

# SANDVIK CANADA, INC.

## BILL S-211 REPORT

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act)

For the fiscal year ended December 31, 2023



May 27, 2024

**Sandvik Canada, Inc. Bill S-211 Report**

## INTRODUCTION

At Sandvik Canada, Inc. (“SCI”) we have a long history of ethical and responsible business conduct. We recognize that safeguarding human rights across our companies, operations and supply chain is an area of great importance to our employees, customers, suppliers, shareholders, and the communities where we operate.

Sandvik Group has a zero-tolerance approach to the abuse of human rights and will continue to take steps to identify, report, address and ultimately eliminate any exploitation of vulnerable people with who we engage, directly or indirectly here in Canada or overseas.

This statement is made pursuant to the Australian Government’s Modern Slavery Act 2018 (the Act) and for the most part covers the 2023 calendar year. Financial Statements submitted relate to taxation year 2022 as we are still finalizing the 2023 statements.

This statement forms part of Sandvik Canada’s first Bill S-211 Report and it sets out the information required by the Act and describes the risks in our business and supply chain, our responses to those risks, and how we evaluate the effectiveness of our management responses.

Our statement is made in line with Sandvik’s Code of Conduct, which describes the principles of behaviour that all our employees aspire to and provides us with practical guidance in our actions and everyday business decisions.

SCI takes its obligations to addressing forced labour and child labour very seriously. The business adheres to Sandvik Group’s global Code of Conduct and pursuant to this undertakes to comply with the strictest legal and moral standards in the conduct of its operations.

## WHO WE ARE

Sandvik Canada, Inc. was incorporated in 1928 and it is a wholly owned subsidiary of Sandvik Finance B.V. We are a high-tech engineering company with approximately 625 employees across Canada. We have a strong focus on enhancing customer productivity, profitability, and sustainability for the manufacturing, mining, and infrastructure industries. Investments in R&D are made at the Business Area (“BA”) level, and this has enabled us to achieve world-leading positions in the following areas:

- Tools and tooling systems for industrial metal cutting
- Equipment and tools, service and technical solutions for the mining and construction industries
- Advanced stainless steels and special alloys as well as products for industrial heating

## Value-Creating Offerings:

Business areas  
and divisions

52%

Share of revenues

53%

Share of adjusted EBITA



### Sandvik Mining and Rock Solutions

A global leading supplier of equipment and tools, parts, service, digital solutions and sustainability-driving technologies for mining and infrastructure industries.

#### Divisions

- Digital Mining Technologies
- Ground Support
- Load and Haul
- Mechanical Cutting
- Parts and Services
- Rock Tools
- Rotary Drilling
- Surface Drilling
- Underground Drilling

9%

Share of revenues

6%

Share of adjusted EBITA



### Sandvik Rock Processing Solutions

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

#### Divisions

- Stationary Crushing and Screening
- Mobile Crushing and Screening
- Attachment Tools

39%

Share of revenues

41%

Share of adjusted EBITA



### Sandvik Manufacturing and Machining Solutions

A market-leading manufacturer of tools and tooling systems for advanced metal cutting, expanding into digital manufacturing and software solutions, as well as technologies such as additive manufacturing and in-line metrology.

#### Sandvik Machining Solutions<sup>1</sup>

- Sandvik Coromant
- Seco
- Walter
- Dormer Pramet
- Powder Solutions
- Tool Flow Solutions
- GWS<sup>2</sup>

#### Sandvik Manufacturing Solutions<sup>1</sup>

- Design and Planning Automation
- Industrial Metrology

1) Business area segments

2) As of January 1, 2024

Adjusted EBITA is excluding Group activities and items affecting comparability.

SCI is a legal entity comprised of several notional companies that cater to the mining, construction, automotive, aerospace, manufacturing, general engineering, and oil and gas industries. SCI enjoys a presence across the nation with offices in Miramichi, Chateauguay, Mississauga, Val d'Or, Timmins, Winnipeg, Creighton, Saskatoon, Whitehorse, and Surrey. The company has one production unit situated in Winnipeg,

Manitoba which manufactures underground ITH drills, compressors, boosters, pipe handlers in addition to the assembly of BEV trucks and loaders. SCI's business activities are chiefly in sales and distribution.

## **OVERVIEW OF OUR APPROACH**

As a successful supplier of equipment, tools, and technical solutions SCI has connections with hundreds of suppliers, partners, and subcontractors in a range of countries. The complex nature of these interactions means a variety of different measures are required to identify and eliminate possible inputs tainted by Forced Labour and Child Labour.

Our approach to combatting this relies upon a strong company strategy, excellent culture and awareness, effective governance tools (i.e., The Sandvik Way, Code of Conduct, Core Values) and a clear sustainability agenda. Our journey into identifying these risks is ongoing and we leverage our BAs and the Sandvik Group to ensure that we act with integrity and in compliance.

