

CORPORATE GOVERNANCE REPORT

Sandvik AB has its head office in Stockholm and is the Parent Company of the Sandvik Group, with subsidiaries in about 70 countries. The Group has about 40,000 employees and revenues in more than 150 countries. Sandvik AB is a public company with its shares listed on Nasdaq Stockholm.

Corporate governance within Sandvik is based on external rules such as the Swedish Companies Act, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Code of Corporate Governance (the "Code") and other relevant laws and regulations. The Code is available at corporategovernanceboard.se. In 2022, Sandvik applied the Code without deviating from any of its regulations.

The Sandvik Way

Sandvik's corporate governance framework, The Sandvik Way, implements the external rules mentioned above and also sets out the internal rules and principles for governance that apply specifically within Sandvik. It is based on three building blocks, as set forth in the model below, and

describes how common ways of working have been implemented throughout the entire organization.

Governance structure

This block outlines how the Sandvik Group is led and governed. The Board of Directors, elected at the Shareholders' Meeting, sets the strategic direction for the Group. The President carries this out through the Group Executive Management whose members manage and oversee the operations of the Group. The main operational responsibility in the Group lies with the business areas and divisions, with Group functions responsible for functional policies and processes supporting the business.

The Sandvik Way is implemented in the respective business areas, with additional requirements cascaded

down in the operational structure of each business area.

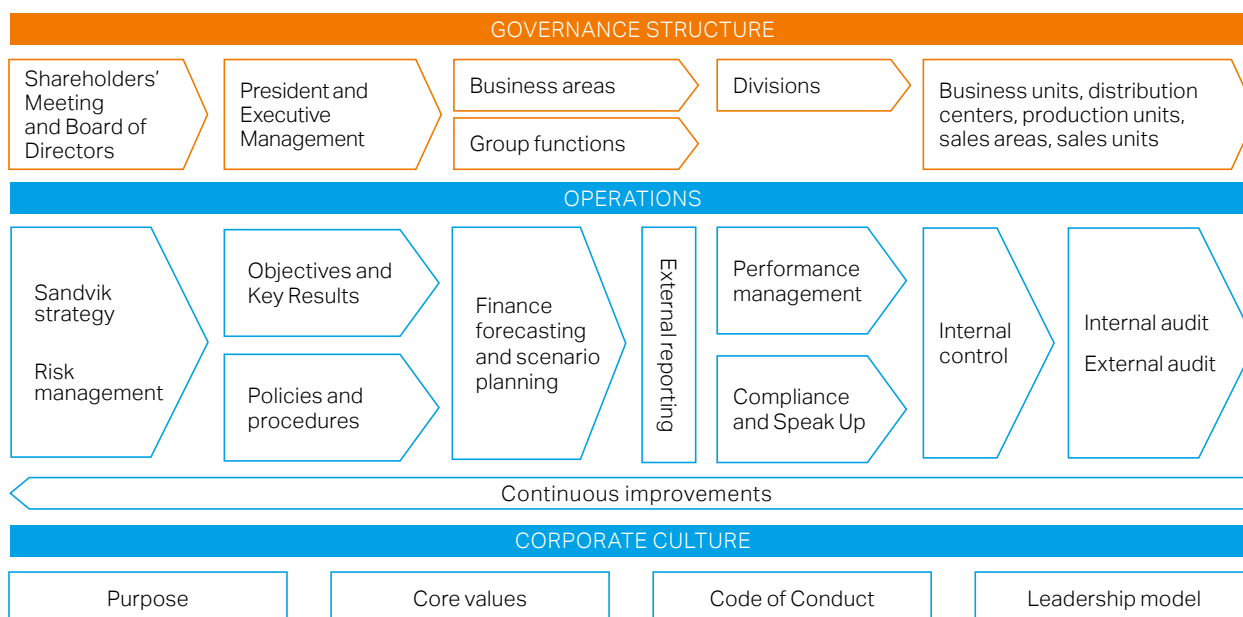
Operations

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

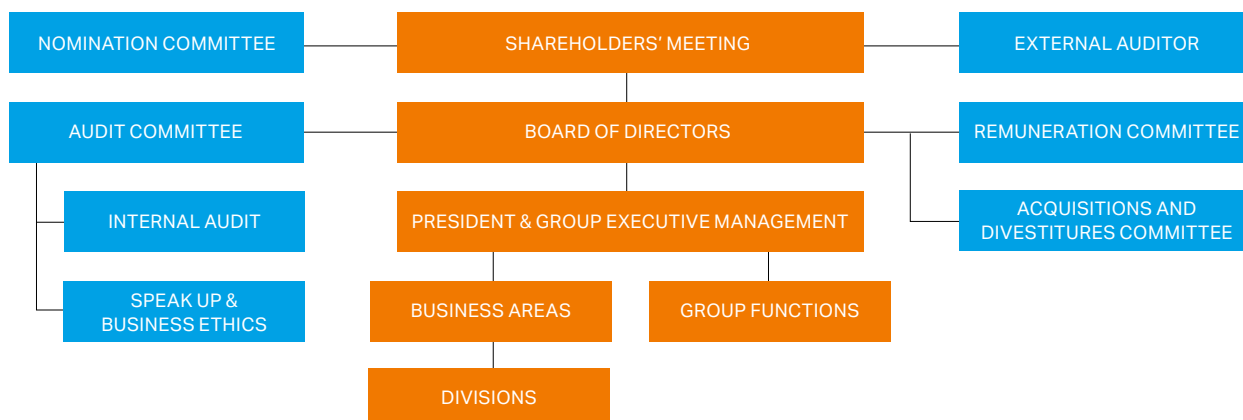
Corporate culture

This block sets the foundation for how we all shape our culture in the company and enable a customer oriented and responsible business. Our operational controls and risk

The Sandvik Way



CORPORATE GOVERNANCE MODEL



frameworks are underpinned by the ambitions and requirements of our purpose, core values, Code of Conduct and leadership model.

Ownership structure

As of December 31, 2022, Sandvik's share capital amounted to SEK 1,505,263,107.60 represented by 1,254,385,923 shares. At year-end Sandvik had about 143,000 shareholders and AB Industrivärden was the largest owner with about 13.7 percent of the share capital. Of the total share capital at year-end, about 41 percent was owned by investors outside Sweden.

Shareholders' meeting

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

All shareholders who have been entered in the share register and have informed the company of their participation within the time limit stated in the notice of the General Meeting are entitled to participate at the General Meeting and vote according to the number of shares held. Shareholders are also entitled

to be represented by a proxy at a General Meeting. According to the Articles of Association, the Board may also decide to allow shareholders to exercise their voting rights through postal voting before the General Meeting.

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

2022 Annual General Meeting

Shareholders representing 57.5 percent of the share capital and votes participated at the Annual General Meeting held on April 27, 2022. Resolutions included the following:

- Dividend of SEK 4.75 per share
- Distribution to the shareholders of all shares in wholly-owned subsidiary Alleima AB (business area Sandvik Materials Technology)
- Re-election of Board members Jennifer Allerton, Claes Boustedt, Marika Fredriksson, Johan Molin, Andreas Nordbrandt, Helena Stjernholm, Stefan Widing and Kai Wärn as well as re-election of Johan Molin as Chairman of the Board
- Re-election of PricewaterhouseCoopers AB as auditor
- Approval of the Board of Directors' remuneration report
- Adoption of a long-term incentive program in the form of a performance share program for about 350 senior executives and key employees in the Group
- Authorization for the Board to decide on acquisition of the

Ten largest shareholders, December 31, 2022, %

| | |
|--------------------------|------|
| AB Industrivärden | 13.7 |
| Alecta Pension Insurance | 4.8 |
| Swedbank Robur Funds | 3.9 |
| Vanguard | 3.0 |
| BlackRock | 2.8 |
| Lundbergföretagen AB | 2.8 |
| SEB Funds | 1.7 |
| Handelsbanken Funds | 1.5 |
| Norges Bank | 1.4 |
| Invesco | 1.4 |

Source: Monitor by Modular Finance AB

company's own shares up to a maximum of 10 percent of all the shares in the company

- Amendments to the Articles of Association regarding the number of Board members that may be elected by the General Meeting

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

2023 Annual General Meeting

The next Annual General Meeting will be held in Sandviken, Sweden, on April 27, 2023. More information can be found in the notice convening the General Meeting and at home.sandvik.

