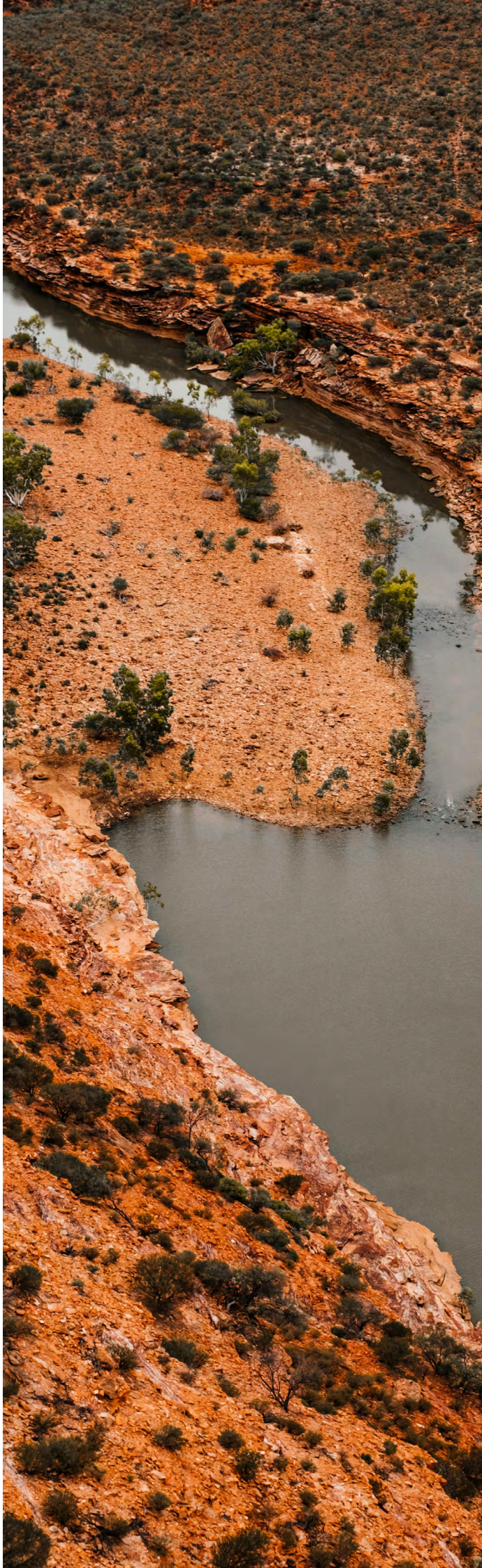
SANDVIK

# Sandvik Australia Holdings Sustainability Report 2025

# Contents





Sandvik Australia Holdings Pty Ltd
ABN: 60 003 771 373
For the year ended 31 December 2025

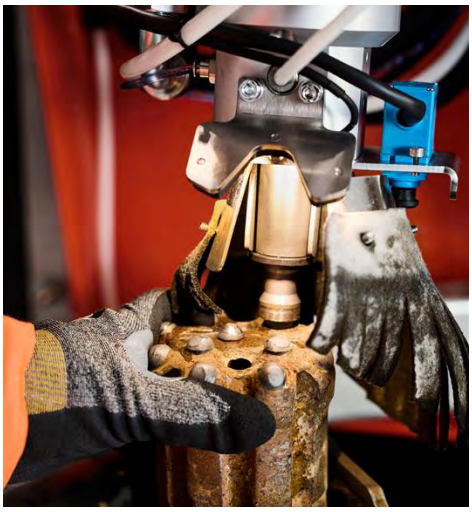
# Terms of reference

| Naming convention | Description |
|---|---|
| Sandvik Australia Holdings Pty Ltd ("the Company") | The parent entity to which these disclosures apply. In this Sustainability Report, 'the Company' refers to Sandvik Australia Holdings Pty Ltd (the reporting entity). |
| Sandvik Australia Holdings and its subsidiaries ("the Group") | The Company and its subsidiaries are referred to as "the Group" throughout the Annual Report, consistent with the consolidated financial statements and the emissions reporting boundary described in the Basis of Preparation section (p.8-10). Collective references such as 'we', 'us', and 'our' are on behalf of the Group. |
| Sandvik AB | Sandvik AB is the ultimate parent company of the Sandvik Group, headquartered in Stockholm, Sweden. Sandvik AB is a public company listed on Nasdaq Stockholm. References to Sandvik AB in this Annual Report relate to comprises Sandvik AB and its subsidiaries globally (including business areas, divisions and sales areas). |
| Sandvik | 'Sandvik' is used as a general reference to the Sandvik brand and/or the broader organisation. Where used without further specification in this Sustainability Report, it should be read in context as referring to Sandvik branded equipment, services or procedures which are jointly developed by Sandvik globally and distributed by or applied to the Group business operations. |

# This is Sandvik in Australia

Sandvik Australia Holdings Pty Ltd (the “Company”) is a subsidiary of Sandvik AB and the parent entity of 28 subsidiaries, largely located in Australia. Sandvik Australia Holdings and its subsidiaries (the “Group”) operates within Sandvik Group’s global governance framework and applies Group policies, standards and business practices in the Australian regulatory context.

Sandvik provides solutions that enhance productivity, profitability and sustainability for customers across the mining, manufacturing and infrastructure sectors. Our operations combine leading equipment, tools, parts, services and digital solutions, with a strong focus on improving customer performance and supporting the industry’s ongoing development through automation, digitalisation and innovation.
Sandvik entities provide a broad offering across underground and surface mining equipment, mine planning and optimisation software, automation and robotic technologies, rock processing solutions, drilling consumables, precision tooling and lifecycle support.
Operations in Australia span the full customer value chain, including sales and distribution, warehousing and logistics, pre-commissioning of equipment, rebuilds, workshop services, field service, technical support and aftermarket solutions. Through these capabilities, we combine local operational strength with access to Sandvik’s global technology platforms, established brands and specialist expertise, creating a strong foundation to support customer success and long-term value creation.



## Mining

A leading supplier of equipment, tools, parts, services, software, digital solutions and automation technologies for the mining and infrastructure industries, supporting productivity, safety and operational performance across the value chain.

## Rock Processing

A supplier of equipment, services and technical solutions for rock and mineral processing in the mining and infrastructure industries, supporting efficient, reliable and productive operations.


## Machining and Intelligent Manufacturing

Represented in Australia through Coromant sales activities, providing tools, tooling systems and digital manufacturing solutions for advanced metal cutting and industrial applications.

# A stronger Sandvik in Australia

We can look back on a solid 2025 for Sandvik Australia Holdings. In a year shaped by ongoing market complexity, changing customer expectations and a continued focus on operational discipline, we delivered sound revenue growth, strong development across both equipment and aftermarket, and a resilient overall performance, while continuing to strengthen our business for the future.

**Safety first**
Safety remains our first priority at Sandvik Australia Holdings. Nothing is more important than ensuring our people, contractors and visitors return home safely each day. Across our operations, we continue to strengthen our safety culture through clear standards, leadership accountability and a strong operational focus. This commitment underpins how we work, how we support our customers and how we build a resilient business for the long term. Sandvik's broader commitment to safety and continuous improvement provides an important foundation for our local approach.

**Strong performance in 2025**
The Group continued to experience sound operational performance during the year, with solid revenue growth and strong development across both equipment and aftermarket, supported by several significant orders. In a dynamic operating environment, our results reflected the strength of our portfolio, the quality of our customer relationships and the commitment of our people across the business. The Group recorded a profit after tax of $81.9 million for the year ended 31 December 2025.

**A broader and stronger business**
Sandvik Australia Holdings continues to benefit from the strength of Sandvik's global strategy while remaining closely connected to local customer needs. Our operations span Mining, Rock Processing, and Machining and Intelligent Manufacturing, with capabilities across the full customer value chain including sales and distribution, warehousing and logistics, pre-commissioning of equipment, rebuilds, workshop services, field service, technical support and aftermarket solutions. This breadth of capability, combined with access to Sandvik's global technology platforms, established brands and specialist expertise, creates a strong foundation to support customer success and long-term value creation.

During 2025, we also saw the first full year of Universal Field Robots being reported within the business, strengthening our position in digital mining technologies and reflecting the continued evolution of our portfolio toward higher-value, technology-enabled offerings. This aligns closely with Sandvik's broader direction of building a faster, more resilient and more flexible company with greater exposure to strategic growth areas.

**Innovation at our core**
Innovation remains central to how we create value for our customers. Across our operations, we continue to support the industry's development through automation, digitalisation and innovation, while expanding our ability to deliver equipment, tools, parts, services and digital solutions that improve productivity and operational performance. In Australia, this means not only bringing global technologies to market, but also supporting their application through strong local service capability and close collaboration with customers.

The major technology shifts underway across our industries continue to create opportunity. With strong customer relationships and growing capability across digital, automation and software-enabled solutions, we are well positioned to support customers as their operations evolve and as demand grows for safer, more productive and more efficient solutions.

**Sustainable business**
In 2025, Sandvik Australia Holdings also reached an important milestone with the publication of its first AASB S2-aligned Sustainability Report. This represents a significant step forward in how climate-related risks and opportunities are


governed, assessed and integrated into our strategy, risk management and decision-making. It reflects our commitment to building a business that is resilient, transparent and well positioned for the future.

Sustainability is increasingly connected to customer value, operational resilience and long-term competitiveness. Our strategy and business model reflect the ambition to support a low-carbon, resilient economy through electrification, digitalisation, automation and circularity. As Sandvik globally continues to advance solutions that help customers improve productivity, safety and resource efficiency, we are proud to play our part locally in supporting that transition.

**Looking ahead**

As we look ahead, we do so from a solid foundation. We have a resilient business, a broad customer offering, leading market positions, and a clear opportunity to further build our capabilities in service, technology, and sustainability. While the external environment remains dynamic, we are confident in the platform we have established and, in our ability, to continue delivering long-term value for our customers and stakeholders.

I would like to thank our employees for their outstanding efforts and commitment throughout 2025. I also extend my appreciation to our customers, suppliers, and business partners for their continued trust and support. Together, we are building an even more capable and competitive Sandvik in Australia.

**Craig Johnston**
Managing Director
Sandvik Australia Holdings Pty Ltd

# Sustainability Report

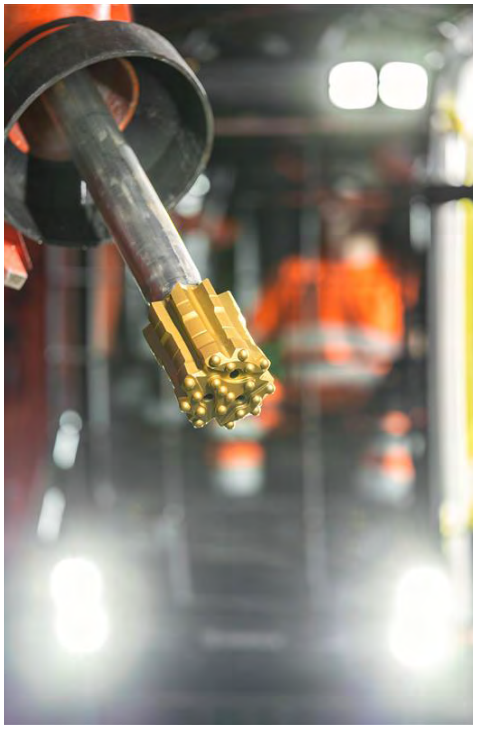
# Basis of preparation

**Reporting basis**
Sandvik Australia Holdings Pty Ltd (the "Company") is a company domiciled in Australia. The ultimate parent entity is Sandvik AB, a company incorporated in Sweden. This Sustainability Report has been prepared by the Company and its subsidiaries (together referred to as the "Group") to meet the disclosure requirements of the Australian Accounting Standards Board AASB Sustainability Reporting Standard S2 (Climate-related Disclosures) and the Corporations Act 2001.
The report aligns with the Company's annual reporting cycle, covering a 12-month period ending 31 December 2025, and is designed to be read in conjunction with the Company's consolidated financial statements prepared in accordance with AASB Accounting Standards, to provide stakeholders with a clear understanding of how climate related considerations influence our strategy, risk management, and performance.
The presentation currency of the climate-related financial disclosures is the Australian dollar (AUD), which aligns to the presentation currency used in the consolidated financial statements, and amounts disclosed are rounded to the nearest thousand dollars unless otherwise stated.
The Company is reporting under AASB Sustainability Reporting Standards AASB S2 for the first time for its annual reporting period ending 31 December 2025.
AASB Sustainability Reporting Standards AASB S2 provide transition reliefs for the first annual reporting period in which an entity applies the standards.

We have applied the following transition reliefs:
- Relief from the requirement to disclose comparative information in the first annual reporting period
- Relief from disclosing Scope 3 greenhouse gas emissions

**Reporting boundary**
The Sustainability Report reporting boundary includes the Group entities as described in Appendix 1.

**Emissions reporting boundary**
The Company has operational control over all its subsidiaries, and their emissions are classified as Scopes 1 and 2 (location-based). Greenhouse gas emissions are calculated using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol), as required by AASB S2. The Group reports all Scopes 1 and 2 (location-based) emissions from operations and assets over which it has operational control. Emissions data is reflected over a 12-month reporting period from December 2024 to November 2025 to align with Sandvik AB processes.



**Judgements and assumptions**
In the process of preparing this sustainability report, management has exercised judgement in a number of areas, including the process of identifying climate-related risks and opportunities and identifying material information to report. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain or involves data limitations. This section outlines the most critical judgements made by management in preparing this sustainability report, as well as the amounts that are subject to a high degree of measurement uncertainty. The detail of the judgement made, or the source of estimation uncertainty, is included in the table below.

**Basis for non disclosure of anticipated financial effects of climate-related risks and opportunities**
Certain forward-looking quantitative climate related information required under AASB S2 has not been disclosed in this reporting period. While we undertook extensive qualitative modelling and held workshops with external experts on quantitative modelling to build our capabilities, preparing reliable numerical estimates for anticipated financial effects, future climate related impacts, and scenario based quantitative outcomes would require modelling datasets and forecasting tools that are not yet sufficiently mature, and would necessitate assumptions subject to a high degree of measurement and outcome uncertainty. Many of the relevant variables such as future policy settings, carbon pricing trajectories, technology deployment rates, market developments, and value chain responses are outside the control of the Group and cannot be reasonably estimated without undue cost or effort. Consistent with AASB S2's proportionality provisions and the standard's requirement to avoid disclosures that may result in misleading or unfaithful representation, these disclosures are provided qualitatively in this first reporting year. Quantitative disclosures including scenario outputs will be expanded as data capability and modelling maturity improve in future reporting periods.

