Article 18 in Regulation (EU) 2020/852. There are processes in place to secure minimum safeguards relating to anti-corruption, fair competition and taxation, as well as following the OECD's six steps for due diligence of human rights. An overview of due diligence is found under GOV-4 in the sustainability statement. There have been no court convictions in any of these areas.

§ Reporting principles

Total turnover included in the denominator includes external reported revenue (line revenues).

Total CapEx included in the denominator includes additions through acquisitions and business combinations in property, plant and equipment (note G13), intangible assets, excluding goodwill (note G12) and right-of-use assets (note G14).

Total OpEx included in the denominator are R&D, short-term and low-value leases, maintenance and repairs and other direct expenditure relating to maintenance of buildings.

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities

Financial year (N)	2025															
KPI (1)	Total (2)	Breakdown by environmental objectives of Taxonomy aligned activities														
		Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non- material (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
	MSEK	%	MSEK	%	%	%	%	%	%	%	%	%	%	MSEK	%
Turnover	120,680	0											0.5		
CapEx	6,345	16.6											0.4		
OpEx	9,455	0											5.6		

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy- aligned economic activities

Reported KPI CapEx

Financial year 2025

Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover / CapEx / OpEx) (3)	Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, CapEx, OpEx (5)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
					Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
		%	MSEK	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Acquisition and ownership of buildings	CCM 7.7	16.6											0
Sum of alignment per objective													
Total KPI CapEx		16.6											0

Social information

S1	Own workforce	85
S2	Workers in the value chain	93
S3	Affected communities	97

S1 Own workforce

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Sandvik aims to be the employer of choice within our industries and attract, retain, and develop diverse talents to drive our strategy. This is one of our six strategic objectives. Access to future employees with necessary education and skill sets related to our business is essential for Sandvik. Not having the right competence and engagement from our employees can affect our ability to deliver on our strategy and financial results.

Sandvik has identified positive impacts related to our own workforce. In the assessment we have considered local and global initiatives and the proactive work we do in the areas of equal opportunities and health and safety. In the scope for the double materiality assessment all employees were considered. Health and safety for our own employees is considered to be a risk. The risk within health and safety is related to the financial effect if we do not deliver on the expectations for our health and safety standards. Own workforce and access to human capital is also considered a risk for Sandvik, related to the retention and attraction of talented employees.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Employee health and safety	⊕	Own operations	Extensive health and safety programs and a proactive health and safety culture have a positive impact on our own workforce. Sandvik offers health and wellbeing programs to all employees, including a diverse range of initiatives related to, for example, work-life balance, healthy eating, and stress management. Access to medical and healthcare services and employee assistance programs are tailored to local needs, ranging from on-site professional healthcare to external partnerships providing services like vaccinations and health checks for our employees. We work actively with occupational risk management. All Sandvik locations are required to incorporate occupational health risks, such as exposure to noise, dust, fumes, and other hazardous materials in their location risk assessments as an integral part of their EHS management systems. We consistently strive to substitute hazardous materials in our production with less harmful alternatives.	Our diverse range of programs related to health and safety improves working conditions, and aims to support personal health and wellbeing.
Fair treatment for equal opportunity	⊕	Own operations	Local and global initiatives have a positive impact on our own workforce related to non-discrimination and equal opportunities. Sandvik strives to create an equitable workplace with an inclusive culture, ensuring fair remuneration, and working terms that consider individual needs. This commitment is clear in our recruitment, people development, and retention efforts, with ongoing initiatives, and we regularly monitor our inclusion levels through our Your Voice surveys. All internal global leadership programs include training on creating an inclusive work environment and promoting diversity. Sandvik offers 14 weeks of gender-neutral paid parental leave to all our employees.	Different impacts across Sandvik, for example initiatives that enable female workers in a previously male-dominated workplace, and support equal opportunities locally. Proactive initiatives and integration in all processes supports all employees.
Health and safety	⚠	Own operations	The risk is related to the financial effect if we fail to deliver on our health and safety standards. This includes the working environment for our employees as well as the safety of our products and our products' contribution to the working environment at customer sites. There is also a financial risk if we do not meet our customers' expectations on health and safety. Financial effects could be triggered through reputational risk, lost business, and our ability to attract and retain employees.	
Human resources	⚠	Own operations	The retention and attraction of talented employees is material in the long-term. Sandvik aims to be the employer of choice within our industries and attract, retain and develop diverse talents to drive our strategy. Access to future employees with necessary education and skill sets related to our businesses is essential for Sandvik. Not having the right competence and engagement from our employees can affect our ability to deliver on our strategy and financial results.	

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

S1-1 Policies related to own workforce

Sandvik has several policies and governing documents in place to manage material impacts and risks within our own workforce. Our Code of Conduct is a vital component that guides our actions as individual employees and as a company in our daily work. It establishes the ethical standards we adhere to. Key policies include our People policy, which underscores our commitment to employees, outlining our approach to attracting, developing, and retaining staff. Our Environment, Health and Safety (EHS) policy establishes our systematic ways of working related to health and safety.

IRO	Policy	Scope	Policy owner	Key content
Fair treatment for equal opportunity	Code of Conduct	Own operations	General Counsel	— Commitment to provide equal opportunities regardless of sex, gender identity or expression, sexual orientation, race, ethnicity, national origin, age, disability, religion or belief, marital or family status, or any other characteristic. — Commitment to zero tolerance for any form of intimidating or disrespectful behavior, bullying, harassment, unwanted sexual advances or unlawful discrimination, and the encouragement to speak up in case of any breaches. — Highlighting the importance of an inclusive culture where every person is committed to being open-minded, encouraging new ideas and learning from each other, encouraging the development of all individuals and diverse teams at all levels and in all functions, and promoting psychological safety and wellbeing for all our people. — Highlighting the importance of visible and proactive leadership to achieve inclusion.
Fair treatment for equal opportunity	Human rights commitment	Own operations	General Counsel	— Commitment to labor rights and fair working conditions, reject all forms of harassment or bullying, and a zero-tolerance policy against discrimination based on sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief, material status, social group, or any other characteristics. — Highlighting the importance to strengthened inclusion and an inclusive culture that promotes fair treatment for equal opportunity.
Fair treatment for equal opportunity	Human Rights policy	Own operations	General Counsel	— Description of the governance structure, due diligence process, and functional ownership. — Commitment to engaging with our own workforce.
Fair treatment for equal opportunity	People policy	Own operations	Head of Human Resources	— Commitment to practices and programs that are fair, transparent and unbiased. Ensuring the right of all employees to have fair treatment to access equal opportunity for growth and development, as well as equitable remuneration practices. — Commitment to zero tolerance for discrimination due to factors such as sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief or religion, marital or family status, social group, racial origin, color, political opinion, national extraction, or any other characteristics. — Commitment to protect vulnerable groups, i.e. remove bias, barriers and to provide appropriate facilities to ensure fair treatment. — Sandvik dedication to engaging with our workforce.
Fair treatment for equal opportunity	Reward procedure	Own operations	Head of Human Resources	– Commitment to pay principles and pay levels being decided independently of sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief or religion. – Commitment to comply with the local legislation, such as equality laws and possible collective bargaining agreements.
Human resources	People policy	Own operations	Head of Human Resources	— Commitment to how we attract, develop, engage, and retain our employees.
Human resources	Human resources procedure	Own operations	Head of Human Resources	— Commitment to provide equal opportunities regardless of sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief or religion, marital or family status, social group, racial origin, color, political opinion national extraction, or any other characteristic. — Attract, recruit and onboard: to be the employer of choice in selected markets, industries, and target groups. — Engage, develop and perform: Sandvik is committed to providing a safe and inclusive work environment where employees feel engaged. — Establishes accountability and a structured approach to assess gaps, define actions, and track progress.
Health and safety	Code of Conduct	Own operations	General Counsel	— Commitment to provide healthy and safe workplaces and our vision of zero harm. — Highlighting the importance of visible and proactive leadership to achieve healthy and safe workplaces. — Highlighting the importance of a culture where every person is committed to preventing injury and occupational illness, and where we actively promote psychological and physical health and wellbeing for all our people.
Health and safety	EHS policy and procedures	Own operations	Head of Human Resources	— Commitment to provide healthy and safe workplaces and our vision of zero harm. — ISO 45001 requirement for major locations. At the end of 2025, about 75 percent of the established sites had achieved certification (recently commenced and acquired sites excluded). — Highlighting the importance of visible and proactive leadership to achieve healthy and safe workplaces. — Establishment of systematic ways of working, e.g. risk analyses, hazards identification and management, training, health and wellbeing programs, and incident reporting and investigation.

Sandvik Group Executive Management has the overall accountability for the implementation of our policies. More information on Sandvik policy governance is found under *GOV-1*.

Business area presidents, division presidents, and heads of Group functions ensure that each policy is communicated and implemented across their respective areas. They allocate necessary resources and take appropriate actions when breaches occur.

The foundation of our Code of Conduct is, together with our core values, built on the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact, in which we participate. We are committed to adhering to the principles, to the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. We believe that by doing so we are providing a solid foundation that supports a more sustainable future for Sandvik and for our stakeholders.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

Process for engaging with own workers

Our engagement with employees involves continuous dialogue and action planning at multiple levels. Our employees participate in development conversations and team performance dialogues. Sandvik has a global process to engage with our workforce via a survey on the engagement insights platform, which offers all employees the opportunity to express their views regarding the workplace. The survey is performed monthly or quarterly, depending on role and entity. The platform collects insights on employee perceptions of workplace practices, which inform the development of strategies and actions centered around employee needs. The employee engagement results are reported in the Sandvik Group annual report, as well as internally in the quarterly business reviews, internal communication channels, and through the engagement insights platform to all employees.

Managers are responsible for their teams' engagement and organize regular team dialogues to determine and track progress of action plans. Human Resources functions utilize insights to inform the development and continuous improvement of processes, people policies, strategies, targets and actions. Management teams in the business areas develop actions aligned with global initiatives set by the Group. At Group level, an annual full analysis of employee feedback is performed and used as input to the strategy. In line with our decentralized organization, the business areas are accountable for setting, following up on, and reporting their targets and actions based on their business areas employee insights and business context. Progress on results and action implementation is reviewed quarterly as part of the business review process.

In our analysis of employee feedback, Sandvik uses demographic attributes such as gender, age, job classification, managerial level, and job family, alongside qualitative feedback, to gain insights into the perspectives of potentially vulnerable or marginalized groups, including women and people with disabilities. These findings are included in the global report and addressed through the established processes.

Process for engaging with workers' representatives

Sandvik has established processes for engaging with workers' representatives. The processes are determined by legislation and agreements established at the Sandvik Group, European Union, and country levels. Interaction on all levels includes information and dialogue in areas such as business, operations, and sustainability performance.

Sandvik has Board Union representation in accordance with the Swedish Companies Act.

Sandvik has an agreement with the Sandvik European Works Council (EWC) according to the 2009/38 EWC Directive. The Head of Industrial Relations is responsible for the interaction and carries out monthly update meetings with the EWC Executive Committee. In addition to monthly meetings, Sandvik calls for formal consultation and information sessions regarding strategic topics or other areas of interest. The EWC has the right to ask for additional information sessions. All meetings are documented. Besides ongoing consultations and information sessions, the EWC meets with representatives from Executive Management every year for updates on strategic matters and to have a dialogue regarding topics of importance.

Union and works council consultation, information sessions and negotiations take place in accordance with local legislation throughout the entire organization. When appropriate and needed, meetings are documented and signed between the parties.

Sandvik believes that a sound and constructive dialogue with unions and works councils is important to safeguard compliance to local labor legislation. It also builds a relationship of trust where information can be shared openly, and Sandvik can obtain fact-based feedback from an employee/worker's representative perspective. This information improves our decision-making in matters that may impact our employees.

Process for engaging with own workforce about health and safety

Health and safety are priorities within Sandvik and we have global processes for engaging with our employees and workers' representatives about actual and potential impacts. Through our decentralized organization, employees are enabled and empowered to influence their workplace.

The Sandvik Environment, Health, and Safety (EHS) council, comprising representatives from all business areas, serves as a key forum to facilitate collaboration across the company, share best practices and advance our progress towards our vision of zero harm. While health and safety activities are decentralized within the business areas, the EHS council identifies, reaches consensus on, and implements common initiatives and procedures.

Our health and safety management system, certified according to ISO 45001 at our major locations, highlights the importance of workers' participation and engagement. Across the organization, employee safety representatives are involved in occupational health and safety decisions and activities. Local health and safety committees are organized at various locations, including representatives from local management, employees and EHS professionals. In addition, each major location conducts an EHS culture survey every third year to assess their health and safety culture. The EHS culture survey collects insights from employees on how to improve the safety culture at each location.

Questions related to health and wellbeing are part of our surveys on the engagement insights platform to improve productivity and engagement and reduce absenteeism and work-related illness. The survey is measured monthly or quarterly depending on role and entity.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Employees and external parties who witness a violation of the Code of Conduct, laws, or our policies, can report the violation anonymously, through the global Speak Up whistleblowing tool. Each report is assigned to an investigator from the relevant business area, ensuring an independent and impartial investigation. The Ethics Office oversees the effectiveness of the Speak Up process. Reports, investigations and remediations are recorded, monitored, and included in reporting to the Audit Committee. Details of our Speak Up mechanism can be found under *G1-1*.

Employee grievance matters are handled locally within the legal entity where it is occurring and according to local processes and legislation. Practices differ between countries based upon local legislation and local processes.

In 2025, we implemented quarterly reporting of employee grievance cases. This applies to all legal entities globally. Sandvik has also developed an Employee grievance procedure, that is being implemented throughout the company during the year, in order to secure that all legal units are covered by mechanisms and processes to handle grievance cases.

As part of our health and safety management system, each employee is encouraged to identify, report, mitigate, and manage hazards within their workplace. All workers are trained to identify and control the risks arising from the tasks they are required to undertake. Audits, workplace inspections and safety walks are other important tools to continuously improve our workplaces and capture the employee perspective.

In the event of an incident, we conduct incident investigations and route cause analyses in collaboration with employees to understand what happened, learn from it and prevent recurrence. Best practices and lessons are shared across the organization.

Any perceived negative impact or weakness related to health and safety can also be raised and, where relevant, remediated through our global whistleblowing process, Speak Up. Where possible, this process supports the identification of concerns and enables a dialogue with those individuals reporting issues.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Our human resources and health and safety policies, along with Group objectives and targets, guide our actions for our own workforce. Each business area develops plans to meet the Group objectives, with annual targets set to drive performance at all organizational levels. Due to our decentralized way of working, locations, divisions, and sales areas can implement mitigation actions that are relevant for their context and the markets where they operate. For more information on remediation see *S1-3*.

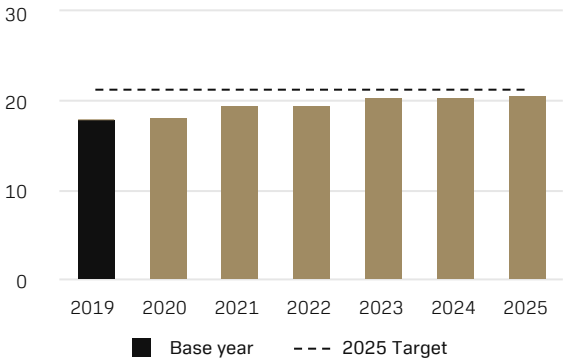
IRO	Description	Scope	Key actions	Time horizon
Fair treatment for equal opportunity	Fair opportunity was set by Sandvik Group Executive Management as a focus area for 2025.	Own operations	— Global implementation of Performance Development and Pay Transparency & Equity.	2024 and beyond.
			— Offer basic education to all employees to improve inclusion for all – regardless of gender, disability, nationality, class, and geographical location.	2023 and beyond.
			— Quarterly global awareness campaigns #SandvikTrueColor to instill a conversation beyond gender.	2024 and beyond.
			— Global actions are supported by local programs tailored to the needs of each business within our decentralized model.	
Fair treatment for equal opportunity	Improving workers' work environment was a 2025 focus area selected by Sandvik Group Executive Management.	Own operations	— On a Group level, the global common action is to pilot global training for supervisors and line managers in manufacturing.	2025
Health and safety	Through our vision of zero harm, we are committed to providing healthy and safe workplaces. Health and safety are fully integrated into our business conduct, operations, and activities. This is promoted by managers at all levels who demonstrate active, courageous, and visible leadership, fostering a strong culture for continuously improving our health and safety performance, and reducing associated risks.	Own operations	— Sites across Sandvik implemented activities to drive continuous improvement in health and safety.	2025
			— Our business area Machining and Intelligent Manufacturing launched a safety culture e-learning.	2025
			— We provide health and wellbeing programs to employees in all locations. These initiatives cover a diverse range of topics, including work-life balance, healthy eating, and stress management.	Ongoing across the Group since 2012.
			— Access to medical and healthcare services and employee assistance programs are tailored to local needs, ranging from on-site professional healthcare to external partnerships providing services like vaccinations and health checks for our employees.	Ongoing across the Group since 2012.
Human resources	Talent attraction and retention	Own operations	— Implementation of the Talent Blueprint with the aim of creating uniform recruitment practices and limiting bias in the recruitment process.	Ongoing since 2024.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The development of group-wide targets and performance towards targets is a part of the strategy process and is further described under GOV-1. Stakeholder interests are taken into consideration in the strategic planning. Further details on how the interests of employees and employee representatives are taken into account can be found under SBM-2.

Percentage of female managers
Sandvik set a goal to have 21.2 female managers by the end of 2025 to ensure fair opportunity for equal treatment. The entity specific metric of share of female managers is used to follow up on target progress. In 2025, the percentage of female managers amounted to 20.8 (20.5).

Female managers %

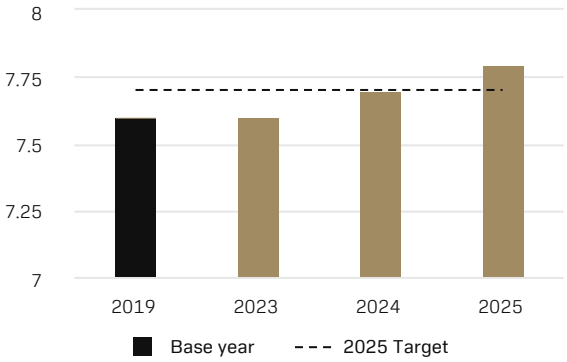


§ Reporting principles

The number of female managers compared to the total number of managers is captured from our Human Capital Management (HCM) system. The definition of a manager is a person that is a manager of an organization in the HCM system. Data covers approximately 94 percent of the total workforce. See note P11 for entities included in our HCM system.

Engagement rate
To ensure effective talent attraction and retention and prevent risk, Sandvik has set a goal to exceed an employee engagement rate of 7.7. Employee engagement is the result of a strong, trust-based relationship between the organization and its employees. It is shaped by how well the organization fosters a sense of belonging, supports health and wellbeing, and provides a meaningful and supportive work environment. The engagement rate is an index calculated as an average based on the responses of three questions in the employee survey. The entity-specific metric of engagement rate is used to monitor progress towards the set target. In 2025, the engagement rate amounted to 7.8 (7.7).

Engagement rate



§ Reporting principles

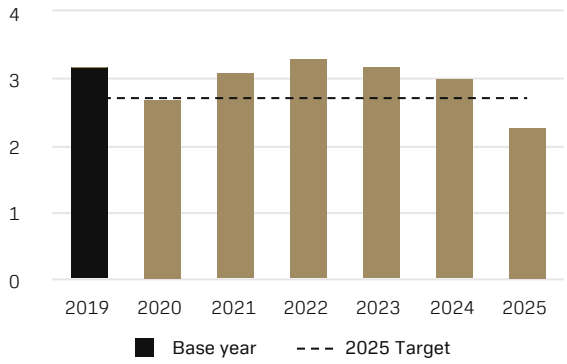
The result is the engagement score outcome in the employee survey, reported at the end of the year. In 2023, Sandvik changed the measuring method as we implemented a new engagement insights platform. The new scale ranges from 1 to 10. The 2019 baseline was translated into 7.6 in the new scale.

Health and safety
We utilize a wide range of leading and lagging indicators to assess health and safety performance across Sandvik locations. Notable metrics include the Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR), both of which have exhibited positive long-term trends.
Our target is to reduce TRIFR within our own operations to 2.7 by 2025. All our locations are included in the target, and it covers both employees and contractors.

In 2025, the TRIFR amounted to 2.3 (3.0). The performance is reviewed within site, division, and business area level on a monthly basis and at Group level on a quarterly basis. Engagement with our own workforce and workers' representatives is an important part of identifying lessons learned, best practices and improvements achieved.

We track the effectiveness of our policies through several monitoring processes where each policy outlines how compliance is monitored. Monitoring for instance includes internal control, employee surveys, internal and external audits, and our Speak Up global whistleblowing tool.

Total Recordable Injury Frequency Rate



§ Reporting principles

The data collection is based on the monthly health and safety reporting that takes place on a location level. More information about our reporting principles is found in *S1-14*.

S1-6 Characteristics of the undertaking's employees

Total number of employees by headcount, and breakdowns by gender

Gender	2025
Male	34,060
Female	8,996
Other	1
Not reported	22
Total employees	**43,079**

Total numbers of employees by headcount, representing at least 10 percent of total number of employees, and breakdown by country

Country	2025
Sweden	5,474

Total number of employees by headcount by form of employment, and breakdowns by gender

Female	Male	Other	Not disclosed	2025
Number of employees				
8,996	34,060	1	22	43,079
Number of permanent employees				
8,588	32,588	1	17	41,194
Number of temporary employees				
407	1,455	0	5	1,867
Number of non-guaranteed hours employees				
1	17	0	0	18

Total number of employees by region

Number of employees by region	2025
Sweden	5,474
Rest of Europe	13,453
Total Europe	18,927
North America	6,313
South America	3,013
Africa, Middle East	3,368
Asia	9,057
Australia	2,401
Total	**43,079**

Total number of employees who have left during the reporting period and the rate of employee turnover

	2025
Total amount of employees who have left	4,848
Turnover, %	11.3

The corresponding financial reconciliation for Full-Time Equivalent (FTE) figures can be found in the G4 note.

§ Reporting principles

The data sources for human resources (HR) data derives from our common Human Capital Management (HCM) system and other local HR systems. All employee figures are reported based on headcounts at the end of the reporting period.

Employment types include permanent employees, defined as employees with a permanent contract, temporary employees defined as employees with a temporary contract, or non-guaranteed hours employees who do not have a guarantee of a minimum or fixed number of working hours.

Gender is based on the gender stated by the employee in the HCM system.

Employee turnover covers all employees existing in the organization, including all employees who have left through voluntary resignations, dismissals, retirement, or death during the reporting year. The employee turnover rate is defined as the number of employees who have left the organization during the reporting period divided by the total number of employees at year-end.

S1-9 Diversity metrics

Distribution of employees by age group, 2025	Under 30 years old	30-50 years old	Over 50 years old	Not reported	Total
Employees	5,680	26,323	11,070	6	43,079

Gender distribution at top management level, 2025	Male	%	Female	%	Total	%
Board of Directors	5	62.5	3	37.5	8	100
Group Executive Management	6	60.0	4	40.0	10	100

§ Reporting principles

The data sources for human resources (HR) data derives from our common Human Capital Management (HCM) system and other local HR systems. Employee age is reported at the end of the reporting period.

S1-14 Health and safety metrics

	2023			2024			2025		
Health and safety metrics	Employees	Non-employees	Total	Employees	Non-employees	Total	Employees	Non-employees	Total
Percentage of people who are covered by Sandvik health and safety management system	100	100	100	100	100	100	100	100	100
Number of fatalities	1	0	1	0	0	0	0	0	0
Number of TRI	247	32	279	242	27	269	191	24	215
TRIFR	3.2	2.9	3.2	3.1	2.3	3.0	2.4	2.0	2.3
Number of LTI	93	8	101	99	10	109	76	5	81
LTIFR	1.2	0.7	1.2	1.3	0.8	1.2	1.0	0.4	0.9

§ Reporting principles

Data on the share of employees in our own workforce who are covered by our health and safety management systems corresponds to 100 percent, as our Environment, Health, and Safety (EHS) policy and procedures cover all employees, contactors, and visitors.

Other health and safety data is sourced from our EHS reporting system, with reporting occurring monthly at an entity level. We have internal controls in place to ensure data accuracy and completeness. The key figures compiled are based on information available at the date of the most recent year-end accounts, which may require that historical figures are adjusted. All health and safety data refers to continuing operations.

Total Recordable Injuries (TRI) summarize all Fatal Injuries, Lost Time Injuries, Restricted Work Injuries and Medical Treatment Injuries, as defined below:

- Fatal Injury: An injury resulting in the death of a worker.
- Lost Time Injury: An incident resulting in a full shift away from work.
- Restricted Work Injury: An injury where an individual can be at work but cannot perform all of their regular duties.
- Medical Treatment Injury: An injury requiring medical treatment but allowing the individual to perform all of their usual work tasks.

Other notable metrics include the Lost Time Injury Frequency Rate (LTIFR), which stands for LTIs per million hours worked, and the Total Recordable Injury Frequency Rate (TRIFR), which is the total number of recordable injuries per million hours worked.

Worked hours are defined as exposure hours, i.e. all hours exposed to risk by employees and contractors. Exposure hours are reported on location level, taking into account the worked hours and excluding vacation, sick leave, parental leave and other absence. Estimations occur in the exposure hour data; it is considered to have no material impact on the safety frequency data of TRIFR and LTIFR. In 2025, the exposure hours amounted to 92,045,010, including both employees and contractors.

S1-16 Remuneration metrics (pay gap and total remuneration)

Remuneration metric	2025
Gender pay gap, global, %	5
Gender pay gap, Sweden, %	0
Total remuneration, ratio	60

Sandvik continues to operate according to the principle of equal pay for equal work and aims to achieve equal pay for work of equal value. Pay gap is influenced by the geographic and functional composition of the workforce. Therefore, we continue to monitor each market on a granular level. To enhance our efforts, we have developed an internal pay equity dashboard to monitor pay equity across businesses, functions, and job levels.

We aim to extend the coverage to the remaining countries in the coming years. The pay equity dashboard allows us to gather insights on any potential issues and supports us in creating mitigating action plans. This tool creates greater transparency in how our markets implement our global reward principles – including, but not limited to, ensuring gender equity. By leveraging this tool, we aim to uphold our commitment to fair reward practices and foster an inclusive workplace where all employees are valued equally.

§ Reporting principles

Pay gap and remuneration data includes our 10 largest countries, where we have approximately 70 percent of our employees, with a global geographical spread including Africa, Asia, Europe, and the Americas representing the company's global presence. For the remaining 30 percent of employees, the estimation is that it will not affect the outcome due to their geographical distribution.

The gender pay gap is determined by dividing the difference between average gross hourly pay for all male and all female employees by the average gross hourly pay of all males. Gross pay covers all taxable fixed and variable pay components of the employees' compensation. Average gross hourly pay is calculated by dividing total gross annual pay of all employees of each gender (male and female) by actual working hours of the respective gender.

Sandvik reports an entity specific metric for pay gap. Sweden is the only country that has more then 10 percent of our employees, and therefore we report separately on the pay gap, see *S1-6.* The outcome is based on actual data.

The annual total remuneration ratio is calculated by comparing the gross hourly pay of the highest paid employee in Sandvik with the gross hourly pay median of the rest of our own employees in Sandvik. Gross pay covers all taxable fixed and variable pay components of the employees' compensation.

The remuneration metrics are based on annual taxable pay and actual working hours. The data is gathered for the period from January to November, the December data is estimated based on November data.

S1-17 Incidents, complaints and severe human rights impacts

Incidents, complaints, and severe human rights impacts	2025
Number of incidents of discrimination, including harassment	18
Number of complaints filed through channels for people in own workforce to raise concerns	118
Number of complaints filed to National Contact points for OECD Multinational Enterprises	0
Amount of fines, penalties and compensation as a result of incidents of discriminations, including harassment	0
Number of severe human rights issues and incidents connected to own workforce that are case of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0
Amount of fines, penalties and compensation as a result of human rights issues and incidents connected to own workforce	0

Incidents and complaints can be raised by individual employees, groups of employees or as collective claims. Local unions/works councils can also raise incidents and complaints, and are natural partners in mitigation in countries where applicable.

§ Reporting principles

The reporting of incidents and complaints is managed through local reporting from all Sandvik legal entities and is consolidated on a country level by the Sandvik country HR coordinators and finally on a global level by Group HR. Incidents and complaints are managed locally either through locally established processes or in the absence of such processes, through the common Sandvik Employee grievance procedure. The reporting of incidents and complaints is standardized, using a global reporting template and traceability is secured through collection of specific data elements.

Human resources-related employee grievance cases not meeting the definition of being a Speak Up case, filed through the Speak Up process, are managed by closing the cases in the Speak Up process and assigning the case back to human resources in the legal unit where it was reported. The cases are managed locally and reported through the employee grievance process as described in the previous paragraph.

According to the Sandvik Human rights policy, severe human rights incidents are reported and managed through the Speak Up process and managed by the ethics offices on a business area/ Group functions level. The investigations are conducted according to the Remediation and investigation procedure. When deemed necessary, external investigators are used. Legal privilege and geographical location are the reasons for external investigators. Data is retrieved quarterly. Reporting and traceability are secured through the system application managing Speak Up cases within Sandvik.

S2 Workers in the value chain

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

In our double materiality assessment we included workers in the value chain involved in the extraction of metals or minerals, in refining, manufacturing or other forms of processing and transportation, as a group that may be materially impacted. Impacts are associated with our upstream and downstream value chain through products or services, as well as through business relationships.

Based on reports related to sourcing of minerals and metals, and mining value chains, we have tried to develop an understanding of which groups might be more at risk of harm.

Sandvik manages its material impacts related to workers in the supply chain. We have developed and implemented our Double materiality assessment procedure to identify and assess our material topics, as outlined in the *General Information* section. Furthermore, impacts are identified in the external sustainability risk assessment tool, where our suppliers (91 percent addressable spend coverage) are screened for inherent risk, based on country, industry and size. We use the risk screening to segment our supply chain by labor & human rights risks in each country and industry. Further due diligence is conducted, with a risk-based approach.

The value chain workers covered in this report include primary sector producers, employees in supply chain factories and external warehouses, and local communities around raw material extraction and manufacturing sites. At Sandvik, we are committed to respecting human rights and promoting decent work across our own operations, suppliers, and business partners. Safeguarding human rights is integral to all our business functions and our operations.

Sandvik has an evolving management program for sustainability in the supply chain, including material issues related to workers in the value chain. We evaluate these issues by considering human rights violations or social non-compliance, including child labor, excessive overtime, forced labor, unsafe work environments, breaches of freedom of association, unsecured employment, lack of workers' representation, and insufficient training.

Sustainability and sustainable supplier management is integrated in our strategy. We are committed to sustainable procurement practices that prevent and mitigate our negative social and environmental impacts as well as support and improve the sustainability performance of our suppliers and manage risk in our supply chain. For more information see *G1-2*.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Forced or compulsory labor	⊖	Upstream and downstream	Potential and actual impacts related to primarily mining operations. Labor issues vary across the global sector and the picture is mixed. Concerns have been expressed about occupational health and safety (with the ILO estimating that about 8% of fatal accidents at work occur in the mining sector), working conditions and pay, discrimination, and restrictions on collective bargaining. However, many companies support trade unions, enable collective bargaining, and provide jobs with greater benefits and enhanced opportunities for minorities. The scoping of the DMA assessment includes high risk areas and countries where negative impacts of this type are more likely. Artisanal and Small-scale Mining (ASM) is particularly associated with child and forced labor, and hazardous working conditions.	Negative impacts on the working environment could result in impacts on health and safety, such as injuries and illnesses. Serious impacts related to forced or child labor affects the individuals' human rights and overall living conditions, resulting in serious impacts for the individual. The impacts of labor issues include financial aspects, that affect living standard, health and safety, integrity and basic rights, etc.
Child labor	⊖	Upstream and downstream		
Employee health & safety Work-related ill health Work-related injuries	⊖	Upstream and downstream		
Gender inequality	⊖	Upstream and downstream		
Collective bargaining and freedom of association	⊖	Upstream and downstream		
Working hours	⊖	Upstream and downstream		
Employee health & safety	⊕	Downstream	We make a positive impact through the safety of our products. Safety checks and improvement plans are suggested to customers when Sandvik has employees on a customer site to improve the site's working environment.	Safer working environment for people.

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

S2-1 Policies related to value chain workers

Sandvik has a comprehensive set of policies and procedures to guide us in managing risk related to human rights and value chain workers.

Key in this regard is our Supplier Code of Conduct, which details the minimum requirements we expect suppliers to adhere to regarding labor conditions, human rights, environmental protection, and business ethics. It is aligned with international frameworks, including the International Labour Organization (ILO) Conventions, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the OECD Guidance for Responsible Business Conduct. The Code also outlines the expectation for our suppliers to implement the Code or similar requirements with their sub-suppliers. It is communicated through several internal channels and is publicly available on our external website home.sandvik. We monitor compliance with our Supplier Code. See more in section *S2-5*.

Sandvik has not developed specific policies related to downstream workers in the value chain.

Policies are approved annually by the Board of Directors and Group Executive Management.