Nomination Committee

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



The 2022 Annual General Meeting was held at the Göransson Arena in Sandviken, Sweden.

Meeting has adopted an instruction for the Nomination Committee, which includes a procedure for appointing the Nomination Committee, valid until a General Meeting resolves on a change. In accordance with this instruction, the Nomination Committee shall consist of members appointed by each of the four largest shareholders in terms of the number of votes on the final business day in August plus the Chairman of the Board (convener).

Nomination Committee for 2023 AGM

For the 2023 Annual General Meeting, the Nomination Committee consists of Fredrik Lundberg, Chairman (Industrivärden), Anna Magnusson (Alecta), Marianne Nilsson (Swedbank

Robur Funds), Lars Pettersson (Lundbergs) and Johan Molin (Sandvik's Chairman of the Board).

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

Board of Directors

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

The Board is to ensure that the company's organization is designed

in a way that ensures that the financial statements, the management of assets and the company's financial condition in general are controlled in a satisfactory manner.

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

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

Composition

As of December 31, 2022, Sandvik's Board consisted of eight members elected by the Annual General Meeting. The Nomination Committee communicated before the 2022 Annual General Meeting that the Nomination Committee had applied rule 4.1 of the Code as the diversity policy. The current Board composition is the result of the work of the Nomination Committee prior to that General Meeting.

Nomination Committee's tasks ahead of the 2023 Annual General Meeting

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

The Board consists of members with experience from different geographic areas and different industry sectors. Excluding the President, 43 percent of the Board members elected by the General Meeting are women.

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

The Board members are presented on pages 56–57.

Independence

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

Board proceedings during 2022

During the year, the Board held 17 meetings. The Presidents of all business areas presented their goals and strategies and the Board also reviewed the strategies and results

from a number of the divisions. The Board addressed matters related to the overall Group strategy, IT strategy, new financial targets, issue of Euro Medium Term Note (EMTN) program, revolving credit facility, enterprise risk management, succession planning and talent management, compliance related matters, investments and operational restructuring and review of previously made investments. This year there was a special focus on handling the effects of the war in Ukraine on Sandvik's business and the sanctions against

Russia, as well as the continued recovery and reconstruction due to the COVID-19 pandemic. Further, the Board handled matters relating to the distribution and listing of the Sandvik Materials Technology business area and a number of acquisition projects, including the acquisitions of the mining related business of Schenck Process Group as well as Deswik, Frezite and Sphinx.

The Remuneration Committee, Audit Committee and the Acquisitions and Divestitures Committee reported from their respective meet-

Attendance at Board and Committee meetings in 2022

| Member | Board | Audit Committee | Remuneration Committee | Acquisitions and Divestitures Committee |
|---------------------------------|-------|-----------------|------------------------|---|
| <i>Total number of meetings</i> | 17 | 6 | 3 | 4 |
| Jennifer Allerton | 17 | | | |
| Thomas Andersson | 16 | | | |
| Claes Boustedt | 17 | 6 | | 4 |
| Marika Fredriksson | 17 | | | |
| Fredrik Håf ¹⁾ | 10 | | | |
| Erik Knebel | 17 | | | |
| Tomas Kärnström ²⁾ | 5 | | | |
| Thomas Lilja | 17 | | | |
| Johan Molin | 17 | 6 | 3 | 4 |
| Andreas Nordbrandt | 16 | | | |
| Helena Stjernholm | 17 | 6 | 3 | 4 |
| Stefan Widing | 17 | | | |
| Kai Wärn | 17 | | 3 | |

1) Appointed deputy employee representative in April 2022.
2) Resigned as employee representative in April 2022.

Composition of the Board as of December 31, 2022

| Name | Function | Independent in acc. with the Code | Shareholding, number ¹⁾ Dec 31, 2022 | Elected | Audit Committee | Remuneration Committee | Acquisitions and Divestitures Committee |
|--------------------|----------------------|-----------------------------------|---|---------|-----------------|------------------------|---|
| Jennifer Allerton | Member | Yes | 10,000 | 2015 | | | |
| Thomas Andersson | Member ²⁾ | | 0 | 2012 | | | |
| Claes Boustedt | Member | Yes | 50,000 | 2015 | Chairman | | Member |
| Marika Fredriksson | Member | No ³⁾ | 2,500 | 2017 | | | |
| Fredrik Håf | Deputy ²⁾ | | 2 | 2022 | | | |
| Erik Knebel | Deputy ²⁾ | | 1 | 2021 | | | |
| Thomas Lilja | Member ²⁾ | | 4,840 | 2016 | | | |
| Johan Molin | Chairman | Yes | 950,000 ⁴⁾ | 2015 | Member | Chairman | Chairman |
| Andreas Nordbrandt | Member | Yes | 8,527 | 2021 | | | |
| Helena Stjernholm | Member | No ³⁾ | 5,000 | 2016 | Member | Member | Member |
| Stefan Widing | Member | No ³⁾ | 57,554 | 2020 | | | |
| Kai Wärn | Member | Yes | 12,000 | 2020 | | Member | |

1) Pertains to own and closely related persons' shareholdings in Sandvik AB.
2) Employee representatives (both members and deputy members participate in Board meetings). Thomas Lilja (member) and Erik Knebel (deputy) represent Unionen/Ledarna/Swedish Association of Graduate Engineers. Thomas Andersson (member) and Fredrik Håf (deputy) represent IF Metall.
3) Marika Fredriksson and Helena Stjernholm are not regarded as independent in relation to major shareholders in the company and Stefan Widing is not regarded as independent in relation to the company and its executive management.
4) In addition 1,000,000 call options in Sandvik AB.

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

In the autumn of 2022, the Board visited Sandvik's operations in Svedala, Sweden, and Lahti, Finland.

Remuneration of the Board

As resolved at the 2022 Annual General Meeting, the fee to the Chairman of the Board was SEK 2,750,000 and the fee to each of the non-executive Board members elected by the General Meeting was SEK 740,000.

In addition, SEK 325,000 was paid to the Chairman of the Audit Committee and SEK 185,000 to each of the other Committee members, in total SEK 695,000. The Chairman of the Remuneration Committee was paid SEK 155,000 and each of the other Committee members SEK 122,000, in total SEK 399,000. The Chairman of the Acquisitions and Divestitures Committee was paid SEK 210,000 and each of the other Committee members SEK 155,000, in total SEK 520,000.

For more detailed information on remuneration of the Board members, see note G4.

Evaluation of the work of the Board

To ensure the quality of the work of the Board and to identify the possible need for further expertise and experience, the work of the Board and its members is evaluated annually. In 2022, the evaluation, which was led by the Chairman of the Board, was carried out by way of each Board member responding anonymously to an online questionnaire. The Chairman also held separate evaluation discussions with all Board members. The compiled results of the evaluations were presented to the Board as well as to the Nomination Committee.

Board Committees

The tasks of the Committees and their work procedures are stipulated in written instructions issued by the Board. The Committees' primary task is to prepare issues and present them to the Board for resolution.

Remuneration Committee

During 2022 the members of the Remuneration Committee were Johan Molin (Chairman of the Committee), Helena Stjernholm and Kai Wärn. The tasks of the Remuneration Committee are, among others, those prescribed by the Code, which include preparing proposals regarding guidelines for remuneration of senior executives and long-term incentive programs for senior executives.

Based on the recommendations of the Remuneration Committee, the Board decides the remuneration and terms of employment for the President, who in turn decides on the remuneration to be paid to the Group Executive Management in consultation with the Remuneration Committee.

For guidelines, remuneration and other benefits payable to the Group Executive Management, refer to the Guidelines for the remuneration of senior executives on pages 44–46 and note G4.

During 2022 the Remuneration Committee held three meetings.