**Table 1 Key judgements, estimations and assumptions**

| Judgements, estimates and assumptions | Description |
|---|---|
| Materiality assessment | Judgement was applied to identify material information associated with the climate-related risks and opportunities that could reasonably be expected to affect Sandvik Australia Holdings prospects. |
| Material sites | Management exercised judgement to determine a sample selection of sites to apply the climate scenario analysis of physical climate related risks. |
| Quantification of anticipated financial effects | Forward looking quantitative disclosures have high measurement uncertainty and have therefore not been provided, consistent with the Basis for Non-Disclosure. |
| Assumptions in climate scenarios and analysis | Conducting climate scenario analysis involves applying expertly judged assumptions about jurisdictional policies, macroeconomic trends, national or regional variables and technology developments.<br>Assumptions underpinning these scenarios reflect external scientific sources and necessarily involve uncertainty. This scenario analysis was limited to qualitative assessment due to current modelling maturity and high uncertainty in forward-looking numerical assumptions, therefore scenario-based quantitative financial modelling has not been disclosed. |
| Transition risks | Possible climate-related transition risks were identified and assessed through the scenario analysis. At present, transition risks have not been assessed as a material financial risk for Sandvik. Emerging transition risks are incorporated into our Enterprise Risk Management process, where they are monitored as the landscape continues to evolve. |
| Customer site proxy locations | Customer sites physical risk exposure was estimated using the coordinates of the nearest Sandvik sites in Australia. This assumes similar hazard profiles within the relevant catchments; it may under or over state location-specific variables. |
| GHG-related metrics | GHG emissions are measured in accordance with the GHG Protocol unless otherwise stated as required by AASB S2. |
| Assumptions in the Transition Plan | The Transition Plan is built on several assumptions around regulatory, technological and market environment including expected increase in availability of low emission vehicles, decarbonisation of the national electricity grid, and market expansion for recycled metals and low carbon steel. The plan assumes strengthening policy settings supporting decarbonisation and circularity initiatives, and uptake of digital, automated and electrified equipment by customers. |

## Table 2 Sandvik Australia Holdings Legal Entities

| Legal entity code | Name | Country of incorporation | Ownership 2025 | Ownership 2024 | % of revenue |
|---|---|---|---|---|---|
| 9881 | Sandvik Australia Holdings Pty Ltd | Australia | n/a | n/a | n/a |
| 9800 | Sandvik Australia Pty Ltd | Australia | 100 | 100 | 0.07 |
| 9885 | Sandvik Mining and Construction Australia Pty Ltd | Australia | 100 | 100 | 73.85 |
| 9831 | Sandvik Mining and Construction Australia (Production/Supply) | Australia | 100 | 100 | 0.01 |
| 9839 | Tricon Drilling Solutions Pty Ltd | Australia | 100 | 100 | 1.66 |
| 9865 | Deswik Group Pty Ltd | Australia | 100 | 100 | n/a |
| 1816 | Deswik Europe Ltd | United Kingdom | 100 | 100 | n/a |
| 3087 | Deswik Kazakhstan LLP | Kazakhstan | 100 | 100 | 0.66 |
| 4507 | Deswik USA Inc. | United States of America | 100 | 100 | n/a |
| 4749 | Deswik (Canada) Inc. | Canada | 100 | 100 | 0.05 |
| 5112 | Deswik Chile SpA | Chile | 100 | 100 | 0.99 |
| 5205 | Deswik Colombia S.A.S | Colombia | 100 | 100 | 1.59 |
| 5611 | Deswik Mexico S.A de C.V. | Mexico | 100 | 100 | 0.24 |
| 5810 | Deswik Peru S.A.C. | Peru | 100 | 100 | 0.08 |
| 6465 | Deswik Mining Consultants (Pty) Ltd | South Africa | 100 | 100 | 0.37 |
| 6466 | Zebenza Kanzna (Pty) Ltd | South Africa | 100 | 100 | n/a |
| 9866 | Deswik Software Solutions Pty Ltd | Australia | 100 | 100 | n/a |
| 9867 | Deswik Brazil Holdings Pty Ltd | Australia | 100 | 100 | n/a |
| 9868 | Deswik Mining Consultants (Australia) Pty Ltd | Australia | 100 | 100 | 4.05 |
| 9852 | S-Process Equipment Australia Pty Ltd | Australia | 100 | 100 | n/a |
| 9853 | Sandvik Rock Processing Australia Pty Limited | Australia | 100 | 100 | 13.38 |
| 8966 | Sandvik Mining Technology (Tianjin) Co., Ltd | People's Republic of China | 100 | 100 | 0.07 |
| 9854 | UFR Holdings Pty Ltd | Australia | 100 | 100 | n/a |
| 9856 | Universal Field Robots Pty Ltd | Australia | 100 | 100 | 0.27 |
| 9855 | UFR Technology Pty Ltd | Australia | 100 | 100 | n/a |

# Executive summary

Sandvik Australia Holdings Pty Ltd and its subsidiaries (the Group) presents its first AASB S2-aligned Sustainability Report for the reporting period ending 31 December 2025. This Report outlines how climate related impacts, risks, opportunities and governance are integrated into our strategy, operations and decision making. It reflects a significant uplift in climate governance maturity across the organisation and sets the foundation for consistent, transparent and future oriented sustainability reporting

**Climate governance** is embedded throughout the Group, aligned with Sandvik AB's global frameworks, sustainability strategy and SBTi validated targets. Oversight is provided by the Company Board and the newly established Board-level Sustainability Committee, supported by strong executive involvement and cross-functional expertise. Clear accountabilities, strengthened internal controls, and capability building efforts ensure climate related governance is consistently applied across all entities.

**Strategy and business model integration of climate-related risks and opportunities** reflect the ambition to support a low-carbon, resilient economy through electrification, digitalisation, automation and circularity. Our value chain spans manufacturing, service, logistics and digital mining technologies, each with climate related risks and opportunities. Through the Climate Scenario Analysis we tested resilience under orderly, disorderly and hothouse climate futures across four time horizons. This work identified material risks, such as extreme weather events, alongside significant opportunities in low emission solutions, circularity and supporting the rising demand for critical minerals and transition metals.

While isolated extreme weather events in recent years such as storm related site closures, bushfire evacuations, and weather related reductions in customer demand, have resulted in short term labour costs, repair expenses or temporary revenue impacts estimated to total $530,000 net of insurance. These are not considered material financial impacts requiring material changes to our capital allocation or financial planning.

**Resilience under climate scenarios** across the orderly, disorderly and hothouse scenarios assessed is supported by:

- Diversification across commodities, customers and end markets
- A high share of parts, service and technology offerings that can be redeployed as customer needs shift
- Continued investment in automation, remote operations and condition monitoring that help customers maintain productivity under physical constraints, and
- Strengthened risk management and site controls (including climate risk assessment for new leases and targeted resilience measures at higher risk locations).


**Risk management processes** have been enhanced to integrate climate considerations into our established Enterprise Risk Management (ERM) framework. Climate related risks and opportunities were assessed, validated, prioritised and incorporated into entity level risk registers, ensuring alignment with existing risk appetite criteria, operational controls and mitigation pathways. Regular monitoring, biannual workshops and Board oversight ensure climate related risks remain visible and are actively managed as our operating environment evolves.

**Transition planning** is a core focus of our climate strategy. Our Transition Plan aligns with Sandvik ABs' SBTi-validated pathway and outlines practical, scalable actions across Scope 1-3 emissions. Key themes include: optimising our fleet, expanding rooftop solar and renewable electricity procurement, enhancing energy efficiency, developing circularity programs, and supporting customer decarbonisation through our sustainable solutions including fuel-efficient and electrified equipment, digitalisation and automation. The plan identifies assumptions, dependencies, resource allocations and resilience measures, ensuring our pathway to 2030 and 2050 is achievable, credible and transparent.

**Metrics and targets** are calculated in accordance with the GHG Protocol and align with Sandvik AB commitments: reducing gross Scope 1 and 2 emissions by 50% by 2030, 90% by 2040, and achieving net zero across Scopes 1-3 by 2050, compared to a 2019 baseline. Transition plan initiatives demonstrate how we will credibly achieve our emissions reduction targets. Additional metrics such as energy sourcing, investment in decarbonisation, and revenue exposure to transition metals provide insight into our strategic direction.
Overall, the Group is positioning itself to navigate climate related risks while capturing opportunities that strengthen our competitiveness and resilience. In an orderly transition, physical risk exposure is relatively lower and market conditions support growth in low emissions and digital solutions. In disorderly and hothouse scenarios, physical impacts and disruption risks increase over the long- and extended-term (including workforce heat exposure, site disruption, supply chain interruptions and customer site downtime) however our existing and planned mitigation activities ensure minimal residual risk. The insights from our climate scenario analysis, strengthened governance, and credible transition plan form a robust foundation for long-term sustainability. As regulatory expectations evolve and modelling capability improves, we remain committed to enhancing transparency, expanding disclosure depth and driving meaningful progress towards a low carbon future.

# Governance

## Sustainability governance is grounded in our business strategy, business model and international frameworks. Relevant goals are set to address material areas and effectively manage associated risks and opportunities. Policies and management systems are in place to ensure financial, environmental and social compliance.

The Sandvik Way is the core governance framework that sets out the principles, policies and operating expectations that guide how Sandvik runs its businesses. It defines the systems, controls and behaviours that ensure our operations are ethical, compliant and aligned to Sandvik AB standards. This framework underpins the decentralised governance model applied across the Group, providing consistent direction while allowing each business area and entity to manage its risks, responsibilities and performance within a clear global structure.
The Company consists of business area Mining (including acquisitions such as Deswik, Universal Field Robots, Tricon Drilling Solutions), sales area Australia and New Zealand (including logistics, parts and services and divisional business lines), business area Rock Processing in Australia and China and Coromant sales as part of business area Machining which is explained further in the Business Model and Value Chain section (p.17-19).

## Roles, responsibilities and competencies

**Board of Directors**
Sandvik AB is responsible for developing the organisation-wide policies and procedures including those related to climate and sustainability. Each entity operating in Australia has its own Board of Directors which meet at least annually. All operating entities, Executive Management and respective Boards have a responsibility to implement Sandvik AB policies through region-specific procedures, aligned with The Sandvik Way and relevant Australian regulatory requirements and governance standards.
The Sandvik Australia Holdings Board of Directors (the Company Board) has primary oversight over the governance and regulatory responses to support the way Group impacts the community, environment, employees, customers and broader stakeholders through its policies, processes and procedures.
To this effect, the Board oversees the impact of climate-related risks and opportunities (CRRO) on the business and supports the transition plans through the Sustainability Committee and respective Executive Management teams of the operating entities.
Directors of each operating entity are provided with regular information regarding compliance with climate and sustainability related matters including environmental laws, sustainable and ethical supply chain management and workplace health and safety legislation, as well as observing all relevant legal obligations including taxation and statutory reporting. These updates are formally presented at scheduled Board meetings and at forums such as the biannual Australian Business Review (Country Council). The level of compliance and progress with these obligations is measured with key performance indicators (KPIs), including emissions reduction performance, and reported to the Company Board. At this time, performance metrics relating to climate-related targets are not included in executive or employee remuneration policies.
The composition of the Company Board is consistent with the requirements of Sandvik AB's Subsidiary Governance policy and the associated business area procedures. All directors are provided with extensive guidance and mandatory training, including country-specific training from a recognised institution (such as the Australian Institute of Company Directors, AICD). Many of the Company Board are members of the AICD, and subject to the AICD's continuing professional development requirements, including Climate Governance for Australian Company Directors. The Chief Financial Officer for Sandvik AB business area Mining is a member of the Company Board, who brings expertise on international regulations, such as the Corporate Sustainability Reporting Directive, and coherence to company-wide financial objectives, performance and ambition.

**Sustainability Committee role, responsibilities and competencies**
Within the reporting year, the Company Board formally established the Sustainability Committee as a Board-level advisory body to assist the members of the Company Board in maintaining oversight across sustainability generally and climate-related matters specifically. The

**Table 2 Summary of roles and responsibilities between Sandvik AB and the Sandvik Australia Holdings Group of entities.**

| | | |
|---|---|---|
| **Sandvik AB** | Board of Directors | – Oversees performance of Sandvik AB sustainability objectives and receives reporting via the Audit Committee.<br>– Ensures climate related risks and opportunities are governed within Sandvik AB strategic oversight frameworks. |
| | Executive Management | – Responsible for Group strategy development, including sustainability and climate related objectives.<br>– Oversees execution of climate policies, targets, and strategic programs across business areas and sales areas.<br>– Ensures climate governance is cascaded and embedded across business areas and divisions. |
| | Sustainability Function | – Coordinates Group wide sustainability agenda, frameworks, and climate strategy.<br>– Supports business areas with implementing climate governance, reporting frameworks and KPIs.<br>– Consolidates internal sustainability performance and ensures alignment with Sandvik AB policy requirements. |
| **Sandvik Australia Holdings entities** | Company Board of Directors | – Primary responsibility for climate governance in the Group.<br>– Ensures due diligence activities across subsidiaries.<br>– Ensures alignment with The Sandvik Way and Australian regulatory obligations. |
| | Sustainability Committee | – Company Board level advisory committee providing recommendations and oversight of sustainability and climate related matters.<br>– Reviews disclosure readiness for AASB S2, monitors progress toward sustainability objectives and reviews climate risk frameworks, transition plan implementation, and quarterly sustainability performance. |
| | Executive Management and Risk Owners within ERM Framework | – Oversees identification and management of business, financial and strategic and risks including climate related as part of ERM.<br>– Ensures mitigation actions are implemented and operational controls are functioning. |
| | Sustainability Team | – Leads climate reporting processes, data quality controls, climate scenario analysis coordination, and transition plan development to ultimately develop the Company climate related disclosures in line with AASB S2.<br>– Supports capability building on climate governance across the Group. |
| | Finance Team | – Supports climate related reporting integration with financial reporting and consistency of financial assumptions.<br>– Oversees climate related investment processes (e.g., $CO_2$ Assessment Tool). |
| | Operational Sites Managers, Property Management and EHS Team | – Implement operational climate risk mitigation (heat management, storm preparedness, asset protection).<br>– Maintain continuity of operations during climate related events.<br>– Support emissions data capture and operational controls.<br>– Ensure climate risks and adaptation measures are incorporated in new and renewed assets with reference to climate scenario analysis and sustainability considerations. |

Sustainability Committee has a standing brief to review climate-related financial disclosure readiness and performance with respect to environmental, social and governance matters. The Company Board receives minutes of each Sustainability Committee meeting which includes performance against sustainability targets, current climate risk profile and opportunity outlook informed by relevant stakeholders and teams within the organisation refer to Figure 1).

The Sustainability Committee consists of expertise across the functions of Sustainability; Finance; Human Resources; Environment, Health & Safety; and Procurement. All members completed a self-assessment of their competence in the following criteria: climate governance and strategy; technical climate knowledge; risk management; and leadership. The Committee has diverse knowledge across climate-related competencies, with particular strengths in risk management, assessment and oversight, change leadership, and an understanding of climate governance frameworks.

All members of the Committee have undertaken external climate-specific training whether it is an accredited AICD Climate Governance for Directors course or tertiary education.

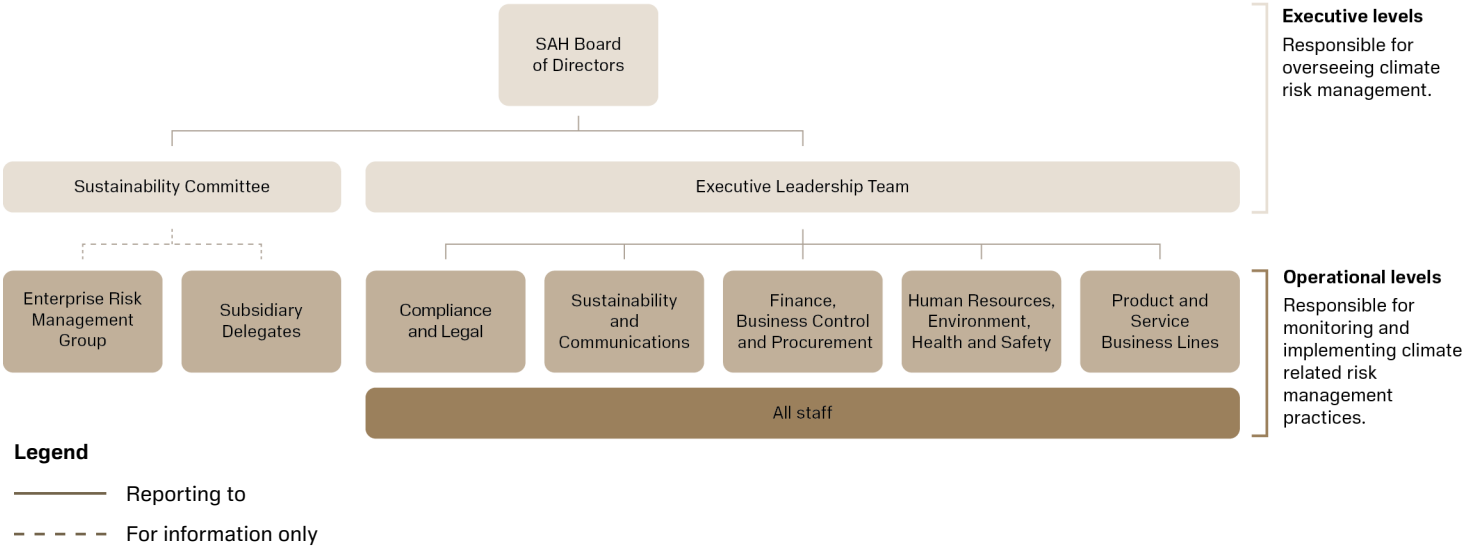
**Enterprise Risk Management roles and responsibilities**

Enterprise Risk Management (ERM) is managed by Executive Management within each operating entity of the Group. Executive Management is responsible for identifying, assessing, prioritising and monitoring emerging business, strategic and financial risks, including CRRO, through established risk identification and reporting processes.