IRO	Policy	Scope	Policy owner	Key content
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Procurement policy and procedure	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Framework for Sandvik procurement practices. — Commitment to integrate quality, technology, innovation, service, cost, delivery, and sustainability considerations whenever purchasing goods or services in a manner consistent with common processes, including the requirements for the Sandvik Supplier Code of Conduct.
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Supplier sustainability evaluation procedure	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Outlines the rules for evaluating and approving a supplier as compliant with the Sandvik Supplier Code of Conduct, in order to qualify as a Sandvik supplier. This procedure supports us in our work to identify, prevent, mitigate, and account for adverse environmental, human rights, and governance impacts from our supply chain.
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Human rights commitment and Human rights policy	Entire value chain	General Counsel	— Commitment to respecting internationally recognized human rights and our due diligence as part of avoiding, causing or contributing to adverse human right impacts, wherever they may occur in our value chain. We place specific efforts on those rights that are at risk of being most severely impacted by our activities and business relationships.
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Responsible sourcing of minerals and metals statement and procedure	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Commitment to effective management of risks associated with tin, tantalum, tungsten, gold, and cobalt, and the condemnation of 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. Our procedure is drafted to ensure compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas.
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Speak Up policy, and Investigation and remediation procedure	Entire value chain	General Counsel	— The Speak Up policy outlines how employees and other stakeholders can raise concerns (speak up) about suspected breaches of Sandvik Code of Conduct, policies and the law without fear of retaliation. The Speak Up policy is supported by the Investigations and remediations procedure outlining how investigations of suspected breaches are to be managed, including remediation activities.
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Sustainability policy	Entire value chain	Head of Group Communications and Sustainability	— The policy defines the requirements for ensuring sustainable business in line with Sandvik sustainability targets and sets the direction towards how to reach our targets, contributing to improved sustainability for our customers and society. This policy, together with the associated policies and procedures, sets out our responsibilities related to sustainability, ensuring long-term sustainability targets and it sets forth minimum requirements for certain key sustainability areas.
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Compliance third party management policy	Upstream and downstream	General Counsel	— The Compliance third party management policy provides the framework and minimum requirements needed to prevent, identify and remediate compliance risks inherent to all dealings between Sandvik and any third party. It outlines a framework that enables efficient, coordinated, and proportionate compliance risk management in third party relationships, including suppliers.

S2-2 Processes for engaging with value chain workers about impacts

A strong partnership and close collaboration with suppliers are crucial for Sandvik.

We have not developed specific procedures for systematic direct engagement for workers in the value chain. Our current processes to engage directly with supply chain workers includes audits, supplier days, industry forums, and Non-Governmental Organizations (NGOs). Sandvik hosts events locally involving representatives of supplier workers. Market research on workers in supply chains is conducted by industry forums where Sandvik is represented, such as the Cobalt Institute. We also consider reports from relevant NGOs as proxy engagement with workers in the value chain as described under *SBM-2*.

Interviews with workers are conducted during the Supplier Code of Conduct audits by independent and certified third-party auditors. Supplier audits are based on a risk approach and cover human rights and health and safety topics. The Sandvik Procurement council is responsible for ensuring that engagement with supply chain workers occurs and that the results of this engagement inform our approach. Additionally, investigations are carried out by Sandvik quality auditors regarding the health and safety of workers in our suppliers' facilities.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Sandvik encourages all stakeholders to report concerns about suspected breaches of Sandvik Supplier Code of Conduct, policies, and the law, without fear of retaliation.

Speak Up is available for workers in the value chain, both upstream and downstream, and information about that is provided in the Supplier Code of Conduct and on our external website home.sandvik. Speak Up is also available through country-specific telephone hotlines 24 hours a day, 7 days a week, and in all major countries where Sandvik has operations.

The Speak Up process follows all applicable whistleblowing and data privacy laws. More information about Speak Up is found under *G1-1*.

As outlined in our Speak Up policy, Sandvik does not tolerate any retaliation against representatives from a supplier, employee or business partner who, in good faith, voices their concern.

Currently, Sandvik procurement does not measure or assess the effectiveness of Speak Up specifically for workers in the value chain. We aim to have awareness-raising activities in relation to our Speak Up channel and track the number of cases from year to year.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Based on the impacts identified within our supply chain and in support of Sandvik policies, we initiated a series of targeted actions in 2025. These measures aim to address key challenges and advance our commitment to sustainable practices and responsible sourcing. The table below outlines the specific actions underway to mitigate barriers and enhance performance across our priority areas.

No specific actions have been developed for downstream workers in the value chain.

IRO	Description	Scope	Key actions	Time horizon
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Sandvik performs supplier sustainability risk screenings. We use EcoVadis IQ Plus to screen and monitor sustainability risks across our supplier network. By embedding risk intelligence into our sourcing decisions, we enhance our ability to identify potential issues early and take preventive action.	Upstream globally	— 35,042 of our suppliers, representing 91 percent of our addressable supplier spend, underwent sustainability risk screening. Approximately 6 percent of our addressable supplier spend (4,002 suppliers) was identified as high risk, with most of it located in India, Brazil, South Africa, Mexico and China.	2025
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	For selected suppliers we carry out supplier sustainability in-depth assessments. We use EcoVadis ratings to monitor the progress of corrective actions and to evaluate the year-on-year performance of our supplier network. This enables us to track improvements in key areas such as labor & human rights, environmental practices, ethics, and sustainable procurement.	High-risk suppliers identified by EcoVadis risk screening tool	— By the end of 2025, 1,558 suppliers in the Sandvik network had completed an in-depth sustainability assessment. Of these, 87 percent achieved an overall score above 45 out of 100. For comparison, 60 percent of all companies assessed through EcoVadis scored above the same threshold.	2025
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Sandvik evaluates Supplier Code compliance for prioritized suppliers through audits. We assess the alignment of a supplier's practices with our sustainability principles through on-site audits conducted by independent third-party auditors. The supplier is responsible for improvements and corrective actions related to audit findings, while the responsible buyer and the audit coordinator manage and monitor non-compliance cases until they are resolved.	High-risk suppliers based on the findings of any of our due diligence processes	— 21 on-site audits were carried out. While issues may vary across the supply chain, depending on country and business, the majority of identified risks were related to labor rights, particularly working hours and compensation. — 48 critical findings were identified. Remediation efforts are ongoing to close all findings and continuously improve supplier performance.	2025
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	We have partnered with the Responsible Minerals Initiative (RMI) to conduct our conflict minerals and cobalt due diligence exercise. Our annual exercise is based on the OECD's five-step approach to responsible sourcing of minerals and metals. It emphasizes risk assessment, mitigation, transparency, and independent audits throughout the mineral supply chain.	Direct suppliers of tin, tantalum, tungsten and gold (3TG) and cobalt products	— Our 3TG supply chain had 46 percent of smelters with conformant status, while our cobalt supply chain had 48 percent of smelters in conformant status. We continuously engage with suppliers to address the presence of smelters and refiners in our supply chain that may not meet responsible sourcing standards. Sandvik produces a separate due diligence report on an annual basis, which is available on our website.	2025
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	As part of our preventive approach to managing sustainability risks in the supply chain, we promote supplier participation in targeted training programs. Assessed suppliers have the opportunity to attend EcoVadis Academy courses focused on mitigating social and human rights impacts across the value chain.	Upstream globally	— In 2025, the training courses most frequently completed by our suppliers focused on key sustainability and labor topics, including: — Living wages — Social dialogue and collective bargaining — Diversity and inclusion — Employee health and safety — Other key topics covered were modern slavery, working conditions, child and forced labor prevention, and discrimination and harassment.	2025
Forced or compulsory labor, child labor, employee health & safety, work-related ill health, work-related injuries	Training our procurement team is a key initiative to enhance sustainability across our supply chain. Our efforts are particularly focused on supplier onboarding and ongoing engagement, ensuring that sustainability expectations are clearly communicated from the outset.	Procurement employees	— Throughout the year, our procurement team underwent internal training, enhancing their competence in our supplier sustainability requirements.	2025

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We have not developed specific targets related to workers in the value chain. Sandvik measures the progress in achieving policy objectives for sustainable supplier management through Supplier Code of Conduct acceptance and compliance. These metrics are part of the policies monitoring of compliance.

To systematically embed sustainability into supplier management, Sandvik is committed to having all suppliers compliant with the Supplier Code of Conduct.

We distinguish between a supplier's acceptance to comply with the Supplier Code of Conduct and being assessed as complying with it. Acceptance refers to the supplier's formal acknowledgement and agreement to adhere to the Code, typically through signing it. This is a key metric used to ensure broad alignment with our expectations and has been measured over an extended period. Being assessed as complying with our Code is defined using a risk-based methodology. A supplier is considered compliant if they are identified as low risk through inherent risk screening, meet our scoring criteria following an in-depth sustainability assessment via EcoVadis, or have successfully passed a compliance audit. An in-depth sustainability assessment includes a comprehensive questionnaire, supporting documentation, expert analysis, and publicly available sources, such as media and stakeholder reports. The entity specific metric of Suppliers Code of Conduct acceptance and compliance is used to monitor progress.

Sandvik has not developed a specific target related to downstream workers in the value chain. We are linked to these impacts through our business relationships. We therefore apply phase in provisions for the development of entity specific metrics related to downstream workers in the value chain.

Supplier Code of Conduct acceptance – entity specific metrics	**2025**
Supplier Code of Conduct acceptance based on addressable spend, %	80
Total number of suppliers in addressable spend that have accepted our Supplier Code of Conduct	3,337
Supplier Code of Conduct acceptance based on number of suppliers in addressable spend, %	75

§ Reporting principles

The metrics are tracked on a rolling 12-month basis, calculated based on the total volume of addressable spend. The scope includes suppliers corresponding to a purchase value above SEK 1 million.

S3 Affected communities

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Sandvik are linked to impacts related to affected communities through business relationships in our value chain. People and communities are one of our focus areas within the sustainability strategy and we aim to have a positive impact on society, including people and communities throughout our value chain. We participate in local communities through partnerships, education, and volunteering to bring our values to life. Sandvik engages in diverse community relation projects worldwide with three primary focus areas:

1) Sustainability Shift: Organizations, projects, and activities related to climate change, resources and waste management, or the clean and sustainable development of communities.
2) Digital Shift: Organizations, projects, and activities that build technical and digital skills, support innovations that contribute to global advancement, or introduce people to new technologies.
3) Societal Impact: Projects that support equality and inclusion, improve health and wellbeing, or contribute to positive development in the local communities where we operate.

Impacts, risks, and opportunities		Value chain	Description	How impact affects people or environment
Rights of indigenous communities	⊖	Downstream	Mining sites may have impacts on affected communities and indigenous people. Environmental impacts can arise from mining sites being situated in areas of biodiversity importance or mining operations large physical footprint. The land use impacts of mining are not confined to direct operations but also to the development infrastructure around the site contribute to environmental degradation in a larger area than the local footprint of a mine. Mining operations may also impact water, soil and air pollution. This can occur, for example, through acid rock drainage, through water pollution as a result of heavy metals leaking from waste storage facilities, from the leaking of mercury or cyanide, or from mine dust emissions. Large-scale mining is associated with complex human rights impacts and opportunities. Where not managed appropriately, this can cause disputes or disagreements over land and resource rights, forced or voluntary resettlement, and infringements on Indigenous Peoples' rights. Considered an actual impact if not mitigated.	Impacts in the local environment may negatively influence a community's livelihood and access to a clean and healthy environment. The mining operations may affect the rights of local communities and indigenous people and, if not managed, result in, for example, forced relocation or other infringement of rights.
Biodiversity loss affecting local communities	⊖	Downstream		
Conflict and disputes in local communities	⊖	Downstream		
Communities' civil and political rights, land and resource rights, and social and cultural rights	⊖	Downstream		
Human rights issues and incidents connected to affected communities	⊖	Downstream		

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

S3-1 Policies related to affected communities

We have not developed specific policies for the area of affected communities, but the area is integrated in our Code of Conduct, Supplier Code of Conduct and Sponsorship and community involvement procedure. We have procedures for participating in local communities through partnerships, education, and volunteering to bring our values to life, and through this we engage with affected communities. The effectiveness of policies addressing affected communities is measured within the framework of Sandvik Group's management system.

The foundation of our Code of Conduct is, together with our core values, built on the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact, in which we participate. We are committed to adhering to these principles, to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We believe that by doing so we are providing a solid foundation that supports a more sustainable future for Sandvik and for our stakeholders. Sandvik is committed to respecting internationally recognized human rights and to play our part in avoiding causing or contributing to adverse human rights impacts, wherever they may occur in our value chain, as part of our Human rights commitment, including affected communities.

S3-2 Processes for engaging with affected communities about impacts

Sandvik engages with local communities when setting up community engagement projects. This involvement helps inform our investment decisions and enables us to make meaningful contributions to the societies where we operate, as well as enhance our offering. For the mapping and understanding of impacts, risks, and opportunities we have used credible proxies and relevant reports, frameworks, and media.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concern

Sandvik encourages all stakeholders to report concerns about suspected breaches of Sandvik Code of Conduct, policies, and the law, without fear of retaliation through our grievance mechanism, Speak Up. Speak Up is available externally and can be found on our website home.sandvik. Speak Up is also available through country-specific telephone hotlines 24 hours a day, 7 days a week, and in all major countries where Sandvik has operations.

Remediation is part of our human rights due diligence process and impacts related to affected communities can be reported through our Speak Up mechanism. Remediation occurs where relevant through our global whistleblowing process, Speak Up. More information about Speak Up is under G1-1.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We have not developed specific actions, targets and metrics related to affected communities. The area is integrated in The Sandvik Way through different policies and procedures. We are linked to impacts related to affected communities through our business relationships and have therefore not developed entity specific metrics for the topic.

Governance

G1 Business conduct 100

G1 Business conduct

Sandvik is committed to maintaining appropriate standards of responsible business conduct throughout our operations and our value chain, including driving the same standards in our supplier management and procurement practices. Sandvik has identified potential impacts and risks related to business conduct and our governance framework and management system, The Sandvik Way, is designed to mitigate those risks and impacts.

Impacts related to *S2 Workers in the value chain* is material for Sandvik and we are committed to sustainable procurement practices. For more information see *disclosure G1-2*.

Impacts, risks, and opportunities		Value chain	Description	Impacts on people or environment
Business conduct (Including anti-bribery and anti-corruption)	⊖	Own operations	Potential negative impact. Corruption and bribery by individuals could result in unethical or illegal actions that undermine our commitment to responsible business conduct. We could be subject to compliance cases in connection with violations of anti-corruption laws, international sanctions, competition law, and/or data privacy. Corruption can negatively impact company culture and society, eroding trust and intensifying inequality in societies.	Weak business conduct or violation of anti-bribery and anti-corruption laws and principles can have indirect negative environmental consequences. It may negatively impact company culture and societies where we operate.
Business conduct	⚠	Own operations	Business conduct as a risk may generate a financial effect in different ways, such as influence on our financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long-term. Sandvik operates in countries and industries with elevated corruption and sanctions' risks, both directly and indirectly through business relationships. Risks include increased regulatory requirements, third-party risks, stricter financing requirements, and trade sanctions.	

⊕ Positive impacts ⊖ Negative impacts ↗ Opportunities ⚠ Risks

G1-1 Corporate culture and Business conduct policies and corporate culture

Code of Conduct

Sandvik believes that ethical and sustainable business practices are a crucial foundation for a successful business. Sandvik has a long history of working in accordance with applicable laws and internationally recognized principles, as well as in partnership with our local communities. Our Code of Conduct is built on our internal core values and external principles, such as the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact. We are also committed to adhering to the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

The Code of Conduct is a vital component in The Sandvik Way, our governance framework. It guides our actions as individual employees and as a company in our daily work, it sets the ethical standards we adhere to, and plays a key role in achieving our strategic objectives.

The Sandvik Code of Conduct underscores our strong commitment to ethical and responsible business practices, ensuring compliance with relevant laws and regulations across all our markets. The Code of Conduct defines the principles governing individual and corporate behavior, providing guidance for our actions and everyday business decisions.

To uphold these standards, Sandvik has set a target to train 100 percent of employees and long-term contractors who have been employed for over 90 days, in the Code of Conduct. This training covers critical topics such as anti-bribery, corruption, and inclusion, among others. The target is monitored via compliance reports and training dashboards. By the end of 2025, 97 percent (94) of employees and long-term contractors had completed the Code of Conduct training. All members of the Group Executive Management and the Board of Directors have undergone training in the Code.

The goal for onboarding new employees is to train 90 percent within three months of their hiring. By the end of 2025, the outcome was 86 percent (79). Additionally, refresher training, reinforcing Code of Conduct principles, is automatically deployed to employees who completed the training more than two years prior. As of December 31, 2025, 88 percent (87) of the invited population had successfully completed this refresher training.

Speak Up

Employees and external parties who witness a violation of the Code of Conduct, laws, or our policies can report the concern anonymously through the company's global whistleblowing tool, Speak Up. The tool is accessible via our intranet and web portals, as well as through telephone hotlines in all major countries where Sandvik operates. All reports undergo initial screening and are then assigned to an investigator from the relevant business area, ensuring an independent and impartial process. Investigators conduct the necessary investigations with support from the Business Integrity specialist investigation function. The Ethics Office oversees the overall effectiveness of the Speak Up process, and all reports, investigations, and remediation actions are recorded, monitored, and included in reporting to the Audit Committee.

In accordance with the Sandvik Speak Up policy, no retaliation will be taken against any employee or business partner who raises concerns in good faith.

Our reporting tool, Speak Up, is publicly and directly accessible to all stakeholders, enabling them to report any negative impacts, including key human rights concerns. This process ensures that suspected breaches are identified and addressed appropriately. Sandvik has a separate process for handling local grievances. Additionally there are also other support systems for employees that go beyond legal requirements, such as foundations providing rehabilitation and financial support related to health and wellbeing. The European Works Councils and relevant local unions have been involved in establishing local whistleblowing channels and appointing investigators.

According to our employee engagement survey, employees rated the statement, "If I report a serious misconduct in Speak Up, I'm confident Sandvik would take action to rectify the situation", at 8.0 (7.8), which falls within the middle range of the engagement tool benchmark. The scale is from 0 to 10.

In 2025, there were 486 (412) reported Speak Up incidents excluding inquiries (see distribution in table). Of the cases closed during the year 71 percent (68) were closed within 90 days.

The substantiation rate for closed cases, including those partially substantiated, was 40 percent (37). In 2025, there were no cases (0) related to human rights. All Speak Up cases undergo investigation, resulting in either substantiated or unsubstantiated findings based on the allegations. The consequences for substantiated cases vary from warnings and enhanced controls/training to employee dismissal, contract termination, non-renewal for business partners, or referral to relevant authorities for further investigation. The execution of the consequences is carefully managed within the remit of the law and our policies, including the obligation to protect the identity of the whistleblower and to follow relevant data privacy regulations.

Number of Speak Up reports	**2025**
Human relations	220
Compliance	113
Theft and misappropriation	42
Business records and information	23
Environment, health, and safety	35
Inquiries	32
Other	53
Total	**518**

Compliance

The Sandvik compliance program encompasses four key areas: Anti-Bribery and Corruption (ABC), competition law, trade & third-party management, and data privacy. The purpose is to establish a well-functioning structure for effectively managing primary compliance risks in all countries where Sandvik operates. Group Compliance sets the compliance program requirements, including risk identification, policies, relevant training and communication, monitoring and assurance, reporting, and more. Additionally, Group Compliance identified the main customer and supplier-facing functions at Sandvik, and defined their medium and senior management as functions "at-risk" for ABC training purposes. The program requirements are implemented by each business area. The Group Compliance function reports to the Sandvik Group General Counsel, the Group Executive Management, and the Audit Committee.

For coordinating efforts, identifying synergies, and driving continuous improvements, a compliance functional council has been established. This council, comprising representatives from both the Group and business areas, has been operational for several years and typically meets on a quarterly basis.

Sandvik operates in countries and industries with elevated corruption and sanctions risks, both directly and indirectly through business relationships. To address these challenges, Sandvik runs a compliance program based on a zero-tolerance approach. Key guiding documents shaping the anti-corruption part of this program include the Code of Conduct, an anti-corruption policy, and procedures governing Commercial and administrative intermediaries, Gifts and hospitality, and Conflicts of interest. The commitment to identify and prevent corruption is not limited to these, but is also integrated into other steering documents such as the Mergers and acquisitions procedure and the Community involvement, sponsorship and donations procedure. The Speak Up policy and its underlying investigation procedure are vital components of the program.

All operational entities within Sandvik have a mandate to assess and collaboratively address their compliance risks together with the compliance organization. The aim is to identify and prevent potential negative impacts stemming from compliance-related issues. The actions taken by these entities undergo scrutiny from both internal and external audits. Any perceived negative impacts and weaknesses can also be raised, and where relevant, remediated through the Speak Up process. Where possible, this process supports the identification of concerns and enables a dialogue with individuals reporting issues. To measure and assess progress, targets and indicators are established annually through the Compliance functional council. These may include self-assessments covering various aspects including anti-corruption, sanctions, export control, data privacy, and competition law efforts. Action plans are then formulated based on identified gaps, with a commitment to completing them within specified deadlines. This systematic approach ensures ongoing evaluation and improvement in our compliance practices. In 2024, the compliance program was subject to an external review focusing on anti-bribery and corruption, competition law, and trade & third-party management. Recommendations from this review will help us enhance the program further in the coming years.

Human rights and fair labor conditions

Our commitment to human rights and fair labor conditions is confirmed in our Human rights policy, Human rights commitment, Code of Conduct, and Supplier Code of Conduct. These guiding documents endorse key international frameworks, including the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Sandvik Code of Conduct, aligned with our

core values, serves as a guide in the identification, prevention, and mitigation of risks associated with human rights and fair labor conditions. To mitigate risks related to human rights, we continuously work to ensure compliance with national legislation and internationally agreed-upon human rights standards and regulations. We are firmly against modern slavery, forced labor, slave labor, and child labor. We regularly evaluate our processes and procedures for identifying, preventing, and mitigating these risks in the Group's operations and in our value chain. The double materiality assessment has taken into consideration human rights across our value chain. Our work on human rights and fair working terms is integrated into our regular processes and procedures in different ways, for example, in our sustainable supplier management, our safety work, and in our inclusion work. We support children's rights and the right to education. Every employee has the right to join a union and be covered by a collective agreement and we support the right to organize. Our commitment extends to rejecting all forms of harassment or bullying. We firmly believe in fostering a diverse workforce and maintain a zero-tolerance policy against discrimination based on sex, gender identity or expression, sexual orientation, ethnicity, national origin, age, disability, belief, marital status, social group, or any other characteristics. We believe that all employees should have the right to fair working conditions and wages. Speak Up is available for employees and external partners for our entire value chain.

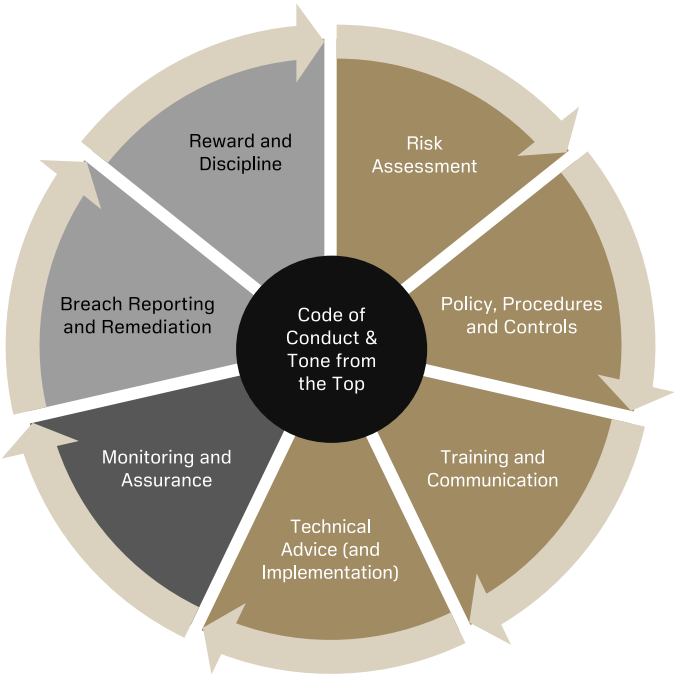
IRO	Policy	Scope	Policy Owner	Key contents
Business conduct	Third-party intermediaries procedure	Own operations	General Counsel	— This procedure describes in detail the onboarding process for commercial intermediaries, including ongoing control and risk management activities throughout the relationship.
Business conduct	Conflicts of interest procedure	Own operations	General Counsel	— This procedure outlines how employees identify conflict of Interest situations and how to avoid, disclose, and manage them. It also describes the process to be followed by line managers and Sandvik Compliance Officers involved in evaluating conflict of interest disclosures.
Business conduct	Gifts and hospitality procedure	Own operations	General Counsel	— The purpose of this procedure is to help Sandvik employees manage gifts and hospitality cases. — This also involves third parties, given the associated bribery and corruption risks.
Business conduct	Community involvement, sponsorship and donations procedure	Own operations	Head of Group Communications and Sustainability	— The procedure supports classification and risk assessment of the sponsorship or donation, appropriate due diligence on the recipient organization, and in-life monitoring and assessment of the outcome of the sponsorship or donation. — Clear contract requirements (including appropriate anti-bribery and corruption clauses).
Business conduct	Code of conduct	Entire value chain	General Counsel	— Our Code of Conduct sets the principles for the business actions and decisions we make as individuals and as a company.
Business conduct	Procurement policy and procedure	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Framework for Sandvik procurement practices, and a commitment to integrate quality, technology, innovation, service, cost, delivery, and sustainability considerations whenever purchasing goods or services, in a manner consistent with common processes, including the requirements for the Sandvik Supplier Code of Conduct.
Business conduct	Supplier sustainability evaluation procedure	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— This procedure helps to identify, prevent, mitigate, and account for adverse environmental, human rights and governance impacts from our supply chain, and outlines the rules for evaluating and approving a supplier as compliant with the Sandvik Supplier Code of Conduct.
Business conduct	Human rights policy and Human rights commitment	Entire value chain	General Counsel	— Our commitment to respecting internationally recognized human rights and our due diligence help us avoid causing or contributing to adverse human right impacts, wherever they may occur in our value chain. We place specific efforts on those rights that are at risk of being most severely impacted by our activities and business relationships.
Business conduct	Responsible sourcing of minerals and metals statement and procedure	Upstream	President of business area Rock Processing and sponsor of Procurement Council in Group Executive Management	— Sandvik commitment to effective management of risks associated with tin, tantalum, tungsten, gold, and cobalt, and the condemnation of 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.
Business conduct	Speak Up policy and Investigation and remediation procedure	Entire value chain	General Counsel	— The purpose of the Speak Up policy is to explain how employees and other stakeholders can raise concerns (speak up) about suspected breaches of Sandvik codes of conduct, policies and the law without fear of retaliation. It also describes what employees, and other stakeholders can expect from the company if they speak up. The Speak Up policy is supported by the Investigations and remediations procedure outlining how investigations of suspected breaches are to be managed, including remediation activities.
Business conduct	Sustainability policy	Entire value chain	Head of Group Communications and Sustainability	— This policy, together with the associated policies and procedures, establishes our responsibilities related to sustainability, ensuring long-term sustainability targets, and it sets forth minimum requirements for certain key sustainability areas.
Business conduct	Compliance third party management policy	Upstream and downstream	General Counsel	— The compliance Third party management policy provides the framework and minimum requirements needed to prevent, identify and remediate compliance risks inherent to all dealings between Sandvik and any third party. It outlines a framework that enables efficient, coordinated, and proportionate compliance risk management in third party relationships, including suppliers.

G1-3 Prevention and detection of corruption and bribery

The Board of Directors and the Group Executive Management team have ultimate responsibility for our Anti-Bribery and Corruption (ABC) efforts, and they approve the Group ABC policy. On a day-to-day basis, the Board has delegated responsibility for the creation of the ABC Compliance program to the General Counsel, the VP & Group Head of Compliance, and the Group Head of Anti-Bribery and Corruption. In addition, there is a Group Compliance functional council where all business areas are represented, and the ABC compliance program is developed in line with the compliance framework.

The compliance framework

Sandvik operates a risk-based compliance program in relation to the prevention and detection of bribery and corruption. We follow a clear framework as depicted in the illustration below.



The gold sections relate to our prevention efforts, the dark gray relates to detection, and the light gray relates to how we respond to any incidents of bribery or corruption.

Risk assessment

In 2024, we performed a risk assessment which covered ABC, assisted by an external expert ethics and compliance assessment consultant. As a result of the assessment, we initiated a process of enhancing our ABC compliance program. The current program consists of ABC policies, procedures, training and communication. There are dedicated members of the compliance team with expertise in ABC practice to provide advice to each of the business areas and we have a self-assessment tool, Compliance House, for risk assessment, and monitoring compliance. Our internal audit function provides assurance on the operation of the ABC program. Our whistleblowing mechanism, Speak Up, is available for all employees as a way to raise concerns relating to ABC. Matters can also be raised with line managers or the compliance team directly.

Policies and procedures

In our policy framework, we have a clear commitment to ABC in our Code of Conduct. We have an overarching ABC policy which clearly states that Sandvik is dedicated to conducting business with honesty, integrity and a zero-tolerance approach to bribery and corruption across the organization, including controlled joint ventures. The policy strictly prohibits offering or accepting anything of value to improperly influence business decisions or actions, and also prohibits facilitation payments, even if they are legal in certain jurisdictions.

In addition to the ABC policy, we have procedures relating to conflicts of interest, gifts and hospitality, and sponsorships and donations.

Sandvik recognizes the great contribution that intermediaries, such as agents and distributors, make to the success of its business. However, there is an acknowledgement that these relationships can often bring about additional compliance risks and therefore Sandvik has a procedure governing how such third-party intermediaries are engaged. Sandvik also requires that relevant commercial intermediaries sign an anti-corruption and export control/trade clause in the contract. The use of the anti-corruption clause and the Business Partner Code of Conduct is followed through the Compliance House. Out of the entities during 2025 who responded that they were using commercial intermediaries, 89.3 percent responded that all their commercial intermediaries had signed the Sandvik Business Partner Code of Conduct and 80.4 percent that all commercial intermediaries had signed a contract including an anti-corruption clause. The entities' responses are audited and confirmed by the internal and external audit functions as part of the regular audit programs.

Our Conflicts of interests procedure is designed to guide employees in identifying, disclosing, and managing conflicts of interest to maintain high ethical standards.

Sandvik understands that gifts and hospitality are part of normal business dealings but appreciates that there is a need for limits to be placed on these items to ensure that they remain appropriate in all circumstances. Therefore we have a procedure to govern gifts and hospitality.

Sandvik believes strongly in helping the communities in which its sites are located and supporting local charities and organizations with time, equipment, and, on rare occasions, money. To manage the nature of the sponsorship or donation to ensure that they meet our principles in respect of such matters, and to manage the compliance risks related to such sponsorships and donations, Sandvik has a Community involvement sponsorship and donations procedure. Key elements of the above mentioned procedures are found under *G1-1*.

Training and communication
We are transitioning to a new compliance training framework which will govern the level of training employees will receive on a variety of compliance topics, including ABC, according to their exposure to the relevant risks related to their role and level of seniority. The training will be on a three-year rotation and therefore it is anticipated that we will train a third of "at-risk" (and other relevant) employees annually. The training may also be supplemented by topic-specific courses, should there be a change in policy or procedure, or when we observe a specific need to improve understanding or operation of the policies and procedures. In terms of communication, policies and procedures are communicated by a combination of intranet announcements and in-person briefings depending on the complexity of the topic.

	2025
Percentage of "at-risk" employees who completed ABC training	16.3

Technical advice and implementation
We have a team of dedicated professionals with ABC-specific experience to help implement the relevant policies and procedures and advise the business accordingly.

Monitoring and assurance
The Group and business area compliance teams perform a variety of monitoring activities using a variety of online tools to assess how well the businesses are implementing and operating our compliance programs, including our ABC compliance program. Our internal and external audit teams also include ABC matters in their scope for their audits.

Breach investigation and remediation
Breaches of policies or procedures are taken seriously and remediation action is taken where appropriate.

Reward and discipline
We take appropriate action against anyone, employees or external third parties acting on our behalf, found to be in breach of our ABC, or other compliance policies and procedures.

G1-4 Confirmed incidents of corruption or bribery

In 2025, there were no major public legal cases regarding potential non-compliance with laws and regulations brought against Sandvik, nor did Sandvik receive any significant fines or non-monetary sanctions for non-compliance with laws or regulations.

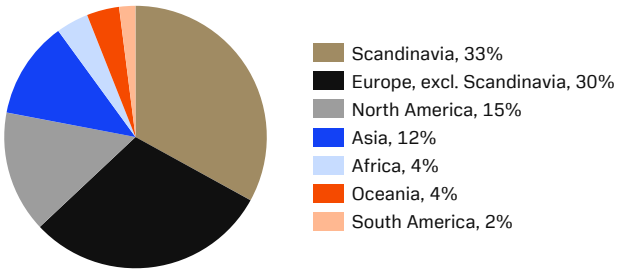
	2025
The number of convictions for violation of anti-corruption and anti- bribery laws	0
The amount of fines for violation of anti-corruption and anti- bribery laws	0

§ Reporting principles

The metrics encompass instances where a Sandvik legal entity has been convicted of anti-bribery or corruption violations by a court of law, as well as any fines imposed in connection with enforcement actions brought against the company for such violations.

G1-2 Management of relationships with suppliers

Supplier spend per region, %



With a global footprint and a supply chain encompassing approximately 43,000 suppliers across 100 countries, we recognize the critical role our suppliers play in our operations. We are committed to responsible sourcing and ethical procurement practices that promote transparency, fairness, and sustainability.

The Procurement policy defines the framework for sourcing practices and supplier relationships, including the requirements outlined in our Supplier Code of Conduct. It is supported by procedures designed to minimize risk, create business value, and ensure that procurement activities are conducted in an ethical and sustainable manner.

Our Supplier Code of Conduct sets forth sustainability expectations for suppliers, covering areas such as human rights, health and safety, climate, and environmental responsibility. It requires suppliers to maintain inclusive and respectful workplaces and to proactively manage risks within their own supply chains. These requirements are embedded in our onboarding and assessment processes.

It is the responsibility of the supplier to ensure that its suppliers comply with the requirements of the Supplier Code or equivalent set of requirements, and to evaluate and monitor its supply chain compliance. Suppliers who fail to comply with our Supplier Code, or do not demonstrate progress or willingness to adapt, may be considered in material breach of contract and risk termination of their business relationship with Sandvik.

The sourcing and procurement organization maintains ongoing dialogue with suppliers to assess and proactively address risks related to working conditions, environment, health and safety, thus fostering trust through transparency and collaboration. Supplier scorecards are used to evaluate performance across several critical criteria. Regular reviews, meetings, and training sessions are conducted to discuss results, resolve issues, and identify opportunities for continuous improvement.

