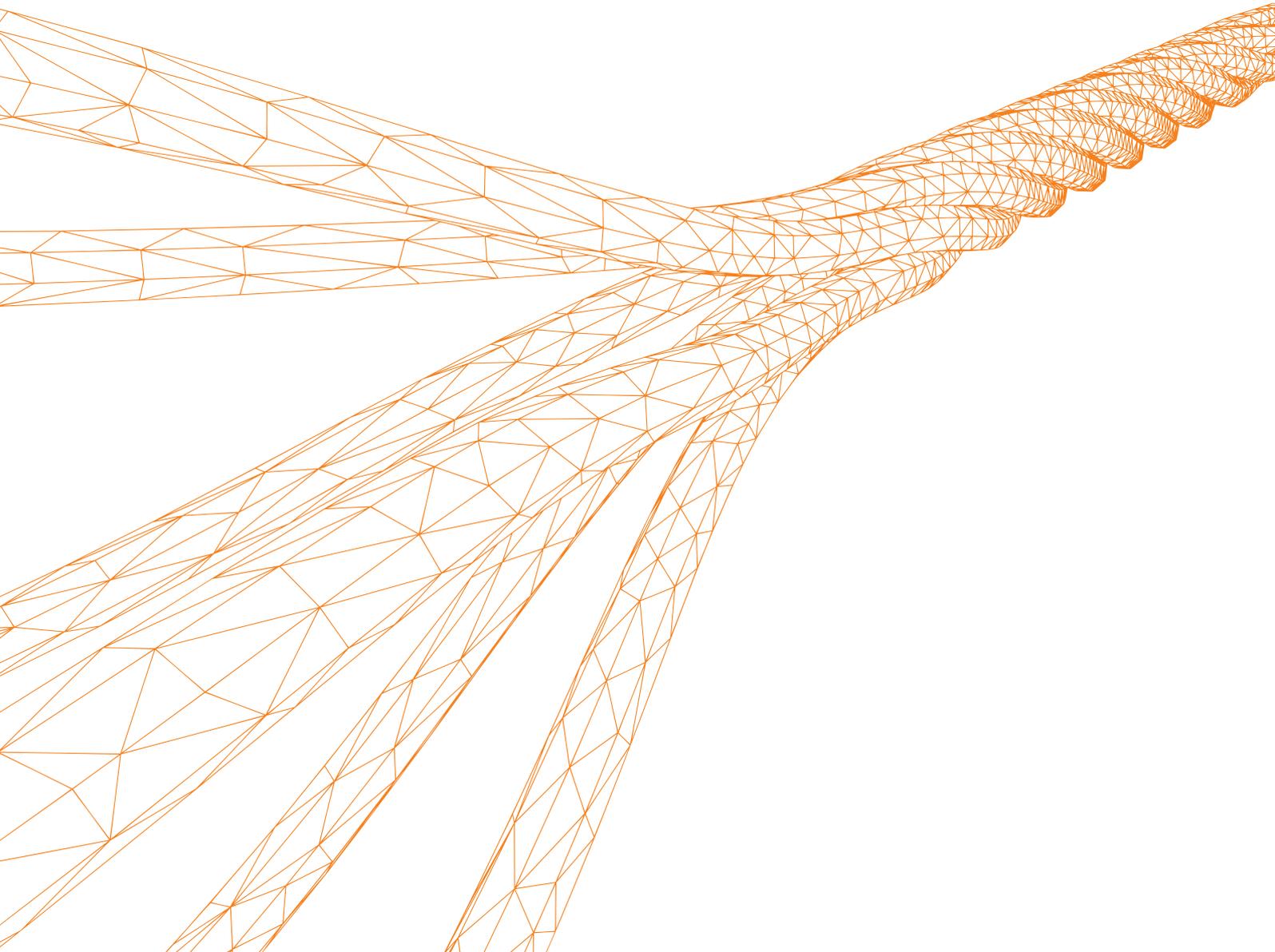




BUSINESS PARTNER CODE OF CONDUCT



INTRODUCTION

SANDVIK BUSINESS PARTNER CODE OF CONDUCT
VERSION 1 , APPROVED IN 2015

Sandvik is committed to the fundamental principles on human rights, labor rights, the environment and the fight against corruption throughout our operations. This also includes building sustainable relationships with our Business Partners.

In our daily business and throughout our operations, we support 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, in which we participate.