Each entity maintains a risk register and undertakes a formal ERM workshop annually, with the risk assessment updated at least bi-annually. Group and Company Boards receive periodic ERM reporting that includes changes in key risks, status of mitigation actions and material CRRO updates.

Board oversight of CRRO is exercised through review of ERM outputs and climate reporting presented by management, including reviewing whether risk owners, controls and mitigation plans are assigned and progressing and monitoring implementation of agreed actions through follow-up reporting until closure or residual risk is within appetite.

**Fig 1. Climate governance structure with Sandvik Australia Holdings**




**Competency of Executive Management for Climate Risk**

All managers with operational responsibilities are expected to ensure that risks associated with their operations are appropriately identified, evaluated and managed. Executive Management is responsible for ensuring management within their functions and business lines understand relevant CRRO throughout the year and integrate them into operational planning and decision-making.

Throughout the year, key stakeholders participated in workshops and training sessions focused on climate risk identification, scenario analysis, and mitigation planning. Engagement activities included structured interviews, an introduction to the Australian Sustainability Reporting Standard AASB S2, a climate scenario analysis and scoring workshop, and a final risk mitigation and management workshop. These sessions provided practical tools and frameworks to support managers in integrating CRROs into their operational decision-making and oversight responsibilities.

The Sustainability and Finance teams played a central role in advancing internal understanding of climate governance, Sandvik's sustainability commitments, and strategic initiatives to build resilience. This was achieved through regular presentations at leadership forums, webinars, strategy days, and targeted education programs. Specific training was delivered to roles with emissions reporting responsibilities to ensure accurate data capture and reporting. The Group also engaged sustainability consultancy, SLR Consulting, to support the integration of sustainability principles across our operations, strengthening our ability to operate responsibly and build long-term business resilience.

We will continue to invest in capability-building across all management levels to ensure leaders are equipped to support their teams in managing climate-related risks and opportunities, and to embed climate resilience into day-to-day operations.

# Governance of controls, procedures and strategy

Our governance of sustainability is designed to ensure that climate-related considerations are embedded into strategy and decision-making processes across all levels of the organisation through the existing governance frameworks of the ERM system, investment approval processes and strategic planning cycles. Climate risks are assessed alongside business, strategic and financial risks and reported through established channels to the Board including the Sustainability Committee minutes and Australian Business Review forum. This integration ensures that climate governance is not treated in isolation but embedded within core business oversight mechanisms.

**Major transaction oversight**
Within the reporting year, the Group introduced a Carbon Emissions Assessment Procedure for major capital investments. This procedure applies to all material investments exceeding $50,000 and is supported by the $CO_2$ Assessment Tool, which was developed to enhance awareness of emissions impacts and improve the quality of investment decisions. The tool is intended to ensure that emissions impacts are evaluated alongside traditional factors such as cost, operational efficiency, and strategic direction. This approach supports informed decision-making and encourages sustainable investment practices without compromising business agility.
Relevant stakeholders involved in investment requests have been educated on their responsibilities under the updated process by Finance and Sustainability functions. The tool assists managers in identifying where scope 1 and 2 emissions are concentrated within their operations, forecasting transition planning needs, and informing necessary investment in emissions reduction. In future reporting periods, investment cases using the CO2 Assessment Tool will assist the Sustainability Committee in identifying and evaluating trade-offs between emissions impacts and other strategic or financial considerations, supporting more balanced and transparent investment decisions.
In addition to emissions considerations, major transactions and longer-term commitments (including new property leases and lease renewals) are assessed for exposure to CRROs, with a focus on physical risks such as extreme heat, storms, flooding and bushfire. Climate risk considerations are incorporated into property site selection and lease decision-making to help identify whether locations are in higher-risk areas, whether additional adaptation measures or site controls may be required, and whether risks should be escalated through ERM and governance forums. This approach is supported by the Sustainability Considerations Guideline, which provides practical criteria for managing climate risks in operational sites and is prioritised for higher-risk locations informed by our climate scenario analysis.

**Sustainability strategy**
In addition to investment governance, the sustainability strategy is actively implemented and monitored through regular executive-level engagement. The General Manager for Sustainability reports monthly to the Executive Management and Vice President on sustainability performance, strategic progress, and priority focus areas. These presentations include updates on CRROs, progress against emissions targets, stakeholder engagement outcomes, and alignment with the Sustainability Shift objectives. This reporting cadence ensures that sustainability remains a standing agenda item at the highest levels of management and that strategic decisions are informed by current performance and emerging risks.

**Policies, and procedures and controls**
Climate-related controls and procedures are further supported by several policies that guide sustainable practices across the value chain. These include the Sustainability Policy, Risk Management Policy, Supplier Code of Conduct, EHS Policy, and Procurement Policy, among others. Each policy outlines specific climate-related commitments, such as emissions reduction targets, responsible sourcing, and environmental protection measures. Policy owners at Sandvik AB are accountable for regular review and updates, ensuring alignment with stakeholder expectations and regulatory developments. The Group Executive Management ensures these policies and procedures are implemented locally by the appropriate functions.
Sandvik AB is actively implementing an internal controls procedure as part of the global sustainability reporting framework. This procedure is designed to ensure a systematic and integrated process for identifying, evaluating, and managing potential risks related to sustainability metrics. By adopting a risk-based methodology, Sandvik AB prioritises controls based on the materiality of reported metrics, in compliance with the qualitative characteristics of reporting standards. These internal controls help ensure that sustainability statements are robust, reliable, and aligned with both regulatory expectations and Sandvik AB's own governance standards. The Group is actively adopting internal controls such as Workiva, as they are implemented by Sandvik AB throughout the organisation. The Sustainability Team in Australia is responsible for developing the climate-related disclosures which are checked for completeness by the Group Sustainability Committee and ultimately approved by the Company Board.

# Our business model

## Inputs - what we use to create value

**Employees**
Sandvik utilises the expertise and experience from our employees together with insights from close collaboration with customers and suppliers, to deploy innovative products and solutions into the Australian mining and infrastructure sectors.

**Innovation**
Sandvik has research and development, and product development at its core, which we use to drive sustainable innovations. We always strive for technology leadership and successful partnerships.

**Resources**
Energy, raw materials, and components are essential for Sandvik production, and we continuously drive focus on Iresource efficiency to minimise the environmental footprint and drive productivity.

**Social**
We actively engage in the communities where we operate benefitting our employees and society.

## Business activities - how we operate

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

- Lean manufacturing and rebuilds, waste minimisation, and energy efficiency improve operational performance and environmental impact, while supporting a circular economy.
- Leveraging technology and digitalisation for improved transparency and data driven decision making.
- Our governance framework, The Sandvik Way, and our Code of Conduct enables responsible business of sustainability topics in the value chain.

## Outputs - what we deliver and how we create value

The Group delivers world leading equipment, tooling, digital technologies, parts and services that enable safer, smarter, and more sustainable productivity across the mining and infrastructure industries.

We are accelerating the transition toward next generation solutions. Our portfolio includes advanced electric and autonomous mining equipment that reduces $CO_2$ emissions, improves underground working conditions, and enhances safety by removing operators from high risk areas. We also deliver eco-efficient rock processing technologies that significantly reduce energy use per tonne processed, helping customers achieve higher throughput with a lighter environmental footprint.

A major enabler of our digital growth is our strengthened capability in mine planning, scheduling, operations management, geological data modelling, and technical consulting. By integrating sophisticated digital mine design and optimisation tools with our automation and electrification expertise, we provide Australian customers with seamless end-to-end optimisation — from long-term planning and resource modelling to real-time execution. This allows mining operations to improve productivity and reduce energy intensity.

Across our offerings, we embed circularity, resource efficiency, and our Zero Harm ambition. From sustainable design and responsible sourcing to predictive maintenance and resource recovery, we focus on reducing waste, extending asset life, and enabling low-carbon, high-efficiency operations. This approach ensures our solutions deliver both environmental and economic benefits while supporting customers' long-term sustainability goals.

The Group also creates broader societal value by contributing to employment, tax revenue, innovation ecosystems and community development across the regions in which we operate. Through local partnerships, skills development programs, engagement with First Nations communities and broader community investment and engagement initiatives, we help build stronger, more inclusive and resilient societies.

# Value chain

Through its controlled businesses, the Group provides equipment, tools, technologies, software and services to support customers across the mining, quarrying, construction and infrastructure sectors. The Group oversees local sales, service, technology development and manufacturing activities that support customers across Australia and the broader Asia-Pacific region.

In 2025, the Group generated approximately AUD 2.1 billion in revenue and employed around 2,000 people across its Australian operations.

The Group businesses collectively span key stages of the mining value chain, including extraction, rock processing, digital mine planning and emerging automation technologies. Together, they deliver a comprehensive portfolio of equipment, consumables, software, automation and lifecycle services that support the productivity, safety and sustainability of customer operations.

Our primary business activities include:

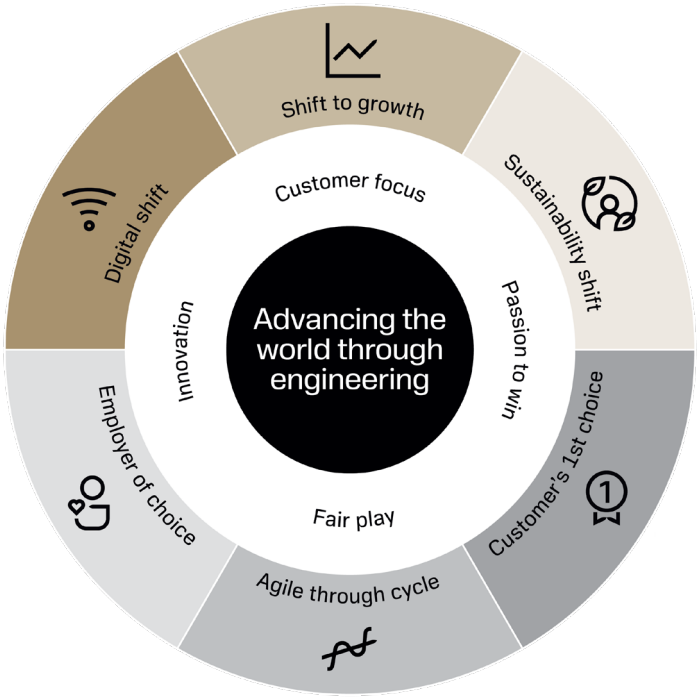
- Sandvik Mining and Construction provides underground and surface mining equipment, rock drilling tools, parts and lifecycle services, as well as digital and automation solutions designed to improve safety, productivity and sustainability across mining operations and the civil infrastructure industries.
- Sandvik Rock Processing supplies equipment and solutions for crushing, screening and rock processing used in quarrying, mining and infrastructure projects, together with associated aftermarket support and services.
- Deswik develops mine planning software and consulting solutions used by mining companies globally to design, schedule and optimise their operations.
- Tricon Drilling Solutions specialises in rotary drilling tools and consumables used in surface mining, supporting customers with durable, high-performance drilling solutions.
- Sandvik Machining provides high-precision cutting tools and machining solutions through the Coromant business, supporting customers with advanced tooling technologies.
- Universal Field Robots develops advanced robotic technologies and automation systems designed to improve safety and efficiency in hazardous or remote operational environments.
- Shark develops ground engaging tools and wear parts that support Sandvik's mining and construction customers with durable, high performance solutions.

Collectively, these businesses position the Group to deliver integrated solutions that support the mining and resources sector with safer, more productive and increasingly sustainable operations. Reference Note 25 for the complete list of Group Entities.

**Table 3 Value chain relationships**

| Value chain | Category | Description | Key geographic location |
|---|---|---|---|
| Upstream | Key suppliers of purchased goods and services | HR, IT, professional services, industrial supplies (lubricants, electrical/hydraulic/mechanical components), subcontracted machining, packaging materials | Australia, Northern Europe, China, India |
| | Capital goods | Industrial and mining equipment, cranes, forklifts, automation systems, grinding and welding equipment, electrical engines | Northern Europe, Australia, China, India |
| | Real estate and facility management | Property leasing, maintenance, building services (cleaning, security), utilities | Australia, New Zealand |
| | Logistics | International and domestic transportation and distribution of raw materials, parts, and components | International air and road freight routes, sea freight ports, domestic Australian transport |
| | Fuel and energy | Electricity supply, diesel, LPG, LNG | Australia |
| Core operations | Operational processes | Pre-delivery inspections and assembly, servicing and maintenance, equipment rebuilds, mine planning software development, mining consulting, robotics, waste management | Australia |
| | Business travel | Vehicle rentals, hotel stays, air travel, taxi and local transport for staff mobility | Global |
| | Leased assets | Car leasing, leased production equipment | Australia |
| Downstream | Transportation and distribution | Outbound logistics of finished goods (where paid or coordinated by customers/supply chain partners) | Australia & international customer destinations |
| | Customers | Mining companies and contractors, industrial, mining, manufacturing, and engineering customers using Sandvik equipment, tools, software and services | Australia, New Zealand, Papua New Guinea |

# Sustainability strategy




Our Sustainability Strategy aims to create benefits for all stakeholders – customers, employees, the communities we operate in, and shareholders. It rests on our core values, explicit target setting, and a decentralised way of working. Guidance is taken from the Sandvik AB strategy and adapted to fit the specific characteristics, opportunities and challenges for each individual part of the Group business. Closing out the We make the shift strategy period, six key strategic objectives were prioritised in 2025:

- Digital Shift,
- Shift to Growth,
- Sustainability Shift,
- Employer of Choice,
- Agile through Cycle, and
- Customers 1st choice.

Sustainability is integrated in all six of these objectives and is recognised as being a cornerstone to future business opportunities for the Group, in supporting improvements in our customers productivity, safety, and resource efficiency. Sandvik aims to be the employer of choice within our industries and attract, retain, and develop diverse talents to drive our strategy. The sustainability strategy is composed of five focus areas designed to support the Group's long-term sustainability ambitions. These focus areas are:

- To offer **Sustainable solutions**,
- Achieve **Net Zero** emissions,
- To embed **Circularity** into our business,
- Respect and develop the **People and communities** we work with and impact, and
- To operate always as a **Responsible business**.

# Sustainable solutions

Sustainable solutions aim to lead the industry innovation through solutions that are clearly differentiated on sustainability, driving value and creating substantial benefits for our customers and society.