Audit Committee

During 2022 the members of the Audit Committee were Claes Boustedt (Chairman of the Committee), Johan Molin and Helena Stjernholm. Areas addressed by the Audit Committee mainly related to:

- Monitoring the financial reporting and ensuring its reliability
- Effectiveness of the system of internal control and internal audit
- Planning, scope and follow-up of the internal and external audit for the year
- Assistance to the Nomination Committee with regards to proposal for auditor
- Monitoring of the external auditor's independence and objectivity vis-à-vis the company, including

the extent to which the auditor provides other services than auditing services to the company

- The Group's systematic processes for overall corporate risk management, as well as more detailed risk management matters including legal disputes, compliance, corporate investigations, IT security, Group Digital Security Improvement, accounting procedures, taxation, treasury, finance operations, insurance coverage and pension issues
- The development and effectiveness of compliance processes, with special focus on ensuring operational stability of the compliance program, the Compliance House
- Sandvik's Code of Conduct, Sandvik's global whistleblowing system, some specific cases managed through Speak Up as well as the overall effectiveness of the system
- Sandvik's sustainable business strategy and materiality analysis

During 2022 the Audit Committee held six meetings at which Sandvik's external auditor and representatives of the company's management were present.

Acquisitions and Divestitures Committee

During 2022 the members of the Acquisitions and Divestitures Committee were Johan Molin (Chairman of the Committee), Claes Boustedt and Helena Stjernholm. The purpose of the Committee is to provide a better process for preparing major or strategically important acquisitions and divestitures for Board decisions. The Committee meets on an ad hoc basis, at the request of the President and CEO in consultation with the Chairman of the Board.

During 2022 the Acquisitions and Divestitures Committee held four meetings. The Committee reviewed matters mostly related to the distribution and listing of the Sandvik Materials Technology business area and the acquisition of the mining related business of Schenck Process Group.

President and Group Executive Management

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

In 2022, the Group Executive Management consisted of:

- Stefan Widing, President and CEO, and President of Sandvik Manufacturing and Machining Solutions, as well as acting President of Sandvik Mining and Rock Solutions (June 17– September 31, 2022)
- Cecilia Felton, Executive Vice President and Chief Financial Officer (as from February 1, 2022), acting Chief Financial Officer (November 1, 2021– January 31, 2022) and Vice President Group Control (up until March 31, 2022)
- Nadine Crauwels, President of the Sandvik Machining Solutions business area segment
- Christophe Sut, President of the Sandvik Manufacturing Solutions business area segment
- Henrik Ager, President of Sandvik Mining and Rock Solutions (up until June 17, 2022)
- Mats Eriksson, President of Sandvik Mining and Rock Solutions (as from October 1, 2022)
- Anders Svensson, President of Sandvik Rock Processing Solutions (up until September 31, 2022)
- Richard Harris, President of Sandvik Rock Processing Solutions (as from October 1, 2022)
- Göran Björkman, President of Sandvik Materials Technology (up until August 31, 2022)
- Jessica Alm, Executive Vice President and Head of Group Communications and Sustainability
- Johan Kerstell, Executive Vice President and Head of Human Resources
- Åsa Thunman, Executive Vice President and General Counsel

The members of the Group Executive Management are presented further on pages 58–59.

Business areas

The Sandvik organizational model is based on a decentralized business model. Since the spin-off of the Sandvik Materials Technology business area in August 2022, there are three separate business areas – Sandvik Mining and Rock Solutions, Sandvik Rock Processing Solutions and Sandvik Manufacturing and Machining Solutions – each based on distinct product offerings. Each business area has full responsibility and accountability for its respective business results.

Sandvik Manufacturing and Machining Solutions is divided into two business area segments – Sandvik Machining Solutions and Sandvik Manufacturing Solutions. Further, each of the three business areas is organized in a number of divisions based on product offering or brand. The division is the highest operational level in the Sandvik organizational structure. Certain divisions that are based on a product offering are also divided into business units representing a defined part of the product offering.

For an overview of Sandvik's organizational model, refer to page 2 and visit [home.sandvik](https://www.sandvik.com) for more detailed information relating to the Group's business activities and product portfolios.

Group functions

There are five Group functions within Sandvik: Communications and Sustainability, Finance, HR, Legal and IT. Group functions specifically focus on setting the appropriate enabling structures and processes that are common for the Group or cover a specific area for which the Group is responsible.

External auditor

At the 2022 Annual General Meeting, the audit firm PricewaterhouseCoopers AB was re-elected auditor of Sandvik AB for the period until the 2023 Annual General Meeting. Peter Nyllinge is the auditor-in-charge.

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

The progress of the audit is reported regularly during the year to the management teams of individual companies and the business areas, the Audit Committee and the Board. The auditor meets with the Board at least once a year without the President or any other member of the Group Executive Management attending.

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

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

Internal control over financial reporting

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

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

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

Control environment

Sandvik internal control over financial reporting forms an integral part of the operations, described in The Sandvik Way, which also includes risk

assessments, policies, procedures and compliance.

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

A Sandvik Financial Internal Control Framework has been developed and includes key components such as well-defined roles and responsibilities, internal control procedures and the risk and control matrix which defines a mandatory minimum of control activities that contribute to the mitigation of risks to acceptable levels. Internal control implementation projects managed by Group Internal Controls were completed during the year. Future implementations (including new acquisitions) will be managed and implemented by the respective business area.

Risk assessment and risk management

The Enterprise Risk Management (ERM) process at Sandvik includes the area of financial reporting. Read more about the Enterprise Risk Management (ERM) program on page 60.

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

Control activities

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

ensuring that internal controls are operated as per agreed design.

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

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

Information and communication

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

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

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

Monitoring and follow-up

Entity management as well as local and global process owners are responsible for testing the effectiveness of internal controls through self-assessments on a quarterly basis and according to the requirements in the Sandvik Internal Control Framework. Results of the self-assessment testing of controls including test evidence are reported and consolidated in a Governance, Risk and Compliance IT tool. The tool also requires reporting of action plans with the purpose to remediate ineffective controls.

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

potential deficiencies and suggested actions.

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

Internal audit

Internal Audit is subordinated to the Audit Committee and the Vice President of Internal Audit reports to the Audit Committee.

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

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

Internal audit interacts with External audit on a periodic basis to discuss and share audit plans and audit results.

BOARD OF DIRECTORS



JOHAN MOLIN

Born 1959. Chairman of the Board since 2015. Chairman of the Remuneration Committee and Acquisitions and Divestitures Committee and member of the Audit Committee.
Education and business experience: M.Sc. in Business and Economics, Stockholm School of Economics. President and CEO of Assa Abloy 2005–2018. President and CEO of Nilfisk-Advance 2001–2005 and various positions within Atlas Copco 1983–2001.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 950,000 as well as 1,000,000 call options.



JENNIFER ALLERTON

Born 1951. Board member since 2015.
Education and business experience: M.Sc. in Physics and B.Sc. in Mathematics, Physical Sciences and Geosciences. Chief Information Officer at F. Hoffmann-La Roche Ltd 2002–2012, Technology Director at Barclaycard 1999–2002 and various positions at ServiceNet, USA, BOC (now Linde), Cable & Wireless Business Networks and Unilever plc.
Current board assignments: Board member of Iron Mountain Inc. and Barclays Bank Ireland plc.
Shareholding in Sandvik (own and closely related persons): 10,000.



CLAES BOUSTEDT

Born 1962. Board member since 2015. Chairman of the Audit Committee and member of the Acquisitions and Divestitures Committee.
Education and business experience: M.Sc. in Business and Economics, Stockholm School of Economics. Executive Vice President of L E Lundbergföretagen AB since 1997 and President of L E Lundberg Kapitalförvaltning AB since 1995.
Current board assignments: Board member of Hufvudstaden AB, Förvaltnings AB Lunden and Alleima AB.
Shareholding in Sandvik (own and closely related persons): 50,000.



MARIKA FREDRIKSSON

Born 1963. Board member since 2017.
Education and business experience: Master of Business Administration. CFO and Group Executive Vice President of Vestas Wind Systems A/S 2013–2022. CFO of Gambro AB 2009–2012, CFO of Autoliv Inc. 2008–2009 and various positions within Volvo 1996–2008, including CFO and Senior Vice President Finance and Strategy at Volvo Construction Equipment Corporation.
Current board assignments: Chairman of the board of Emagine A/S and board member of AB Industrivärden, A.P. Møller-Mærsk A/S., Saxobank A/S and Ecolean AB.
Shareholding in Sandvik (own and closely related persons): 2,500.



ANDREAS NORDBRANDT

Born 1971. Board member since 2021.
Education and business experience: M.Sc. in Mechanical Engineering and Hydraulics. Co-owner of Mälärvillan AB since 2018. President of the Underground Rock Excavation Division within the Epiroc Group 2018. Various positions within the Atlas Copco Group 1995–2018, including President of the Underground Rock Excavation Division, President of the Rocktec Division, Vice President Service Operations and Operations Manager Business Line Manager, Service Division, Atlas Copco Mining and Rock Excavation Australia.
Current board assignments: Chairman of the board of Alleima AB and board member of Trenig AB.
Shareholding in Sandvik (own and closely related persons): 8,527.