We are committed to adhering to these principles and also to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We believe that by doing so, we create a solid foundation for a sustainable future for us and our stakeholders. We take responsibility for the Business Partners which we cooperate with and expect from them the same level of integrity, honesty and ethical behavior as they can expect from us.

Together, we must take into consideration the economic, environmental and social impact our activities have on our world.

Sandvik's core values are Customer Focus, Innovation, Fair Play and Passion to Win. They are the soul of our company. They guide us in our actions and daily business decisions. We have therefore developed this Business Partner Code of Conduct ("The Business Partner Code") and we require our Business Partners to make every effort to comply with it. It applies to our Business Partners and our entire supply base including suppliers, contractors, distributors, and agents, hereafter referred to as ("Business Partners").

OUR CORE VALUES



CUSTOMER FOCUS

We constantly strive to exceed our customers' expectations and enable them to excel in their business.



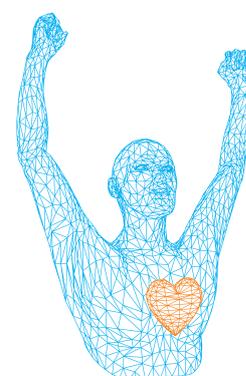
INNOVATION

We shape the future by creating pioneering solutions throughout our operations.



FAIR PLAY

We conduct business in a sustainable and responsible manner.



PASSION TO WIN

We are passionate about making our company number one.

REQUIREMENTS

1. LEGAL COMPLIANCE

Ensuring awareness of, and compliance with, relevant legal requirements is the baseline for complying with The Business Partner Code. We expect our Business Partners to be updated on, and comply with, applicable international regulations and conventions, as well as regional and national legislation.



Business Partners shall:

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| <p>1.1 Comply with relevant legislation regarding human rights, labor rights, working conditions, health and safety, environment, tax and anti-corruption practices, as well as the requirements set out in this document, and obtain all legally required permits, licenses and registrations.</p> <hr/> | <p>1.3 Be aware of whether any domestic regulation or its enforcement is in conflict with international human rights standards, and strive to honor the spirit of universally recognized human rights.</p> <hr/> |
| <p>1.2 In cases where local laws or regulations provide a stronger protection than the requirements in The Business Partner Code, allow such local laws or regulations to prevail.</p> | <p>1.4 Be able to demonstrate their compliance with local legal requirements upon request.</p> |

2. HEALTH AND SAFETY

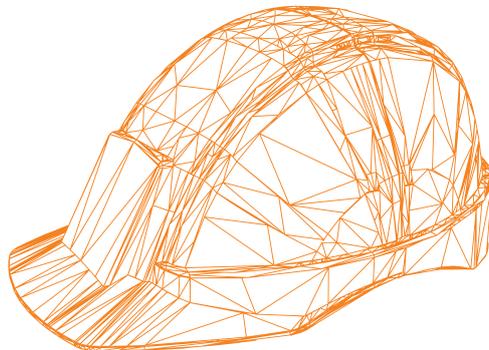
“Safety First” is a fundamental operating principle at Sandvik.

Business Partners shall provide a safe and healthy working environment and take all practicable steps to prevent incidents and injuries.

Business Partners must have an adequate, risk-based health and safety program, including, for example, a health and safety policy, relevant instructions and training that is understandable to all employees.

The scope of the health and safety program must be appropriate in relation to the nature of the business and risks related to the business.

The program must include, at minimum, the following activities:



Business Partners shall:

2.1 FIRE SAFETY

Ensure that all work premises are regularly checked in order to maintain fire safety on an everyday basis.

Ensure that functioning fire alarms, adequate firefighting equipment, clearly marked and accessible evacuation routes and emergency exits are maintained based on the size of the facility, the extent and nature of the activities performed, as well as the potential risk of injury and fire.

Ensure that fire and evacuation drills are carried out regularly.

Implement procedures and systems to manage, track and report occupational injury and illness.

Ensure that relevant first aid kits are easily accessible, and that employees with training in first aid are available.

Ensure that employees do not work under the influence of drugs and/or alcohol.

2.2 HEALTH AND SAFETY

Identify and assess health and safety risks, and minimize their impact, by implementing emergency plans and response procedures.

Ensure that all employees are protected from exposure to potential health and safety hazards.

Ensure that hazard identification, risk assessment and determination of necessary control measures are in place.

Ensure that relevant and functioning personal protective equipment is provided, free of charge, to all employees.

2.3 WORKPLACE CONDITIONS

Ensure that the work premises are clean, well lit, adequately ventilated and kept at acceptable temperatures and noise levels.