We work in close collaboration with our customers to ensure that global Sandvik product divisions are developing sustainable solutions tailored to the Australian market and climate. Product development considers impact on the entire lifecycle of the product, from sourcing and manufacture through to use-phase and end-of-life treatment – each stage underpinned by sustainability principles in water, energy, circularity, and resource efficiency. Effectively communicating these sustainable solutions to our local customers and engaging in continuous feedback loops between production and end users ensures that our offerings remain relevant, impactful, and tailored to the unique needs of our environment. This ongoing collaboration drives innovation and enhances the overall sustainability outcomes for both our customers and the broader community.

Technology provides the tools to enable end-to-end optimisation for our industries. Data and new technologies are transforming how we gather insights and share knowledge with our customers, enabling continuous transformation, as well as transparency across the value chain.

As the world works to meet the targets of the Paris Agreement, there will be increased demand for the critical minerals needed to build the infrastructure for the energy transition. Sustainable solutions for our mining equipment include energy-efficient rock processing solutions and battery-electric and diesel-electric equipment powered by renewable energy. The largest contribution we can make is to help our customers undergo a sustainable transition in mining and infrastructure through the solutions we provide. See more on our climate-related opportunity for sustainable solutions in the Low-Emission Goods and Services section (p.35).

# Net zero

We are committed to achieving net zero GHG emissions across the entire value chain by no later than 2050.

Our goal is to have net zero emissions in our value chain. This includes the impact of our products and equipment in use. We have Net Zero transition targets which are described in the Transition Plan section (p.39-43).

We help customers improve operational efficiency and reduce environmental impacts through the adoption of Sandvik products and solutions. This includes addressing key areas such as water, pollution and greenhouse gas emissions. Accelerating the development of more sustainable solutions that reduce customer emissions is critical to this effort.

Our net zero journey is underpinned by collaborative transition planning and robust governance. We have developed an emissions reduction roadmap aligned with sustainable facilities management, low-emissions vehicle adoption, and mandatory $CO_2$ impact assessments for all capital investments, ensuring sustainability is embedded across departments. We are working to ensure that every individual site has an action plan to reduce GHG emissions and increase energy efficiency. We have identified key decarbonisation levers to supports us in our transition towards net zero. Read more on this in the Climate Transition Plan section (p.39-43).

# Circularity

We will drive circularity and resource efficiency, doing better with less and working towards circular value chains.
We are committed to playing our part in building a global economy based on circular business models. By minimising waste and finding new ways to capture sustainable materials and products within closed loops, we can reduce carbon emissions and bring environmental value for land and water. And, in the case of critical minerals, circularity will help to meet the demand caused by the energy transition.
We are building circularity and resource efficiency into our business in a number of different ways. We are driven to improve the circular value chain for product components, minimising barriers for customers to participate in sustainable practices through convenient buy-back programs and resource recovery initiatives. Sandvik is the first original equipment manufacturer (OEM) in Australia to offer carbide recycling, pioneering a program that preserves critical resources and supports secure, conflict-free supply chains.
In our own operations, we are working to increase the share of waste that is reused or recycled. In regions without strong waste management infrastructure, we collaborate with partners to identify alternatives to landfill. We are rethinking packaging with our global Sandvik distribution hubs, to identify the most environmentally efficient option for products in need of packaging, and eliminating waste where possible. Read more in our key Climate-Related Opportunity for Circularity section (p.38).

# People and communities

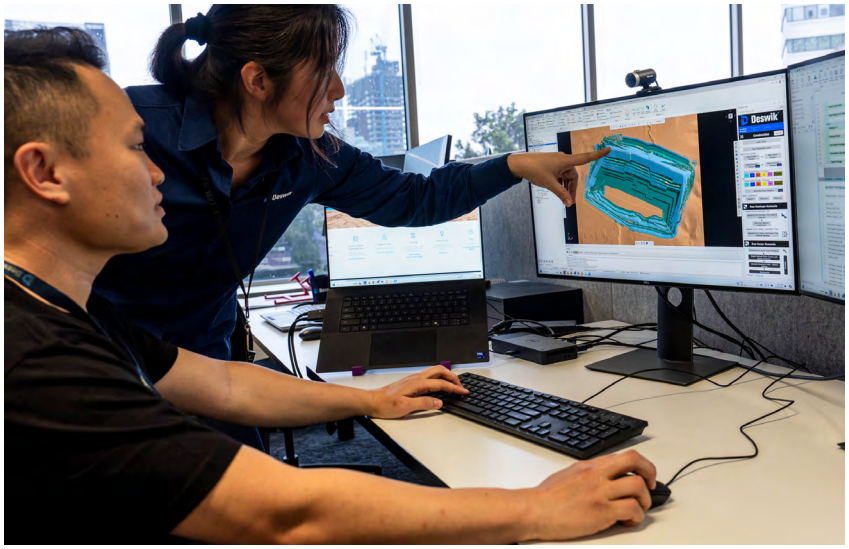
We work to protect and advance people, enabling diversity, equity and inclusion in our business, human rights in our value chain and resilient communities where we work.
We place people and communities at the heart of our mission, prioritising ethical supply chains, zero harm, workplace diversity, equity and inclusion, and community engagement. We are committed to promoting decent work in our value chain, to contribute to improving lives. Through ongoing Reconciliation Action Plans, we are striving to create employment and procurement opportunities for First Nations Australians, and to foster cultural understanding and respect within our workforce. Health and safety is rigorously monitored across our operations and we continuously invest in our safety culture and our goal of zero harm.
Our engagement with communities local to Sandvik's operations is based on our commitment to using our passion and expertise to solve challenges and build skills for the jobs of the future. Across all our communities, our aim is to actively participate through partnerships, education and volunteering to bring our values to life.

# Responsible business

We will ensure high standards of business conduct and responsibility are built in in our own operations through our value chain, enabled by transparency and due diligence.
At Sandvik we have a long history of responsible business conduct which has played a significant role in the global success of Sandvik AB and the Group. We constantly aim higher in ethics and transparency, being a leader in playing fair and being open. Our work in this area is supported by our Code of Conduct, our risk-based compliance programs with clear policies and training as well as monitoring and assurance, complemented by our SpeakUp (whistleblowing) and investigations processes and remediation and discipline.
We uphold a strong commitment to safeguarding human rights across its operations and supply chain, guided by the Sandvik Code of Conduct and supported by annual reporting under the Modern Slavery Act 2018. Our Modern Slavery Statement outlines the actions taken to identify, assess and manage modern slavery risks, with key deliverables including the mandatory application of the Supplier Code of Conduct, strengthened supplier due diligence and categorisation processes, integration of the Sustainable Supplier Evaluation Procedure, and expanded use of external assessments such as sustainability rating tool, EcoVadis, for at risk suppliers.
In our supplier management and procurement practices, our aim is to ensure that our own high standards are embedded. These standards include environmental, anti-bribery, trade controls, privacy, fair competition, health and safety, human rights and labour practices. The Supplier Code of Conduct sets out our expectations and requirements, and we seek out business partners who share our values and commitments. These activities are complemented by internal training, ongoing monitoring of supplier performance, and the continued enhancement of grievance and reporting mechanisms to ensure accountability and continuous improvement in responsible sourcing and ethical business practices.
Our ambition is to contribute to a responsible, sustainable value chain, collaborating with our suppliers and customers and conducting our business with honesty and integrity to meet stakeholder expectations as well as legal requirements. We are committed to transparency on our sustainability progress and performance. We will continue to keep pace with all relevant emerging regulation on sustainability and reporting.

# Climate-related Risks and Opportunities

This section describes the Group's climate-related risks and opportunities (CRRO) and how they may affect our business model, value chain and financials. To support readability, we first outline the climate scenarios, time horizons and key assumptions used in our assessment. We then describe each material CRRO and reference those scenarios consistently when discussing impacts, mitigation actions and resilience. See the Concentration of CRRO in the Value Chain section (p.18-19) for a summary.




## Climate scenario analysis

Our CRRO identification, climate scenario analysis and resilience assessment was supported by SLR Consulting. The process included a review of relevant plans and documentation, desktop analysis of climate and scenario data, interviews and three workshops. The insights and feedback from representatives from across the Group informed the site selection, business impacts and inherent resilience, ensuring that existing and planned mitigation and adaptation efforts were captured effectively.
The workshops served as checkpoints to validate scenario analysis results with cross-functional stakeholders and determine an actionable approach to ensure the resilience assessment accurately represented the Group's position. These insights paved the way for implementing the AASB S2 requirements and provided a practical roadmap to enable the Group to integrate CRROs into Sandvik's established Enterprise Risk Management (ERM) procedure and business strategy.

# Scenario selection

A range of emerging CRRO types was evaluated to understand how they could materialise under different climate scenarios and time horizons, considering potential business impacts across the entire value chain. The qualitative assessment of CRROs considered our exposure, sensitivity and adaptive capacity, utilising risk and opportunity tools to systematically score the outputs. Within our own operations, we assessed sites where our major service centres and distribution hubs are situated. A sample was selected based on asset value, operating value and geographic distribution to ensure effective representation and limit the evaluation to material effects.
To ensure resilience to uncertain climate futures, the Group has stress-tested its strategy and business plan using scenario analysis that incorporates both high transition (Orderly) and high physical risk (Hothouse) scenarios. The climate scenario analysis was conducted on 13 CRROs, with three distinct scenarios over four time horizons to stress-test impacts under a variety of potential future scenarios. We have drawn on scenarios from the Intergovernmental Panel on Climate Change, International Energy Agency, Network for Greening the Financial System, and ClimSystems to conduct an integrated risk assessment and identify financial implications.
This approach enables us to account for a range of potential futures and uncertainties by grouping global scenarios to reflect different, broadly accepted views of the global energy transition. From these, key macroeconomic and socio-economic variables were extracted to support comparability across scenarios.
This hybrid approach ensures that the scenarios remain methodologically robust and comparable, while being tailored to our business context and the implications for our operations and strategy. Table 4 describes the three climate scenarios and assumptions applied to stress test the risks, opportunities and financial implications.

**Table 4 Description and underlying assumptions of selected climate scenarios**

| Network for Greening the Financial System (NGFS) | Orderly transition | Disorderly transition | Hothouse scenario |
|---|---|---|---|
| | Net Zero 2050 | Delayed transition | Current policies |
| Approx. IPCC | SSP1-1.9 | SSP2-4.5 | SSP5-8.5 |
| Approx. temperature increase | 1.0-1.8°C | 2.1 - 3.5°C | 3.3 - 5.7°C |
| Summary of assumptions on climate-related policies and macroeconomic trends | Net Zero 2050 limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050.<br>This scenario assumes that ambitious climate policies are introduced immediately. Carbon Dioxide Removal (CDR) is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO2 emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 °C by the end of the century, with limited overshoot (< 0.2 °C) of 1.5 °C in earlier years. Physical risks are relatively low but transition risks are high. | Delayed Transition assumes global annual emissions do not decrease until 2030.<br>This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. The availability of CDR technologies is assumed to be low pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in Orderly transition after 2030 to ensure a 67 % chance of limiting global warming. | Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks.<br>Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. This includes irreversible changes like higher sea level rise. This scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a “hot house world”. |
| Reason for selection | – Complies with AASB S2 for Paris-aligned scenarios.<br>– Reflects ambitious global climate targets, focusing on rapid decarbonisation by mid-century.<br>– Aligned with Sandvik AB climate scenario analysis.<br>– Enables evaluation of aggressive mitigation strategies for net-zero committed companies. | – Aligned with Sandvik AB climate scenario analysis.<br>– Highlights risks linked to delayed action in the short-term and an abrupt, costly transition in the longer-term. | – Aligned with AASB S2 requirement to assess a high emissions climate scenario well-above 2°C.<br>– Aligned with Sandvik AB climate scenario analysis.<br>– Essential for stress testing physical risks under continued warming, particularly for long-term investments or assets vulnerable to extreme weather events. |

# Linking time horizons to planning horizons

Each CRRO was assessed over the three scenarios across four distinct time horizons to understand how the identified risks evolve. The time horizons were determined using management judgement to ensure alignment with the Groups' investment cycles, asset lives, customer contracting periods and Sandvik AB sustainability targets. These horizons reflect the periods over which climate-related risks are expected to materialise and influence strategic decision-making, while aligning with national and international climate policies (e.g. Paris Agreement, Corporate Sustainability Reporting Directive, AASB S2).

The time horizons include:

**Short-term**
Now

Aligns with CSRD and AASB2 requirements, as well as Sandvik's global climate scenario analysis

**Medium-term**
Now-2030

Aligned with Sandvik's 2030 GHG targets

**Long-term**
2030-2040

Aligned with Sandvik's global climate scenario analysis

**Extended**
2040-2050+

Aligned with Sandvik's global long-term net-zero goal

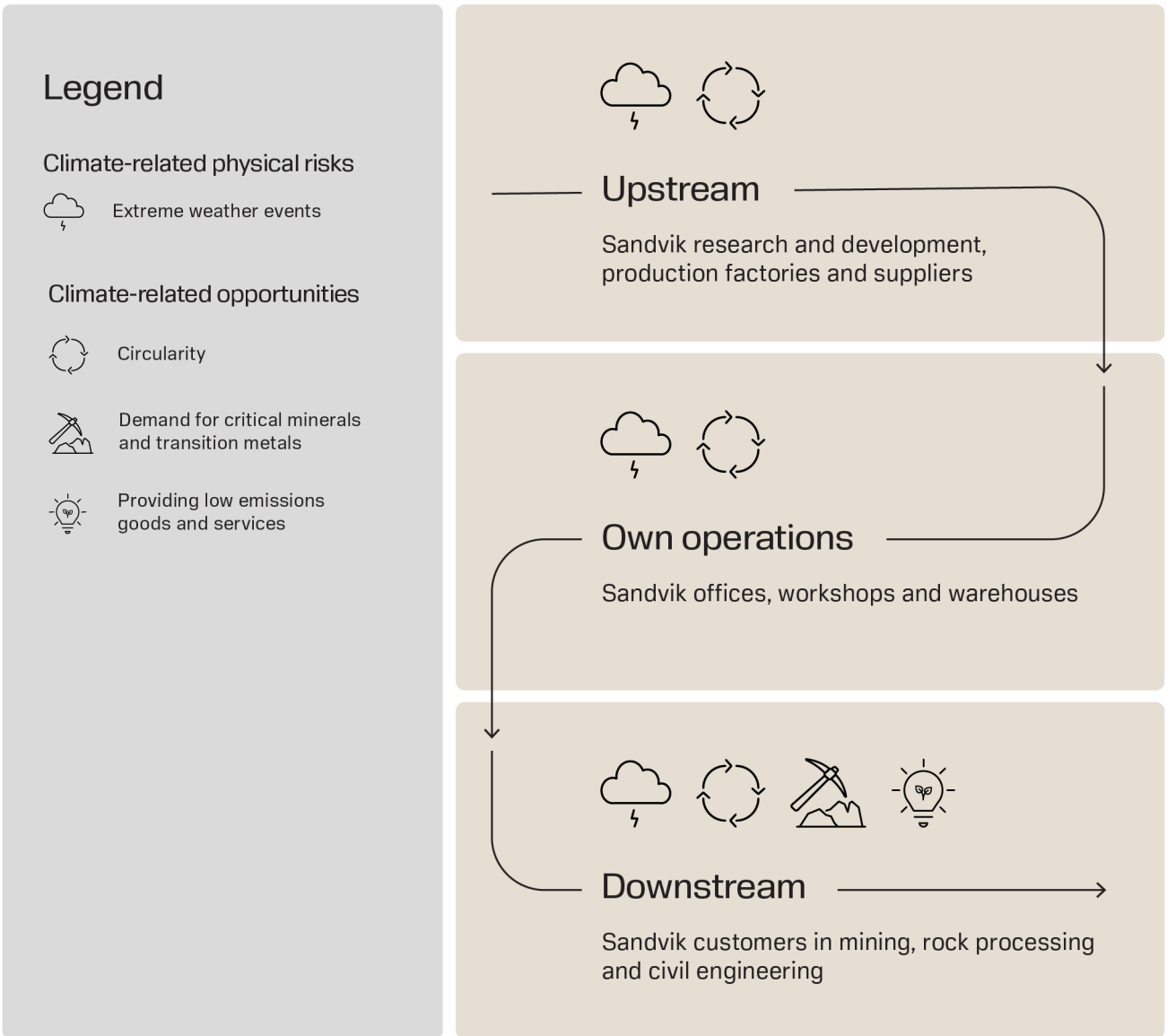
# Materiality assessment

The Group undertook a structured and judgement based materiality assessment to determine the climate related information that is material to our strategy, business model and long term prospects. Material information was selected by first identifying a broad set of potential climate related risks and opportunities through internal engagement, review of external climate science, industry benchmarking and insights from operational leaders across each business in the entity group. Each CRRO was then evaluated for its likelihood, severity, exposure, adaptive capacity and potential influence on strategic planning, resilience, financial performance, or decision making across our value chain. The resilience assessment considered the adaptive capacity of our strategy and business model in responding to the identified CRROs against the strategically selected scenarios and time horizons. Using our ERM methodology, climate related risks were prioritised where they could reasonably be expected to affect our ability to create or preserve value over our defined short , medium , long  and extended term horizons. This process ensured that only the most relevant and useful information was included in our disclosure, supported by credible evidence, internal expertise and scenario analysis. Management judgement guided the integration of CRROs alongside other strategic, business and financial risks, our materiality assessment ensures that our sustainability reporting reflects the issues most significant to the Group's operations, stakeholders and long term resilience.

