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A high-contrast, black and white photograph showing a close-up of several industrial metal components. The parts have a textured, machined surface and are arranged in a way that creates strong geometric lines and shadows, emphasizing their industrial nature.

# Directors' report

# Group

## Order intake and revenue

2024 had a mixed demand picture, with regional variations as well as between key customer segments. Demand in the mining segment was stable on a high level, with strong momentum in parts, services and consumables compensating for lower mining equipment investments. On the back of geopolitical and macroeconomic uncertainties, the infrastructure market remained challenging throughout the year, with declining demand in all regions. Lower industrial activity and specific challenges in automotive led to a decline in demand for cutting tools, most notable in Europe. Demand in aerospace was slightly subdued, mainly due to temporary issues in North America during the second half of the year. The powder business developed strongly during the year, and Sandvik software solutions grew mid- to high-single digits. Group volumes were down year on year, partly compensated by good price execution and cost control. The order intake amounted to SEK 124,694 million (125,011), corresponding to an increase of 2 percent at fixed exchange rates, of which organic growth was 1 percent. Revenues amounted to SEK 122,878 million (126,503), a decline by 3 percent, corresponding to a 1 percent decrease at fixed exchange rates, of which organic development was -2 percent. The book-to-bill ratio was 101 percent (99).

## Earnings and return

EBITA decreased to SEK 20,493 million (24,530), corresponding to 16.7 percent (19.4) of revenues. The adjusted EBITA decreased to SEK 23,583 (25,240) and the adjusted EBITA margin decreased to 19.2 percent (20.0) compared to the previous year. Changes in

foreign exchange rates affected adjusted EBITA negatively by SEK -434 million (601) compared with the preceding year. Net financial items amounted to SEK -1,959 million (-2,623). The result before taxes was SEK 16,461 million (19,794). Income tax had a total impact of SEK -4,216 million (-4,493) on earnings, corresponding to 25.6 percent (22.7) of profit before taxes. Profit for the year attributable to owners of the Parent Company was SEK 12,243 million (15,300). Basic earnings per share amounted to SEK 9.76 (12.20). Return on capital employed was 13 percent (16) and return on equity was 13 percent (18).

## Working capital

Relative net working capital for the year was 30 percent (29) of revenues. In absolute terms net working capital amounted to SEK 35,902 million (35,048) at the end of the year. In terms of volume, net working capital decreased by SEK -1,256 million compared with the preceding year. Changed currency rates increased net working capital by SEK 1,519 million compared with the preceding year. The structural effect from acquisitions and divestments increased working capital by SEK 591 million.

Earnings and return	2023	2024
EBITA, MSEK	24,530	20,493
EBITA margin, %	19.4	16.7
Adjusted EBITA <sup>1)</sup> , MSEK	25,240	23,583
Adjusted EBITA margin <sup>1)</sup> , %	20.0	19.2
Profit before tax, MSEK	19,794	16,461
Profit for the period	15,301	12,245
Return on capital employed, %	16.4	13.4
Return on capital employed, excl. amortizations of surplus values, %	17.9	14.8
Return on total equity, %	17.6	13.3
Earnings per share, basic, SEK	12.20	9.76
Earnings per share, diluted, SEK	12.18	9.75
Items affecting comparability in EBITA <sup>2)</sup>	-710	-3,090

1) Adjusted for items affecting comparability.  
2) 2023 is mainly related to structural measures to support resilience ambitions, applicable for all business areas, with the main portion related to SMM and SRP. It also includes the wind-down of operations in Russia and M&A costs. 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 within SMM and M&A costs. The line items affected are mainly Cost of goods and services sold SEK -1,108 million, Sales expenses SEK -329 million, Administrative expenses SEK -572 million, Other operating income SEK 88 million and Other operating expenses SEK -878 million.

## Quarterly trend of revenue and profit before tax

MSEK	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	30,968	32,243	31,476	31,816	29,002	31,419	30,306	32,151
Profit before tax	5,063	4,428	5,004	5,298	1,688	4,990	4,402	5,381
Net margin, %	16	14	16	17	6	16	15	17



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Cash flow and financing

Cash flow from operating activities increased to SEK 20,607 million (18,797). Net cash flow after investing activities was SEK 12,936 million (10,293). At the end of the year, cash and cash equivalents amounted to SEK 4,528 million (4,363) and free operating cash flow was SEK 21,194 million (19,582). Financial net debt was SEK 32,116 million (35,215) and the financial net debt/EBITDA ratio was 1.2 (1.2).

At the end of 2024, Sandvik had unutilized committed credit facilities SEK 11,000 million consisting of a revolving credit facility. The remaining duration for the Group's outstanding bonds is currently 3.3 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 2024. The rating was changed from A- with negative outlook during the year. The short-term rating is A-2 and K1 on the domestic Nordic scale.

Equity

Equity at year-end amounted to SEK 96,999 million (87,697), or SEK 77.3 per share (69.9). The equity ratio was 53 percent (50).

Investments

Investments in non-current assets for the full year 2024 amounted to SEK 4,841 million (5,354) corresponding to 140 percent of scheduled depreciation. Proceeds from the sale of companies and shares, net of cash, amounted to SEK -22 million (-164). Investments in internally generated intangible assets were SEK 964 million (1,085). Investments in companies and shares, net of cash acquired, amounted to SEK -3,187 million (-1,877).

Acquisitions during the year

In February, Sandvik acquired Pro-micron GmbH, a German-based supplier of sensorized tools and automation software.

In March, Sandvik acquired Cimquest, a US-based reseller of Computer Aided Manufacturing

(CAM) solutions and one of the largest resellers in the Mastercam network.

In May, Sandvik acquired Almü Präzisions-Werkzeug GmbH, a Germany-based cutting tools and solutions provider within high-precision drilling, reaming, milling and tooling systems.

In June, Sandvik acquired PDQ Workholding LLC, a leading US-based company specializing in custom workholding fixtures and tooling.

In July, Sandvik acquired the majority stake in Suzhou Ahno Precision Cutting Tool Technology Co., Ltd., a China-based company with leading position in precision cutting tools.

In December, Sandvik acquired Universal Field Robots, a fast-growing Australia-based provider of autonomous interoperable solutions for the surface mining and underground mining markets.

Divestments during the year

In August, Sandvik divested the engineer to-order business of DWFritz.

Parent Company<sup>1)</sup>

The Parent Company's revenues for 2024 amounted to SEK 13,427 million (13,705) and the operating result was SEK 793 million (-6,868). The result from shares in Group companies of SEK 9,147 million (12,855) for the year consists mainly of dividends and contributions. Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, amounted to SEK 36,753 million (38,011). The Parent Company's total assets decreased by SEK 3,508 million, from SEK 100,414 million to SEK 96,906 million. Investments in non-current assets amounted to SEK 438 million (384).