HELENA STJERNHOLM

Born 1970. Board member since 2016. Member of the Audit Committee, Remuneration Committee and Acquisitions and Divestitures Committee.
Education and business experience: M.Sc. in Business Administration. President and CEO of AB Industrivärden since 2015. Investment manager and subsequently partner at IK Investment Partners 1998–2015 and consultant at Bain & Company 1997–1998.
Current board assignments: Deputy chair of the board of Telefonaktiebolaget LM Ericsson and board member of AB Industrivärden and AB Volvo.
Shareholding in Sandvik (own and closely related persons): 5,000.

Changes in the Board of Directors

In April 2022, Tomas Kärnström, employee representative, left the Board, and was succeeded by Thomas Andersson, previous deputy employee representative. Fredrik Häf was appointed new deputy employee representative.

Information regarding Board assignments and holdings of shares as of December 31, 2022. Current Board assignments refer to assignments in companies or organizations outside the Sandvik Group.



STEFAN WIDING

Born 1977. Board member since 2020.

Education and business experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. President and CEO, Sandvik AB, and President of the Sandvik Manufacturing and Machining Solutions business area since 2020. Various positions within the Assa Abloy Group 2006–2020, including Executive Vice President HID Global division 2015–2020, Director of Product Management and General Manager of Shared Technologies Unit. Various positions in the Saab Group 2001–2006.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 57,554.



KAI WÄRN

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

Education and business experience: M.Sc. in Mechanical Engineering, the Royal Institute of Technology, Stockholm, Sweden. President and CEO of Husqvarna AB 2013–2020. Operations partner at IK Investment Partners Norden AB 2011–2013, President and CEO of Seco Tools AB 2004–2010 and various positions within ABB 1985–2004.

Current board assignments: Chairman of the board of Electrolux Professional AB and SunStreet Energy AB (as from January 2023) and board member of Målarhamnar AB.
Shareholding in Sandvik (own and closely related persons): 12,000.

EMPLOYEE REPRESENTATIVES



THOMAS ANDERSSON

Born 1962. Board member since 2022, deputy Board member 2012–2022 (employee representative, IF Metall).

Education and business experience: Chairman of the Union Committee, Metal Workers' Union, Sandvik Coromant, Gimo. Various operator positions at Gimoverken, Sandvik Coromant, since 1984. Construction firm Anders Diös 1980–1984.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 0.



THOMAS LILJA

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

Education and business experience: Technical College Graduate – Mechanical Engineering. Chairman Trade Union, Unionen Sandvik Sweden and Unionen Coromant and Machining Solutions. Various purchasing positions within Sandvik 2000–2010 and production and logistics positions within Scania 1995–2000.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 4,840.



FREDRIK HÅF

Born 1983. Deputy Board member since 2022 (employee representative, IF Metall).

Education and business experience: Chairman of the Union Committee, Metal Workers' Union, division Rock Tools, Sandviken, Sweden. Various operator positions at division Rock Tools, since 2002.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 2.



ERIK KNEBEL

Born 1965. Deputy Board member since 2021 (employee representative, Unionen/Ledarna/Swedish Association of Graduate Engineers).

Education and business experience: Technical College Graduate – Mechanical & Automation. Chairman of the Swedish Association of Graduate Engineers Sandvik Sweden and Sandvik Coromant Gimo. Various positions within Sandvik Coromant and Sandvik Machining Solutions since 1990; Production, IT and Quality.

Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 1.

HONORARY CHAIRMAN

PERCY BARNEVIK

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

BOARD SECRETARY

ÅSA THUNMAN

Born 1969. Secretary to the Board since 2014. Executive Vice President and General Counsel, Sandvik AB, since 2014.

AUDITOR

PRICEWATERHOUSE-COOPERS AB

Auditor-in-charge: Peter Nyllinge, Authorized Public Accountant.
Other auditing assignments: Saab AB, Getinge AB and AB Electrolux.

GROUP EXECUTIVE MANAGEMENT



STEFAN WIDING

Born 1977. President and CEO, Sandvik AB, President of the Sandvik Manufacturing and Machining Solutions business area since 2020.
Education and business experience: M.Sc. Applied Physics and Electrical Engineering and Bachelor of Business Administration. Various positions within the Assa Abloy Group 2006–2020, including Executive Vice President HID Global division 2015–2020, Director of Product Management and General Manager of Shared Technologies Unit. Various positions in the Saab Group 2001–2006.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 57,554.



JESSICA ALM

Born 1977. Executive Vice President and Head of Group Communications and Sustainability, Sandvik AB, since 2013.
Education and business experience: M.Sc. in Geological and Earth Sciences/Geosciences, and Journalism. Various positions within Sandvik since 2006, including Vice President Communication and Marketing at Sandvik Coromant.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 9,489.



NADINE CRAUWELS

Born 1971. President of the Sandvik Machining Solutions business area segment since 2020.
Education and business experience: M.Sc. in Mechanical Engineering, President of Sandvik Coromant 2017–2020. Various other positions within Sandvik Coromant since 2000, including Vice President Customized Solutions and Strategic Relations, and Sandvik Coromant Manager Switzerland. Project Engineer and Consultant for the metal cutting industry at WTCM (today Sarris) 1995–2000.
Current board assignments: Board member of Rosti Group.
Shareholding in Sandvik (own and closely related persons): 6,321.



MATS ERIKSSON

Born 1962. President of the Sandvik Mining and Rock Solutions business area since October 1, 2022.
Education and business experience: B.Sc. in Computer Science. President of the Load and Haul division 2016–2022. President and CEO of Cencorp Oyj 2010–2012 and Salcomp Oyj 1998–2006 as well as leading positions for several other companies.
Current board assignments: Board member of Sandvik Pension Fund in Finland.
Shareholding in Sandvik (own and closely related persons): 206.



CECILIA FELTON

Born 1984. Executive Vice President and Chief Financial Officer, Sandvik AB, since February 1, 2022.
Education and business experience: B.Sc. Environmental Policy with Economics. Various positions within Sandvik since 2013, including acting Chief Financial Officer November 1, 2021–January 31, 2022, Vice President Group Control and Director Group M&A and Investments, and Director Group Business Control. Various positions within Ernst & Young, Operational Transaction Services, London, 2007–2013.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 2,802.



RICHARD HARRIS

Born 1970. President of the Sandvik Rock Processing Solutions business area since October 1, 2022.
Education and business experience: Bachelor of Engineering and Chartered Engineer. Various positions within Sandvik since 2002, including President of the Walter division 2019–2022, President of the Wolfram division 2016–2019 and different Supply and Production Director roles. Previously various positions within manufacturing companies, including Production Manager at Land Rover and Plant Manager at Keiper UK Ltd.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 8,027.



JOHAN KERSTELL

Born 1970. Executive Vice President and Head of Human Resources, Sandvik AB, since 2016.
Education and business experience: M.Sc. in Business and Economics. Various positions in Human Resources within Sandvik since 2004 and consultant at Cap Gemini 1999–2003.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 30,027.



CHRISTOPHE SUT

Born 1973. President of the Sandvik Manufacturing Solutions business area segment since 2021.
Education and business experience: M.Sc. Marketing and Sales. Executive Vice President and Head of Assa Abloy Global Solutions 2016–2021. Other leading positions within Assa Abloy 2012–2016 and 2001–2010. Global Strategic Marketing Manager within Niscayah Group 2010–2012. Leading positions within ITW Group and SAM Outillage 1997–2001.
Current board assignments: –
Shareholding in Sandvik (own and closely related persons): 9,355.



ÅSA THUNMAN

Born 1969. Executive Vice President and General Counsel, Sandvik AB, since 2014.
Education and business experience: Master of Laws (LL.M), Sweden and the Netherlands. Various positions within Securitas 2009–2014, including General Counsel, Elekta AB 1999–2009, including General Counsel, and Lagerlöf & Leman law firm 1996–1999.
Current board assignments: Board member of the Swedish Association of Listed Companies (Aktiemarknadsbolagens förening).
Shareholding in Sandvik (own and closely related persons): 3,512.