**Basis for non-disclosure of transition risks**
We assessed both climate-related physical risks and climate-related transition risks. Based on our materiality assessment, only climate-related physical risks were identified as material to our business in the reporting period. Transition risk drivers including policy and regulation, technology, market and reputation, were assessed and are not currently considered material, primarily because they are addressed through our existing strategy and business model, including our focus on climate-related opportunities such as demand for transition metals, circularity and the provision of low-emissions products and solutions.
Our climate scenario analysis included an orderly and delayed transition scenarios to test the potential pace and direction of transition drivers and to inform our assessment of exposure and resilience. The orderly transition scenario assumes more rapid and comprehensive changes in policy settings and technology compared to delayed transition pathways. Whereas transition risks associated with the delayed transition scenario are typically characterised by abrupt or uncoordinated policy action, faster repricing of assets and greater potential for market disruption. Under these scenarios, we expect transition impacts to be manageable and, in many cases, supportive of our strategic positioning. The process for identifying material climate-related risks, integrating them into existing management activities and prioritising them against other risks is further outlined in the Risk Management section (p.45-46).

# Concentration of CRRO in the value chain

We assessed individual physical risks based on hazard groups, for example fire and heat (referring to bushfires and extreme heat) and storms (including cyclones, precipitation and lightning). It was important to assess and workshop these impacts at a hazard level to detail individual mitigation responses and reflect on events experienced. Once the resilience assessment was undertaken, we aggregated these effects into one risk category (extreme weather events) as the analysis yielded a similar risk profile over our time horizons and climate scenarios. We assessed risks at each stage of the value chain, with input from key stakeholders to best represent their exposure to hazards and business impacts. Our findings indicate that our CRROs are concentrated downstream of our operations; our final list of CRROs contains:



# Climate related risks

## Extreme weather events
## Value chain: upstream - supply chain

**Risk type: physical (acute/chronic)**

**Risk description**
The Group faces a material physical risk from storms including cyclones, lightning, and heavy rainfall, which can disrupt supply chains by causing flooding on major transportation routes and delays to inbound freight. The risk is further heightened by the potential impact of storms on sea freight, both at loading points and upon arrival. Such events may result in material shortages, hindered production schedules, and delayed order fulfillment. Over time, repeated disruptions could lead to reputational risks, increased operational delays, and greater financial exposure, particularly if competitors with more resilient supply chains gain market advantage.

**Current financial effects**
No material quantified impact in the current financial period. In March 2025, tropical Cyclone Alfred impacted South East Queensland, its behaviour indicating climate change influences such as warmer oceans and heavier rainfall. This event impacted our supply chain as Brisbane Port and Airport were closed for four consecutive days. Road closures affected distribution to Mackay and Mount Isa logistics centres for up to 7 days. However, existing mitigation measures ensure safety stock levels are equipped to manage short-term disruptions, which prevented any direct customer impacts.

**Anticipated financial effects**
Over the short to medium-term, supply chain disruption from more frequent or severe storm events may increase logistics and procurement costs through expedited freight, alternative routing, short-term sourcing and higher inventory holding requirements. Over the longer-term, repeated disruption could contribute to higher operating costs and potential working-capital variability if lead times extend or if safety-stock levels need to be increased for critical components.

**Strategy (effects on business model and value chain, current mitigation impacts)**
To address these risks, we have embedded resilience and agility into its supply chain strategy. Existing controls include maintaining multiple supply routes across road, rail, and air; and leveraging a diverse supplier base with mature supply chain capabilities in China, strong Australian vendors, and a growing presence in India. This diversity ensures fast access to critical parts and reduces the risk of obsolescence. We stock critical spares on-site and explore partnerships within the value chain to further strengthen supply security. Looking ahead, Sandvik is investing in the development of its Malaysian and Indian supply chains to provide greater agility and diversification, as well as exploring alternative sourcing and stocking locations for raw materials and critical spares. These measures are intended to mitigate the impact of extreme weather events and ensure continuity of operations.

**Resilience of the strategy under climate scenarios**
Our strategy demonstrates resilience to storm-related supply chain risks across climate scenarios. Extreme weather events pose a medium inherent risk to our supply chain in the short and medium-term. The unmitigated risk increases in the long and extended-term under disorderly and hothouse scenarios, primarily due to reliance on key supply routes. Major highway blockages caused by severe weather can disrupt the movement of hundreds of containers, impacting material availability and production schedules. To limit our residual risk, we continue to diversify our supplier base, develop alternative supply routes, and invest in local stockholding and strategic partnerships, ensuring our operations remain agile and resilient as climate impacts intensify.

# Extreme weather events
## Value chain: core operations - Sandvik sites

**Risk type: physical (acute/chronic)**

**Risk description**
We assessed multiple physical risk factors likely to impact the business including fire, heat, extreme precipitation and storms. Rising temperatures due to climate change pose a direct risk to the operations across Sandvik sites in Australia. Fire and heat-related impacts such as bushfires can impact both workers and infrastructure at sites. Storms, including cyclones and lightning, coupled with associated heavy rainfall, can directly impact Sandvik sites through operational disruptions, damage to infrastructure and equipment, and directly impacting workforce health and safety.
Many of the Company's acquired sites in the digital technology sector are situated in small office buildings within low-risk urban areas. This geographic positioning increases resilience against extreme climate events, thereby reducing operational disruptions and associated costs in these locations. However, sites located in remote regions such as Kalgoorlie and Mount Isa are exposed to higher risks of heatwaves and extreme heat, while low-lying areas including Brisbane and Mackay are exposed to extreme precipitation and extreme water levels. These risks are expected to persist and may intensify over time, particularly under more severe climate scenarios.

**Current financial effects**
Extreme weather events during the reporting period resulted in identifiable, short term costs as set out below; however, these impacts were not material to the Group's financial position, financial performance or cash flows. Our business continuity plans, incident and crisis management procedures and insurance coverage supported timely response and recovery, ensuring financial effects were contained and operational continuity remained.
In January 2025, our largest service centre in Heatherbrae was impacted by a storm event which caused a two-day site shutdown to manage repairs and ensure the safety of the workplace. Labour costs due to lost time and subsequent overtime totalled $161,000 and property damages were expensed at $290,000. The Incident and Crisis Management Procedure was followed promptly to ensure staff were safe and instructed to work remotely until the site was operational. The business has sufficient insurances in place to mitigate financial losses.
Tropical Cyclone Alfred affected South East Queensland in March of 2025, with minimal impacts to Sandvik sites directly, precautionary measures were implemented to ensure employee safety including flexible working arrangements and site closure. Mitigation actions to suspend work incurred labour expenses of $25,000.
In December 2025, two sites located in Kenwick, Perth were impacted by a local bushfire event. Authorities declared an evacuation alert for all persons within the potential fire zone, this resulted in the evacuations of approximately 70 people from both sites. Workshop production and warehouse activities were suspended for 13 hours and lost labour recovery during this period was estimated at $45,000. Both sites returned to normal operations the following day with no impact to equipment, assets or inventory.

**Anticipated financial effects**
Over the short to medium-term, we may incur additional operating costs associated with more frequent extreme weather events, including repairs and maintenance, business interruption, and potential increases in insurance premiums. We may also incur additional capital expenditure over time to increase site resilience (for example, cooling and ventilation improvements, site hardening and asset protection measures), particularly at higher exposure sites. These investments are expected to help avoid or reduce future downtime and unplanned costs, and are considered through our property planning, site maintenance programs and ERM governance.

**Strategy (effects on business model and value chain, current mitigation impacts)**
We manage these risks through the ERM framework, with controls and redundancies built into the business model designed to support operational continuity. Current measures include the use of evaporative cooling units, personal cooling equipment, electric curtains, and adjusted work schedules to mitigate heat exposure. Our strategic property portfolio assesses climate risk impacts when renewing leases and signing for new sites to address threats in the medium to extended-term. Facilities are equipped with fans, air-conditioned break rooms, and sprinkler systems to help protect staff and assets during heatwaves, bushfires, and storms. Our site with significant heat exposure in Mount Isa, was the first operational facility to install air conditioning in the workshop, keeping our operational team safe. Proactive vegetation management ensures we are resilient to future storm impacts, reducing the risk of fallen trees damaging assets.
This year the Group released a local Sustainability Considerations Guideline to provide practical instructions for managing climate-related risks such as extreme heat and flooding, supporting sites to stay resilient and maintain operational continuity as climate risks intensify. We maintain a crisis management plan, actively monitor weather conditions, and ensure communication plans are in place for staff at risk. These controls are regularly reviewed and enhanced based on climate scenario analysis to address identified vulnerabilities.

**Resilience of the strategy under climate scenarios**
The risk from extreme weather is expected to remain low across all orderly climate scenarios. However, under disorderly and hothouse scenarios, unmitigated risk could increase to medium in the long and extended-term. Sites such as Mt Isa and Kalgoorlie are most at risk of increased frequency and severity of heat events, while Mackay and Brisbane are particularly exposed to storm and flood risks due to their geographic characteristics. We continue to monitor these evolving risks and adapt our strategy accordingly. We have planned a range of measures to implement in the medium-term to increase the resilience of our sites to extreme weather, including regular climate risk assessments, safety audits for climate risk, tailored emergency response plans, and clear communication protocols for staff. We will diversify our supply chain, assess sites for climate risks before leasing, and ensure safe asset storage in flood-prone areas. Planned initiatives also include installing air-conditioning in workshops and leveraging flexible shifts to reduce heat exposure. These actions will strengthen our operational resilience as climate risks evolve.


EXCITER LUBRIC

# Extreme weather events
# Value chain: downstream - customer sites

**Risk type: physical (acute/chronic)**

**Risk description**
Our customers, particularly in Australia, operate in regions exposed to physical climate risks such as extreme heat, bushfires, storms, and heavy rainfall. These events can cause road closures in remote areas, stranding customer sites and Sandvik service staff, which increases costs and operational risk. Other potential impacts include increased cooling requirements for customers, faster equipment wear, higher maintenance costs, operational slowdowns or shutdowns during extreme weather periods, and reduced or hindered access to customer sites. Vulnerability to this risk is evident due to having limited control over managing the consequences. Sites surrounding Mount Isa and Adelaide are most at risk of fire and heat, particularly in a hothouse scenario, while sites surrounding Mackay are especially exposed to storm and flood risks due to their geographic characteristics. Unmitigated, these risks are expected to persist and may intensify over time, especially under more severe climate scenarios.

**Current financial effects (recent impacts)**
Sandvik's Rock Tools and Parts & Services businesses in Australia are the most directly exposed to extreme weather events, as demand for consumables and service support is closely linked to customer production volumes and site accessibility.
There were no material weather-related disruptions at customer sites impacting these businesses in 2025.

**Anticipated financial effects**
Over the short to medium-term, extreme weather events at customer sites may lead to temporary reductions in demand for consumables, parts and services if customer production slows or access to sites is restricted, which can create revenue volatility and working capital impacts. Over the longer-term, increasing physical risk may also shift customer investment toward resilience, safety and remote operations, supporting demand for automation, digital monitoring and maintenance optimisation solutions.

**Strategy (effects on business model and value chain, current mitigation impacts)**
Our business model incorporates resilience through a diversified customer base and stock management practices. We ensure critical parts are readily available and pre-position consignment stock at sites vulnerable to weather disruptions. Supporting our customers in building climate resilience is a critical driver of our strategy to deliver sustainable solutions. By continuously enhancing our offerings, we provide indirect yet significant opportunities for customers to mitigate climate-related risks and maintain operational continuity. Technical solutions such as fire-retardant screening media, higher viscosity oils for equipment, and condition monitoring systems (e.g., MySandvik, DeckMapp, ACS-S) are deployed to detect early signs of equipment damage and plan maintenance proactively. Our digital solutions including AutoMine, robotics and play a key role in mitigating workforce heat exposure while reducing ventilation costs. Other equipment is adapted with air-conditioned cabs to improve worker safety in extreme heat. These measures help our customers maintain productivity and safety during extreme weather events.
Our digital and autonomous solutions, such as remote monitoring systems and automation suite, provide a significant opportunity to maintain operational productivity when extreme weather events restrict site accessibility. These technologies enable remote operation and monitoring of equipment, allowing essential functions to continue despite limited on-site staff presence. In some cases, our autonomous systems and robotics are designed to operate with minimal connectivity, leveraging local control systems and onboard intelligence to ensure continued performance during temporary internet outages or disruptions. This capability is particularly valuable in Australia, where mining and infrastructure sites are often located in remote regions prone to severe weather events.

**Resilience of the strategy under climate scenarios**
Under orderly climate scenarios, the risk from extreme weather at customer sites is expected to remain low across all time horizons. However, both unmitigated and mitigated risks increase under disorderly and hothouse scenarios in the long and extended-term. Sandvik's ongoing investment in automation, condition monitoring, and flexible service models, combined with regular scenario analysis and engagement with customers on their risk portfolio, supports the resilience of our strategy as climate risks evolve.

**Case story**

# Sandvik Partnership at Olympic Dam

Events in 2024 provide a clear example of the potential financial and operational impacts that severe weather can have.

In October 2024, severe storms in South Australia damaged transmission infrastructure supplying power to BHP's Olympic Dam operation near Roxby Downs, resulting in a prolonged power outage from September through November and a temporary halt to operations. Mining activity was significantly reduced during this period, directly impacting demand for drilling consumables and services.

For Sandvik's Rock Tools business, the disruption contributed to an estimated reduction in billing of approximately $700,000, driven by lower production volumes and reduced tool consumption at site.

This example demonstrates how climate-related physical risks, including severe weather and associated infrastructure failures at customer operations, can temporarily suppress demand and create revenue volatility within our consumables and service portfolios. It reinforces the importance of diversified customer exposure, agile forecasting and proactive customer engagement in managing such risks.