Sustainability appendix

ESRS content index, list of material disclosure requirements

General disclosures			
ESRS 2			
Disclosure Requirement		**Additional information**	**Page number**
BP-1	General basis for preparation of sustainability statements		53
BP-2	Disclosures in relation to specific circumstances		53
GOV-1	The role of the administrative, management and supervisory bodies		54
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		54
GOV-3	Integration of sustainability-related performance in incentive schemes		54
GOV-4	Statement on due diligence		54
GOV-5	Risk management and internal controls over sustainability reporting		55
SBM-1	Strategy, business model and value chain		55
SBM-2	Interests and views of stakeholders		56
SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model		58
IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities		61
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		63

Environmental information			
E1	**Climate change**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes		54
E1-1	Transition plan for climate change mitigation		64
ESRS 2, SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model		64
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks, and opportunities		61
E1-2	Policies related to climate change mitigation and adaptation		67
E1-3	Actions and resources in relation to climate change policies		67
E1-4	Targets related to climate change mitigation and adaptation		69
E1-5	Energy consumption and mix		71
E1-6	Gross Scopes 1, 2, 3, and Total GHG emissions	Includes entity specific metric	72
E1-8	Internal carbon pricing		73
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase in provisions applied	N/A

Environmental information			
E2	**Pollution**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities		61
E2-1	Policies related to pollution		74
E2-2	Actions and resources related to pollution		75
E2-3	Targets related to pollution		75
E2-4	Pollution of air, water, and soil		75

Environmental information			
E3	**Water and marine resources**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities		61
E3-1	Policies related to water and marine resources		76
E3-2	Actions and resources related to water and marine resources		76
E3-3	Targets related to water and marine resources	Phase in provisions applied	76

Environmental information			
E4	**Biodiversity and ecosystems**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model		58
ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, and opportunities		61
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Phase in provisions applied	77
E4-2	Policies related to biodiversity and ecosystems		77
E4-3	Actions and resources related to biodiversity and ecosystems		77
E4-4	Targets related to biodiversity and ecosystems	Phase in provisions applied	77

Environmental information			
E5	**Resource use and circular economy**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities		61
E5-1	Policies related to resource use and circular economy		78
E5-2	Actions and resources related to resource use and circular economy		79
E5-3	Targets related to resource use and circular economy		81
E5-5	Resource outflows		81
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	Phase in provisions applied	N/A

Social information			
S1	**Own workforce**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, SBM-2	Interests and views of stakeholders		56
ESRS 2, SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model		85
S1-1	Policies related to own workforce		86
S1-2	Processes for engaging with own workers and workers' representatives about impacts		87
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		88
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		88
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Includes entity specific metrics	89
S1-6	Characteristics of the undertaking's employees		90
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Phase in provisions applied	N/A
S1-9	Diversity metrics		91
S1-14	Health and safety metrics	Phase in provisions applied	91
S1-16	Compensation metrics (pay gap and total compensation)	Includes entity specific metric	92
S1-17	Incidents, complaints and severe human rights impacts		92

Social information			
S2	**Workers in the value chain**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, SBM-2	Interests and views of stakeholders		56
ESRS 2, SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model		93
S2-1	Policies related to value chain workers		94
S2-2	Processes for engaging with value chain workers about impacts		95
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		95
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action		95
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Includes entity specific metrics and phase in provisions applied downstream	97

Social information			
S3	**Affected communities**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, SBM-2	Interests and views of stakeholders		56
ESRS 2, SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model		93
S3-1	Policies related to affected communities		98
S3-2	Processes for engaging with affected communities about impacts		98
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns		99
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		99
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase in provisions applied	99

Governance			
G1	**Business conduct**		
Disclosure Requirement		**Additional information**	**Page number**
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies		54
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities		61
G1-1	Business conduct policies and corporate culture		100
G1-2	Management of relationships with suppliers		104
G1-3	Prevention and detection of corruption and bribery		103
G1-4	Confirmed incidents of corruption or bribery		104

List of Datapoints from other EU legislations

Disclosure Requirement	Related datapoint	Sustainability disclosure	Regulation	Material/ Not material	Page number
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	SFDR (Sustainable Finance Disclosures Regulation) reference, Benchmark Regulation reference	Material	54
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of board members who are independent	Benchmark Regulation reference	Material	54
ESRS 2 GOV-4	Paragraph 30	Statement on due diligence	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	54
ESRS 2 SBM-1	Paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	SFDR (Sustainable finance disclosure regulation), Pillar 3 reference, Benchmark Regulation reference	Not material	55
ESRS 2 SBM-1	Paragraph 40 (d) ii	Involvement in activities related to chemical production	SFDR (Sustainable finance disclosure regulation), Benchmark Regulation reference	Not material	55
ESRS 2 SBM-1	Paragraph 40 (d) iii	Involvement in activities related to controversial weapons	SFDR (Sustainable finance disclosure regulation), Benchmark Regulation reference	Not material	55
ESRS 2 SBM-1	Paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco	Benchmark Regulation reference	Not material	55
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050	EU Climate Law reference	Material	65
ESRS E1-1	Paragraph 16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Pillar 3 reference, Benchmark Regulation reference	Material	65
ESRS E1-4	Paragraph 34	GHG emission reduction targets	SFDR (Sustainable finance disclosure regulation), Pillar 3 reference, Benchmark Regulation reference	Material	69
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	71
ESRS E1-5	Paragraph 37	Energy consumption and mix	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	71
ESRS E1-5	Paragraphs 40–43	Energy intensity associated with activities in high climate impact sectors	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	71
ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR (Sustainable finance disclosure regulation), Pillar 3 reference, Benchmark Regulation reference	Material	72
ESRS E1-6	Paragraphs 53–55	Gross GHG emissions intensity	SFDR (Sustainable finance disclosure regulation), Pillar 3 reference, Benchmark Regulation reference	Material	72
ESRS E1-7	Paragraph 56	GHG removals and carbon credits	EU climate law reference	Not material	N/A
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark Regulation reference	Material (phase in provision)	53
ESRS E1-9	Paragraph 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	Pillar 3 reference	Material (phase in provision)	53
ESRS E1-9	Paragraph 66 (c)	Location of significant assets at material physical risk	Pillar 3 reference	Material (phase in provision)	53
ESRS E1-9	Paragraph 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3 reference	Material (phase in provision)	53
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation reference	Material (phase in provision)	53
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	53

Disclosure Requirement	Related datapoint	Sustainability disclosure	Regulation	Material/ Not material	Page number
ESRS E3-1	Paragraph 9	Water and marine resources	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	76
ESRS E3-1	Paragraph 13	Dedicated policy	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	76
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	76
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	N/A
ESRS E3-4	Paragraph 29	Total water consumption in m^3 per net revenue on own operations	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	N/A
ESRS 2 – SBM-3 – E4	Paragraph 16 (a) i		SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	77
ESRS 2 – SBM-3 – E4	Paragraph 16 (b)		SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	77
ESRS 2 – SBM-3 – E4	Paragraph 16 (c)		SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	77
ESRS E4-2	Paragraph 24 (b)	Sustainable land / agriculture practices or policies	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	77
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans / seas practices or policies	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	77
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	77
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	81
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	81
ESRS 2 – SBM-3 – S1	Paragraph 14 (f)	Risk of incidents of forced labour	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	85
ESRS 2 – SBM-3 – S1	Paragraph 14 (g)	Risk of incidents of child labour	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	85
ESRS S1-1	Paragraph 20	Human rights policy commitments	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	86
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation reference	Material	86
ESRS S1-1	Paragraph 22	Processes and measures for preventing trafficking in human beings	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	86
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	86
ESRS S1-3	Paragraph 32 (c)	Grievance/complaints handling mechanisms	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	88
ESRS S1-14	Paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related	SFDR, Benchmark Regulation reference	Material	91
ESRS S1-14	Paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	91
ESRS S1-16	Paragraph 97 (a)	Unadjusted gender pay gap	SFDR (Sustainable finance disclosure regulation), Benchmark Regulation reference	Material	92
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	92
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	92
ESRS S1-17	Paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	SFDR (Sustainable finance disclosure regulation), Benchmark Regulation reference	Material	92

Disclosure Requirement	Related datapoint	Sustainability disclosure	Regulation	Material/ Not material	Page number
ESRS 2 – SBM-3 – S2	Paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	93
ESRS S2-1	Paragraph 17	Human rights policy commitments	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	94
ESRS S2-1	Paragraph 18	Policies related to value chain workers	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	94
ESRS S2-1	Paragraph 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR, Benchmark Regulation reference	Material	94
ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation reference	Material	94
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	95
ESRS S3-1	Paragraph 16	Human rights policy commitments	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	98
ESRS S3-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFDR, Benchmark Regulation reference	Material	98
ESRS S3-4	Paragraph 36	Human rights issues and incidents	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	99
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	N/A
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR (Sustainable Finance Disclosures Regulation) reference, Benchmark regulation reference	Not material	N/A
ESRS S4-4	Paragraph 35	Human rights issues and incidents	SFDR (Sustainable Finance Disclosures Regulation) reference	Not material	N/A
ESRS G1-1	Paragraph 10 (b)	United Nations Convention against corruption	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	100
ESRS G1-1	Paragraph 10 (d)	Protection of whistle-blowers	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	100
ESRS G1-4	Paragraph 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR (Sustainable finance disclosure regulation), Benchmark Regulation reference	Material	104
ESRS G1-4	Paragraph 24 (b)	Standards of anti-corruption and anti-bribery	SFDR (Sustainable Finance Disclosures Regulation) reference	Material	104

Auditor's limited assurance report of Sandvik AB (publ)'s statutory sustainability statement

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

Conclusion
We have conducted a limited assurance engagement of the sustainability statement for Sandvik AB (publ) for the financial year 2025. The sustainability statement is included on page 51–111 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 of the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

Basis for conclusion
We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

Other matter
The sustainability reporting for 2024 was prepared in accordance with the Global Reporting Initiative and was subject to our review. Limited assurance of the comparative figures in the Sustainability Statement for 2025, in accordance with the current wording of the Annual Accounts Act after 1 July 2024, has therefore not been performed.

Other information than the sustainability statement
This document also contains other information than the sustainability statement and is found on pages 1–50, 114–171 and 176-178. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement 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 sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express a conclusion on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), 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 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.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:
Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
  - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
  - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in IRO-1 of the sustainability statement.

Our procedures regarding the sustainability statement included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquires of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods, assumptions and data for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement; and
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
  - Perform substantive assurance procedures on selected information in the sustainability statement on the taxonomy disclosures.
  - Perform inquiries with management and other individuals in the company to obtain an understanding of the process and the sources of information used in the taxonomy disclosures.
  - Perform analytical review procedures regarding selected taxonomy disclosures.
  - Evaluate whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation.

Inherent limitations in preparing the sustainability statement
In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Sandvik AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Sandvik AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm, March 9 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.

Financial statements and notes

The Group

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Consolidated income statement

MSEK	Note	2024	2025
Revenue	G2, G3	122,878	120,680
Cost of goods and services sold		-73,742	-71,678
Gross profit		**49,136**	**49,002**
Selling expenses		-15,832	-14,987
Administrative expenses		-8,915	-8,624
Research and development expenses		-4,808	-4,542
Share of results of associates and joint ventures		-208	23
Other operating income	G6	297	580
Other operating expenses	G7	-1,249	-643
Operating profit	G2	**18,420**	**20,809**
Financial income		827	640
Financial expenses		-2,787	-1,991
Net financial items	G9	**-1,959**	**-1,351**
Profit before tax		**16,461**	**19,458**
Income tax	G10	-4,216	-4,767
Profit for the year		**12,245**	**14,691**
Profit for the year attributable to:			
Owners of the Parent Company		12,243	14,690
Non-controlling interests		2	1
Basic earnings per share, SEK	G11	9.76	11.71
Diluted earnings per share, SEK		9.75	11.70
Other comprehensive income			
Items that will not be reclassified to profit/loss for the year			
Actuarial gains/losses on defined-benefit pension plans	G21	-117	1,310
Fair value adjustment		-14	81
Tax relating to items that cannot be reclassified	G10	-5	-304
Total items that will not be reclassified to profit or loss		**-136**	**1,087**
Items that may be reclassified to profit/loss for the year			
Translation differences during the year		5,627	-12,419
Fair-value changes in cash flow hedges		-1,622	26
Tax related to fair-value changes in cash-flow hedges	G10	334	-5
Total items that may be reclassified subsequently to profit or loss		**4,340**	**-12,399**
Total other comprehensive income for the year		**4,204**	**-11,312**
Total comprehensive income		**16,449**	**3,379**
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		16,445	3,383
Non-controlling interests		4	-5

Consolidated balance sheet

MSEK	Note	Dec 31, 2024	Dec 31, 2025
Assets			
Non-current assets			
Intangible assets	G12	70,323	62,594
Property, plant and equipment	G13	24,678	22,339
Right-of-use assets	G14	5,877	5,410
Shares in associates and joint ventures	G15	134	121
Financial assets	G15	516	600
Deferred tax assets	G10	4,115	3,650
Non-current receivables	G16	5,239	5,248
Total non-current assets		**110,883**	**99,962**
Current assets			
Inventories	G17	34,827	33,219
Trade receivables	G18	19,836	19,595
Income tax receivables	G10	3,627	3,094
Other receivables	G19	8,529	7,403
Prepaid expenses and accrued income		1,761	1,628
Cash and cash equivalents		4,528	4,958
Assets held for sale	G31	395	–
Total current assets		**73,502**	**69,898**
Total assets		**184,384**	**169,860**
Equity and Liabilities			
Equity			
Share capital		1,505	1,505
Other paid-in capital		7,678	7,678
Reserves		15,962	3,635
Retained earnings incl. profit for the year		71,779	80,348
Equity attributable to owners of the Parent Company	G20	**96,924**	**93,166**
Non-controlling interest		75	71
Total equity		**96,999**	**93,237**
Non-current liabilities			
Provision for pensions	G21	4,382	3,569
Interest-bearing liabilities	G22, G27	36,486	32,027
Deferred tax liabilities	G10	3,553	3,274
Other provisions	G23	1,199	1,064
Other liabilities	G24	739	577
Total non-current liabilities		**46,359**	**40,510**
Current liabilities			
Interest-bearing liabilities	G22, G27	6,269	5,094
Accounts payable		10,077	10,719
Income tax liabilities	G10	3,031	2,136
Other liabilities	G24	11,075	8,216
Other provisions	G23	2,552	2,414
Accrued expenses	G25	7,978	7,533
Liabilities directly attributed to assets held for sale	G31	43	–
Total current liabilities		**41,026**	**36,113**
Total liabilities		**87,385**	**76,623**
Total equity and liabilities		**184,384**	**169,860**

Consolidated changes in equity

	Equity attributable to equity holders of the Parent Company						
MSEK	**Share Capital**	**Other paid-in capital**	**Reserves**	**Retained earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
Equity at January 1, 2024	**1,505**	**7,678**	**11,420**	**67,028**	**87,631**	**66**	**87,697**
Adjustment on correction of error	–	–	–	-77	**-77**	–	**-77**
Equity at January 1, 2024	**1,505**	**7,678**	**11,420**	**66,952**	**87,555**	**66**	**87,620**
Profit for the year	–	–	–	12,243	**12,243**	2	**12,245**
Other comprehensive income	–	–	4,542	-340	**4,202**	2	**4,204**
Total comprehensive income for the year	**–**	**–**	**4,542**	**11,903**	**16,445**	**4**	**16,449**
Transactions with owners							
Change in fair value of put option to acquire non-controlling interest	–	–	–	-219	**-219**	–	**-219**
Change in non-controlling interest	–	–	–	-6	**-6**	6	**–**
Change in share based program	–	–	–	29	**29**	–	**29**
Dividend	–	–	–	-6,880	**-6,880**	–	**-6,880**
Equity at December 31, 2024	**1,505**	**7,678**	**15,962**	**71,779**	**96,924**	**75**	**96,999**
Equity at January 1, 2025	**1,505**	**7,678**	**15,962**	**71,779**	**96,924**	**75**	**96,999**
Profit for the year	–	–	–	14,690	**14,690**	1	**14,691**
Other comprehensive income	–	–	-12,327	1,021	**-11,306**	-6	**-11,312**
Total comprehensive income for the year	**–**	**–**	**-12,327**	**15,710**	**3,383**	**-5**	**3,379**
Transactions with owners							
Change in fair value of put option to acquire non-controlling interest	–	–	–	31	**31**	–	**31**
Change in non-controlling interest	–	–	–	-1	**-1**	1	**–**
Change in share based program	–	–	–	32	**32**	–	**32**
Dividend	–	–	–	-7,203	**-7,203**	0	**-7,203**
Equity at December 31, 2025	**1,505**	**7,678**	**3,635**	**80,348**	**93,166**	**71**	**93,237**

Consolidated cash flow statement

MSEK	Note	2024	2025
Cash flow from operating activities			
Profit before tax		16,461	19,458
Adjustment for depreciation, amortization and impairment losses		7,981	7,415
Other adjustments for non-cash items	G29	1,822	-352
Payment to pension fund		-395	-359
Income tax paid		-5,474	-5,156
Cash flow from operating activities before changes in working capital		**20,395**	**21,005**
Changes in working capital			
Change in inventories		1,189	-1,764
Change in operating receivables		347	-1,602
Change in operating liabilities		-280	2,274
Cash flow from changes in working capital		**1,256**	**-1,092**
Investments in rental equipment		-1,407	-995
Proceeds from sale of rental equipment		363	271
Cash flow from operating activities, net		**20,607**	**19,189**
Cash flow from investing activities			
Acquisitions of companies and shares, net of cash acquired	G30	-3,187	-2,997
Proceeds from sale of companies and shares, net of cash disposed	G31	-22	336
Acquisitions of tangible assets		-3,565	-2,835
Proceeds from sale of tangible assets		257	376
Acquisitions of intangible assets		-1,276	-972
Proceeds from sale of intangible assets		7	2
Acquisitions of financial assets		-23	-2
Proceeds from sale of financial assets		18	6
Other investments, net		122	-276
Cash flow from investing activities		**-7,671**	**-6,364**
Cash flow from financing activities			
Repayment of borrowings		-10,535	-5,024
Proceeds from borrowings		5,928	1,765
Amortization, lease liabilities		-1,439	-1,433
Repurchase of own shares		-61	-6
Dividends paid		-6,880	-7,203
Cash flow from financing activities, net	G29	**-12,988**	**-11,901**
Cash flow for the year		**-51**	**924**
Cash and cash equivalents at beginning of year		4,363	4,528
Exchange-rate differences in cash and cash equivalents		216	-494
Cash and cash equivalents at the end of year	G29	**4,528**	**4,958**

Group notes

G1 Significant accounting principles – assessments and assumptions for accounting purposes

The consolidated financial statements comprise Sandvik AB, corporate registration number 556000-3468, (the Parent Company) and all its subsidiaries (jointly the Group), with registered office in Stockholm, Sweden. The address for the headquarter is Box 510, 101 30 Stockholm. The Group also includes the share of investments in associated companies.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Group. Accordingly, the financial statements are presented in SEK. All amounts are in million SEK unless otherwise stated. Amounts in tables and calculations in the financial statements and notes do not always agree exactly with the totals due to rounding.

§ Accounting principles

The symbol and heading show where the accounting principles are described in each note. The accounting principles have been applied consistently to all periods presented in these consolidated financial statements.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards adopted by the International Accounting Standards Board (IASB) as endorsed by the EU. In addition, the recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Corporate Reporting Board, has been applied.

The Parent Company has applied the same accounting principles as those applied in the consolidated financial statements except as set out in note P1, Accounting principles, Parent Company.
The financial statements are presented on pages 32-50 and 114-171 in the printed Annual Report. The Parent Company's Annual Report and the consolidated financial statements were approved for issuance by the Board of Directors on March 6, 2026. Both the Group's and the Parent Company's income statements and balance sheets are subject to adoption at the Annual General Meeting on April 28, 2026.

Basis of consolidation
The consolidated financial statements are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all subsidiaries over which the Parent Company exercises control.

Foreign currency
Financial statements of foreign operations
The assets and liabilities of foreign operations, arising on consolidation, are translated from the foreign operation's functional currency to the Group's reporting currency, SEK. Revenues and expenses of foreign operations are translated to SEK at average rates that approximate the foreign exchange rates prevailing at each of the transaction dates.

Translation differences arising from the translation of the net investment in foreign operations are recognized in other comprehensive income and are accumulated in a separate component of equity, a translation reserve. If the foreign operation is divested, the accumulated translation differences attributable to the divested foreign operation is reclassified from equity to profit or loss for the year as a reclassification adjustment at the date on which the profit or loss of the divestment is recognized. For cases in which divestments made include a residual controlling influence, the proportionate share of accumulated translation differences from other comprehensive income is transferred to non-controlling interests.

Changes in accounting policies 2025
IASB has published amendments of standards effective in 2025. These have not had any material impact on the financial statements.

Changes in accounting policies 2026 or later
IFRS 18 Presentation and Disclosure in Financial Statements.
The implementation of IFRS 18 will have an impact on the Group's presentation of the income statement and statement of cash flows. It also requires additional note disclosures. Sandvik is still assessing the full impact of IFRS 18. The standard will be applied from January 1, 2027.
No other new or amended standards effective from 2026 or later are expected to materially affect the financial statements.

Critical accounting estimates and judgments
In order to prepare the financial statements, management and the Board make various judgments and estimates that can affect the amounts recognized in the financial statements for assets, liabilities, revenues and expenses as well as information in general, including contingent liabilities.

The judgments and estimates discussed in notes where applicable are those deemed to be most important for an understanding of the financial statements, considering the level of significant estimations and uncertainty. The conditions under which Sandvik operates are gradually changing, meaning that the judgments also change. Climate change has been assessed to not have a significant impact on the financial statements nor on the estimates and assumptions made when preparing the annual report and consolidated financial statements.

! Critical estimates and judgments

The symbol and heading show where the estimates and judgments are described in each separate note. The notes and critical estimates and judgments refers to:

Note	Critical estimates and judgments
G10	Deferred tax liabilities and assets and tax disputes
G12	Impairment of goodwill and non-current assets
G13	Impairment of non-current assets
G21	Defined benefit obligations
G23	Provisions and legal disputes
G27	Allowance for expected credit losses
G30	Allocation of purchase price

G2 Segment information

2024	Mining	Rock Processing	Machining and Intelligent Manufacturing	Group activities	Eliminations	Group total
External revenues	63,607	10,704	48,567	–	–	**122,878**
Internal revenues	16	1	517	–	-533	**–**
Total revenue	**63,623**	**10,705**	**49,084**	**–**	**-533**	**122,878**
Share of results of associates and joint ventures	26	–	-234	–	–	**-208**
Operating profit	**11,934**	**883**	**6,318**	**-715**	**–**	**18,420**
Net financial items	50	-32	-123	-7	–	**-1,959**
Income tax expense for the year	–	–	–	–	–	**-4,216**
Profit for the year	**11,984**	**851**	**6,195**	**-721**	**–**	**12,245**
Assets	73,048	16,401	77,245	2,119	–	**168,813**
Investments in associates and joint ventures	72	–	62	–	–	**134**
Assets held for sale	122	–	273	–	–	**395**
Unallocated assets	–	–	–	–	–	**15,042**
Total assets	**73,242**	**16,401**	**77,580**	**2,119**	**–**	**184,384**
Liabilities	18,259	3,644	11,325	1,838	–	**35,067**
Liabilities held for sale	–	–	38	5	–	**43**
Unallocated liabilities	–	–	–	–	–	**52,275**
Total liabilities	**18,259**	**3,644**	**11,363**	**1,844**	**–**	**87,385**
Other disclosures						
Capital expenditure	-1,800	-175	-2,805	-60	–	**-4,841**
Depreciation and amortization	-2,513	-528	-3,639	-80	–	**-6,760**
Impairment losses	-357	-139	-671	-55	–	**-1,221**
Other non-cash expenses	20	151	711	940	–	**1,822**
Restructuring costs	-494	-395	-1,725	-67	–	**-2,681**

2025	Mining	Rock Processing	Machining and Intelligent Manufacturing	Group activities	Eliminations	Group total
External revenues	62,971	10,435	47,273	–	–	**120,680**
Internal revenues	22	1	443	–	-467	**–**
Total revenue	**62,994**	**10,437**	**47,717**	**–**	**-467**	**120,680**
Share of results of associates and joint ventures	17	–	6	–	–	**23**
Operating profit	**12,713**	**1,341**	**7,421**	**-667**	**–**	**20,809**
Net financial items	77	-26	-148	-10	–	**-1,351**
Income tax expense for the year	–	–	–	–	–	**-4,767**
Profit for the year	**12,790**	**1,315**	**7,273**	**-677**	**–**	**14,691**
Assets	69,020	14,658	70,085	1,568	–	**155,331**
Investments in associates and joint ventures	63	–	58	–	–	**121**
Unallocated assets	–	–	–	–	–	**14,408**
Total assets	**69,083**	**14,658**	**70,143**	**1,568**	**–**	**169,860**
Liabilities	18,797	3,329	11,109	1,391	–	**34,627**
Unallocated liabilities	–	–	–	–	–	**41,996**
Total liabilities	**18,797**	**3,329**	**11,109**	**1,391**	**–**	**76,623**
Other disclosures						
Capital expenditure	-1,623	-189	-1,985	-9	–	**-3,807**
Depreciation and amortization	-2,483	-480	-3,576	-79	–	**-6,617**
Impairment losses	-295	-69	-376	-57	–	**-797**
Other non-cash expenses	-279	-103	141	-110	–	**-352**
Restructuring costs	-40	-52	623	–	–	**531**

→ G2, continued

Revenue by country	2024	2025
USA	17,739	17,636
Australia	14,285	13,731
China	9,123	8,792
Canada	7,699	8,487
Germany	6,542	6,498
South Africa	4,823	4,780
Mexico	5,145	4,757
Indonesia	3,550	3,458
Italy	3,603	3,434
Brazil	3,052	3,276
India	3,561	3,174
France	2,873	2,780
Chile	2,516	2,626
Sweden	2,427	2,280
UK	1,890	1,828
Poland	1,919	1,746
Ghana	1,691	1,549
Peru	1,301	1,461
Japan	1,387	1,368
Spain	1,448	1,357
Democratic Republic of the Congo	1,074	1,293
Switzerland	1,179	1,281
Tanzania	1,131	1,251
Zimbabwe	1,281	1,239
Türkiye	1,255	1,117
Other countries	20,384	19,482
Total	**122,878**	**120,680**

Revenue is specified by country based on where the customers are located.

Non-currrent assets by country	2024	2025
USA	30,475	25,928
Australia	15,013	13,142
Sweden	13,240	12,675
Luxembourg	8,450	7,775
China	6,181	5,105
France	4,402	4,140
Germany	3,699	3,419
Austria	3,046	2,871
Finland	2,850	2,733
Canada	2,671	2,332
UK	2,121	1,817
India	2,082	1,690
Switzerland	1,604	1,469
Ireland	1,414	1,270
Czech Republic	945	898
Other countries	2,686	3,080
Total	**100,879**	**90,342**

§ Accounting principles

The Group's operations are organized in three business areas, based on products and services. The Group's chief operating decision-maker, the CEO, monitors the business result and decides on the distribution of resources based on the products the Group manufactures and sells as well as the service it provides, these constitute the Group's operating segments. Each operating segment has a president, who reports to the CEO and is responsible for day-to-day activities.

Segment results, assets and liabilities include only those items that are directly attributable to the segment and the relevant portions of items that can be allocated on a reasonable basis to the segments. Unallocated items comprise of interest, gains/losses on disposal of financial investments, interest expense, income tax expense, and certain administrative expenses. Unallocated assets and liabilities include income and deferred tax receivables and payables, financial investments and financial liabilities.

G3 Categories of revenue

	2024				2025			
Primary geographical markets	**Mining**	**Rock Processing**	**Machining and Intelligent Manufacturing**	**Total**	**Mining**	**Rock Processing**	**Machining and Intelligent Manufacturing**	**Total**
Europe	6,531	2,083	23,247	**31,861**	6,181	1,844	22,421	**30,447**
North America	14,586	2,158	13,838	**30,583**	15,296	2,226	13,358	**30,880**
South America	6,096	1,326	1,092	**8,514**	6,418	1,320	979	**8,717**
Africa and Middle East	13,349	1,374	509	**15,232**	12,924	1,398	490	**14,812**
Asia	10,260	1,854	9,548	**21,662**	9,762	1,648	9,720	**21,130**
Australia and New Zealand	12,785	1,909	332	**15,026**	12,390	2,000	305	**14,694**
Total	**63,607**	**10,704**	**48,567**	**122,878**	**62,971**	**10,435**	**47,273**	**120,680**
Major goods/service lines								
Sale of goods	56,748	9,703	44,407	**110,858**	56,124	9,433	43,346	**108,903**
Rendering of services	5,859	996	4,134	**10,989**	5,882	997	3,908	**10,786**
Rental income	970	3	4	**978**	948	5	3	**955**
Other non-product related revenue	30	2	21	**53**	18	1	16	**36**
Total	**63,607**	**10,704**	**48,567**	**122,878**	**62,971**	**10,435**	**47,273**	**120,680**
Order backlog to be recognized as revenue after 2026	2,444	92	0	**2,519**	2,987	5	0	**2,991**

§ Accounting principles

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 to the Incoterms. For changes in contract assets and liabilities, see note G19 and G24.

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.

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.

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

Variable consideration
Some customer contracts contain right of return, late delivery penalties, volume rebates and trade-in, which give rise to variable consideration subject to constraint. Such variable consideration have been considered as part of the revenue recognition.

Significant financing component
Sandvik applies the practical expedient to not calculate and account for significant financing component if the period between the transfer of a good or service to a customer and payment is 12 months or less.

Licenses
Revenue from licenses is recognized 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 recognized over the contract period.

G4 Personnel information and remuneration of management

Average number of employees, full-time equivalent

	2024		2025	
	Number	Women %	Number	Women %
Sweden	5,325	29	5,192	29
Rest of Europe	12,599	22	12,370	20
Total Europe	**17,923**	**24**	**17,561**	**23**
North America	6,317	20	6,212	21
South America	2,709	20	2,817	25
Africa, Middle East	3,219	20	3,381	19
Asia	8,708	18	9,308	19
Australia	2,286	20	2,345	20
Total	**41,162**	**21**	**41,624**	**21**

Wages, salaries and other remuneration and social costs

	2024	2025
Wages, salaries and other remuneration	-26,798	-26,793
Social costs	-3,455	-3,344
Pension costs	-1,596	-1,617
Total	**-31,850**	**-31,753**

Wages, salaries and other remuneration by market area

	2024	2025
Sweden	-3,829	-3,927
Rest of Europe	-9,632	-9,728
Total Europe	**-13,461**	**-13,655**
North America	-5,767	-5,151
South America	-1,029	-1,038
Africa, Middle East	-1,408	-1,501
Asia	-2,769	-3,086
Australia	-2,365	-2,362
Total	**-26,798**	**-26,793**
of which, to Boards of Directors and presidents		
Salaries and other remuneration	-971	-932
of which, variable salary	-157	-182

Gender distribution in senior management

Proportion of women, %	2024	2025
Gender distribution in senior management	19	21
Other senior executives	26	27

Remuneration to the board of directors
Fees to the Chairman and other external Board members are paid in accordance with the resolution at the Annual General Meeting. No Board fees are paid to the President and the employee representatives. In accordance with the resolution of the 2025 Annual General Meeting, the total fee to the external Board members elected at the Meeting amounts to in total SEK 8,105,000 on an annual basis.

	2024				
SEK	Board fee	Audit Committee fee	Remuneration Committee	Acquisition and Divestitures Committee	Total Board and Committee fee
Johan Molin (Chairman of the Board)	-3,000,000	-200,000	-167,000	-226,000	**-3,593,000**
Claes Boustedt	-800,000	-352,000	–	-167,000	**-1,319,000**
Marika Fredriksson	-800,000	–	–	–	**-800,000**
Andreas Nordbrandt	-800,000	–	–	–	**-800,000**
Susanna Schneeberger[1)]	-800,000	–	–	–	**-800,000**
Helena Stjernholm	-800,000	-200,000	-132,000	-167,000	**-1,299,000**
Kai Wärn	-800,000	–	-132,000	–	**-932,000**
Total	**-7,800,000**	**-752,000**	**-431,000**	**-560,000**	**-9,543,000**

1) Appointed in April 2024

	2025				
SEK	Board fee	Audit Committee fee	Remuneration Committee	Acquisition and Divestitures Committee	Total Board and Committee fee
Johan Molin (Chairman of the Board)	-3,125,000	-210,000	-175,000	-237,000	**-3,747,000**
Claes Boustedt	-830,000	-370,000		-175,000	**-1,375,000**
Marika Fredriksson	-830,000				**-830,000**
Andreas Nordbrandt	-830,000				**-830,000**
Susanna Schneeberger	-830,000				**-830,000**
Helena Stjernholm	-830,000	-210,000	-138,000	-175,000	**-1,353,000**
Kai Wärn	-830,000		-138,000		**-968,000**
Total	**-8,105,000**	**-790,000**	**-451,000**	**-587,000**	**-9,933,000**

President and other senior executives

Guidelines for remuneration

For information on the current guidelines for remuneration of senior executives, adopted by the 2024 Annual General Meeting, please refer to pages 34–36.

President and CEO

Sandvik's President and CEO, Stefan Widing, was paid an annual fixed salary of SEK 17,160,000 and received a fringe benefit value of a car provided by the company. In addition, the President and CEO was paid an annual cash-based salary with a maximum value of 75 percent of the annual fixed salary. The variable cash-based salary for 2025 amounted to SEK 11,266,076 being 88 percent of the maximum value.

Stefan Widing is entitled to retire at age 65. A pension premium of 37.5 percent of his annual fixed salary is reserved annually. In the event of termination of employment by the company, Stefan Widing has a notice period of 12 months and 12 months' severance pay.

Other senior executives

The members of the Group Executive Management in Sweden receive an occupational pension plan limited to 35 percent of their annual base salary. The pension plan entails savings to pension, contributions for disability pension, insurance, and supplementary disability and survivor's pension. One member of the Group Executive Management is based in Switzerland and covered by a Swiss pension plan amounting to 21 percent of annual base salary, whereof 75 percent is paid by the company and 25 percent by the employee. Another member based in the UK, is covered by a UK salary supplement plan amounting to 12 percent of the annual base salary. The minimum retirement age is 62.