The number of employees in the Parent Company and the subsidiaries operating on commission for Sandvik AB as of December 31, 2024, was 3,569 (3,641).

1) The Parent Company includes subsidiaries operating on commission for Sandvik AB. These are presented in Note P12.

Dividend

The Board of Directors proposes a dividend of SEK 5.75 per share (5.50) to the 2025 Annual General Meeting, corresponding to approximately SEK 7.2 billion (6.9)

Dividend 5.75 SEK per share	
× number of shares	1,254,385,923
	=7,212,719,057
Profit carried forward	20,777,279,022
Distributable equity, SEK	27,989,998,079

Employees

The average number of employees, full-time equivalent, amounted to 41,162 (40,686), of which 21 percent (21) were women. The employee turnover rate was 11 percent (10). Wages, salaries and other remunerations for the year totaled SEK 26,798 million (26,323).

Guidelines for the remuneration of senior executives

The below remuneration guidelines were approved by the Annual General Meeting 2024, and apply until the Annual General Meeting 2028, unless any changes are proposed. The Board of Directors does not propose any new guidelines.

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 is able to recruit and retain qualified

Capital expenditure, Group total	2023	2024
Investments in non-current assets, MSEK	5,354	4,841
% of revenue	4.2	3.9
% of scheduled depreciation	158	140

Financial position	2023	2024
Cash flow from operating activities, MSEK	18,797	20,607
Cash flow after investing activities, MSEK	10,293	12,936
Cash and cash equivalents as of December 31, MSEK	4,363	4,528
Financial net debt as of December 31, MSEK	35,215	32,116
Net financial items, MSEK	-2,623	-1,959
Financial net debt/ EBITDA	1.2	1.2
Equity as of December 31, MSEK	87,697	96,999
Equity ratio, %	50	53
Equity per share as of December 31, SEK	69.9	77.3

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personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer senior executives a competitive total remuneration. For more information regarding the Company's business and sustainability strategy, please see the Company's website: [home.sandvik.com](https://home.sandvik.com).

#### 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.com](https://home.sandvik.com).

###### *– 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.com](https://home.sandvik.com). 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's 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

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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 under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the 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.

**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 8,264 (6,921) active patents. In 2024, 1,157 (722) new patents were granted. The increase of active and granted patents is partly due to use of European Patents with unitary effect, so called Unitary Patents, which cover a large number of countries. Investments in R&D were SEK 5,053 million (4,803), corresponding to 4.1 percent (3.8) of revenues. The number of employees in R&D, including Quality Assurance, was 3,075 (3,134).

**Tax**

Sandvik is a multinational group with many intercompany 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. Sandvik strives 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 2024, the Group paid SEK 5,474 million (6,852) 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 eight sites in accordance with the Swedish Environmental Code, with each site holding the necessary environmental permits. During the year, there were a couple minor environmental incidents, along with a bigger oil spill and one exceedance of regulatory limits. All incidents were 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 2024.

**Statutory sustainability report**

Sandvik has, in accordance with the Annual Accounts Act, prepared a statutory sustainability report, approved for issue by the Board of Directors and the President and CEO. The Statutory Sustainability Report and Sustainable Business Report comprise pages 6–7, 11, 18, 62–69, 138–154.

**Events after the end of the period**

On January 3, 2025, Sandvik acquired the assets of FASTech, a US based reseller of Computer Aided Manufacturing (CAM) solutions in the Mastercam network.

On January 10, 2025 Sandvik announced that Åsa Thunman, Executive Vice President and General Counsel of Sandvik, had decided to leave the company. The recruitment process to find a successor is under way.

On February 3, Sandvik acquired ShopWare, MCAM Northwest and the CAD/CAM solutions

business line of OptiPro Systems, three US-based resellers of CAM solutions in the Mastercam network.

On March 3, 2025 Sandvik acquired three US-based resellers of CAM solutions in the Mastercam network, Barefoot CNC, CAD/ CAM Solutions and CamTech Engineering Services. Additionally, Sandvik acquired the probing and post processor business lines of CIMCO Group, a Denmark-based developer of software solutions for computer-integrated manufacturing.

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Business areas

Sandvik is a decentralized Group and consists of three business areas: Sandvik Mining and Rock Solutions (SMR), Sandvik Rock Processing Solutions (SRP) and Sandvik Manufacturing and Machining Solutions (SMM).

Sandvik Mining and Rock Solutions

A global leading supplier of equipment and tools, parts, services, digital solutions and sustainability-driving technologies for the mining and infrastructure industries. Order intake for the business area amounted to SEK 64,404 million (64,527), an organic increase of 2 percent. Revenue totaled SEK 63,607 million (65,690), an organic decrease of 1 percent. The EBITA margin was 19.6 percent (21.0) and the adjusted EBITA margin was 20.4 percent (20.9) of revenues. The items affecting comparability of SEK -507 million (67) were primarily related to restructuring program and M&A costs.

Financial overview, MSEK	2023	2024
Order intake	64,527	64,404
Revenue	65,690	63,607
EBITA	13,783	12,443
EBITA margin, %	21.0	19.6
Adjusted EBITA <sup>1)</sup>	13,716	12,950
Adjusted EBITA margin <sup>1)</sup> , %	20.9	20.4
Return on capital employed, %	24.4	21.6
Return on capital employed, excl. amortizations of surplus values, %	25.4	22.5
Number of employees <sup>2)</sup>	17,019	17,278

1) Adjusted for items affecting comparability of SEK -507 million for 2024 (67) primarily related to the restructuring program and M&A costs.  
2) Full-time equivalent.

Sandvik Rock Processing Solutions

A leading supplier of equipment, service and technical solutions for processing rock and minerals in the mining and infrastructure industries. Order intake for the business area amounted to SEK 11,103 million (11,238), an organic increase of 1 percent. Revenue totaled SEK 10,704 million (11,472), an organic decrease of 5 percent. The EBITA margin was 10.7 percent (13.2) and the adjusted EBITA margin was 14.6 percent (14.5) of revenues. The items affecting comparability of SEK -411 million (-144) were mainly related to restructuring program.

Financial overview, MSEK	2023	2024
Order intake	11,238	11,103
Revenue	11,472	10,704
EBITA	1,517	1,150
EBITA margin, %	13.2	10.7
Adjusted EBITA <sup>1)</sup>	1,661	1,562
Adjusted EBITA margin <sup>1)</sup> , %	14.5	14.6
Return on capital employed, %	8.5	6.4
Return on capital employed, excl. amortizations of surplus values, %	10.6	8.4
Number of employees <sup>2)</sup>	2,946	2,739

1) Adjusted for items affecting comparability of SEK -411 million for 2024 (-144), primarily related to the restructuring program.  
2) Full-time equivalent.