# Climate related opportunities

## Demand for transition metals
## Value chain: downstream - customers

**Opportunity type: transition (market)**

**Opportunity description**
Australia is a leading producer of critical and transition metals. Global electrification opportunities including electric vehicles, renewable energy, battery storage and digital infrastructure are expected to increase demand for these commodities, which in turn supports activity in the Australian resources sector.
This opportunity is relevant to the Group because we supply mining equipment, digital technology, automation systems, rock processing solutions and manufacturing tools to customers operating across transition metal value chains.
Growth in greenfield developments and brownfield expansions has increased demand for new equipment and for long term parts and services agreements, as well as productivity upgrades, automation solutions and digital mine optimisation.
In parallel, many Australian critical mineral producers are accelerating adoption of autonomous and digital technologies to improve competitiveness and meet sustainability expectations, which Sandvik's technology capabilities directly support.
Realising this opportunity depends on resilient supply chains and access to a skilled workforce, both of which may be affected by volatile climate conditions. The Group is strengthening resilience through supply chain and workforce planning, and by integrating physical climate risk considerations into risk management and operational decision making.

**Current financial effects**
In the reporting period, approximately 16% of revenue was derived from transition metals including copper and other base metals across our business entities. This provides an indicator of our current exposure to the transition metals market; however, these revenues are not disclosed as a separate line item in the financial statements.

**Anticipated financial effects**
We are well-positioned to support the extraction and processing of transition metals, including through our established expertise in mining equipment, digital solutions, and advanced screening solutions for managing lower-grade ores. Potential impacts include increased revenue from solutions targeted at transition metal projects, expansion of relevant product and service offerings, and increased demand for screening and optimisation technologies as ore grades decline.
As ore bodies become deeper and more complex, mining operations are increasingly adopting automation and digital planning to maintain safety and productivity while managing ventilation, ground support and emergency response requirements. This creates demand and positive anticipated financial effects for solutions such as Sandvik AutoMine, UFR robotics and Deswik planning and optimisation systems.

**Strategy (effects on business model and value chain, current actions)**
Our business model emphasises flexibility and adaptability, with made-to-order solutions and ongoing development of alternative cutting equipment for use outside of thermal coal. We are currently supplying transition metal industries and repurposing thermal coal-specific machinery for mechanical cutting and tunnelling. Our approach includes workforce development to ensure we have the necessary skills to support growth in this sector, and supply chain diversification to navigate potential disruptions. These actions enable us to expand our offering and maintain resilience as market dynamics evolve.

**Ability to execute under climate scenarios**
Under an orderly transition scenario, demand growth for transition metals and associated mining investment is expected to be stronger and more sustained, supporting a medium high opportunity for us to supply equipment, automation, digital and processing solutions to transition metal projects. Under disorderly and hothouse scenarios, the timing and scale of transition metal demand and capital deployment may be more volatile or deferred; however, our business remains resilient due to our diversified exposure across commodities, customers and sectors, and our ability to redeploy capital equipment and services across the broader resources and infrastructure market. Our ongoing investment in product innovation, supply chain diversification and workforce development supports reliable delivery and helps us capture transition metal opportunities across a range of climate futures.

**Judgement applied to commodity risks**
In assessing industry-related risks under climate scenarios, we specifically considered our exposure to thermal coal to assess the impact of an accelerated transition away from this commodity in favour of renewable energy and critical minerals. Part of our standard risk management process is to monitor commodity trends to remain agile through cycles and maintain a diversified portfolio of resources and sectors. Existing shifts in commodity demands have reduced the Group's revenue share from thermal coal over the past several years. As a result, exposure to phased-out minerals, including thermal coal, was assessed and determined to be an immaterial risk for Sandvik's Australia Holdings business – rather we are positioned well to seize the opportunity to service transition metal mining and processing.

# Low emissions Goods and Services
## Value chain: downstream - customers

**Opportunity type: products and services**

**Opportunity description**
One major advantage of the transition to a low-carbon economy is the rapid electrification of society, which is driving demand for critical minerals and fossil-free energy sources. Sandvik is a global leader in electric mining equipment and supplies advanced tools and tooling systems for the energy sector, including renewables. The growing market for battery-electric and hybrid trucks presents significant opportunities for our mining portfolio. We also see a growing opportunity to develop our customer offering through digital solutions, to support our customers to become more resilient, productive and automated.

**Current financial effects**
No material quantitative financial effects in the current period, however Sandvik's strategic collaboration on diesel-electric underground equipment is expected to produce positive material financial effects in future.

**Anticipated financial effects**
The formalised agreements with leading contractors Byrnecut and Perenti in 2024 have not yet led to material revenue changes; however, they have enabled a pipeline of product development and technical engagement throughout 2025. These collaborations represent an investment in innovation and capability-building, which positions us to capture future market share in low-emission mining solutions as demand accelerates. While direct financial impacts remain limited in the short-term, these strategic partnerships are expected to drive future revenue growth and resilience by expanding our low-emission portfolio and strengthening relationships with key industry partners.

**Strategy (effects on business model and value chain, current actions)**
Across all our businesses and value chains, we have opportunities to enable the transformation into a low-carbon economy through innovative, sustainable solutions and close collaboration with customers and suppliers. Sandvik has an integral role in the transition to a low carbon economy – with solutions that help our customers improve productivity, safety, and resource efficiency in their operations. Through our technology leadership and innovation capabilities in areas such as automation, digitalisation and electrification, we have a unique opportunity to drive sustainability in our customers' industries.
We aim to be a key enabler of our customers' transitions through a strong focus on innovation and a leading offering in new technologies, digitalisation, automation, and sustainable solutions. About 4 percent of Sandvik AB's annual revenues are spent on Research and Development (R&D) to ensure a leading product offering which cascades to the Group, enabling us to execute the strategy for low emissions goods and services. Sustainability is then integrated in all aspects of product development at Sandvik AB level with the Product Sustainability Plan, Sustainability Design Analysis Tool, and Product Carbon Footprint Calculation.
Our electrification journey is integral to our broader sustainability strategy, delivering substantial reductions in emissions, heat, and noise, while improving safety and productivity for our customers. Through continued innovation and collaboration, we remain at the forefront of the industry's transition to low-emission, electrified mining solutions. We are additionally investing in targeted recruitment and training to build electrical and digital competencies, ensuring the workforce is ready to support the transition to low-emission solutions.
Sandvik AB's digital offering has rapidly expanded in recent years, driven by strategic acquisitions such as Deswik and Universal Field Robots (UFR), which have significantly enhanced our capabilities in digital mining technology, automation, and data-driven solutions. Our portfolio now includes advanced digital platforms for mine planning, collision avoidance, automation and robotics, offering an interoperable safety system for efficient and sustainable mining. This growth enables us to deliver innovative, low-emission goods and services that support our customers' energy transition and sustainability goals. By enabling remote operations, predictive maintenance, and process optimisation, our digital solutions help reduce energy consumption, lower emissions, and improve resource efficiency across the mining and infrastructure value chain. These technologies not only drive productivity and safety but also empower our customers to meet their decarbonisation targets, making Sandvik a key enabler in the transition to a more sustainable, low-carbon economy.

**Ability to execute under climate scenarios**
The opportunity for growth is high in the medium- and long-term under orderly and disorderly scenarios, as demand for low-emission solutions accelerates. Our ongoing investment in innovation, digitalisation, and sustainability-focused product development supports our ability to capture this opportunity and remain resilience under a range of climate scenarios. In the case of a hothouse scenario, we continue to maintain our diesel offering to ensure resilience to a delayed adoption of net zero policies and incentives.

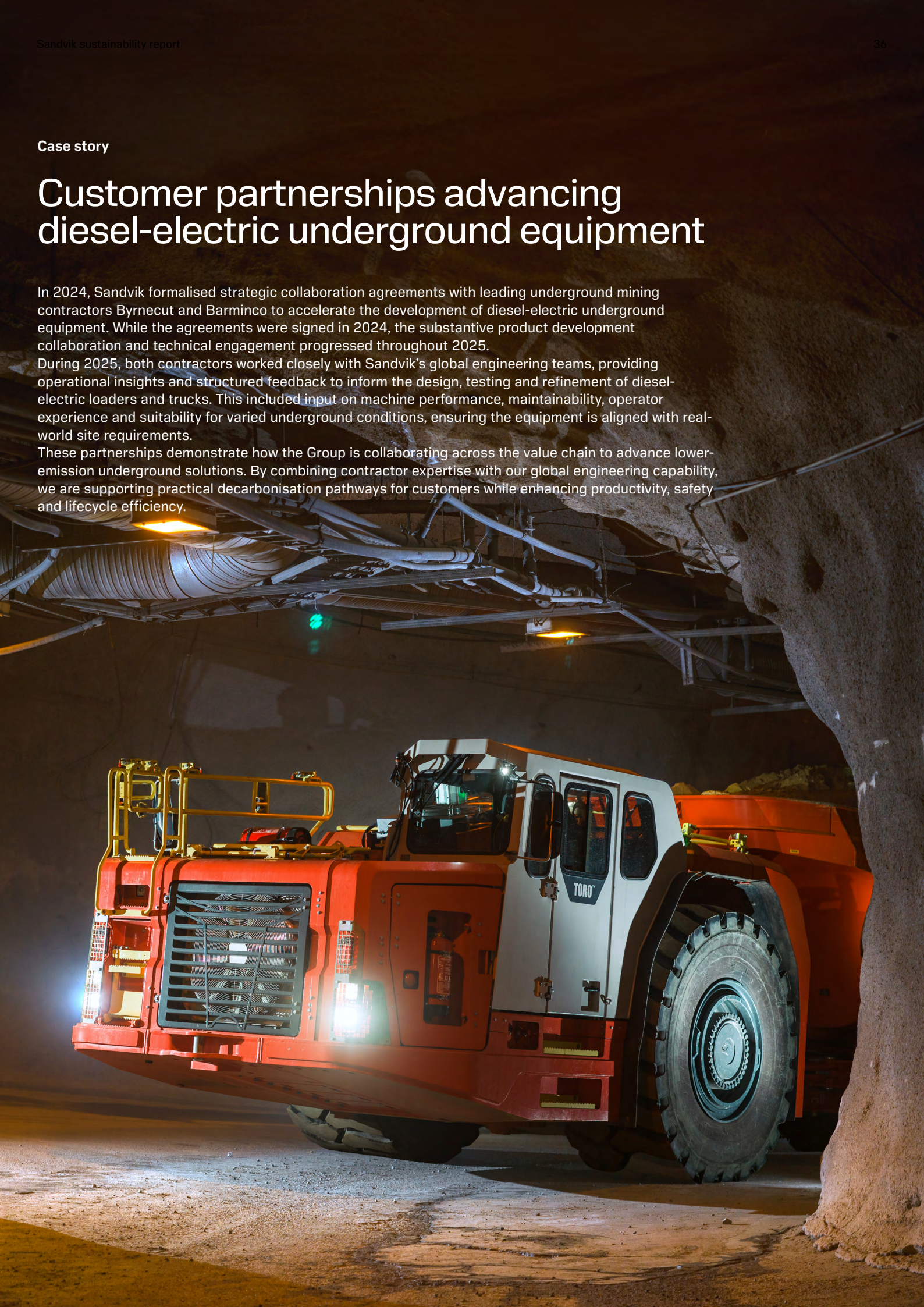
**Case story**

# Customer partnerships advancing diesel-electric underground equipment

In 2024, Sandvik formalised strategic collaboration agreements with leading underground mining contractors Byrnecut and Barminco to accelerate the development of diesel-electric underground equipment. While the agreements were signed in 2024, the substantive product development collaboration and technical engagement progressed throughout 2025.

During 2025, both contractors worked closely with Sandvik's global engineering teams, providing operational insights and structured feedback to inform the design, testing and refinement of diesel-electric loaders and trucks. This included input on machine performance, maintainability, operator experience and suitability for varied underground conditions, ensuring the equipment is aligned with real-world site requirements.

These partnerships demonstrate how the Group is collaborating across the value chain to advance lower-emission underground solutions. By combining contractor expertise with our global engineering capability, we are supporting practical decarbonisation pathways for customers while enhancing productivity, safety and lifecycle efficiency.



Case story

# Sandvik electrifies its entire intelligent rotary blasthole drill range

In 2025, Sandvik AB made a significant advance in supporting the mining industry's sustainability transition by electrifying our entire intelligent rotary blasthole drill range. Building on product development work carried out in prior years, we launched fully electric versions of the DR410iE, DR411iE, DR412iE, DR413iE and DR416iE rotary drills, covering hole diameters from 152 mm to 406 mm and offering customers a practical pathway away from traditional diesel power.

These electric drill rigs use the same modular platform as existing diesel-powered models but integrate robust electric power systems designed for demanding mining conditions, including soft starters to minimise grid impact and flexible multi-voltage motors suited to varied site power infrastructures. Customers also have the option to convert diesel-powered rigs to fully electric in the field, extending the life of existing assets while enhancing sustainability outcomes.

Operators benefit from familiar control systems across the i-series range, simplifying training and adoption, while the electric drivetrains deliver improved energy efficiency and reduced emissions — an important step toward meeting industry decarbonisation goals.

This development illustrates how the Group is bringing electrification solutions to market in 2025 that help our customers reduce greenhouse gas emissions and cost of ownership, demonstrating tangible progress in sustainable mining equipment innovation.

# Circularity
## Value chain: upstream, core operations and downstream

**Opportunity type: products and services**

**Opportunity description**
Circular economy principles are a key enabler of the transition by optimising resource efficiency, reducing waste and minimising reliance on scarce materials. Our opportunity for growth within the circular economy is evident throughout each phase of the value chain, including sourcing of responsible and recycled materials, minimising waste in our operations, and refurbishing and recycling sold components.

**Current financial effects**
The current financial effects of circularity initiatives including refurbishment, rebuild services and buy-back programs, are primarily reflected in ongoing operating costs and revenues within business as usual activities, and are not separately identified as material line items in the financial statements.

**Anticipated financial effects**
Over the medium to long-term, circularity is expected to support revenue growth from buy-back programs, life extension, and end of life services, as well as increased demand for recycled or lower impact materials in products. Scaling circularity may require additional operating expenditure (for example, collection logistics, sorting and processing partnerships, systems and training) and may involve input cost premiums for low carbon or recycled materials in some supply chains. Over time, greater recovery and reuse of components, reduced waste disposal costs and improved material security are expected to support cost efficiencies and resilience, while helping customers meet sustainability expectations.

**Strategy (effects on business model and value chain, current actions)**
Circularity is integrated in our strategy and our business model and is one of our sustainability focus areas and an important aspect of our sustainable solutions. We actively work with prolonging the lifecycle of our products and increase resource recovery. We aim to increase recycled content in our products, we run buyback programs to reuse materials and offer reconditioning and refurbishment of our products. Our sites in Australia and New Zealand are regularly implementing improvements to material recovery and recycling streams in our own operations.
We have implemented several product component life extension and recycling initiatives to implement circular principles. As the first Original Equipment Manufacturer in Australia to offer local carbide recycling, we have pioneered a program that preserves critical resources and supports secure, responsible supply chains. Through convenient buy-back programs and resource recovery initiatives, we collect used cemented carbide inserts, drill bits, and rock tools from customers, recovering valuable materials for reintroduction into our production processes. Through this initiative, some product streams reach up to 90% recycled content. We have additionally trialled buy-back programs for our trucks, loaders and drills achieving on average 90% material recovery. Large scale viability of this program is challenging due to equipment condition and ability to acquire at the machine's end of life.
Additionally, approximately 70% of all rock processing screens are refurbished, resulting in up to 50% of components being reused. We are also conducting studies to evaluate the economic feasibility of introducing screen media recycling and reclaiming worn panels from customers, rather than sending them to landfill. These initiatives help reduce our reliance on new raw materials, lower costs, and support our sustainability commitments.
Sandvik offers SSAB Zero Steel TM on our truck dump boxes to promote the use of recycled steel which is processed using renewable energy. However, in the supply chain there remains a green premium on low-carbon steel which is a barrier to implement and scale low-emissions steel components in our equipment. More advanced carbon pricing and boarder adjustment policies and incentives are required to support investment in low emissions steel.