Changes in the Group Executive Management

Henrik Ager, President Sandvik Mining and Rock Solutions, left Sandvik on June 17, 2022, and was succeeded by Mats Eriksson. Anders Svensson, President Sandvik Rock Processing Solutions, left the Group Executive Management Team on September 31, 2022, and was succeeded by Richard Harris. Göran Björkman, President Sandvik Materials Technology left the company on August 31, 2022, in connection with the listing of the business area as Alleima on Nasdaq Stockholm. In February 2023 Sofia Sirvell was appointed Chief Digital Officer and she will be a member of the Group Executive Management as of March 1, 2023. In February it was also communicated that Christophe Sut will leave Sandvik on August 11, 2023 and Jessica Alm will leave Sandvik no later than August 2023.

Information regarding board assignments and holdings of shares as of December 31, 2022. Current board assignments refer to assignments in companies or organizations outside the Sandvik Group.

RISK MANAGEMENT

The Sandvik risk management process aims to support our business in managing and mitigating critical risks which may impact our ability to achieve our financial targets and strategic objectives.

ERM – a part of our strategic work

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

New strategic analysis

In 2022, we decided to complement the bottom-up process with a strategic analysis at the Group Executive Management level to more specifically identify key risk areas that are tied to our ability to execute on our Make the Shift Strategy on Group level. The purpose was to get a more focused and concrete risk landscape for the Group to enable good follow-up of the different risk mitigating activities in relation to the strategic goals. This exercise resulted in the Sandvik Key Risks map, presented on page 17.

An ERM report, summarizing key risks and mitigating activities across our business, was provided to Sandvik's Audit Committee and Board of Directors in December 2022. The Board of Directors' and the Audit Committee's involvement in the ERM process is further described on pages 51–53.

Insurance as a risk management tool

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

Business continuity and crisis management

The Global Risk Management Policy and related procedures for business continuity and crisis management set the requirements for local management teams to ensure their ability to successfully respond to disruptive events and continue their business operations on an acceptable level when faced with challenges. Once a risk materializes, our crisis management priorities are to minimize harm

to people, to the environment, and to minimize damage to Sandvik's business, as well as ensuring a swift return to normal activities and safeguarding the company brands.

Internal audit and internal control in Sandvik's risk work

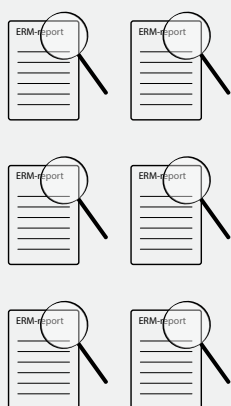
The internal audit function regularly follows up the implementation of different risk management programs such as ERM, business continuity, crisis management and the insurance programs. Sandvik applies group-wide internal controls to monitor risk mitigations. Read more about the internal controls program at Sandvik on pages 54–55.

Sandvik Group risk profile

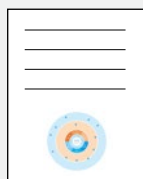
The Sandvik Group risk profile is based on the bottom-up ERM process where the divisions, business areas and functions first make their assessment and the Group Risk Management Council makes recommendations for a new Group risk profile based on the outcome of these assessments. As earlier mentioned the bottom-up ERM process was this year complemented with a strategic analysis at the Group Executive Management level. This exercise resulted in the Sandvik Key Risks map, read more on page 17. The Sandvik Key Risks map is also coupled with a follow-up model for tracking the different initiatives that lead to better risk mitigation, which the Group Executive Management team will review and discuss every quarter, thus creating a more dynamic and strategically relevant risk management discussion at the highest levels of the company. The outcome of

ERM PROCESS

Business Area and Group function ERM reports



Business Area Management Risk evaluation



ERM Council Aggregated report



Group Executive Management Risk evaluation



Business area and Group function ERM reports are aggregated by the ERM Council and serve as input for the business areas' and the Group Executive Management team's risk reviews. The result from this review, the Sandvik Key Risks map, is presented on page 17. An ERM report, summarizing key risks and mitigating activities across our business, was provided to the Sandvik Audit Committee and Board of Directors in December 2022.

these two processes is presented in the table on page 62 together with examples of what the identified risks mean for Sandvik in different parts of the organization and the mitigating activities taken to manage them.

Sustainability and climate change

Assessment and management of sustainability risks, including climate change, are integrated parts of the ERM program and are set out in the Sandvik Key Risks map and Risk Profiles in different parts of the organization. During 2022 we conducted an assessment of current and future natural and climate change related hazards for Sandvik locations covering 285 individual sites and 94 percent of the overall Total Insured Value (TIV). The assessment reflects the current situation and models the evolution of Natural Hazards under different climate change scenarios and at different future time horizons. The goals with the assessment were to provide an overview of the physical climate risks facing the

portfolio of sites at different time horizons and under different climate change scenarios and to establish a ranking of locations from high to low climate risk based on climate data and insured values. This will support the identification and prioritization of management actions, which may include in-depth assessments of sites and investment in resilience measures, as next steps of Sandvik's climate resilience journey.







Current natural hazard exposure

The Sandvik portfolio is currently mainly exposed to Hail (with Very High or High hazard levels for 26 percent of the total portfolio, followed by wind (19 percent), flood (13 percent), lightning (13 percent) and storm surge (8 percent).

Future climate change risks

The study was performed using the SSP2-4.5 (middle-road) and SSP5-8.5 (fossil fuel development) scenarios for the 2030 (near term) and 2050 (long term) horizons. Material exposure with increasing

trend in both scenarios is identified for precipitation, drought and heat. Thunderstorm is also relevant and an increasing trend.

| Strategic objective | Key risk | What does this mean? | Examples of what do we do (mitigation) |
|--|-------------------------------------|--|---|
| Shift to growth  | Geopolitical development | Trends towards regionalization or nationalization and trade wars | Reviewing regional strategies and footprint distribution and supply chain |
| | Securing Key supply | Potential resource constraints around supply of batteries, green electricity and mineral supply | Different initiatives around sourcing and business continuity planning |
| | Acquisition value creation | Business case delivery Ensure efficient administrative integration | M&A Tracker/review process and score cards Integration follow-up processes with business reviews |
| | Technology must-wins | Electrification of the mine Closed loop manufacturing Execution of the digital shift and data driven productivity | Careful performance management and execution of the strategy for M&A, product development and the 6 moves for enabling the digital shift |
| Digital shift  | Digital disruption | Efficient systems upgrades Cyber security Information security Disruption by digital players | Careful project management and lessons learned for implementation of new systems support, cyber security improvement program and the six steps Sandvik has identified to enable the digital shift |
| Sustainable shift  | Being compliant | Ensuring an ethical culture Increased regulatory complexity (e.g. Russia) Stricter financing requirements | Learning and workshop initiatives across the organization, digital journey and with a new Third Party Management policy and process |
| | Changing regulatory requirements | Sustainability reporting requirements Trade sanctions Product/safety requirements Change to data driven processes | CSRD preparation project, compliance digital journey to increase agility |
| Agile through cycle  | Managing inflation | Price management Leverage procurement capabilities | Strong focus on price management and tracking price/volume growth Different sourcing initiatives to increase flexibility/agility |
| | Managing downturn | Meeting target EBITA range Timely execution of contingency plans | Contingency plans, strong performance management and agile decision process with decentralized approach for each part of the business |
| | Business interruption | Energy supply Supply chain/logistics Disruptive events (fires, natural disasters, pandemic) | Energy supply mapping and mitigating activities, carefully managed and active management of logistics/supply and business interruption planning |
| Customer's 1st choice  | Understand changing customer needs | Timely adjustment to market transformation Ensuring customer value | Customer satisfaction measurement with divisions, business units and sales areas taking necessary actions |
| Employer of Choice  | Key talent attraction and retention | New talent (digital, sustainability) Safeguard core talent supply (engineering, battery) Re-skill existing workforce | Talent attraction and development projects in all parts of the business. |

SUSTAINABILITY GOVERNANCE

The Sandvik Group's sustainability governance is based on its business strategy, business model and international frameworks. Relevant goals are set to address material areas and to efficiently manage related impacts, risks and opportunities. Policies and management systems have been set to ensure financial, environmental and social compliance.