Sandvik Manufacturing and Machining Solutions

A market-leading manufacturer of tools and tooling systems for advanced metal cutting, expanding into digital manufacturing and software solutions, as well as technologies such as additive manufacturing and in-line metrology. Order intake amounted to SEK 49,187 million (49,247), a organic decrease of 2 percent. Revenue totaled SEK 48,567 million (49,340), an organic decrease of 3 percent. The EBITA margin was 15.7 percent (20.4) and the adjusted EBITA margin was 20.0 percent (21.5). The items affecting comparability of SEK -2,104 million (-552) were mainly related to restructuring program, capital loss from the divestment of DWFritz ETO business and M&A costs.

Financial overview, MSEK	2023	2024
Order intake	49,247	49,187
Revenue	49,340	48,567
EBITA	10,045	7,614
EBITA margin, %	20.4	15.7
Adjusted EBITA <sup>1)</sup>	10,597	9,718
Adjusted EBITA margin <sup>1)</sup> , %	21.5	20.0
Return on capital employed, %	13.7	9.6
Return on capital employed, excl. amortizations of surplus values, %	15.6	11.6
Number of employees <sup>2)</sup>	20,326	20,801

1) Adjusted for items affecting comparability of SEK -2,104 million for 2024 (-552). mainly related to the restructuring program, capital loss from the divestment of DWFritz ETO business and M&A costs  
2) Full-time equivalent.

Order intake by business area

MSEK	2023	2024	Change	
			%	% <sup>1)</sup>
SMR	64,527	64,404	0	2
SRP	11,238	11,103	-1	1
SMM	49,247	49,187	0	-2
Group total	125,011	124,694	0	1

1) Organic change.

Revenue by business area

MSEK	2023	2024	Change	
			%	% <sup>1)</sup>
SMR	65,690	63,607	-3	-1
SRP	11,472	10,704	-7	-5
SMM	49,340	48,567	-2	-3
Group total	126,503	122,878	-3	-2

1) Organic change.

Adjusted EBITA by business area

MSEK	2023	2024	Change, %
SMR	13,716	12,950	-6
SRP	1,661	1,562	-6
SMM	10,597	9,718	-8
Group activities	-733	-647	N/A
Group total	25,240	23,583	-7

Adjusted EBITA margin by business area

% of revenue	2023	2024
SMR	20.9	20.4
SRP	14.5	14.6
SMM	21.5	20.0
Group total	20.0	19.2

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# Corporate governance report

Sandvik AB has its head office in Stockholm and is the Parent Company of the Sandvik Group, with subsidiaries in about 70 countries. The Group has about 41,000 employees and revenues in more than 150 countries. 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 Nordic Main Market Rulebook for Issuers of Shares, the Swedish Code of Corporate Governance (the "Code") and other relevant laws and regulations. The Code is available at [corporategovernanceboard.se](https://corporategovernanceboard.se). In 2024, Sandvik applied the Code without deviating from any of its regulations.

**The Sandvik Way**

The corporate governance framework at Sandvik, The Sandvik Way, implements the

external rules previously mentioned and also sets out the internal rules and principles for governance that apply specifically within Sandvik. It is based on three segments, as set forth in the model below, and describes how common ways of working have been implemented throughout the entire organization.

*Governance structure*

This segment outlines how the Sandvik Group is led and governed. The Board of Directors, 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 is implemented in the respective business areas, with additional requirements cascaded down in the operational structure of each business area.

*Operations*

The detailed controls and risk frameworks common across the Group are detailed in this segment. This includes many 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.

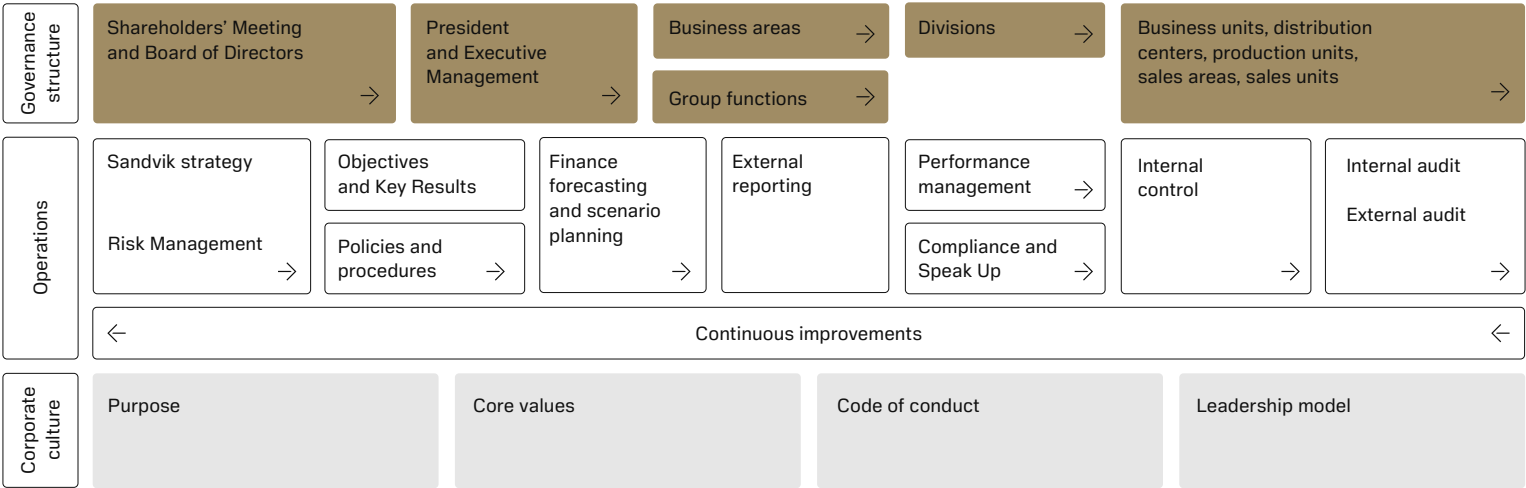
**Ownership structure**

As of December 31, 2024, 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 135,000 shareholders and AB Industrivärden was the largest owner with about 14.6 percent of the share capital. Of the total share capital at year-end, about 40 percent was owned by investors outside Sweden.