**Ability to execute under climate scenarios**
Sandvik has a strong foundation to execute this opportunity due to existing recycling and refurbishing programs. The scale of the opportunity is low compared to others due to external factors, however niche opportunities are evident in the extended-term with respect to orderly and disorderly scenarios.

# Transition plan

## Overview of the Transition Plan

The Group has developed a climate related Transition Plan aligned with Sandvik AB's SBTi validated 1.5°C pathway. The plan sets out the actions, assumptions, dependencies, resource commitments and progress supporting our transition toward a lower carbon, climate resilient operating model. The Transition Plan encompasses both mitigation and adaptation activities, addressing Scope 1–3 greenhouse gas emissions while strengthening our resilience to physical climate impacts.

# Transition Targets

## Sandvik AB (SBTi-validated) targets

Since 2023, Sandvik AB's greenhouse gas (GHG) reduction targets have been validated by the Science Based Targets initiative (SBTi), confirming their alignment with the latest climate science and adherence to the objectives of the Paris Climate Agreement to limit global warming to 1.5°C. Sandvik AB has committed to reducing emissions from our own operations while reducing emissions from customers, suppliers and transport, aligned with the following SBTi-approved targets:

**50%**

**Reduction of absolute Scope 1 and 2 emissions by 50% by 2030 (baseline 2019).**

**30%**

**Reduction of absolute Scope 3 emissions by 30% by 2030 (baseline 2019).**

**90%**

**Reduction of absolute Scope 1 and 2 emissions by 90% by 2040.**

**0.0**

**Net zero emissions across Scopes 1, 2 and 3 by 2050.**

These targets guide the ambition for all Sandvik entities globally. The Group has a role reducing Scope 1 and 2 emissions of our operations, and a responsibility to continue to engage with customers to drive the adoption of low emissions goods to reduce the downstream emissions of Sandvik AB.

## Local targets

Sandvik Australia Holdings adopts the following targets:

**50%**

**Reduction of absolute Scope 1 and 2 emissions by 50% by 2030 (baseline 2019).**

**90%**

**Reduction of gross Scope 1 and 2 emissions by 90% by 2040.**

**0.0**

**Net-zero emissions across Scopes 1, 2, and 3 by 2050**

Within this global framework, we contribute through targeted local actions aimed at reducing Scope 1 emissions from transport and equipment, lowering Scope 2 emissions through on site solar, energy efficiency and renewable energy procurement, and enabling reductions in Scope 3. Towards our 2050 net-zero target, our Scope 3 efforts focus on customer decarbonisation through sustainable solutions from electrification, automation, digital mining technologies, and efficient equipment offerings. We also collaborate with suppliers to increase recycled content and strengthen resilience. Local baselines and performance metrics for Australia are reported in the Metrics & Targets section (p.48-52).
The Group's decision to not adopt the target to reduce absolute Scope 3 emissions by 30% by 2030 is concerned with the emissions accounting methodology of our distributed products. Emissions associated with material sourcing and use phase (Category 1: Purchased Goods and Services and Category 11: Use of Sold Products), which account for 85% of Sandvik AB total GHG emissions, are accounted for by product Divisions rather than Sales Areas.

# Key transition actions

## Decarbonisation of operations (Scope 1-2)

Operational decarbonisation is being driven by major programs across transport, production, and energy. In transport, our Low Emissions Vehicle (LEV) Strategy guides the optimisation of our fleet to determine efficiencies for all vehicle categories. This includes identifying fit for purpose LEV* models, providing adoption incentives, reducing surplus vehicles and increasing renumeration options regarding vehicles. Our Forklift Strategy guides the complete transition to electric alternatives and suitable handheld equipment by 2030.
Within production processes, we are investigating the availability of low emission or renewable fuels and progressively replacing high emission equipment with more efficient alternatives. However, renewable fuels are not considered a viable option in the local markets at this time due to supply challenges and conflicting industry demands. The availability of fuel alternatives is a dependency in our plan beyond 2030, however in the short to medium-term, we have taken a conservative approach that balances ambition with certainty, our Transition Plan has a low risk of failure as it relies on readily available mechanisms and resources.
For energy decarbonisation, we are expanding rooftop solar capacity across major workshops and warehouses and procuring renewable electricity for leased properties through accredited schemes. We will invest in battery storage where it is beneficial for the operation. We continue to deliver energy efficiency improvements at our sites through equipment, cooling and lighting. Site level operational resilience is strengthened through the implementation of our Sustainability Considerations Guideline, which provides practical instructions on managing climate related operational risks such as heat and precipitation.

*Low Emissions Vehicles (LEVs) considered as hybrid, plug-in hybrid or electric vehicle models.

## Value chain & Scope 3 decarbonisation

Our Scope 3 decarbonisation strategy centres on circularity, supplier engagement, and the deployment of low emission solutions for customers. We increasingly source recycled materials, particularly steel and tungsten, and maintain long standing buy back programs for cemented carbide inserts, drill bits and tools. These initiatives enable high levels of recycled content, with certain carbide product streams reaching up to 90 percent recycled tungsten. Our refurbishment programs in rock processing achieve substantial material recovery, and we continue to develop recycling pathways for screen media and end of life equipment. For customers, we support decarbonisation through electrified mining equipment, digital optimisation platforms, condition monitoring tools, and remote operation systems that reduce ventilation requirements, improve energy efficiency and maintain productivity during extreme weather. We have also introduced lifecycle assessment tools to calculate $CO_2$ footprints for screening and mining equipment and tools, increasing visibility of downstream emission reductions.

## Key dependencies and external constraints

Execution of the Transition Plan relies on several external factors, including the availability of renewable electricity from the grid, supplier capacity to provide circular or low carbon materials, and technological maturity of electric or autonomous mining equipment in Australian conditions. Infrastructure limitations, particularly at leased sites, may influence the feasibility of solar deployment or charging infrastructure. National and international policy changes affecting low carbon fuels and material costs also represent key dependencies. Customer procurement cycles and their willingness to adopt electrified or autonomous solutions further influence the pace of Scope 3 reduction. Each dependency is assessed through the ERM process and informed by insights from our Climate Scenario Analysis.

# Resource allocation

## Financial resources

The financial resources allocated to the Transition Plan are embedded within standard capital and operational expenditure planning. These investments include fleet electrification, solar installations, renewable energy procurement, energy efficiency upgrades, and workforce capability building. At Sandvik AB level, approximately four percent of annual revenues are dedicated to research and development, supporting electrification, digitalisation and product sustainability across the global portfolio.

## Operational resources

Operational resources supporting the Transition Plan include cross functional collaboration among sustainability, fleet, procurement, property, finance and HR teams. Operations teams lead climate risk adaptation efforts at the site level, while Sandvik AB governance structures provide oversight for SBTi target progress, sustainability informed product design and product emissions accounting capabilities.

# Progress to date

During the reporting year, we increased the proportion of low emission vehicles in its fleet by seven percent and invested approximately $30,000 in renewable electricity procurement through the Australian Government accredited GreenPower scheme. Additionally, 908 megawatt hours of renewable energy was generated in 2025 between five locations with rooftop solar installations.
The Sustainability Considerations Guideline was deployed to all operational sites to improve resilience to extreme heat and precipitation impacts. Heat mitigation, storm preparedness and site specific adaptation awareness was increased across high risk regions including Mount Isa, Mackay, Perth and Brisbane. Digital and autonomous solutions continued to scale, with increased adoption of Deswik, UFR and AutoMine technologies, supporting customers in reducing emissions and improving operational resilience. Further quantitative results are disclosed in the Metrics & Targets section (p.48-52).

# Monitoring and review

The Transition Plan is overseen by the Sustainability Team and Sustainability Committee, with progress reviewed quarterly across the Executive Management Team. Sandvik AB governance structures ensure alignment with the global strategy, sustainability commitments and SBTi targets. The Transition Plan undergoes an annual review to integrate updated regulatory developments, technological progress and performance against interim targets.
Planned refinements include expanding low emission vehicle adoption across higher utilisation fleet categories, increasing renewable electricity procurement for leased sites, and further integrating digital solutions that support customer level emissions reductions. Sandvik will continue to develop and scale circularity initiatives, strengthen recycling pathways and invest in site level climate resilience, including property risk assessment and infrastructure upgrades.
These forward actions ensure that the Group continues to progress toward its 2030 and 2050 climate commitments while maintaining operational resilience and strategic alignment.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# Risk management

## Risk landscape

Achieving the Sandvik strategy is dependent on continuously managing the risks associated with it. These risks can be driven by external factors where our ability to influence them is limited and risk mitigation is therefore focused on agility and adaptability. Others can be more directly within our own control. We continue to operate under our well-established ERM process which is used in all Group entities for analysing risks in the local entity, business unit, division, or business area.

## Risk management policies and procedures

Risk management policies and procedures are set by Sandvik AB or Business Areas and implemented in local jurisdictions. Strengthening and reviewing the resilience of our strategy and business model is integrated in our strategy development. To effectively identify and manage risk is an important element of business success for all parts of Sandvik.
Our policies and procedures related to climate risk management:

- Sandvik has an Enterprise Risk Management (ERM) program to support the day-to-day risk management within operations. Effective Risk Management supports management efforts to identify, measure, respond to, monitor and report risks that in different ways may affect the achievement of Sandvik's strategic, operational and financial objectives.
- ERM refers primarily to the activities, carried out by management in the business, to identify and evaluate strategic, business and financial risks material to the business, agree on risk response, risk reporting and communication of those risks and the follow up and monitoring of risks.
- Business continuity is a strategic approach that involves the development of a response to safeguard the entire business by managing the impact of a business disruption to achieve the company's business objectives for survival, irrespective of the cause of the disruption.
- The Crisis Management Procedure ensures that unexpected events are managed properly, consistently and at the right organizational level within Sandvik, it is necessary to have a common Group approach for crisis management and to establish the right capability where necessary. The Crisis Communication Procedure outlines how the communication aspects shall be handled in an incident or crisis situation.
- Sandvik's Insurance Procedure stipulates that insurance is managed at Group level to enable Sandvik to leverage its entire buying power to achieve the best possible terms and conditions. It also enables customised risk transfer solutions, lower insurance premiums and higher insurance limits.
- Sandvik's Property Loss Prevention Procedure details the terms for management of fire risks, 'natural catastrophe' risks and physical loss prevention within Sandvik.

These processes are integrated into and inform the Group's overall risk management process.

# Risk process

## Process for identification, assessment, prioritisation and monitoring of CRROs

The Group has been managing climate-related risks and strengthening climate-related opportunities as part of our strategic objectives and regular business conduct for several years, with considerations to extreme weather trends affecting our presence in various regions, supply chain disruptions, and a changing regulatory environment regarding sustainability expectations. In the reporting year, we strengthened our existing Enterprise Risk Management (ERM) process to incorporate climate scenario analysis and AASB S2 reporting requirements. Climate-related risks and opportunities (CRROs) are identified, assessed, prioritised and monitored within ERM, with inputs from scenario analysis, stakeholder engagement and external expertise where required.
CRROs were initially identified and assessed with support from SLR Consulting and then integrated into Group entity risk registers and prioritised using our ERM criteria, informed by scenario-based impacts across time horizons. This four-step approach supports consistent evaluation of severity and likelihood and alignment with our broader risk appetite.

**01 Identification**
CRROs are identified through our established ERM process, supplemented in 2025 by external climate science and benchmarking to integrate qualitative climate scenario analysis insights. SLR Consulting supported the initial identification by facilitating interviews and workshops with senior leaders across the Group's Australian businesses to develop a long list of potential CRROs. These insights were screened for relevance to our strategic, operational and financial context in Australian operations, across the value chain and time horizons, resulting in 13 CRROs for scenario assessment.

**02 Assessment**
CRROs were assessed using our ERM methodology and climate scenario analysis. Three climate scenarios and four time horizons defined in the Scenario Selection section (p.24) were applied to evaluate impacts across a range of plausible futures, utilising expert climate science systems to extrapolate physical risk levels and macroeconomic trends to inform transition risks.. Physical and transition risks were assessed for exposure, sensitivity, adaptive capacity, likelihood and potential business impact. Opportunities were assessed for scale, strategic alignment, contribution to resilience and feasibility within our current and future operating environment.
Scenario outputs and key assumptions were validated with cross-functional stakeholders, and existing controls and mitigation pathways were assessed to inform our resilience view and subsequent ERM integration.
Sandvik AB performed a physical risk assessment across global sites using site geo-coordinates and total insured value to evaluate exposure to acute and chronic hazards (e.g., flood, precipitation, heatwave, drought, wildfire and wind) under a high-emissions scenario (IPCC SSP5-8.5). We cross-referenced the results with our local assessment to confirm coverage and identify any gaps; the findings were broadly consistent.

**03 Integration with existing processes – prioritisation of CRROs relative to other risks**
Following identification and assessment, we incorporated relevant CRROs, risk scores and key impacts into our ERM processes to ensure consistent prioritisation alongside other strategic, business and financial risks.
Climate-related risks are prioritised using our ERM criteria (likelihood and financial impact measured through EBIT thresholds), together with relevant non-financial considerations such as safety, business continuity and regulatory compliance.
Climate-related opportunities are prioritised based on their potential to enhance resilience, support customer transition needs and contribute to our strategic objectives.
Material CRROs are integrated into entity risk registers, assigned to risk owners and reviewed through the annual ERM workshop and bi-annual risk reviews. Controls, mitigation actions and target residual risk levels are assessed against risk appetite, with escalation through established governance forums where required.

**04 Monitoring**
CRROs are monitored through our ERM cycle. Risk owners are accountable for implementing mitigation actions, monitoring control effectiveness and updating risk profiles. Risk registers are updated at least twice annually, with CRROs reviewed in the annual ERM workshop. Material changes and key actions are reported through management channels, the bi-annual Australian Business Review, the Sustainability Committee and may be escalated to respective Boards.
We will continue to strengthen monitoring by improving consistency of time-horizon application and, as capability matures, incorporating more quantitative climate-risk scoring within ERM. Climate scenario analysis will be refreshed at least biennially to reflect updates in climate science, regulation and market expectations.


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# Metrics and targets

## Greenhouse Gases for 2025 period

### Operational GHG emissions

**Reporting principles**
The Group measures and reports GHG emissions in accordance with the GHG Protocol: Corporate Standard, employing the operational control approach. All greenhouse gases, facilities, activities, geographies and operations are included in our GHG reduction targets. Emissions include all consolidated subsidiaries over which Sandvik Australia Holdings has operational control, which aligns with our emissions reporting boundaries. We do not have any material joint ventures or associates. We employ the operational control approach, as outlined in the GHG Protocol Corporate Standard.

**Table 5 Greenhouse Gas Emissions 2025**

| | Year |
|---|---|
| **Scope, metric tonnes $CO_2$ equivalent** | **2025** |
| Scope 1 | |
| Gross scope 1 GHG emissions | 3455.1 |
| Scope 2 | |
| Gross location-based scope 2 GHG emissions | 6952.7 |

### Progress against climate-related targets

As described in the Transition Plan section (p.39-43), the Group adopts the following targets:
- Reduction of gross Scope 1 and 2 emissions by 50% by 2030 (baseline 2019).
- Reduction of gross Scope 1 and 2 emissions by 90% by 2040.
- Net zero emissions across Scopes 1, 2 and 3 by 2050.