The Sandvik Board of Directors has the overall responsibility for sustainability within Sandvik, monitored by the Audit Committee. The implementation is delegated to the President and CEO of Sandvik.

The Group Executive Management has the overall responsibility for Sandvik's sustainability strategy and agenda while the business areas and divisions are responsible for the implementation and follow-up. The Communications and Sustainability function is responsible for the coordination within the Group. The business areas are also responsible for the assessment and management of sustainability risks in their operations. KPIs are consolidated and reported to follow up on goals at Group and business area levels. Each year we evaluate our performance and set targets and focus actions for the coming year.

The Sustainability Council is a forum for cooperation and best practice sharing across Sandvik. The Council is comprised of representatives from the business areas and Group functions. The Sustainable Business function coordinates the sustainability agenda together with the business areas.

In 2022, the Board of Directors approved a new Sustainability policy and the targets for Science Based Targets initiative validation. During the year the Communication and Sustainability function reported progress and informed the Audit Committee on relevant sustainability topics. The Audit Committee and the Board of Directors have informed themselves and further discussed related topics, such as SBTi and CSRD.

Materiality assessment

The 2022 Corporate Sustainability Reporting Directive (CSRD) requires companies to report their impact on various aspects of sustainability as well as the financial consequence of their impact. Sandvik initiated a double materiality assessment to determine material topics. The impact materiality assessment was done to be compliant with the GRI (Global Reporting Initiative) materiality assessment. We will continue to develop the process and aim to include a complete double materiality assessment in the 2024 Annual Report.

Sandvik based its materiality assessment on the topics included in the CSRD. The topics were evaluated from a severity and likelihood perspective, based on a stakeholder engagement process and external input. The stakeholders identified were ESG (Environment, Social, Governance) experts in our organization, suppliers, shareholders/investors, customers and NGOs. The stakeholder process included workshops and interviews.

The assessment was also based on external reports, legislation and frameworks. These included the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the OECD Due Diligence Guidance for Responsible Mineral Supply Chains and supplier risk screening through EcoVadis. Based on the gathered input, a threshold value for the topics was defined, above which the topics were deemed material and as such a basis for our GRI reporting.

Sandvik has a diversity of interactions across the value chain: suppliers, customers, our own operations

MATERIAL TOPICS

- Anti-bribery and anti-corruption
- Business ethics governance
- Climate related opportunities (downstream)
- Diversity, equity and inclusion
- Employment and labor relations
- Employee health and safety
- Energy consumption
- Equal opportunities
- Human rights
- Materials sourcing
- Opportunities within resource use and circular economy
- Reduction of GHG emissions
- Scope 3 emissions
- Waste management

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on the company that are likely to influence its future cash flow. Changes in material topics from last year includes addition of Materials sourcing.

and interactions related to the end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks and opportunities. Sandvik can have a positive or negative impact on the value chain. Our electric and autonomous mining equipment as well as our digital solutions that improve productivity and reduce energy usage and waste, are examples of a positive impact. Diesel-driven mining equipment generating greenhouse gas emissions (GHG) is an example of a negative impact. Raw materials for the manufacturing of products represent the main negative impacts, both potential and actual, in our supply chain.

STRENGTHENING POSITIVE IMPACTS

Gender equality. We have set a goal that one third of our managers should be female by 2030. We partner with Female Leader Engineers and in 2022 we entered a strategic partnership with the International Women in Mining organization. In India, we encourage diversity and make it safer for women to work night shifts by, among other things, providing transportation to and from work. We offer daycare for employees' children in India and Brazil. **Decent work.** The Sandvik Apprenticeship program has invested in the development of technical skills for trackless mining in the Southern Africa region for the past 22 years. Through the Sandvik Southern Africa Academy in South Africa, more than 1,000 apprentices are being trained towards a mining equipment trade in Zambia, Botswana, Zimbabwe, Tanzania and South Africa. In 2022, 29 percent of the participants in the apprenticeship program and 50 percent of the internship program were women, respectively.



MINIMIZING NEGATIVE IMPACTS

Industry innovation. We aim to have a fully electric underground offering by 2030 and a 90 percent electric mobile crushing offering by 2025. Already today we provide fully electrified stationary crushing equipment and trucks. Powder-based net-shape technologies like additive manufacturing make it possible to merge several components into one – reducing assembly steps and thereby energy consumption. Additive manufacturing also reduces waste and often minimizes the use of cutting lubricants and cleaning fluids. **Clean energy.** We have signed agreements to purchase fossil-free energy in a number of markets and we purchase clean energy for all our European sites. Renewable energy production on our own sites keeps on increasing and we run a large number of Environmental Improvement Projects. **Industry innovation, Responsible consumption and production.** Sandvik has developed a process to separate tungsten inserts from the steel body of drill bits and we buy back the used drills for separation and recycling. The need for virgin material, transports and GHG emissions are reduced, as well as the supply chain risk. The separation process can be made locally, creating job opportunities. **Responsible consumption and production.** Waste circularity is a focus area within our 2030 targets. We continuously work to improve recycling and reuse at our sites. We have connected the heat recovery system in our manufacturing facility in Svedala to the site's ventilation system and installed a process heating system to reuse excessive heat from production processes. In 2022, Walter started converting its product packaging to recycled plastic, so called PCR (Post Consumer Recycled), resulting in 95 percent secondary material in its packaging and reduced GHG emissions. **Climate action.** Sandvik submitted targets for validation to the Science Based Targets initiative in 2022, committing to net zero emissions by 2050 at the latest. We encourage our suppliers to set targets in line with the Paris Agreement through our Supplier Code of Conduct. **Decent work.** One of our long-term sustainability goals is zero harm to people. Our mining automation solutions increase the possibility to work remotely, leading to a safer and healthier workplace. **Good health and well-being.** Our battery-electric underground offering reduces heat and emissions underground, improving the working conditions while helping mining customers reach their sustainability targets and reduce ventilation costs. Health and well-being programs are in place at Sandvik locations.

The process of extracting and refining raw materials is linked to a number of potential impacts and risks: child labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions. Some of these are related to specific raw materials, such as conflict minerals and cobalt.

Code of Conduct

Sandvik puts ethics and sustainable business practices first.

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

The Code of Conduct is a vital component in The Sandvik Way, our governance framework. It shows us how we need to act as individual employees, as a company and what ethical standards we should adhere to in our day-to-day work, and it is an important enabler for achieving our 2030 Sustainability Goals.

Speak Up

Employees and external parties who witness a violation of the Code of Conduct, laws or our policies can report the violation, anonymously, through the global whistleblowing tool Speak Up. All reports are assigned an investigator from the relevant business area that conducts the investigation. The Ethics Office oversees the effectiveness of the Speak Up process. Reports, investigations and remediations are

recorded, monitored and included in reporting to the Audit Committee.

No retaliation may be taken against an employee or business partner who, in good faith, voices their concern, as is outlined in the Speak Up policy.

Sandvik's reporting tool, Speak Up, is publicly and directly accessible by all stakeholders. They can raise concerns about the organization's negative impacts on them, including human rights concerns, and the process allows for grievances to be identified and addressed. In addition, certain countries have local grievance mechanisms and other mechanisms to support employees beyond legal requirements, such as foundations that provide rehabilitation and financial support in relation to health and well-being. The European Works Councils and relevant local unions have been involved in the setup of local whistleblowing channels and appointment of investigators. In 2022, Sandvik interviewed Speak Up users as part of its work to review and improve the mechanism with a particular focus on non-retaliation.

Compliance

The Sandvik Compliance System includes four areas: Anti-Bribery and Corruption, Competition Law, Third-Party Management and Data Privacy. To emphasize the importance of a fully embedded and agile Compliance System within the business, the Compliance System is part of our 2030 sustainability goals (see page 7). The purpose is to ensure a well-functioning structure with control over our international business and to manage compliance risks in all countries in which Sandvik operates. The compliance program requirements are set by Group Compliance, including compliance risk identification, policies, applicable training, controls, audits, reporting and monitoring etc., and are implemented by each business area. The Group Compliance function reports to the Sandvik Group General Counsel and the Audit Committee. To coordinate work, identify synergies and drive continuous improvements, a Compliance Functional Council, consisting of representatives from Group and business areas,

has been established. The Council has been in operation for several years and normally meets quarterly.