**Shareholders' meeting**

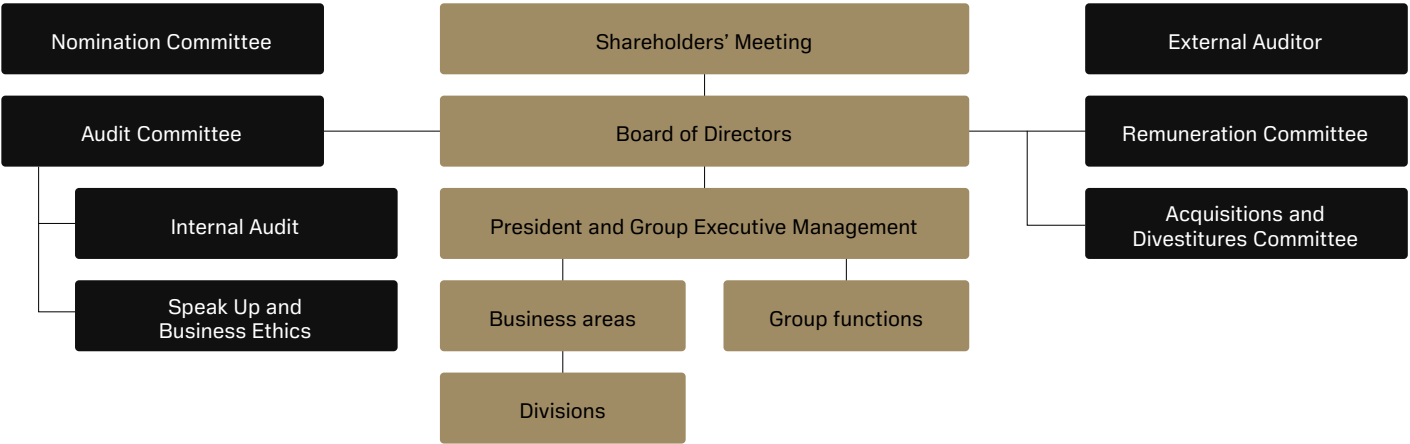
The General Meeting of Shareholders is the highest decision-making body. At the Annual

**The Sandvik Way**





Corporate governance model



General Meeting, the shareholders are given the possibility to exercise their voting rights in relation to, for example, the Annual Report, dividends, election of the Board and 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 vote according to the number of 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 shares in Sandvik carry equal voting rights with one vote per share.

Ten largest shareholders, December 31, 2024, %

Industrivärden	14.6
Alecta Pension Insurance	4.5
BlackRock	3.5
Swedbank Robur Funds	3.4
Vanguard	3.3
Lundbergföretagen	3.1
Handelsbanken Funds	2.7
Norges Bank Investment Management	1.9
SEB Investment Management	1.9
Folksam	1.4

Source: Monitor by Modular Finance AB

2024 Annual General Meeting  
Shareholders representing 61.6 percent of the share capital and votes participated at the Annual General Meeting held on April 29, 2024. Resolutions included the following:

- Dividend of SEK 5.50 per share
- Election of Susanna Schneeberger as new Board member and re-election of Board members Claes Boustedt, Marika Fredriksson, Johan Molin, Andreas Nordbrandt, Helena Stjernholm, Stefan Widing and Kai Wärn as well as re-election of Johan Molin as Chairman of the Board
- Re-election of PricewaterhouseCoopers AB as auditor
- Approval of the Board's remuneration report
- Guidelines for the remuneration of senior executives
- Long-term incentive program in the form of a performance share program for about 350 senior executives and key employees in the Group
- Authorization for the Board to decide on the acquisition of the company's own shares up to a maximum of 10 percent of all the shares in the company

For additional information about the Annual General Meeting, including the minutes, visit [home.sandvik.com](https://home.sandvik.com).

2025 Annual General Meeting

The next Annual General Meeting will be held in Sandviken, Sweden, on April 29, 2025. More information can be found in the notice convening the General Meeting and at [home.sandvik.com](https://home.sandvik.com).

Nomination Committee

The Nomination Committee is a preparatory body that prepares proposals for, among other things, the election of the Board, the Chairman of the Board and auditors, as well as fees for adoption at the General Meeting. 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 2025 AGM

For the 2025 Annual General Meeting, the Nomination Committee consists of Fredrik Lundberg, Chairman (Industrivärden), Daniel Kristiansson (Alecta), Marianne Nilsson (Swedbank Robur Funds), Lars Pettersson (Lundbergs) and Johan Molin (the Sandvik Chairman of the 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 Mats Eriksson, President of the Sandvik Mining and Rock Solutions business area, who presented the company's strategy. The Nomination



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The 2024 Annual General Meeting was held at the Göransson Arena in Sandviken, Sweden.

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.

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 is to ensure 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 such aspects 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

As of December 31, 2024, the Sandvik Board consisted of eight members elected by the Annual General Meeting. The Nomination Committee communicated before the 2024 Annual General Meeting that the Nomination Committee 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 consists of members with experience from different geographic areas and different industry sectors. Excluding the President, 43 percent of the Board members elected by the General Meeting are women. No Board member represents any

Nomination Committee's tasks ahead of the 2025 Annual General Meeting

- Proposal concerning the Chairman of the Meeting
- Proposal concerning the number of Board members
- Proposal concerning remuneration of each Board member
- Proposal concerning the Board and Chairman of the Board
- Proposal concerning auditor and remuneration of the auditor
- If deemed necessary, proposal for changes to the Nomination Committee's instruction concerning the procedure for appointment of the Nomination Committee for the forthcoming Annual General Meeting and its assignment

under-represented social groups.

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 58–59.

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, the composition of the Board complies with the independence requirements of the Code. The President is the only executive member of the Board.

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Attendance at Board and Committee meetings in 2024

Member	Board	Audit Committee	Remuneration Committee	Acquisitions and Divestitures Committee
Total number of meetings	12	5	4	4
Jennifer Allerton <sup>1</sup>	6			
Thomas Andersson <sup>1</sup>	6			
Claes Boustedt	12	5		4
Marika Fredriksson	12			
Fredrik Håf	12			
Carl-Åke Jansson <sup>2</sup>	6			
Erik Knebel <sup>1</sup>	6			
Thomas Lilja	12			
Johan Molin	12	5	4	4
Andreas Nordbrandt	12			
Susanna Schneeberger <sup>2</sup>	6			
Jessica Smedjegård <sup>2</sup>	6			
Helena Stjernholm	12	5	4	4
Stefan Widing	12			
Kai Wärn	12		4	

1) Resigned in April 2024.  
2) Appointed in April 2024.