Severance pay is paid in the event that the company terminates employment. The severance pay equals 6–12 months of fixed salary in addition to the notice period, which is 6–12 months. Any other income from employment may be deducted from the severance pay.

External remuneration market data for benchmarking is used as guidance. A sign-on bonus was paid in 2025.

Remuneration and other benefits pertaining to 2024 expensed during the year, in SEK

Position	Fixed salary	Annual variable salary[3)]	Other benefits[4)]	Long-term variable salary[5)]	Pension costs[6)]
President and CEO	-16,748,678 [1)]	-1,477,824	-159,196	-5,465,050	-7,345,166
Other senior executives [7)]	-45,582,334 [2)]	-4,887,342	-1,426,931	-9,562,355	-13,433,296
Total	**-62,331,012**	**-6,365,166**	**-1,586,127**	**-15,027,405**	**-20,778,462**

1) The fixed salary during 2024 for Stefan Widing amounted to SEK 16,420,272. The remaining amount relates to vacation pay, etc.
2) Fixed salaries for other Senior Executives pertaining to 2024.
3) Amount pertaining to 2024 and expected to be paid in 2025.
4) Relates mainly to fringe benefits and company car.
5) The amounts pertain to changes in provisions made for the 2022 and 2023 LTI programs at year-end. Provisions made for the LTI 2024 program forfeited at year end.
6) Amounts pertaining to company paid contributions for the President and other senior executives. For the President and CEO the pension contributions included a pending payment of SEK 1,008,245 for the years 2022 and 2023.
7) Pertains to the following persons in 2024: Cecilia Felton, Åsa Thunman, Johan Kerstell, Sofia Sirvell, Björn Roodzant, Nadine Crauwels, Richard Harris, Mats Eriksson, Mattias Nilsson.

Remuneration and other benefits pertaining to 2025 expensed during the year, in SEK

Position	Fixed salary	Annual variable salary[3)]	Other benefits[4)]	Long-term variable salary[5)]	Pension costs[6)]
President and CEO	-17,503,200 [1)]	-11,266,076	-162,009	-2,208,243	-6,332,794
Other senior executives [7)]	-54,572,458 [2)]	-20,200,432	-1,527,909	-4,515,363	-13,183,577
Total	**-72,075,658**	**-31,466,508**	**-1,689,918**	**-6,723,606**	**-19,516,371**

1)The fixed salary during 2025 for Stefan Widing amounted to SEK 17,160,000. The remaining amount relates to vacation pay, etc.
2) Fixed salaries for other Senior Executives pertaining to 2025.
3) Amount pertaining to 2025, expected to be paid in 2026.
4) Relates mainly to fringe benefits and company car.
5) The amounts pertain to changes in provisions made for the 2023 and 2025 LTI programs at year-end. Provisions made for the LTI 2024 program forfeited at year end 2024.
6) Amounts pertaining to company paid contributions for the President and other senior executives.
7) Pertains to the following persons in 2025: Cecilia Felton, Sofia Sirvell, Björn Roodzant, Nadine Crauwels, Richard Harris, Mats Eriksson, Mattias Nilsson, Björn Axelsson (Feb-Dec), Johanna Kreft (Oct-Dec), Johan Kerstell (Jan), Åsa Thunman (Jan-May).

Long-term incentive programs (LTI)

Share-based incentive program 2022–2025

The 2022-2025 Annual General Meetings approved the Board's proposal to adopt a performance share program for each year for a maximum 350 senior executives and key individuals in the Sandvik Group, divided into four categories. For all participants, a personal investment is required in each separate program and the programs encompass at grant a maximum total of 5,103,030 shares.

All program participants have invested in Sandvik shares ("investment shares"), up to an amount corresponding to 10 percent of their fixed annual pre-tax salary at the time of the investment.

Performance shares

In LTI 2022-2025, Sandvik shares may be allotted provided certain performance targets are met ("performances shares"). The maximum number of performance shares that may be allotted for each acquired investment share depends on the category to which the participant belongs.

The number of performance shares that will finally be allotted to the participant for each acquired investment share is dependent on the development of the Sandvik Group adjusted earnings per share ("EPS") during the financial year that the investment shares were acquired, compared to adjusted EPS for the previous financial year.

In January 2022-2025 the Board of Directors established the levels regarding adjusted EPS for the performance year in question that had to be attained for allotment of a certain number of performance shares.

Performance outcome 2022–2025

LTI 2022: Performance shares were allotted since the performance targets set by the Board of Directors were met. The LTI adjusted EPS for the 2022 financial year amounted to SEK 12.89.

LTI 2023: Performance shares were partly allotted since the performance targets set by the Board of Directors were partly met. The adjusted EPS for the 2023 financial year amounted to SEK 14.04.

LTI 2024: No performance shares were allotted since the performance targets set by the Board of Directors were not met. EPS for the 2024 financial year amounted to SEK 13.11. There will be no allotment of shares under LTI 2024.

LTI 2025: Performance shares were partly allotted since the performance targets set by the Board of Directors were partly met. EPS for the 2025 financial year amounted to SEK 13.27.

The number of allotted performance shares under the 2022-2025 LTI programs for the President and other members of the Group Executive Management on Dec 31, 2025, corresponds to the number of outstanding performance shares at year-end.

→ G4, continued

The allotments of performance shares in ongoing programs requires continuous employment and that all investment shares are held during a period of three years from the acquisition of the investment shares.

Costs for the programs
The following IFRS2 provisions were established during the year:
For LTI 2023, SEK 31.2 million (excluding social costs), of which SEK 4.8 million for the President and CEO, and other senior executives.
For LTI 2024, no IFRS2 provisions were made during 2020 since the performance targets set by the Board of Directors were not met.
For LTI 2025, SEK 18.4 million (excluding social costs), of which SEK 2.0 million for the President and CEO, and other senior executives.

The employee performance shares are expensed as an employee expense (excluding social costs) over the vesting period and are recognized directly against equity. The amount recognized is continuously revised throughout the vesting period of each program. Social costs are expensed during the vesting period of each program based on the change in value of the employee performance shares.

Preparation and decision-making process
The Board's Remuneration Committee prepares issues relating to the Group Executive Management's remuneration. The Committee met three times during the year. Items dealt with included the distribution between fixed and variable salary, the magnitude of any pay increases and both the short- and long-term variable incentive programs.

The Board discussed the Remuneration Committee's proposals and made a decision, using the Committee's proposal as a basis. Based on the Remuneration Committee's proposals, the Board decided on the remuneration of the President for 2025. The President decided on remuneration to other senior executives after consultation with the Remuneration Committee. The Remuneration Committee performed its task supported by expertise on remuneration levels and structures. For information on the composition of the Committee, refer to the Corporate Governance Report.

Assumptions for determining the value, 2022–2025 LTI Programs

Assumptions	Program 2022 (on date of issue)	Program 2023 (on date of issue)	Program 2024 (on date of issue)	Program 2025 (on date of issue)
Share price, SEK	201.60	198.35	238.10	213.80
Present value of forecasted future dividends, SEK [1]	17.32	16.77	18.09	17.25
Risk-free interest rate, %	0.40	3.23	3.74	2.04

1) Based on analysts' three-year combined expectations.

Number of Shares 2022–2025 LTI programs

	Performance shares 2022	Performance shares 2023	Performance shares 2024	Performance shares 2025
Outstanding at beginning of year	1,023,210	562,183	–	–
Allotted during the period	–	–	–	1,433,710
Vested during the year	1,009,123	2,298	–	–
Forfeited during the year	14,087	46,884	–	1,176,307
Transferred during the year	–	–	–	–
Outstanding at year-end	–	513,001	–	257,403
Theoretical value when allotted acc. to Black-Scholes, SEK	184.28	181.58	220.01	196.55

Number of Performance Shares, Parent Company, 2022–2025 LTI programs

	Performance shares 2022	Performance shares 2023	Performance shares 2024	Performance shares 2025
Outstanding at beginning of year	196,182	97,443	–	–
Allotted during the period	–	–	–	218,309
Vested during the year	202,808	–	–	–
Forfeited during the year	–	16,523	–	184,951
Transferred during the year	6,626	–	–	–
Outstanding at year-end	0	80,920	–	33,358
Theoretical value when allotted acc. to Black-Scholes, SEK	184.28	181.58	220.01	196.55

§ Accounting principles

Share-based payments refer to remuneration to employees in accordance with employee share saving programs.

The costs for the employee performance shares are expensed as an employee expense (excluding social costs) over the vesting period and are recognized directly against equity. The amount recognized is continuously revised throughout the vesting period of each program. Social costs are expensed during the vesting period of each program based on the change in value of the employee performance shares.

The share-based program, performance share consists of the rights to provide entitlement to shares subject to the same conditions and if goals relating to operating performance are achieved. The amount recognized as an expense is adjusted to reflect the actual number of shares vested.

In order to meet its commitments under the share saving program, Sandvik has entered into an equity swap agreement with a financial institution. Under the agreement, the financial institution undertakes to distribute Sandvik shares to participants in the program when the date for allotment occurs in accordance with the terms and conditions of the program.

The fair value of the Sandvik share when the swap agreement was signed is recognized as a financial liability and as a reduction of equity in accordance with IAS 32. Social costs relating to share-based payments to employees are expensed over the accounting periods during which the services are provided. The charge is based on the fair value of the options at the reporting date. The fair value is calculated using the same formula as that used when the options were granted.

G5 Remuneration to auditors

	2024	2025
PwC		
Audit fees	-94	-93
Audit activities other than the audit assignment	-6	-6
Tax consultancy services	-10	-7
Other Services	-2	-3
Total	**-112**	**-109**
Other audit firms		
Audit fees	-23	-20
Audit activities other than the audit assignment	-3	-3
Tax consultancy services	-42	-49
Other Services	-57	-38
Total	**-125**	**-111**

Audit refers to the statutory audit of the financial statements, the accounting records and the administration of the business by the Board of Directors and the President and CEO, and auditing and other review procedures performed in accordance with agreements or contracts. This includes other procedures required to be performed by the company's auditors as well as other services caused by observations during the performance of such examination and other procedures.

Tax consultancy services relate to services in the tax area. Other services essentially comprise advice in areas closely related to the audit, such as other assurance, advice on accounting issues and due diligence services in connection with acquisitions.

G6 Other operating income

Other operating income amounted to SEK 580 million (297). The amount mainly consists of SEK 281 million gain on disposal of fixed assets.

For 2024 the amount consists mainly of SEK 74 million gain on write off of earn out and SEK 55 million gain on disposal of equipment and right-of-use assets.

G7 Other operating expenses

Other operating expenses amounted to SEK -643 million (-1,249). The amount mainly consists of SEK -362 million loss due to valuation of hedges and loss on foreign exchange and SEK -112 million for external M&A transaction costs.

For 2024 the amount consists of SEK -220 million loss on the divestment of business, SEK -178 million for external M&A transaction costs, SEK -119 million loss due to valuation of hedges, SEK -74 million loss on foreign exchange, and SEK -61 million loss on disposal of land and buildings.

G8 Operating expenses

	2024	2025
Cost of goods and material	-40,685	-38,752
Employee benefit expense	-31,850	-31,753
Depreciation and amortization	-7,489	-7,348
Impairment losses, inventories	-495	-305
Impairment losses and reversal impairment losses, non-current assets	-408	-66
Impairment losses, doubtful receivables	-126	-134
Other expenses	-23,493	-22,117
Total	**-104,546**	**-100,475**

G9 Net financial items

	2024	2025
Interest income	622	577
Dividend	3	3
Other investments including derivatives		
Net gain on remeasurements of financial assets/liabilities	115	16
Gain on disposal of financial assets	1	–
Other financial income	85	45
Financial income	**827**	**640**
Interest expense	-2,551	-1,824
Other investments including derivatives		
Net loss on remeasurements of financial assets/liabilities	-42	-27
Foreign exchange losses	-80	-66
Other financial expenses	-113	-74
Financial expenses	**-2,787**	**-1,991**
Net financial items	**-1,959**	**-1,351**

For further information regarding valuation policies for financial instruments, refer to note G27.

§ Accounting principles

Financial expenses consist of interest expense on borrowings, interest income and expenses on interest swaps that are recognized net as an interest expense. Credit losses on financial assets and foreign exchange gains and losses on hedging instruments are recognized in profit or loss for the year.

G10 Income tax

Recognized in the income statement

Income tax expense for the year	2024	2025
Current tax	-4,369	-5,151
Adjustment of taxes attributable to prior years	-502	204
Total current tax expense	**-4,871**	**-4,947**
Deferred taxes relating to temporary differences and tax losses carried forward	655	180
Total tax expense	**-4,216**	**-4,767**

The Group's recognized tax expense for the year amounted to SEK 4,767 million (4,216) or 24.5 percent (25.6) of profit before tax.

Reconciliation of the tax expense

The Group's weighted average tax rate, calculated in accordance with the statutory tax rate in each country, was 23.1 percent (22.2). The tax rate in Sweden was 20.6 percent (20.6).

Reconciliation of the Group's weighted average tax rate, based on the tax rate in each country, and the Group's actual tax expense:

	2024		2025	
	MSEK	%	MSEK	%
Profit before tax	16,461		19,458	
Weighted average tax based on each country's tax rate	-3,654	-22.2	-4,492	-23.1
Tax effect of				
Non-deductible expenses	-385	-2.3	-312	-1.6
Tax-exempt income	162	1.0	164	0.8
Adjustments relating to prior years	-502	-3.1	204	1.0
Effects of tax losses carried forward, net	-84	-0.5	-143	-0.7
Other	247	1.5	-188	-0.9
Total recognized tax expense	**-4,216**	**-25.6**	**-4,767**	**-24.5**

Tax items attributable to other comprehensive income

	2024			2025		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains/losses attributable to defined-benefit pension plans	-117	-5	-122	1,310	-289	1,021
Translation differences	5,627	–	5,627	-12,419	–	-12,419
Fair-value changes in cash flow hedges	-1,622	334	-1,288	26	-5	21
Fair-value adjustment	-14	–	-14	81	-15	66
Other comprehensive income	**3,874**	**329**	**4,204**	**-11,002**	**-309**	**-11,312**

Recognized in the balance sheet

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities.

	2024			2025		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	196	-3,180	-2,984	168	-3,026	-2,858
Property, plant and equipment	195	-1,387	-1,192	206	-1,182	-976
Financial non-current assets	154	-359	-205	139	-440	-301
Inventories	1,426	-162	1,264	1,329	-149	1,180
Receivables	168	-107	61	162	-80	82
Interest-bearing liabilities[1)]	833	-52	781	615	-38	577
Non interest-bearing liabilities[2)]	1,811	-48	1,763	1,662	-42	1,620
Other	–	-19	-19	–	-15	-15
Tax losses carried forward	914	–	914	832	–	832
Tax credits, etc.	179	–	179	235	–	235
Total	**5,876**	**-5,314**	**562**	**5,348**	**-4,972**	**376**
Offsetting within companies	-1,761	1,761	–	-1,698	1,698	–
Total deferred tax assets and liabilities	**4,115**	**-3,553**	**562**	**3,650**	**-3,274**	**376**

1) Mainly related to pensions
2) Mainly related to provisions

→ G10, continued

Unrecognized deferred tax assets

Tax losses carried forward for which no deferred tax asset has been recognized amounted to SEK 2,492 million and were allocated as follows:

SEK thousand Company	Country	Unrecognized tax losses	Theoretical DTA
DSI Underground Argentina S.A.	Argentina	14,829	3,707
SigmaTEK Pty. Ltd. (Australia)	Australia	9,909	2,973
Sandvik Mining and Construction Australia Pty Ltd	Australia	51,218	15,365
Svk Coromant do Br Industr e Comerc de Ferram Ltda	Brazil	93,585	31,819
DSI Underground System Brasil Ind. e Comercio Ltda	Brazil	874	297
FREZITE Ferramentas de Corte LTDA	Brazil	947	322
Sandvik Holding Do Brasil Ltda	Brazil	56,950	19,363
Norprop Limited	Canada	2,049	543
Norgalv Limited	Canada	8,168	2,165
Sandvik Chile S.A.	Chile	346,015	93,424
Sandvik Mining and Construction Chile S.A.	Chile	1,550	419
Wuhan Yongpu Carbide Tools	China	488	122
Suzhou SPD Precision	China	62	15
Suzhou Yongpu Precision Technology	China	3,989	997
Cimatron (Beijing) Technologies Co. Ltd.	China	637	159
SigmaTEK Systems China, LLC	China	9,436	2,359
Sandvik China Holding Co. Ltd	China	376,723	94,181
OSK (Kunshan Ousike Precision Tools Co., Ltd)	China	31,674	7,918
Shanghai Jianshe Luqiao machinery Co., Ltd	China	77,114	19,278
DSI Underground Multitex s.r.o.	Czech Republic	78	16
Akkurate	Finland	6,412	1,282
SigmaNEST France	France	2,042	527
Seco Ressources et Finances SA	France	4,427	1,143
Schaum-Chemie Beteiligungen 1 GmbH	Germany	64	19
Metrologic Group GmbH	Germany	1,065	320
Protomedical GmbH	Germany	80,305	24,092
esco Gmbh engineering solutions consulting	Germany	947	284
SigmaTEK Japan LTD.	Japan	994	304
DSI Underground Holdings S.A.	Luxembourg	653,603	163,009
Jupiter LuxCo 2 S.à r.l.	Luxembourg	8,606	2,146
DSI Underground IP Holding Luxembourg S.à r.l	Luxembourg	2,233	557
DSI Underground SMART S.à r.l	Luxembourg	14,941	3,726
Rocbolt Technologies Holdings Mongolia S.à r.l.	Luxembourg	834	208
Rocbolt of Mauritius Ltd	Mauritius	1,079	162
Mansour Mining Technolog De Mexico S.A DE C.V	Mexico	1	0
Mansour Mining Tech De Mexico Servic. S.A. de C.V.	Mexico	7	2
Terelion de Mexico S.A. de C.V.	Mexico	6,540	1,962
Rocbolt Technologies Mongolia LLC	Mongolia	1,087	272
DSI Underground Peru S.A.C.	Peru	19,773	5,833
Sandvik Philippines Inc	Philippines	1,175	294
Seco Tools Portugal Lda	Portugal	1,623	341
Rocbolt Technologies Holdings Pty. Ltd.	South Africa	1,529	413
Rocbolt Technologies Pty. Ltd	South Africa	6,848	1,849
Sandvik SRP Holdings South Africa (Pty) Ltd	South Africa	47	13
Sandvik Holding AG	Switzerland	1,974	296
Walter Cutting Tools Industry & Trade LLC	Turkey	2,202	550
Edvirt UK Limited	UK	31	8
LLC Seco Tools Ukraina	Ukraine	890	160
Sandvik Holding US	USA	583,467	151,702
Metrologic Group Services, Inc.	USA	964	251
Total		**2,492,005**	**657,167**

→ G10, continued

The expiry dates of these tax losses carried forward are allocated as follows:

Year	MSEK
2026	378
2027	27
2028	22
2029	51
2030	38
No expiry date	1,976
Total	**2,492**

Change of deferred tax in temporary differences and unutilized tax losses carried forward

	2024	2025
Balance at the beginning of the year, net	-125	562
Recognized in profit and loss	655	180
Acquisitions/disposals of subsidiaries	-274	-56
Recognized in other comprehensive income	329	-309
Asset held for sale	–	-2
Translation differences	-23	1
Balance at end of year, net	**562**	**376**

In addition to the deferred tax assets and liabilities, Sandvik reports the following tax liabilities and receivables:

	2024	2025
Income tax liabilities	-3,031	-2,136
Income tax receivables	3,627	3,094
Tax liabilities/receivables, net	**596**	**958**

OECD Pillar Two model rules
The Group is within the scope of the OECD Pillar Two model rules. In Sweden, the jurisdiction in which Sandvik AB is incorporated, the Pillar Two legislation came into effect from January 1, 2024. The Group has applied the mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when incurred.

The Group estimates that it will not be liable to any material Pillar Two taxes as most jurisdictions in which the Group operates have an effective tax rate of 15 percent or higher.

§ Accounting principles

Income tax comprises current and deferred tax. Income tax is recognized in income statement for the year except when the underlying transaction is recognized in other comprehensive income. In these cases, the associated tax effects are recognized in other comprehensive income.

Current tax liabilities are offset against current tax receivables and deferred tax assets are offset against deferred tax liabilities when the entity has a legal right to offset these items and intends to do so.

! Critical estimates and key judgments

Deferred tax liabilities and assets and tax disputes
Significant estimates are made to determine current and deferred tax liabilities and assets, not least the value of deferred tax assets.

The actual results may differ from these estimates, for instance due to changes in the business climate, changed tax legislation, or the outcome of the final review by tax authorities and tax courts of tax returns.

G11 Earnings per share

Basic and diluted earnings per share, SEK

	Basic		Diluted	
	2024	2025	2024	2025
Earnings per share	9.76	11.71	9.75	11.70

The calculation of the numerators and denominators used in the above calculations of earnings per share is presented below:

MSEK	2024	2025
Profit for the year attributable to the equity holders of the Parent Company	12,243	14,690

Number of shares, in thousands of shares	2024	2025
Total number of ordinary shares at January 1	1,254,386	1,254,386
Weighted average number of shares outstanding, basic	1,254,386	1,254,386
Effect of share options	1,600	1,011
Weighted average number of shares outstanding, diluted	1,255,986	1,255,397

Diluted earnings per share is related to outstanding share-based LTI programs for 2023 and 2025. For the 2024 LTI program no performance shares were allotted since the performance targets set by the Board of Directors were not met. Further information about the LTI programs are found in note G4.

§ Accounting principles

The calculation of basic earnings per share is based on the profit (loss) attributable to ordinary equity holders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the year.

When calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the effects of all dilutive potential ordinary shares, which during reported periods relates to share-based payment arrangements issued to employees. All LTI programs within Sandvik are performance-based and are regarded as giving a potential dilutive effect. The shared-based awards are dilutive if the exercise price is less than the quoted stock price and increases with the size of the difference.

G12 Intangible assets

	Internally generated intangible assets				Acquired intangible assets[1]					Total
	Capitalized R&D expenditure	IT software	Other	Subtotal	Market and customer related	Goodwill	Technology and similar rights	Other	Subtotal	
Cost										
January 1, 2024	**4,584**	**4,223**	**402**	**9,209**	**14,605**	**46,656**	**5,597**	**2,529**	**69,388**	**78,598**
Additions	245	685	34	**964**	–	–	31	280	**311**	**1,276**
Business combinations	–	–	–	**–**	1,673	1,848	160	14	**3,695**	**3,695**
Divestments and disposals	-9	-29	–	**-38**	-224	-78	-15	-58	**-375**	**-413**
Impairment losses	–	–	-59	**-59**	–	–	-5	–	**-5**	**-64**
Reclassifications	118	-1	-5	**112**	–	–	127	59	**185**	**298**
Translation differences	101	11	19	**132**	1,027	2,753	271	82	**4,133**	**4,265**
December 31, 2024	**5,039**	**4,890**	**391**	**10,321**	**17,081**	**51,181**	**6,166**	**2,907**	**77,333**	**87,655**
Accumulated amortizations and impairment losses										
January 1, 2024	**3,599**	**2,691**	**272**	**6,561**	**4,040**	**–**	**2,235**	**1,270**	**7,544**	**14,104**
Divestments and disposals	-3	-29	–	**-34**	-3	–	-11	-51	**-65**	**-99**
Impairment losses	41	103	–	**143**	7	–	–	–	**7**	**150**
Reclassifications	74	2	-74	**2**	–	–	91	2	**92**	**94**
Amortization for the year	218	194	12	**425**	1,276	–	508	286	**2,068**	**2,493**
Translation differences	67	5	11	**84**	332	–	127	43	**501**	**587**
December 31, 2024	**3,996**	**2,966**	**222**	**7,184**	**5,652**	**–**	**2,949**	**1,548**	**10,147**	**17,330**
Net carrying amount										
December 31, 2024	**1,043**	**1,924**	**170**	**3,136**	**11,429**	**51,181**	**3,217**	**1,358**	**67,185**	**70,323**
Cost										
January 1, 2025	**5,039**	**4,890**	**391**	**10,321**	**17,081**	**51,181**	**6,166**	**2,907**	**77,335**	**87,655**
Additions	318	586	19	**924**	–	–	13	35	**48**	**972**
Business combinations	–	–	–	**–**	585	901	67	–	**1,553**	**1,553**
Divestments and disposals	-39	-136	–	**-175**	-245	121	-108	-65	**-297**	**-472**
Impairment losses	–	–	–	**–**	-40	–	–	–	**-40**	**-40**
Reclassifications	133	884	-82	**935**	-23	-3	273	-1,150	**-903**	**33**
Translation differences	-189	-31	-40	**-260**	-2,252	-5,994	-720	-164	**-9,130**	**-9,391**
December 31, 2025	**5,262**	**6,193**	**289**	**11,744**	**15,106**	**46,206**	**5,692**	**1,562**	**68,565**	**80,310**
Accumulated amortizations and impairment losses										
January 1, 2025	**3,996**	**2,966**	**222**	**7,184**	**5,652**	**–**	**2,949**	**1,548**	**10,147**	**17,330**
Divestments and disposals	-42	-136	–	**-179**	-246	–	-109	-62	**-417**	**-595**
Impairment losses	3	–	–	**3**	–	**–**	–	6	**6**	**9**
Reclassifications	6	162	–	**168**	-24	–	191	-385	**-218**	**-50**
Amortization for the year	238	252	12	**503**	1,218	**–**	452	196	**1,867**	**2,368**
Translation differences	-127	-16	-17	**-159**	-737	–	-354	-95	**-1,186**	**-1,347**
December 31, 2025	**4,075**	**3,228**	**217**	**7,521**	**5,863**	**–**	**3,128**	**1,203**	**10,195**	**17,716**
Net carrying amount										
December 31, 2025	**1,187**	**2,965**	**71**	**4,223**	**9,243**	**46,206**	**2,563**	**358**	**58,370**	**62,594**

1) Changed the headlines within Acquired intangible asset to reflect the increased value, due to business combinations.

Amortization for the year is included in the following lines in the income statement

	2024	2025
Cost of goods and services sold	-761	-696
Selling expenses	-1,291	-1,226
Administrative expenses	-187	-184
Research & development	-255	-262
Total	**-2,493**	**-2,368**

→ G12, continued

	Carrying amount	
Goodwill by cash-generating unit	**2024**	**2025**
Machining and Intelligent Manufacturing		
Walter Group	3,102	2,770
Seco Tools	646	594
Sandvik Coromant	4,389	3,802
Dormer Pramet	292	241
China Division	1,250	1,049
Business area level	18,348	16,451
Total	**28,028**	**24,907**
Mining		
Business area level	16,811	15,295
Total	**16,811**	**15,295**
Rock Processing		
Business area level	6,300	5,971
Total	**6,300**	**5,971**
Other Operations	42	33
Group total	**51,181**	**46,206**

Impairment tests of goodwill
The carrying amount of goodwill is essentially related to a number of major business combinations.

In 2025, there were no changes made to the business areas that have caused the cash generating units (CGUs) that existed during 2024 to change. That means that goodwill is tested for impairment on a business area level for Mining and Rock Processing and on a division/business area level for Machining and Intelligent Manufacturing with the following CGUs: Walter Group, Seco Tools, Sandvik Coromant, Dormer Pramet, China Division, and Machining and Intelligent Manufacturing business area.

Consolidated goodwill is allocated to the CGUs stated above. The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a four-year period, which are based on the business plans prepared annually by each of the business areas and approved by Sandvik Group Executive Management.

These plans are founded on the business areas' strategies and an analysis of the current and anticipated business climate, and the impact this is expected to have on the market in which the business area operates. A range of economic indicators, which differ for each market, and external and internal studies of these, are used in the analysis of the business situation. The forecasts form the basis for how the values of the material assumptions are established. The forecasts consider potential significant climate-related risks (as well as other types of risks recognized in the Sandvik Key Risk map) and the Group's ongoing and future mitigating activities.

The assumptions mentioned below reflect past experience and the current and future situation and are consistent with external information. The most material assumptions when determining the value in use include anticipated demand, growth rate, operating margin, working capital requirements and the discount rate. Assumptions on growth rate and margins are at normal levels in relation to outcomes for all CGUs in recent years. The future revenues in 2026 are somewhat higher due to the acquisitions in 2025, but for 2027 and onwards the revenues and margins are assumed to be normalized.

The factor used to calculate growth in the terminal period after four years was 2 percent for all CGUs. Need of working capital beyond the four-year period is deemed to increase approximately at the same rate as the expected growth in the terminal period.

The discount rate consists of a weighted average cost of capital for borrowed capital and shareholders' equity. Sandvik calculates a pre-tax discount rate for each CGU, which varied between 8.8 percent and 11.5 percent; Mining 11.4 percent (11.3), Rock Processing 11.5 percent (12.4), Walter Group 10.5 percent (10.0), Seco Tools 10.3 percent (10.5), Sandvik Coromant 10.4 percent (10.5), Dormer Pramet 10.5 percent (11.1), China Division 8.8 percent (9.1), and Machining and Intelligent Manufacturing 10.3 percent (10.5). The specific risks of the CGUs have been adjusted for future cash flow forecasts.

The impairment testing of goodwill performed during the fourth quarter 2025 did not indicate any impairment requirements. Sensitivity in the calculations implies that the goodwill value would be maintained even if the discount rate was increased by 2 percentage points or if the long-term growth rate was lowered by 2 percentage points. The goodwill value would also be maintained, given an operating margin drop of 2 percentage points.

§ Accounting principles

Intangible asset
Product and software development
Capitalized costs for product and software development are recognized as intangible assets if such expenditures, with a high degree of certainty, will result in future economic benefits and Sandvik control of the asset.

Market and customer related
Includes customer lists, customer contracts and relationships with customers, as well as trademarks and trade names. Pertains both to trademarks subject to amortisation and to trademarks considered to have an indefinite useful life.

Goodwill
Goodwill is allocated to CGUs that are expected to benefit from the synergies of the business combination. Goodwill arising on the acquisition of an associated company is included in the carrying amount of participation in associated companies.

Technology and similar rights
Include software and other technology-related intellectual property rights which include, but are not limited to, patents.

Amortization of intangible assets
Amortization is charged to profit or loss for the year on a straight-line basis over the estimated useful lives, unless such lives are indefinite.

The estimated useful lives are as follows:

— Product and software development 3–10 years
— Trademarks 3–20 years
— Customer Relationships 3–12 years
— Technology and similar rights 3–20 years

! Critical estimates and key judgments

Impairment of goodwill and other non-current assets
When conducting impairment tests of goodwill and other intangible assets, estimates are made to determine the recoverable amounts of cash-generating units. The recoverable amount is based on projections of future cash flows and are to a varying degree sensitive to changes in assumptions and the business environment. These are based on management's best estimate but may differ from actual outcome.

G13 Property, plant and equipment

	Land and buildings	Plant and machinery	Rental fleet	Equipment, tools, fixtures and fittings	Construction in progress	Total
Acquisition cost						
At January 1, 2024	**14,344**	**31,206**	**2,619**	**6,350**	**3,069**	**57,590**
Additions	156	853	1,407	353	2,203	**4,972**
Business combinations	85	887	–	37	139	**1,147**
Divestments and disposals	-199	-1,201	-584	-512	-124	**-2,618**
Reclassifications	352	1,367	-310	350	-2,286	**-526**
Translation differences for the year	551	1,181	82	197	107	**2,117**
At December 31, 2024	**15,289**	**34,293**	**3,215**	**6,775**	**3,108**	**62,681**
Accumulated depreciations and impairments						
At January 1, 2024	**6,880**	**22,694**	**1,254**	**4,489**	**39**	**35,356**
Divestments and disposals	-99	-1,134	-433	-469	-39	**-2,174**
Impairment losses	27	72	4	5	–	**108**
Reversal of impairment losses	–	-34	–	–	–	**-34**
Reclassifications	13	-7	-124	5	–	**-113**
Depreciation for the year	491	1,807	767	532	–	**3,598**
Translation differences for the year	262	816	36	146	–	**1,261**
At December 31, 2024	**7,575**	**24,214**	**1,505**	**4,708**	**–**	**38,002**
Net carrying amount						
At December 31, 2024	**7,715**	**10,079**	**1,710**	**2,067**	**3,108**	**24,678**
Acquisition cost						
At January 1, 2025	**15,289**	**34,293**	**3,215**	**6,775**	**3,108**	**62,681**
Additions	504	636	995	319	1,376	**3,830**
Business combinations	1	12	–	3	–	**16**
Divestments and disposals	-562	-858	-371	-342	-39	**-2,172**
Reclassifications	369	1,220	-237	342	-1,937	**-243**
Translation differences for the year	-1,216	-2,842	-372	-496	-187	**-5,112**
At December 31, 2025	**14,385**	**32,462**	**3,230**	**6,600**	**2,321**	**58,999**
Accumulated depreciations and impairments						
At January 1, 2025	**7,575**	**24,214**	**1,505**	**4,708**	**–**	**38,002**
Divestments and disposals	-461	-785	-268	-315	–	**-1,830**
Impairment losses	2	10	14	–	–	**26**
Reversal of impairment losses	–	-6	–	–	–	**-7**
Reclassifications	4	29	-93	55	–	**-5**
Depreciation for the year	494	1,757	695	541	–	**3,488**
Translation differences for the year	-584	-1,897	-192	-342	–	**-3,015**
At December 31, 2025	**7,029**	**23,322**	**1,661**	**4,648**	**–**	**36,660**
Net carrying amount						
At December 31, 2025	**7,357**	**9,140**	**1,569**	**1,953**	**2,321**	**22,339**

Additional information
In 2025, contractual commitments for the acquisition of property, plant and equipment amounted to SEK 395 million (460). Property, plant and equipment pledged as security for liabilities is described in G26.

§ Accounting principles

Rental fleet
The fleet is balanced between underground drills, loaders and trucks followed by surface drills. The largest fleets are based in northern Europe, Canada, the US, and Australia.