Our Scope 1 and 2 emissions reduction targets are set and tracked on a market-based Scope 2 basis, consistent with the Greenhouse Gas Protocol and Sandvik AB's SBTi-validated methodology. However, because the Group operates across multiple jurisdictions where contractual instrument frameworks and market-based accounting methodologies differ, a consolidated market-based Scope 2 and combined Scope 1 and 2 emissions total may not be comparable across countries and is therefore not disclosed this reporting period. We report location-based Scope 2 emissions and provide separate information on renewable electricity procurement, including GreenPower volumes, and other transition actions to support users' understanding of our progress toward the targets. Performance remains consistent with our targets and in line with our Transition Plan (p.39-43). Scope 1 emissions have increased with organic growth due to higher mobile equipment utilisation and increased service operations. Location based Scope 2 emissions decreased moderately despite business growth. Renewable electricity including solar generation and GreenPower procurement increased during the year and supports our decarbonisation strategy. Reductions are expected to accelerate as low-emissions vehicles, solar installations and energy efficiency projects scale across operational sites. Performance against Group's SBTi targets is assessed using market-based Scope 2 emissions, consistent with the global SBTi methodology. Our targets are gross targets, which do not include GHG removals, carbon credits or avoided emissions as a means of achieving GHG emission reductions. We contribute directly to our emissions reduction targets through the following means. Performance against these targets is monitored quarterly via the Sustainability Committee and other internal reporting channels. See more on our Key Transition Actions in the Transition Plan section (p.39-43).

Adoption of Low Emissions Vehicles (LEV)

Transition to electric forklifts by 2030

Expansion of rooftop solar installations

Procurement of renewable electricity for owned and leased sites

Energy efficiency enhancements (cooling, lighting, building performance)

# Methodology, inputs and assumptions

The Group calculates Scope 1 and 2 emissions using activity-based measurements for fuel, gas and energy consumption. Activity data is collected for the emissions sources:

- Scope 1 GHG emissions: quantities of diesel, gasoline, liquefied petroleum gas and natural gas consumed based on third-party provided information such as supplier invoices or consumption-based reports.
- Scope 2 GHG emissions: quantities of purchased electricity consumed based on third-party provided information such as consumption-based reports which consolidate invoice data from several suppliers.

For activity data that is not available on a timely basis, estimates based on historical data are used. For activity data that is missing, proxy data is applied.

**Emissions factors**
Scope 1 and 2 GHG emissions for Australian locations are calculated using the most recent Australian National Greenhouse Account Factors. Scope 1 and 2 GHG emissions for locations outside of Australia are measured using the most recent country-specific emission factors developed by the UK Department of Environment Food Rural Affairs (DEFRA) and International Energy Agency (IEA).

**Scope 2 emissions – contractual instruments**
During the reporting period, Australian entities procured GreenPower accredited renewable electricity as part of our renewable electricity sourcing strategy. GreenPower is an Australian Government-accredited program that enables the purchase and retirement of renewable electricity attributes through Energy Attribute Certificates. We validate GreenPower contracts and certificate retirement as part of our emissions data controls.
Due to differences in market-based Scope 2 accounting approaches, contractual instrument frameworks and data availability across the jurisdictions in which the Group operates, we have not disclosed a consolidated market-based Scope 2 emissions figure in this reporting period. We instead report location-based Scope 2 emissions and provide information on contractual instruments (including GreenPower volumes) to support users' understanding of our renewable electricity procurement activities.

**Estimation Uncertainty and Controls**
Emissions data is subject to limited estimation uncertainty, primarily relating to fuel usage in mixed purpose equipment and accruals for late utility invoices. Internal controls include:

- Three-way reconciliation of electricity and fuel consumption between third-parties, the Environment, Health and Safety Team and the Sustainability Team
- Validation of GreenPower certificates
- Annual review of emissions factors

Sandvik has procured over 1100 megawatt hours of GreenPower in Australia to support renewable energy generation and grid decarbonisation

# Additional metrics

We have not currently adopted any targets related to renewable energy deployment, energy efficiency, transitional risk mitigation or climate adaptation. Sandvik recognises the importance of addressing climate change adaptation in relation to physical risks. This aspect is addressed in our Enterprise Risk Management (ERM) process, business contingency plans, crisis management procedures, property risk assessments and insurance reviews, and site-level sustainability guidelines. We track the effectiveness of our policies through several monitoring processes, where each policy outlines how compliance is monitored.

**Table 6 Climate-related metrics**

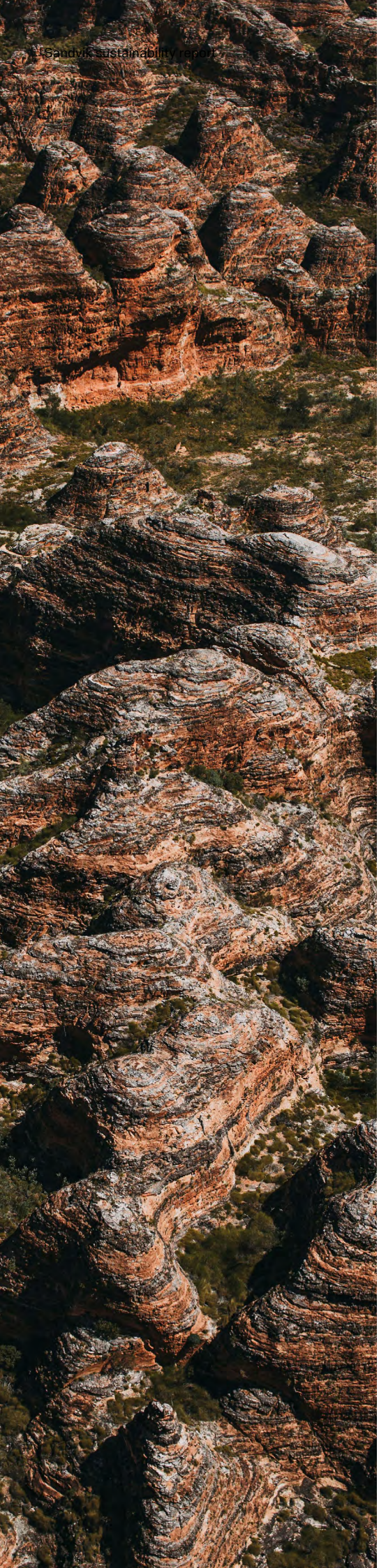
| Category | Percentage or amount, metric and description |
|---|---|
| Metrics to measure progress | – 22% of total energy is sourced from renewables through on-site solar generation and GreenPower.<br>– 7% increase in LEVs in fleet |
| Investment in decarbonisation and adaptation | – $30,000 invested in for GreenPower for the period.<br>– $319,000 invested in leasing of LEVs.<br>– $49,600 invested in adaptation to storm effects. |
| Business activities aligned with climate opportunities | – 16% of revenue from transition metals including copper and other base metals. |

# Vulnerability of assets to climate risks

Vulnerability of assets to climate-related physical risks is limited to risks occurring in our own operations as this was the scope of our climate data assessments, rather than geographic locations in our supply chain or specific customer sites. To determine the value of assets exposed to climate-related physical risks, we reference the Sandvik AB physical risk assessment conducted in 2025 which assessed climate-related hazards on all global sites exceeding a total insured value threshold of 50 MUSD (~72MAUD) to represent materiality. We utilise this assessment as it was conducted based on total insurance value of all global sites as opposed to a sample selection, and it spotlighted risks occurring in the hothouse scenario (akin to the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathway SSP5-8.5) to plausibly reflect the maximum expected risk exposure in terms of severity and likelihood.
This metric defines the proportion of assets exposed to material acute or chronic physical climate risks in a hothouse scenario across defined time horizons.

**Table 7 Asset vulnerability to physical climate risks**

| Location | % of total assets |
|---|---|
| Heatherbrae, New South Wales | 6.3 |
| Kenwick (workshop), Western Australia | 5.7 |
| Kenwick (warehouse), Western Australia | 6.7 |
| Virginia, Queensland | 5.7 |
| Pinkenba, Queensland | 5 |
| Sunshine, Victoria | 4 |



# Carbon Pricing

No internal carbon pricing mechanisms are currently applied as other strategies for managing climate-related risks and reducing emissions are prioritised at this stage. There is potential for the CO2 Assessment Procedure to adopt a carbon price in future. We will continue to monitor industry practice and regulatory developments and may reassess the adoption of internal carbon pricing in the future.

# Renumeration

Consistent with Sandvik AB, the Group did not incorporate sustainability or climate-related performance metrics into incentive schemes during 2025.

# Metrics governance and review

Climate related metrics are overseen by the Group Sustainability Committee. Metrics are reviewed annually, with ongoing improvements or assessments considered for:

- Enhanced energy and emissions data automation
- Inclusion of Scope 3 calculations and validation
- Quantification of climate related transition risks and opportunities
- Carbon pricing
- Executive renumeration

# Closing

Sandvik Australia Holdings is committed to delivering a transparent, credible and forward looking sustainability statement that reflects both our responsibility and our ambition in responding to climate change. Through the integration of AASB S2 requirements into our strategy, governance, risk management processes and metrics, we have built a foundation that strengthens our resilience and supports long term value creation for our employees, customers, shareholders and communities.

This first year of AASB S2 reporting represents an important milestone. Our climate scenario analysis, transition planning and governance structures have enabled us to accelerate our understanding of both the risks that climate change poses to our business and the significant opportunities it highlights in supporting customers through electrification, automation, digitalisation and circularity. These insights are embedded across our operational and strategic frameworks, ensuring climate considerations shape decision making at all levels of our organisation.

While uncertainties remain, particularly in the maturity of forward looking climate modelling and the evolving regulatory landscape, we are committed to continuous improvement. As data quality, modelling tools and global best practice evolve, our disclosures will expand in depth and sophistication. We will continue to strengthen internal capabilities, mature our scenario analysis, and enhance our ability to quantify financial impacts over time.

Our long term ambition remains clear: to support the transition to a low carbon and climate resilient economy while maintaining operational excellence, enabling customer success, and contributing positively to society. Through ongoing collaboration across our value chain, investment in sustainable solutions, and rigorous governance, we are well positioned to meet our targets and continue to build a resilient and responsible business for the future.

# Appendix 1 Group entities

The Group is controlled by the following entities:

in percentages (%)

| Name | Type | Ownership | |
|---|---|---|---|
| | | 2025 | 2024 |
| Sandvik Finance BV | Immediate parent entity | 100 | 100 |
| Sandvik AB | Ultimate parent entity and controlling party | 100 | 100 |

Interests in material subsidiaries in which Sandvik Australia Holdings Pty Limited has direct control are as follows. They have share capital consisting solely of ordinary shares that are held directly by the group. The country of incorporation or registration is also their principal place of business.

| Name | Country of incorporation | Ownership | |
|---|---|---|---|
| in percentages (%) | | 2025 | 2024 |
| Sandvik Australia Holdings Pty Ltd | Australia | N/A | N/A |
| Sandvik Australia Pty Ltd | Australia | 100 | 100 |
| Sandvik Mining and Construction Australia Pty Ltd | Australia | 100 | 100 |
| Sandvik Mining and Construction Australia Pty Ltd (New Zealand branch) | New Zealand | 100 | 100 |
| Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd | Australia | 100 | 100 |
| Sandvik Mining and Rock Tec Global Roles Australia | Australia | 100 | 100 |
| Terelion (Australia) Pty Ltd | Australia | 100 | 100 |
| Tricon Drilling Solutions Pty Ltd | Australia | 100 | 100 |
| Deswik Group Pty Ltd | Australia | 100 | 100 |
| Deswik Europe Ltd | United Kingdom | 100 | 100 |
| Deswik Kazakhstan LLP | Kazakhstan | 100 | 100 |
| Deswik USA Inc. | United States of America | 100 | 100 |
| Deswik (Canada) Inc. | Canada | 100 | 100 |
| Deswik Chile SpA | Chile | 100 | 100 |
| Deswik Colombia S.A.S | Colombia | 100 | 100 |
| Deswik Mexico S.A de C.V. | Mexico | 100 | 100 |
| Deswik Peru S.A.C. | Peru | 100 | 100 |

| Name | Country of incorporation | Ownership | |
|---|---|---|---|
| in percentages (%) | | 2025 | 2024 |
| Deswik Mining Consultants (Pty) Ltd | South Africa | 74 | 74 |
| Zebenza Kanzima (Pty) Ltd | South Africa | 49 | 49 |
| Deswik Software Solutions Pty Ltd | Australia | 100 | 100 |
| Deswik Brazil Holdings Pty Ltd | Australia | 100 | 100 |
| Deswik Mining Consultants (Australia) Pty Ltd | Australia | 100 | 100 |
| S-Process Equipment Australia Pty Ltd | Australia | 100 | 100 |
| Sandvik Rock Processing Australia Pty Limited | Australia | 100 | 100 |
| Sandvik Mining Technology(Tianjin) Co., Ltd | People's Republic of China | 100 | 100 |
| UFR Holdings Pty Ltd | Australia | 100 | 100 |
| Universal Field Robots Pty Ltd | Australia | 100 | 100 |
| UFR Technology Pty Ltd | Australia | 100 | 100 |

# Directors’ declaration

The directors of Sandvik Australia Holdings Pty Ltd declare that, in their opinion, Sandvik Australia Holdings Pty Ltd has taken reasonable steps to ensure that the substantive provisions of the Sandvik Australia Holdings Pty Ltd Sustainability Report for the financial year ended 31 December 2025 set out on pages 11 to 56 are in accordance with the Corporations Act 2001 (C’th) (“the Act”) including section 296C of the Act (compliance with applicable sustainability standards such as the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures) and section 296D of the Act (climate statement disclosures).

This declaration is made on 27 April 2026 in accordance with a resolution of the board of directors of Sandvik Australia Holdings Pty Ltd, and is signed for and on behalf of the board of directors by:

C Parham

Director

# Independent Auditor's Review Report on specified Sustainability Disclosures

To the Members of Sandvik Australia Holdings Pty Ltd

## Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Sandvik Australia Holdings Pty Ltd (the Company) and its controlled entities (together, the Group) for the year ended 31 December 2025 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

| **Specified Sustainability Disclosures** | **Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)** | **Location in Sustainability Report** |
|---|---|---|
| Governance | Paragraph 6 | Contained within the Governance section presented on pages 16 to 19. |
| Strategy (risks and opportunities) | Subparagraphs 9(a), 10(a) and 10(b) | The climate-related risks and opportunities listed on pages 31 to 41, specifically the title, risk or opportunity type and risk or opportunity description. |
| Scope 1 and 2 emissions | Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v) | The following emissions disclosed in Table 5 on page 51:<br>Scope 1 – 3,455.1 metric tonnes of Co2e<br>Scope 2 (Location-based) - 6,952.7 metric tonnes of Co2e<br>Applicable method and measurement approaches on pages 51 and 53. |

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

## Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

## Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Sustainability Report for the year ended 31 December 2025, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the Financial Report included in the Annual Report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

## Inherent Limitations in preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases

The specified Sustainability Disclosures in relation to Strategy (risks and opportunities) have been prepared using assumptions about future events, and management's actions, that may not occur.

## Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;
- Performed enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;

- Inspected and assessed, on a sample basis, charters, policies, minutes of meetings regarding the monitoring, management and oversight of climate-related matters, and other underlying evidence supporting the climate-related financial disclosures on governance;
- Performed enquiries of management regarding the approach taken by the Group to:
    - Identify climate-related risks and opportunities;
    - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Performed enquiries of management and examined underlying evidence to assess the completeness and accuracy of the establishment of the organisational boundary, and sources of emissions, in the context of the specified Sustainability Disclosures;
- Performed enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- Applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data, and;
- Performed testing over the calculations of the Scope 1 and 2 emissions, including testing the activity data utilised within the calculations to third-party records and other relevant underlying information, on a sample basis.

PricewaterhouseCoopers

Kim Challenor
Partner

Brisbane
27 April 2026

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