Composition of the Board as of December 31, 2024

Name	Function	In-dependent	Shareholding, number <sup>1</sup>	Elected	Audit	Remuneration Committee	Acquisitions and Divestitures Committee
Claes Boustedt	Member	Yes	50,000	2015	Chairman		Member
Marika Fredriksson	Member	No <sup>3</sup>	2,500	2017			
Fredrik Håf	Member <sup>2</sup>		2	2022			
Carl-Åke Jansson	Deputy <sup>2</sup>		1,120	2024			
Thomas Lilja	Member <sup>2</sup>		5,197	2016			
Johan Molin	Chairman	Yes	965,000 <sup>4</sup>	2015	Member	Chairman	Chairman
Andreas Nordbrandt	Member	Yes	2,400	2021			
Susanna Schneeberger	Member	Yes	1,000	2024			
Jessica Smedjegård	Deputy <sup>2</sup>		156	2024			
Helena Stjernholm	Member	No <sup>3</sup>	5,000	2016	Member	Member	Member
Stefan Widing	Member	No <sup>3</sup>	89,327	2020			
Kai Wärn	Member	Yes	12,000	2020		Member	

1) Pertains to own and closely related persons’ shareholdings in Sandvik AB.  
2) Employee representatives (both members and deputy members participate in Board meetings). Thomas Lilja (member) and Carl-Åke Jansson (deputy) represent Unionen/Ledarna/Swedish Association of Graduate Engineers. Fredrik Håf (member) and Jessica Smedjegård (deputy) represent IF Metall.  
3) 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.  
4) In addition 1,000,000 call options in Sandvik AB.

Board proceedings during 2024

During the year, the Board held 12 meetings. The Board addressed matters related to the strategic objectives for the year, CSRD and sustainability reporting, the Sandvik digital shift, enterprise risk management, EHS, succession planning and talent management, investments and review of previously made investments.

During the year, there was a special focus on strategy updates within the framework of the Sandvik overall strategy. The Presidents of all business areas presented their goals and strategies, and the Board also reviewed the strategies and results from a number of the divisions. Furthermore, the Board handled matters relating to the acquisition of a majority holding in Suzhou Ahno Precision Tool Technology Co., Ltd.

The Remuneration Committee, Audit Committee and the Acquisitions and Divestitures Committee reported from their respective meetings. With respect to the Audit Committee, reported matters included accounting principles, financial outcome, ERM, compliance, Speak Up and Code of Conduct, internal control and internal audit, as well as the result of the external audit. The Committees also submitted matters for resolution by the Board and the minutes and reports from these meetings were made available to the Board members.

In the autumn of 2024, the Board traveled to India to visit Sandvik Machining and Manufacturing Solutions production sites as well as a local customer.

Remuneration of the Board

As resolved at the 2024 Annual General Meeting, the fee to the Chairman of the Board was SEK 3,000,000 and the fee to each of the non-executive Board members elected by the General Meeting was SEK 800,000.

In addition, SEK 352,000 was paid to the Chairman of the Audit Committee and SEK

200,000 to each of the other Committee members, in total SEK 752,000. The Chairman of the Remuneration Committee was paid SEK 167,000 and each of the other Committee members SEK 132,000, in total SEK 431,000. The Chairman of the Acquisitions and Divestitures Committee was paid SEK 226,000 and each of the other Committee members SEK 167,000, in total SEK 560,000.

For more detailed information on remuneration of the Board members, see 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 2024, 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 tasks of the Committees and their work procedures are stipulated in written instructions issued by the Board. The Committees’ primary task is to prepare issues and present them to the Board for resolution.

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.

Remuneration Committee

During 2024, the members of the Remuneration Committee were Johan Molin (Chairman of the

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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 48–50 and note G4.

In 2024, the Remuneration Committee held four meetings.

*Audit Committee*

During 2024, 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:

- Monitoring the financial reporting and ensuring its reliability
- Effectiveness of the system of internal control and internal audit
- Planning, scope and follow-up of the internal and external audit for the year
- Assistance to the Nomination Committee with regards to proposal for auditor
- Monitoring of the external auditor's independence and objectivity vis-à-vis the company, including the extent to which the auditor provides other services than auditing services to the company
- The Group's systematic processes for overall corporate risk management, as

well as more detailed risk management matters including legal disputes, compliance, corporate investigations, IT security, Group Digital Security Improvement, accounting procedures, taxation, treasury, finance operations, insurance coverage and pension issues

- The development and effectiveness of compliance processes, with special focus on ensuring operational stability of the compliance program
- The Sandvik Code of Conduct, the Sandvik global whistleblowing system, some specific cases managed through Speak Up as well as the overall effectiveness of the system
- The Sandvik sustainable business strategy and materiality analysis

In 2024, the Audit Committee held five meetings at which the Sandvik external auditor and representatives of the company's management were present.

*Acquisitions and Divestitures Committee*

During 2024, 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.

In 2024, the Acquisitions and Divestitures Committee held four meetings, during which the Committee reviewed matters including the acquisition of Suzhou Ahno Precision Tool Technology Co., Ltd.

**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.

In 2024, the Group Executive Management consisted of:

- Stefan Widing, President and CEO, and President of Sandvik Manufacturing and Machining Solutions
- Cecilia Felton, Executive Vice President and Chief Financial Officer
- Mats Eriksson, President of Sandvik Mining and Rock Solutions
- Richard Harris, President of Sandvik Rock Processing Solutions
- Nadine Crauwels, President of the Sandvik Machining Solutions business area segment
- Mattias Nilsson, President of the Sandvik Manufacturing Solutions business area segment
- Johan Kerstell, Executive Vice President and Head of Human Resources
- Björn Roodzant, Executive Vice President and Head of Group Communications and Sustainability
- Sofia Sirvell, Executive Vice President and Chief Digital Officer
- Åsa Thunman, Executive Vice President and General Counsel

In February 2025, Johan Kerstell, Head of Human Resources, was succeeded by Björn Axelsson. It has also been announced that Åsa Thunman, General Counsel, will leave Sandvik no later than July 2025.

The members of the Group Executive Management are presented further on pages 60–61.

**Business areas**

The Sandvik operational structure is based on a decentralized business model. There are three separate business areas – Sandvik Mining and Rock Solutions, Sandvik Rock Processing Solutions and Sandvik Manufacturing and Machining Solutions – each based on distinct product offerings. Each business area has full responsibility and accountability for its respective business results.

Sandvik Manufacturing and Machining Solutions is divided into two business area segments – Sandvik Machining Solutions and Sandvik Manufacturing Solutions. Furthermore, each of the three 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 an overview of the Sandvik organizational model, refer to page 6 and visit [home.sandvik](https://home.sandvik) for more detailed information relating to the Group's business activities and product portfolios.

**Group functions**

There are five Group functions within Sandvik: Communications and Sustainability, Finance, IT, HR and Legal. 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.