Depreciation of property, plant and equipment
Depreciation is recognized on a straight-line basis (unless otherwise described) based on the cost of the assets, adjusted by residual value when applicable, and estimated useful lives. The following depreciation periods are applied:

Land and buildings:
- Land — indefinite useful life
- Buildings — 10–50 years
- Site improvements — 20 years

Plant and machinery:
- Plant and machinery — 5–15 years
- Rental fleet — 3 years

Equipment, tools, fixtures and fittings:
- Depreciated over the estimated useful lives
- Computer equipment is depreciated over 3–5 years using the reducing balance method

→ G13, continued

If an item of property, plant and equipment comprises components with different useful lives, each such significant component is depreciated separately. Depreciation methods and estimated residual values and useful lives are reviewed at each year-end.

Borrowing costs
The capitalization of borrowing costs relating to tangibles are mainly relevant for the construction of production buildings on a proprietary basis.

! Critical estimates and key judgments

Impairment of non-current assets
An impairment test is based on estimation of the recoverable amount of the asset, or the cash generating unit to which the asset belongs. To determine the recoverable amount, projections of future cash flows are used. These are based on management best estimate but may differ from actual outcome.

There are production sites in areas with physical climate risks, these may be subject to increased stress from physical weather events. Physical risks bring uncertainties when estimating useful life and indication of impairment.

G14 Right-of-use assets and customer financing

Sandvik as lessee

	Land and buildings	Plant and machinery	Fixture and fittings	Total
Acquisition cost				
At January 1, 2024	**6,792**	**541**	**1,383**	**8,716**
Additions	1,077	103	502	**1,682**
Divestments and disposals	-796	-112	-318	**-1,226**
Other	657	18	72	**746**
At December 31, 2024	**7,729**	**550**	**1,638**	**9,918**
Accumulated depreciation and impairment losses				
At January 1, 2024	**2,410**	**258**	**663**	**3,332**
Depreciation and impairment	1,084	114	402	**1,599**
Divestments and disposals	-618	-112	-296	**-1,025**
Other	108	-1	28	**135**
At December 31, 2024	**2,985**	**259**	**797**	**4,040**
Net carrying amount				
At December 31, 2024	**4,745**	**291**	**842**	**5,877**

	Land and buildings	Plant and machinery	Fixture and fittings	Total
Acquisition cost				
At January 1, 2025	**7,729**	**550**	**1,638**	**9,918**
Additions	875	103	429	**1,406**
Divestments and disposals	-429	-79	-307	**-814**
Other	-636	-38	-145	**-819**
At December 31, 2025	**7,539**	**536**	**1,615**	**9,690**
Accumulated depreciation and impairment losses				
At January 1, 2025	**2,985**	**259**	**797**	**4,040**
Depreciation and impairment	945	125	422	**1,491**
Divestments and disposals	-399	-75	-305	**-780**
Other	-361	-23	-87	**-471**
At December 31, 2025	**3,170**	**285**	**826**	**4,281**
Net carrying amount				
At December 31, 2025	**4,369**	**251**	**789**	**5,410**

Recognized in the income and cash flow statement

	2024	2025
Depreciations for the year	-1,481	-1,492
Impairment losses / reversal of impairment losses	-119	1
Expenses for low value assets	-41	-35
Expenses for short-term leases	-22	-20
Expenses related to variable lease expenses not included in the lease liability	-92	-88
Recognized in operating income	**-1,754**	**-1,635**
Interest expenses related to lease liabilities	-268	-266
Recognized in net financial items	**-268**	**-266**
The total cash outflow for leases during the year	**-1,861**	**-1,842**

Sandvik as lessor
Sandvik offers short- and long-term equipment financing to customers through its own financial services companies and in cooperation with financial institutions and banks. The structures of the offers are financial or operational lease agreements and short-term rentals. The customers of these services are in the mining and construction sectors.

For information related to credit risk, see note G27.

Maturity analysis of lease payments receivable	Finance leases	Operating leases
2026	3,220	494
2027	1,804	287
2028	1,002	168
2029	394	66
2030	145	6
2031 or later	15	8
Total undiscounted lease payments	**6,579**	**1,028**

Finance leases
At year-end, the value of outstanding credits referring to finance leases amounted to SEK 5,650 million (6,332), of which SEK -129 million (-147) was reserved for doubtful receivables.

Finance leases	2024	2025
Profit from sale of equipment subject to finance leases (recognized within sale of goods)	927	872
Interest income	420	428

Operational leases
The revenue for equipment subject to operational lease contacts is presented in note G3 under rental income. The equipment used in operating lease contracts are presented under rental fleet in note G13.

§ Accounting principles

Sandvik as a lessee
The Right of use (RoU) asset is presented within non-current assets and valued at cost less amortization and impairment, if applicable. The asset is depreciated on a straight-line basis over the estimated contract period. Lease liabilities are presented within other interest bearing liabilities, see note G22.

Sandvik separates non-lease components from the lease components in contracts referring to buildings. For all other asset classes, non-lease components are included in the calculation of a RoU asset and lease liability.

Sandvik applies the two expedients concerning leases, leases shorter than one year and low-value assets that are not considered in the RoU assets and lease liabilities.

Sandvik as a lessor
In a financial lease contract Sandvik recognizes a non-current and current customer-financing receivable at an amount equal to the net investment in the lease. Expected credit losses is reflected in the valuation of the customer-financing receivable at initial recognition and the provision is reassessed during the contract period. Revenue is recognized in accordance with revenue recognition principles.

In an operating lease contract the asset is classified as rental fleet and is subject to the Group's depreciation policies. The cost of an asset comprises the acquisition value and any initial direct costs related to the contract. The lease revenue is recognized on a straight-line basis over the lease contract period.

G15 Shares in associates, joint ventures and financial assets

Shares in associates and joint ventures	2024	2025
Accumulated share of equity		
At the beginning of the year	459	134
Disposal	-2	–
Transfer to assets held for sale	-122	9
Write-down	-125	–
Share of profits for the year	-84	23
Less dividend received	-10	-14
Translation differences during the year	17	-31
Carrying amount at the end of year	**134**	**121**

Additional information
Associates and joint ventures are recognized one month in arrears.

The dividends paid are included in the calculation of the proportion of equity.

Summarized financial information of associates and joint ventures

		2024						2025					
	Country	Revenue	Profit	Assets	Liabilities	Equity	Group's share, %	Revenue	Profit	Assets	Liabilities	Equity	Group's share, %
Associates													
3C Metrologic	Mexico	11	2	13	6	7	40.0	13	2	13	5	8	40.0
AWV Informatik AG	Switzerland	16	2	9	0	8	26.0	8	-1	8	0	8	26.0
Beam IT Spa[1]	Italy	154	-83	517	405	112	33.2	N/A	N/A	N/A	N/A	N/A	33.2
Eimco Elecon	India	290	50	577	83	494	24.7	–	–	–	–	–	0.0
Fagersta Seco AB	Sweden	–	–	3	2	1	50.0	–	–	3	2	1	50.0
Fagerstahälsan AB	Sweden	9	0	7	5	2	33.3	9	0	8	5	3	33.3
Joint ventures													
Rocbolt Resins Pty Ltd.	Australia	280	24	124	58	67	50.0	237	18	100	36	65	50.0
Shanghai Innovatools Co. Ltd.	China	–	0	8	0	8	47.1	–	–	–	–	–	0.0
Talleres Sema-Dur, SL	Spain	52	7	51	13	38	50.0	54	8	50	12	38	50.0
VWR Cutting Tools	Romania	2	-1	28	24	4	50.0	17	1	23	22	1	50.0

1) Not applicable due to the company being in a process of voluntary liquidation.

→ G15, continued

Financial assets	2024	2025
Long-term receivables associated companies	16	16
Financial investments	500	584
Total	**516**	**600**

Financial investments

	2024		2025	
	Measured at fair value through OCI	Measured at fair value through P&L	Measured at fair value through OCI	Measured at fair value through P&L
At the beginning of the year	**569**	**293**	**120**	**380**
Acquisition and capital injection	23	–	2	–
Disposal	–	-28	–	–
Revaluation	-14	115	73	16
Reclassification	-482	-1	–	–
Translation differences during the year	24	2	-7	–
Carrying amount at the end of year	**120**	**380**	**188**	**396**

§ Accounting principles

Associates and joint ventures
Associates and joint ventures are recognized in accordance with the equity method in the consolidated financial statements. The share that belongs to Sandvik of the associated company and joint venture's income, adjusted for dissolution of acquired surplus or deficit values, is recognized as a separate item in the consolidated income statement.

Financial investments
The accounting principles of financial investments measured at fair value through OCI and through P&L are described in note G27.

G16 Non-current receivables

	2024	2025
Derivatives designated as hedging instruments	4	10
Funded pension plans	1,495	1,762
Other non-interest-bearing receivables	428	452
Other interest-bearing receivables	3,312	3,024
Total	**5,239**	**5,248**

G17 Inventories

	2024	2025
Raw materials and consumables	6,671	6,936
Work in progress	4,894	4,717
Finished goods	23,261	21,566
Total	**34,827**	**33,219**

Cost of goods and services sold includes write-down of inventories of SEK -1,988 million (-1,235) and reversal of write-down of inventories of SEK 1,683 million (724).

§ Accounting principles

Inventories are stated at the lowest end of cost and net realizable value, with due consideration of obsolescence.

Cost is either based on the first-in/first-out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, or the weighted average cost formula. All inventories having a similar nature are valued with the same formula. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

G18 Trade receivables

	2024		2025	
	Gross	Impaired	Gross	Impaired
Current	16,069	-68	16,532	-56
1–30 days past due	2,044	-32	1,768	-27
31–60 days past due	667	-23	605	-22
61–90 days past due	350	-45	270	-31
91–180 days past due	517	-57	257	-40
181–360 days past due	374	-106	292	-74
More than 360 days past due	644	-500	492	-372
Total	**20,665**	**-830**	**20,216**	**-621**

Trade receivables, net, amounted to SEK 19,595 million (19,836) and are reported net of expected credit losses and other impairments, which amounted to SEK -621 million (-830). Credit risk and expected credit loss related to financial leases are presented in note G27 under the section Credit risk.

§ Accounting principles

Trade receivables are recognized at amortized cost when the consideration is unconditional, less loss allowance.

G19 Other current receivables

	2024	2025
Contract assets	422	354
Derivatives designated as hedging instruments	550	185
Other non-interest-bearing receivables	3,917	3,322
Other interest-bearing receivables	3,237	3,120
Advances to suppliers	403	423
Total	**8,529**	**7,403**

§ Accounting principles

A contract asset is recognized when the right to consideration for a performance obligation is conditional on completion of promises other than the passage of time.

G20 Capital and reserves

Specification of the equity item reserves	2024	2025
Translation reserve		
At the beginning of the year	10,693	16,539
Translation differences during the year	5,846	-12,413
At the end of the year	**16,539**	**4,126**
Hedging reserve		
At the beginning of the year	727	-561
Net investment hedges recognized in OCI	-1,254	32
Cash-flow hedges recognized in OCI	-34	-12
At the end of the year	**-561**	**-541**
Total reserves		
Reserves at the beginning of the year	11,420	15,962
Changes in reserves:		
Translation reserve	5,846	-12,413
Hedging reserve	-1,288	20
Fair value reserve	-16	66
Reserves at the end of the year	**15,962**	**3,635**

The Board of Directors proposes an ordinary dividend of SEK 6.00 per share (5.75). The proposal corresponds to 49 percent (48) of Sandvik Group's total adjusted earnings per share. The proposed record date to receive dividends is April 30, 2026. Assuming the General Meeting accepts the dividend proposal, the date to receive dividends will be May 6, 2026, and the dividend will be paid in one installment. The Annual General Meeting will be held on April 28, 2026.

No changes were made to the processes for managing capital during the year. Neither the Parent Company nor any of its subsidiaries have to comply with externally imposed capital requirements.

§ Accounting principles

Reserves

Translation reserve

The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations stated in a currency different from the Group's presentation currency.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash-flow hedging instruments and net investment hedges related to hedged transactions that have not yet occurred. The change in cash-flow hedges that was transferred to profit (loss) for the year amounted to SEK 194 million (17).

Put options issued to owners with non-controlling interests

Put options issued to owners with non-controlling interests refer to agreements that give the owner the right to sell interests in the company, either at a fixed price or a fair value at a future period in time. The amount to be paid if the option is exercised is initially recognized, at present value, as a financial liability. The liability is remeasured and any change in present value is recognized in equity. If the option is not exercised by maturity the liability is derecognized with a corresponding adjustment in equity.

G21 Provisions for pension and other non-current post-employment benefits

Sandvik provides direct pension solutions or participates in defined benefit, defined contribution and other plans for post-employment benefits to all employees. These plans are structured in accordance with local regulations and practices. The Group's most significant defined-benefit pension plans are described below per country.

Sweden
The Swedish pension plan is funded through a foundation and is based on salary at the time of retirement. It is partly closed for new participants, meaning that only new employees born prior to 1979 have the option of joining the plan. There are no funding requirements for the defined-benefit plan. Payments to retirees are made directly from Sandvik.

The commitment for family pension, also a defined-benefit plan, is insured with Alecta. Sufficient information to use defined-benefit accounting for this plan is not available, and therefore recognized as a defined-contribution plan. At the end of 2025, Alecta reported a preliminary plan surplus of 168 percent (162). The Group's share of Alecta's saving premiums is 0.1 percent, and the total share of active members in Alecta is 0.5 percent. For 2025, the expected contribution to Alecta is SEK 15 million (16).

The Group's mutual responsibility as a credit-insured company of PRI Pensionsgaranti in Sweden is classified as a contingent liability and amounts to SEK 81 million (79). This mutual responsibility can only be imposed in the instance that PRI Pensionsgaranti has consumed all of its assets, and it amounts to a maximum of 2 percent of the Group's pension liability in Sweden.

UK
The main pension plan in the UK is based on salary at the time of retirement and closed for new participants. The plan is funded through a foundation and the funding level is revalued every third year. If the valuation indicates a requirement to increase the funding, Sandvik contributes with funding to the plan over a certain period of time. The plan is governed by trustees and investment decisions are made after consulting with Sandvik. Payments to retirees are made from the plan.

US
Sandvik US pension plans are based on salary at the time of retirement and closed for new participants. The funding level is revalued every year with a target of restoring the funding level over a seven-year period. Those eligible for the pension plan are also eligible for the retiree medical plan at the time of retirement. Pension payments to retirees are made from the plan.

Finland
In Finland, Sandvik sponsors a defined-benefit pension plan funded through a foundation. The benefits offered include an old-age pension and disability pension. In addition to the benefits guaranteed by the Finnish subsidiary, there is also a defined-contribution pension component. Pension payments to retirees are made from the plan.

Germany
The Sandvik pension plan in Germany contains employer- and employee-financed contributions. The employer provides pension contributions. For each employee, the employer administrates the cash balance in an individual capital account per employee. Pension payments to retirees are generally made directly from Sandvik.
In Germany, there are, in general, no funding requirements. The pension assets are covered as plan assets and protected against insolvency in the Sandvik Pension Trust, a Contractual Trust Arrangement held by Sandvik.

Change of defined benefit obligation	2024	2025
Opening Balance, January 1	**23,685**	**25,419**
Current service cost	325	416
Past service cost	-24	22
Interest cost (DBO)	1,029	1,015
Contributions by plan participants	32	36
Benefits paid	-1,299	-1,218
Remeasurements loss/(gain) arising from:		
Financial assumptions	142	-954
Demographic assumptions	-10	-176
Experience adjustments	238	109
Acquisition	3	31
Other	-7	-6
Exchange differences	1,305	-2,087
Closing balance, December 31	**25,419**	**22,606**

Change of plan assets	2024	2025
Opening Balance, January 1	**21,127**	**22,765**
Interest income	967	932
Contributions by the employer	184	163
Benefits paid directly by employer	243	236
Contributions by plan participants	32	36
Benefits paid	-1,299	-1,218
Remeasurements loss/(gain) arising from:		
Return on plan asset excl interest income	-526	287
Effect of Asset ceiling	664	–
Acquisition	0	4
Other	-8	-8
Exchange differences	1,381	-2,189
Closing balance, December 31	**22,765**	**-21,009**

Other information	2024	2025
Actual return on plan assets, excl. FX effects	394[1)]	1,222
Consolidation ration, funded plans, %	95	99
Consolidation ration, all plans, %	89	92
Estimated contributions, next year	418	400
Unfunded pension commitments	1,448	1,285

1) Figure has been updated compared to the annual report 2024.

→ G21, continued

Information by country December 31, 2024	Sweden	UK	US	Finland	Germany	Other	Total
Amounts included in the balance sheet							
Present value of funded and unfunded obligations	5,433	5,145	5,793	4,635	2,478	1,935	25,419
of which for activities	2,319	0	1,041	1,498	1,028	1,385	7,271
of which for vested deferred	1,842	2,308	650	916	402	51	6,169
of which for retirees	1,272	2,837	4,102	2,221	1,047	499	11,978
Plan assets	2,772	5,198	6,451	5,004	1,923	1,418	22,765
Total surplus (deficit)	**-2,661**	**53**	**658**	**369**	**-555**	**-517**	**-2,653**
Pension plans recognized according to local rules	–	–	–	–	–	–	-235
Total net liability	–	–	–	–	–	–	**-2,888**
Provision for pensions	–	–	–	–	–	–	4,383
Over funded pension plans recognized as asset, non-current receivable	–	–	–	–	–	–	1,495
Funding level, %	51	101	111	108	78	73	89
Net medical plans surplus (deficit)	–	–	-202	–	–	-44	-245
Weighted average duration of the obligation, years	22	12	10	17	7	N/A	14
Amount included in the income statement/other comprehensive income							
Total service cost	-98	–	-3	-123	-28	-49	-301
Net interest	-81	13	-7	30	-20	-32	-97
Remeasurements	-123	-290	804	-380	-55	-73	-117
Total expense for defined benefits (pretax)	**-302**	**-277**	**794**	**-473**	**-103**	**-154**	**-514**
Cash flows							
Contributions by the employer	-3	-101	–	4	-40	-44	-184
Benefits paid	-111	–	-21	–	-63	-16	-211
Major assumptions for the valuation of the liability							
Longevity, years % [1]	23	23	22	25	22	N/A	N/A
Inflation, %	2.00	3.15	2.50	2.00	2.00	N/A	2.32
Discount rate, % (weighted average)	3.55	5.55	5.55	3.60	3.20	N/A	4.39
Future salary increase, % (weighted average)	3.25	N/A	N/A	3.00	3.25	N/A	3.23

Information by country December 31, 2025	Sweden	UK	US	Finland	Germany	Other	Total
Amounts included in the balance sheet							
Present value of funded and unfunded obligations	4,936	4,343	4,855	4,425	2,274	1,774	22,606
of which for activities	2,029	0	836	1,437	966	1,311	6,580
of which for vested deferred	1,649	2021	592	831	387	37	5,516
of which for retirees	1,257	2,321	3,427	2,157	921	426	10,510
Plan assets	2,891	4,635	5,517	4,841	1,874	1,250	21,009
Total surplus(deficit)	**-2,044**	**293**	**663**	**416**	**-400**	**-525**	**-1,597**
Pension plans recognized according to local rules	–	–	–	–	–	–	-210
Total net liability	–	–	–	–	–	–	**-1,807**
Provision for pensions	–	–	–	–	–	–	-3,569
Over funded pension plans recognized as asset, non-current receivable	–	–	–	–	–	–	1,762
Funding level, %	59	107	114	109	82	70	92
Net medical plans surplus (deficit)	–	–	-165	–	–	-35	-199
Weighted average duration of the obligation, years	21	12	10	17	6	N/A	14
Amount included in the income statement/Other comprehensive income							
Total service cost	-156	–	-2	-153	-33	-94	-437
Net interest	-93	5	33	13	-16	-25	-83
Remeasurements	755	151	73	220	82	29	1,310
Total expense for defined benefits (pretax)	**507**	**156**	**104**	**80**	**33**	**-90**	**790**
Cash flows							
Contributions by the employer	-6	-96	–	8	-34	-14	-163
Benefits paid	-116	–	-19	–	-60	-20	-236
Major assumptions for the valuation of the liability							
Longevity, years %[1]	23	22	22	25	22	N/A	N/A
Inflation, %	1.75	2.90	2.50	2.00	2.00	N/A	2.17
Discount rate, % (weighted average)	4.00	5.60	5.35	4.25	3.90	N/A	4.62
Future salary increase, % (weighted average)	3.00	N/A	N/A	3.00	3.00	N/A	3.23

1) Expressed as the expected remaining life expectancy of a 65-year-old in number of years.

→ G21, continued

Risks and cash flows
Three main categories of risks are associated with the Company's defined-benefit pension plans.

Future pension payments
Greater life expectancy, increased inflation assumptions and higher salaries can increase future pension payments and thus also the liability for the pension obligation.

Return on assets
Lower returns on assets in the foundations may, in the future, result in lower returns which are insufficient for covering future pension payments.

Measurement method
The measurement methods, primarily regarding the discount rate, being utilized in the measurement of the present value of the pension obligations. The discount rate, can fluctuate between periods, and affect expenses and the net pension liability.

Discount rate
To determine the discount rate, AA credit rated corporate bonds are used that correspond to the duration of the pension obligation. If there is no deep market for corporate bonds, government bonds are used. In Sweden, mortgage bonds are used to determine the discount rate.

Sensitivity analysis
The weighted average duration for the group-funded pension liability is 14 years, whilst the weighted average duration for the interest-bearing assets is 10 years. Due to the asset allocation and differences in duration, Sandvik is exposed to interest rate fluctuations both when discounting the liability and when revaluing the interest-bearing assets.

A sensitivity analysis of the most important assumptions affecting the recognized pension liability is provided below. Note that this sensitivity analysis is not intended to be the expression of an opinion by the company regarding the probability of such events occurring.

Sensitivity analysis, change in pension liability

	SE	UK	US	FI	GER	Total
Life expectancy, +1 year	193	115	136	167	47	**681**
Discount rate, -50 bps	528	247	246	389	74	**1,567**
Inflation rate, +50 bps	539	90	-	8	33	**673**
Equities, -20%	165	49	110	324	81	**736**

Plan assets
The plan assets are distributed between below type of assets.

Class of assets, %	2024	2025
Interest bearing securities	61	58
Shares	17	18
Properties	9	9
Other	9	11
Cash and cash equivalents	4	5

Governance
The defined-benefit and defined contribution plans are governed through the Pension Supervisory Board (PSB) at Sandvik. The PSB meets twice a year and has the following areas of responsibility:
— Implement policies and directives
— Ensure efficient administration of the major pension plans and efficient management of reserved plan assets
— Approve establishment of new plans, material changes, or closure of existing plan
— Approve guidelines for management of assets

The Group Pension Committee (GPC) is an operating body, which is also preparatory to the PSB. It has representatives from Group functions who are approved by the PSB. The GPC's task is to monitor developments in countries, submit proposals on changes to pension plans to the PSB, and approve the principle of how to establish actuarial assumptions. The GPC meets twice a year.

Investment strategy
The aim of the investment decisions made in the foundations' managing plan assets are:
— Ensure plan assets are sufficient to cover the foundation's future pension commitments
— Achieve optimal returns with a reasonable level of risk

Each foundation must have a written investment policy approved by the GPC. Reviews are performed annually. The foundation makes its own decisions on its investment strategy and takes into consideration the composition of the pension commitments, requirements of cash and cash equivalents, and available investment opportunities. The investment strategy shall be long-term and in line with the guidelines established by the PSB. An investment committee is to be in place.

§ Accounting principles

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 will have no legal or constructive obligation to pay further amounts.

Defined benefit plans
The Group's net obligation in respect to defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have vested in return for their service in the current and prior periods. This benefit is discounted to its present value. In addition, the fair value of any plan assets is assessed. The calculation is performed annually by a qualified actuary.

The above method of accounting is applied to the most significant defined benefit plans in the Group. A number of plans, which neither individually nor in the aggregate are significant in relation to the Group's total pension obligations, are still recognized in accordance with local regulations.

In measuring the present value of pension obligations and the fair value of plan assets, actuarial gains and losses may accrue either because the actual outcome differs from earlier assumptions (so called experience adjustments) or the assumptions are changed. These actuarial gains and losses are recognized in the balance sheet and in profit or loss under other comprehensive income.

! Critical estimates and key judgments

Defined benefit obligations
Actuarial assumptions are used to measure pension obligations and they significantly affect the recognized net liability and the annual pension cost. For the upcoming year, the discount rate affects the expense and the estimate of return on plan assets. For the current year, it affects the present value of the defined benefit obligation. The discount rate is reassessed quarterly for the material plans and at least annually for the other plans. All other assumptions, both financial and demographic, are reassessed at least annually.

G22 Other interest-bearing liabilities

	2024	2025
Non-current liabilities		
Bond issues	24,062	18,930
Lease liabilities	4,814	4,363
Long-term loans from financial institutions	7,564	8,700
Other	46	34
Total	**36,486**	**32,027**
Current liabilities		
Bond issues	3,712	3,783
Lease liabilities	1,297	1,285
Short-term from financial institutions	1,210	2
Other	51	26
Total	**6,269**	**5,094**

§ Accounting principles

Financial liabilities excluding derivatives are classified and subsequently measured at amortized cost. Any difference between the loan amount, net of transaction costs, and the repayable amount is allocated to profit or loss for the year over the term of the loan using the effective interest method.

For information on contractual terms, scheduled repayments and the exposure to interest risk and foreign-currency risk, refer to note G27.

G23 Other provisions

	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2025	**558**	**1,286**	**789**	**315**	**326**	**477**	**3,751**
Provisions made during the year	519	684	733	36	24	376	**2,373**
Provisions used during the year	-324	-662	-526	-66	-21	-410	**-2,010**
Unutilized provisions reversed during the year	-127	-85	-32	-15	-114	-39	**-412**
Reclassifications	-10	-1	6	1	13	-2	**8**
Translation differences	-40	-46	-54	-25	-24	-43	**-232**
Balance at December 31, 2025	**577**	**1,177**	**914**	**248**	**203**	**359**	**3,478**
of which current	467	1,022	435	51	181	259	**2,414**
of which non-current	110	155	479	196	22	101	**1,064**

§ Accounting principles

Other provisions are recognized in the Balance sheet when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliable estimated. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Other provisions are mainly related to the following:

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

Restructuring
A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Employee benefits
A provision for personnel-related benefits is recognized in accordance with agreements entered for long-term incentive programs, local bonus programs, part-time pensions and other personnel obligations.

Environmental obligations
An environmental provision is recognized when there is a legal obligation for a clean up or site restoration.

Legal disputes
Legal disputes include provisions for claims which, at the balance sheet date, had not been closed, such as value-added tax issues, and customer and supplier claims relating to ongoing or finished projects.

Other obligations
Other obligations include provisions for onerous contracts and obligations within the scope of Sandvik Försäkring AB's operations.

! Critical estimates and key judgments

Provisions
The uncertainties about the amount or timing of outflows vary for different kind of provisions. Provisions for warranties, restructuring, and employee benefits are based on historical statistics and estimated future costs, Regarding the provisions for legal disputes, the uncertainty is higher. Tax disputes are described and recognized within note G10.

Legal Disputes
Sandvik is party to a number of disputes and legal proceedings in the ordinary course of business. Management consults with legal experts on issues related to legal disputes and with other experts internal or external to Sandvik Group on issues related to the ordinary course of business. It is management best judgment assessment that neither the Parent Company, nor any subsidiary, is involved in legal proceedings or arbitration that may be deemed to have a materially negative effect on the business, the financial position or results of operations.

G24 Other liabilities

	2024	2025
Other non-current liabilities		
Derivatives designated as hedging instruments	246	193
Other	493	384
Total	**739**	**577**
Other current liabilities		
Derivatives designated as hedging instruments	1,747	639
Bills payable	19	77
Contract liabilities	5,105	4,869
Other	4,204	2,631
Total	**11,075**	**8,216**

Other non-current liabilities include deferred consideration regarding business combinations and liability to non-controlling interest, see note G30.

§ Accounting principles

Other liabilities
Other liabilities excluding derivatives are classified and subsequently measured at amortized cost.

Derivatives
Classified at fair value through profit and loss, with the exception of those that are designated as hedging instruments in a cash-flow hedge.

Contract liabilities
Recognized when a payment is received before the performance obligation has been satisfied.

G25 Accrued expenses

	2024	2025
Personnel related	4,929	4,824
Other accrued expenses	3,049	2,709
Total	**7,978**	**7,533**

G26 Contingent liabilities and pledged assets

On occasion, Sandvik is party to litigation and administrative proceedings related to its operations, including responsibility for products, the environment, health and safety. However, Sandvik does not deem that any of these ongoing proceedings and processes will significantly affect Sandvik.

Contingent liabilities	2024	2025
Guarantees issued for customers and others	2,292	2,577
Other contingencies	618	717
Total	**2,910**	**3,294**

The Group's contingent liabilities amounted to SEK 3,294 million (2,910) and mainly comprised of guarantees for customers and others as well as ongoing procedures. Banks and financial institutions have guaranteed obligations arising in the normal course of business on behalf of Group companies.

The table provide data for the maximum potential payments of third party guarantees and does not reflect management's expected outcomes.

Pledged assets
Pledged assets for own liabilities and provisions.

Pledged assets	2024	2025
Property mortgages	247	232
Total	**247**	**232**

§ Accounting principles

Contingent liabilities
A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

A contingent liability is also recognized when there is a present obligation that cannot be recognized as a liability or provision because it is not probable that an outflow of resources will be required, alternatively because the amount of the obligation cannot be measured with sufficient reliability.

G27 Supplementary information – financial risk

Financial risk management
Through its comprehensive international operations, Sandvik is exposed to financial risks.

Group Treasury is the function responsible for managing most of the Group's financial risks. The primary objectives of the function are to contribute to the creation of value by managing the financial risks to which the Group is exposed to during the ordinary course of business, and to optimize the Group's financial net.

The Board of Directors is responsible for establishing the Group's finance policy, which comprises guidelines, objectives, and limits for financial risk management within Group Treasury as well as the management of financial risks within the Group.

Group Treasury supports subsidiaries with loans, deposits, foreign exchange deals, banking solutions, and acts as an advisor in financial matters. The function conducts internal banking operations and is based at the head office in Stockholm. It is also responsible for the Group's bank account arrangements.

In addition, Group Treasury conducts payment advice and payment solutions, and is responsible for the Group's global policy for granting credit to customers in conjunction with sales. The customer finance activity is carried out through the business area Mining at selected locations worldwide.

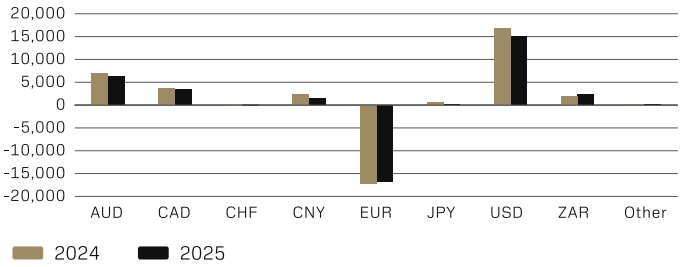
Finally, Group Treasury also manages the financial risks associated with the Group's defined-benefit pension plans, which are presented in note G21.

Only institutions with a solid financial position and solid credit ratings are accepted as the Sandvik counterparties in financial transactions.

Currency risk – transaction exposure
Risk
Transaction exposure is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Sandvik annual transaction exposure, meaning the Group's net flow of currencies, after full offsetting of the counter-value in the exporting companies' local currencies, and measured at the average exchange rate, amounted to SEK 13,253 million (14,919) in 2025. The most important currencies for one year of exposure are shown in the following graph.

Exposure
Net flow in foreign currencies



Comments
Sandvik generally offers customers the possibility to pay in their own currencies through the global sales organization. As a result, the Group is continuously exposed to currency risks associated with account receivables denominated in foreign currency and with future sales to foreign customers. Since a large percentage of production is concentrated in a few countries, while sales occur in many countries, Sandvik is exposed to a large net inflow of foreign currencies.

In order to mitigate the currency risk, pricing is adjusted against both customers and suppliers in circumstances where Sandvik is affected negatively by currency movements. To further reduce exposure to foreign currencies, currencies received are used to pay for purchases in the same currency via a monthly netting structure.

The net flow of all sales and purchases in non-functional currencies is hedged through financial instruments and bank account balances in accordance with guidelines set in the Group's finance policy. In addition, major project orders are currency hedged to protect the gross margin. Under the finance policy, the Chief Financial Officer has a mandate to hedge the annual transaction exposure. At year-end, the total hedged amount was SEK 213 million (2,342). The average duration for the hedged volume of foreign currency was 4 months (2). Unrealized results from outstanding currency contracts for hedging of future net flows amounted to SEK 12 million (-26) at year-end. This amount consists of SEK 8 million in profit related to contracts maturing in 2026 and SEK 4 million in profit related to contracts maturing in 2027 or later.

If all exchange rates for the exposure currencies were to change by 5 percent in an unfavorable direction, total EBIT over a 12-month period would change by approximately SEK -1,773 million (-2,066), assuming that the composition is the same as it was at year-end.

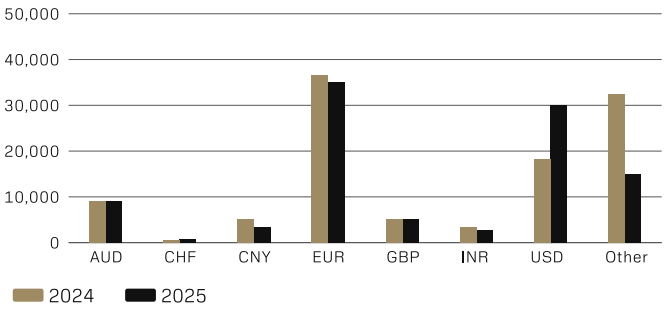
Sensitivity analysis by currency

AUD	CAD	CHF	CNY	EUR	USD	ZAR	Other	Total
-192	-136	-1	-64	-509	-631	-98	-141	**-1,773**

Currency risk – translation exposure
Risk
Translation exposure occurs when assets and liabilities are denominated in different currencies. Since the Swedish krona (SEK) is the Sandvik functional currency, a translation risk related to the valuation of the net assets in foreign subsidiaries and the profit/loss in foreign currency achieved during the period occurs. The net assets, which usually consist of the foreign subsidiaries' shareholders equity, are translated to SEK at the rates applied on the balance sheet date. At December 31, the Group's net assets in subsidiaries in local currencies amounted to SEK 101,085 million (110,735).