Sandvik is active in countries and industries with a high risk from a corruption perspective and as such could potentially have a significant impact on both people and environment. Sandvik has an anti-corruption compliance program based on zero-tolerance for corruption. Steering documents include the Code of Conduct, an anti-corruption policy, procedures for commercial intermediaries, administrative intermediaries and gifts, hospitality, travel and entertainment. Requirements designed to identify and prevent corruption are also embedded in other steering documents such as the Sponsorship and Community Involvement procedure and M&A procedure. The Speak Up policy and the underlying investigation procedure are other important parts of the program.

All operational entities are required to assess and, together with the compliance organization, work with its own compliance risks and thus identify and prevent potential negative impacts. Actions taken are reviewed by both internal and external audit. Negative impacts and weaknesses are also identified and remediated through the Speak Up process. Targets and indicators to evaluate progress are set annually through the Compliance Functional Council and have included, for example, yearly self-assessments, including anti-corruption, to create action plans to close identified gaps and to complete those within deadlines.

Human rights and fair labor conditions

Our commitment to human rights and fair labor conditions is confirmed in our Code of Conduct and in our Supplier Code of Conduct in which we support, amongst others, the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. The Sandvik Code of Conduct, supported by our core values, also provides guidance in identifying,

preventing and mitigating risks related to human rights and fair labor conditions.

To mitigate risks related to human rights, we continuously work to ensure compliance with national legislation and internationally agreed human rights standards and regulations. We regularly evaluate our processes and procedures for identifying, preventing and mitigating these risks in the Group's operations and in our value chain. Our work on human rights and fair working terms is integrated in our regular processes and procedures in different ways, for example, in our Sustainable Supplier Management, our safety work and in our diversity and inclusion scheme. We have zero tolerance for forced labor, slave labor or child labor.

We support children's rights and the right to education. All employees have the right, if they choose, to join a union and to be covered by a collective agreement. We do not accept any form of harassment or bullying and believe in a diverse workforce without any form of discrimination based on gender identity, ethnicity, national origin, age, disability, marital status, social group or any other characteristics.

Employees

Sandvik offers a diverse and inclusive workplace, fair remuneration and working terms that respect the needs of the individual. Sandvik has a People policy that reflects its commitment to our employees and outlines what employees can expect from us in relation to how we attract, develop and retain our employees and where appropriate, manage their exit from the business.

Leadership development

Our managers play a crucial role in enabling teams to grow and deliver results. Our leadership model and our global leadership programs set clear expectations on both leadership capabilities and behaviours.

Young talent

Through our Global Graduate Program we attract young professionals and provide training at various parts of the Sandvik organization. One of the main purposes with the program is to develop and prepare graduates for future key positions, and after the program they are deployed into different roles within our business.

Diversity and inclusion

Diversity and inclusion are vital aspects of our people strategy and part of the 2030 Sustainability Goals (see page 7).

The responsibility for implementation and communication of the 2030 goals lies within the business and includes securing resource needs and taking appropriate measures to ensure goal achievement. Sandvik has a Diversity and Inclusion forum with representatives from business areas and the Group, with the purpose of working collaboratively to develop a diverse organization and a culture of inclusion. The forum collaborates on joint initiatives and shares best practices and experiences.

Environment, Health and Safety (EHS)

Our EHS policy applies the principles of the Code of Conduct and core values to achieve our Environmental, Health and Safety vision of Zero Harm. We have Group EHS procedures targeting, for instance, hazard identification and operational risk management, incident reporting and injury management, EHS performance measurement and monitoring and EHS training and competency. Each procedure outlines roles and responsibilities, as well as performance management indicators. Compliance to legislation, policies and procedures is reviewed via internal and external audits.

Our EHS policy, Group EHS objectives and the 2030 Sustainability Goals drive our health and safety activities. Each business area works to meet these objectives according

to their own plans. Targets are set year on year to drive performance on all organizational levels towards the 2030 goals. In addition to our own internal operations, the scope of our EHS policy includes the services that Sandvik provides at customer locations.

The Sandvik EHS Council consists of representatives from all business areas with a primary aim to facilitate collaboration across the company that will enhance our progress towards our EHS vision. While EHS activities are decentralized within the business areas, the EHS Council is the forum for identifying, reaching consensus on and implementing common initiatives and procedures. In addition, the Council drafts documents, such as the EHS policy and objectives and targets, for the Group Executive Management to consider and approve. The council can appoint working groups to work on specific EHS issues, for example environmental working groups.

Our EHS management systems are based on ISO 14001, ISO 45001, ISO 50001, OHSAS 18001 or equivalent standards. Management of individual topics follows the criteria of these frameworks but can go beyond. We have a common EHS policy for the company and Group procedures in areas where Sandvik wants to set standards that go above and beyond the requirements of our certified management systems. Sites with a lower risk profile do not have to go through the process of external certification. However, these sites will be covered by the requirements in the Group procedure for small sites and offices.

Any specific issues of a more local nature, for example, effluent discharge limits or environmental permits, if not covered in legal requirements, certifications or Group procedures, will be local initiatives adapted to the specific needs at each production unit or business division. The scope of the EHS management systems also includes relationships outside the company boundaries,

and a responsibility to ensure high standards where Sandvik is in control of the work environment. This includes working with risk identification and mitigation in order to prevent any incidents of work-related injuries or occupational illnesses.

Environmental criteria are included in the process for sustainable supplier management and environmental and safety criteria are part of the product development process.

Each Sandvik-controlled location will implement and maintain formal systems and processes for risk assessments. All employees can and are encouraged to report the hazards they observe. The system supports a process for handling all hazards adequately and following them through to completion. The most senior Sandvik manager at each location is responsible for correct handling of the registered hazard.

Each business area / location has an Incident Reporting and Investigation system and is responsible for ensuring the findings from incident investigations are shared within the organization. All employees have access to a colleague in their immediate workplace or as part of their organization who represents the EHS function within Sandvik.

Health and safety committees are organized depending on the nature of the local organization and the issues within that region. Typically, representatives are from local management, employees and EHS professionals.

Training is provided as part of the induction for all employees and in more depth to EHS professionals. Furthermore, EHS issues are integrated in any training for certain roles. Our training packages vary from classroom training in-house to external training and self-learning, for example, e-learning.

Access to medical and healthcare services is designed based on local needs. It varies from having professional healthcare on site or agreements with external parties where our employees have access to vaccina-

tions, health checks, etc. Health and well-being programs are offered and maintained for all employees. Enrollment is voluntary. The programs are adapted to local needs and address a wide range of issues such as fitness, nutrition, mental health and disease prevention.

Sustainable supplier management

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

Community involvement

Sandvik is involved in a wide variety of community relation projects around the world. We have three focus areas for our community involvement projects: 1) Sustainability shift – projects related to climate change, resources and waste or clean and sustainable development of communities, 2) Digital shift – projects building technical and digital skills, supporting innovations and new ideas that help the world advance or introducing people to new technologies, and 3) Social impact – projects supporting equality and inclusion, improving health and well-being or supporting infrastructure development and local communities where we have business operations.

We view our community projects as investments, for which we require contracts, clear target groups and

objectives with measurable results. All activities must comply with our Code of Conduct, which means that we do not engage in any activities of a political or religious nature, or in projects that may be viewed as hazardous to health or the environment. All of our project partners must sign the Sandvik Supplier Code of Conduct and undergo the same screening process as our suppliers. As part of our 2030 Sustainability Goals, we encourage our sites to be engaged in community activities with a positive impact on society.

BOARD STATEMENT ON DIVIDEND PROPOSAL

Board statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The nature and extent of the company's operations are stated in the Articles of Association and issued annual reports.

Such nature and extent do not entail risks over and above those inherent, or reasonably to be expected, in the industry or otherwise inherent in business operations. For information on significant events, reference is made to the Directors' Report.

The company's financial position as of December 31, 2022, is apparent from this Annual Report. The proposed dividend does not infringe on investments deemed to be required.

In addition, the company's liquidity reserve is in the form of an unutilized revolving credit facility amounting

to SEK 11,000 million, which means that the company should reasonably be able to meet unexpected events and temporary fluctuations in cash flows of reasonable proportions. The company's financial position supports the assessment that the company will be able to continue its business and meet its obligations in both the short and long term.