**External auditor**

At the 2024 Annual General Meeting, the audit firm PricewaterhouseCoopers AB was re-elected auditor of Sandvik AB for the period until the 2025 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.

**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. 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.

*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.

*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 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.

*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.

*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.

*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.

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.

**Internal audit**

Internal Audit is subordinated to the Audit Committee and the Vice President of Internal Audit 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 External Audit on a periodic basis to discuss and share audit plans and audit results.

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Board of Directors



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 Hufvudstaden AB, Förvaltnings AB Lunden and Alleima 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 and SaltX Technology 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.

Information regarding board assignments and holdings of shares as of December 31, 2024.  
Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.

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Employee representatives



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, and President of the Sandvik Manufacturing and Machining Solutions business area 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 the Swedish Association of Industrial Employers (Industriarbetsgivarna).  
**Shareholding in Sandvik (own and closely related persons):** 89,327.



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.



Fredrik Håf

Born 1983. Board member since 2024, deputy Board member since 2022 (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 & SMM. 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. Board member 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.

HONORARY CHAIRMAN

**Percy Barnevik**  
Born 1941. Chairman of the Board of Sandvik AB 1983–2002.

BOARD SECRETARY

**Åsa Thunman**  
Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.

AUDITOR

**PricewaterhouseCoopers AB**  
**Auditor-in-charge:** Anna Rosendal, Authorized Public Accountant.  
**Other auditing assignments:** Indutrade, Sdiptech and Nobia.



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# Group Executive Management



Stefan Widing

Born 1977. President and CEO, Sandvik AB, President of the Sandvik Manufacturing and Machining Solutions business area 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 the Swedish Association of Industrial Employers (Industriarbetsgivarna).

**Shareholding in Sandvik (own and closely related persons):** 89,327.



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):** 9,027.



Nadine Crauwels

Born 1971. President of the Sandvik Machining Solutions business area segment 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):** 12,031.



Mats Eriksson

Born 1962. President of the Sandvik Mining and Rock Solutions business area 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 Sandvik Pension Fund in Finland.

**Shareholding in Sandvik (own and closely related persons):** 6,383.



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):** 6,509.



Richard Harris

Born 1970. President of the Sandvik Rock Processing Solutions business area 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):** 6,361.

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Mattias Nilsson

Born 1972. President of the Sandvik Manufacturing Solutions business area segment 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):** 5,237.



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):** 8,660.



Sofia Sirvell

Born 1974. Executive Vice President and Chief Digital Officer (CDO), 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):** 2,858.



Åsa Thunman

Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.

**Education and business experience:** Master of Laws (LL.M), Sweden and the Netherlands. Various positions within Securitas 2009–2014, including General Counsel, Elekta AB 1999–2009, including General Counsel, and Lagerlöf & Leman law firm 1996–1999.  
**Current board assignments: – Shareholding in Sandvik (own and closely related persons):** 5,608.

Changes in the Group Executive Management

In February 2025, Johan Kerstell, Head of Human Resources, was succeeded by Björn Axelsson.

In January 2025, it was announced that Åsa Thunman, General Counsel, will leave Sandvik no later than July 2025.

*Information regarding board assignments and holdings of shares as of December 31, 2024. Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.*

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# 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.

## ERM – a part of our strategic work

To effectively identify and manage risk is an important element of business success for all parts of the Sandvik business.

Supporting 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.

Managing and mitigating critical risks is an important element for business success.

## 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 Risk map is presented on page 22. 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 review and discuss 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 64.

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 2024.



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The Board of Directors' and the Audit Committee's involvement in the ERM process is further described on page 56.

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.

Business continuity and crisis management

The Global Risk Management Policy and related procedures for business continuity and crisis management set the requirements for local management teams to ensure their ability to successfully 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, to 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 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 57.







Sustainability and climate change

Assessment and management of sustainability risks, including extreme weather events and climate change, 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 285 individual sites and 94 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 with 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.



Read more about the strategic risk landscape on page 22.

Strategic objective	Key risk	What does this mean?	Examples of what do we do (mitigation)
<b>Shift to growth</b> 	Geopolitical development	Regionalization/nationalization Increasing trade tariffs 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 key markets Heavy European footprint	Footprint optimization. Regional growth strategy and segments.
	Acquisition value creation	Business case delivery Ensure efficient administrative integration	Capital allocation.
	Business transformation	Electrification of the mine Closed loop manufacturing Execution of digital shift and data driven productivity	Business area M&A strategies. Six moves/Digital strategy.
	Inventory build-up/cash conversion	Access to cash M&A agenda realization	Inventory management projects in all business areas and divisions. Incentive fine-tuning
<b>Digital shift</b> 	Digital disruption	Cyber security Information security Disruption by digital players Embracing AI	Cyber security improvement program. Implementation of NIS2 EU directive. Data management projects. Establishing Sandvik Manufacturing Solutions. Execution of Digital Mining and digital offering. AI adoption plans for all parts of the business.
<b>Sustainability shift</b> 	Compliance/regulatory requirements	Increased regulatory requirements Third party risks Stricter financing requirements Trade sanctions	Intermediary management program. Update digital tools for third parties. Compliance digital improvement project.
<b>Agile through cycle</b> 	Managing downturn	Meeting EBITA range Contingency fatigue	Restructuring projects. Contingency plans, four phases, performance management. Pricing initiatives and follow-up. Your Voice actions on employee engagement.
<b>Customer's 1st choice</b> 	Understand changing customer needs/ requirements	Customer centricity Adapting to market transformation Customer requirements on digital compliance	Cyber security improvement program/NIS2 implementation.
	Change management	Operating structure Transformative leadership capabilities	Leadership education for change.
<b>Employer of Choice</b> 	Key talent attraction /retention	New talent (digital, electrification, sustainability) Re-skill existing workforce	Business areas, divisions and Group functions have competency plans in place. Group common employer branding initiatives targeting new competence areas.

# Sustainability governance

Sustainability governance at Sandvik is grounded in its business strategy, business model, and international frameworks. Relevant goals are established to address material areas and effectively manage associated impacts, risks, and opportunities. Policies and management systems have been set to ensure financial, environmental, and social compliance.

## Governance structure

The Sandvik Board of Directors holds primary responsibility for sustainability oversight within Sandvik and the Audit Committee monitors the sustainability reporting. Implementation is delegated to the President and CEO of Sandvik.

The Group Executive Management is responsible for the overall sustainability strategy and agenda of Sandvik. Implementation and follow-up are managed by the Group functions, business areas, and divisions. Business areas are responsible for assessing and managing sustainability risks within their operations. Coordination within the Group is managed by the Group Communications and Sustainability function. Key performance indicators (KPIs) are consolidated and reported to track goals at both Group and business area levels. We assess our performance annually, targets are set and focus actions are outlined for the upcoming year.