Exposure
Group's external debt by currency

Net assets by foreign currency



Comments
To avoid translation risk in the balance sheets of subsidiaries, they are financed in their functional currency through the internal bank. External borrowing often takes place in a specific currency, as shown in the first graph. The currency risk that arises in the internal bank as a result of this is managed using various derivatives.

→ G27, continued

Sandvik has chosen not to hedge future profits in foreign subsidiaries. The second graph shows the distribution of net assets among various currencies.

If exchange rates were to change by 5 percent in an unfavorable direction, the net effect on other comprehensive income would be approximately SEK -5,059 million (-4,690). This net effect primarily comprises of translation exposure in equity.

Sensitivity analysis by currency

AUD	CHF	CNY	EUR	GBP	INR	USD	Other	Total
-454	-33	-173	-1,757	-256	-138	-1,497	-751	**-5,059**

Interest rate risk

Risk

Interest rate risk is defined as the impact that changes in market interest rates will have on the Group's net interest items. That impact depends on the interest terms of assets and liabilities. Sandvik measures interest rate risk as the change over the forthcoming 12 months given a 1 percentage point change in interest rates.

Interest rate risk arises in two ways:
- The Company may have invested in interest-bearing assets, the value of which changes when the interest rate changes.
- The cost of the Company's borrowing fluctuates when the general interest rate situation changes.

Exposure

If market rates were to rise by 1 percentage point across all tenors, in relation to loans for which the interest rate will be reset during the coming year, interest costs would be impacted by SEK -138 million (-157).

An interest-rate sensitivity analysis of interest rate swap agreements valid at year-end, and to which hedge accounting was applied, shows that other comprehensive income would change by SEK 0 million (0) and interest cost in the income statement would change by SEK -64 million (-69) as a result of a 1 percentage point rise in the interest rate curve.

Interest rates and fixed-interest terms on outstanding loans

Including effect of interest-rate derivatives	Effective rate of interest, %	Fixed-interest term, months	Recognized liability, MSEK
Bond loans, MTN	2.8	23	22,711
Commercial papers	0.0	0	0
Other loans from banks	2.7	4	8,763
Total loans	**2.8**	**18**	**31,474**
Interest effect of currency derivatives	0.9		
Total incl. currency derivatives	**3.6**		

Comments

The Group's interest rate risk arises mainly in connection with borrowing. Interest rate swap agreements are sometimes used to achieve the desired fixed interest term. The Group Chief Financial Officer has a mandate to vary the average fixed-interest term of the Group's debt portfolio within an interval of 6–36 months. The average fixed-interest term on the Sandvik borrowing was 18 months (20) at year-end, with consideration given to interest rate swap agreements entered into.

In line with the Group's finance policy, internal lending to foreign subsidiaries is hedged with currency derivatives. Consequently, there is an interest-rate effect in currency derivatives of 0.9 percentage points between the currencies the Group borrows and the currencies the Group lends. The Group's average interest expense, including other loans and effects of various derivatives, was 3.6 percent (5.0).

Hedge accounting is applied when an effective link exists between hedged loans and interest rate swaps. To the extent that fair value hedges are effective, the values of the hedged items are adjusted and the effects on the profit for the year are reduced. When cash flow hedges are effective, the effects are transferred from profit for the year to other comprehensive income.

The Group has interest rate swap agreements with a notional amount of EUR 1,000 million to which it applies fair value hedging. The hedge relationships for these are 100 percent effective. Further information of all interest rate derivatives can be found at the end of this note.

The Sandvik loan conditions do not currently include financial covenants linked to key figures. Only under exceptional circumstances are assets pledged in connection with debt raising. Such pledging is disclosed in note G26.

In the event that Sandvik has surplus liquidity, it is placed in bank deposits or in short-term money market instruments (durations of up to 90 days), which means that the interest-rate risk (the risk of a change in value) is low.

Liquidity and refinancing risk

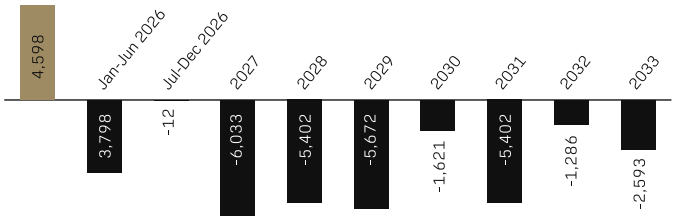
Risk

Liquidity and refinancing risk is defined as the risk that financing possibilities will be limited when loans are to be refinanced, and that payment commitments cannot be honored as a result of insufficient liquidity.

Exposure

Maturity profile for borrowing and liquid assets

Nominal amount



Borrowing and remaining credit periods

	Currency	Recognized liability, MSEK	Average remaining credit periods, years
Bond loans, MTN	EUR, SEK	22,711	2.7
Commercial papers	EUR, SEK	0	0.0
Other loans from banks	Other	8,763	5.5
Total borrowings		**31,474**	**3.5**

Comments

According to the finance policy, the Group's liquidity reserve, comprising of unutilized committed credit facilities and accessible cash and cash equivalents, should at all times exceed 10 percent of the Group's projected annual revenues. The liquidity reserve should also exceed the amount of loans maturing within 12 months. At year-end, the Group's committed long-term credit facilities and accessible cash amounted to SEK 20,985 million. Loans maturing in 2026 are SEK 3,810 million (4,974).

Sandvik has a revolving credit facility totaling SEK 11,000 million maturing in 2029. In addition, Sandvik has a committed credit facility totaling EUR 500 million that can be substituted for a long-term loan before May 2027. The facilities were unutilized at year-end.

The aim of the Sandvik financing strategy is to achieve a well-balanced maturity profile for liabilities to thereby minimize the refinancing risk. The finance policy further stipulates that the debt portfolio's weighted average duration should exceed 3 years. At year-end 2025, the weighted average duration amounted to 3.5 years. The maturity structure for the Group's financial liabilities and derivatives is presented further down in this note.

→ G27, continued

At year-end, Standard & Poor's, the international credit rating agency, had assigned a BBB+ credit rating to the Sandvik long-term borrowing and A-2 for its short-term borrowing. For a continuous update on the Sandvik credit rating, please visit home.sandvik.

Credit risk

Risk

The Group's commercial and financial transactions give rise to credit risk in relation to the Sandvik counterparts. Credit risk or counterpart risk is defined as the risk for losses if the counterpart does not honor its commitments.

The credit risk to which Sandvik is exposed to can be divided into three categories:
— Financial credit risk
— Credit risk in trade receivables
— Credit risk in customer financing

Total credit risk	2024	2025
Cash and cash equivalents [1]	4,528	4,958
Derivatives [1]	212	39
Other receivables [1]	753	774
Trade receivables [2]	19,836	19,595
Customer finance [3]	6,186	5,893
Total	**31,514**	**31,260**

1) Financial credit risk
2) The age structure and expected credit loss of trade receivables are described in note G18
3) Expected credit loss related to customer finance is described in note G14

Expected credit loss	2024	2025
Opening balance, January 1	**-971**	**-975**
Provisions made during the year	-287	-145
Provisions used during the year	164	151
Unutilized provisions reversed during the year	208	116
Business combination	-50	-6
Translation difference	-40	110
Closing balance, December 31	**-975**	**-750**

Comments

Sandvik has entered into agreements with the company's most significant banks, covering such matters as the right to offset assets and liabilities that arise from financial derivative transactions, so-called ISDA agreements. This means that the company's counterpart exposure to the financial sector is limited to the unrealized net gains that arise in derivative agreements, investments and bank balances. At December 31, the value of these amounted to SEK 4,997 million (4,740).

Sandvik companies are generally exposed to credit risk associated with outstanding trade receivables from ongoing sales. The credit risk is normally spread over a large number of customers within different segments in the business areas. The total credit losses belonging to Sandvik, defined as the total of receivables written off and change in bad debt reserve, amounted to SEK -47 million (-79), equivalent to 0.04 percent of sales.

The Group's financial instruments measured at fair value in the balance sheet

	2024	2025
Financial assets		
Derivatives		
Foreign exchange contracts	555	194
Total [1]	**555**	**194**
Financial liabilities		
Derivatives		
Foreign exchange contracts	1,747	649
Interest-rate swaps	246	184
Total [2]	**1,993**	**832**

1) Included in other receivables and financial assets.
2) Included in other liabilities.

Financial assets and liabilities are not offset in the balance sheet. Derivative contracts are subject to framework agreements governing offsetting, and the carrying amounts of assets not offset in the balance sheet amounted to SEK 194 million. The carrying amount of corresponding liabilities was SEK -832 million. No collateral has been received or pledged. In the event of a default by a derivative counter party, assets and liabilities for a total value of SEK 155 million would be offset in accordance with the framework agreement governing offsetting.

Calculation at fair value of the Group's non-current borrowings would decrease the total carrying amount by SEK 72 million (263). When measuring interest-bearing liabilities, the company's European bond loans have been remeasured using observable market prices for identical securities to value the Group's marketable debt instruments. Other non-current debt has been remeasured in accordance with the principles described on the following page. For short-term loans and deposits, no remeasurement was carried out, given that the carrying amount is considered to represent a good approximation of the fair value due to the short duration.

→ G27, continued

Financial assets and liabilities by valuation category

	Fair value through OCI		Fair value through profit or loss		Amortized costs		Hedge accounting		Total carrying amount	
Balance sheet items	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Financial assets										
Financial investments	120	188	380	396	–	–	–	–	500	584
Trade receivables [1]	–	–	–	–	19,836	19,595	–	–	19,836	19,595
Other receivables [2]	–	–	–	–	6,971	6,498	–	–	6,971	6,498
Derivatives [3]	–	–	555	97	–		–	97	555	194
Cash and cash equivalents	–	–	–	–	4,528	4,958	–	–	4,528	4,958
Total financial assets	**120**	**188**	**935**	**493**	**31,334**	**31,051**	**–**	**97**	**32,389**	**31,830**
Financial liabilities										
Borrowings	–	–	377	221	36,644	31,474 [4]	–	–	37,021	31,694
Derivatives [5]	–	–	494	606	–	–	1,499	226	1,993	832
Accounts payable [1]	–	–	–	–	10,077	10,719	–	–	10,077	10,719
Due to associates	–	–	–	–	2	2	–	–	2	2
Other liabilities [6]	–	–	146	225 [7]	6,515	5,724	–	–	6,661	5,949
Total financial liabilities	**–**	**–**	**1,017**	**1,052**	**53,239**	**47,918**	**1,499**	**226**	**55,755**	**49,196**

1) Excludes assets held for sales.
2) Comprises parts of the Group's other receivables and accrued income from contract assets, financial leasing, and customer financing recognized in the balance sheet.
3) Derivatives form part of the other receivables and financial assets, recognized in the balance sheet.
4) Recognized in the balance sheet as non-current and current liabilities to financial institutions and other liabilities. Notional EUR 1,000 million is part of a fair value hedge.
5) Derivatives form part of the other liabilities recognized in the balance sheet.
6) Form part of the Group's other liabilities and accrued expenses from leasing recognized in the balance sheet.
7) Contingent considerations measured according to Level 3. The liabilities are valued to fair value through profit or loss, using an internal model where the likelihood of the consideration payout is assessed and the expected payout is discounted to present value each reporting period, using an applicable discount rate specific for each transaction.

Maturity structure relating to undiscounted cash flows for financial liabilities and derivatives, nominal amounts

		2024				2025			
		<6 months	**6-12 months**	**1-5 years**	**>5 years**	**<6 months**	**6-12 months**	**1-5 years**	**>5 years**
Bank loans	EUR, Other	-567	-139	-1,250	-7,838	-134	-130	-2,654	-7,219
Commercial papers	EUR, SEK	-834	–	–	–	–	–	–	–
Bond loans, MTN	EUR, SEK	-3,229	-1,310	-24,115	-2,723	-4,044	-374	-18,219	-2,474
Derivatives									
- Currency derivatives		1,245	-48	-4	–	443	15	0	–
whereof outflow		-411	-139	-4	–	-174	-10	-9	–
whereof inflow		1,656	91	0	–	617	25	9	–
- Interest rate derivatives		-18	-119	-265	–	14	-80	-34	–
Leases		-768	-756	-3,643	-1,801	-768	-745	-3,283	-1,857
Accounts payable [1]		-10,077	–	–	–	-10,719	–	–	–
Total		**-14,248**	**-2,372**	**-29,277**	**-12,362**	**-15,208**	**-1,313**	**-24,190**	**-11,550**

1) Excludes assets held for sales.

Net result per valuation category

	2024	**2025**
Fair value through profit or loss	-1,872	-388
Amortized costs	-2,426	-2,044
Hedge accounting	-1,288	20

Periods when hedged cash flows in the hedge reserve are expected to occur and impact earnings

	Q1 2026	**Q2 2026**	**Q3 2026**	**Q4 2026**	**Q1 2027**	**Q2 2027**	**Q3 2027**	**Q4 2027**	**2028 and later**
Currency derivatives	-14	-27	-16	-1	1	-1	-2	2	-1
Total	**-14**	**-27**	**-16**	**-1**	**1**	**-1**	**-2**	**2**	**-1**

→ G27, continued

Derivative financial instruments – interest rate swaps

	Fair value hedges	
	2024	2025
Carrying amount (included in other liabilities)	-246	-184
Notional amount	11,478	10,804
Changes in fair value since 1 January	167	62

Supply chain finance programs (SCF)
Sandvik engages in programs characterized by finance institutions offering to pay owed amounts to suppliers and Sandvik entity owing the amount agreeing to pay it back to the finance institutions at the same date as the suppliers are paid, or later. These programs are typically designed to provide Sandvik with extended payment terms and the suppliers with terms earlier than the original invoice payment due date. The financial institutions involved with Sandvik in are in good financial standing, representing very low liquidity risk.

The outstanding amounts confirmed under the programs are recognized in the balance sheet as part of accounts payable. Neither have any guarantees been issued as security for the finance providers, nor have any assets been pledged.

Liabilities under SCF	90–170 days after invoice date (average)
Normal trade payables other than SCF	30–60 days after invoice date
Carrying amount of liabilities, 31 December 2025	1,583 MSEK
Submitted amount during 2025*	4,072 MSEK

*Total value of all new payments submitted by buyer and accepted by the finance provider

§ Accounting principles

Financial instruments
Financial instruments recognized in the balance sheet include assets, such as account receivables, financial investments and derivatives, and liabilities such as loan liabilities, account payables, and derivatives.

Current investments and derivatives are recognized on the trade date. Financial assets and loans are recognized on the settlement date. Trade receivables and trade payables are recognized in the balance sheet once the invoice has been sent or received, respectively.

Measurement
Amortized cost
The majority of the financial assets is held to collect contractual cash flows and are held to maturity, and recognized at amortized cost according to the effective interest method.

All liabilities, excluding derivatives and the liabilities included in a hedging relationship, are measured at amortized cost

Fair value through other comprehensive income
For financial assets comprising an equity instrument, the company can, on initial recognition, make an irrevocable choice to recognize the asset at fair value through other comprehensive income without the option of reclassification to profit or loss. Sandvik has made such a choice for financial investments which are also described in G15.

Fair value through profit or loss
Financial assets that do not fulfill the requirements as stated in the categories described above are to be measured at fair value through profit or loss.

Derivatives and liabilities that are part of a hedging relationship are recognized in this category.

Financial instruments measured at fair value
Almost all of the Sandvik financial instruments measured at fair value are measured according to Level 2. Some minor liabilities are measured at Level 3.

Level 1: Fair value is determined according to prices listed on an active market for the same instrument.
Level 2: Fair value is determined based on either directly (as a price) or indirectly (derived from prices) observable market data that is not included in level 1.
Level 3: Fair value is determined based on input data that is not observable in the market.

The fair value of foreign exchange contracts is determined based on observable market prices. The fair value of interest-rate swaps is based on discounting estimated future cash flows under the contractual terms and conditions and maturity dates and based on the market interest rate for similar instruments on the balance sheet date. Where discounted cash flows are used, the future cash flows are calculated on the best assessments of company management. The discount rate applied is the market-based interest rate of similar instruments at the closing date.

All valuation techniques applied are accepted in the market and take into account all parameters that the market would consider in its pricing. These techniques are reviewed regularly to ensure their reliability. Applied assumptions are compared against actual outcomes to identify any needs for adjusting the measurement or forecasting tools.

For means of payment, receivables and payables with variable interest and current receivables and payables (for example, trade receivables and accounts payable), the fair value has been considered to correspond to the carrying amount.

Hedge accounting
Hedge accounting is applied in accordance with IFRS9 to decrease volatility in the income statement.

Cash flow hedges
Derivatives are used to hedge the exposure of cash flows. The effective portion of the change in fair value for the year, is recognized in other comprehensive income and the accumulated changes in a separate component of shareholders' equity. The ineffective portion of a gain or loss is immediately recognized in the income statement. The gain or loss relating to the effective portion of hedging instruments is reversed from other comprehensive income to the income statement within the same line as the hedged item.

Fair-value hedges
Interest rate swaps are used to hedge the exposure to changes in fair value, changes to the fair value of the instrument are recognized in the income statement for the year. The gain or loss on the hedged item attributable to the hedged risk, adjusts the carrying amount of the hedged liability and the change for the period is recognized in profit or loss. Realized and unrealized interest is reported in the income statement for the year for both the hedge and the hedged item.

Sandvik applies fair-value hedges to hedge the fair value of fixed rate funding recognized in the balance sheet, provided that the hedged item is otherwise recognized at amortized cost. The derivative instrument used is interest rate swaps. If the hedge relationship is discontinued, the carrying amount of the hedged item is adjusted with the accumulated amount referring to the hedge relationship.

→ G27, continued

Impairment of financial assets

Expected credit losses

Sandvik evaluates its trade receivables, contract assets and financial leases on a collective basis for each category, respectively.

Expected credit loss provisions are based on the full lifetime expected credit loss model. The entities consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring the expected credit losses.

Changes to the allowance for expected credit losses for accounts receivables are recognized in selling expenses.

Confirmed credit losses

The principles for writing off a receivables are based on several prerequisites, such as proof of write-off, insolvency, or failed legal and other collection processes. An assessment is made whether one or several of these prerequisites are fulfilled before the write-off takes place.

Credit securities

The Group selectively utilizes different forms of credit securities, such as letters of credit, retention of title, or credit insurance.

! Critical estimates and judgments

Allowance for expected credit losses

A collective assessment is made on the receivables. Historical information regarding credit loss experience is used to forecast future losses, adjusted for current and expected conditions. Also, an individual assessment is made on credit impaired accounts receivables based on the financial condition of the customer.

G28 Transactions with related parties

Related-party transactions
The Group's sales to associates and joint ventures amounted to SEK 7 million (8). The Group's purchases from associated companies amounted to SEK 135 million (151). Interest income from associates and joint ventures amounted to SEK 1 million (0) and loan receivables from associates and joint ventures amounted to SEK 16 million (16). Loan payables to associates and joint ventures amounted to SEK 2 million (2). No guarantees have been made for the obligations of associates and joint ventures. All transactions are carried out on market terms.

Transactions with key management personnel
Sandvik did not enter into any significant transactions with Board members or members of Group Executive Management during the year. For information on remuneration, see note G4.

G29 Supplementary information to the cash flow statement

		Cash Flow		Non-cash flow changes						
	January 1, 2024	**New loans**	**Amortization**	**Reclassification**	**New leases**	**Acquisition**	**Disposal**	**Currency/ FX**	**Other**	**December 31, 2024**
Interest-bearing liabilities	**28,452**	5,832	-99	-3,750	–	128	–	1,107	–	**31,672**
Current interest-bearing liabilities	**11,126**	95	-10,435	3,731	–	464	–	25	-34	**4,972**
Lease liabilities	**5,503**	–	-1,439	2	1,953	104	-172	207	-47	**6,111**
Dividends paid	–	–	-6,880	–	–	–	–	–	–	**–**
Total	**45,081**	**5,928**	**-18,854**	**-17**	**1,953**	**697**	**-172**	**1,339**	**-81**	**42,755**

		Cash Flow		Non-cash flow changes						
	January 1, 2025	**New loans**	**Amortization**	**Reclassification**	**New leases**	**Acquisition**	**Disposal**	**Currency/ FX**	**Other**	**December 31, 2025**
Interest-bearing liabilities	**31,672**	1,644	-49	-3,811	–	–	–	-1,792	–	**27,664**
Current interest-bearing liabilities	**4,972**	121	-4,974	3,811	–	10	–	-129	-1	**3,810**
Lease liabilities	**6,111**	–	-1,433	–	1,488	25	-13	-518	-12	**5,647**
Dividends paid	**–**	–	-7,203	–	–	–	–	–	–	**–**
Total	**42,755**	**1,765**	**-13,660**	**–**	**1,488**	**34**	**-13**	**-2,439**	**-13**	**37,121**

Cash and cash equivalents	**2024**	**2025**
Cash and bank	3,583	4,195
Short-term investments comparable to cash and cash equivalents	945	763
Total in the balance sheet	**4,528**	**4,958**
Total in the cash flow statement	**4,528**	**4,958**

Interest paid and received and dividend received	**2024**	**2025**
Dividend received	3	3
Interest received	678	613
Interest paid	-2,737	-2,209
Total	**-2,056**	**-1,592**

Other adjustments for non-cash items, etc.	**2024**	**2025**
Unappropriated results of associated companies	208	-23
Other provisions	305	-75
Changes in value of financial instruments	748	-459
Gains and losses on disposal of companies and shares	220	-127
Gains and losses on disposal of non-current assets	-63	-245
Provisions for pensions	301	520
Other	102	56
Total	**1,822**	**-352**

§ Accounting principles

The consolidated cash flow statement is prepared in accordance with the indirect method. A short-term investment is classified as a cash and cash equivalent if:
— The risk of changes in value is insignificant
— It is readily convertible into cash
— It has a maturity of no more than three months from the date of acquisition.

G30 Business combinations

The acquisitions of business combinations executed in 2024 and 2025 are set out below. Annual revenue and number of employees reflect the latest available information at the time of the transaction.

Business area	Cash generating unit	Company/unit	Country	Acquisition date	Annual revenue	No. of employees
2024						
Machining and Intelligent Manufacturing	Sandvik Coromant	pro-micron GmbH	Germany	February 1, 2024	88 MSEK in 2022	56
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	Cimquest, Inc.	USA	March 1, 2024	26 MUSD in 2023	55
Machining and Intelligent Manufacturing	Sandvik Coromant	Almü Präzisions-Werkzeug GmbH	Germany	May 1, 2024	7.1 MEUR[1)] in 2023	44
Machining and Intelligent Manufacturing	Walter Group	PDQ Workholding LLC	USA	June 1, 2024	36 MUSD in 2023	107
Machining and Intelligent Manufacturing	China Division	Suzhou Ahno Precision Cutting Tool Technology Co., Ltd.	China	July 1, 2024	1.2 BSEK in 2023	1,200
Mining	Mining	Universal Field Robots	Australia	Dec. 2, 2024	80 MSEK 12M Q3 23-Q2 24	40
2025						
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	FASTech Inc.	USA	January 2, 2025	6.0 MUSD in 2024	8
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	ShopWare, Inc.	USA	February 3, 2025	12.4 MUSD in 2024	21
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	MCAM Northwest, Inc.	USA	February 3, 2025	2.6 MUSD in 2024	9
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	OptiPro Systems, LLC	USA	February 3, 2025	2.6 MUSD in 2024	9
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	CadCam Solutions, Inc.	USA	March 3, 2025	4.5 MUSD in 2024	4
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	CamTech Engineering Services, LLC	USA	March 3, 2025	2.0 MUSD in 2024	3
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	Barefoot CNC, Inc.	USA	March 3, 2025	3.1 MUSD in 2024	6
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	CIMCO PP ApS	Denmark	March 3, 2025	7.4 MSEK in 2024	3
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	Verisurf Software, Inc.	USA	June 2, 2025	130 MSEK in 2024	44
Rock Processing	Rock Processing	Osa Demolition Equipment	Italy	July 1, 2025	150 MSEK in 2024	64
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	QTE Manufacturing Solutions	USA	November 3, 2025	45 MSEK in 2024	12

1) Of which EUR 1.7 million refers to sales to Sandvik

Acquisitions
The acquisitions during 2025 were made through net asset deals, except for CIMCO PP ApS, Verisurf Software, Inc., and Osa Demolition Equipment where 100 percent of shares and voting rights were acquired.

On February 28, 2025 and September 10, 2025 Sandvik acquired the remaining 28 percent of the shares in Suzhou Ahno and Yongpu, respectively, through the utilization of call options. After the acquisitions, Sandvik owns 100 percent of the shares in both Suzhou Ahno and Yongpu.

For all acquisitions, Sandvik received control over the operations on the date of closing. No equity instruments have been issued in connection with the acquisitions. The acquisitions have been accounted for using the acquisition method.

The amounts presented in the following tables detail the recognized amounts aggregated by business area. The relative amounts of the individual acquisitions are not considered significant. Sandvik is in the process of reviewing the final values for certain of the recently acquired businesses. No adjustments are expected to be material.

Total fair value of assets and liabilities of acquired businesses in 2025
The fair value of acquired assets and assessed liabilities has been preliminarily established for all acquisitions made during 2025. Only minor IFRS adjustments were made to the acquisition values.

Acquisitions made by Rock Processing
During 2025, Rock Processing has acquired Osa Demolition Equipment S.r.l. (OSA), an Italy-based manufacturer of demolition tools and hydraulic hammers. The relative amounts of the individual acquisition are not considered significant.

Acquisitions made by Machining and Intelligent Manufacturing
During 2025, Machining and Intelligent Manufacturing acquired several resellers of Mastercam software and services in the US. Acquisitions of Verisurf Software, Inc., a US-based 3D metrology software solutions provider, and the probing and post processor business lines of CIMCO Group, have also been completed. The relative amounts of the individual acquisition are not considered significant.

→ G30, continued

Fair value recognized in the Group, 2025

	Rock Processing	Machining and Intelligent Manufacturing	Total
Intangible assets	0	0	**0**
Property, plant and equipment	19	3	**21**
Other non-current assets	15	10	**25**
Inventories	55	2	**57**
Receivables	44	154	**198**
Cash and cash equivalents	62	37	**99**
Interest-bearing loans and borrowings	-25	-10	**-34**
Other liabilities and provisions	-36	-231	**-267**
Deferred tax assets/liabilities, net	-18	-33	**-50**
Net identifiable assets and liabilities	**118**	**-69**	**49**
Goodwill	307	645	**952**
Other surplus values	92	487	**579**
Purchase consideration	**-516**	**-1,063**	**-1,579**
Contingent and deferred considerations	75	81	**156**
Cash and cash equivalents in the acquired business	62	37	**99**
Net cash outflow	**-379**	**-945**	**-1,324**

Contributions from companies acquired in 2025 by business area

	Rock Processing	Machining and Intelligent Manufacturing	Total
Contributions as of acquisition date			
Revenues	56	323	**379**
Profit/loss for the year	0	97	**97**
Contributions if the acquisition date would have been January 1			
Revenues	114	423	**537**
Profit/loss for the year	10	107	**117**

Change of total fair values recognized in the Group in 2025 from businesses acquired during 2024

	Mining			Machining and Intelligent Manufacturing			Total		
	2024	2025	Change	2024	2025	Change	2024	2025	Change
Intangible assets	10	9	-1	9	9	0	19	18	-1
Property, plant and equipment	5	4	-1	1,003	996	-7	1,009	1,000	-9
Other non-current assets	16	13	-3	140	140	0	155	153	-3
Inventories	3	–	-3	323	323	-1	327	323	-4
Receivables	6	5	-1	923	923	0	930	928	-1
Cash and cash equivalents	2	2	0	241	241	0	244	244	0
Interest-bearing loans and borrowings	-13	-13	0	-682	-682	0	-695	-695	0
Other liabilities and provisions	-9	-10	-1	-606	-604	3	-615	-614	1
Deferred tax assets/liabilities, net	-11	-10	1	-220	-229	-9	-231	-239	-8
Net identifiable assets and liabilities	**10**	**0**	**-9**	**1,132**	**1,117**	**-15**	**1,141**	**1,117**	**-24**
Goodwill	170	164	-6	1,696	1,652	-44	1,866	1,816	-50
Other surplus values	142	156	14	1,821	1,879	59	1,963	2,035	72
External liability to minority shareholders	–	–	–	-1,096	51	1,146	-1,096	51	1,146
Purchase consideration	**-322**	**-319**	**2**	**-3,553**	**-4,699**	**-1,146**	**-3,874**	**-5,019**	**-1,144**
Contingent and deferred considerations	–	–	–	28	28	–	28	28	–
Cash and cash equivalents in the acquired business	2	2	0	241	241	0	244	244	0
Net cash outflow	**-319**	**-317**	**2**	**-3,283**	**-4,430**	**-1,146**	**-3,603**	**-4,747**	**-1,144**

The fair value of the acquisitions made during 2024 have changed due to the establishment of a final purchase price allocation during 2025.

→ G30, continued

§ Accounting principles

The consolidated financial statements are prepared in accordance with the acquisition method. In business combinations, acquired assets and assumed liabilities are identified and classified, and measured at fair value on the date of acquisition (also known as a purchase price allocation).

Transaction costs in conjunction with acquisitions are reported directly in profit or loss for the year as other operating expenses.

Contingent considerations are recognized as financial liabilities and at fair value on the acquisition date. Contingent considerations are remeasured at each reporting period with any change recognized in profit or loss for the year.

In step acquisitions, when a controlling interest is achieved, any net assets acquired earlier in the acquired units are remeasured at fair value and the result of the remeasurement is recognized in profit or loss. If the controlling interest is lost upon divestment, net profit is recognized in profit or loss. Any residual holding in the divested business is then measured at fair value on the date of divestment and its effect is recognized in profit or loss for the year.

! Critical estimates and judgments

Allocation of purchase price
Allocation of the purchase price between goodwill and various identifiable intangible and tangible assets includes estimates, such as projections of future cash flows, useful lives of assets and future earnout payments.

G31 Divestments and assets held for sale

The divestments of operations executed in 2024 and 2025 are specified below.

Business area	Company/Unit	Divestment date	Annual revenue	No. of employees
2024				
Machining and Intelligent Manufacturing	DWFritz Automation	August 28, 2024	590 MSEK in 2023	228
Mining	Eimco Elecon[1)]	December 13-19, 2024	N/A	N/A
2025				
Machining and Intelligent Manufacturing	Cimquest, Inc.	September 2, 2025	99 MSEK 12M Sep 24-Aug 25	14
Mining	Eimco Elecon[1)]	September 24-25, 2025	N/A	N/A
Machining and Intelligent Manufacturing	Advanced Theodolite Technology, Inc.	October 1, 2025	145 MSEK 12M Oct 24-Sep 25	30

1) Shares in associated company

Assets and liabilities included in divestments 2025

	2024	2025
Intangible assets	224	43
Property, plant and equipment	79	26
Other non-current assets	2	113
Inventories	29	4
Receivables	150	52
Cash and cash equivalents	1	6
Interest-bearing loans and borrowings	172	13
Other liabilities and provisions	-17	–
Deferred tax assets/liabilities, net	–	-3
Net identifiable assets	**638**	**254**
Gain/loss on divested operations	-220	127
Consideration received	**-22**	**342**
Less: Cash and cash equivalents in the divested operations	-1	-6
Impact on the Group's cash and cash equivalents, divested operations	**-22**	**336**

Divestments and assets held for sale
Sandvik made no divestments with major impact during 2025. During the year, Sandvik divested its holding of shares in the associated company Eimco Elecon (India) Limited. The holding has previously been reported as assets held for sale. The divestment incurred a capital gain, including transactional costs, of SEK 128 million in the third quarter of 2025 and had a positive cash flow effect for the Group of SEK 253 million.

During the year, Sandvik also divested the American company Advanced Theodolite Technology, Inc. (ATT), a provider of onsite precision measurement services to the aerospace industry, as well as the additive business of Cimquest, Inc. The holding of ATT has previously been reported as assets held for sale.

As of December 31, 2025, the Group recognizes no assets, or liabilities directly attributed to assets held for sale.

§ Accounting principles

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

G32 Government grants

During 2025, Sandvik received various forms of government grants in countries where the Group operates of SEK 76 million (116). As in 2024, the main part of received grants in 2025 has been recognized as a reduced cost to which the grant is attributable to.

In 2025 the main part pf the government grants was related to R&D projects and personnel costs. In 2024, the grants were mainly related to R&D projects.

The majority of the grants have no unfulfilled conditions or contingencies attached to them.

§ Accounting principles

Government grants are recognized as deferred income in the balance sheet when there is reasonable assurance that the grant will be received, and that the entity will comply with the conditions attached to them. Grants are recognized in profit or loss for the year in the same way and over the same periods as the related costs that they are intended to compensate, on a systematic basis.

Grants related to assets are presented by deducting the grant from the carrying amount of the asset.

G33 Events after the end of the period

On January 27, 2026, Sandvik announced that Mats Eriksson, President of the Mining business area, has decided to retire in 2027, when he turns 65. In 2026 he will step down from his position and as member of the Group Executive Management once a successor has assumed the role, tentatively July 1, 2026.

§ Accounting principles

Events after the balance sheet date refer to both favorable and unfavorable events that have occurred after the balance sheet date but before the date the financial statements were authorized for issue by the Board of Directors.

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Parent Company income statement

MSEK	Note	2024	2025
Revenue	P2	13,427	13,465
Cost of sales and services		-7,117	-6,784
Gross profit		**6,310**	**6,681**
Selling expenses		-945	-890
Administrative expenses		-2,024	-1,998
Research and development costs		-1,609	-1,390
Other operating income	P5	78	128
Other operating expenses	P5	-1,017	-869
Operating profit	P3, P4, P10	**793**	**1,662**
Result from shares in Group companies	P6	9,147	12,311
Interest income and similar items	P6	106	32
Interest expenses and similar items	P6	-1,753	-1,078
Profit after financial items		**8,293**	**12,927**
Appropriations		128	-22
Income tax	P7	296	-774
Profit for the year		**8,717**	**12,131**

Profit for the year corresponds to total comprehensive income for the year.