Provide free access to clean drinking water, hygienic toilets and clean areas to eat meals.

2.4 RESIDENTIAL FACILITIES

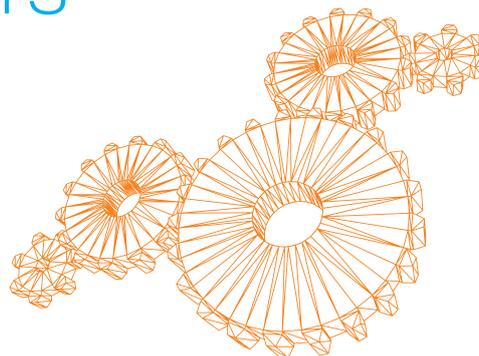
If accommodation is provided, ensure that each employee have the right to his/her own bed.

Provide separate sleeping areas, toilets and showers for men and women.

Ensure that all requirements as listed under 2.1 are met for accommodation and canteens.

3. LABOR AND HUMAN RIGHTS

It is of great importance that our Business Partners treat their employees fairly, with dignity and respect, and that they respect human rights and avoid causing, contributing to or being linked to other parties' involvement in abuse of or adverse impact on labor and universally recognized human rights.



Business Partners shall:

3.1 CHILD LABOR

3.1.1 Not use, or support any use of, child labor and child exploitation.

Establish a system to ensure that no children are employed, including systematically checking and maintaining copies of age verification documentation for all new employees.

The minimum age for admission to work is 15 years old (or 14 if allowed by national law), or the legal age for employment if that is higher than 15.

Ensure that all new employees have completed compulsory school before entering into employment.

3.1.2 Develop written procedures for child labor remediation in case children are found to be working at a company site.

Ensure that such procedures are established in the best interest of the child, including adequate financial and other support to enable children to attend and remain in school.

3.1.3 Protect all young workers (below 18 years old) from performing any work that may be harmful to their health or their physical, mental, social, spiritual or moral development, and do not allow them to perform night shift work.

3.1.4 Comply with all laws and regulations governing apprenticeship programs.

3.2 FORCED LABOR

3.2.1 Not engage in or support the use of any form of forced, compulsory or illegal labor, including trafficking, prison labor or bonded labor.

3.2.2 Ensure that all overtime work is consensual, unless necessary and mandated according to local laws.

Allow employees the right to leave their accommodation and workplace freely during their leisure time.

3.2.3 Not require that employees surrender original personal certificates or identification documents such as government-issued identification, passports or work permits, as a condition of employment at any time.

3.2.4 Not use unlawful disciplinary practices, for example, financial penalties such as unfair or illegal deductions from wages, withholding wages or discontinuing benefits as a disciplinary measure.

3.2.5 Not use any deposits, fees, fines, loans or repayment agreements to prevent employees from leaving their employment upon providing reasonable notice.

Ensure that repayment agreements shall be foreseeable, reasonable and limited in time.

3.2.6 Ensure that migrant workers are treated fairly and on an equal basis with local employees.

Business Partners shall:

3.3 HARASSMENT, HARSH OR INHUMANE TREATMENT

Not tolerate any physical or mental harassment or abuse, expressed verbally or non-verbally through gestures, including harsh or inhumane treatment, coercion, detention, or unwanted sexual advances, nor tolerate any threats of such treatment.

Prohibit public warnings and punishment systems.

3.4 DISCRIMINATION

3.4.1 Not discriminate in hiring and employment practices.

This includes, for example, promotion, benefits, access to training, layoffs, contract terminations, whether active or by means of passive support on the grounds of age, ethnicity, national or social origin, religion, gender, sexual orientation, marital or parental status, pregnancy, disability, union membership, political affiliation, serious illness or any other condition that could give rise to discrimination protected by applicable law or ILO Conventions.

3.4.2 Ensure that employees with the same experience and qualifications receive equal pay for equal work and equal opportunities.

3.5 WORKING HOURS

3.5.1 Divide working hours into normal working hours and overtime hours.

3.5.2 Record all working hours accurately and in a comprehensible manner.

3.5.3 Comply with applicable laws and industry standards on working hours.

In any event, employees shall not, on a regular basis, be required to work in excess of 8 hours per day or 48 hours per week as normal working hours.

3.5.4 Not request overtime on a regular basis.

All employees shall be provided with at least one day off for every seven-day period, and have sufficient time to rest between shifts.