In view of the above and based on what the Board is otherwise aware of, the proposed dividend in the Board's opinion is justified considering the requirements which the nature, extent and risks associated with the operations place on the size of the equity of the company, and also taking into consideration the company's need to strengthen its balance sheet, liquidity and financial position in general.

Stockholm, March 8, 2023

Sandvik Aktiebolag (publ)
BOARD OF DIRECTORS

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors proposes that the profits at the disposal of the Annual General Meeting:

| | |
|----------------------------------|----------------|
| profits carried forward | 12,575,486,423 |
| and result for the year | 14,521,864,350 |
| SEK | 27,097,350,773 |
| be appropriated as follows: | |
| a dividend of 5.00 SEK per share | |
| to the shareholders | 6,271,929,615 |
| profits carried forward | 20,825,421,158 |
| SEK | 27,097,350,773 |

The proposed record date for dividends is Tuesday, May 2, 2023.

The income statements and the balance sheets of the Group and of the Parent Company are subject to the adoption by the Annual General Meeting on Thursday, April 27, 2023.

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in the regulation (EU) no. 1606/2002 of the European Parliament and Council dated July 19, 2002, pertaining to the application of international financial reporting standards. The Annual Report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results. The Report of the Directors pertaining to the Parent Company and the Group gives a fair overview of the development of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, March 8, 2023

Johan Molin
Chairman

Jennifer Allerton
Board member

Thomas Andersson
Board member

Claes Boustedt
Board member

Marika Fredriksson
Board member

Thomas Lilja
Board member

Andreas Nordbrandt
Board member

Helena Stjernholm
Board member

Kai Wörn
Board member

Stefan Widing
Board member
President and CEO

Our auditors' report was submitted on March 9, 2023
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Partner in charge

Anna Rosendal
Authorized Public Accountant

AUDITORS' REPORT

Unofficial translation

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sandvik AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 42–133 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the Group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

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

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

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

Basis for Opinions

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

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of

our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

Sandvik conducts business via subsidiaries in many territories. Operationally, the business is organized in divisions that are aligned with the Group's Business Areas. There are joint functions at various levels of the Group to support the operational activities of the divisions.

In order to tailor our overall audit approach, we have updated our understanding of how the Group's business is organized, about important systems and processes as well as the internal controls put in place to provide comfort to management and the directors with respect to precision of the financial reporting. For this purpose, we have held interviews with management at various levels of the Group and heads of Group functions to discuss the business and the Group's strategy. We have also obtained and read management reports, policies, instructions and planning and steering documents. In addition, we have had a close dialogue with both Group Internal Audit and Group Internal Controls in order to share knowledge and coordinate activities when relevant.

With all of this as a starting point and for the purpose of expressing an opinion on the consolidated accounts, we tailored the Group audit scope consisting of the most important reporting units. Most subsidiaries of the Group are also subject to statutory audit requirements. The central team was responsible for the audit of significant IT systems, processes, transaction flows and functions including the consolidation and the parent company accounts. The local teams were responsible for auditing items related to the operations in each reporting unit that emanates from local production and sales activities.

Materiality

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

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

Key audit matters

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

Key audit matter**How our audit addressed the Key audit matter****Revenue recognition in the appropriate period**

The Group manufactures and sells products and services to its customers globally, mainly through its own distribution network. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. The Group has analyzed its various sales contracts and concluded on the principles for deciding in which period or periods the Group's sales transactions should be recognized as revenue.

Disclosures in notes G2, G3 and P2 provide additional information on how the Group accounts for its revenue.

Our audit included but was not limited to the following activities:

- Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.
- Evaluated whether the Group accounting principles for revenue recognition comply with IFRS.
- Tested a sample of sales transactions for compliance with the Group accounting principles.
- Performed data analytical procedures to identify and evaluate a sample of manual and automatic journal entries.
- Traced disclosure information to accounting records and other supporting documentation.

Measurement of goodwill and intangible assets with an indefinite life including acquired intangible assets

The majority of Sandvik's intangible assets have been acquired externally, mostly through acquiring businesses, and represent significant amounts. Assets with indefinite useful life such as goodwill are not subject to yearly depreciation. Instead, an annual test will show whether the carrying amount for the cash generating unit can still be supported. Sandvik has acquired several businesses containing intangible assets during 2022.

There are a number of instances where management's judgment is decisive for the accounting treatment, both in connection with acquiring businesses and in connection with annual impairment tests.

Note G13 contains additional information on the Group's intangible assets and the significant assumptions applied in the annual impairment tests. In note G31 there is additional information about business combinations, accounting principles and acquired intangible assets.

Our audit included but was not limited to the following activities:

- Assessed the model used by the Group for impairment testing and evaluated the significant assumptions for establishing forecasted cash flows and discount interest rates used for calculating the value-in-use of the cash generating units. In our evaluation, we have compared with the historic business performance and the Group's forecasts and strategic planning as well as with external data sources when possible and relevant.
- Evaluated whether the purchase price allocations of the significant acquisitions made during the year meet the requirements of IFRS and have been prepared according to generally accepted practices. Assessed that significant assumptions used to measure values of acquired assets are reasonable. We have involved valuation specialists when conducting our work.
- Traced disclosure information to accounting records and other supporting documentation.

Measurement of inventory

Sandvik keep significant stock of raw materials, spare parts and work-in-progress at its production units and stores of finished goods mostly at its sales units and distribution centres. The inventory balance is material and measurement of inventory is important for a fair presentation of gross margin. A due process is required to prepare accurate reporting of the acquisition cost when procurement, production and logistical processes are complex. Establishing product costing requires many instances of management judgment with effect on the reported values. This includes assessing normal production levels, foreign currency, prices of raw materials and allocation of other direct and indirect costs. For finished goods, assessment is needed of obsolescence and how sellable the products are. Finally, there is a complexity in monitoring and measuring volumes particularly for some raw materials and work in progress as well as eliminating effects from intra Group transactions.

Notes G18 and P14 provide information about the the Group's accounting principles for measuring inventory and additional information on the line item.

Our audit included but was not limited to the following activities:

- Mapped and evaluated selected systems and processes for inventory and tested a sample of key controls for establishing cost.
- Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product costing for work in progress and finished goods.
- Participated in stock takes at many locations and tested the cut-off of deliveries in or out of inventory.
- Obtained the Group's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices.
- Traced disclosure information to accounting records and other supporting documentation.

Accounting for the separation and distribution of shares in Alleima Holding AB

The Annual General Meeting decided on April 27, 2022 to distribute all shares in Alleima Holding AB (former Business Area Sandvik Materials Technology) to the shareholders of Sandvik, whereby five shares in Sandvik AB would entitle to one share in Alleima Holding AB.

The first day of trading of the Alleima shares was August 31, 2022, on Nasdaq Stockholm. On distribution of the Alleima shares, Sandvik recognized a net capital loss in discontinued operations, representing the difference between the fair value of Alleima and the carrying value of Alleima's net assets at the time of distribution.

Alleima has been presented since the first quarter 2022 as discontinued operations in the consolidated income statement separately from continuing operations with comparative numbers presented accordingly. Accounting for discontinued operations requires identifying and separating the financial effects from continuing and discontinued operations as well as ensuring that the criteria in IFRS are fulfilled to account for discontinued operations.

In Note G32 there is additional information about the Group's accounting principles with regards to divestments, assets held for sale and discontinued operations.

Our audit procedures included, but were not limited to:

- Assessed Sandvik's policies and procedures for accounting for discontinued operations in compliance with IFRS.
- Assessed the financial effects from the discontinued operations and that they had been appropriately separated from continuing operations.
- Evaluated the presentation of the net loss from the distribution of Alleima and its compliance with IFRS.
- Traced disclosure information to accounting records and other supporting documentation.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–41 and 154–156, and the Statutory Sustainability Report and Sustainable Business Report on pages 7–9, 13–16, 63–67 and 138–152. This other information also contains the Remuneration report that we expect to receive after the release of the Auditors' report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the President and CEO

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

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

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Sandvik AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend,

this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the ESEF report Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Sandvik AB (publ) for the financial year 2022.

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

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

Basis for opinions

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

Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

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

Auditor's responsibility

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

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

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

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

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

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

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

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Sandvik AB (publ) by the general meeting of the shareholders on the 27 April 2022 and has been the company's auditor since the general meeting of the shareholders on 27 April 2018.

Stockholm March 9, 2023
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Partner in charge

Anna Rosendal
Authorized Public Accountant