### **The Sandvik Group:**

The commitment to human rights and fair labour conditions is confirmed in the Sandvik Group's Code of Conduct and Supplier Code of Conduct. These guiding documents endorse key international frameworks, including the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Sandvik Code of Conduct, aligned with our core values, serves as a guide in the identification, prevention and mitigation of risks associated with human rights and fair labour conditions.

Our work on human rights and fair working terms is integrated into our regular processes and procedures in different ways. For example, we support children's rights and the right to education. Every employee has the right to join a union and be covered by a collective agreement. Speak Up is our grievance mechanism that is available for employees and external partners for our entire value chain.

### **Sandvik Canada, Inc.**

The company is committed to engaging in employment practices that meet all ethical and legal standards. Similar to its internal commitment to preventing child labour and forced labour, SCI expects its suppliers to share and uphold these same commitments across their business operations as well. We do this through our Supplier Code of Conduct and Conflict of Interest documents which must be executed and adhered to prior to partnering with SCI.

SCI divides its supply chain into two categories: direct and indirect procurement. Direct procurement involves the procurement of goods, material and services directly related to the production of goods and/or services that the business is offering. Indirect procurement, meanwhile, relates to purchase of goods and services required to operate the business.

### ***Forced Labour***

All workers across SCI's operations and its suppliers' operations must work under voluntary conditions. SCI will not use any form of forced or involuntary labour, including prison labour, indentured labour, bonded labour, military labour, slave labour or any form of human trafficking.

### ***Child Labour***

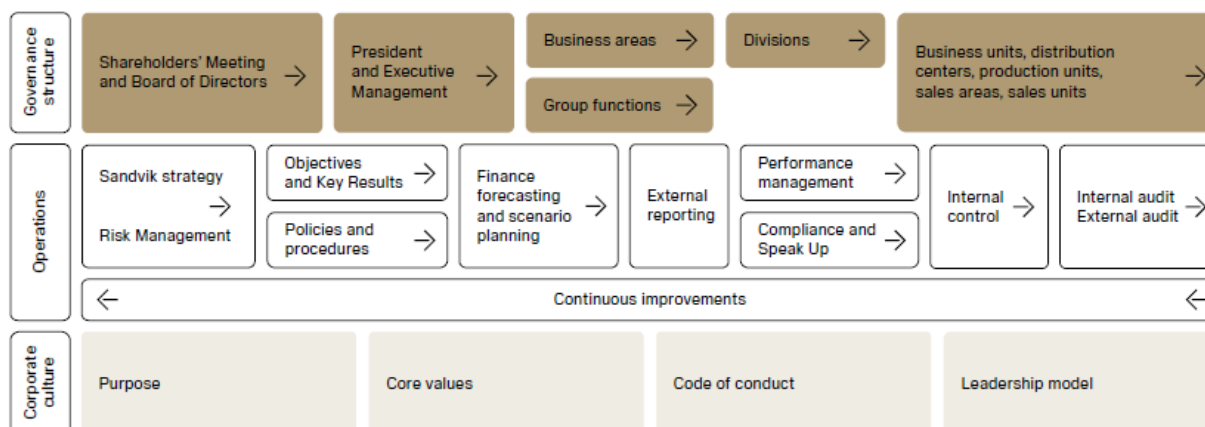
The use of child labour that contravenes local labour laws within the company's operations or by the company's suppliers is strictly prohibited. Management is responsible for ensuring that child labour does not occur at any of the company's locations as well, they are responsible for managing the risk of child labour in the company's supply chain relationships.

The board of directors for SCI also bear oversight for ensuring that the company is compliant, and this oversight is channeled through the company's Managing Director (MD).

## **CORPORATE GOVERNANCE AT SCI**

SCI is run under a corporate governance framework known as the Sandvik Way. The framework is based on three segments, as set forth in the model below and it describes how common ways of working have been implemented throughout the entire organization.

## The Sandvik Way



### Governance Structure

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

The Sandvik Way is implemented in the respective business areas, with additional requirements cascaded down in the operational structure of each business area.