The Sustainability Council serves as a collaborative forum for cooperation and best practice sharing across Sandvik, with representation from both business areas and Group functions. Group Sustainability coordinates the sustainability agenda together with the business areas and Group functions.

## Board's sustainability competence

The Board is composed of members with experience from various geographic areas and industry sectors. All Board members have long experience from managing different positions in global, industrial companies in different functions, which includes the topics generally covered by the sustainability concept. Many Board members have extensive experience in managing environmental, social, and governance-related impacts throughout the business value chain from previous positions as CEOs or senior managers of other global and industrial companies.

## Board's role in overseeing sustainability impacts

The Board oversees the due diligence and other processes to manage the impact Sandvik has on the economy, environment and people through many different processes, managed through the Board's Procedural Guidelines and the policies and procedures in The Sandvik Way. The normal Board processes include regular reports to the Board and its Committees on risk management, human resource management, sustainable supplier management, compliance and environment, and health and safety reporting. Key KPIs within the areas are tracked and reported to the Board on a quarterly basis, both through the interim reports and the Key

Objectives tracking. The Audit Committee supports the Board in reviewing performance in these areas.

Stakeholder engagement is managed through the operational structure. This includes Investor Relation meetings with key shareholders, dialogues with the Board union representatives as well as considering external analyst and shareholder reports.

The Board uses this information in the strategic planning for the Group and updates the guidance to management as appropriate, considering the overall balance of the different interests.

## Evaluation and reporting

The effectiveness of the processes described above is evaluated using, for example, the internal controls framework, internal and external audits in different parts of the value chain (including supplier audits), as well as the feedback from the Speak Up system and investigations conducted as part of that process.

Sustainability is an integrated part of the reports submitted to the Audit Committee and sustainability reports are also made available to the Board on at least a quarterly basis. These reports include stakeholder engagement and results of the evaluation of the effectiveness of processes.

## Materiality assessment

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 Global Reporting Initiative (GRI) and considered dependencies on natural, social, and human resources. The assessment resulted in material impacts, risks, and opportunities, forming the basis of this year's GRI reporting.

The impact assessment evaluated positive, negative, actual, and potential impacts, focusing on the value chains where impacts were most likely to occur. Upstream, this 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, the mining sites in high-risk areas, and the end-of-life of our business areas' products.

Impacts were evaluated using scale, scope and irremediability 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 law. Participants from different business areas, functions, and geographies within



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Sandvik brought diverse perspectives and experience on ESG (Environmental, Social, and Governance) 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. The impact assessment involved workshops and interviews.

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 was based on a short-term perspective which highlighted the most urgent topics, as well as the mid- and long-term perspective that highlight risks and opportunities that may materialize in the longer term. Based on the input collected, a threshold value for the topics was defined, above which the topics were deemed material and as such a basis for our reporting.

Sandvik has a multitude of interactions across the value chain: suppliers, customers, and our own operations and interactions related to the end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks, and opportunities.

**Material topics**

- Affected communities
- Biodiversity and ecosystems
- Business conduct
- Climate change
- Equal treatment and opportunities for all
- Health and safety
- Pollution and air pollution
- Recycled materials
- Reconditioning and refurbishment
- Waste
- Water and marine resources
- Workers in the value chain

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic, or if it triggers financial effects on the company that are likely to influence its future cash flow.

**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 2030 Sustainability Goals.

**Speak Up**

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 whistleblowing tool Speak Up. 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.

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 human rights concerns that Sandvik caused or contributed to. This process ensures that suspected breaches are identified and addressed appropriately. Additionally, certain countries have local grievance mechanisms and other support systems for employees that go beyond legal requirements, such as foundations providing rehabilitation and financial support related to health and well-being. The European Works Councils and relevant local unions have been involved in establishing local whistleblowing channels and appointing investigators.

**Compliance**

The Sandvik Compliance Program encompasses four key areas: Anti-Bribery and Corruption, 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. These requirements are then 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 meet on a quarterly basis.

Sandvik operates in countries and industries with elevated corruption and sanctions risks, both directly and indirectly through business relationships. This situation underscores the potential significant impact the company could have on the economy, people, and the environment. 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, hospitality, travel and entertainment, and conflicts of interest. The commitment to identify and prevent corruption is not limited to these; it is also integrated into other steering documents such as the M&A 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, where possible, 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 both our 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 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 analysis has taken consideration of 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 diversity, equity and inclusion work. We have zero tolerance for modern slavery in all its forms, forced labor, slave labor and/or child labor. 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 our grievance mechanism that is available for employees and external partners for our entire value chain.

**Employees**

Sandvik is dedicated to providing a diverse, equal, and inclusive workplace, ensuring fair remuneration and working terms that

consider individual needs. Our People policy underscores our commitment to employees, outlining our approach to attracting, developing, and retaining staff, and, when necessary, managing their exit from the business.

**Leadership development**

Our managers are key to driving team performance, team development, individual growth, and delivering results. Through our Leadership Model and global programs, we set clear, actionable expectations for leadership skills and behaviors, ensuring leaders are equipped to inspire and achieve excellence.

**Young talent**

With our Global Graduate Program, we attract young professionals and offer training across various segments of the Sandvik organization. One of the program's main objectives is to develop and prepare graduates for future key positions. Upon completion, participants transition into different roles within our business.

**Diversity, Equity and Inclusion**

Diversity, Equity, and Inclusion are vital aspects of our people strategy, integral to the 2030 Sustainability Goals and stipulated by our Code of Conduct and core value fair play.

The business is responsible for implementing and communicating the 2030 goals, ensuring resource allocation, and taking necessary measures for goal achievement. Sandvik has established a Diversity, Equity, and Inclusion forum comprising representatives from business areas and the Group. The forum collaborates to cultivate a diverse organization, an equal workplace, and a culture of inclusion. Joint initiatives, best practices, and experiences are shared among forum members.

**Environment, Health, and Safety (EHS)**

Our Environmental, Health, and Safety (EHS) policy aligns with the principles of the Code of Conduct and core values, aiming to realize our vision of Zero Harm. We have established Group EHS procedures focusing on hazard identification, risk management, incident reporting, performance measurement, and training. Each procedure clearly defines roles, responsibilities, and performance management indicators. Regular internal and external audits are conducted to review compliance with legislation, policies, and procedures. Our EHS policy covers employees, contractors and visitors at our locations and extends to services provided at customer locations.

Our EHS policy, along with Group EHS objectives and the 2030 Sustainability Goals, guides our EHS initiatives. Each business area develops plans to meet these objectives, with annual targets set to drive performance at all organizational levels.