Ensure that overtime work does not exceed local legal limits or 12 hours per week.

3.6 COMPENSATION AND BENEFITS

3.6.1 Comply, at a minimum, with all laws and regulations relating to wages, including minimum wages, overtime wages, piece rates and other elements of compensation, and provide legally mandated benefits, including social insurance.

3.6.2 Ensure that all employees are paid at least the statutory minimum wage.

3.6.3 Pay wages regularly, directly to the employee, at the agreed time, and in full.

3.6.4 Record all wages accurately, and provide all employees with a payslip clearly stating all parts of the salary in a comprehensible manner, including overtime compensation, hours worked, benefits, legal deductions, bonuses and other relevant posts.

3.6.5 Ensure that all employees have the right to paid statutory holidays and legally stipulated leaves, including paid sick leave and parental leave, without any negative consequences.

3.7 EMPLOYMENT CONDITIONS

Inform all employees of their employment conditions, including rights and obligations, in the employee's native language or a language they understand, for example in a written labor contract.

3.8 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Recognize and respect the right of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed.

Recognize the importance of open communication and direct engagement between employees and management.

Allow employees to appoint independent work representatives and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

Reversely, those employees who choose not to participate in workers' associations shall be respected for their choice.

Business Partners shall:

3.9 RIGHT TO REPORT CONCERNS

Ensure that all employees have the right to report concerns regarding compliance with legal requirements or company policy/rules to their employer without fear of reprisal.

3.10 RIGHT TO PROPERTY

3.10.1 Be the legal and rightful owner/user of the property on which they operate, according to local laws.

3.10.2 Avoid any negative social, environmental or economic impacts from land acquisition, involuntary resettlement or restrictions on land use.

3.10.3 In the event of expropriation or imposed relocation, ensure that adequate compensation is negotiated in a transparent manner, with the goal to maintain the livelihoods and standards of living of the persons concerned.

3.11 CONFLICT-FREE ORIGIN OF MINERALS

3.11.1 Sourcing of minerals from conflict-affected and high-risk areas

- Be conscious of the possible link between the production of raw materials and armed conflict or gross violation of human rights.

Supply chains that either directly or indirectly contribute to conflicts are unacceptable.

This applies to all stages of the supply chain.

- If our suppliers source from conflict-affected or high-risk areas, follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- Depending on your position in the supply chain, source raw materials from responsible sources only, or undertake reasonable measures to understand, and when necessary, influence your supply chains towards responsible sourcing.

Since arbitrary disengagement from conflict areas may cause negative consequences to the local population, Sandvik encourages ethical sourcing of minerals from these areas.

3.11.2 Compliance with Section 1502 of the Dodd-Frank Act

- In order to help our customers comply with the provisions of the SEC¹ Conflict Minerals Rule with respect to the supply chains of products containing tin, tantalum, tungsten or gold as covered by the Dodd-Frank Act, and in addition to what has been outlined above, conduct a reasonable country of origin inquiry and follow internationally accepted due diligence guidelines to assure that supplies to Sandvik qualify as "DRC² conflict free" according to the SEC rule.
- Ensure that these minerals are traceable to smelter level at a minimum, and only conflict-free smelters as defined by CFSI³ and TI-CMC⁴ or, where applicable, other established industry schemes are used.
- Be aware that additional requirements may apply with respect to the supply of products containing conflict minerals according to the SEC rule.

3.11.3 Ensure that all efforts made pursuant to 3.11.1 and 3.11.2 are documented and made available to Sandvik upon request. Traceability data must be recorded and maintained for five years.

¹ U.S. Securities and Exchange Commission ² Democratic Republic of the Congo ³ Conflict-Free Sourcing Initiative

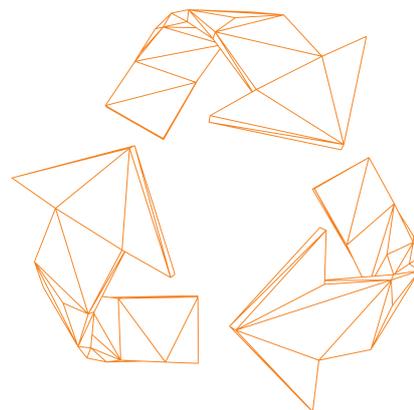
⁴ Tungsten Industry – Conflict Minerals Council

4. ENVIRONMENT

Protecting the environment and contributing to sustainable development is of great importance to Sandvik.