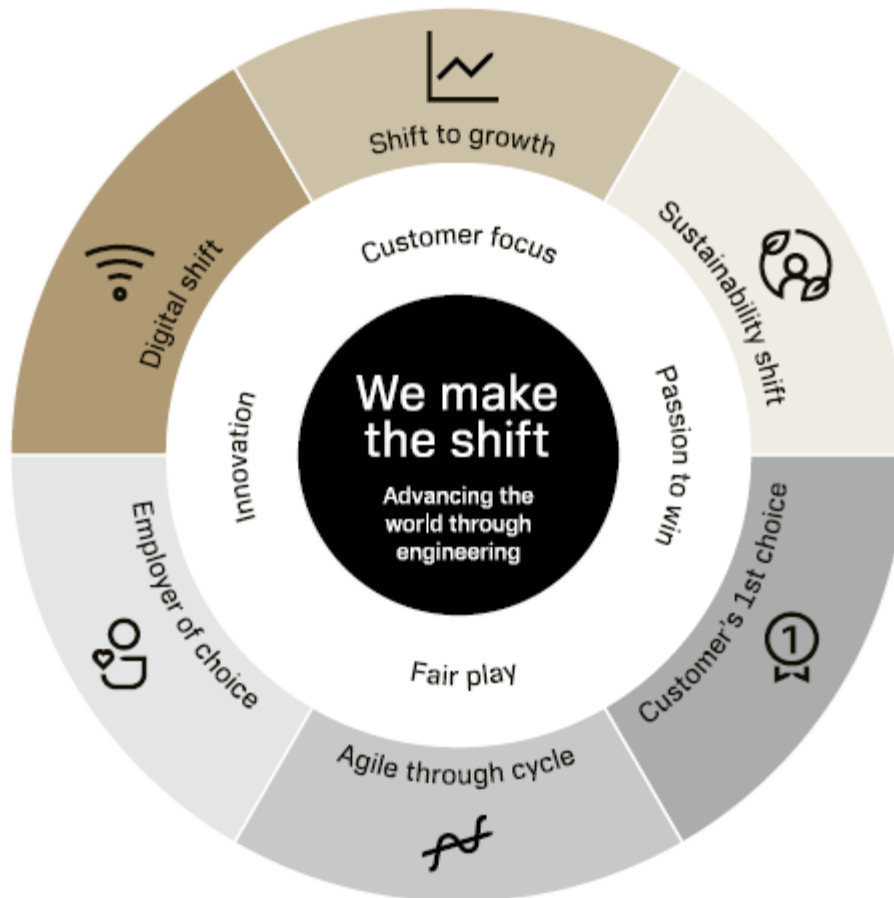
### Operations

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

### Corporate Culture

This segment sets the foundation for how we all shape our culture in the company and enable a customer-oriented and responsible business. Our operational controls and risk frameworks are supported by the ambitions and requirements of our purpose, core values, Code of Conduct and leadership model.

Our core values of customer focus, innovation, fair play and passion to win represent the essence of the Sandvik culture. Together with the purpose "We make the shift" and the Code of Conduct, they guide us in our daily business decisions and form a solid platform for our strategy.



*Sandvik Canada, Inc.'s Operations*

The company's employees are required to review and sign off on the company's Code of Conduct when onboarded, and to ensure it is upheld with all employees in each of the company's operating facilities. Violations of the company's policies will result in the company taking effective remedial actions, such as disciplinary actions up to and including termination. It is also expected that every employee completes a refresher training on our Code of Conduct every three years.

The company also has mandatory training and tracks completion rates on its employees for the following courses: Code of Conduct, Anti-Bribery and Corruption, Discrimination and Harassment and Competition Law.

The company assesses risks of forced labour or child labour across its supply chain, and determines priorities based on areas of highest risk. Since labour practices can vary significantly by geographic location, industry and business activity, the company continually assesses and monitors its own operations, and our supply chain partners to mitigate and manage these risks.

In accordance with the subsidiary governance policy, the SCI Board of Directors meets annually to review a non-exhaustive list of board agenda items to ensure adequate compliance and governance.

### *Supplier Due Diligence and Risk Management*

At Sandvik, we will not risk cooperating with suppliers non-compliant to our Supplier Code of Conduct. Sustainability risk screening, and risks of violation of the Sandvik Supplier Code is a key area of Sustainable Supplier Management at Sandvik. To ensure this we have chosen EcoVadis, a global sustainability rating company, to help us evaluate how well our suppliers comply with our Supplier Code of Conduct. Risk screening is a continuous process and is carried out in the IQ tool and Sandvik is informed of any changes in their risk level. Risk rating is based on the supplier's inherent country and category risks, spend classification and supplier criticality for Sandvik. The criticality aspect is provided by Sandvik sourcing.

### **SUMMARY**

SCI remains committed to preventing child labour and forced labour within the company's operations and by its suppliers. SCI is committed to engaging with its employees, suppliers and stakeholders on these concerns and continues to strengthen its approach to reducing the risks associated with forced or child labour in the company's operations and supply chains while always ensuring compliance with applicable labour laws.

**Reporting Entity's Legal Name:**

Sandvik Canada, Inc.



**Financial Reporting Year:**  
2022

For the year ended December 31,

**In accordance with the requirements of the Act, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.**

I have the authority to bind Sandvik Canada, Inc.

**Date:** May 31, 2024

DocuSigned by:  
*Jackie Richter*  
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**Jackie Richter**  
**Director and Country Holding Officer**

DocuSigned by:  
*Claudia Stanic*  
CE7252519A4244B

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**Claudia E. Stanic**  
**Director**