The Sandvik EHS Council, comprising representatives from all business areas, serves as a key forum to facilitate collaboration across the company, advancing our progress toward our EHS vision. While EHS activities are decentralized within the business areas, the EHS Council identifies, reaches consensus on, and implements common initiatives and procedures. Additionally, the Council drafts documents, including the EHS policy and objectives, for consideration and approval by the Group Executive Management. The council also has the authority to appoint working groups to address specific EHS issues, such as environmental working groups.

Our EHS management systems are based on ISO 14001 and ISO 45001. The management of individual topics adheres to the criteria of established frameworks but may extend beyond them. The EHS management systems extend to relationships beyond company boundaries, emphasizing our responsibility to uphold high

standards in environments under the company's control. This involves actively identifying and mitigating risks to prevent work-related injuries, occupational illnesses and enhance environmental performance. Sites with a lower risk profile are not obligated to undergo external certification. Nevertheless, these sites must comply with the requirements outlined in the Group procedure for small sites and offices.

For specific local environmental issues, such as effluent discharge limits or environmental permits not addressed in certifications or Group procedures, we implement local initiatives tailored to the specific needs of each production unit or business division.

Environmental criteria are integrated into the sustainable supplier management process, and both environmental and safety criteria are integrated in the product development processes.

Every Sandvik-controlled location will establish and uphold formal systems and processes for conducting risk assessments, covering environmental, health and safety risks. All employees are empowered and encouraged to report observed hazards. The system facilitates the proper handling of all hazards, ensuring a comprehensive process from identification to resolution. The most senior Sandvik manager at each location bears responsibility for the proper management of registered hazards. Every business area/ location operates its Incident Reporting and Investigation system, with the responsibility of disseminating the findings from incident investigations throughout the organization. Each employee has access to a colleague within their immediate workplace or organization who serves as a representative of the EHS function within Sandvik.

Local EHS committees are organized based on the specific structure of the local organization and the prevailing issues within the region. These committees typically include

representatives from local management, employees, and EHS professionals.

EHS-related training is incorporated into the induction process for all employees. Additionally, EHS issues are integrated into training programs for specific roles. Our training packages encompass various formats, including in-house classroom sessions, external training, and self-learning opportunities, such as e-learning.

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 offer health and well-being programs that are adapted to local needs, covering various aspects including fitness, nutrition, mental health, and disease prevention.

**Sustainable supplier management**

Sandvik is committed to sustainable procurement practices that minimize our social and environmental impacts, improve the sustainability performance of our suppliers, and create value for the business, our customers and society at large. It is important for us to partner with suppliers who understand and embrace our sustainability standards in areas such as environment, labor, human rights, anti-corruption, circularity of materials, and carbon footprint. Our requirements are part of our 2030 Sustainability Goals and are outlined in our Supplier Code of Conduct.

**Community involvement**

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 well-being, or contribute to positive development in the local communities where we operate.

We view our community involvement projects as investments, for which we require contracts, clear target groups and objectives with measurable results. We have a Community Involvement, Sponsorship and Donations procedure to guide all Sandvik entities engaged in community relations projects. All activities must comply with our Code of Conduct, which means that we do not engage in any activities of a political or religious nature, or in projects that may be viewed as hazardous to health or the environment. All our partners must sign the Sandvik Supplier Code of Conduct and undergo the same screening process as our suppliers. As part of our 2030 Sustainability Goals, we promote employee engagement in community initiatives that contribute positively to society.



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Examples of contributions to the Sustainable Development Goals

Sandvik contributes to achieving the Sustainable Development Goals (SDGs) according to the UN's 2030 Agenda. By integrating the SDGs into our operations and strategy, we work to create a positive impact on society and the environment.

SDG 3

Good health and well-being

Sandvik is committed to a healthy and safe work environment with a vision of zero harm. There are health and well-being programs accessible for all employees and health and safety issues are fully integrated into our operations. Our battery-electric underground offering reduces heat and emissions, thereby improving working conditions and lowering mining customers' ventilation costs.

SDG 5

Gender equality

Sandvik is aiming to have women representing one-third of its managerial positions by 2030. We have formed partnerships with organizations such as Female Leader Engineer and International Women in Mining.

SDG 6

Clean water and sanitation

We recognize water as a shared resource and manage the withdrawal and discharge processes in adherence to local permits. All wastewater from production processes either undergoes appropriate treatment (within our facilities or through third-party operations) before being released back to recipients, or is circulated and reused. We support local community engagement projects to improve water quality and availability.

SDG 7

Affordable and clean energy

Sandvik has signed agreements to procure fossil-free energy across various markets. We are continuously implementing measures to enhance energy efficiency and increase the use of renewable energy at our sites.

SDG 8

Decent work and economic growth

We are focused on creating a diverse and inclusive workforce where innovation and new perspectives can thrive. We support all employees through identifying their talents and providing the right tools for personal growth and career development in a learning culture. We are committed to achieving zero harm to people. Our mining automation solutions offer the potential for remote work and contribute to a safer and healthier work environment.

SDG 9

Industry, innovation, and infrastructure

Digitalized manufacturing enables a closed-loop production system that yields increased productivity, minimized waste, and enhanced quality. Sandvik has expanded its digital offering to automate and connect the entire component manufacturing value chain, from design and planning, to production and verification. Our goal is to establish an end-to-end digital offering that is agnostic and automates the machining process.

SDG 12

Responsible consumption and production

Contributing to a circular society is material to Sandvik. The 'Sandvik Sustainability Award in Memory of Sigrid Göransson' for 2024 highlighted Sandvik Machining Solutions' Customer Recycling Program. Sandvik has been running buy-back programs for many years to retrieve used carbide tools, such as round tools, drills or inserts, from customers and recycle them into new products. The new program, with the purpose to increase the circular business model and retrieve more than 90 percent of the sold carbide volumes, has digitalized the buyback process for used tools, enhancing compliance and efficiency, and reduced the need for virgin materials.

Our Screening Solutions division in Jandakot (Australia) has developed a process to refurbish and reuse screens, feeders and exciters, thereby extending the life of the equipment and improving sustainability.

SDG 13

Climate action

In 2023, our GHG reduction targets received approval from the Science Based Targets initiative (SBTi). We are committed to achieving net-zero GHG emissions across the entire value chain by no later than 2050. Our near-term objectives include achieving a 50 percent reduction in absolute Scope 1 and 2 GHG emissions by 2030, a 30 percent reduction in absolute Scope 3 emissions and a 90 percent reduction in absolute Scope 1 and 2 GHG emissions by 2040. All targets have 2019 as the base year.

