

# Policy Statement on Human Rights

Sandvik Holding GmbH

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# Commitment towards international human rights standards

The Sandvik Holding GmbH is a global engineering company and an integral part of the Sandvik Group, specialized in the field of mining, rock excavation, metal-cutting and materials technology. In Germany, the Sandvik Holding GmbH is present through various divisions and subsidiaries, focusing on offering cutting-edge solutions in manufacturing, mining and materials technology.

The Sandvik Holding GmbH is committed to utilize high-end engineering and innovation to enable the fast shift towards a sustainable business model. By integrating sustainability into the business model and ways of working, Sandvik Holding GmbH creates value for all stakeholders: customers, employees, shareholders as well as the entire society. With its global footprint Sandvik Holding GmbH bears a major responsibility to everyone within and outside the company. Therefore, social and employee-related responsibilities and the commitment to continuous compliance with human rights and environmental-related due diligence obligations are taken with the utmost seriousness.

As Sandvik Holding GmbH we strive to ensure the effectiveness of our sustainable business practices. To achieve this, it is essential that sustainable practices are integrated across our entire supply chain. This involves not only establishing rigorous standards for our own operations but also mandating our suppliers and other business partners to adhere to mandatory environmental and social criteria. We follow an integrated approach, including our entire value chain into our sustainability agenda.

Our efforts to respect human rights and environmental protection are primarily guided by internationally recognized standards and frameworks. As anchored within our Code of Conduct, we are committed to comply with applicable laws and regulations in the countries where we operate as well as to (1) the 10 principles of the UN Global Compact, (2) the OECD (Organization for Economic Cooperation and Development)



Guidelines for Multinational Enterprises, (3) the UN Guiding Principles on Business and Human Rights and (4) the Science Based Targets Initiative (SBTi).

## Procedure to fulfill SCDDA due diligence obligations

As Sandvik Holding GmbH, we take a holistic approach by considering our entire supply chain and own business area for SCDDA due diligence obligations. To implement our human rights and environmental obligations, we use a standardized risk management process with clear organizational responsibilities and measurable KPIs to monitor our performance.

### Risk analysis (direct suppliers and own business area)

We conduct a risk analysis for our entire own business area and the direct supplier base on a continuous basis, at a minimum, once per year. The risk analysis is conducted by Sandvik Holding GmbH for all its subsidiaries regardless of whether they are in Germany or abroad.

For the direct supplier base, a systematic assessment approach is implemented company-wide utilizing an external sustainability risk rating platform to screen suppliers for inherent risks based on country and industry related risk factors. Identified medium to high-risk suppliers are subject to a further qualitative assessment to verify the results on a case-by-case basis. This is ensured by requesting selected suppliers to perform a detailed sustainability assessment.

In our own business area, after creating transparency about the nature and scope of our business activities, a qualitative assessment is carried out regarding human rights and environmental risks. These risks are individually identified, weighted, and prioritized. Criteria such as the influence on the originator of the risk, the severity of the duty violation and the probability occurrence are considered.



## Preventive measures and remedial actions

Based on the results of the risk analysis selected preventive measures and remedial actions are defined and implemented within the direct supplier base and the own business area, to mitigate identified human rights and environmental-related risks. The effectiveness of these implemented measures is reviewed on a regular basis and adjustments are made if necessary. First preventive measures, as for example the Supplier Code of Conduct are already implemented as a mandatory document to be signed by all direct suppliers. In our own business area, we initiated preventive measures through our Code of Conduct, our Sustainability Policy and various further CSR-related guidelines.

## Indirect suppliers

All components described in the procedure to achieve compliance with human rights and environmental due diligence obligations apply to our own business area as well as to our direct suppliers. If we become aware of violations by indirect suppliers, we take appropriate measures to mitigate their impact.



# Prioritized human rights and environmental risk clusters

Based on the initial risk analysis performed for the Sandvik Holding GmbH, a generally low to moderate risk profile for human rights and environmental-related risks was identified within the direct supplier base. The initial risk analysis within the own business area revealed a low risk profile for all assessed subsidiaries.

Nevertheless, within our detailed due diligence approach we place particular emphasis on the following prioritized human rights and environmental aspects that are of great importance to our industry, in addition to the standards already established:

## Discrimination against employees

We reject any form of discrimination or harassment based on ethnic or social origin, gender, religion, age, health status, sexual orientation, gender identity, skin color, political conviction, nationality or other protected characteristics. We are committed to promoting diversity and to ensuring a working environment in which mutual respect and acceptance are essential values. We champion people, our goal and targets of Zero Harm are governed by our environment, health & safety policies, and our people policy. Our people-centered targets with focus on safety, health, diversity, equity and inclusion, are monitored on group level.

## Disregard of occupational health and safety

The health and safety of our employees is of the utmost importance to us. For this reason, we are committed to creating a safe working environment and to complying with applicable health and safety standards. With these provisions, we ensure a safe and health-promoting working environment in which the health of employees is maintained, accidents and injuries are avoided, and absenteeism is reduced. In case we become aware that the given requirements are not being complied with, particularly at direct suppliers, we take appropriate countermeasures.



## Environmental damage with human rights implications

We are committed to environmental protection and place the highest value on compliance with environmental protection standards to minimize and prevent the negative impact of our daily business on the environment. We are aware of the fact that all our business activities have an impact on the environment and the climate. Therefore, we are committed to strictly adhere to all environmental standards in all our activities and are preventively addressing all environmental impacts with potential consequences for human rights. Furthermore, annual targets are set on climate mitigation to reach Net Zero and be in line with our Global sustainability objectives for the Sandvik Group. Purchasing such as energy and internal transports is done in a way that supports our long-term Net Zero target, focusing on three primary areas, reducing consumption, increasing efficiency, and reducing GHG emissions. We encourage all our suppliers to commit to science-based targets through our Supplier Code of Conduct. Accepting and complying with the Supplier Code of Conduct is a prerequisite for doing business with us, and a basis for ensuring a sustainable supply chain.

## Expectations towards employees and suppliers

We expect all our employees to behave appropriately towards colleagues, business partners and communities in accordance with our defined principles. We also expect all our business partners to establish appropriate structures for respecting human rights and environmental standards and to pass these on to their respective business partners to ensure the integrity of our entire supply chain. In case a violation of human rights or environmental obligations occurs in our value chain, appropriate remedial action will be taken. Depending on the severity of the violation or in the event of proven violations of the law, we reserve the right to refer the violation to the authorities.



# Continuous improvement

The goal of Sandvik Holding GmbH is to create long-term added value through sustainability and to raise awareness of this issue through continuous communication. Therefore, this policy statement is regularly reassessed and updated in relation to human rights and environmental protection along our continuous improvement process.

January 24, 2024

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\*The original policy statement has been signed