Parent Company balance sheet

MSEK	Note	Dec 31, 2024	Dec 31, 2025
ASSETS			
Non-current assets			
Intangible assets	P8	186	51
Property, plant and equipment	P9	3,082	2,918
Financial assets			
Shares in Group companies	P11	58,007	57,997
Due from Group companies		24,717	19,337
Other investments		0	0
Non-current receivables	P12	24	24
Deferred tax assets	P7	207	110
Total non-current assets		**86,223**	**80,437**
Current assets			
Inventories	P13	1,062	1,145
Current receivables			
Trade receivables		372	403
Due from Group companies		5,798	8,486
Income tax receivables	P7	1,955	1,867
Other current receivables	P12	440	343
Prepaid expenses and accrued income		1,056	1,024
Cash and cash equivalents		0	0
Total current assets		**10,683**	**13,268**
TOTAL ASSETS		**96,906**	**93,705**
EQUITY AND LIABILITIES			
Equity			
Non-distributable equity			
Share capital		1,505	1,505
Statutory reserve		1,611	1,611
Distributable equity			
Profit brought forward		19,273	20,819
Profit for the year		8,717	12,131
Total equity	P14	**31,106**	**36,066**
Other untaxed reserves		929	951
Provisions for pensions	P15	945	975
Other provisions	P16	401	434
Non-current interest-bearing liabilities			
Loans from Group companies	P17	1	1
Other liabilities	P17	24,062	18,929
Non-current non-interest-bearing liabilities			
Other liabilities		246	192
Current interest-bearing liabilities			
Loans from Group companies		31,185	29,132
Other liabilities		3,710	3,781
Total current interest-bearing liabilities		**34,895**	**32,913**
Current non-interest-bearing liabilities			
Advance payments from customers		48	18
Accounts payable		1,100	876
Due to Group companies		738	542
Income tax liabilities	P7	0	0
Other liabilities		295	212
Accrued expenses and deferred income	P18	2,140	1,596
Total current non-interest-bearing liabilities		**4,321**	**3,244**
Equity and liabilities		**96,906**	**93,705**

Parent Company changes in equity

MSEK	Share capital	Statutory reserve	Distributable equity	Total equity
Equity at January 1, 2024	**1,505**	**1,611**	**26,133**	**29,249**
Comprehensive income for the year	–	–	8,717	8,717
Dividend	–	–	-6,880	-6,880
Share-based payment settled by equity instruments	–	–	20	20
Equity at December 31, 2024	**1,505**	**1,611**	**27,990**	**31,106**
Equity at January 1, 2025	**1,505**	**1,611**	**27,990**	**31,106**
Comprehensive income for the year	–	–	12,131	12,131
Dividend	–	–	-7,203	-7,203
Share-based payment settled by equity instruments	–	–	32	32
Equity at December 31, 2025	**1,505**	**1,611**	**32,950**	**36,066**

Parent Company cash flow statement

MSEK	Note	2024	2025
Cash flow from operating activities			
Profit before tax		8,422	12,905
Adjustment for depreciation, amortization and impairment losses		557	507
Adjustment for non-cash items, etc.	P21	-5,850	-1,991
Income tax paid		288	-590
Cash flow from operating activities before changes in working capital		**3,417**	**10,831**
Changes in working capital			
Changes in inventories		19	-82
Changes in operating receivables		-214	4,976
Changes in operating liabilities		103	-391
Cash flow from operating activities		**3,325**	**15,333**
Cash flow from investing activities			
Acquisition of companies and shares, net of cash acquired		-13	-12
Acquisition of property, plant and equipment		-438	-240
Proceeds from sale of companies and shares, net of cash disposed of		11	2
Proceeds from sale of property, plant and equipment		29	45
Net cash used in investing activities		-411	-205
Net cash flow after investing activities		**2,914**	**15,128**
Cash flow from financing activities			
Changes in advances/loans to Group companies		3,500	-2,212
Changes in advances/loans from Group companies		4,304	-2,053
Proceeds from external borrowings		0	0
Repayment of external borrowings		-3,838	-3,659
Dividend paid		-6,880	-7,204
Net cash used in financing activities		**-2,914**	**-15,128**
Cash flow for the year		**0**	**0**
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of year		**0**	**0**

P1 Accounting principles, Parent Company

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act (1995:1554) and the standard, RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board. The interpretations issued by the Financial Reporting Board valid for listed companies have also been applied. Under RFR 2, the Parent Company in its Annual Report is to apply all the IFRS and IFRIC interpretations approved by the EU to the extent possible within the framework of the Annual Accounts Act, the Act on Income Security, and taking into account the close tie between financial reporting and taxation. The standard specifies what exceptions from or additions to the IFRS shall be made.

The Parent Company generally applies accounting principles as the consolidated financial statements. When an exception is made, the accounting principle applied for the Parent Company is presented in the respective note.

§ Accounting principles

The symbol and heading show where the accounting principles are described in the note.

Changed accounting principles
The Parent Company's accounting principles has changed in accordance with the amendments described for the Group in note G1.

Classification and presentation
The Parent Company's income statement and balance sheet adhere to the presentation included in the Annual Accounts Act. The differences compared with IAS 1 Presentation of Financial Statements applied when presenting the consolidated financial statements mainly pertain to the presentation of finance income and expenses, non-current assets, equity, and the presentation of provisions as a separate heading in the balance sheet.

P2 Categories of revenue

	2024	2025
Primary geographical markets		
Europe	12,582	12,558
North America	174	146
South America	102	79
Africa and Middle East	69	86
Asia	421	524
Australia and New Zealand	79	72
Total	**13,427**	**13,465**
Major goods/service lines		
Sale of goods	13,306	13,371
Rendering of services	92	75
Rental income	29	19
Total	**13,427**	**13,465**

Contract asset and contract liability balances are not disclosed for the Parent Company, due to the small balances and corresponding small movements.

P3 Personnel information and remuneration to management

The average number of employees was 3,559 (3,605) of which 30 percent were women (29). All personnel in the Parent Company are based in Sweden.

Wages, salaries, other remuneration and social costs

	2024	2025
Wages, salaries and other remuneration	2,664	2,819
Social costs	804	845
Pension costs	563	526
Total	**4,031**	**4,190**
of which to Board of Directors, President and members of Group Executive Management[1)]		
Salaries and other remunerations	47	53
Variable salary	2	16
Pension costs	19	17

1) The Parent Company's pension liability relating to these persons amounted to SEK 3 million (3).

Gender distribution in senior management

Proportion of women, %	2024	2025
Senior management	30	30
Other senior executives	44	44

For information regarding incentive programs, see note G4.

§ Accounting principles

Employee benefits
The Parent Company calculates expenses for defined-benefit pension plans differently from the manner prescribed in IAS 19. The Parent Company applies the Act on Income Security and regulations issued by the Swedish Financial Supervisory Authority, which is a prerequisite for income tax purposes. Compared to IAS 19, the most significant differences relate to the determination of the discount rate and the fact that the obligation is calculated based on the current salary level disregarding assumptions about future levels.

P4 Remuneration to auditors

	2024	2025
PwC		
Audit fees	-16	-18
Audit activities other than the audit assignment	0	-4
Other services	-6	-3
Total	**-22**	**-25**

P5 Other operating income and expenses

The Parent Company's other operating income amounted to SEK 128 million (78). The amount is mainly related to Transfer Price Adjustment SEK 77 million (45) between Group companies, gain on disposals of assets SEK 10 million (15), currency exchange gain SEK 16 million (3), unrealized hedges SEK 8 million (11), and other operating income SEK 17 million (4).

The Parent Company's other operating expenses amounted to SEK -869 million (-1,017). The amount is mainly related to royalties between Group companies of SEK -759 million (-957), loss on divestments of business SEK -22 million (0), and currency exchange losses of SEK -45 million (-4).

P6 Financial income and expenses

Result from shares in Group companies

	2024	2025
Dividend, net of withholding tax	7,629	10,100
Group contributions paid/received	1,518	2,211
Impairment	–	–
Total	**9,147**	**12,311**

Interest income and similar items

	2024	2025
Interest income, Group companies	24	17
Derivatives, Group companies	30	4
Other	52	11
Total	**106**	**32**

Interest expense and similar items

	2024	2025
Interest expense, Group companies	-677	-298
Other interest expense	-1,060	-746
Derivatives, Group companies	-16	-33
Other	0	-1
Total	**-1,753**	**-1,078**

§ Accounting principles

Group contributions and shareholders' contributions in legal entity accounts
Group contributions that a Parent Company receives from a subsidiary are recognized in the Parent Company in accordance with the same policies as normal dividends from subsidiaries. Shareholder contributions paid by the Parent Company to subsidiaries are recognized as investments in shares in the subsidiaries.

Anticipated dividends
Anticipated dividends from subsidiaries are recognized in cases where the Parent Company unilaterally may determine the size of the dividend, provided that the Parent Company has made such a decision before it published its financial statements.

Financial guarantee
The Parent Company applies a relaxation rule permitted by the Swedish Financial Reporting Board to the reporting of financial guarantees as opposed to the rules stipulated by IFRS 9. This relaxation rule pertains to financial guarantee agreements issued for the benefit of subsidiaries, associated companies and joint ventures. The Parent Company recognizes financial guarantees as a provision in the balance sheet when the company has an obligation for which payment is probably necessary to settle the commitment.

P7 Income tax

Recognized in profit and loss

Income tax expense for the year	2024	2025
Current tax	-371	-651
Adjustment of taxes attributable to prior years	577	-26
Total current tax expense	**206**	**-677**
Deferred taxes relating to temporary differences and tax losses carried forward	90	-97
Total tax expense	**296**	**-774**

Reconciliation of the Parent Company's tax expense
The Parent Company's effective tax rate is lower than the nominal tax rate in Sweden, mainly due to received dividends from shares in Group companies which are non-taxable incomes.

Reconciliation of the Parent Company's nominal tax rate and actual tax expense:

	2024		2025	
	MSEK	%	MSEK	%
Profit after financial items	8,421		12,905	
Weighted average tax based on each country's tax rate	-1,735	-20.6	-2,658	-20.6
Tax effect of				
Non-deductible expenses	-126	-1.5	-185	-1.4
Tax-exempt income	1,578	18.7	2,087	16.1
Adjustments relating to prior years	577	6.9	-26	-0.2
Other	2	0.0	8	0.1
Total recognized tax expense	**296**	**3.5**	**-774**	**-6.0**

→ P7, continued

Recognized in the balance sheet
Deferred tax assets and liabilities
The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities.

	2024			2025		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Property, plant and equipment	–	-24	-24	–	-24	-24
Inventories	23	–	23	28	–	28
Provisions	–	-22	-22	–	-15	-15
Non-interest-bearing assets and liabilities	241	-11	230	121	0	121
Total	**264**	**-57**	**207**	**149**	**-39**	**110**
Offsetting	-264	264	–	-149	149	–
Total deferred tax assets and liabilities	**–**	**207**	**207**	**–**	**110**	**110**

Change of deferred tax in temporary differences and unutilized tax losses carried forward

	2024	2025
Balance at the beginning of the year, net	117	207
Recognized in profit and loss	90	-97
Balance at end of year, net	**207**	**110**

In addition to the deferred tax assets and liabilities, Sandvik reports the following tax liabilities and receivables:

	2024	2025
Income tax liabilities	–	–
Income tax receivables	1,955	1,867
Net tax liabilities/receivables	**1,955**	**1,867**

§ Accounting principles

Income tax
The Parent Company recognizes untaxed reserves including the deferred tax component.

In the consolidated financial statements, untaxed reserves are recognized in their equity and deferred tax components. Correspondingly, portions of appropriations are not allocated to deferred tax expenses in the Parent Company's income statement.

P8 Intangible assets

	Patents and other intangible assets	Goodwill	Total
Cost at January 1, 2024	**754**	**139**	**893**
Additions	8	–	8
Divestments and disposals	-10	–	-10
At December 31, 2024	**752**	**139**	**891**
Accumulated amortization			
At January 1, 2024	**442**	**139**	**581**
Amortization for the year	134	–	134
Divestments and disposals	-10	–	-10
At December 31, 2024	**566**	**139**	**705**
Net carrying amount			
At December 31, 2024	**186**	**–**	**186**
Cost at January 1, 2025	**752**	**139**	**891**
At December 31, 2025	**752**	**139**	**891**
Accumulated amortization			
At January 1, 2025	**566**	**139**	**705**
Amortization for the year	135	–	135
At December 31, 2025	**701**	**139**	**840**
Net carrying amount			
At December 31, 2025	**51**	**–**	**51**

Amortization for the year is included in the following lines in the income statement

	2024	2025
Cost of goods and services sold	0	0
Research and development costs	-134	-135
Total	**-134**	**-135**

§ Accounting principles

Intangible assets
The Parent Company recognizes all expenditure for research and development conducted on a proprietary basis as an expense in profit or loss.

Amortization of intangible assets
Intangible assets are amortized on a straight-line basis over the estimated useful lives. Intangible assets are amortized from the date they are available to use. The estimated useful lives are as follows:

— Patents 10–20 years
— Goodwill 10 years

Borrowing costs
In the Parent Company, borrowing costs are expensed in the periods to which they relate. Borrowing costs for assets are not capitalized.

P9 Property, plant and equipment

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
Cost					
At January 1, 2024	**1,592**	**5,681**	**1,110**	**603**	**8,986**
Additions	24	197	56	189	466
Divestments and disposals	-13	-206	-83	-2	-304
Reclassifications	48	112	36	-207	-11
At December 31, 2024	**1,651**	**5,784**	**1,119**	**583**	**9,137**
Revaluations					
At January 1, 2024	**32**	**–**	**–**	**–**	**32**
Divestments and disposals	0	–	–	–	0
At December 31, 2024	**32**	**–**	**–**	**–**	**32**
Accumulated depreciation and impairment losses					
At January 1, 2024	**779**	**4,347**	**828**	**–**	**5,954**
Divestments and disposals	-11	-198	-81	–	-290
Reclassifications	19	-8	-11	–	0
Depreciation for the year	48	253	67	–	368
Impairment losses	9	43	3	–	55
At December 31, 2024	**844**	**4,437**	**806**	**–**	**6,087**
Net carrying amount					
At December 31, 2024	**839**	**1,347**	**313**	**583**	**3,082**

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
Cost					
At January 1, 2025	**1,651**	**5,784**	**1,119**	**583**	**9,137**
Additions	3	74	8	177	262
Divestments and disposals	-9	-212	-20	-23	-264
Reclassifications	44	207	55	-306	0
At December 31, 2025	**1,689**	**5,853**	**1,162**	**431**	**9,135**
Revaluations					
At January 1, 2025	**32**	**–**	**–**	**–**	**32**
Divestments and disposals	0	–	–	–	0
At December 31, 2025	**32**	**–**	**–**	**–**	**32**
Accumulated depreciation and impairment losses					
At January 1, 2025	**844**	**4,437**	**806**	**–**	**6,087**
Divestments and disposals	-9	-183	-18	–	-210
Depreciation for the year	49	245	70	–	364
Impairment losses	1	7	0	–	8
At December 31, 2025	**885**	**4,506**	**858**	**–**	**6,249**
Net carrying amount					
At December 31, 2025	**836**	**1,347**	**304**	**431**	**2,918**

§ Accounting principles

Borrowing costs
In the Parent Company, borrowing costs are expensed in the periods to which they relate. Borrowing costs for assets are not capitalized.

→ P9, continued

P10 Leases

Operating leases with Sandvik as lessee according to RFR 2

Operating leases with Sandvik as lessee	2024	2025
Within one year	174	179
Between one and five years	501	517
Later than five years	321	276
Net carrying amount	**996**	**972**

Leasing fees for assets under operating leases, such as leased premises, machinery and office equipment are recognized within operating expenses. In 2025, the Parent Company expensed SEK 209 million.

Operating leases with Sandvik as lessor
The Parent Company has SEK 9 million (0) in minimum lease payments under non-cancellable operating lease contracts within one year.

§ Accounting principles

Leased assets
The Parent Company recognizes all lease contracts according to the rules for operating leases.

P11 Shares in Group companies

	2024	2025
Cost		
At the beginning of the year	58,522	58,525
Additions	0	0
Capital contributions	13	12
Capital reductions	0	0
Divestment	-10	-100
Total	**58,525**	**58,437**
Accumulated impairment losses		
At the beginning of the year	-518	-518
Impairment losses for the year	0	78
Impairment reversed for the year	0	0
Total	**-518**	**-440**
Accumulated revaluations		
At the beginning of the year	0	0
Total	**0**	**0**
Carrying amount at year-end	**58,007**	**57,997**

Sandvik AB's holdings of shares and participations in subsidiaries, direct holdings, according to balance sheet at December 31

		2024			2025		
Company, domicile	**Corp. Reg. number**	**No. of shares**	**Holding, %[2]**	**Carrying amount SEK thousand**	**No. of shares**	**Holding, %[2]**	**Carrying amount SEK thousand**
Sweden							
Gimo Utbildningsaktiebolag, Gimo	556061–4041	910	91	19,377	910	91	21,635
Industri AB Skomab, Sandviken	556008–8345	2,000	100	21,946	2,000	0	0
Sandvik Global Purchasing AB, Stockholm	556052–4315	1,000	100	50	1,000	100	50
AB Sandvik Coromant, Sandviken[1]	556234–6865	1,000	100	50	1,000	100	50
Sandvik Coromant Sverige AB, Stockholm[1]	556350–7846	1,000	100	100	1,000	100	100
Sandvik Försäkrings AB, Sandviken	516401–6742	1,500	100	81,000	1,500	100	81,000
Sandvik Besöksservice AB, Sandviken[1]	556235–3838	1,000	100	50	1,000	100	50
Sandvik Intellectual Property AB, Sandviken	556288–9401	1,000,000	100	3,499,950	1,000,000	100	3,499,950
AB Sandvik International, Sandviken[1]	556147–2977	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Sverige AB, Sandviken[1]	556288–9443	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Tools AB, Sandviken[1]	556234–7343	1,000	100	50	1,000	100	50
Sandvik Rotary Tools AB, Köping	556191–8920	101,000	100	103,230	101,000	100	103,230
AB Sandvik Skogsfastigheter, Sandviken	556579–5464	1,000	100	51	1,000	0	0
Sandvik Machining Solutions AB, Sandviken[1]	556692–0053	1,000	100	100	1,000	100	100
Sandvik Utbildnings AB, Sandviken	556304–8791	910	91	78,203	910	91	88,381
Dormer Pramet AB, Halmstad	556240–8210	80,000	100	46,145	80,000	100	46,145
Walter Norden AB, Halmstad	556752–4698	15,000	100	6,839	15,000	100	6,839
Sandvik Group IT, Sandviken[1]	556788–9059	1,000	100	100	1,000	100	100
Sandvik Venture AB, Stockholm	556868–7155	1,000	100	281,048	1,000	100	281,048
Sandvik Financial Services AB, Stockholm	556843–7296	10,000	100	75,000	10,000	100	75,000
Seco Tools AB, Fagersta	556071–1060	145,467,690	100	15,658,859	145,467,690	100	15,658,859
Sandvik Invest Aktiebolag, Sandviken	556020–6517	1	0	0	1	0	—
Sandnest 3 AB, Stockholm	559291–1035	25,000	100	25	25,000	100	25

1) Subsidiaries conducting business on behalf of the Parent Company.
2) Refers to voting rights, which also equals share of capital unless otherwise indicated.

→ P11, continued

Sandvik AB's holdings of shares and participations in foreign subsidiaries, direct holdings, according to balance sheet at December 31

		2024			2025		
Country/location	**Company**	**No. of shares**	**Holding, % [1]**	**Carrying amount KSEK**	**No. of shares**	**Holding, % [1]**	**Carrying amount KSEK**
Brazil	Sandvik Holding Do Brasil Ltda	339,135,756	100	1,080,289	339,135,756	100	1,080,289
Bulgaria	Sandvik Bulgaria Ltd	—	100	0	—	100	0
Chile	Sandvik Financial Services S.A.	9,900	99[2]	165,331	9,900	99[2]	165,331
	Sandvik Rock Processing Chile S.A.	1	0[2]	8	1	0[2]	8
China	Sandvik China Holding Co Ltd.	—	100	2,009,106	—	100	2,009,106
Czech Republic	Sandvik CZ s.r.o.	—	100	0	—	100	0
Democratic Republic of Congo	Sandvik Mining and Construction DRC S.P.R.L.	9,990	100	43,235	9,990	100	43,235
Hungary	Sandvik Magyarorszag Kft.	—	100	3,258	—	100	3,258
India	Sandvik Coromant India Private Ltd.	1,801,241	75[2]	252,482	1,801,241	75[2]	252,482
	Sandvik Mining and Rock Technology India Private Limited	1,801,241	75[2]	2,084	1,801,241	75[2]	2,084
Ireland	Sandvik Mining and Construction Logistics Ltd.	100	100	5,508	100	100	5,508
Japan	Sandvik K.K.	8,000	100	224,207	8,000	100	224,207
Luxembourg	DSI Underground Holdings SA.	1,539,861	100	7,435,652	1,539,861	100	7,435,652
Mali	Sandvik Mining and Construction Mali Ltd	25,000	100	3,462	25,000	100	3,462
Mauritius	Rocbolt of Mauritius Ltd	956,768	50[2]	0	956,768	50[2]	0
Mexico	Sandvik de Mexicana S.A.	406,642,873	90[2]	712,312	406,642,873	90[2]	712,312
Mongolia	Sandvik Mongolia LLC.	400,000	100	2,682	400,000	100	2,682
Netherlands	Sandvik Finance B.V.	18,788	100	23,552,902	18,788	100	23,552,902
Peru	Sandvik del Peru S.A.	6,562,795	90[2]	26,025	6,562,795	90[2]	26,025
Portugal	Frezigest SGPS S.A.	1,001,069	100	1,071,546	1,001,069	100	1,071,546
Republic of Korea	Sandvik Korea Ltd.	752,730	100	5,992	752,730	100	5,992
Serbia	Sandvik Mining and Rock Technology LLC Belgrade	—	100	7,898	—	100	7,898
Slovakia	Sandvik Slovakia s.r.o.	—	100	1,238	—	100	1,238
South Africa	Sandvik Holding Southern Africa (Pty) Ltd	1,107,501	100	1,377,126	1,107,501	100	1,377,126
	Rocbolt Technologies Holdings Pty Ltd	500,000	50[2]	125,966	500,000	50[2]	125,966
Türkiye	Sandvik Endüstriyel Mamüller Sanayi ve Ticaret A.S.	125,154,588	100	3,200	125,154,588	100	3,200
UAE	Sandvik Middle East FZE.	1	100	19,886	1	100	19,886
Zimbabwe	Sandvik Mining and Construction Zimbabwe (Pty) Ltd.	233,677	100	3,269	233,677	100	3,269
Total				**58,006,938**			**57,997,377**

1) Refers to voting rights, which also equals share of capital unless otherwise indicated.
2) Remaining shares are held by other Group companies.

Sandvik AB's holdings of shares and participations in subsidiaries, indirect holdings in %[1]

Country/ Location	Company	2024	2025
Sweden	DSI Underground Nordics AB*	100	100
	Edvirt AB*	100	100
	Metrolog Services Nordic AB	100	0
	Pramet Scandinavia AB	100	100
	Sandvik Financial Services SPV AB	100	100
	Sandvik Invest Aktiebolag	100	100
	Sandvik SRP AB*	100	100
	Sandvik Treasury AB*	100	100
	Seco AB	100	100
Argentina	DSI Underground Argentina S.A.*	100	100
	Sandvik Argentina S.A.*	100	100
	Sandvik Mining and Construction Argentina S.A.*	100	100
	Seco Tools Argentina S.A.	100	100
Armenia	Sandvik Mining and Rock Technology AM LLC*	100	100
Australia	Deswik Brazil Holdings Pty Ltd	100	100
	Deswik Group Pty Ltd	100	100
	Deswik Mining Consultants (Australia) Pty Ltd*	100	100
	Deswik Software Solutions Pty Ltd	100	100
	DSI Australia (Holdings) Pty Ltd	100	100
	DSI Holdings 1 Australia Pty Ltd	100	100
	DSI Holdings 2 Australia Pty Ltd	100	100
	DSI Underground Australia Pty Limited*	100	100
	Fero Group (Queensland) Pty Ltd*	100	100
	Fero Group Pty Ltd*	100	100
	Fero Reinforcing Pty Ltd	100	0

1) Refers to share of capital, which also corresponds to voting rights for the total number of shares unless otherwise stated.
* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025
Australia	NTX Australia Pty Ltd	100	100
	Sandvik Australia Holdings Pty Ltd	100	100
	Sandvik Australia Pty Ltd*	100	100
	Sandvik Financial Services Pty Ltd*	100	100
	Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd*	100	100
	Sandvik Mining and Construction Australia Pty Ltd*	100	100
	Sandvik Rock Processing Australia Pty Limited*	100	100
	Seco Tools Australia Pty Ltd*	100	100
	SigmaTEK Pty. Ltd. (Australia)*	100	100
	S-Process Equipment Australia Pty Limited	100	100
	Stratabolt Resins Australia Pty Ltd	100	100
	Terelion (Australia) Pty Ltd	100	100
	Tricon Drilling Solutions Pty Ltd*	100	100
	UFR Holdings Pty Ltd	100	100
	UFR Technology Pty Ltd	100	100
	Universal Field Robots Pty Ltd*	100	100
Austria	DSI Underground Austria GmbH*	100	100
	Sandvik in Austria Gesellschaft GmbH*	100	100
	Sandvik Mining and Construction G.m.b.H.*	100	100
	Seco Tools Gesellschaft GmbH*	100	100
	Walter Austria GmbH*	100	100
	Wolfram Bergbau und Hütten AG*	100	100
	WBH Holding GmbH	100	100
Belgium	S.A. Seco Tools Benelux N.V.*	100	100
	Walter Benelux N.V./S.A.*	100	100
Botswana	Sandvik Botswana (Pty) Ltd*	100	100
Brazil	CGTech Brasil Consultoria de Software Eireli	100	100
	Dormer Pramet Solucoes Para Usinagem Ltda*	100	100
	DSI Underground System Brasil Indústria e Comercio Ltda*	100	100
	Frezite Ferramentas de Corte LTDA*	100	100
	MCB Serviços e Mineração Ltda.*	100	100
	Sandvik Coromant Do Brasil Industria e Comercio de Ferramentas Ltda*	100	100
	Sandvik Mining and Rock Technology do Brasil Ltda*	100	100
	Sandvik Rock Processing Brasil Ltda*	100	100
	Seco Tools Indústria e Comércio Ltda.*	100	100
	SigmaTEK Systems Brasil Ltda.*	100	100
	Walter do Brazil Ltda*	100	100
Burkina Faso	Sandvik Mining and Rock Technology Burkina Faso SARL*	100	100
Canada	11740750 Canada Limited	100	100
	Artisan Vehicles, Inc.	100	100
	Cimatron Technologies Inc (Canada)*	100	100
	Deswik (Canada) Inc*	100	100
	DSI Underground Canada Ltd.*	100	100
	ICAM Technologies Corporation	100	100
	Indexable Cutting Tools of Canada LLC*	100	100
	Inrock Ltd.*	100	100
	Newtrax Holdings Inc	100	100
	Newtrax Technologies Inc*	100	100
	Norgalv Limited*	100	100
	Norprop Limited	100	100
	Postability Inc.	100	100
	Sandvik Canada, Inc.*	100	100
	SigmaTEK Canada, LLC (Delaware)*	100	100
Chile	Deswik Chile SpA*	100	100

Country/ Location	Company	2024	2025
	DSI Underground Chile SpA*	100	100
	DSI Underground Ventilation Systems S.p.A.*	51	51
	NTX Chile SpA	100	100
	Sandvik Chile S.A.*	100	100
	Sandvik Financial Services S.A.*	1	1
	Sandvik Mining and Construction Chile S.A.*	100	100
	Sandvik Rentals Chile SPA	100	100
	Sandvik Rock Processing Chile S.A.	100	100
China	Beijing CGTech Software Co., Ltd.	100	100
	Chuzhou OMK Carbide Tools Co., Ltd.	72	100
	Chuzhou Yongpu Carbide Tools Co., Ltd.	72	100
	Cimatron (Beijing) Technologies Co. Ltd.*	100	100
	Dormer Tools (Shanghai) Co Ltd*	100	100
	DSI Underground Consulting (Shanghai) Co., Ltd.*	100	100
	Jinan Lingong Mining and Rock Technology Co Ltd	85	85
	Kunshan OSK Precision Tools Co., Ltd	100	100
	Sandvik (Jining) Rocbolt Technologies China Co., Ltd*	100	100
	Sandvik Coromant Cutting Tools (Shanghai) Co., Ltd*	100	100
	Sandvik Industrial Equipment (Shanghai) Co., Ltd.*	100	100
	Sandvik Industry Equipment (ChangZhou) Co., Ltd.*	100	100
	Sandvik Logistics (Shanghai) Co. Ltd*	100	100
	Sandvik Mining and Construction (China) Co Ltd	100	100
	Sandvik Mining and Construction (Luoyang) Co Ltd	100	100
	Sandvik Mining and Construction Trading (Shanghai) Co.*	100	100
	Sandvik Mining Technology (Tianjin) Co., LTD*	100	100
	Sandvik Rock Tools Technology (Wuxi) Co., Ltd	100	100
	Sandvik Tooling Production (Langfang) Co. Ltd*	100	100
	Seco Tools (Shanghai) Co Ltd*	100	100
	Seco Tools Manufacturing (Shanghai) Co Ltd*	100	100
	Shanghai Jianshe Luqiao Machinery Co. Ltd	100	100
	SigmaTEK Systems China, LLC*	100	100
	Suzhou Xinlan Nano Technology Co., Ltd.	72	100
	Suzhou Yongpu Precision Technology Co., Ltd.	72	100
	Suzhou Yongpu Technology Management Co., Ltd.	72	100
	Walter Wuxi Co. Ltd.*	100	100
	Wuhan Yongpu Carbide Tools Co., Ltd.	72	100
	YP INTL Trade (Shanghai) Co., Ltd	72	100
	Suzhou Ahno Precision Cutting Tool Technology Co. Ltd	72	100
	Ahno (Beijing) Precision Tool Co., Ltd.	72	100
	Chongqing Ahno-Well Cutting Tool Co., Ltd.	72	100
	Access Precision Tools (Suzhou) Co., Ltd	72	100
	Changshu Ahno Cutting Tools Co., Ltd.	72	100
	Changshu Wanke Precision Tools Technology Co., Ltd.	72	100
	Hangzhou Bino Precision Cutting Tool Co., Ltd	72	100
	Hefei Ahno Precision Tool Co., Ltd.	72	100
	Jinan Ahno Cutting Tool Co., Ltd	72	100
	Ningbo Ahno Precision Tool Co., Ltd.	72	100
	Suzhou Ahno Cutting Tool Technology Co., Ltd	72	100
	Suzhou Ahno Medical Devices Co., Ltd.	72	100
	Suzhou Jiheng Nano Technology Co., Ltd.	72	100

* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025
China	Guangdong Jiheng Nano Technology Co., Ltd.	72	100
	Tianjin Jiheng Nano Technology Co., Ltd.	72	100
	Wuhan Ahno Precision Tool Co., Ltd.	72	100
	Yantai Ahno Cutting Tool Co., Ltd.	72	100
	Zhuzhou Kerno Advanced Materials Co.,Ltd.	72	100
	Chongqing Ahno-Well Cutting Tool Co., Ltd.	72	100
Colombia	Deswik Colombia S.A.S*	100	100
	DSI Underground Colombia S.A.S.*	100	100
	Sandvik Colombia S.A.S.*	100	100
Côte d'Ivoire	Sandvik Mining and Rock Solutions Cote d'Ivoire SARLU*	100	100
Czech Republic	Dormer Pramet s.r.o.*	100	100
	FREZITE s.r.o.*	100	100
	Seco Tools CZ s.r.o.*	100	100
	WALTER CZ s.r.o.*	100	100
Denmark	Sandvik A/S*	100	100
	Seco Tools A/S*	100	100
	Mastercam Denmark ApS	0	100
DR Congo	Sandvik DRC Services SASU	49	49
Finland	Oy Tampella Ab	100	100
	Sandvik Coromant Finland Oy*	100	100
	Sandvik Mining and Construction Finland Oy	100	100
	Sandvik Mining and Construction Oy*	100	100
	Seco Tools Oy*	100	100
	Tammerfors Linne och Jern Ab	100	100
	Tamrock Oy	100	100
	Velroq Oy	100	100
France	A.O.B. S.A.S	100	0
	CGTech SARL	100	100
	Industrial Metrology Solutions SAS*	100	100
	Financiere Metrolog SAS*	100	100
	Gunther Tools*	100	100
	Metrologic Group SAS*	100	100
	Metrologic Services SAS	100	0
	Sandvik Coromant Inserts France S.A.S	100	0
	Sandvik Holding France S.A.S*	100	100
	Sandvik Mining and Construction France S.A.S*	100	100
	Sandvik Mining and Construction Lyon S.A.S*	100	100
	Sandvik Tooling France S.A.S	100	100
	Seco Ressources et Finances SA	100	100
	Seco Tools France S.A.S.*	100	100
	Seco Tools Reaming SAS*	100	100
	SECO Tools Tooling Systems SAS*	100	100
	SigmaNEST France*	100	100
	Walter France S.A.S.*	100	100
Germany	Almü Präzisions-Werkzeug GmbH	100	100
	CGTech Deutschland GmbH	100	100
	Cimatron Technologies GmbH*	100	100
	DSI Underground GmbH*	100	100
	FMT Frezite Metal Tooling GmbH	100	100
	Gold Werkzeugfabrik GmbH*	100	100
	Metrologic Group GmbH*	100	100
	pro-micron GmbH*	100	100
	Protomedical GmbH	100	100
	Prototyp-Werke GmbH*	100	100
	Sandvik Holding GmbH*	100	100
	Sandvik Mining and Construction Central Europe GmbH*	100	100
	Sandvik Mining and Construction Deutschland GmbH*	100	100
	Sandvik Tooling Deutschland GmbH*	100	100
	Schaum-Chemie Beteiligungen 1 GmbH	100	100
	Seco Tools GmbH*	100	100
	SigmaNEST GmbH*	100	100
	TDM Systems GmbH*	100	100
	Walter AG*	100	100
	Walter Deutschland GmbH*	100	100
	WALTER Deutschland Service GmbH*	100	100
	Werner Schmitt PKD-Werkzeug GmbH*	100	100
Ghana	Sandvik Mining & Construction Ghana Limited*	100	100
Hong Kong	Sandvik Hongkong Ltd*	100	100
Hungary	Seco Tools Kereskedelmi Kft*	100	100
	Walter Hungaria Kft*	100	100
India	CGTech India Software Solutions PLC	100	100
	Deswik Software Solutions India Private Limited*	100	100
	Dormer Pramet India Private Limited*	100	100
	Sandvik Coromant India Private Limited*	25	25
	Sandvik Mining and Rock Technology India Private Limited*	25	25
	Seco Tools India Private Limited*	100	100
	SigmaTEK Systems India Private Limited*	100	100
	Vaal Triangle Systems Private Limited*	100	100
	Walter Tools India Private Limited*	100	100
Indonesia	Pt. DSI Indonesia*	100	100
	Pt. DSI Underground*	100	100
	PT Sandvik Indonesia*	100	100
	PT Sandvik Mining and Construction Indonesia*	100	100
	PT Sandvik SMC*	100	100
	PT Seco Tools Indonesia*	100	100
	PT Deswik Software Indonesia*	0	100
Ireland	Premier Machine Tools (Ireland)*	100	100
Israel	Cimatron Limited*	100	100
Italy	CGTech srl	100	100
	Cimatron Technologies srl (Italy)*	100	100
	Metrologic Group Italia S.R.L.*	100	100
	Preziss, SRL	100	100
	Sandvik Italia S.p.A.*	100	100
	Seco Tools Italia S.p.A SU*	100	100
	SigmaTEK Srl (Italy)*	100	100
	SSC Holding Italia SRL	100	100
	Walter Italia SRL*	100	100
	OSA Demolition Equipment S.r.l.*	0	100
	Rent Demolition S.r.l.*	0	100
Japan	KK CGTech	100	100
	Sandvik Tooling Supply Japan K.K.*	100	100
	Seco Tools Japan K.K.*	100	100
	SigmaTEK Japan LTD.*	100	100
	Walter Japan K.K.*	100	100
Kazakhstan	Deswik Kazakhstan LLP*	100	100
	Sandvik Mining and Construction Kazakhstan Ltd*	100	100
Korea	CGTech Co. Ltd	100	100
	Sandvik SuhJun Ltd*	100	100
	Seco Tools Korea Ltd*	100	100
	SigmaTEK Systems LLC Korea*	100	100
	Walter Korea Ltd*	100	100

* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025
Luxembourg	DSI Underground IP Holding Luxembourg S.à r.l	100	100
	DSI Underground SMART S.à r.l	100	100
	Jupiter LuxCo 2 S.à r.l.	100	100
	Rocbolt Technologies Holdings Mongolia S.à r.l.	100	100
Malaysia	Sandvik Equipment Sdn Bhd*	100	100
	Sandvik Mining And Construction (M) Sdn Bhd*	100	100
	Seco Tools Sdn Bhd*	100	100
	Walter Malaysia Sdn Bhd*	100	100
Mauritius	Rocbolt of Mauritius Ltd	50	50
Mexico	Deswik Mexico S.A de C.V*	100	100
	DSI Underground Mexico S.A. de C.V.*	100	100
	FMT Tooling Systems S de RL de CV*	100	100
	Mansour Mining Technolog De Mexico S.A DE C.V	100	100
	Mansour Mining Technolog De Mexico Servicios S.A. de C.V.	100	100
	NTX Mining Services S de RL de CV	100	100
	Preziss Tools de Mexico, S de R.L. de C.V.	100	100
	Sandvik de Mexicana S.A.*	10	10
	Sandvik Hard Materials de Mexico S.A. de C.V.	100	100
	Sandvik Mining and Construction de Mexico S.A. de C.V.*	100	100
	Sandvik SA de CV*	100	100
	Seco Tools de Mexico S.A. de C.V.*	100	100
	SigmaTEK Systems Mexico S. de R.L. de C.V.*	100	100
	Terelion de Mexico S.A. de C.V.	100	100
	Walter Tools S.A. de C.V.*	100	100
Mongolia	Rocbolt Technologies Mongolia LLC	100	100
	Sandvik Mongolia Engineering Solutions LLC*	100	100
Morocco	Seco Tools S.A.	100	100
Mozambique	Sandvik Mining & Construction Mozambique Lda	100	100
Namibia	Sandvik Namibia (Pty) Ltd*	100	100
Netherlands	Sandvik Benelux B.V.*	100	100
	Sandvik Mining and Construction B.V.*	100	100
	Seco Tools BV*	100	100
Nigeria	Sandvik Mining & Construction Nigeria Limited	100	100
Norway	Sandvik Norge AS*	100	100
	Sandvik Coromant AS*	100	100
	Seco Tools AS*	100	100
Papua New Guinea	Sandvik Mining and Construction PNG Limited*	100	100
Peru	Deswik Peru S.A.C*	100	100
	DSI Underground Peru S.A.C.*	100	100
	Sandvik del Peru S.A.*	10	10
	Sandvik Forestal S.A.	100	100
	Terelion, LLC Sucursal Del Peru*	100	100
Philippines	Sandvik Philippines Inc*	100	100
	Sandvik Tamrock Philippines Inc*	100	100
Poland	"DSI Schaum Chemie" Sp. z o.o.*	100	100
	DSI Underground Chemicals sp. z o.o.*	100	100
	DSI Underground Merol Sp. z.o.o.*	100	100
	DSI Underground Poland Sp. z.o.o. w likwidacji	100	0
	Fabryka Narzędzi FANAR S.A.*	100	100
	Pramet Sp. Z.o.o.*	100	100
	Sandvik Polska Sp. Z.o.o.*	100	100
	Seco Tools (Poland) sp. z.o.o.*	100	100
	Walter Polska SP. Z.o.o.*	100	100
Portugal	FHP - Frezite High Performance, Unipessoal, LDA*	100	100
	Frezite - Ferramentas de Corte S.A.*	100	100
	Sandvik SRL*	100	100
	Seco Tools Portugal Lda	100	100
	Seri - Sociedade de Estudos E Realizações Industriais, Unipessoal, LDA*	100	100
Romania	Sandvik SRL*	100	100
	Seco Tools Romania SRL*	100	100
	Walter Tools SRL*	100	100
Serbia	Seco Tools SRB d.o.o.*	100	100
Singapore	Ahno Precision Cutting Tools Pte. Ltd.	72	100
	Sandvik Mining and Construction S.E. Asia Pte Ltd*	100	100
	Sandvik South East Asia Ptd Ltd*	100	100
	Seco Tools (SEA) Pte Ltd*	100	100
	Walter AG Singapore Pte Ltd*	100	100
Slovakia	PRAMET Slovakia, spol. s r.o.*	100	100
	Seco Tools SK, s.r.o.*	100	100
	Walter Slovakia s.r.o.*	100	100
Slovenia	Seco Tools SI trgovina d.o.o.*	100	100
	Walter Tools, trgovina in storitve d.o.o.*	100	100
South Africa	Business Venture Investments No 2263 (Pty) Ltd	75	75
	Deswik Mining Consultants (Pty) Ltd*	100	100
	Kwatani (Pty) Ltd*	75	75
	Kwatani Global (Pty) Ltd	75	0
	Kwatani Holding Pty Ltd	75	0
	Mine & Quarry Supplies (Pty) Ltd*	100	100
	Newtrax Pty. Ltd	100	100
	RB Technology Holdings (Pty) Ltd	65	65
	Rocbolt Technologies Africa Pty Ltd	100	100
	Rocbolt Technologies Holdings Pty. Ltd.*	50	50
	Rocbolt Technologies Pty. Ltd*	75	75
	Sandvik (Pty) Ltd*	100	100
	Sandvik Financial Services (Pty) Ltd	100	100
	Sandvik Mining & Construction Delmas (Pty) Ltd	100	100
	Sandvik Mining RSA (Pty) Ltd*	75	75
	Sandvik Rock Processing Solutions International (PTY) LTD*	100	100
	Sandvik SRP Holdings South Africa	100	100
	Sandvik SRP RSA (PTY) LTD*	75	75
	Schenck Process Africa (Pty) Limited	100	100
	Schenck Process South Africa (Pty) Limited	100	0
	Seco Tools South Africa (Pty) Ltd	100	0
	Zebenza Kanzima (Pty) Ltd	49	49
Spain	DSI Underground Spain SAU*	100	100
	Frezite Herramientas de Corte SL*	100	100
	Herramientas Preziss, S.L.	100	100
	Metrologic Group Spain S.L.*	100	100
	Preziss Diamant S.L.	100	0
	Sandvik Española*	100	100
	Seco Tools España S.A.*	100	100
	Walter Tools Iberica S.A.U.*	100	100
Switzerland	HC Holding Alpha AG	100	100
	P. Rieger Werkzeugfabrik AG	100	100
	Sandvik AG*	100	100
	Sandvik Holding AG	100	100
	Santrade Ltd*	100	100
	Seco Tools AG*	100	100
	Sphinx Werkzeuge AG	100	100

* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025
Switzerland	Walter (Schweiz) AG*	100	100
Taiwan	Sandvik Taiwan Ltd	100	0
Tanzania	Sandvik Mining & Construction Tanzania Limited*	80	80
Thailand	Sandvik Thailand Limited*	91	91
	Seco Tools (Thailand) Co Ltd*	100	100
	Walter (Thailand) Co Ltd*	100	100
Türkiye	Seco Tools Kesici Takimlar Makina San.Tic.A.S.*	100	100
	Walter Cutting Tools Industry and Trade LLC*	100	100
Ukraine	Sandvik Ukraine (Enterprise with 100% foreign Investment Sandvik)*	100	100
United Kingdom	CGTech Limited	100	100
	Deswik Europe Ltd*	100	100
	Dormer Pramet Ltd*	100	100
	DSI Underground UK Holdings Ltd.	100	100
	DSI Underground UK Ltd.	100	100
	Edvirt UK Limited	100	100
	Extec Mobile Crushers and Screens Limited	100	100
	Fintec Crushing and Screening Limited	100	100
	FMT Tooling Systems Limited	100	0
	Inrock Ltd. (UK)*	100	100
	Mastercam UK Limited	100	100
	Premier Machine Tools (UK)*	100	100
	Sandvik Holdings Ltd*	100	100
	Sandvik Ltd*	100	100
	Sandvik Materials Limited	100	100
	Sandvik Mining and Construction LTD	100	100
	Sandvik Osprey Ltd*	100	100
	Sandvik Services Limited	100	0
	Seco Tools (UK) Limited*	100	100
	SigmaTEK Europe Limited*	100	100
	Tamrock Great Britain Holdings Ltd	100	100
	Walter GB Ltd*	100	100
USA	Advanced Theodolite Technology, Inc.	100	0
	Alliance CNC LLC	100	0
	Artisan Vehicle Systems, Inc.*	100	100
	Benchmark Carbide LLC	100	0
	Buffalo Tungsten Inc*	100	100
	Cambrio Acquisition, LLC	100	100
	CGTech	100	100
	Cimatron Gibbs LLC (California)	100	100
	Cimatron Technologies, Inc. (Michigan)	100	100
	Cimquest, Inc.	100	0
	CJT Tool LLC	100	0
	CNC Software, LLC	100	100
	CTMI Tool LLC	100	0
	Deswik USA Inc.*	100	100
	Diamond Tool Coating, LLC	100	0
	Dimensional Control Systems, Inc.*	100	100
	Dormer Pramet LLC*	100	100
	Industrial Metrology Solutions LLC*	100	100
	GWS Tool Group LLC*	100	100
	GWS Tool LLC	100	0
	Indexable Holding LLC	100	0
	Inrock Acquisitions, Inc.*	100	100
	Inrock Drilling Systems, inc.*	100	100
	Intrepid LLC	100	0
	Melin Tool Company, Inc.*	100	100
	Metrologic Group Services, Inc.*	100	100
	MG USA Properties, Inc.	100	0
	Monster Tool LLC	100	0
	NATC LLC	100	0
	Niagara Cutter LLC*	100	100
	PDQ Workholding LLC*	100	100
	Sandvik Financial Services LLC	100	100
	Sandvik Machining Solutions USA LLC	100	100
	Sandvik Mining and Construction USA LLC	100	100
	Sandvik Rock Processing Solutions North America*	100	100
	Sandvik, Inc.*	100	100
	Seco Tools, LLC*	100	100
	SigmaTEK Systems, LLC (Delaware)*	100	100
	ST Acquisition Co.	100	100
	STF Precision LLC	100	0
	Taurus Tool LLC	100	0
	TDM Systems Inc*	100	100
	Terelion LLC*	100	100
	uFab LLC	100	100
	Valenite LLC	100	100
	Walter USA LLC*	100	100
	Wetmore Tool and Engineering Company	100	100
	Verisurf Software Inc	0	100
Vietnam	Sandvik Vietnam Company Ltd*	100	100
	Seco Tools Vietnam Co Ltd*	100	100
Zambia	Sandvik Mining and Construction Zambia Limited*	100	100

§ Accounting principles

Shares in Group companies and associated companies
The Parent Company recognizes shares in Group companies and associated companies in accordance with the cost model, meaning that transaction costs are included in the carrying amount of holdings in subsidiaries and associated companies. Transaction costs related to shares in Group companies are recognized directly in profit or loss in the consolidated financial statements when they arise. Contingent consideration is valued based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/deducted from the cost. Contingent consideration is measured at fair value in the consolidated financial statements with changes in value recognized in profit or loss. Dividends from subsidiaries are recognized in full as income in profit or loss for the year.

* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

P12 Non-current receivables and other current receivables

	2024	2025
Non-current receivables		
Derivatives	2	1
Other interest-bearing receivables	22	23
Total	**24**	**24**
Other current receivables		
Derivatives	–	–
Other non-interest-bearing receivables	440	343
Other interest-bearing receivables	0	0
Total	**440**	**343**

P13 Inventories

	2024	2025
Raw materials and consumables	672	875
Work in progress	277	187
Finished goods and goods for resale	113	83
Total	**1,062**	**1,145**

P14 Capital and reserves

Share capital
According to the Articles of Association of Sandvik AB, the share capital shall amount to a minimum of SEK 700,000,000 and a maximum of SEK 2,800,000,000. All issued shares are fully paid, have the same voting rights and are equally entitled to the Company's assets. Share capital has changed as follows over the past two years:

Share capital at:	No. of shares	Quotient value SEK/share	Share capital SEK
December 31, 2023	1,254,385,923	1.20	1,505,263,108
December 31, 2024	1,254,385,923	1.20	1,505,263,108
December 31, 2025	1,254,385,923	1.20	1,505,263,108

A dividend is proposed by the Board of Directors in accordance with the stipulations in the Swedish Companies' Act, and is approved at the Annual General Meeting. The proposed dividend for 2025 is estimated to amount to SEK 7,526 million, corresponding to SEK 6.00 per share. The amount has not been recognized as a liability.

No shares have been reserved for transfer under options or other agreements.

The Sandvik share is officially listed only on Nasdaq Stockholm. Shares can also be traded in the US in the form of ADRs (American Depositary Receipts).

The following information is presented in accordance with the provisions of Chapter 6, Section 2.a. of the Swedish Annual Accounts Act.

The Parent Company has issued one series of shares and each share carries one vote. The total number of shares shall be no less than 1,000,000,000 and no more than 4,000,000,000.

At the end of 2025, 1,254,385,923 shares (1,254,385,923) with a quotient value of SEK 1.20 per share had been issued. Shareholders have a preferential right to subscribe to newly issued shares issued for cash or with terms and conditions concerning rights of set off. All shares are fully negotiable.

§ Accounting principles

Undistributable equity
Undistributable equity may not be paid to the shareholders in the form of dividends.

Statutory reserve
The purpose of the statutory reserve has been to tie up part of the net profit that is not needed to cover an accumulated deficit. The statutory reserve includes amounts that before January 1, 2006, were included in the share premium reserve.

Distributable equity
Share premium reserve
Comprises the value of shares that have been issued at a premium, meaning the price paid was in excess of the share's quotient value. The amount received in excess of the quotient value was transferred to the share premium reserve.

Retained earnings
Retained earnings comprise the distributable reserves recognized in the preceding year less any dividend declared. The total of such profits brought forward and the profit for the year constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

P15 Provisions for pension and other non-current post-employment benefits

The Parent Company's recognized pension provision was SEK 975 million (945). The Parent Company's PRI pensions are secured through the pension foundation belonging to Sandvik, the Sandvik Pension Foundation in Sweden. Sandvik AB and most of its Swedish subsidiaries are members of the foundation. The deficit was recognized as a liability in the companies. The Parent Company's funded obligations mainly comprise ITP Plans.

Present value of funded and unfunded pension obligations

	2024	2025
Present value of funded and unfunded pension obligations	2,915	2,978
Plan assets	2,068	2,160
Deficit in the assets of the pension foundation	-99	-158
Net amount recognized for pension obligations	**-945**	**-975**

P16 Other provisions

	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
Balance at January 1, 2024	**3**	**149**	**178**	**0**	**0**	**0**	**330**
Provisions made during the year	8	323	128	1	–	1	461
Provisions used during the year	-3	-250	-136	–	–	-1	-390
Unutilized provisions reversed during the year	–	–	–	–	–	0	0
Reclassifications	–	0	–	–	–	–	0
Balance at December 31, 2024	**8**	**222**	**170**	**1**	**0**	**0**	**401**
Balance at January 1, 2025	**8**	**222**	**170**	**1**	**0**	**0**	**401**
Provisions made during the year	9	193	125	–	–	1	328
Provisions used during the year	-3	-164	-126	–	–	–1	-294
Unutilized provisions reversed during the year	-1	–	–	–	–	–	-1
Reclassifications	–	–	–	–	–	–	–
Balance at December 31, 2025	**13**	**251**	**169**	**1**	**0**	**0**	**434**

P17 Non-current interest-bearing liabilities

Non-current interest-bearing liabilities fall due as follows:

	2024			2025		
	Within one to five years	Later than five years	Total	Within one to five years	Later than five years	Total
Loans from Group companies	–	1	1	–	1	1
Other liabilities [1)]	21,670	2,392	24,062	16,677	2,252	18,929
Total	**21,670**	**2,393**	**24,063**	**16,677**	**2,253**	**18,930**

1) Other liabilities mainly comprise bond loans.

P18 Accrued expenses and deferred income

	2024	2025
Personnel related	1,072	1,221
Expense related to finance	267	194
Other	801	181
Total	**2,140**	**1,596**

P19 Contingent liabilities and pledged assets

Contingent liabilities	2024	2025
Guarantees issued for customers and others	80	82
Other contingencies	17,684	17,049
Total	**17,764**	**17,131**

The Parent Company's surety undertakings and contingent liabilities amounted to SEK 17,131 million (17,764), of which SEK 8,644 million (8,294) related to the Parent Company's guarantees for Sandvik Treasury AB's financial borrowings. The remainder comprised mainly of indemnity bonds for commitments of Group companies to their customers and vendors on advances received and various types of performance bonds and guarantees to financial institutions relating to local borrowings, and guarantee facilities as well as to pension commitments.

No assets of the Parent Company were pledged in 2024 and 2025.

P20 Transactions with related parties

Sales to Group companies from the Parent Company amounted to SEK 11,957 million (11,826), or 89 percent (88) of total sales. The share of exports was 58 percent (60). The Parent Company's purchases from Group companies amounted to SEK 2,204 million (2,325), or 22 percent (12) of total purchases. The Parent Company granted no loans to associated companies. Guarantees have been made for obligations of associated companies in the amount of SEK 0 million (0). All transactions were held at arm's length.

For information regarding employment agreements, see note G4.

P21 Supplementary information to the cash flow statement

Cash and cash equivalents	**2024**	**2025**
Cash and cash equivalents comprise:		
Cash and bank	0	0
Total in the balance sheet	**0**	**0**
Total in the cash flow statement	**0**	**0**

Interest and dividend paid and received	**2024**	**2025**
Dividend received	7,629	10,100
Interest received	49	32
Interest paid	-1,627	-1,078
Total	**6,051**	**9,054**

Other adjustments for non-cash items, etc.	**2024**	**2025**
Changes in value if financial instruments	-161	-50
Unappropriated results of associated companies	–	–
Gains and losses on disposal of non-current assets	-42	-8
Gains on disposal of companies and shares	0	20
Provision for pensions	97	30
Other provisions	71	30
Other	-5,814	-2,013
Total	**-5,849**	**-1,991**

P22 Events after the end of the period

No major events to report after the end of the reporting period.

Board statement on dividend proposal

Board statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The nature and extent of the company's operations are stated in the Articles of Association and issued annual reports. Such nature and extent do not entail risks over and above those inherent, or reasonably to be expected, in the industry or otherwise inherent in business operations. For information on significant events, reference is made to the Directors' Report.

The company's financial position as of December 31, 2025, is apparent from this Annual Report. The proposed dividend does not infringe on investments deemed to be required. In addition, the company's main liquidity reserve is in the form of an unutilized revolving credit facility amounting to SEK 11,000 million, which means that the company should reasonably be able to meet unexpected events and temporary fluctuations in cash flows of reasonable proportions. The company's financial position supports the assessment that the company will be able to continue its business and meet its obligations in both the short and long term.

In view of the above and based on what the Board is otherwise aware of, the proposed dividend in the Board's opinion is justified considering the requirements which the nature, extent and risks associated with the operations place on the size of the equity of the company, and also taking into consideration the company's need to strengthen its balance sheet, liquidity and financial position in general.

Stockholm, March 6, 2026

Sandvik Aktiebolag (publ)
BOARD OF DIRECTORS

Proposed appropriation of profits

The Board of Directors proposes that the profits at the disposal of the Annual General Meeting:

profits carried forward	20,818,946,027
and result for the year	12,130,554,387
SEK	**32,949,500,414**

be appropriated as follows:

a dividend of 6.00 SEK per share to the shareholders	7,526,315,538
profits carried forward	25,423,184,876
SEK	**32,949,500,414**

The proposed record date for dividends is Thursday, April 30, 2026. The income statements and the balance sheets of the Group and of the Parent Company are subject to adoption by the Annual General Meeting on Tuesday, April 28, 2026.

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, that the consolidated financial statements have been prepared in accordance with the international accounting standards IFRS as adopted by the EU and that the Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted pursuant to Article 8(4) of the EU Taxonomy Regulation. The Annual Report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results. The Directors' Report pertaining to the Parent Company and the Group gives a fair overview of the development of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report, including the Sustainability Statement, was approved by the Board and dated March 6, 2026.

Stockholm, March 6, 2026

Johan Molin
Chairman

Claes Boustedt
Board member

Marika Fredriksson
Board member

Fredrik Håf
Board member

Thomas Lilja
Board member

Andreas Nordbrandt
Board member

Susanna Schneeberger
Board member

Helena Stjernholm
Board member

Kai Wärn
Board member

Stefan Widing
Board member
President and CEO

Our Auditor's Report and Assurance Report over the Sustainability Statement were submitted on March 9, 2026

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Partner in charge

Martin By
Authorized Public Accountant

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	How our audit addressed the 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.	*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.

Annual General Meeting

Annual General Meeting
The Annual General Meeting will be held on Tuesday, April 28, 2026, in Sandviken, Sweden.

Shareholders who wish to participate in the Meeting must:
- be recorded as a shareholder in the share register maintained by Euroclear Sweden AB on Monday, April 20, 2026, and
- give notice of their intention to participate in the Meeting, not later than Wednesday, April 22, 2026.

Shareholders whose shares are registered in the name of a nominee must, to be entitled to participate in the Meeting, temporarily have re-registered the shares in their own name so that the shareholder is registered in the share register as of Monday, April 20, 2026.

Further information on the right to participate and notice of participation will be available in the formal notice convening the Meeting. The information will also be available on the company's website: home.sandvik.

Dividend
The Board of Directors proposes that the 2026 Annual General Meeting declare a dividend of SEK 6.00 per share.

The proposed record date is Thursday, April 30, 2026. If the proposal is adopted by the Annual General Meeting, it is expected that dividends will be paid on Wednesday, May 6, 2026. Dividends will be sent to those who on the record date are entered in the share register or on the separate list of pledgees, etc. To facilitate the distribution of dividends, shareholders who have changed address should report this change to their bank in sufficient time prior to the record date.

Annual Report
The Annual Report is available at home.sandvik, where a printed copy can also be ordered.

Financial targets

Sandvik has long-term financial targets focusing on growth, profitability, dividend and financial position.

Financial targets are excluding discontinued operations, unless otherwise stated.

Growth 7 percent
A growth of 7 percent through a business cycle, organically and through acquisitions, in fixed currency

Adjusted EBITA margin range: 20–22 percent
An EBITA margin range of 20–22 percent through a business cycle, adjusted for items affecting comparability

Dividend payout ratio: 50 percent
A dividend payout ratio of 50 percent of EPS through a business cycle, adjusted for items affecting comparability, (Group total)

Financial net debt / EBITDA: <1.5
A financial net debt / EBITDA <1.5, excluding transformational acquisitions (Group total)

Definitions

Adjusted earnings per share[1)]
Profit/loss for the year adjusted for items affecting comparability attributable to equity holders of the Parent Company divided by the average number of shares outstanding during the year.

Adjusted earnings per share diluted[1)]
Profit/loss for the year adjusted for items affecting comparability attributable to equity holders of the Parent Company divided by the average number of shares outstanding during the year including shares that will be allotted in the long-term incentive programs.

Adjusted EBITA[1)]
Earnings before interest, tax and accounting effects arising from business combinations, referring to amortizations, depreciations and impairments, adjusted for items affecting comparability.

Adjusted EBITA margin[1)]
Earnings before interest, tax and accounting effects arising from business combinations, referring to amortizations, depreciations and impairments, adjusted for items affecting comparability, in relation to sales.

Capital turnover
Rolling 12 months revenue divided by the average total assets in the five last quarters.

Cash conversion
Free operating cash flow, adjusted for items affecting comparability divided by adjusted EBITA.

Earnings per share
Profit/loss for the year attributable to equity holders of the Parent Company divided by the average number of shares outstanding during the year.

EBITA
Earnings before interest, tax and accounting effects arising from business combinations, referring to amortizations, depreciations and impairments.

EBITDA
Operating profit (EBIT) less depreciation, amortization and impairments.

Financial net debt/EBITDA
Interest-bearing current and non-current liabilities, excluding net pension liabilities and leases, less cash and cash equivalents divided by rolling 12 month EBITDA.

Free operating cash flow
Earnings before interest, taxes and depreciation adjusted for noncash items and adjusted for cash items related to acquisitions not considered operational plus the change in net working capital minus investments and disposals of rental equipment and tangible and intangible assets.

Items affecting comparability (IAC)
Sandvik reports EBITA, EBIT, profit before tax and earnings per share adjusted for items affecting comparability. IAC includes capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets, M&A related costs as well as other material items having a significant impact on the comparability.

Lost Time Injury Frequency Rate (LTIFR)
Number of lost time injuries per million worked hours.

Net debt/equity ratio
Interest-bearing current and non-current debts, including net pension liabilities, less cash and cash equivalents divided by total equity.

Net working capital (NWC)
Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as asset and liabilites held for sale/distribution, but excluding tax assets and liabilities and provisions.

NWC in relation to revenues
Net working capital on an average 12 month rolling basis divided by 12 month rolling revenues.

Order intake
Order intake for a period refers to the value of all orders received for immediate delivery and those orders for future delivery for which delivery dates and quantities have been confirmed. General sales agreements are included only when they have been finally agreed upon and confirmed. Service contracts are included in the order intake with the full binding contract amount upon signing.

Organic growth
Change in order intake and revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions. Sandvik generates the majority of its revenues in currencies other than in the reporting currency (i.e. SEK, Swedish Krona). Organic growth is used to analyze the underlying sales performance in the Group.

Return on capital employed (ROCE)
Earnings before interest and taxes plus financial income, on a 12 month rolling basis, as a percentage of an average rolling 12 months capital employed.

Return on capital employed (ROCE), excluding amortization of surplus values
Earnings before interest and taxes, adjusted for accounting effects arising from business combinations, referring to amortizations, depreciations and impairments, plus financial income, on a 12 month rolling basis, as a percentage of an average rolling 12 months capital employed.

Return on total equity
Consolidated net profit/loss for the year as a percentage of average total equity.

Total Recordable Injury Frequency Rate (TRIFR)
Total number of injuries per million worked hours.

1) Alternative Performance Measures: Sandvik presents certain financial measures that are not defined in accordance with IFRS. Sandvik believes that these measures have an important purpose of providing useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS.

Key figures, Group total

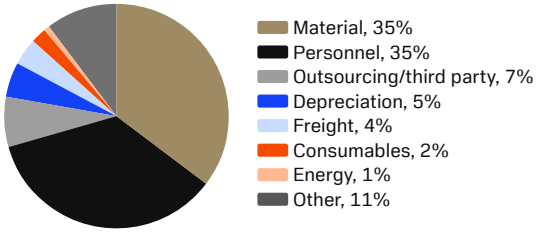
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue, MSEK	84,430	93,906	100,924	103,533	86,409	99,110	123,453	126,503	122,878	120,680
Change, %	-7	11	8	3	-17	15	25	2	-3	2
of which organic, %	-6	10	11	-1	-11	12	3	5	-2	5
of which structural, %	0	0	-6	-1	-1	6	10	-7	1	1
of which currency, %	-1	1	2	4	-4	-3	10	4	-2	-8
EBIT, MSEK	9,657	18,011	18,103	13,182	11,184	18,644	20,912	22,418	18,420	20,809
as % of revenue	11	19	18	13	13	19	17	18	15	17
Adjusted EBITA, MSEK[1]	–	–	–	–	14,846	19,364	24,470	25,240	23,583	23,309
as % of revenue[1]	–	–	–	–	17	20	20	20	19	19
Profit before tax, MSEK	7,996	16,940	17,315	11,945	11,238	18,451	16,983	19,794	16,461	19,458
as % of revenue	9	18	17	12	13	19	17	16	13	16
Consolidated net profit for the year, MSEK	5,468	13,160	12,669	8,523	8,721	14,484	11,225	15,301	12,245	14,691
Equity, MSEK	39,290	48,722	58,163	61,858	65,082	77,332	81,270	87,697	96,999	93,237
Net debt/equity ratio, multiple	0.7	0.3	0.2	0.2	0.0	0.3	0.5	0.5	0.4	0.4
Financial net debt/EBITDA[1]	–	–	–	–	-0.5	0.7	1.3	1.2	1.2	0.9
Capital turnover, %	83	90	89	85	72	76	72	70	68	69
Cash and cash equivalents, MSEK	8,818	12,724	18,089	16,987	23,752	13,585	10,489	4,363	4,528	4,958
Return on total equity, %	15.2	31.3	23.3	13.9	13.6	20.5	14.2	17.6	13.3	15.9
Return on capital employed, %	12.9	23.8	22.0	15.0	13.3	19.5	16.5	16.4	13.4	15.2
Return on capital employed, excl. amortizations of surplus values, %[2]	–	–	–	–	–	–	–	17.9	14.8	16.5
Investments in tangible and intangible assets, MSEK	3,691	3,578	3,984	4,147	3,278	3,598	4,530	5,354	4,841	3,807
Total investments, MSEK	3,722	3,578	8,615	6,018	6,552	27,195	20,213	7,345	8,052	6,807
Cash flow from operations, MSEK	12,032	14,286	14,914	16,894	15,347	13,177	10,465	18,797	20,607	19,189
Cash flow, MSEK	2,288	3,963	5,382	-1,188	7,261	-10,527	-3,617	-5,913	-51	924
Number of employees, December 31[3]	43,732	43,024	41,705	40,246	37,125	44,136	40,489	40,877	41,447	41,801

1) New financial target from 2022, historical values presented for two years.
2) New key figure for 2024, historical values presented for one year.
3) Full-time equivalent.

Data per share	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Earnings, basic, SEK[1]	4.39	10.50	10.11	6.81	6.96	11.53	8.95	12.20	9.76	11.71
Earnings, diluted, SEK[2]	4.39	10.49	10.09	6.79	6.95	11.52	8.94	12.18	9.75	11.70
Equity, SEK	31.2	38.8	46.4	49.3	51.9	61.6	64.8	69.9	77.3	74.3
Dividend, SEK (2025 as proposed)	2.75	3.50	4.25	–	6.50	4.75	5.00	5.50	5.75	6.00
Dividend yield, %[3]	2.4	2.4	3.4	–	3.2	1.9	2.7	2.5	2.9	2.0
Quoted prices, Sandvik share:										
highest, SEK[4]	116.20	153.90	165.05	190.35	205.60	255.40	256.63	227.40	247.30	301.9
lowest, SEK[4]	64.55	113.50	123.05	122.70	115.55	194.85	145.30	175.65	195.55	168.1
year-end, SEK	112.70	143.70	126.35	182.65	201.30	252.60	188.40	218.10	198.30	300.6
No. of shares at year-end, million	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4	1,254.4
P/E ratio[5]	25.7	13.7	12.5	26.9	28.9	22.0	21.1	17.9	20.3	25.7
Quoted price, % of equity[6]	361	370	273	370	388	410	291	312	257	405

1) Profit for the year per share.
2) Profit for the year per share, after dilution of outstanding share-based program.
3) Dividend by quoted price at year-end.
4) End of day 2015-2020, intraday from year 2021.
5) Market price of share at year-end in relation to earnings per share after dilution.
6) Market price of share at year-end, as a percentage of equity per share.

Group costs by type



If you have any comments on our Annual Report, please contact Group Communications, +46 (0)8 456 11 00 or info@sandvik.com.

For comments or questions on sustainability-related information, please contact Sustainable Business, +46 (0)8 456 11 00 or info@sandvik.com.

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