Business Partners shall actively strive to increase the positive and limit the negative impact of their operations and supply chain on the environment and society by establishing environmental plans that are focused on critical impacts on the environment.

The scope of these environmental plans must be appropriate in relation to the nature of the Business Partner business and risks related to the business.



Business Partners shall:

4.1 ENVIRONMENTAL RISK MANAGEMENT

Establish, implement and maintain a risk-based program to reduce or minimize any negative environmental impact from their activities, products and services.

4.2 PRECAUTIONARY MEASURES AND ENVIRONMENTALLY FRIENDLY TECHNIQUES

Take precautionary measures as soon as there is reason to believe that an action could harm the environment or human health, and strive to develop and support environmentally friendly techniques in their products, processes, designs and material selection.

4.3 POLLUTER PAYS PRINCIPLE

Pay the social and economic costs that arise from a Business Partner entity that causes damage to the environment.

4.4 PROGRAM ON ENVIRONMENTAL RESPONSIBILITY

Actively work with, and provide information and documentation pertaining to the following areas:

- Chemical and hazardous material management
- Waste management
- Emissions to air, water and soil
- Energy management
- Water consumption
- Transport and travel

Business Partner-specific requirements and targets related to environmental performance may be defined in commercial agreements.

5. ANTI-CORRUPTION AND COMPETITION LAW

Sandvik is committed to conducting business with high ethical integrity.

We have zero tolerance of corruption, including bribery, conflicts of interest, fraud, embezzlement, unlawful kickbacks, extortion and nepotism/cronyism, and we work actively to combat corruption.

We also respect competition laws which prohibit anti-competitive agreements and abuse of market power.



Business Partners shall:

5.1 ANTI CORRUPTION

Comply with local laws and international anti-corruption conventions and shall not engage in, or cause Sandvik to engage in, any form of corrupt practices.

Not make any illegal contribution, directly or indirectly, to any third parties or public officials.

Establish processes to prevent corruption, for example, by implementing an anti-corruption policy and by providing relevant training to their staff.

Avoid all direct potential conflict of interest while engaged with Sandvik.

Be aware that no Sandvik employee may offer or provide, directly or indirectly, any undue advantage to the Business Partner in exchange for personal gain of any kind.

Be aware that Sandvik will not accept any benefit intended for a Sandvik employee to facilitate the Business Partner's business with Sandvik.

5.2 COMPETITION LAW

Respect and comply with applicable competition laws and regulations, and establish systems to prevent competition law infringements, such as price fixing, market sharing or bid rigging, for example, by implementing a competition law policy and by providing adequate competition law compliance training to their staff.

MANAGEMENT SYSTEM

We encourage our Business Partners to strive towards continual improvement, and to establish, implement and maintain recognized management systems and standards related to the areas described in The Business Partner Code. Risk assessment, implemented policies, processes and routines, clearly communicated roles and responsibilities, relevant training and instructions, establishment and performance evaluation of measurable goals, along with functioning control systems, serve as the foundation for a successful implementation of The Business Partner Code.

MONITORING

All business relations between Sandvik and our Business Partners must be based on honesty, trust and cooperation. By accepting The Business Partner Code, the Business Partner commits to working proactively to meet these requirements within its own operations and supply chain. This should be achieved by cooperating in a transparent manner with Sandvik, for example by completing self-assessments and granting Sandvik personnel, or a third party of Sandvik's choice, access to relevant premises and information to conduct on-site audits, including permission to conduct interviews with employees and access to accurate and complete documentation and records related to The Business Partner Code. Any findings pertaining to the audit must be effectively remediated in a timely manner. We expect our Business Partners not to mislead us.

Violation of The Business Partner Code will cause negative impact on the business relation with Sandvik, including, but not limited to, the risk of contract termination.

It is the responsibility of the Business Partner to ensure that its sub-Business Partners comply with The Business Partner Code or comparable requirements. We require our Business Partners to evaluate and monitor their supply chain, and collect relevant information regarding the supply chain's compliance to be given to Sandvik upon request.

Sandvik treats all business and personal information received in a responsible manner and take measures to ensure that this information remains confidential.

We encourage our Business Partners to report violations of The Business Partner Code to Sandvik through our Speak Up system online, or by telephone. We encourage an active dialogue with our Business Partners on issues related to The Business Partner Code, or other questions concerning sustainability. We will do our utmost to respect and protect any person speaking up against violations of The Business Partner Code.

The English version of the Sandvik Business Partner Code of Conduct is the official version. Translations are available for reference at: www.sandvik.com